

Research Update:

# Gibbsboro, NJ Series 2026 General Improvement Bonds Rated 'AA'; Outlook Is Stable

February 26, 2026

## Overview

- S&P Global Ratings assigned its 'AA' long-term rating to the Borough of [Gibbsboro](#), N.J.'s approximately \$4 million series 2026 general improvement bonds.
- At the same time, S&P Global Ratings affirmed its 'AA' rating on the borough's general obligation (GO) debt outstanding.
- The outlook is stable.

## Rationale

### Security

Securing the bonds is Gibbsboro's full-faith-and-credit GO pledge payable from ad valorem taxes levied on all taxable property in the borough without limitation to the rate or amount.

The series 2026 bonds will be used primarily to finance \$2.2 million of unrated bond anticipation notes coming due March 23, 2026, for the acquisition of a fire engine and capital projects and to provide funds for various general capital improvements.

### Credit highlights

Gibbsboro's creditworthiness is characterized by above-average wealth indicators and expectations of tax base growth with residential and commercial developments underway or anticipated. Despite grant-reimbursement-induced drawdowns in the borough's available fund balance, financial performance has generally been balanced-to-positive. Upon the receipt of the 2025 audit, we anticipate the borough's available fund balance will increase considerably to be more in line with historical levels. The debt and liabilities profile continues to be manageable for the borough with slight increases to its net direct debt per capita and, although the borough indicates the possibility of additional debts plans, we do not believe it will materially change its overall profile.

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## Gibbsboro, NJ Series 2026 General Improvement Bonds Rated 'AA'; Outlook Is Stable

According to unaudited financial statements, the town ended fiscal 2025 with an operating surplus of nearly \$600,000. Gibbsboro relies primarily on property taxes for its revenues, typically hovering around 60%, providing predictability on a year-to-year basis to its revenue framework. Fiscal 2024 results show a large decrease in fund balance levels that management attributes to grant payments that temporarily understated balances. In New Jersey, if a grant is received but the cash is not immediately available, the funds can be taken from the fund balance to cover the expenses related to the grant. Once the grant funds are received, they can then be used to replenish the cash balance, which was the case in this scenario. From fiscal years 2024-2025 we anticipate available fund balance levels will improve to \$1.3 million from a meager \$751,551. Although, approaching nominally low levels, we note, Gibbsboro's sewer utility fund balance realized a sharp increase from fiscal years 2024-2025, and we anticipate continued increases through development in the borough. These amounts can be used to finance pay-as-you-go capital projects and provide the borough with additional flexibility. We understand that the fiscal 2026 budget should be adopted soon, and management does not expect major deviations from previous years. Ultimately, we expect Gibbsboro will maintain solid financial results although performance has varied.

Following this issuance, Gibbsboro will have about \$5.2 million in direct debt outstanding, with some additional debt plans, although we do not believe it would materially affect its overall profile. Unlike other New Jersey local governments, we view Gibbsboro's pension and other postemployment benefits (OPEB) plans as negligible given low per capita liabilities that we do not believe present an immediate credit pressure. Officials note beginning in fiscal 2026 there will no longer be an associated liability tied to an OPEB plan as there are no eligible employees.

The rating further reflects our view of Gibbsboro's:

- Direct access to Philadelphia and the surrounding metropolitan area given its location approximately 20 miles southwest of the city in Camden County. Residents benefit from employment opportunities in and around the Philadelphia area. Incomes continue to rise as the borough has been a beneficiary of multiple developments within town limits that we expect will grow its tax base and attract prospective residents.
- Despite volatility within operations in fiscal 2024, the borough has generally outperformed its budget through predictable revenue streams and conservative budgeting efforts. We expect this will continue in fiscal 2026.
- Comprehensive budget process with conservative budget assumptions that the borough has typically outperformed, quarterly review of budget-to-actual reports and investment holdings, maintenance of a cash management plan, and a three-year capital improvement plan, combined with our view that the borough has taken steps to mitigate cyberrisk.
- Currently manageable but somewhat elevated overall fixed costs, that we anticipate will increase due primarily to a small budget size. The borough participates in state-administered Police and Firemen's Retirement System (67.5% funded, \$1 million proportionate share of the net pension liability as of June 30, 2024) and Public Employees' Retirement System (51.3% funded, \$416,000 proportionate share of net pension liability), in addition to an unfunded OPEB obligation (\$81,000 funded on a pay-as-you-go basis).
- Institutional framework that we assess as in line with that of similarly rated peers (for more information on our institutional framework for New Jersey municipalities, see "[Institutional Framework Assessment: New Jersey Local Governments](#)," Sept. 9, 2024).

## Environmental, social, and governance

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We have analyzed environmental, social, and governance factors relative to Gibbsboro's management, financial measures, and debt and liability profile consider them neutral in our credit analysis, but we consider the state's governance of its pension plans and lack of a mechanism to prefund OPEB a weakness for all New Jersey local governments.

## Outlook

The stable outlook reflects our view that the borough's economic profile will benefit from its proximity to Philadelphia and development will likely spur tax base growth. We expect financial operations will remain steady, and reserves will continue to show strengths nominally and on a percentage basis relative to those of peers.

### Downside scenario

We could lower the rating if reserves decrease due to budgetary imbalance or a one-time drawdown to nominally low levels or if Gibbsboro's debt and liabilities profile materially increases.

### Upside scenario

Although unlikely, we could raise the rating if Gibbsboro maintains strong financial operations that lead available reserves to increase to levels in line with those of higher-rated peers or if the borough formalizes additional financial policies and procedures, holding all else constant. In addition, we could also raise the rating if economic metrics increase to levels more in line with those of peers.

### Gibbsboro, New Jersey--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	2.08
Economy	2.5
Financial performance	2
Reserves and liquidity	1
Management	2.65
Debt and liabilities	2.25

### Gibbsboro, New Jersey--key credit metrics

	Most recent	2024	2023	2022
<b>Economy</b>				
Real GCP per capita % of U.S.	--	--	75	76
County PCPI % of U.S.	--	--	93	93
Market value (\$000s)	--	303,523	287,714	273,306
Market value per capita (\$)	--	140,650	132,587	122,614
Top 10 taxpayers % of taxable value	--	11.1	11.4	--
County unemployment rate (%)	--	5.0	4.7	4.0
Local median household EBI % of U.S.	--	133	132	132
Local per capita EBI % of U.S.	--	118	118	109
Local population	--	2,158	2,170	2,229

Gibbsboro, New Jersey--key credit metrics

	Most recent	2024	2023	2022
<b>Financial performance</b>				
Operating fund revenues (\$000s)	--	6,883	4,056	4,095
Operating fund expenditures (\$000s)	--	7,289	4,150	4,078
Net transfers and other adjustments (\$000s)	--	--	--	--
Operating result (\$000s)	--	(406)	(94)	17
Operating result % of revenues	--	(5.9)	(2.3)	0.4
Operating result three-year average %	--	(2.6)	3.7	3.5
<b>Reserves and liquidity</b>				
Available reserves % of operating revenues	--	10.9	28.6	30.6
Available reserves (\$000s)	--	752	1,158	1,252
<b>Debt and liabilities</b>				
Debt service cost % of revenues	--	9.7	16.3	14.9
Net direct debt per capita (\$)	2,448	1,955	2,286	2,306
Net direct debt (\$000s)	5,283	4,218	4,961	5,139
Direct debt 10-year amortization (%)	86	29	31	--
Pension and OPEB cost % of revenues	--	2.0	4.0	4.0
NPLs per capita (\$)	--	691	624	669
Combined NPLs (\$000s)	--	1,491	1,355	1,490

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\$4,030,000 Gibbsboro Borough, New Jersey, General Improvement Bonds, Series 2026, dated: Date of delivery, due: March 15, 2036

Long Term Rating AA/Stable

Ratings Affirmed

Local Government

Gibbsboro Boro, 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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