

Mattapoisett, Massachusetts

Primary Credit Analysts:

Victor Medeiros
Boston
(1) 617-530-8305
victor_medeiros@
standardandpoors.com

Secondary Credit Analysts:

Henry W Henderson
Boston
(1) 617-530-8314
henry_henderson@
standardandpoors.com

Credit Profile

US\$3.033 mil GO bnds ser 2009 dtd 10/15/2009 due 10/15/2029

Long Term Rating	AA/Stable	New
Mattapoisett GO		
Unenhanced Rating	AA(SPUR)/Stable	Affirmed
Mattapoisett GO (CIFG)		
Unenhanced Rating	AA(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Rationale

Standard & Poor's Ratings Services assigned its 'AA' long-term rating, and stable outlook, to Mattapoisett, Mass.' series 2009 general obligation (GO) municipal-purpose loan bonds and affirmed its 'AA' underlying rating (SPUR), with a stable outlook, on the town's existing parity debt.

In our opinion, the ratings reflect Mattapoisett's:

- Stable residential property tax and high wealth and income levels, coupled with below-average unemployment compared with commonwealth and national rates;
- Sound financial profile with stable and strong reserves; and
- Low debt burden with modest additional capital needs.

The town's full faith and credit pledge secures the bonds. Officials are planning to use bond proceeds to provide funds to several capital projects in the town.

Mattapoisett, with a population estimate of 6,447, is in Plymouth County on Buzzard's Bay in southeastern Massachusetts. The town encompasses 16.5 square miles approximately 56.0 miles south of Boston and 39.0 miles southeast of Providence, R.I. The property tax base is 93% residential with several high-end residential homes located along the waterfront. The tax

base remains stable overall. While the value of homes has softened in the town, the ongoing and recently completed development projects have more than offset those declines. The 2008 median home value was 123% above the national median; and fiscal 2009 assessed value totaled \$1.7 billion, or an extremely strong \$276,154 per capita. In our view, household income levels have historically been strong. The 2008 median household effective buying income was 135% of the national level. Moreover, unemployment of 7.5%, as of July 2009, was below commonwealth and national rates.

Mattapoisett's financial performance is sound, and reserves have been stable and strong. Audited fiscal 2008 saw a slight \$349,000 unreserved fund balance decrease; and the town closed the fiscal year with an \$880,000 unreserved fund balance, or a good 4% of expenditures. The town's stabilization fund also closed fiscal 2008 with a \$1.3 million balance. Combining the unreserved general and stabilization funds, available reserves totaled \$2.2 million, or, in our opinion, a strong 11% of expenditures. In fiscal 2009, town officials are projecting to increase the unreserved fund balance to \$1.05 million; forecasts have the stabilization fund also increasing slightly over the 2008 balance. Overall, we believe the town is positioned favorably with strong reserves for fiscal 2010.

The 2010 budget totals roughly \$20.1 million, nearly on par with the 2009 budget. Management took, what we believe to be, a conservative approach to budgeting in fiscal 2010 by adjusting excise taxes and other local receipts downward due, in large part, to the economic uncertainty. Overall, however, we believe the town's revenue sources are stable and strong. Property taxes generate roughly 80% of budgeted revenues, and the town's collections remain in-line with historical trends. In 2009, the town received 98.6% of its property tax levy; and according to management, current trends show no deviation from that level. Intergovernmental aid accounts for 9% of revenues.

Standard & Poor's considers Mattapoisett's management practices "standard" under its Financial Management Assessment (FMA) methodology, indicating the finance department maintains adequate policies in some, but not all, key areas.

Net of self-supporting water and sewer debt, the town's overall net debt is a low \$1,901 per capita, or 0.7% of market value. Debt service carrying charges were a low 5% of operating expenses in 2008, and projections have carrying charges remaining low following this bond issue. Officials intend to pay debt service on these bonds from water and sewer system revenues. Officials are planning to retire roughly 66% of GO principal by 2019 and the full amount by 2030. Following this bond issue, the town will not have any authorized, unissued debt remaining.

Outlook

The stable outlook reflects Standard & Poor's expectation that the town's high property wealth and diverse tax base will result in continued sound property tax collections. Sound collections, coupled with management's conservative budgeting, should result in the town's maintenance of its sound financial position. Given the current economic climate, the town's relatively low dependence on state aid is an additional stabilizing financial factor.

Related Research

USPF Criteria: "GO Debt," Oct. 12, 2006

Copyright by Standard & Poor's Financial Services LLC (S&P) a subsidiary of The McGraw-Hill Companies, Inc. All rights reserved. No part of this information may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of S&P. S&P, its affiliates, and/or their third party providers have exclusive proprietary rights in the information, including ratings, credit related analyses and data, provided herein.

This information shall not be used for any unlawful or unauthorized purposes. Neither S&P, nor its affiliates, nor their third party providers guarantee the accuracy, completeness, timeliness or availability of any information. S&P, its affiliates or their third party providers and their directors, officers, shareholders, employees or agents are not responsible for any errors or omissions or for the results obtained from the use of such information. S&P, ITS AFFILIATES AND THEIR THIRD PARTY PROVIDERS DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall S&P, its affiliates or their third party providers and their directors, officers, shareholders, employees or agents be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the information contained herein even if advised of the possibility of such damages.

The ratings and credit related analyses of S&P and its affiliates and the observations contained herein are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or make any investment decisions.

S&P assumes no obligation to update any information following publication. Users of the information contained herein should not rely on any of it in making any investment decision. S&P's opinions and analyses do not address the suitability of any security. S&P does not act as a "fiduciary" or an investment advisor. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of each of these activities.

As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P's Ratings Services business may receive compensation for its ratings and credit related analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge) and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

Standard & Poor's uses billing and contact data collected from subscribers for billing and order fulfillment purposes, and occasionally to inform subscribers about products or services from Standard & Poor's, its affiliates, and reputable third parties that may be of interest to them. All subscriber billing and contact data collected is stored in a secure database in the U.S. and access is limited to authorized persons.

If you would prefer not to have your information used as outlined in this notice, if you wish to review your information for accuracy, or for more information on our privacy practices, please call us at (1) 212-438-7280 or write to us at privacy@standardandpoors.com. For more information about The McGraw-Hill Companies' Customer Privacy Policy please visit www.mcgraw-hill.com/privacy.html.

Permissions: To reprint, translate, or quote Standard & Poor's publications, contact: Client Services, 55 Water Street, New York, NY 10041; (1) 212-438-9823; or by email to: research_request@standardandpoors.com.