Marlington Deficit Spending

Deficit spending occurs when an organization spends more money than received in revenue during a specific period. This creates a budget deficit, meaning expenses exceed income. To remedy deficit spending, expenses must be decreased, revenue increased, or a combination of these.

An **operating surplus** occurs when an organization spends less money than received in revenue during a specific period.

	Fiscal Year 2019	**Fiscal Year 2020**	**Fiscal Year 2021**	**Fiscal Year 2022**	**Fiscal Year 2023**	**Fiscal Year 2024**	**Fiscal Year 2025**
Revenue	$22,922,579	$24,131,569	$25,299,696	$24,244,179	$24,557,187	$25,150,726	$28,973,254
Expenses	($23,315,075)	($23,587,626)	($22,777,459)	($22,080,522)	($23,500,960)	($23,896,865)	($25,781,315)
Operating Surplus/(Deficit) before transfers out	**($392,496)**	**$543,943**	**$2,522,237**	**$2,163,657**	**$1,056,227**	**$1,253,861**	**$3,191,939**
Operating Transfers Out*	($1,000,000)	($943,088)	($1,284,216)	($2,138,151)	($1,632,943)	($1,510,687)	($4,142,870)
Surplus/(Deficit) after transfers out	**($1,392,496)**	**($399,145)**	**$1,238,021**	**$25,506**	**($576,716)**	**($256,826)**	**($950,931)**

*From fiscal year 2021 through fiscal year 2025, the Marlington Board of Education has opted to transfer operating funds received from property taxes related to the Nexus pipeline to the Capital Projects fund for maintaining and improving facilities.

Why Deficit Spending Matters…

Deficit spending reduces the amount of cash available for future expenditures.

Cash Balance:							
Beginning	$8,503,022	$7,110,526	$6,711,381	$7,949,402	$7,974,908	$7,398,192	$7,141,366
Surplus/(Deficit)	($1,392,496)	($399,145)	$1,238,021	$25,506	($576,716)	($256,826)	($950,931)
Ending	**$7,110,526**	**$6,711,381**	**$7,949,402**	**$7,974,908**	**$7,398,192**	**$7,141,366**	**$6,190,435**