



TOWN OF STOUGHTON

OFFICE OF THE TOWN MANAGER

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Moody's Aa2 Credit Opinion

To the Citizens of Stoughton,

I recently read a post written by a local activist claiming that the Town leaders were refusing to publicize the Town bond rating until after the upcoming election. I really don't understand why she would make such a claim when she has never requested that information. We are very proud of the Town's bond rating and our financial standing among all Massachusetts communities. Attached please find Moody's executive summary of its credit opinion for the Town of Stoughton, published on 10/17/2024. Please note that the Town proudly maintains its Aa2 bond rating. The report references the Town's **"positive financial operations driven by conservative budget practices"** as one of the Town's credit strengths.

I recognize that the Moody's credit opinion differs dramatically from that cascaded by the activist who claims that the Town has no budgeting guardrails. Stoughton's Town leaders work closely with the Massachusetts DOR, Moody's and our independent auditors to ensure that conservative fiscal policies are followed. That is the reason that Stoughton is held in such high regard by those whose job it is to monitor the financial performance and practices of 351 cities and towns across Massachusetts. The Town of Stoughton is on a strong financial footing and growing stronger each year.

Sincerely,

A handwritten signature in black ink that reads "Thomas J. Calter".

Thomas J. Calter,
Town Manager

CREDIT OPINION

17 October 2024



Send Your Feedback

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Town of Stoughton, MA

Update to credit analysis

Summary

The credit profile for the [Town of Stoughton, Massachusetts](#) (Aa2 issuer and GOLT, MIG 1 BAN) will remain stable, as management continues to implement conservative budgetary practices and raise revenues through rate assessments on services. The town additionally benefits from its location as a relatively affordable Boston suburb; demand has resulted in tax base growth and some new development. Long term liabilities and fixed costs are manageable.

On October 17, 2024 we assigned an Aa2 rating to the town's general obligation limited tax (GOLT) bonds.

Credit strengths

- » Diverse economy supported by commercial and industrial development
- » **Positive financial operations driven by conservative budgetary practices**
- » Modest leverage and fixed costs

Credit challenges

- » Available fund balance ratio below medians
- » Limited revenue raising flexibility under Proposition 2 1/2 tax levy limit

Rating outlook

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

Factors that could lead to an upgrade

- » Available fund balance exceeding 40% of revenue
- » Growth and diversification of local economy
- » Decline in leverage as a percent of revenue

Factors that could lead to a downgrade

- » Decline in available fund balance ratio to below 20%
- » Contraction of local economy resulting in worsened resident incomes and/or equalized value per capita
- » Significant increase in leverage

Key indicators

Exhibit 1

Stoughton (Town of) MA

	2020	2021	2022	.2023	Aa Medians
Economy					
Resident income ratio (%)	123.5%	125.1%	116.7%	N/A	115.2%
Full Value (\$000)	\$4,014,565	\$4,681,174	\$4,681,174	\$5,187,578	\$2,753,876
Population	28,742	29,028	29,051	N/A	22,803
Full value per capita (\$)	\$139,676	\$161,264	\$161,136	\$178,568	\$168,209
Annual Growth in Real GDP	-1.5%	7.0%	2.3%	N/A	4.9%
Financial Performance					
Revenue (\$000)	\$151,073	\$150,696	\$147,489	\$161,221	\$49,930
Available fund balance (\$000)	\$46,711	\$44,677	\$44,628	\$42,396	\$27,007
Net unrestricted cash (\$000)	\$69,683	\$64,425	\$90,663	\$96,135	\$36,277
Available fund balance ratio (%)	30.9%	29.6%	30.3%	26.3%	54.0%
Liquidity ratio (%)	46.1%	42.8%	61.5%	59.6%	75.9%
Leverage					
Debt (\$000)	\$114,464	\$108,862	\$127,203	\$121,388	\$35,831
Adjusted net pension liabilities (\$000)	\$121,065	\$130,696	\$154,326	\$88,892	\$55,367
Adjusted net OPEB liabilities (\$000)	\$139,014	\$176,098	\$145,495	\$123,553	\$5,248
Other long-term liabilities (\$000)	\$2,139	\$3,424	\$4,020	\$4,444	\$1,716
Long-term liabilities ratio (%)	249.3%	278.1%	292.3%	209.8%	244.9%
Fixed costs					
Implied debt service (\$000)	\$7,963	\$8,197	\$7,636	\$8,884	\$2,465
Pension tread water contribution (\$000)	\$3,863	\$3,386	\$2,336	N/A	\$1,563
OPEB contributions (\$000)	\$4,032	\$4,193	\$4,349	\$4,625	\$178
Implied cost of other long-term liabilities (\$000)	\$153	\$153	\$240	\$281	\$116
Fixed-costs ratio (%)	10.6%	10.6%	9.9%	10.0%	10.7%

For definitions of the metrics in the table above please refer to the [US Cities and Counties Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [US Cities and Counties Median Report](#).

The real GDP annual growth metric cited above is for the Boston-Cambridge-Newton, MA-NH Metropolitan Statistical Area Metropolitan Statistical Area.

[1] 2025 full value \$6.28 billion; FVPC \$216,294 based on 2022 population

Sources: US Census Bureau, Stoughton (Town of) MA's financial statements and Moody's Ratings, US Bureau of Economic Analysis

Profile

Stoughton is located approximately 19 miles from [Boston](#) (Aaa stable). The town has a land area of 16 square miles and a population of over 29,000. The town provides general government service including police and fire protection, garbage disposal, public education for grades kindergarten through twelve, water and sewer, street maintenance, and recreational facilities including a nine-hole golf course.

Detailed credit considerations

Stoughton's local economy will continue to benefit from its proximity to Boston. The town is primarily residential, with a stable but slightly older population (median age of 46 compared to 39 nationally) and above average resident incomes. Equalized value increased in 2025 by about 21%, reflecting property value growth and new development, including apartments and senior housing which diversifies available housing stock in a high demand community. New mixed use, commercial and light industrial developments have also contributed to the diversification of the tax base.

Stoughton's financial position will remain stable with preliminary projections for fiscal 2024 showing an operating surplus. This surplus was driven by positive variances in both expenditures and revenue, as the town had increased water, sewer and sanitation rates in addition to property tax and building permit revenue growth.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moodys.com> for the most updated credit rating action information and rating history.