

CREDIT OPINION

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Borough of Riverdale, NJ

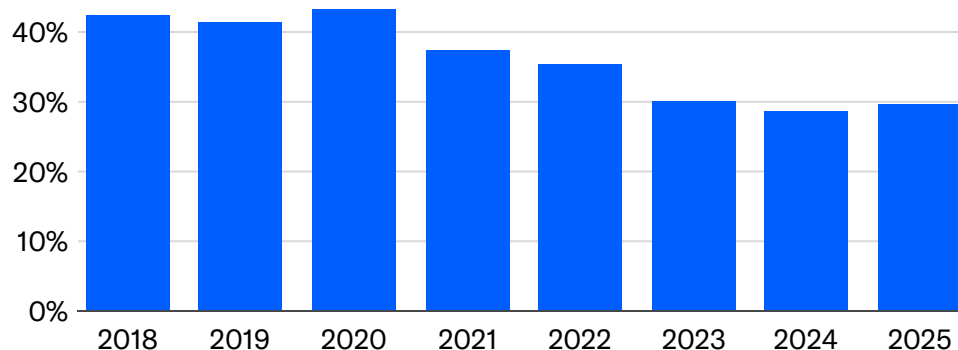
New issuer

Summary

The Borough of Riverdale, NJ (Aa2) runs a consistently stable financial operation, with healthy reserves at around 30% of revenue. The tax base continues to expand, and this wealthy suburb has strong socioeconomic characteristics, including full value per capita of \$265,000. Leverage is more modest than many peers in the state at just 173% of revenue, largely a function of the fact that (unlike many NJ municipalities), Riverdale does not offer OPEB benefits. Riverdale also has a very conservative approach to debt, and its low debt outstanding combined with a modest capital budget indicate debt will remain low.

Exhibit 1

Reserves have stabilized at a healthy level



The 2025 figure is based on an unaudited financial statement.
Source: Moody's Ratings

Credit strengths

- » Wealthy suburban tax base
- » Stable financial operations
- » Low leverage, particularly as the borough does not offer OPEB benefits

Credit challenges

- » Small borough with a population of just 4,000
- » Reserves are nominally small

Rating outlook

We do not assign outlooks to local governments with this amount of debt outstanding.

Factors that could lead to an upgrade

- » Expansion of tax base to increase diversity and robustness
- » Improvement in resident income ratio to levels more comparable to higher-rated peers

Factors that could lead to a downgrade

- » Decline in available fund balance below 25% of revenue
- » Increase in leverage above 300% of revenue

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

Riverdale (Borough of) NJ

	2021	2022	2023	2024	Aa Medians
Economy					
Resident income ratio (%)	127.7%	121.5%	109.4%	N/A	114.1%
Full Value (\$000)	\$932,973	\$981,074	\$1,041,396	\$1,029,372	\$2,888,367
Population	4,049	4,081	4,084	N/A	12,430
Full value per capita (\$)	\$230,420	\$240,400	\$254,994	N/A	\$125,640
Annual Growth in Real GDP	5.1%	2.2%	1.6%	N/A	2.0%
Financial Performance					
Revenue (\$000)	\$10,204	\$10,004	\$10,550	\$10,900	\$52,335
Available fund balance (\$000)	\$3,804	\$3,534	\$3,180	\$3,120	\$29,526
Net unrestricted cash (\$000)	\$6,424	\$6,115	\$5,388	\$4,910	\$41,432
Available fund balance ratio (%)	37.3%	35.3%	30.1%	28.6%	57.1%
Liquidity ratio (%)	63.0%	61.1%	51.1%	45.0%	79.6%
Leverage					
Debt (\$000)	\$8,349	\$8,496	\$9,221	\$8,622	\$37,305
Adjusted net pension liabilities (\$000)	\$22,843	\$17,922	\$15,910	\$13,240	\$45,496
Adjusted net OPEB liabilities (\$000)	\$0	\$0	\$0	\$0	\$4,376
Other long-term liabilities (\$000)	\$116	\$134	\$148	\$105	\$1,726
Long-term liabilities ratio (%)	306.8%	265.4%	239.6%	201.5%	210.2%
Fixed costs					
Implied debt service (\$000)	\$380	\$586	\$593	\$641	\$2,477
Pension tread water contribution (\$000)	\$860	\$674	\$811	\$742	\$1,199
OPEB contributions (\$000)	\$0	\$0	\$0	\$0	\$179
Implied cost of other long-term liabilities (\$000)	\$12	\$8	\$9	\$10	\$115
Fixed-costs ratio (%)	12.3%	12.7%	13.4%	12.8%	9.6%

For definitions of the metrics in the table above please refer to the [US Cities and Counties Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [US Cities and Counties Median Report](#).

The real GDP annual growth metric cited above is for the New York-Newark-Jersey City, NY-NJ-PA.

Sources: US Census Bureau, Riverdale (Borough of) NJ's financial statements and Moody's Ratings, US Bureau of Economic Analysis

Profile

Riverdale is a borough located in Morris County, northern New Jersey, approximately 30 miles northwest of New York City and 10 miles north of Morristown. The borough is part of the New York metropolitan area and is characterized by its suburban setting, offering a mix of residential neighborhoods and commercial areas.

Detailed credit considerations

Riverdale is a prosperous suburb located in Morris County. Its full value per capita of \$265,391 indicates its high property values in a desirable location. The resident income ratio at about 110% of the US median is lower than many peers in the state, and also down from prior years, which we suspect is the result of a small sample size used by the US Census Bureau rather than lower wealth levels.

The borough runs a stable financial operation. Its reserves are about 30% of revenue, and management has demonstrated clear control over the financial position.

Low leverage is a key strength. Long-term liabilities are just 170% of revenue as of 2025, which is among the lowest in the state. This is primarily a function of the fact that the borough does not offer OPEB benefits. In addition, Riverdale has taken a conservative approach to debt issuances – only about \$11 million of debt will be outstanding after the current sale, and its three-year capital budget suggests a minimal amount of additional debt going forward.

ESG considerations

Environmental

Environmental risk is generally low for the local government sector and factors modestly into the township's credit profile. According to data from Moody's Climate on Demand, based on county-level data, the borough is at medium risk from heat stress, hurricanes, water stress, and wildfires. However, the borough would likely receive federal and state assistance in the event of an emergency.

Social

Social considerations such as wealth, income, and employment are major factors in the borough's credit quality and are discussed in the economy section.

Governance

Governance is a key credit consideration for all local government issuers. The borough has a track record of conservative budgeting.

New Jersey municipalities have an Institutional Framework score of "Aa," or strong. Revenues are moderately predictable and mostly consist of property taxes; however, cities are required to make county and school district tax levies whole in the event of tax appeals. Revenue-raising ability is moderate as cities are constrained by a 2% cap on the property tax levy. Cities can raise the levy above the cap for debt service, pensions and certain qualified expenses. Expenditures, which primarily consist of personnel and public safety, are highly predictable. Cities have a moderate ability to adjust costs given the presence of collective bargaining and high fixed costs.

Rating methodology and scorecard factors

The US Cities and Counties Methodology includes a scorecard, which summarizes the rating factors generally most important to city and county credit profiles. Because the scorecard is a summary, and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not map closely to the actual rating assigned.

Exhibit 3

Riverdale (Borough of) NJ

	Measure	Weight	Score
Economy			
Resident income ratio	109.4%	10.0%	Aa
Full value per capita	267,210	10.0%	Aaa
Economic growth metric	-0.9%	10.0%	Aa
Financial Performance			
Available fund balance ratio	28.6%	20.0%	Aa
Liquidity ratio	45.0%	10.0%	Aaa
Institutional Framework			
Institutional Framework	Aa	10.0%	Aa
Leverage			
Long-term liabilities ratio	201.5%	20.0%	A
Fixed-costs ratio	12.8%	10.0%	Aa
Notching factors			
Financial disclosures	-0.5		
Scorecard-Indicated Outcome			Aa3
Assigned Rating			Aa2

The Economic Growth metric cited above compares the five-year CAGR of real GDP for New York-Newark-Jersey City, NY-NJ-PA to the five-year CAGR of real GDP for the US.

Sources: US Census Bureau, Riverdale (Borough of) NJ's financial statements and Moody's Ratings

Appendix

Exhibit 4

Key Indicators Glossary

	Definition	Typical Source*
Economy		
Resident income ratio	Median Household Income (MHI) for the city or county, adjusted for Regional Price Parity (RPP), as a % of the US MHI	MHI: US Census Bureau - American Community Survey 5-Year Estimates RPP: US Bureau of Economic Analysis
Full value	Estimated market value of taxable property in the city or county	State repositories; audited financial statements; continuing disclosures
Population	Population of the city or county	US Census Bureau - American Community Survey 5-Year Estimates
Full value per capita	Full value / population	
Economic growth metric	Five year CAGR of real GDP for Metropolitan Statistical Area or county minus the five-year CAGR of real GDP for the US	Real GDP: US Bureau of Economic Analysis
Financial performance		
Revenue	Sum of revenue from total governmental funds, operating and non-operating revenue from total business-type activities, and non-operating revenue from internal services funds, excluding transfers and one-time revenue, e.g., bond proceeds or capital contributions	Audited financial statements
Available fund balance	Sum of all fund balances that are classified as unassigned, assigned or committed in the total governmental funds, plus unrestricted current assets minus current liabilities from the city's or county's business-type activities and internal services funds	Audited financial statements
Net unrestricted cash	Sum of unrestricted cash in governmental activities, business type activities and internal services fund, net of short-term debt	Audited financial statements
Available fund balance ratio	Available fund balance (including net current assets from business-type activities and internal services funds) / Revenue	
Liquidity ratio	Net unrestricted cash / Revenue	
Leverage		
Debt	Outstanding long-term bonds and all other forms of long-term debt across the governmental and business-type activities, including debt of another entity for which it has provided a guarantee disclosed in its financial statements	Audited financial statements; official statements
Adjusted net pension liabilities (ANPL)	Total primary government's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Ratings
Adjusted net OPEB liabilities (ANOL)	Total primary government's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Ratings
Other long-term liabilities (OLTL)	Miscellaneous long-term liabilities reported under the governmental and business-type activities entries	Audited financial statements
Long-term liabilities ratio	Debt + ANPL + ANOL + OLTL / Revenue	
Fixed costs		
Implied debt service	Annual cost to amortize city or county's long-term debt over 20 years with level payments	Audited financial statements; official statements; Moody's Ratings
Pension tread water contribution	Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met	Audited financial statements; Moody's Ratings
OPEB contribution	City or county's actual contribution in a given period	Audited financial statements
Implied cost of OLTL	Annual cost to amortize city or county's other long-term liabilities over 20 years with level payments	Audited financial statements; Moody's Ratings
Fixed-costs ratio	Implied debt service + Pension tread water + OPEB contributions + Implied cost of OLTL / Revenue	

*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the [US Cities and Counties Methodology](#).

Source: Moody's Ratings

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