

Research Update:

West Windsor Township, NJ Series 2026 Bond Anticipation Notes Rated 'SP-1+'; 'AAA' GO Bond Rating Affirmed

October 6, 2026

Overview

- S&P Global Ratings assigned its 'SP-1+' short-term rating to [West Windsor Township](#), New Jersey's approximately \$34.07 million series 2026 bond anticipation notes (BANs).
- At the same time, we affirmed our 'AAA' long-term rating on the township's general obligation (GO) bonds.
- We also affirmed our 'AAA' long-term rating on the [West Windsor Township Parking Authority's](#) GO debt, supported by the township.
- Finally, we affirmed our 'SP-1+' short-term rating on the township's existing BANs.
- The outlook on the long-term rating is stable.

Rationale

Security

West Windsor's full faith and credit pledge secures the series 2026 BANs and GO bonds and BANs outstanding. The authority's series 2021 revenue refunding bonds are a full faith and credit pledge of the authority. The authority's bonds are payable from net parking revenue; to the extent parking revenue is not available, the township is obligated to provide for the bonds' debt service payments per a guarantee agreement between the authority and township. West Windsor's obligation is a GO of the township, and it remains in effect as long as bonds are outstanding. Therefore, we rate the bonds to our view of West Windsor's general creditworthiness.

The short-term rating reflects our criteria for evaluating and rating BANs. West Windsor maintains a very strong capacity to make principal and interest payments when the BANs come due. We view the township's market risk profile as low because it has strong legal authority to issue long-term debt to take out the BANs and because it is a frequent debt issuer that regularly provides ongoing disclosure to market participants.

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Officials intend to use series 2026 BAN proceeds to refund the existing 2025 BANs and finance capital improvements.

Credit highlights

West Windsor's affluent and diverse property tax base, historically positive finances, and ample fund balance support the long-term rating. While we expect the township will use a modest amount of reserves for fiscal 2026 (year-end Dec. 31), it maintains reserve levels that exceed those of similarly rated state and national peers, which we view as a credit strength. While the township's debt profile is manageable, we continue to view its pension and other postemployment benefit (OPEB) plans as a credit weakness, similar to most New Jersey local governments, due to elevated costs and per capita debt and retirement liabilities. However, we do not anticipate downward pressure on credit quality at this time due to its offsetting strengths.

The township may utilize fund balance in fiscal 2026 for one-time budgetary items after its nine-year trend of surplus results and building reserves. Furthermore, West Windsor raised its tax levy by 8% in the fiscal 2026 budget after five years of flat tax increases, which we think will contribute to stable financial performance over the outlook horizon. Historically, the township has outperformed its budget due to management's cautious projections. The positive financial performance benefits from strength in other local taxes, permits, and fees fueled by growth in commercial activity, along with prudent expenditure management by officials. The township expects additional revenue from liquor licenses at a major local mall, which, along with continued growth in other revenue sources, will help ensure structural budgetary balance should the township experience outsize expenditure growth.

The likely spend down of reserves could lower the township's fund balance closer to \$19 million, which is still well above those of state and national peers; 'AAA' level state peers hold median reserves at 29% of revenues. (For more information, see ["U.S. Local Government Credit Brief: New Jersey Municipalities And Counties Means And Medians,"](#) Sept. 18, 2026). Because the township uses a healthcare consultant who actively monitors favorable rates, West Windsor is not facing significant budgetary pressure in health benefit costs, which is an escalating cost area for many state peers, particularly those in the state's plan. The fiscal 2027 budget, which the township expects to adopt in spring 2027, will likely incorporate newly negotiated employee salaries along with more modest tax increases than fiscal 2026 levels.

The long-term rating reflects our view of the following factors:

- The primarily residential community has a solid and growing commercial base, local incomes that are significantly stronger than those of broader Mercer County and national peers, and direct access to the New Jersey Turnpike and Route 295. Along with the U.S. Route 1 Highway, a major commercial corridor, rail service to larger employment bases in New York City and Philadelphia is available via the Princeton Junction Station at West Windsor. Economic development involving residential units, several hotels, mixed-use developments, warehouse space, and other commercial properties has resulted in a 24% increase in the township's tax base over the past five years, reaching \$8.5 billion in 2025. Gross county product per capita exceeds national levels, reflecting a diverse and growing economic output at the county level. We expect its economic activity will likely remain diverse and robust, keeping the economic profile stronger than that of state peers.
- A growing tax base and increasing revenue from miscellaneous sources, such as building construction fees and hotel taxes, bolster positive operations. Property taxes generate 53% of general fund revenue. During the two-year outlook period, we expect the township will likely

experience strong revenue growth through tax base appreciation, construction revenue, and increased miscellaneous revenue as economic development continues.

- Conservative budgeting practices are coupled with regular budget monitoring and annually updated long-term planning that informs future budgets. West Windsor maintains a high level five-year financial forecast that helps guide budget development and contract negotiations. In addition, it produces a detailed six-year capital plan that identifies funding sources and that it reviews annually. Along with an annually adopted cash management plan, the township formally adopted an independent debt management policy that requires debt to remain below 3.5% of total market value and has a formal reserve policy that calls for maintaining general fund reserves at 18% of the previous year's expenditures. The township has taken steps to mitigate cyber threats.
- Following the series 2026 BANs issuance, West Windsor will have \$46.8 million of debt outstanding. The township has rapid amortization and it could elect to use reserves to pay down BANs without permanently financing them. In addition to its low pension funded ratios, we believe its OPEB liability, totaling about \$94 million as of fiscal 2026, further weakens retirement liability ratios. Nonetheless, we expect the township will likely continue to manage these costs due to its history of maintaining balanced operations and robust reserves, supported by a wealthy tax base, despite elevated retirement obligations.
- For more information on our institutional framework assessment for New Jersey municipalities, see "[Institutional Framework Assessment: New Jersey Local Governments](#)," Sept. 9, 2024.
- Although physical risks are relevant for the local government sector, we consider West Windsor's exposure to natural hazards, including flooding and extreme weather, low compared with national peers and in a nominal sense; therefore, it is not a material factor in our credit analysis.

Rating above the sovereign

West Windsor is eligible to be rated above the sovereign because we believe it can maintain better credit characteristics than the nation in a stress scenario. Under our criteria, "[Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions](#)," Nov. 19, 2013, the township has a predominantly locally derived revenue source, with the majority of general fund revenue from property taxes, as well as independent taxing authority and treasury management from the federal government.

Outlook

The stable outlook reflects S&P Global Ratings' view of West Windsor's consistently strong finances and underlying economy. High reserve levels provide additional stability. Therefore, we do not expect to revise the rating within our two-year outlook period.

Downside scenario

While we view the scenario as unlikely, we could lower the rating if the township's finances were to decrease on a sustained basis due to higher retirement costs or some other unforeseen reason, resulting in a substantially reduced fund balance.

West Windsor Township, New Jersey--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	1.89
Economy	1.0
Financial performance	2
Reserves and liquidity	1
Management	1.70
Debt and liabilities	3.75

West Windsor Township, New Jersey--key credit metrics

	Most recent	2025	2024	2023
Economy				
Real GCP per capita % of U.S.	--	--	172	174
County PCPI % of U.S.	--	--	117	118
Market value (\$000s)	--	9,706,951	8,512,285	8,392,683
Market value per capita (\$)	--	326,284	287,131	281,350
Top 10 taxpayers % of taxable value	--	17.0	17.2	16.6
County unemployment rate (%)	--	5.3	4.6	4.2
Local median household EBI % of U.S.	--	204	209	226
Local per capita EBI % of U.S.	--	182	189	205
Local population	--	29,750	29,646	29,830
Financial performance				
Operating fund revenues (\$000s)	--	49,738	54,071	51,039
Operating fund expenditures (\$000s)	--	51,511	48,874	49,833
Net transfers and other adjustments (\$000s)	--	--	--	--
Operating result (\$000s)	--	(1,773)	5,197	1,206
Operating result % of revenues	--	(3.6)	9.6	2.4
Operating result three-year average %	--	2.8	8.9	6.6
Reserves and liquidity				
Available reserves % of operating revenues	--	43.6	43.4	35.7
Available reserves (\$000s)	--	21,667	23,440	18,243
Debt and liabilities				
Debt service cost % of revenues	--	10.5	7.9	7.9
Net direct debt per capita (\$)	1,574	1,521	1,377	1,194
Net direct debt (\$000s)	46,829	45,254	40,837	35,618
Direct debt 10-year amortization (%)	87	21	29	--
Pension and OPEB cost % of revenues	--	14.0	12.0	12.0
NPLs per capita (\$)	--	978	1,058	1,127
Combined NPLs (\$000s)	--	29,083	31,364	33,614

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Ratings List	
New Issue Ratings	
US\$34.070 mil BANs ser 2026 due 10/25/2027	
Short Term Rating	SP-1+
Ratings Affirmed	
Local Government	
West Windsor Twp, NJ Unlimited Tax General Obligation	AAA/Stable
West Windsor Twp, NJ Unlimited Tax General Obligation BAN	SP-1+
West Windsor Twp, NJ Unlimited Tax General Obligation and West Windsor Twp Pkg Auth, NJ Parking System	AAA/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

West Windsor Township, NJ Series 2026 Bond Anticipation Notes Rated 'SP-1+'; 'AAA' GO Bond Rating Affirmed

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