

Rating Action: Moody's assigns Aa2 to Teaneck, NJ's GOULT bonds

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New York, July 23, 2021 -- Moody's Investors Service has assigned a Aa2 rating to the Township of Teaneck, NJ's \$8.25 million Tax Appeal Refunding Bonds, Series 2021 (Federally Taxable). Moody's maintains the Aa2 rating on the township's general obligation unlimited tax (GOULT) bonds.

RATINGS RATIONALE

The Aa2 rating reflects the township's substantial tax base favorably located near New York City (Aa2 stable). Over the past few years, the mostly residential community has maintained adequate but stable reserves, modest debt, and above-average wealth and resident income.

RATING OUTLOOK

Moody's does not usually assign outlooks to local government issuers with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Sustained growth in tax base and strengthened wealth and resident income
- Material increase in reserves and liquidity

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Decline in tax base and weakened wealth and resident income
- Sustained, material deterioration in reserves or liquidity

LEGAL SECURITY

Debt service on the township's bonds is backed by the pledge of its full faith and credit backed by its legal obligation to levy ad valorem tax on all taxable property for the payment of debt service without limit as to rate or amount.

USE OF PROCEEDS

Proceeds from the bonds will be used to finance tax appeal settlements.

PROFILE

The township of Teaneck is located in Bergen County (Aaa stable), approximately 5 miles from New York City. The township has approximately 40,500 residents.

METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2021 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1260094. Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

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 at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004

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