

Research Update:

# Wood-Ridge Borough, NJ Series 2026 Bond Anticipation Notes Assigned 'SP-1+' Rating

April 24, 2026

## Overview

- S&P Global Ratings assigned its 'SP-1+' short-term rating to [Wood-Ridge Borough](#), N.J.'s \$22.5 million series 2026 bond anticipation notes (BANs), consisting of \$20 million redevelopment BANs and \$2.5 million open space BANs.
- At the same time, we affirmed our 'AA' long-term rating on the borough's existing general obligation (GO) debt.
- The outlook, where applicable, is stable.

## Rationale

### Security

The borough's full faith and credit and agreement to levy ad valorem property taxes, without limitation as to rate or amount, secures the previously issued GO debt. The short-term rating reflects our opinion of Wood-Ridge's general creditworthiness and low market risk profile in light of its strong legal authority to issue long-term debt to take out the BANs and its ongoing disclosure to market participants.

Officials will use the BAN proceeds to refund its series 2026 BANs that mature May 14, 2026, and temporarily finance the construction of and improvements to various buildings, properties, and parks and open space.

### Credit highlights

Wood-Ridge is a primarily residential community (84% of assessed value [AV]) in Bergen County with good access via road and rail to northern New Jersey and the New York City metropolitan area, which supports above-average economic metrics and a stable local economy. Financial operations have historically been positive, and reserves have remained solid despite recent planned drawdowns for prepayment of debt service. The borough is mainly built out, and the majority of recent development projects are residential and redevelopments.

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## Wood-Ridge Borough, NJ Series 2026 Bond Anticipation Notes Assigned 'SP-1+' Rating

Although the borough's fixed costs are high, management has structured debt service aggressively using state aid reimbursement and unanticipated redevelopment fees to prepay debt service, somewhat inflating the current cost of debt for the current fiscal year. The borough consistently receives state reimbursements for a commuter rail project that it undertook. Of the \$11.7 million in debt service carrying charges for 2024, approximately \$10 million was paid from state aid reimbursements, which we accounted for in our debt profile assessment for current cost of debt and liabilities. Costs associated with pension and other postemployment benefits (OPEB) will continue to increase as a share of the budget, given their poor funded levels.

In our view, stable property tax revenue and conservative budgeting supported positive budgetary results and the maintenance of solid reserves through fiscal 2024, which we expect to be maintained over the near term. The borough is estimating positive results for fiscal year-end 2025, with overall stable reserves. The 2026 budget is currently being prepared, and we believe Wood-Ridge's consistent finances, supported by its affluent tax base, somewhat offset credit pressure stemming from above-average debt and liability costs.

Including this issuance, Wood-Ridge has roughly \$72 million in debt outstanding, including \$43.5 million in BANs. Carrying charges could increase in the near term as the borough works through its financing plans; however, we do not expect the potential increase to materially weaken our view of the debt and liabilities, nor do we anticipate the debt will pressure finances.

Additional rating factors include our opinion of the following credit factors:

- The local economy is stable, with income indicators that are above county and national averages and are comparable with those of similarly rated peers. Strong ongoing redevelopment efforts and property appreciation are supported by residents' access to employment opportunities in New York City. The city's revaluation roughly doubled real estate valuations, and we expect them to generate significant revenue for the borough.
- Operating performance is stable with solid fund balance levels, which the borough anticipates will increase by about \$1.4 million in fiscal 2025.
- Budgetary assumptions and techniques are generally consistent with those of other New Jersey municipalities, including the use of trend analysis when developing revenue and expenditure projections for the upcoming budget year and regular reporting on budget-to-actual performance, which we believe supports balanced operating results. Officials maintain a six-year capital plan that is part of the state-mandated budget form. It has an informal fund balance policy that it does not use more than 20% of fund balance as a revenue in the following year's budget. Management is taking steps to mitigate cyber risk.
- Long-term obligations are large on a per capita basis when including debt, pension, and OPEB liabilities, with high fixed costs that we think could pressure the budget. However, we understand officials are intentionally amortizing debt rapidly through dedicated revenue streams.
- Retirement costs could increase over the long term, given aggressive plan assumptions and low funded ratios. The borough participates in two state-run pension plans, with proportionate liabilities totaling \$9.6 million (Police and Firemen's Plan) and \$4.4 million (Public Employees Plan). Additionally, its unfunded OPEB liability totals \$14.4 million and is funded on a pay-as-you-go basis.
- For more information on our institutional framework assessment for New Jersey municipalities, see "[Institutional Framework Assessment: New Jersey Local Governments](#), Sept. 9, 2024," published Sept. 9, 2024.

## Environmental, social, and governance

We have analyzed environmental, social, and governance factors and view them as neutral within our credit analysis. We view the state's governance of its pension plans and lack of mechanism to prefund OPEB as a weakness for New Jersey local governments.

## Outlook

The stable outlook reflects our view that Wood-Ridge's operations will remain stable, supported by a reliable and affluent tax base.

## Downside scenario

We could lower the rating if financial performance were to deteriorate, and reserves decline to levels no longer comparable with those of similarly rated peers.

## Upside scenario

We could raise the rating if current costs of debt were to moderate, and if management were to adopt more formalized and comprehensive financial policies.

## Wood-Ridge Borough, New Jersey--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	1.93
Economy	1.0
Financial performance	1
Reserves and liquidity	1
Management	2.65
Debt and liabilities	4.00

## Wood-Ridge Borough, New Jersey--key credit metrics

	Most recent	2024	2023	2022
<b>Economy</b>				
Real GCP per capita % of U.S.	--	125	128	129
County PCPI % of U.S.	--	145	146	145
Market value (\$000s)	--	2,157,179	1,981,843	1,823,702
Market value per capita (\$)	--	206,924	189,215	185,902
Top 10 taxpayers % of taxable value	--	9.3	9.4	9.3
County unemployment rate (%)	--	3.7	3.6	3.3
Local median household EBI % of U.S.	--	155	170	163
Local per capita EBI % of U.S.	--	144	152	148
Local population	--	10,425	10,474	9,810
<b>Financial performance</b>				
Operating fund revenues (\$000s)	--	36,867	38,178	37,397
Operating fund expenditures (\$000s)	--	33,191	37,204	34,011
Net transfers and other adjustments (\$000s)	--	--	--	--

**Wood-Ridge Borough, New Jersey--key credit metrics**

	Most recent	2024	2023	2022
Operating result (\$000s)	--	3,676	974	3,386
Operating result % of revenues	--	10.0	2.6	9.1
Operating result three-year average %	--	7.2	7.2	12.0
<b>Reserves and liquidity</b>				
Available reserves % of operating revenues	--	18.5	20.1	28.2
Available reserves (\$000s)	--	6,832	7,657	10,533
<b>Debt and liabilities</b>				
Debt service cost % of revenues	--	31.9	44.9	42.4
Net direct debt per capita (\$)	6,912	4,425	4,443	5,708
Net direct debt (\$000s)	72,060	46,135	46,540	55,993
Direct debt 10-year amortization (%)	91	59	68	--
Pension and OPEB cost % of revenues	--	6.0	6.0	5.0
NPLs per capita (\$)	--	1,359	1,481	1,021
Combined NPLs (\$000s)	--	14,171	15,511	10,020

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\$22.5 mil BANs ser 2026 dtd 05/13/2026 due 05/12/2027

Short Term Rating SP-1+

**Ratings Affirmed**

**Local Government**

Wood-Ridge Boro, NJ Unlimited Tax General Obligation AA/Stable

Wood-Ridge Boro, NJ Unlimited Tax General Obligation BAN SP-1+

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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