



Rating Action: Moody's Ratings assigns MIG 1 to Berkeley Heights, NJ's Series 2026 BANs; affirms Aa1 issuer and GO ratings

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New York, March 05, 2026 -- Moody's Ratings (Moody's) has assigned a MIG 1 rating to the Township of Berkeley Heights, NJ's proposed \$8.5 million Bond Anticipation Notes, Series 2026, consisting of the \$8.0 General Improvement Bond Anticipation Note and the \$500,000 Redevelopment Bond Anticipation Note. Concurrently, we have affirmed the township's Aa1 issuer and general obligation unlimited tax (GOULT) ratings. Post issuance, the township will have approximately \$47.1 million of debt outstanding

RATINGS RATIONALE

The Aa1 issuer rating reflects the township's affluent and growing local economy, supported by proximity to New York City, exceptionally high resident income levels (225% of the U.S. median), and an equalized value per capita of \$340,292. The rating also incorporates a solid financial position, with available fund balance totaling \$8.9 million, or 29.9% of revenue, at year end 2024; unaudited 2025 results indicate the ratio remained generally stable at 27.6%. While reserves remain healthy, fund balance levels have declined from a peak of 44% in 2022 and are expected to remain broadly in line with 2025 levels through year end 2026. With reserves expected to remain nominally stable as operations continue to grow, the available fund balance ratio may modestly decline in the near term; however, we anticipate it will remain consistent with the township's current rating category. The rating further reflects the township's above-average leverage position, which is expected to remain elevated due to planned near term borrowings to finance major sewer system improvements.

The Aa1 GOULT rating is at the same level as the issuer rating reflecting the township's unlimited ad valorem tax pledge on the bonds.

The MIG 1 rating reflects the township's strong credit quality, as evidenced by its Aa1 long-term issuer rating, along with its history of market access and strong liquidity.

RATING OUTLOOK

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

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Increase in the available fund balance ratio to 45% or higher
- Decrease in the long-term liabilities ratio to 200% or lower

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Decrease in the available fund balance ratio to 20% or lower
- Increase in the long-term liabilities ratio to 400% or higher
- Significant contraction of the local economy

PROFILE

Berkeley Heights is a township located within commuting distance of New York City (Aa2 stable) with a population of approximately 13,100.

METHODOLOGY

The principal methodology used in the issuer and long-term ratings was US Cities and Counties published in December 2025 and available at <https://ratings.moodys.com/rmc-documents/455983>. The principal methodology used in the short-term rating was US Municipal Short-term Debt published in October 2024 and available at <https://ratings.moodys.com/rmc-documents/430699>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of these methodologies.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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Susanne Murray
Lead Analyst

Orlie Prince
Additional Contact

Anik Hoque
Additional Contact

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A

JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

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