

Rating Action: Moody's assigns Aaa to Moorestown, NJ's GO bonds

06 Aug 2018

Outlook remains stable

New York, August 06, 2018 -- Moody's Investors Service has assigned a Aaa to the Township of Moorestown, NJ's \$22.7 million General Obligation Bonds, Series 2018 consisting of \$18.2 million General Improvement Bonds and \$4.5 million Water And Sewer Utility Bonds, Series 2018. Moody's maintains the Aaa rating on the township's outstanding GO debt. The outlook remains stable.

RATINGS RATIONALE

The Aaa rating reflects the township's large, wealthy tax base, strong finances, and modest debt and pension burden. The rating also reflects the elevated fixed costs offset by a history of surpluses.

RATING OUTLOOK

The stable underlying outlook reflects our expectation that the township's tax base, finances, and wealth will all remain strong.

FACTORS THAT COULD LEAD TO AN UPGRADE

- Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Structurally imbalanced operations, leading to significant draws on reserves and liquidity
- Tax base declines and deterioration of the township's resident wealth and income
- Material increase in debt burden

LEGAL SECURITY

Debt service on the GO bonds is secured by the township's general obligation unlimited ad valorem tax pledge.

USE OF PROCEEDS

Proceeds from the bonds will be used to finance various capital projects throughout the township.

PROFILE

Moorestown is a township with a population of 21,000 located in southwestern New Jersey (A3 stable), within commuting distance of Philadelphia (A2 negative).

METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in December 2016. Please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

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