

Research Update:

Hingham, MA Series 2026A, Refunding Series B General Obligation Bonds Rated 'AAA'; Outlook Is Stable

January 22, 2026

Overview

- S&P Global Ratings assigned its 'AAA' long-term rating to the Town of [Hingham](#), Mass.' pro forma \$8.9 million series 2026A general obligation (GO) municipal purpose loan bonds and \$15.215 million GO refunding bonds, series B.
- At the same time, S&P Global Ratings assigned its 'SP-1+' short-term rating to the town's pro forma \$43.755 million GO bond anticipation notes (BANs) with a Feb. 12, 2027, final maturity date.
- S&P Global Ratings also affirmed its 'AAA' rating on the town's existing GO debt.
- The outlook, where applicable, is stable.

Rationale

Security

The GO bonds are subject to Proposition 2 1/2 limitations. The town's full-faith-and-credit pledge, subject to Proposition 2 1/2 limitations, secures its existing GO debt; and a portion of Hingham's existing GO debt is excluded from Proposition 2 1/2 limits. Despite commonwealth levy-limit laws, we do not make a rating distinction between the town's limited-tax debt and its general creditworthiness because our analysis of its financial and economic conditions already includes the tax limitation imposed on the town's revenue-raising ability.

The BANs are valid general obligations of the town, and, to the extent not paid from other sources, the BANs are payable from taxes, which can be levied upon all taxable property within the territorial limits of the town, and taxable by it, without limitation as to rate or amount except as provided under Chapter 44, Section 20 of the General Laws, with respect to that portion of the principal and interest payments that the town has voted to exempt from the limit imposed by Chapter 59, Section 21C of the General Laws (Proposition 2 1/2), and subject to the limit imposed by Chapter 59, Section 21C of the General Laws with respect to that portion of the principal and

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interest payments that the town has not voted to exempt from that limit. The town anticipates taking out the BANs at maturity with proceeds from the sale of long-term GO bonds.

The series 2026A GO bond proceeds will be used to redeem a portion of BANs originally issued to finance various municipal projects and provide original financing for SSCC acquisition of mowers and equipment. The GO refunding series B proceeds will be used to current refund a portion of the town's series 2015 GO municipal purpose loan bonds, and to pay costs of issuance. The BAN proceeds, together with \$470,562 in available funds, will be used to redeem a portion of the town's approximately \$37.7 million of BANs outstanding on Feb. 13, 2026, that were originally issued to finance various municipal projects. The balance will be paid with additional revenue funds of the town and a portion of the proceeds of a separate issue of bonds. BAN proceeds will also provide original financing for Route 3A sewer construction, water capital projects, and a HS Roof Replacement Feasibility Study. BAN proceeds can be transferred or re-appropriated to other capital projects, if projects are completed or abandoned and such proceeds remain unspent.

The town will have approximately \$288 million of direct debt outstanding after the GO series 2026A, GO refunding series B, and BANs are issued. The town has no privately placed debt, variable-rate debt, or swaps outstanding.

Credit highlights

The GO rating reflects the town's consistently strong finances due to the town's affluent, stable property tax base and management's conservative, forward-looking budgeting support the rating. We view debt as elevated, tempered by some that is enterprise revenue-supported. Although we expect the town's debt will continue to grow during the next several years, we believe Hingham will likely maintain financial stability.

The GO rating also reflects our view of:

- An affluent coastal community tax base, with residential properties accounting for approximately 85% of total assessed value and income significantly stronger than the nation, both of which support the rating. Residents have great access to downtown Boston and the greater regional economy via commuter rail, ferry, and state highways.
- The town's conservative and proactive budgeting and financial planning practices and policies. The town monitors actual results to budget, amending the budget, if needed, prior to the start of the next fiscal year. It annually updates a rolling five-year capital plan with funding sources and uses; and annually updates a long-term financial forecast. The town adopted commonwealth guidelines for its investment-management policy, and it quarterly reviews investment holdings internally. A debt-management policy limits annual debt service, outlining how to incorporate budgetary savings from decreasing debt service, and prescribes forecasting and reporting for additional debt issuance. The town also has a policy to maintain an unassigned fund balance equal to 16%-20% of expenditures and outlines use of unassigned fund balance amounts in excess of 20% of expenditures.
- Hingham's history of producing surplus results, except in years where the town appropriates its excess general fund balance to pay for capital projects or other strategic priorities, which it did in fiscal 2025 and is expected to do in fiscal 2026. For fiscal 2025, the town's general fund balance declined \$1.9 million to \$57.7 million from fiscal 2024 due predominately to a reduction in investment income and an increase in capital expenditures funded from the general fund balance. Approximately \$8 million from the town's unassigned fund balance was appropriated in fiscal 2025 to invest in various capital projects and other strategic priorities, which we

expect the town will do similarly in fiscal 2026. Officials report that actual fiscal 2026 year-to-date general fund revenues and expenditures are trending in line with budget except for investment income, which continues to be high. With the acceptance of a Proposition 2 1/2 override, Hingham adopted a financial-management plan for fiscals 2024-2028 that caps municipal and school budget growth at 3.5% in fiscal 2025 and beyond with exceptions for certain special-education costs. We expect Hingham's overall approach to the annual budget, including forward-looking planning and local revenue trends, will likely allow for stable budgetary performance and reserve maintenance during the two-year outlook.

- Current manageable fixed costs and elevated debt and retirement liabilities per capita that, in our view, are somewhat mitigated by the town's affluent economic profile and effective budgeting practices. Weakening our view of the town's debt and liability profile is the high pension discount rate coupled with an elevated net pension liability per capita. Additionally, we have factored the town's net other postemployment benefits liability into our analysis of the liabilities per capita given its inflexible nature as a credit weakness;
- For more information on our institutional framework assessment for Massachusetts municipalities, see "[Institutional Framework Assessment: Massachusetts Local Governments](#)," Sept. 9, 2024.

The short-term rating on the BANs reflects our view of the town's strong capacity to make principal-and-interest payments when the BANs come due. The town has very strong credit characteristics and what we view as a low market risk profile because it has strong legal authority to issue long-term debt to take out the BANs and because it frequently issues debt and regularly provides disclosure to market participants.

Environmental, social, and governance

We have analyzed environmental, social, and governance factors relative to Hingham's economy, management, financial measures, and debt and liability profile and view them all as neutral within our credit analysis. Hingham is a coastal community with substantial waterfront along the Atlantic Ocean. We recognize potential negative effects on the tax base due to sea-level rise and changing weather patterns.

The commonwealth designated Hingham as a municipal vulnerability preparedness community, making it eligible to apply for climate-resiliency grants. To mitigate the effects of sea level rise and related threats to infrastructure near Hingham Harbor and downtown, the town is designing and permitting a comprehensive flood protection and beach maintenance plan, largely paid for with state grants from Coastal Zone Management. The town also recently updated its hazard-mitigation plan and continues to explore municipal vulnerability preparedness funding through the state. We do not think environmental factors are greater than those of the town's coastal peers.

Rating above the sovereign

We rate Hingham higher than the nation because we think it 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 debt service on the bonds is at limited risk of negative sovereign intervention. (For further information, see our criteria, titled "[Ratings Above The Sovereign: Corporate And Government Ratings—Methodology And Assumptions](#)," Nov. 19, 2013.) Local property taxes are the town's predominant operating revenue source, demonstrating a lack of dependence on central government revenue.

Outlook

The stable outlook reflects our opinion of Hingham's overall financial and managerial strength, supported by an affluent tax base and participation in a broad, diverse regional economy.

Downside scenario

We could lower the rating if operating performance were to weaken due to rising fixed costs or other budget pressures, leading to a material reduction in reserves.

Hingham, Massachusetts--credit summary

Institutional framework	2
Individual credit profile	1.85
Economy	1.0
Financial performance	2
Reserves and liquidity	1
Management	1.00
Debt and liabilities	4.25

Hingham, Massachusetts--key credit metrics

	Most recent	2025	2024	2023
Economy				
Real GCP per capita as a % of U.S.	--	--	--	77
County PCPI as a % of U.S.	--	--	--	121
Market value (\$000s)	--	10,694,415	10,082,158	9,570,759
Market value per capita (\$)	--	431,522	406,817	388,124
Top 10 taxpayers as a % of taxable value	--	6.8	7.2	7.8
County unemployment rate (%)	--	4.7	4.1	3.7
Local median household EBI as a % of U.S.	--	--	195	196
Local per capita EBI as a % of U.S.	--	--	209	213
Local population	--	--	24,783	24,659
Financial performance				
Operating fund revenue (\$000s)	--	152,494	149,610	131,324
Operating fund expenditures (\$000s)	--	147,867	139,138	129,548
Net transfers and other adjustments (\$000s)	--	(6,564)	(609)	(458)
Operating result (\$000s)	--	(1,937)	9,863	1,318
Operating result as a % of revenue	--	(1.3)	6.6	1.0
Operating result three-year average (%)	--	2.1	2.7	2.0
Reserves and liquidity				
Available reserves as a % of operating revenue	--	30.9	31.1	30.7
Available reserves (\$000s)	--	47,165	46,578	40,268
Debt and liabilities				
Debt service cost as a % of revenue	--	6.4	4.4	3.8
Net direct debt per capita (\$)	12,079	11,174	11,395	9,765

Hingham, Massachusetts--key credit metrics

	Most recent	2025	2024	2023
Economy				
Net direct debt (\$000s)	299,366	276,935	282,405	240,795
Direct debt 10-year amortization (%)	37	34	27	-
Pension and OPEB cost as a % of revenue	--	7	6	7
NPLs per capita (\$)	--	2,012	2,132	2,218
Combined NPLs (\$000s)	--	49,867	52,837	54,705

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\$43,755,653 Hingham Town, Massachusetts, General Obligation Bond Anticipation Notes, dated: February 12, 2026, due: February 12, 2027

Short Term Rating SP-1+

US\$8,943,267 Hingham Town, Massachusetts, General Obligation Municipal Purpose Loan Of 2026 Bonds, Series A, dated: Date of Delivery, due: February 1, 2056

Long Term Rating AAA/Stable

US\$15,215,000 Hingham Town, Massachusetts, General Obligation Refunding Bonds, Series B, dated: Date of Delivery, due: May 15, 2037

Long Term Rating AAA/Stable

New Rating

Local Government

Hingham Twn, MA Limited Tax General Obligation BAN SP-1+

Ratings Affirmed

Local Government

Hingham Twn, MA Limited Tax General Operating Pledge AAA/Stable

Hingham Twn, MA Unlimited Tax General Obligation 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.

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