

Research Update:

Holts Summit Fire Protection District, MO Series 2026 Unlimited-Tax GO Bonds Rated 'A'; Outlook Stable

July 30, 2026

Overview

- S&P Global Ratings assigned its 'A' rating to [Holts Summit Fire Protection District](#), Missouri's \$8 million series 2026 unlimited-tax general obligation (GO) bonds.
- The outlook is stable.

Rationale

Security

The bonds are secured by the unlimited-tax GO. The funds will be used to finance new equipment, new vehicles, station expansion and upgrades, and the payoff of a fire engine lease agreement.

Credit highlights

The rating reflects the district's stable financial performance and healthy reserve levels on a percentage basis, offset by a limited local economy and a high debt burden due to the expected issuance. We expect the district will maintain its budgetary discipline but acknowledge the district is susceptible to volatility stemming from its small budget scale and potential capital requirements.

The district expects to maintain a strong reserve position relative to its operating scale, as we anticipate it will continue building its fund balance toward an informal target of 100% of annual operations. While the district has posted three consecutive years of surplus, propelled by increased property tax revenues and American Rescue Plan Act grants, we note that its small budget size and potential for significant swings from fleet repairs necessitate a cautious view of financial volatility. We expect the district will continue generating modest general fund surplus, likely between 5% and 9% of expenditures, outperforming its budgeted figures of breakeven results for fiscal year 2026.

The rating further reflects our view of the following credit factors:

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- Economic growth prospects are constrained by a limited local economy and limited growth drivers in Callaway County. Although the area serviced has direct access to Jefferson City, Missouri, the state capital, as well as access to Columbia, Missouri, where there is a large university.
- We expect continued budgetary stability based on the district's history of posting consecutive surpluses and its practice of setting budgets to achieve breakeven or modest positive results.
- Reserve adequacy is supported by a healthy fund balance relative to operating revenues, although reserves remain nominally low.
- The district uses monthly budget presentations to the board and maintains an unassigned general fund balance policy requiring a minimum of 20% of annual operating expenditures. Management has an informal fund balance target of having a year's worth of expenditures in their general fund, which they hope to meet in the next two years. We view the issuer's cyber risk-mitigation measures as consistent with our view of its credit fundamentals.
- Elevated debt burden, with current costs anticipated to rise between \$600,000 and \$700,000 or 71% of total governmental revenues.
- The fire protection district operates on a cash basis of accounting, which we view as less transparent than generally accepted accounting principles-based accounting. For more information on our institutional framework assessment for Missouri, see "[Institutional Framework Assessment: Missouri Local Governments](#)," Sept. 10, 2024.

Outlook

The stable outlook reflects our expectation that reserves will remain healthy on a percentage basis of revenues, as the fire protection district projects breakeven results or surpluses.

Downside scenario

A negative rating action could occur if financial performance or reserve levels materially deteriorate without a formal plan to restore reserves to a healthy level.

Upside scenario

While unlikely, we could raise the rating if debt levels moderate, if there is a material and sustained improvement in local economic metrics, and higher reserves on a nominal basis, provided all other credit factors remain unchanged or improve.

Holts Summit Fire Protection District, Missouri--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	3.35
Economy	5.0
Financial performance	2
Reserves and liquidity	3
Management	3.00
Debt and liabilities	3.75

Holts Summit Fire Protection District, Missouri--key credit metrics

	Most recent	2025	2024	2023
Economy				
Real GCP per capita % of U.S.	68	--	68	65
County PCPI % of U.S.	72	--	72	72
Market value (\$000s)	791,802	791,802	--	--
Market value per capita (\$)	79,180	79,180	--	--
Top 10 taxpayers % of taxable value	3.0	3.0	--	--
County unemployment rate (%)	3.0	3.4	3.3	2.9
Local median household EBI % of U.S.	110	--	110	106
Local per capita EBI % of U.S.	95	--	95	87
Local population	10,000	10,000	10,000	10,000
Financial performance				
Operating fund revenues (\$000s)	--	664	744	834
Operating fund expenditures (\$000s)	--	644	858	537
Net transfers and other adjustments (\$000s)	--	15	205	(252)
Operating result (\$000s)	--	35	91	45
Operating result % of revenues	--	5.3	12.2	5.4
Operating result three-year average %	--	7.6	0.5	--
Reserves and liquidity				
Available reserves % of operating revenues	--	92.9	78.2	58.5
Available reserves (\$000s)	--	617	582	488
Debt and liabilities				
Debt service cost % of revenues	--	35.9	33.0	39.1
Net direct debt per capita (\$)	835	67	98	127
Net direct debt (\$000s)	8,354	674	979	1,270
Direct debt 10-year amortization (%)	42	100	100	100
Pension and OPEB cost % of revenues	--	--	--	--
NPLs per capita (\$)	--	--	--	--
Combined NPLs (\$000s)	--	--	--	--

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\$8.000 mil GO bnds ser 2026 due 3/1/2046

Long Term Rating A/Stable

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 <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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