

Research Update:

Caddo Parish, LA Series 2026 Limited-Tax Revenue Bonds Assigned 'AA+' Rating; Outlook Stable

December 3, 2025

Overview

- S&P Global Ratings assigned its 'AA+' rating to Caddo Parish, La.'s approximately \$9.55 million series 2026 limited-tax revenue bonds.
- At the same time, we affirmed our 'AA+' rating on the parish's outstanding debt.
- The outlook is stable.

Rationale

Security

The parish's series 2014, 2015, and 2023 bonds are secured by an unlimited ad valorem tax levied on all taxable property within its boundaries.

Its series 2020 and 2026 bonds are limited-tax revenue bonds, secured by and payable from an irrevocable pledge and dedication of the funds to be derived by the issuer from the levy and collection of a special property tax of 6.13 mills (3.06 mills in Shreveport, Vivian, and Bossier City). The tax is subject to adjustment due to reassessment, which the parish is authorized to impose and collect within its corporate boundaries. Based on the application of our criteria "[Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness](#)" (Nov. 20, 2019 on RatingsDirect), we view the limited-tax debt pledge to be on par with the parish's general creditworthiness. The ad valorem taxes are not levied on a narrower or distinctly different tax base, and we see no unusual risks regarding the parish's willingness to support the debt or the fungibility of resources.

Proceeds of the bonds will be used to develop a pickleball facility to host regional tournaments.

Credit highlights

The rating reflects our view of the parish's extremely strong reserves, which provide credit stability, as well as its minimal debt profile. The rating is constrained by its economic metrics, which are weaker than those of peers, and its declining population.

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General fund performance has fluctuated recently, from a 30% deficit in 2022 (year-end December 31) to a 71% surplus in 2024. These fluctuations are mostly attributable to one-time items – a negative fair market adjustment due to investment losses and transfers out for capital projects drove most of the 2022 deficit, and larger-than-typical transfers into the general fund from the oil-and-gas fund spurred the large surplus in 2024. We expect the parish will maintain its robust reserve position in the general fund, as fiscal 2025 estimates show it outperformed the budget due to higher-than-expected sales and oil-and-gas tax revenues and expenditures that were well below budget due to management's conservative budgeting. Officials have presented the 2026 budget, which includes pay increases, growth in insurance premiums, and minor increases in other expenditures. We expect performance in 2026 should be relatively balanced in the general fund.

While the parish is seeing declining revenues and growing expenditures in criminal justice operations, we believe management is taking sufficient action to bring this closer to balance; its criminal justice committee has identified areas to save costs, officials are in frequent communication with the sheriff and the public defender's office, and, given the very strong reserve position and conservative nature of management, we do not believe this will pressure its overall financial position over our outlook horizon. One other area of finances that we will monitor is the operation of the pickleball facility that will be created with the series 2025 bonds. Officials completed a feasibility study and believe revenues from the facility will cover operating expenses (which will consist of maintenance of the facilities infrastructure and paying employees from the local YMCA to run operations) and pay for debt service once it is in operation; these costs would make up a minimal percentage of its general fund operations, and we do not anticipate they will stress the operating budget.

The rating further reflects our view of the following:

- Economy in northwestern Louisiana that includes some oil-and-gas presence, health care, and manufacturing. The parish is home to Louisiana State University Shreveport. There are numerous industrial developments ongoing and expected over the next two years that officials believe will create jobs and contribute to assessed value growth. While Barksdale Airforce Base is not within parish boundaries, its presence near the parish provides stability, as the base has a population around 15,000.
- Outsized reserves: Including its \$41.1 million in committed funds, the parish maintains 428% of general fund revenues in its general fund balance. While it will likely spend down some of its capital outlay fund toward capital projects, officials do not anticipate material drawdowns on available general fund balance, and we expect reserves will remain above the policy to maintain 100% of annual expenditures.
- Management that conservatively budgets and maintains commitment to holding a strong fund balance. Officials use historical trends and informal forecasts to develop the budget and monitor budget performance with the commission monthly. While there is an annually updated capital improvement plan, the plan does not include cost estimates or funding sources. The parish has a formal investment policy and a formal debt management policy, and officials are taking steps to mitigate cyber security risk.
- Very affordable debt, with fixed costs that we expect to remain small as a percent of revenues. The parish participates in the Parochial Employees Retirement System, Plan A, and its pension is well funded, supported by contributions well above those required for minimum funding progress. The parish has two series of privately placed debt that we do not view as contingent liabilities given there are no permissible events of default or remedies that we believe introduce credit risk.

- For more information on our institutional framework assessment for Louisiana parishes, please see "[Institutional Framework Assessment: Louisiana Local Governments](#)," Sept. 9, 2024.

Environmental, social, and governance

We consider the parish's physical risks as slightly elevated due to its location; while it is not directly located along the Gulf Coast, it has suffered damages from hurricanes and we believe it could be susceptible to inland flooding from the Red River. Most recently, Hurricane Laura crossed the parish in 2021, causing damage to some buildings, most notably its Veterans Affairs building, which required a rebuild.

We view governance and social factors as neutral considerations in our analysis.

Outlook

The stable outlook reflects our expectation that the parish will maintain a substantial cushion in its general fund reserves.

Downside scenario

If reserves significantly decline to levels that we view as no longer offsetting the weakness in economic metrics compared to those of peers in the rating category, we could consider lowering the rating.

Upside scenario

While we view this as unlikely during the outlook period, if the local economy significantly expands, the parish’s employment base strengthens, and its income metrics materially improve, we could consider raising the rating.

Caddo Parish, Louisiana--Credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	1.98
Economy	3.5
Financial performance	2
Reserves and liquidity	1
Management	2.40
Debt and liabilities	1.00

Caddo Parish, Louisiana--Key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita % of U.S.	94	--	94	90
County PCPI % of U.S.	93	--	93	92
Market value (\$000s)	23,424,891	23,424,891	22,357,464	20,657,864
Market value per capita (\$)	103,940	103,940	97,306	88,095

Caddo Parish, Louisiana--Key credit metrics

	Most recent	2024	2023	2022
Top 10 taxpayers % of taxable value	16.5	16.5	17.7	15.1
County unemployment rate (%)	4.6	4.6	4.0	4.0
Local median household EBI % of U.S.	66	66	70	68
Local per capita EBI % of U.S.	76	76	81	78
Local population	225,369	225,369	229,764	234,494
Financial performance				
Operating fund revenues (\$000s)	--	15,077	15,089	9,982
Operating fund expenditures (\$000s)	--	15,158	14,432	12,904
Net transfers and other adjustments (\$000s)	--	10,769	2,273	(71)
Operating result (\$000s)	--	10,688	2,930	(2,993)
Operating result % of revenues	--	70.9	19.4	(30.0)
Operating result three-year average %	--	20.1	(8.3)	(13.7)
Reserves and liquidity				
Available reserves % of operating revenues	--	156.1	111.0	161.3
Available reserves (\$000s)	--	23,540	16,756	16,104
Debt and liabilities				
Debt service cost % of revenues	--	3.7	2.7	2.7
Net direct debt per capita (\$)	198	171	182	105
Net direct debt (\$000s)	44,655	38,580	41,920	24,555
Direct debt 10-year amortization (%)	52	62	61	--
Pension and OPEB cost % of revenues	--	3.0	2.0	2.0
NPLs per capita (\$)	--	9	9	35
Combined NPLs (\$000s)	--	2,001	2,001	8,243

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\$9,550,000 Caddo Parish, Louisiana, Limited Tax Revenue Bonds, Series 2026, dated: Date of Delivery, due: March 01, 2045

Long Term Rating AA+/Stable

Ratings Affirmed

Local Government

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Ratings List

Caddo Parish, LA Limited Property Tax	AA+/Stable
Caddo Parish, LA Unlimited Tax General Obligation	AA+/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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