

RatingsDirect®

Summary:

Attleboro, Massachusetts; General Obligation; Note

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Summary:

Attleboro, Massachusetts; General Obligation; Note

Credit Profile

US\$9.61 mil GO mun purp loan of 2023 bn ds ser 2023 dtd 05/11/2023 due 05/01/2043

<i>Long Term Rating</i>	AA/Stable	New
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Attleboro GO

<i>Long Term Rating</i>	AA/Stable	Affirmed
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Credit Highlights

- S&P Global Ratings assigned its 'AA' long-term rating to Attleboro, Mass.' roughly \$9.610 million series 2023 municipal-purpose loan bonds.
- At the same time, S&P Global Ratings affirmed its 'AA' long-term rating on the city's existing general obligation (GO) debt and affirmed its 'SP-1+' rating on the city's \$6.4 million GO bond anticipation notes (BANs) dated May 13, 2023.
- The outlook, where applicable, is stable.

Security

Attleboro's full-faith-and-credit pledge secures the 2023 GO bonds GO debt outstanding. We do not make a rating distinction between the city's limited- and unlimited-tax pledges. We rate the limited obligation based on the application of our "Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness" criteria (published Nov. 20, 2019, on RatingsDirect) and at the same level as our view of Attleboro's general creditworthiness, which incorporates the tax levy limitations into the analysis.

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

Officials plan to use series 2023 bond proceeds to fund a variety of capital projects, including making energy efficiency improvements. This issuance will permanently finance the city's currently outstanding \$6.4 million BANs.

Credit overview

Attleboro is a primarily residential community in southeastern Massachusetts. The city has more than doubled available reserves resulting from very strong surplus results in fiscal years 2020 and 2021, although management may look to expend reserves over the next few years for capital projects and offsetting rising expenditures. We believe increasing retirement costs due to low-funded retirement-plan ratios and large unfunded liabilities will likely increasingly pressure the budget. However, the rating and stable outlook reflect our view of Attleboro's strong financial

management environment and growing property tax base that offset potential credit pressures in the near term. The city's economic metrics remain below those of higher rated state municipalities, and, while we understand Attleboro's target available reserve level is about \$7 million to \$8 million, we believe the city could have limited long-term flexibility to address its unfunded retirement obligations without pressuring other areas of the budget. We do not expect to revise our rating during the two-year outlook period.

The rating also reflects our view of the city's:

- Stable residential tax base with demonstrated growth particularly in multifamily housing and access to a broad and diverse metropolitan statistical area (MSA);
- Well-embedded financial policies and practices and a strong institutional framework score;
- Consistent financial operations supported by predictable revenue and expenditure profiles; and
- Low debt burden but elevated retirement costs.

Environmental, social, and governance

We assessed the city's environmental, social, and governance (ESG) risks relative to its economy, management, financial measures, and debt and liability profile and determined that they are neutral in our credit rating analysis.

Outlook

The stable outlook reflects our expectation that the city will maintain at least balanced budgetary results with fund balance levels.

Downside scenario

We could lower the rating if budgetary performance weakened, thus significantly decreasing available reserves, or if economic metrics were to weaken.

Upside scenario

Over time, we could raise the rating if management maintains its current reserve profile through consistent balanced financial performance, along with a reduction in long-term retirement liabilities and growth in wealth and income metrics to levels consistent with those of higher rated peers.

Attleboro, Massachusetts key credit metrics				
	Most recent	Historical information		
		2022	2021	2020
Strong economy				
Projected per capita EBI % of U.S.	108			
Market value per capita (\$)	138,058			
Population		45,713	45,715	
County unemployment rate(%)		6.5		
Market value (\$000)	6,311,056	5,703,672	5,214,820	
Ten largest taxpayers % of taxable value	5.7			

Attleboro, Massachusetts key credit metrics (cont.)				
	Most recent	Historical information		
		2022	2021	2020
Strong budgetary performance				
Operating fund result % of expenditures		(0.2)	3.7	4.0
Total governmental fund result % of expenditures		(0.2)	(1.0)	2.1
Strong budgetary flexibility				
Available reserves % of operating expenditures		14.4	14.7	11.6
Total available reserves (\$000)		23,465	23,731	17,727
Very strong liquidity				
Total government cash % of governmental fund expenditures		28	27	21
Total government cash % of governmental fund debt service		557	1086	633
Strong management				
Financial Management Assessment		Good		
Weak debt & long-term liabilities				
Debt service % of governmental fund expenditures		5.0	2.5	3.4
Net direct debt % of governmental fund revenue		79		
Overall net debt % of market value		2.8		
Direct debt 10-year amortization (%)		35		
Required pension contribution % of governmental fund expenditures		4.6		
OPEB actual contribution % of governmental fund expenditures		4.1		
Strong institutional framework				

EBI--Effective buying income. OPEB--Other postemployment benefits. Data points and ratios may reflect analytical adjustments.

Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Ratings Detail (As Of April 20, 2023)

Attleboro GO sch bnds (unltd tax) ser 2020 dtd 10/19/2020 due 10/15/2050		
<i>Long Term Rating</i>	AA/Stable	Affirmed
Attleboro GO sch construction bonds		
<i>Long Term Rating</i>	AA/Stable	Affirmed
Attleboro GO sch const BANs		
<i>Short Term Rating</i>	SP-1+	Affirmed
Attleboro GO BANs dtd 05/13/2022 due 05/12/2023		
<i>Short Term Rating</i>	SP-1+	Affirmed
Attleboro GO (AGM)		
<i>Unenhanced Rating</i>	AA(SPUR)/Stable	Affirmed

Ratings Detail (As Of April 20, 2023) (cont.)

Attleboro GO (MBIA) (National)

Unenhanced Rating

AA(SPUR)/Stable

Affirmed

Many issues are enhanced by bond insurance.

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 www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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