

Research Update:

# Ewing Township, NJ Series 2025 Bond Anticipation Notes Rated 'SP-1+'; GO Debt Rating Affirmed At 'AA'; Outlook Stable

December 2, 2025

## Overview

- S&P Global Ratings assigned its 'SP-1+' short-term rating to [Ewing Township](#), N.J.'s roughly \$36.87 million series 2025 bond anticipation notes (BANs).
- We also affirmed our 'AA' long-term rating on the township's general obligation (GO) debt.
- The outlook on the long-term rating is stable.

## Rationale

### Security

The township's full-faith-and-credit pledge secures the notes and outstanding bonds. The short-term rating reflects our opinion of Ewing's general creditworthiness and market risk profile, which we consider low. The low market risk profile reflects our view of the township's strong legal authority to issue long-term debt to take out the BANs, as well as its ongoing disclosure to market participants.

Proceeds from the notes will be used to finance various capital needs as well as the construction of a senior community center.

### Credit highlights

The rating reflects our view of the township's participation in a strong regional economy, and recent financial performance supported by conservative budgeting and favorable actual revenue relative to the budget.

Ewing has produced surplus results in each of the past several years, however, we expect lower surpluses in future fiscal years than the past two. The township benefits from a reliance on local property tax revenue, which accounts for approximately 60% of general fund revenue. Its fiscal

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2024 results reflected no major variances relative to the budget, which included increased pension and benefit costs according to the audit. The township regenerated appropriated fund balance and while reserves increased on a nominal basis, this growth was outpaced by the budget. The fiscal 2025 budget totaled \$59 million, and management worked with employees to move to lower cost plans where possible to mitigate increasing health benefit costs. The township makes annual appropriation of fund balance in each year's budget as is typical for New Jersey municipalities, and in fiscal 2025 this totaled \$4.1 million or 41% of total fund balance. The township expects to regenerate this appropriated fund balance; however, we expect it will likely be sustained below 15% of general fund revenue during the two-year outlook period because the township's ability to generate surpluses and increase fund balance will be outpaced by budget growth, which will remain driven by costs associated with health insurance and retirement benefits.

Ewing will have about \$58.7 million in net debt following this issuance; total debt and retirement costs represent about 28% of current fund expenditures, which is elevated but consistent with previous years. The township does not have plans to issue additional debt; and we expect costs to be stable while per capita liabilities decline over the next few years.

Credit fundamentals supporting the 'AA' rating include Ewing's:

- Primarily residential tax base, with residents benefiting from employment opportunity in neighboring Trenton and Mercer County but also in Philadelphia and New York City. While county-level economic metrics are well above national levels, we note that per capita effective buying income is lower than county and national levels. Growth in the township's tax base will likely continue over the next few years, driven by a pipeline of multi-family residential development and expected private development associated with the College of New Jersey.
- Predictable revenue profile, with property taxes generating about 60% of current-fund revenue, supporting consistent financial performance. The township maintains adequate reserves, but we note fund balance relative to the budget is weaker than those of state and national peers at the current rating level.
- Well-embedded budgeting practices and consideration of recent trends when developing the budget. The township maintains a six-year capital-improvement plan it updates annually. The plan, however, only identifies current-year funding sources. The township also maintains a formal cash-management plan. Ewing lacks a formal multiyear financial plan and a debt-management policy. While the township does not have a formal fund-balance policy, management looks to maintain reserves at 10% of expenditures.
- Elevated fixed costs, which represent about 28% of the annual budget. Debt per capita has increased with this issuance but will decline over the next several years given amortization and a lack of additional issuance plans. The township's large pension and other postemployment benefits (OPEB) obligations remain a credit weakness, consistent with the portfolio.
- New Jersey municipalities have a generally predictable operating framework and some statutory flexibility to raise local-source revenue for operating purposes, despite the state's property tax cap. For more information on our institutional framework assessment for New Jersey municipalities, see: "[Institutional Framework Assessment: New Jersey Local Governments](#)," Sept. 9, 2024.

## Environmental, social, and governance

We consider Ewing's environmental risk slightly elevated due mainly to storm exposure. However, the township has a storm-recovery fund; it has historically received timely reimbursements from

the Federal Emergency Management Agency for debris-removal costs. We view governance risk as generally in line with that of similar-rated peers, but pension-funding discipline and state assumption choices will likely lead to elevated and volatile costs. We consider social risk neutral in our credit analysis.

## Outlook

The stable outlook reflects our expectation that finances will likely be steady during the next few fiscal years, supported by property tax revenue and conservative budgeting.

### Downside scenario

We could lower the rating if significant additional debt or increased fixed costs were to weigh on performance, and reserves were to weaken.

### Upside scenario

We could raise the rating if economic indicators and fund balance improve to levels we consider comparable with those of higher-rated peers, the township adopts more-formal policies and practices, and if the town’s debt burden and current cost were to moderate.

### Ewing Township, New Jersey--credit summary

<b>Institutional framework (IF)</b>	<b>2</b>
Individual credit profile (ICP)	2.41
Economy	2.0
Financial performance	2
Reserves and liquidity	2
Management	2.30
Debt and liabilities	3.75

### Ewing Township, New Jersey--key credit metrics

	Most recent	2024	2023	2022
<b>Economy</b>				
Real GCP per capita % of U.S.	--	--	171	174
County PCPI % of U.S.	--	--	119	120
Market value (\$000s)	--	4,702,878	4,680,029	3,453,993
Market value per capita (\$)	--	129,939	125,716	92,289
Top 10 taxpayers % of taxable value	--	10.9	11.5	11.5
County unemployment rate (%)	--	4.4	4.1	3.6
Local median household EBI % of U.S.	--	109	110	114
Local per capita EBI % of U.S.	--	96	95	93
Local population	--	36,193	37,227	37,426
<b>Financial performance</b>				
Operating fund revenues (\$000s)	--	70,572	60,833	52,597

**Ewing Township, New Jersey--key credit metrics**

	Most recent	2024	2023	2022
Operating fund expenditures (\$000s)	--	67,377	58,076	51,060
Net transfers and other adjustments (\$000s)	--	--	--	--
Operating result (\$000s)	--	3,195	2,757	1,537
Operating result % of revenues	--	4.5	4.5	2.9
Operating result three-year average %	--	4.0	3.6	2.3
<b>Reserves and liquidity</b>				
Available reserves % of operating revenues	--	13.9	16.0	13.3
Available reserves (\$000s)	--	9,786	9,761	7,003
<b>Debt and liabilities</b>				
Debt service cost % of revenues	--	8.3	9.6	9.0
Net direct debt per capita (\$)	1,622	739	835	955
Net direct debt (\$000s)	58,709	26,729	31,101	35,754
Direct debt 10-year amortization (%)	100	99	95	92
Pension and OPEB cost % of revenues	--	20.0	21.0	21.0
NPLs per capita (\$)	--	1,096	1,152	1,182
Combined NPLs (\$000s)	--	39,655	42,886	44,248

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

**Ratings List****New Issue Ratings**

US\$36.87 mil BANs ser 2025 due 12/15/2026

Short Term Rating SP-1+

**New Rating****Local Government**

Ewing Township, NJ Unlimited Tax General Obligation Bond Anticipation Notes SP-1+

**Ratings Affirmed****Local Government**

Ewing Twp, NJ Unlimited Tax General Obligation AA/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have

different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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