Bond Case Briefs

Municipal Finance Law Since 1971

S&P Research Update: Cotuit Fire District, MA GO Bond Anticipation Notes Assigned 'SP-1+' Short-Term Rating

Overview

- S&P Global Ratings assigned its ‘SP-1+’ short-term rating to Cotuit Fire District, Mass.’ estimated $12.1 million general obligation (GO) bond anticipation notes (BANs).
- At the same time, we affirmed our ‘AA+’ rating on the district’s debt outstanding.
- The outlook, where applicable, is stable.

Rationale

Security

The district’s full-faith-and-credit pledge, subject to Proposition 2 1/2 limitations, secures the bonds and notes. We rate the limited-tax GO debt to be on par with our view of the district’s general creditworthiness because the tax limitation imposed on the district’s ability to raise revenue is already embedded in our analysis of its financial and economic conditions. The district maintains a separate tax levy from the town that provides additional flexibility outside of the constraints of Proposition 2 1/2.

The short-term rating reflects our criteria for evaluating and rating BANs. In our view, Cotuit Fire District maintains a strong capacity to pay principal and interest when the notes come due. In our view, the district has a low market risk profile because it has strong legal authority to issue long-term debt to take out the notes and is a frequent issuer that regularly provides ongoing disclosure to market participants.

Continue reading.

05-Nov-2025 | 20:17 EST