



Rating Action: Moody's Ratings assigns Aaa to Morris County, NJ's 2025 Bonds, affirms outstanding ratings; outlook stable

22 May 2025

New York, May 22, 2025 -- Moody's Ratings (Moody's) has assigned a Aaa rating to Morris County, NJ's General Obligation Bonds, Series 2025, and affirmed its outstanding ratings as described below. The county has about \$266 million of debt outstanding. The outlook is stable.

We have taken the following actions:

- Assigned a Aaa rating to proposed \$28.2 million General Obligation Bonds, Series 2025, consisting of \$20 million General Improvement Bonds, \$2.8 million Park Bonds, \$2.4 million County College Bonds, and \$3 million County College Bonds (County College Bond Act, P.L. 1971, c. 12, as Amended) (Non-Callable)
- Affirmed the Aaa issuer rating
- Affirmed the Aaa ratings on outstanding general obligation bonds
- Affirmed the Aaa ratings on guaranteed debt issued through the Morris County Improvement Authority, NJ

RATINGS RATIONALE

The county's Aaa issuer rating reflects its favorable position as a wealthy outer suburb of New York City (Aa2 stable). Resident income is very strong at 152.7% of the US median and full value per capita is now about \$250,000 as the county attracts significant new development. The county has a history of strong governance, with healthy reserves at 30% for 2024. The county's liabilities are relatively high at 357%, though OPEB reform will help to bring this figure down over time.

The Aaa ratings on the county's general obligation bonds, including the Series 2025 bonds, are based on the county's full faith and credit pledge, either directly in the case of its general obligation bonds or through a separate agreement in the case of county-guaranteed debt issued through the Morris County Improvement Authority.

RATING OUTLOOK

The stable outlook reflects our expectation that the county's financial position will remain strong over the near term and that the county will continue to benefit from its wealthy and growing economy and above-average resident wealth and income.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Material, sustained declines in reserves below 20% of revenue
- Sustained economic decline

- Significant increase in leverage above 500% of revenue

PROFILE

Morris County is located in northern New Jersey (A1 positive) about 25 miles west of New York City (Aa2 stable). It is one of the wealthiest counties in the country.

METHODOLOGY

The principal methodology used in these ratings was US Cities and Counties published in July 2024 and available at <https://ratings.moodys.com/rmc-documents/425429>. An additional methodology used in the dependent ratings was Guarantees, Letters of Credit and Other Forms of Credit Substitution Methodology published in July 2022 and available at <https://ratings.moodys.com/rmc-documents/386295>. 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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