

02 OCT 2025

## Fitch Rates Ocean County, NJ's Ser 2025 GO Bonds 'AAA'; Outlook Stable

Fitch Ratings - New York - 02 Oct 2025: Fitch Ratings has assigned a 'AAA' rating to the following Ocean County, NJ general obligation (GO) bonds:

--\$45,250,000 general improvement bonds, series 2025;

--\$17,285,000 general improvement refunding bonds, series 2025;

--\$33,450,000 GO Ocean County vocational technical school bonds, series 2025;

--\$1,607,000 college capital improvement bonds, series 2025.

The bonds are expected to sell competitively on Oct. 16. Proceeds will be used to refund outstanding GO bonds and finance capital improvement projects associated with the county, the county vocational technical schools, and the county college.

In addition, Fitch has affirmed the outstanding 'AAA' rating on the county's Issuer Default Rating (IDR), outstanding GO bonds, and the Ocean County Utilities Authority wastewater revenue refunding bonds, series 2006 (backed by the county's GO pledge).

The Rating Outlook is Stable.

Ocean County's 'AAA' IDR and GO bond ratings incorporate the county's financial resilience assessment of 'aaa', which reflects a 'High-Midrange' level of budgetary flexibility and assumed maintenance of unrestricted general fund reserves (sum of committed, assigned and unassigned) above 10% of spending (the minimum for a 'aaa' financial resilience assessment). For purposes of calculating unrestricted fund balance, Fitch includes the county's current fund, as well as appropriation reserves, encumbrance reserves and reserves for receivables, which Fitch believes is more comparable with GAAP accounting. Available reserves have been maintained comfortably above 10% levels for several years and were at 23% of spending in 2024.

The rating also captures the county's 'Strong' long-term liability (LTL) metrics, tempered by population trend and demographic and economic level metrics, which include unemployment, educational attainment, and median household income, and are assessed as 'Midrange' when compared to Fitch's local government ratings portfolio.

### Rating Sensitivities

## **Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade**

--An actual or expected decline in available reserves sustained at below 10% of spending, which would lower Fitch's assessment of financial resilience to 'aa' or below;

--Absent a commensurate increase in personal income and governmental resources, a sustained approximate 10% increase in long-term liability metrics including carrying costs;

--A material sustained weakening of demographic and economic metrics.

## **Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade**

--Not applicable for the 'AAA' ratings.

## **SECURITY**

The bonds are GOs of the county backed by its full faith and credit and unlimited taxing power. The county college capital improvement bonds are further entitled to payments of principal and interest by the state of New Jersey, pursuant to New Jersey's County College Bond Act.

## **Fitch's Local Government Rating Model**

The Local Government Rating Model generates Model Implied Ratings, which communicate the issuer's credit quality relative to Fitch's local government rating portfolio. (The Model Implied Rating will be the Issuer Default Rating except in certain circumstances explained in the applicable criteria.) The Model Implied Rating is expressed via a numerical value calibrated to Fitch's long-term rating scale that ranges from 10.0 or higher (AAA), 9.0 (AA+), 8.0 (AA), and so forth down to 1.0 (BBB- and below).

Model Implied Ratings reflect the combination of issuer-specific metrics and assessments to generate a Metric Profile and a structured framework to account for Additional Analytical Factors not captured in the Metric Profile that can either mitigate or exacerbate credit risks. Additional Analytical Factors are reflected in notching from the Metric Profile and are capped at +/-3 notches.

## **Ratings Headroom & Positioning**

Ocean County Model Implied Rating: 'AAA' (Numerical Value: 10.08)

-- Metric Profile: 'AAA' (Numerical Value: 10.08)

-- Net Additional Analytical Factor Notching: 0.0

Ocean County's Model Implied Rating is 'AAA'. The associated numerical value of 10.08 is at the lower end of the range for a 'AAA' rating.

## **Key Rating Drivers**

## **Financial Profile**

## **Financial Resilience - 'aaa'**

Ocean County's financial resilience is driven by the combination of its 'High' revenue control assessment and 'Midrange' expenditure control assessment, culminating in a 'High Midrange' budgetary flexibility assessment.

- Revenue control assessment: High
- Expenditure control assessment: Midrange
- Budgetary flexibility assessment: High Midrange
- Minimum fund balance for current financial resilience assessment:  $\geq 10.0\%$
- Current year fund balance to expenditure ratio: 22.8% (2024)
- Lowest fund balance to expenditure ratio for the fiscal-year period 2020-2024: 22.8% (2024)

## **Revenue Volatility - 'Midrange'**

Ocean County's weakest historic three-year revenue performance has a modest negative impact on the Model Implied Rating.

The revenue volatility metric is an estimate of potential revenue volatility based on the issuer's historical experience relative to the median for the Fitch-rated local government portfolio. The metric helps to differentiate issuers by the scale of revenue loss that would have to be addressed through revenue raising, cost controls or utilization of reserves through economic cycles.

- Lowest three-year revenue performance (based on revenues dating back to 2005): 2.3% decrease for the three-year period ending fiscal 2011
- Median issuer decline: -4.3% (2024)

## **Demographic and Economic Strength**

### **Population Trend - 'Midrange'**

Based on the median of 10-year annual percentage change in population, Ocean County's population trend is assessed as 'Midrange'.

Population trend: 1.0% Analyst Input (52nd percentile) (vs. 0.9% 2023 median of 10-year annual percentage change in population)

### **Unemployment, Educational Attainment and MHI Level - 'Midrange'**

The overall strength of Ocean County's demographic and economic level indicators (unemployment rate, educational attainment, median household income [MHI]) in 2024 are assessed as 'Midrange' on a composite basis, performing at the 46th percentile of Fitch's local government rating portfolio. This is

due to high education attainment levels offsetting midrange median-issuer indexed adjusted MHI and elevated unemployment rate.

-- Unemployment rate as a percentage of national rate: 112.5% 2024 (33rd percentile), relative to the national rate of 4.0%

-- Percent of population with a bachelor's degree or higher: 33.7% (2023) (60th percentile)

-- MHI as a percent of the portfolio median: 96.6% (2023) (45th percentile)

### **Economic Concentration and Population Size - 'Strongest'**

Ocean County's population in 2024 was of sufficient size and the economy was sufficiently diversified to qualify for Fitch's highest overall size/diversification category.

The composite metric acts asymmetrically, with most issuers (above the 15th percentile for each metric) sufficiently diversified to minimize risks associated with small population and economic concentration. Downward effects of the metric on the Metric Profile are most pronounced for the least economically diverse issuers (in the 5th percentile for the metric or lower). The economic concentration percentage shown below is defined as the sum of the absolute deviation of the percentage of personal income by major economic sectors relative to the U.S. distribution.

-- Population size: 666,434 (2024) (above the 15th percentile) (vs. 660,445 2023 Actual)

-- Economic concentration: 37.8% (2024) (above the 15th percentile)

### **Analyst Inputs to the Model**

Analyst inputs to the model reflect metric adjustments to account for historical data anomalies, forward-looking performance shifts, or non-recurring events that may otherwise skew the time series.

Fitch utilized a five-year median to evaluate the county's population trend to better reflect the recent strong growth trend, which we expect to continue.

### **Long-Term Liability Burden**

#### **Long-Term Liability Burden - 'Strongest'**

Ocean County's carrying costs to governmental expenditures has improved while liabilities to personal income and liabilities to governmental revenue remain broadly strong. The long-term liability composite metric in 2024 is at the 87th percentile, indicating a low liability burden relative to the Fitch's local government rating portfolio.

-- Liabilities to personal income: 1.0% Analyst Input (97th percentile) (vs. 2.1% 2024 Actual)

-- Liabilities to governmental revenue: 106.0% Analyst Input (83rd percentile) (vs. 101.5% 2024 Actual)

-- Carrying costs to governmental expenditures: 10.1% Analyst Input (82nd percentile) (vs. 9.8% 2024 Actual)

Net direct debt was adjusted to reflect scheduled amortization of principal on outstanding debt through fiscal end 2025, the issuance of debt since the end of fiscal 2024, and the current series 2025 issuance. In addition, budgeted fiscal 2025 debt service (net of budgeted state support) was used in the carrying costs to governmental expenditures metric.

Due to New Jersey's unique statutory accounting requirements, Fitch also adjusted total governmental expenditures and total governmental revenues to be more in line with GAAP accounting practices. Fitch includes the revenues and expenses from the county's current fund, the capital fund and certain county trust fund expenses and revenues to derive a denominator to calculate carrying costs and debt to governmental revenues and expenditures. Overall, the adjustment results in a more comparable governmental revenue and expenditure number for the county when compared with other issuers in Fitch's overall portfolio subject to GAAP reporting requirements.

For purposes of determining liabilities to personal income, Fitch uses a proxy metric and takes the total liabilities to market value percentage and then doubles it to arrive at a metric that better reflects the resource base, since a large part of economic activity is derived from tourism and seasonal visitors.

## **PROFILE**

Ocean County encompasses 634 square miles of eastern New Jersey, approximately equidistant (50 miles-60 miles) between New York and Philadelphia, and includes 45 miles of oceanfront and barrier islands. The townships of Lakewood, Toms River, Brick and Jackson are located in the county, in addition to popular shoreline communities of Point Pleasant, Seaside Heights and Long Beach Island.

The performance of Ocean County's economy and its predominantly residential tax base relies heavily on its extensive oceanfront properties and popularity of its shore communities to vacationers from New Jersey, New York and Philadelphia. The county's tax base has experienced solid growth since 2014, following a 17% decline between 2009 and 2014 as a result of the Great Recession and Superstorm Sandy. Taxable value for 2025 increased approximately 9% to \$176.5 billion and substantially above the \$109 billion peak just before the Great Recession. This equates to an estimated market value per capita of a high \$264,894. Wealth levels exceed national levels but are below the state averages.

The county's coastal shoreline serves as a large tourism and secondary home draw. In addition to hospitality, the county has a strong presence in retail, healthcare and government serving a sizeable and moderately growing year-round population.

## **Sources of Information**

In addition to sources of information identified in Fitch's applicable criteria specified below, this action was informed by data from DIVER by Solve.

## **REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING**

The principal sources of information used in the analysis are described in the Applicable Criteria.

## ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

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## Rating Actions

ENTITY/DEBT	RATING	RECOVERY	PRIOR	
Ocean County (NJ) [General Government]	LT IDR	AAA 	Affirmed	AAA 

ENTITY/DEBT	RATING	RECOVERY	PRIOR
<ul style="list-style-type: none"> <li>Ocean County (NJ) /General ObligatiobT - Unlimited Tax/ 1 LT</li> </ul>	AAA 	Affirmed	AAA 

**RATINGS KEY OUTLOOK WATCH**

POSITIVE		
NEGATIVE		
EVOLVING		
STABLE		

**Applicable Criteria**

[U.S. Public Finance Local Government Rating Criteria \(pub.02 Apr 2024\) \(including rating assumption sensitivity\)](#)

**Applicable Models**

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

U.S. Local Government Rating Model, v1.2.0 [\(1\)](#)

**Additional Disclosures**

[Solicitation Status](#)

**Endorsement Status**

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