

Research Update:

Littleton, MA Series 2025 GO Senior Center Bonds Assigned 'AAA' Rating

October 21, 2025

Overview

- S&P Global Ratings assigned its 'AAA' long-term rating to the Town of [Littleton](#), Mass.' \$12.1 million general obligation (GO) senior center bonds.
- We also affirmed our 'AAA' long-term rating on the town's GO debt outstanding and our 'SP-1+' short-term rating on Littleton's GO bond anticipation notes (BANs) outstanding, which will be redeemed following this GO issuance.
- The outlook, where applicable, is stable.

Rationale

Security

Littleton's full-faith-and-credit pledge, subject to Proposition 2 1/2 limitations, secures the GO BANs and long-term bonds. Despite commonwealth levy-limit laws, we do not make a rating distinction between the town's limited-tax GO pledge and general creditworthiness because our analysis of Littleton's financial and economic conditions already includes the limitation imposed on the town's revenue-raising ability.

We understand GO bond proceeds will be used to permanently finance BANs maturing on Nov. 13, 2025.

The short-term rating reflects our high investment-grade long-term rating on Littleton and the town's low market risk profile. In our view, and pursuant to our BAN criteria, we have assessed the town's market risk as low due to Littleton's strong market access, information availability, and takeout authorization.

Credit highlights

Littleton's creditworthiness is characterized by an affluent, primarily residential community that benefits from participation in the Boston metropolitan statistical area. The town's economic underpinnings, combined with management's demonstrated willingness to adjust budgetary

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assumptions as necessary and to budget conservatively, have led to consistently balanced operating results and high reserves.

For fiscal 2024, audited results show another strong year operationally for the town. Specifically, general fund revenue increased by 5.2% compared with the previous year and \$4.1 million above budget due to strong property tax revenue growth and interest income, as well as a number of other revenue streams that came in better than budget, such as motor vehicle license revenue. In addition, expenses came in \$3.2 million under budget due to conservative budgeting. Accordingly, the town was able to transfer \$847,000 out of its general fund to the capital projects fund while also increasing available general fund reserves by more than \$800,000 to a total of \$31.7 million, or 48% of operating revenues, including \$7.7 million of capital stabilization funds held as committed reserves.

Management indicates fiscal 2025 has been another strong year with revenues increasing nearly 6% above the previous year, along with expenses coming in below budget. As a result, we understand the town anticipates an estimated \$1.8 million increase to reserves.

For fiscal 2026, although Littleton is anticipating a 20% increase to insurance costs, we understand the budget is balanced with conservative revenue assumptions. Management indicates that after the first quarter it has already received a full year of investment income. In addition, there are no material changes to financial operations or to revenues. Ultimately, we expect the town will maintain its strong performance as well as its very strong reserves, despite likely rising fixed costs in the medium term due to future new-money debt issuances and rising retirement costs.

We view the town's debt as high and its overall liabilities as moderately high, mitigated in part by annual pay-as-you-go capital contributions. We understand additional capital needs following this issuance consist primarily of school facilities, police and fire equipment and department of public work vehicle replacements. Littleton's 10-year capital improvement plan totals \$33.8 million. Nevertheless, we do not anticipate a material change to the town's debt profile as a result of its capital plans. In addition, although retirement costs are elevated with pension and other postemployment benefit (OPEB) expenses accounting for 11.1% of expenses, the town has made strong progress in funding its liabilities in recent years, with pension and OPEB liabilities totaling \$25.9 million and \$7.8 million, respectively.

The rating reflects our opinion of Littleton's:

- Affluent residential tax base, with very high income metrics that we believe uplift the overall rating, and a tax base that continues to experience strong growth in residential assessed values in part due to the town's favorable location just 30 miles west of Boston;
- Strong budgeting practices, with conservative assumptions that the town consistently outperforms, with long-term financial and capital plans that are annually updated and tied into its assumptions, along with a comprehensive host of policies, including investment, debt management, and reserve policies, as well as steps to mitigate cyber risk;
- Historically surplus financial operations that management anticipates will continue in fiscal years 2025 and 2026, with stable revenue from property taxes (74%), which have led to the town maintaining ample available reserves that compare favorably with those of peers at the same rating level; and
- Elevated fixed costs due to high overall net debt levels and moderately high retirement costs with the town participating in the Middlesex Retirement System (55% funded and elevated 7.1% discount rate) and maintaining an OPEB obligation that is 79% funded. Although we

believe Littleton's fixed costs could add some budgetary pressure over the next few years, management has demonstrated a clear commitment to addressing unfunded retirement liabilities, as well as limited additional capital needs.

- For more information on our institutional framework assessment for Massachusetts municipalities, please see "[Institutional Framework Assessment: Massachusetts Local Governments](#)," Sept. 11, 2024.

Environmental, social, and governance

We assessed Littleton's environmental, social, and governance (ESG) risks relative to the town's economy, management, financial measures, and debt and liability profile. The ESG factors are credit neutral within our credit analysis.

In November 2023, the town's electric and water utility experienced a cyber attack, but we understand there was very little disruption to Littleton's operations and finances. The town never lost operational control of its utility and management indicates the fire wall between its systems contained the disruption. As a result of the attack, the town has taken several steps to enhance its security.

Rating above the sovereign

Under our criteria, "[Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions](#)," Nov. 19, 2013, we rate Littleton higher than the sovereign because we believe the town can maintain better credit characteristics than the nation in a stress scenario based on its predominantly locally derived revenue base and our view that pledged revenue supporting bond debt service is at limited risk of negative sovereign intervention. In 2024, local property taxes generated roughly three-fourths of revenue, which demonstrated a lack of dependence on central government revenue.

Outlook

The stable outlook reflects our expectation that the town will maintain its strong financial performance, including very strong general fund available reserves.

Downside scenario

Although we consider it unlikely at present, if Littleton were to experience performance deterioration or significant reductions in available reserve due to capital plans or unforeseen financial pressure, or if liabilities were to materially increase to a level no longer commensurate with those of peers at the same rating level, we could take a negative rating action.

Littleton, Massachusetts--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	1.56
Economy	1.0
Financial performance	1
Reserves and liquidity	1
Management	1.30
Debt and liabilities	3.50

Littleton, Massachusetts--key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita % of U.S.	--	179	179	182
County PCPI % of U.S.	--	155	155	155
Market value (\$000s)	--	2,997,202	2,639,034	2,278,308
Market value per capita (\$)	--	293,354	258,703	211,817
Top 10 taxpayers % of taxable value	--	10.6	9.8	11.3
County unemployment rate (%)	--	3.6	3.0	3.0
Local median household EBI % of U.S.	--	180	177	180
Local per capita EBI % of U.S.	--	179	175	181
Local population	--	10,217	10,201	10,756
Financial performance				
Operating fund revenues (\$000s)	--	65,981	62,676	57,832
Operating fund expenditures (\$000s)	--	60,188	56,567	54,135
Net transfers and other adjustments (\$000s)	--	(375)	(6,052)	(1,669)
Operating result (\$000s)	--	5,418	57	2,028
Operating result % of revenues	--	8.2	0.1	3.5
Operating result three-year average %	--	3.9	3.5	5.1
Reserves and liquidity				
Available reserves % of operating revenues	--	47.9	41.8	40.5
Available reserves (\$000s)	--	31,616	26,194	23,450
Debt and liabilities				
Debt service cost % of revenues	--	3.6	4.2	4.9
Net direct debt per capita (\$)	-	7,241	5,482	4,869
Net direct debt (\$000s)	-	73,983	55,922	52,371
Direct debt 10-year amortization (%)	-	24	--	--
Pension and OPEB cost % of revenues	--	11.0	11.0	11.0
NPLs per capita (\$)	--	2,532	2,991	1,826
Combined NPLs (\$000s)	--	25,873	30,512	19,637

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\$12.100 mil GO sr ctr bndls ser 2025 dtd 11/12/2025 due 11/01/2045

Long Term Rating	AAA/Stable
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Ratings Affirmed

Local Government

Littleton, MA Limited Tax General Operating Pledge	AAA/Stable
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Littleton, MA Limited Tax General Operating Pledge BAN	SP-1+
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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.

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