

Research Update:

St. Tammany Parish Recreation District No. 6, LA Series 2025 GO Bonds Assigned 'A' Rating; Outlook Stable

October 7, 2025

Overview

- S&P Global Ratings assigned its 'A' long-term rating to [St. Tammany Parish Recreation District No. 6](#), La.'s approximately \$2.4 million series 2025 general obligation (GO) bonds.
- The outlook is stable.

Rationale

Security

The series 2025 bonds are direct obligations of the district, secured by its full faith, credit, and taxing authority. The bonds are payable from an annual levy and collection of unlimited ad valorem taxes on all taxable property within the district.

Bond proceeds will fund various park projects throughout the district.

Credit highlights

The rating reflects our view of the district's small tax base and budget, with nominally low reserves, although given the small budget, reserves as a percentage of revenue are very strong. The district's debt costs are elevated given the nominally small size of its budget.

The district manages three baseball and softball fields, a small t-ball field, and a multipurpose field. Its financial operations are limited, and results have fluctuated in the past few years because officials typically build up reserves to provide funds for a capital project, then draw down some. However, management does not anticipate drawing general fund reserves down to its informal target of \$100,000 of expenditure in the next few years. For fiscal 2025 (year ended Dec. 31), the district will likely draw down on fund balance for capital by up to \$30,000, which would bring reserves to about 67% of the year's budgeted revenue; on a percentage basis this could be lower given actual revenue is trending above budget through September 2025. We

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expect reserves will be maintained well above the district's \$100,000 target given the limited scope of operations and officials' expectations that fiscal 2026 operations should be balanced.

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

- The district's local economy that is relatively rural, with minimal development ongoing. The district's population has been relatively stable, although its tax base has continually expanded due to reassessments of existing property.
- Stable financial performance, however, the small budget size means relatively minor nominal swings in revenue and expenditure have led to fluctuations in operating results on a percentage basis.
- Basic management policies and practices, including the use of a few years of historical data to develop the budget, budget-to-actual monitoring shared with the board throughout the year, and following state investment statutes. Management's informal goal is to maintain general fund reserves above \$100,000, and officials noted they don't expect to draw down near that level in the next few years.
- The current issuance is the full amount of GO debt authorized by voters in the April 2024 election. District officials report no near-term plans to seek additional voter authorization.
- For more information on our institutional framework assessment for Louisiana local governments, see: "[Institutional Framework Assessment: Louisiana Local Governments](#)," Sept. 9, 2024.

Environmental, social, and governance

While the district is near the gulf coast and there is elevated exposure to severe weather events, most of the risk is due to potential for high winds. There is limited risk of flooding since officials note the district is in the highest elevated portion of the parish, well above sea level. It maintains property and casualty insurance to mitigate the risk of severe winds. We view social and governance factors as neutral credit considerations.

Outlook

The stable outlook reflects our view that the district will maintain stable financial performance, although with a nominally low reserve position, and debt issuance will not pressure its operations.

Downside scenario

Given the already nominally low level of reserves, if the district significantly draws down on fund balance due to one-time capital needs or operational imbalance, we could consider a negative rating action.

Upside scenario

If the district's nominal fund balance increases materially and is sustained at levels comparable to those of higher-rated peers while its debt and liability metrics moderate, we could consider a higher rating.

St. Tammany Parish Recreation District No. 6, Louisiana--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	3.15
Economy	3.0
Financial performance	3
Reserves and liquidity	3
Management	3.00
Debt and liabilities	3.75

St. Tammany Parish Recreation District No. 6, Louisiana--key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita % of U.S.	71	--	71	71
County PCPI % of U.S.	113	--	113	112
Market value (\$000s)	391,864	312,436	306,036	295,055
Market value per capita (\$)	72,554	57,848	--	--
Top 10 taxpayers % of taxable value	11.6	--	--	--
County unemployment rate (%)	4.0	3.9	3.2	2.8
Local median household EBI % of U.S.	97	97	99	102
Local per capita EBI % of U.S.	100	100	98	100
Local population	5,401	5,401	--	--
Financial performance				
Operating fund revenues (\$000s)	--	356	370	374
Operating fund expenditures (\$000s)	--	348	383	323
Net transfers and other adjustments (\$000s)	--	--	--	--
Operating result (\$000s)	--	8	(13)	51
Operating result % of revenues	--	2.2	(3.5)	13.6
Operating result three-year average %	--	4.1	--	--
Reserves and liquidity				
Available reserves % of operating revenues	--	84.0	78.6	81.3
Available reserves (\$000s)	--	299	291	304
Debt and liabilities				
Debt service cost % of revenues	--	25.2	25.6	24.8
Net direct debt per capita (\$)	514	92	--	--
Net direct debt (\$000s)	2,778	497	613	727
Direct debt 10-year amortization (%)	39	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.

St. Tammany Parish Recreation District No. 6, LA Series 2025 GO Bonds Assigned 'A' Rating; Outlook Stable

Ratings List	
New Issue Ratings	
US\$2.4 mil GO bnds ser 2025 due 03/01/2045	
Long Term Rating	A/Stable
New Rating	
Local Government	
St. Tammany Parish Recreation District No. 6, LA Unlimited Tax General Obligation	A/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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