

MOODY'S

RATINGS

Rating Action: Moody's Ratings assigns Aaa to Freehold Township, NJ's Open Space Bonds & MIG 1 to BANs; affirms issuer and GOULT ratings at Aaa

29 Sep 2026

New York, September 29, 2026 -- Moody's Ratings (Moody's) has assigned a Aaa rating to Freehold Township, NJ's proposed \$9.9 million Open Space Bonds, Series 2026 (Callable) and a MIG 1 rating to \$37.6 million Bond Anticipation Notes, Series 2026, consisting of \$26.2 million General Improvement Notes, Series 2026 and \$11.4 million Water/Sewer Utility Notes, Series 2026 (Non-Callable) (Book-Entry Optional). Concurrently, we affirmed the township's issuer and general obligation unlimited tax (GOULT) ratings at Aaa. Post issuance, the township will have approximately \$97.2 million in total debt outstanding.

RATINGS RATIONALE

The Aaa issuer rating reflects the township's excellent financial position, strong and expanding tax base, and conservative management practices that are expected to support continued credit stability. The township benefits from high resident wealth, with adjusted median household income equal to 141.6% of the US level, and substantial property wealth, with full value per capita of approximately \$283,760 in 2025. Ongoing commercial, warehouse, mixed use, and residential development activity is expected to sustain tax base growth and strengthen revenue generation over the medium term.

Stability in the township's financial position is a key rating strength. Available fund balance was strong at 58.4% of operating revenue, in 2025, providing substantial flexibility to absorb economic or operational pressures. Conservative budgeting, strong investment earnings, growing shared service revenues, and a history of positive operating results support expectations that reserves and liquidity will remain in line with the Aaa rating category. Management anticipates continued reserve growth in 2026.

The principal rating constraint remains elevated long-term liabilities, which measured 353.9% of operating revenue in 2025 and are driven largely by pension and OPEB obligations. However, declining pension liabilities, rapid debt amortization, robust reserve levels, and continued revenue growth help mitigate these pressures.

The absence of distinction between the issuer and general obligation unlimited tax (GOULT) ratings reflects the township's general obligation full faith and credit pledge as well as an unlimited property tax that is payable to debt service.

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

RATING OUTLOOK

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

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Sustained decrease in available fund balance below 35%
- Reversal of strong growth trends in local economy
- Sustained increase in leverage to levels approaching 400% of revenues

PROFILE

Freehold Township is located in Monmouth County (Aaa stable), about 50 miles south of New York City (Aa2 negative). The township has a population of about 36,000.

METHODOLOGY

The principal methodology used in the issuer and long-term ratings was US Cities and Counties published in June 2026 and available at <https://ratings.moodys.com/rmc-documents/466689>. 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.

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