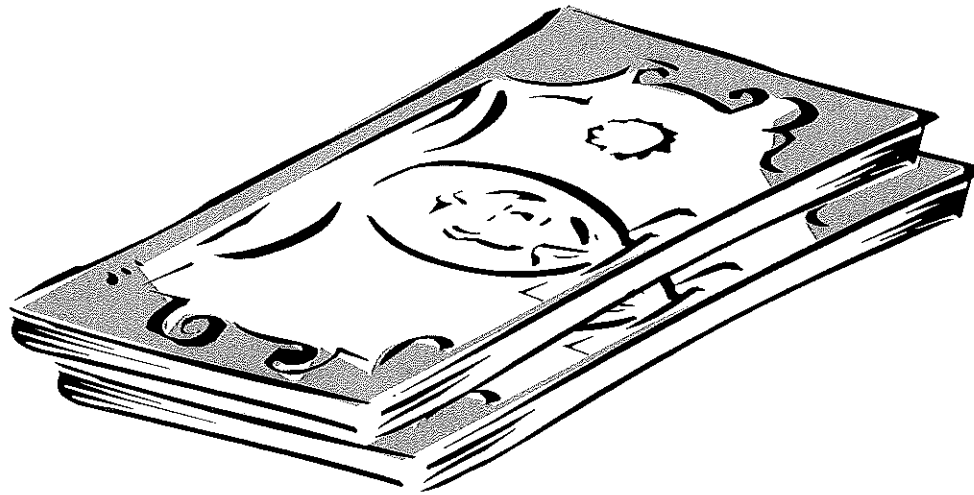


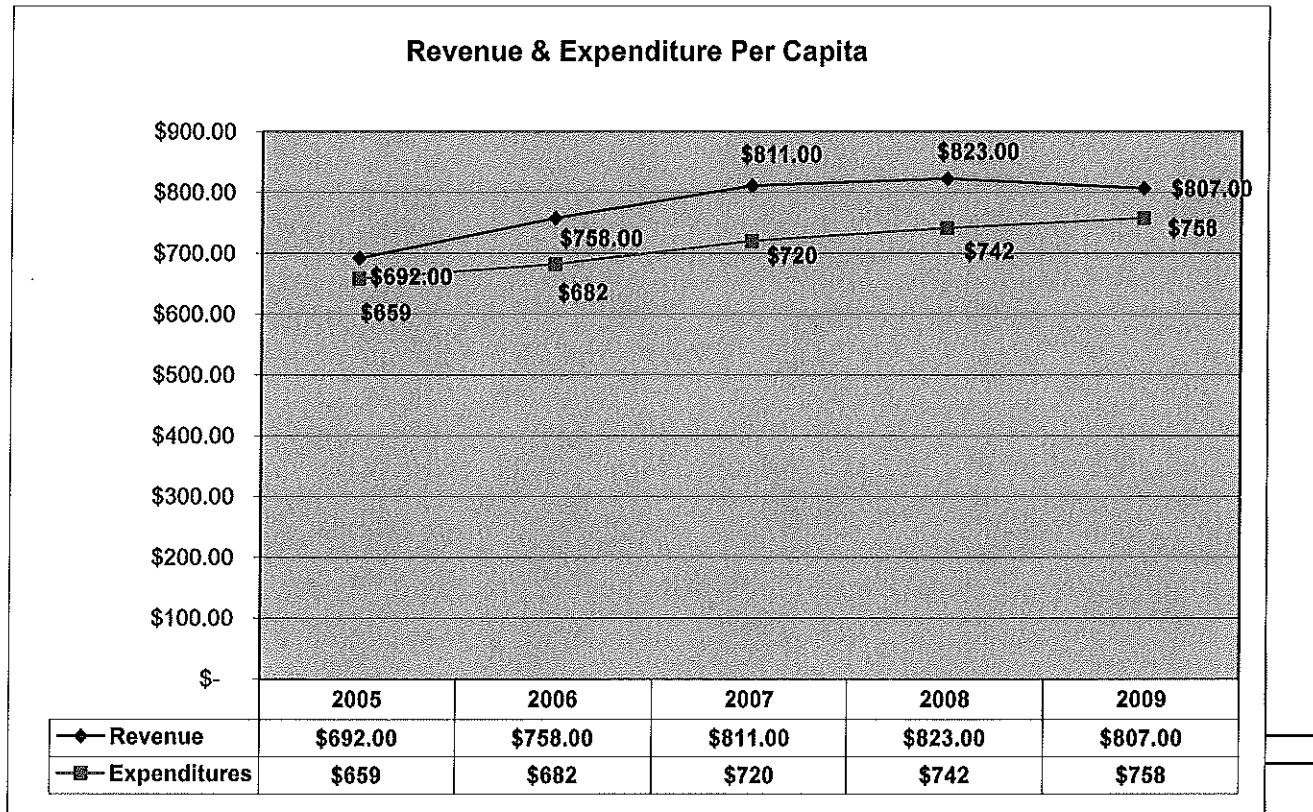
Township of Deptford  
5 Year Trend Analysis  
Years Ended December 31, 2005  
through December 31, 2009



Prepared by: Denise Rose

# Township of Deptford Financial Trend Monitoring System

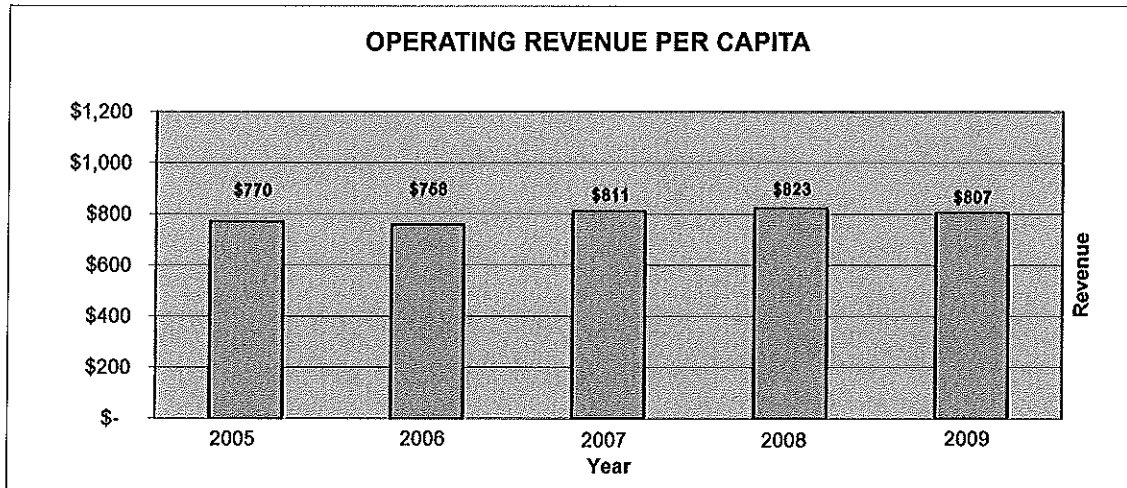
Warning Trend: Expenditure Per Capita greater than Revenue Per Capita



## Township of Deptford Financial Trend Monitoring System

Warning Trend: Decreasing  
Operating Revenue Per Capita

**Formula:**  
$$\frac{\text{Net Operating Revenue (Constant Dollars)}}{\text{Population}}$$



Year End	2005	2006	2007	2008	2009
Operating Revenue(Actual)	\$ 24,074,739	\$ 24,799,503	\$ 27,272,960	\$ 28,659,238	\$ 28,762,043
Population	28,943	29,088	29,233	30,979	31,134
Operating Revenue Per Capita	\$ 770	\$ 758	\$ 811	\$ 823	\$ 807

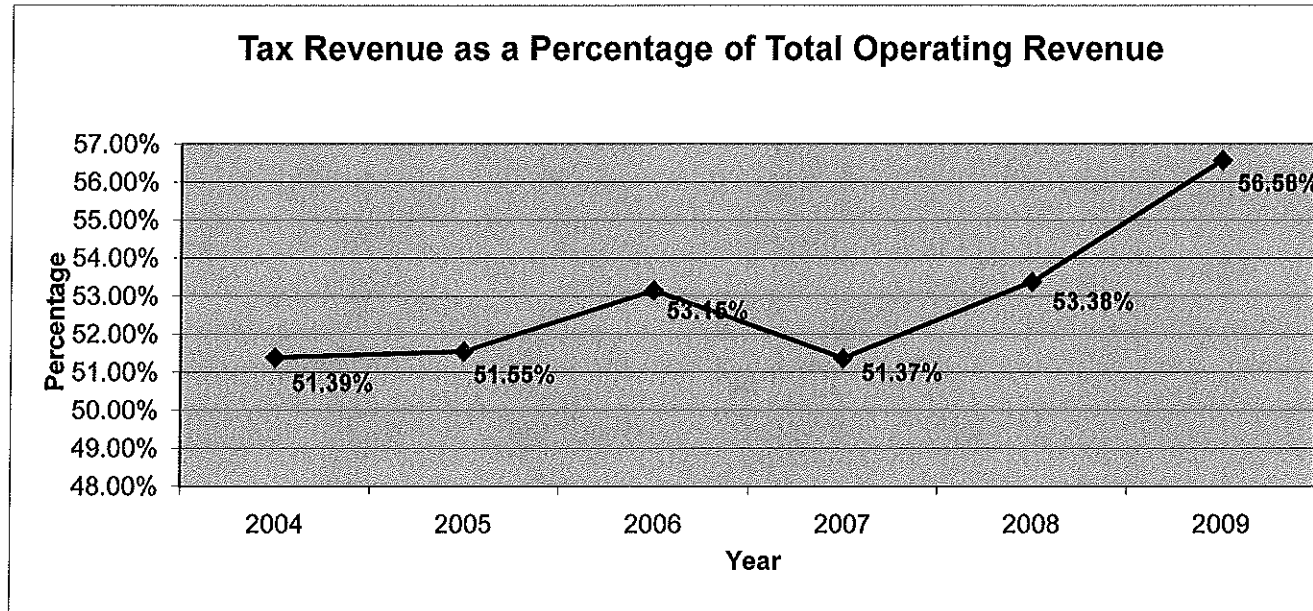
As population increases, it is expected that revenue and the need for service would increase proportionately. Per Capita Revenue shows change in revenue relative to population. For a municipality to remain financially stable, Revenue Per Capita should remain at least constant. Revenue Per Capita should be examined relative to Expenditure Per Capita

## Township of Deptford Financial Trend Monitoring System

**Warning Trend:** Steady increase in the reliance of tax revenue to balance the municipal budget

**Formula:**  

$$\frac{\text{Property Tax Revenue}}{\text{Total Operating Revenue}}$$



Year End	2004	2005	2006	2007	2008	2009
Total Operating Revenue	\$ 21,181,465.64	\$ 24,074,739	\$ 24,799,503	\$ 27,272,960	\$ 28,659,238	\$ 28,762,043
Property Tax Revenue	\$ 10,884,487	\$ 12,409,346	\$ 13,181,279	\$ 14,009,323	\$ 15,298,181	\$ 16,272,912
Percent of Total	51.39%	51.55%	53.15%	51.37%	53.38%	56.58%

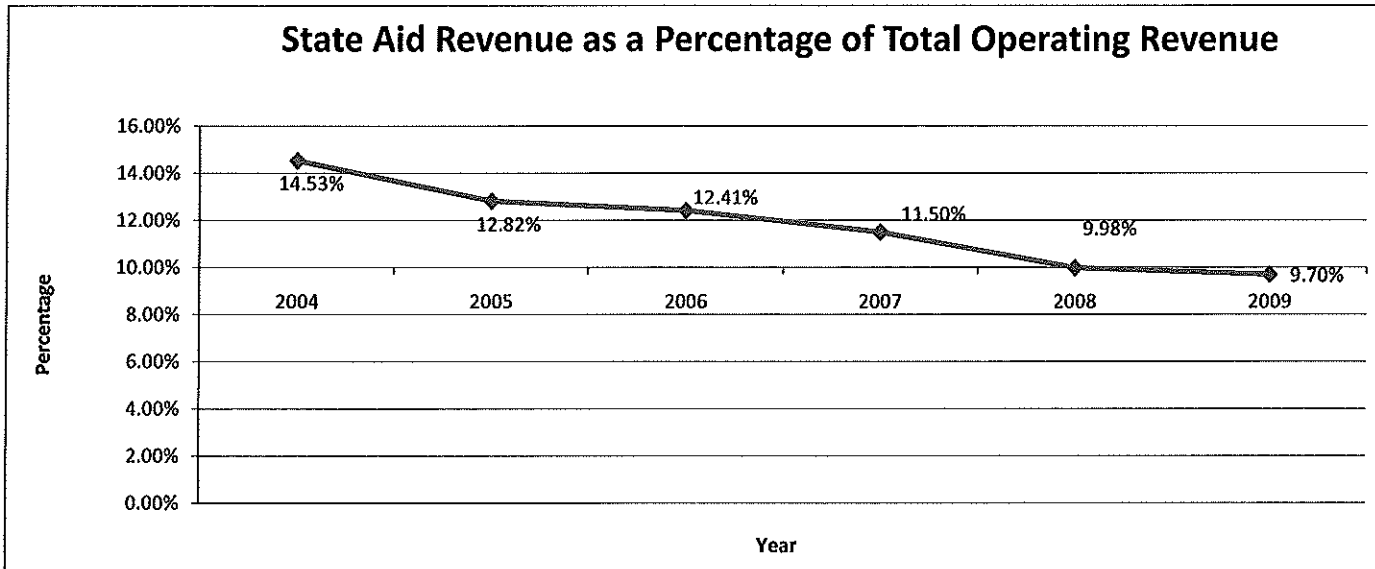
This indicator shows changes in revenue structure. Strong shifts in the percentage of any revenue source may be a warning of financial problems.

## Township of Deptford Financial Trend Monitoring System

**Warning Trend:** Decreasing amount of State Aid Revenue as a percentage of Total Operating Revenue

**Formula:**  

$$\frac{\text{State Aid Revenue}}{\text{Total Operating Revenue}}$$



Fiscal Year	2004	2005	2006	2007	2008	2009
Total Operating Revenue	\$ 21,181,466	\$ 24,074,739	\$ 24,799,603	\$ 27,272,960	\$ 28,669,238	\$ 28,762,043
State Aid Revenue	\$ 3,077,736	\$ 3,086,032	\$ 3,078,338	\$ 3,136,110	\$ 2,860,470	\$ 2,788,958
Percent of Total	14.53%	12.82%	12.41%	11.50%	9.98%	9.70%

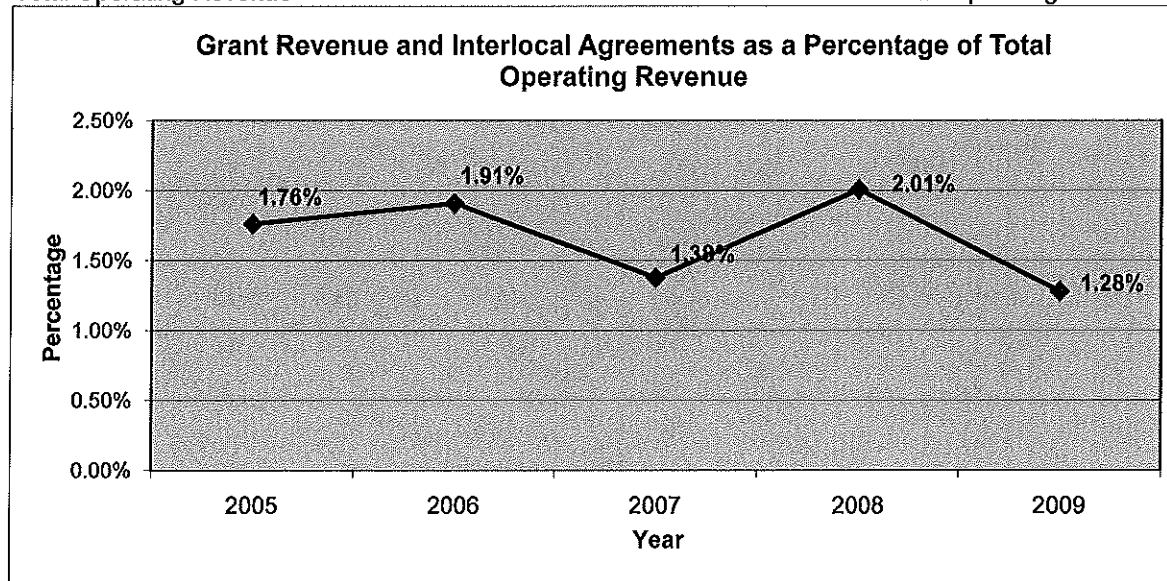
State aid includes: Legislative Initiative Municipal Block Grant, Consolidated Municipal Property Tax Relief Aid, Energy Receipts Tax and Garden State Preservation Program Aid. This revenue is not earmarked and may be allocated towards any purpose. Decreasing State Aid Revenue may create financial inflexibility and may signal an immediate financial weakness, however an overdependence may indicate future disruption.

## Township of Deptford Financial Trend Monitoring System

**Warning Trend:** Decreasing amount of Grant and Interlocal Agreement Revenue as a percentage of Total Operating Revenue

**Formula:**  

$$\frac{\text{Grant Revenue \& Interlocal Agreements}}{\text{Total Operating Revenue}}$$



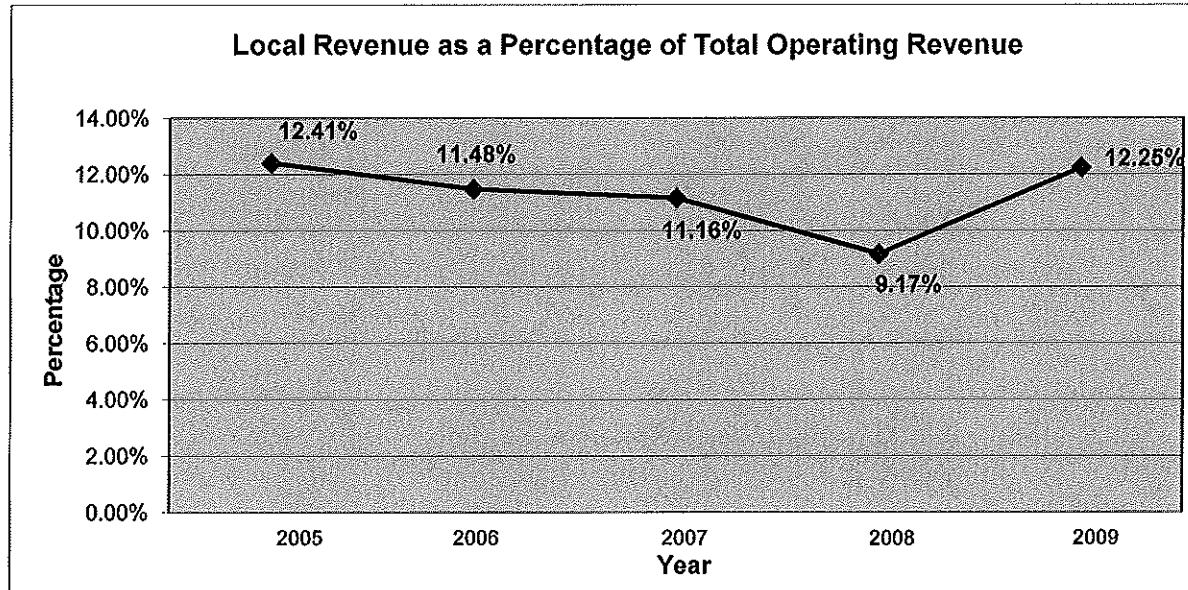
Year End	2005	2006	2007	2008	2009
Total Operating Revenue	\$ 21,624,438	\$ 24,799,503	\$ 27,272,960	\$ 28,659,238	\$ 28,768,043
Grant Revenue	\$ 381,121	\$ 473,241	\$ 375,493	\$ 575,174	\$ 368,409
Percent of Total	1.76%	1.91%	1.38%	2.01%	1.28%

Grants and interlocal agreements include Clean Communities, Municipal Alliance, Drunk Driving, Public Health Priority, Environmental Protection, Body Armor Replacement program and various programs for Police Services. The grants are earmarked for specific purposes often to implement State or Federal Programs. Decreasing Grant Revenue places a greater burden on the tax rate to balance the budget.

## Township of Deptford Financial Trend Monitoring System

**Warning Trend:** Decreasing amount of Local Revenue  
as a percentage of Total Operating Revenue

**Formula:**  
$$\frac{\text{Local Revenue}}{\text{Total Operating Revenue}}$$



Year End	2005	2006	2007	2008	2009
Total Operating Revenue	\$ 21,624,438	\$ 24,799,503	\$ 27,272,960	\$ 28,659,238	\$ 28,768,043
Local Revenue	\$ 2,683,569	\$ 2,847,996	\$ 3,044,556	\$ 2,628,668	\$ 3,522,965
Percent of Total	12.41%	11.48%	11.16%	9.17%	12.25%

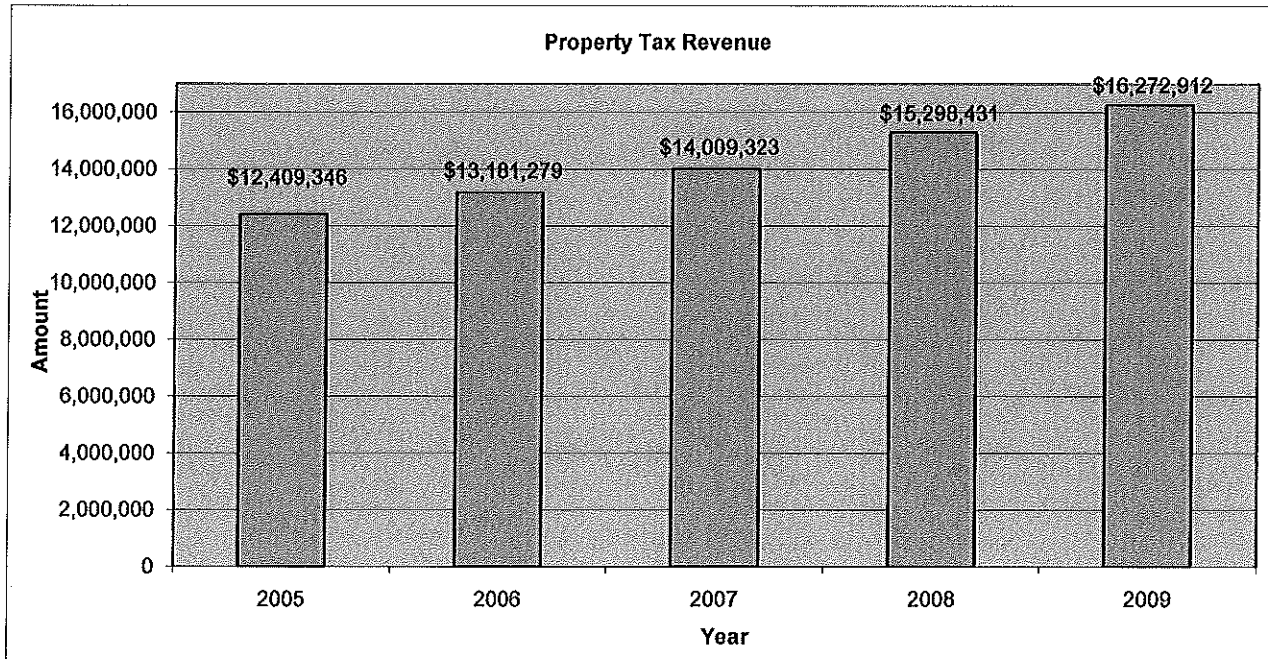
## Township of Deptford Financial Trend Monitoring System

**Warning Trend:**

Decline in total Property Tax Revenue

**Formula:**

Property Tax Revenue (Constant)



Year End	2005	2006	2007	2008	2009	
Property Tax Revenue (Actual)	\$ 12,409,346	\$ 13,181,279	\$ 14,009,323	\$ 15,298,431	\$ 16,272,912	#####
Dollar Change	\$ 610,353	\$ 229,050	\$ 449,416	\$ 1,433,653	\$ 601,421	
Percent Change	5.61%	1.99%	3.83%	11.78%	4.42%	

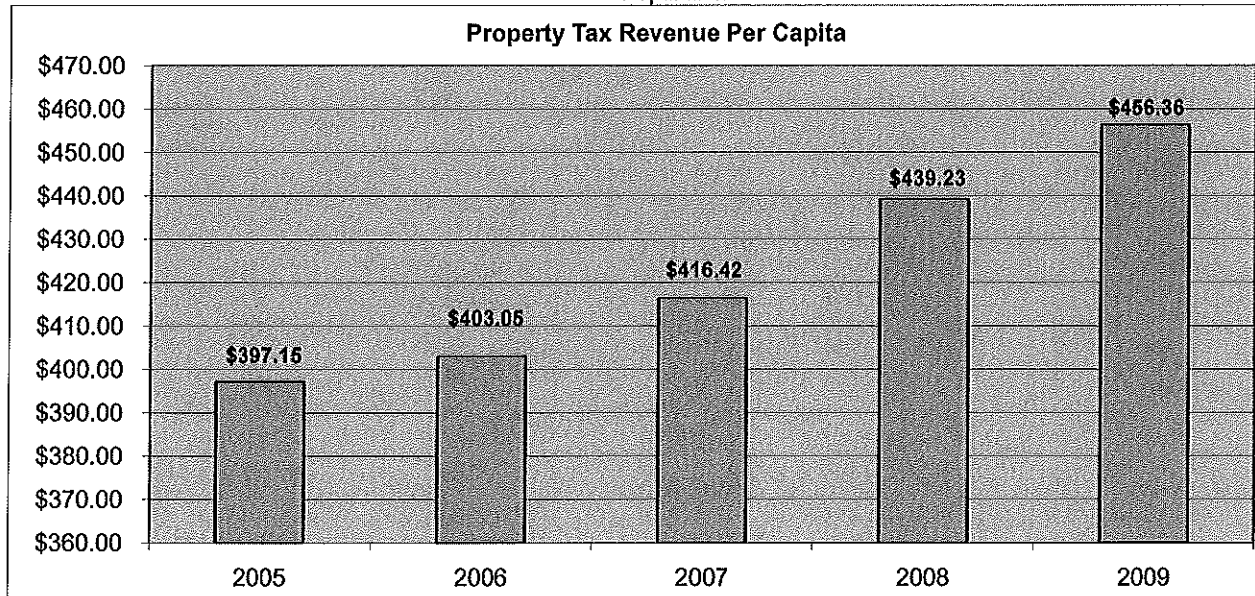
Fluctuations in Property Tax Revenue can be caused by many factors including new development, decline or rise in property values, age of property or a general decline in the regional economy. Towns that rely heavily on Property Tax Revenue are susceptible to serious economic disruption.

## Township of Deptford Financial Trend Monitoring System

Warning Trend:

Decreasing Property Tax Revenue Per Capita

Formula:

$$\frac{\text{Property Tax Revenue (Constant)}}{\text{Population}}$$


Year End	2005	2006	2007	2008	2009
Property Tax Revenue (Actual)	\$ 12,409,346	\$ 13,181,279	\$ 14,009,323	\$ 15,298,431	\$ 16,272,912
Population	28,943	29,088	29,233	30,979	31,134
Property Tax Revenue Per Capita	\$ 397	\$ 403	\$ 416	\$ 439	\$ 456

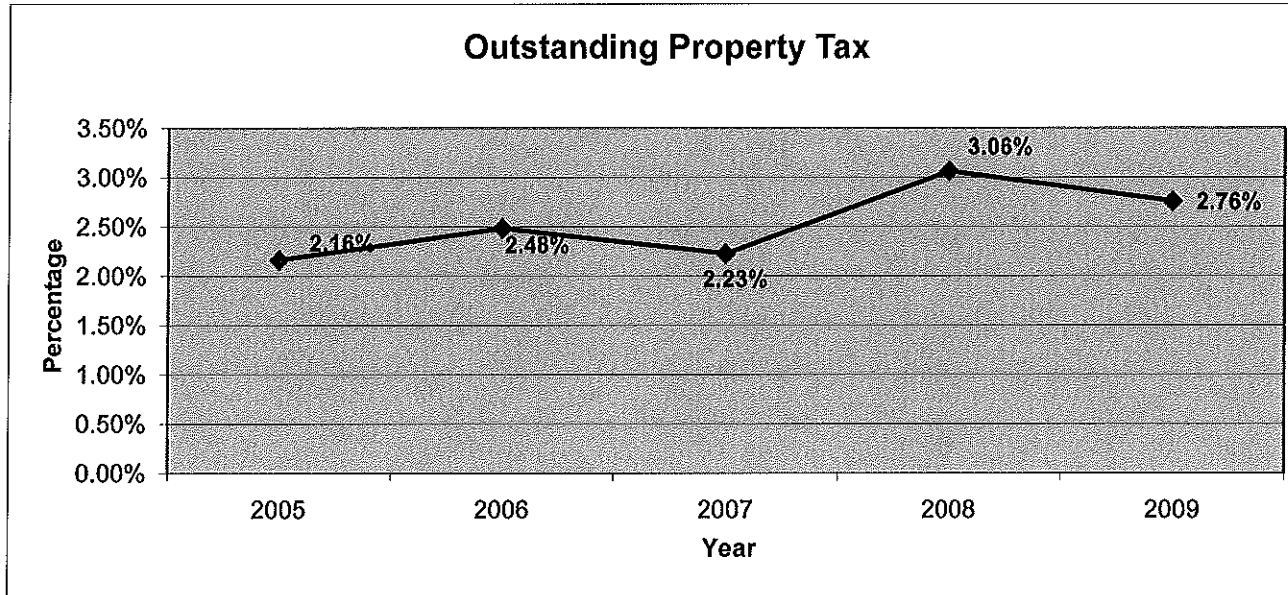
As population increases, it is expected that revenue and the need for service would increase proportionately. Per Capita Property Tax shows changes relative to population. For a municipality to remain financially stable, losses in Property Tax should be offset by increases in other forms of revenue.

## Township of Deptford Financial Trend Monitoring System

Warning Trend: Increasing Outstanding Property Tax Revenue as a percentage of Property Tax Levy

Formula:  

$$\frac{\text{Outstanding Property Tax}}{\text{Property Tax Levy}}$$



Year End	2005	2006	2007	2008	2009
Total Tax Levy	\$ 55,284,723	\$ 61,607,755	\$ 65,251,793	\$ 67,165,108	\$71,748,338
Outstanding Property Tax	\$ 1,196,849	\$ 1,530,649	\$ 1,453,620	\$ 2,058,054	\$1,979,860
Percent of Total	2.16%	2.48%	2.23%	3.06%	2.76%

Increases in the percentage of property tax not collected indicates a serious financial problem. High levels of outstanding uncollect Property Tax decreases liquidity and the ability for the Township to meet its current bills and liabilities.

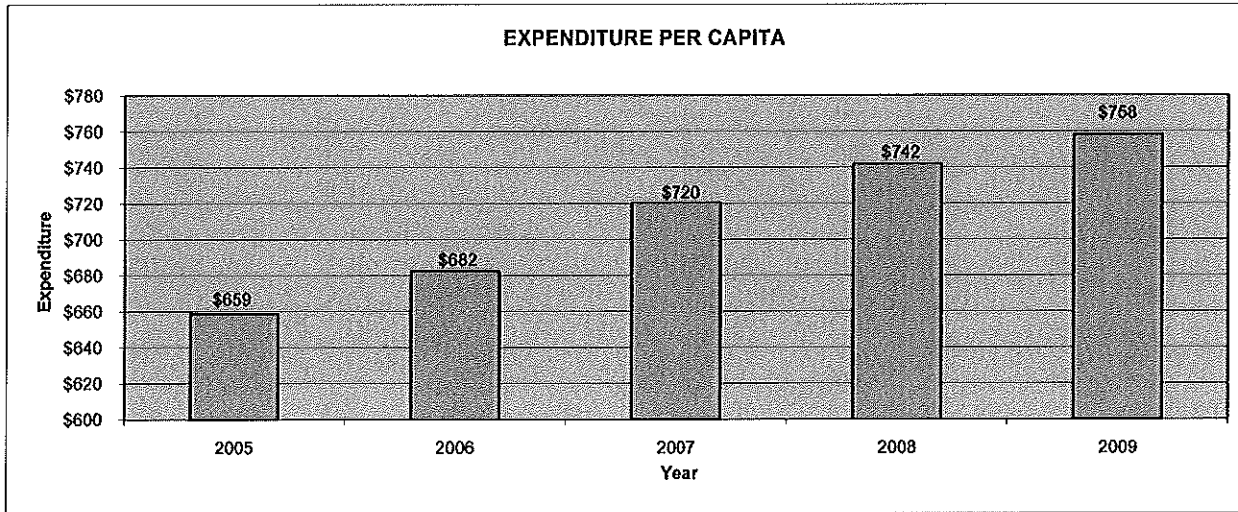
## Township of Deptford Financial Trend Monitoring System

**Warning Trend:**

Increase in Expenditures per Capita

**Formula:**

$$\frac{\text{Total Expenditures (Constant)}}{\text{Population}}$$



Year End	2005	2006	2007	2008	2009
Total Expenditures (Actual)	\$ 20,581,705	\$ 22,317,257	\$ 24,237,696	\$ 25,842,248	\$ 27,033,629
Population	28,943	29,088	29,233	30,979	31,134
Expenditure Per Capita	\$ 659	\$ 682	\$ 720	\$ 742	\$ 758

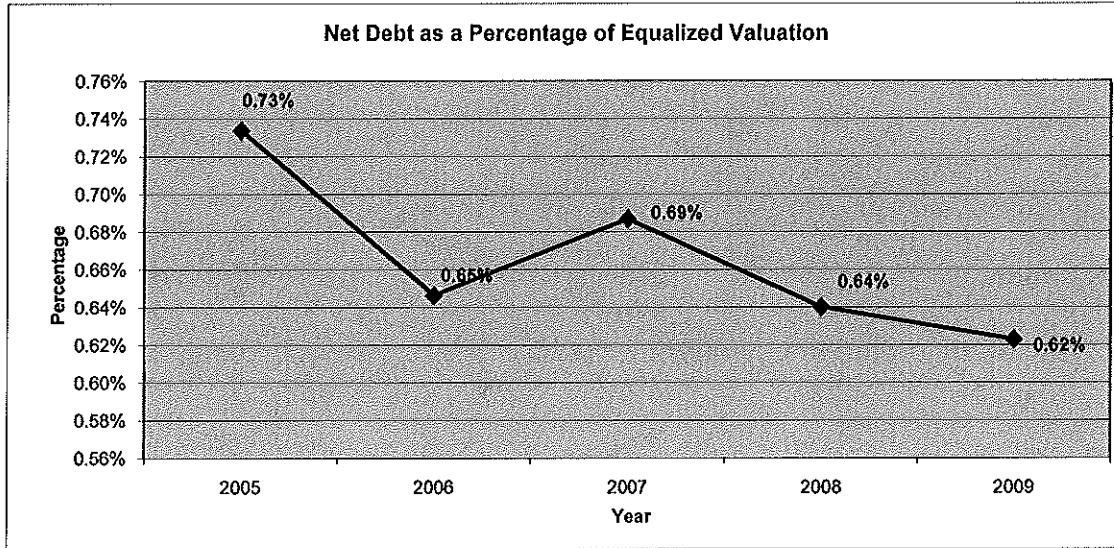
Fluctuations in Expenditures can be caused by many factors including new development, debt service, contractual obligations, change pension obligations and/or liability insurance.

## Township of Deptford Financial Trend Monitoring System

**Warning Trend:** Increasing Net Debt as a percentage of average equalized valuation

**Formula:**  

$$\frac{\text{Net Debt}}{3\text{-yr. Avg. equalized valuation}}$$



Year End	2005	2006	2007	2008	2009
*3 Yr. Avg. Equalized Valuation	\$ 1,993,074,396	\$ 2,344,761,489	\$ 2,665,983,591	\$ 2,916,595,592	\$3,017,049,182
*Net Debt per Annual Debt Stmt	\$ 14,626,546	\$ 15,158,227	\$ 18,316,241	\$ 18,668,928	\$18,799,533
Percentage	0.73%	0.65%	0.69%	0.64%	0.62%

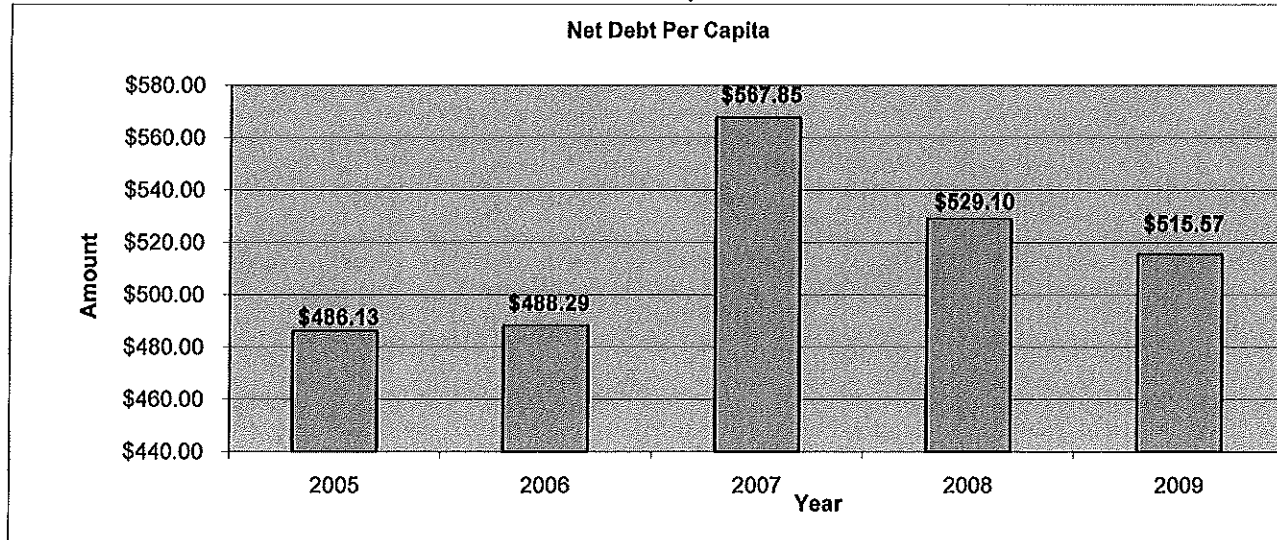
40A:2-5 - "No bond ordinance shall be finally adopted if it appears from the supplemental debt statement required by this chapter that the percentage of net debt as stated therein pursuant to 40A:2-42 exceeds 2%, in the case of a county, or 3.5% in the municipality."

\*the 3 yr avg equalized valuation and the net debt are directly from the annual debt statement for each calendar year

## Township of Deptford Financial Trend Monitoring System

Warning Trend: Increasing Bonded  
Long Term Debt Per Capita

Formula:  
$$\frac{\text{Net Debt (Constant)}}{\text{Population}}$$



Fiscal Year	2005	2006	2007	2008	2009
Total Net Debt	\$ 14,626,546	\$ 15,158,227	\$ 18,316,241	\$ 18,668,928	\$18,799,533
Population	28,943	29,088	29,233	30,979	31,134
Net Debt Per Capita	\$ 486	\$ 488	\$ 568	\$ 529	\$ 516

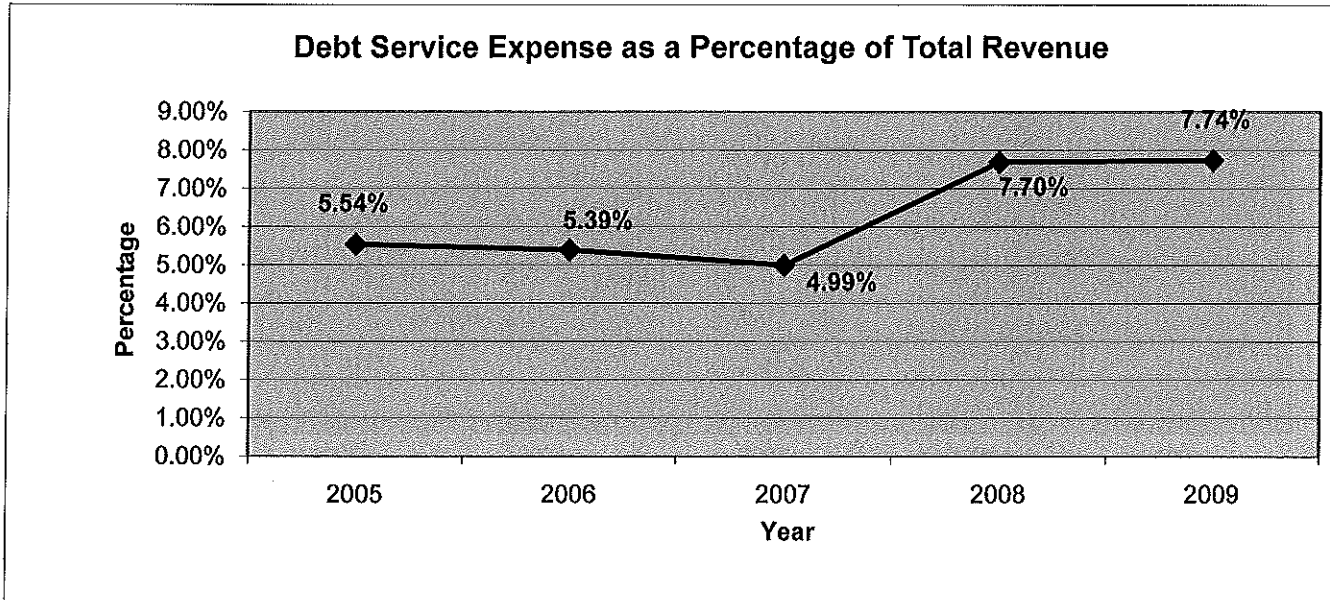
Increased Debt Per Capita presents a threat to the ability of tax payers to pay their taxes. This may lead to an increase in outstanding property tax.

## Township of Deptford Financial Trend Monitoring System

**Warning Trend:** Increasing Debt Service expense as a percentage of Operating Revenue  
10% is an acceptable general guideline

**Formula:**  

$$\frac{\text{Debt Service Expense}}{\text{Operating Revenue}}$$



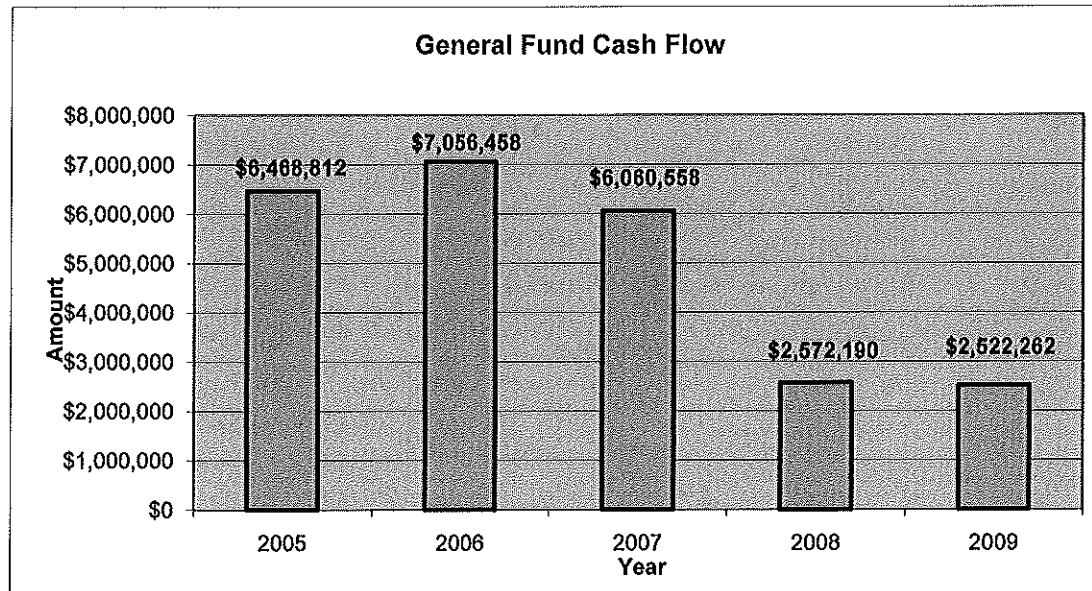
Year End	2005	2006	2007	2008	2009
Total Revenue	\$ 21,624,438	\$ 24,799,503	\$ 27,272,960	\$ 28,659,238	\$ 28,768,043
Debt Service Expense	\$ 1,198,200	\$ 1,337,809	\$ 1,362,114	\$ 2,205,395	\$ 2,227,522
Trend	5.54%	5.39%	4.99%	7.70%	7.74%

Increasing Debt Service decreases expenditure flexibility by adding to a Township's fixed cost obligation.

## Township of Deptford Financial Trend Monitoring System

Warning Trend: Decline Cash Balance

Formula:  
Cash Balance as of December 3

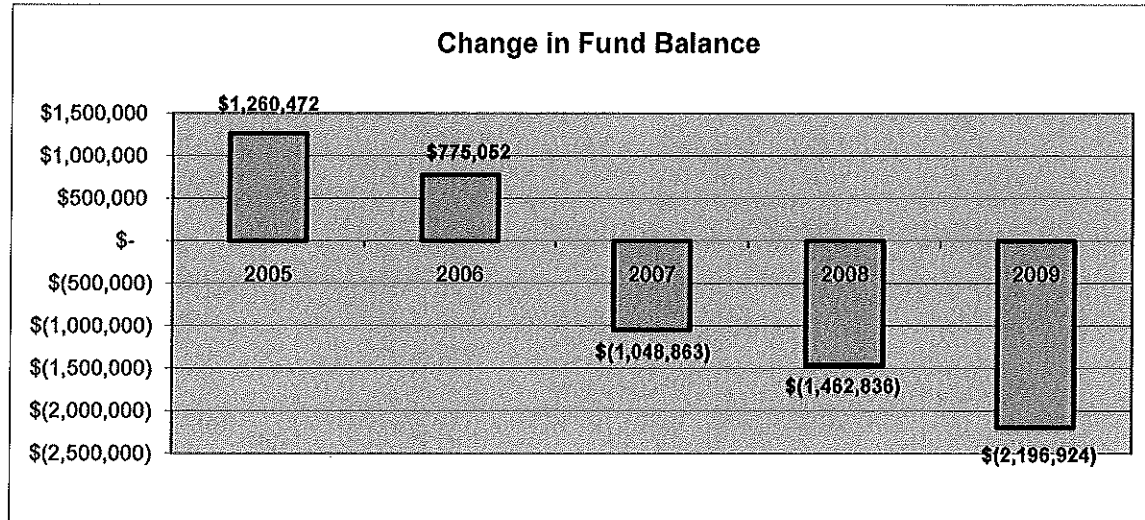


Year End	2005	2006	2007	2008	2009
Cash Bal. Jan. 1st	\$ 5,202,654	\$ 6,468,812	\$ 7,056,458	\$ 6,060,558	\$ 2,572,190
Cash Bal. Dec. 31st	\$ 6,468,812	\$ 7,056,458	\$ 6,060,558	\$ 2,572,190	\$2,522,262
Change in Cash Balance	\$ 1,266,158	\$ 587,646	\$ (995,900)	\$ (3,488,368)	\$ (49,928)
Percentage	24.34%	9.08%	-14.11%	-57.56%	-1.94%

## Township of Deptford Financial Trend Monitoring System

**Warning Trend: Decrease in Fund Balance**

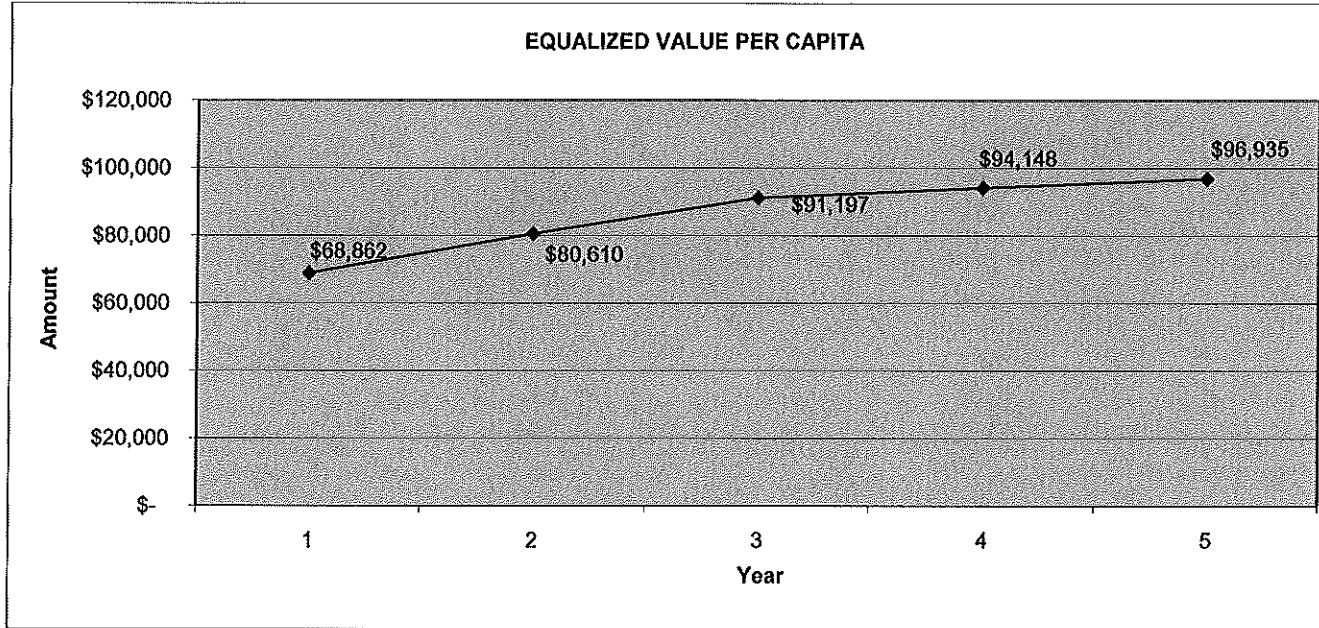
5% of the operating budget is an acceptable level of fund balance -



Year End	2005	2006	2007	2008	2009
Fund Bal. January 1st	\$ 5,292,550	\$ 6,553,022	\$ 7,328,074	\$ 6,279,210	\$ 4,816,375
Fund Bal. December 31st	\$ 6,553,022	\$ 7,328,074	\$ 6,279,210	\$ 4,816,375	\$ 2,619,450
Change in Fund Balance	\$ 1,260,472	\$ 775,052	\$ (1,048,863)	\$ (1,462,836)	\$ (2,196,924)
Percentage	23.82%	11.83%	-14.31%	-23.30%	-45.61%

# Township of Deptford Financial Trend Monitoring System

1 is Indicator is used for comparison purposes onl



Year End	2005	2006	2007	2008	2009
3 Yr. Avg. Equalized Valuation	\$ 1,993,074,396	\$ 2,344,761,489	\$ 2,665,983,591	\$ 2,916,595,592	\$3,017,949,182
Population	28,943	29,088	29,233	30,979	31,134
EQ Value Per Capita	\$ 68,862	\$ 80,610	\$ 91,197	\$ 94,148	\$ 96,935