

Research Update:

Beach Haven Borough, NJ Series 2026 Bond Anticipation Notes Assigned 'SP-1+' Rating

April 10, 2026

Overview

S&P Global Ratings assigned its 'SP-1+' short-term rating to [Beach Haven Borough](#), N.J.'s \$17 million series 2026 bond anticipation notes (BANs).

Rationale

Security

The notes are general obligations (GOs) of the district and will contain a pledge of its full faith and credit for the payment of principal and interest. All the taxable real property in the district is subject to the levy of ad valorem taxes to pay the notes and interest.

The short-term rating reflects our criteria for evaluating and rating BANs. In our view, Beach Haven Borough maintains a very strong capacity to pay principal and interest when the notes come due. The district maintains what we view as a low market risk profile because it has strong legal authority to issue long-term debt to take out the notes and is a relatively frequent debt issuer that provides ongoing disclosure to market participants. Series 2026 note proceeds will be used to roll-over existing notes and finance various general, water, and sewer utility improvements.

Credit highlights

The rating reflects our view of Beach Haven's growing available fund balance position, consistent net performance, and very strong incomes. Offsetting these strengths, in our view, are relatively basic management practices and policies that are yet to be formalized in several key areas, and high long-term debt and pension liabilities.

Ocean County's broader economic activity and personal incomes reflect a service-based economy and are lower than those of the state and nation. Still, we view the borough's strong wealth and income indicators, as evident in rising market values and high incomes, as partly offsetting the lack of economic diversity inherent in many coastal bedroom economies. The borough has a trend of adjusting the millage rate to support growing costs and has historically replenished fund balance appropriated each year. Fiscal 2025 unaudited results reflect a \$537,000 net operating surplus, indicating additional growth in reserves. While the 2026 budget is

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not yet adopted officials report of no plans to materially spend down reserves and intend to replenish fund balance appropriated.

The rating further reflects our opinion of the borough's:

- Primarily residential tax base with a significant amount of second homes and a tourism component that result in population swelling to over 10,000 in the seasonal months. Local incomes are materially above both the county and national averages and are more comparable with those of higher rated peers, thereby providing credit uplift.
- Stable financial performance going back several years, apart from fiscal 2023 as a result of early paydown of debt. Property taxes account for 62% of revenue and provide stability to the operating budget. The borough's biggest expenditure growth considerations in coming years will be health benefit costs, but we expect property tax revenue and tax rate flexibility will allow the borough to at least sustain balanced financial performance.
- Regular budget monitoring but a lack of formalized policies and planning beyond state requirements in key areas. The township monitors investments, has adopted a cash management plan, and also monitors budget-to-actual performance and reports regularly to the council. Management also maintains a state-required three-year capital plan and three-year budget forecast that is updated annually in its budget but lacks a formal reserve policy or debt management policy. It has taken steps to mitigate cyber risk.
- Manageable fixed costs that normalized, in fiscal 2024, subsequent early paydown of about \$1 million in debt during fiscal 2023. Management has no additional debt plans for the next two years. While debt is substantial on a per capita basis, we believe it is overstated given the borough's smaller year-round population but strong secondary-home presence, and the borough's debt burden is small relative to its tax base. The borough's large pension obligations remain a credit weakness, consistent with the portfolio. For more information on these risks, see "[Pension Spotlight: New Jersey](#)," Oct. 9, 2025.
- Generally predictable operating framework and some statutory flexibility to raise local-source revenue for operating purposes despite the state's property tax cap, as with all New Jersey municipalities. For more information, see "[Institutional Framework Assessment: New Jersey Local Governments](#)," Sept. 9, 2024.

Environmental, social, and governance

We view physical environmental risks as elevated given the borough's island geography, which has historically been vulnerable to coastal storms and flooding. The borough participates in Ocean County's hazard mitigation plan, published in 2025, which indicates that 99.9% of the parcels are vulnerable to weather hazards. Superstorm Sandy in 2012 significantly affected the entire tax base, resulting in rebuilding of a municipal building, wells, and a water treatment plant; replacement of water, sewer, and drainage pipes and three pump stations; and raising of numerous bulkheads, among other resilience improvements. Officials are focused on road elevation, stormwater management, and flood control improvements to harden infrastructure and protect the tax base from future events. In addition, we view governance of the state's pension plans as a weakness because it could lead to elevated and volatile costs. We consider social risks neutral in our credit analysis.

Borough of Beach Haven, New Jersey--key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita as % of U.S.	54	54	55	54
County PCPI as % of U.S.	88	88	88	88
Market value (\$000s)	4,441,249	4,064,536	3,691,559	3,143,621
Market value per capita (\$)	4,108,463	3,759,978	3,584,038	2,624,058
Top 10 taxpayers as % of taxable value	2.7	2.7	--	2.2
County unemployment rate (%)	4.7	4.5	4.3	4.0
Local median household EBI as % of U.S.	133	133	153	149
Local per capita EBI as % of U.S.	183	183	179	178
Local population	1,081	1,081	1,030	--
Financial performance				
Operating fund revenue (\$000s)	--	16,519	14,498	13,802
Operating fund expenditures (\$000s)	--	14,856	15,402	12,949
Net transfers and other adjustments (\$000s)	--	--	--	--
Operating result (\$000s)	--	1,663	(904)	853
Operating result as % of revenue	--	10.1	(6.2)	6.2
Operating result three-year average %	--	3.3	2.5	3.5
Reserves and liquidity				
Available reserves as % of operating revenue	--	61.3	58.3	67.8
Available reserves (\$000s)	--	10,122	8,458	9,363
Debt and liabilities				
Debt service cost as % of revenue	--	10.2	17.4	10.1
Net direct debt per capita (\$)	17,229	14,426	12,925	9,745
Net direct debt (\$000s)	18,624	15,595	13,313	11,674
Direct debt 10-year amortization (%)	59	15	20	26
Pension and OPEB cost as % of revenue	--	5	5	6
NPLs per capita (\$)	--	8,228	8,752	5,823
Combined NPLs (\$000s)	--	8,894	9,015	6,976

Financial data may reflect analytical adjustments and is 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. EBI--Effective buying income. GCP--Gross county product. NPL--Net pension liability. OPEB--Other postemployment benefits. PCPI--Per capita personal income.

Ratings List

New Issue Ratings

US\$17.435 mil BANs ser 2026 due 04/29/2027

Short Term Rating

SP-1+

New Rating

Local Government

Beach Haven, NJ Unlimited Tax General Obligation BAN

SP-1+

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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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