



City of San Marcos

Quarterly Financial Report

Quarter Ended September 30, 2025

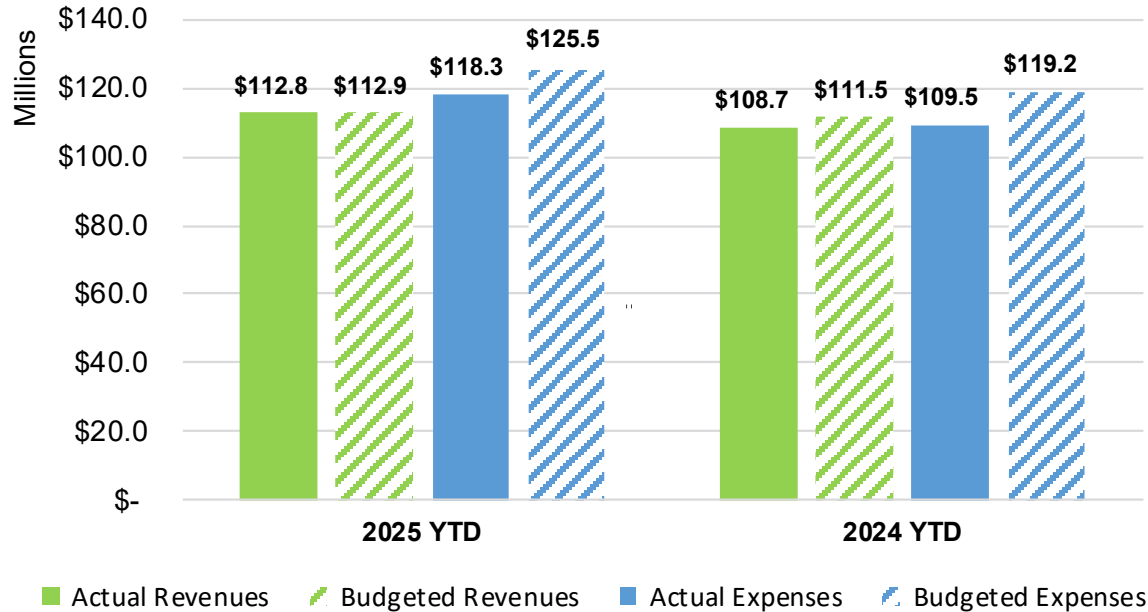
**Unaudited Interim Financial Report*

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General Fund

FY 2025 YTD as of September 30, 2025



**FY25 Estimated Ending Fund Balance: \$32,803,910

Fund Balance Reserve Requirement at 25%: \$28,246,043

****Net of FY25 carryforward to FY26 and planned use of Fund Balance**

FY 2025			
	Revised Budget	Actual	% of Budget
Revenues	\$ 112,909,173	\$ 112,822,641	99.9%
Expenses	125,542,392	118,281,502	94.2%
Net	<u>\$ (12,633,219)</u>	<u>\$ (5,458,861)</u>	

FY 2024			
	Revised Budget	Actual	% of Budget
Revenues	\$ 111,489,597	\$ 108,727,422	97.5%
Expenses	119,180,019	109,465,420	91.8%
Net	<u>\$ (7,690,422)</u>	<u>\$ (737,998)</u>	

Target = 100% of Budget

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General Fund Revenues by Category

FY 2025 YTD as of September 30, 2025

Revenue Category	2025 Revised Budget	2025 Actual	% of Budget	2024 Revised Budget	2024 Actual	% of Budget
Property Tax	\$ 39,071,814	\$ 39,401,546	100.84%	\$ 36,983,186	\$ 36,753,355	99.38%
Sales Tax	39,035,250	38,712,400	99.17%	42,150,789	38,645,518	91.68%
Franchise fees & other taxes	14,072,883	14,049,678	99.84%	13,082,652	12,679,928	96.92%
Operating Transfers	8,930,562	8,946,798	100.18%	8,411,333	8,565,304	101.83%
Licenses & Permits	5,358,298	4,836,058	90.25%	5,347,527	4,423,195	82.71%
Interest Income	2,027,500	2,381,373	117.45%	1,525,000	2,804,123	183.88%
Revenue from other agencies	1,160,068	1,598,962	137.83%	1,120,600	1,148,949	102.53%
Charges for Services	1,087,114	959,505	88.26%	947,400	1,013,642	106.99%
Other Revenue	1,087,001	786,537	72.36%	945,310	1,717,549	181.69%
Fines & Penalties	1,078,683	1,149,784	106.59%	975,800	975,859	100.01%
	\$ 112,909,173	\$ 112,822,641	99.92%	\$ 111,489,597	\$ 108,727,422	97.52%

Target = 100% of budget

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General Fund Expenditures by Category

FY 2025 YTD as of September 30, 2025

Expenditure Category	2025			2024		
	Revised Budget	2025 Actual	% of Budget	Revised Budget	2024 Actual	% of Budget
Personnel	\$ 80,430,266	\$ 79,056,360	98.29%	\$ 75,683,143	\$ 74,481,380	98.41%
Contracted Services	14,834,505	13,283,988	89.55%	15,197,950	12,589,179	82.83%
Other Charges	9,092,548	7,202,300	79.21%	9,920,574	6,918,949	69.74%
Operating Transfers	8,570,597	8,683,899	101.32%	6,800,196	6,800,196	100.00%
Materials and Supplies	7,233,910	6,421,216	88.77%	8,581,944	6,877,628	80.14%
Capital Outlay	4,488,748	3,124,455	69.61%	2,127,924	1,302,660	61.22%
Social Services	891,818	509,284	57.11%	868,288	495,428	57.06%
	<u>\$ 125,542,392</u>	<u>\$ 118,281,502</u>	<u>94.22%</u>	<u>\$ 119,180,019</u>	<u>\$ 109,465,420</u>	<u>91.85%</u>

Target = 100% of budget

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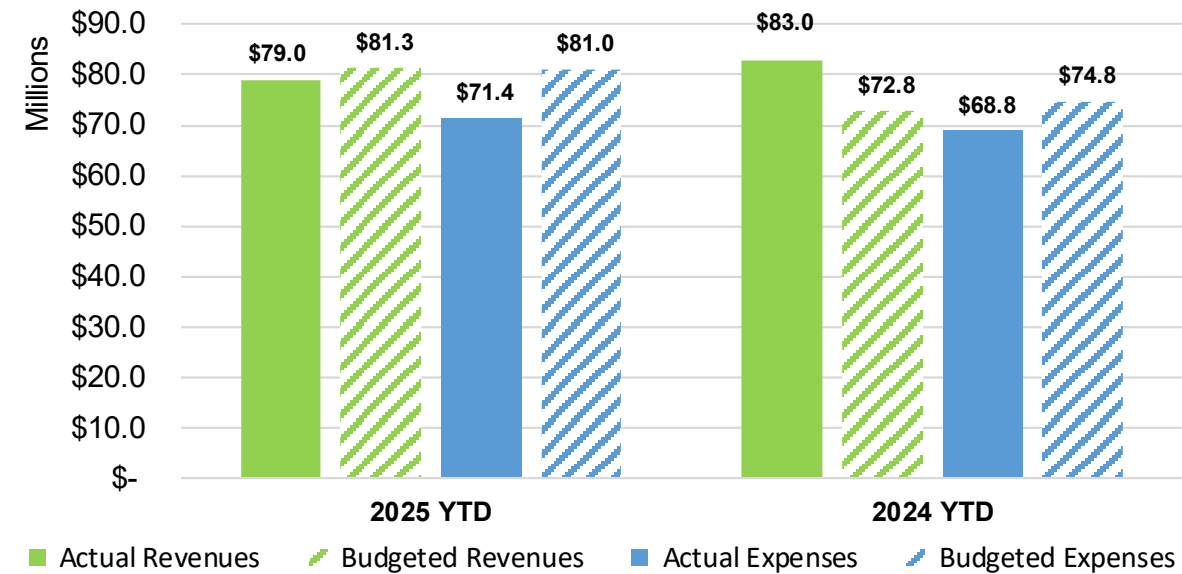


- Equipment totaling \$1.2 million was ordered and not received, so payment was not made.
- Electric Utility also received a credit of \$1.5 million from power provider that reduced expenses and customer rates.

Electric Utility

FY 2025 YTD as of September 30, 2025

- Spent less than budget due to lower customer usage than estimated.
- Cooler beginning to summer and milder winter.
- Power costs make up 57% of budget and \$4.5 million was remaining.



FY 2025			
	Revised Budget	Actual	% of Budget
Revenues	\$ 81,309,572	\$ 78,971,663	97.1%
Expenses	81,034,482	71,443,224	88.2%
Net	\$ 275,090	\$ 7,528,439	

FY 2024			
	Revised Budget	Actual	% of Budget
Revenues	\$ 72,780,857	\$ 82,978,449	114.0%
Expenses	74,750,096	68,814,467	92.1%
Net	\$ (1,969,239)	\$ 14,163,982	

Target = 100% of Budget

**FY25 Estimated Ending Fund Balance: \$37,823,607
Fund Balance Reserve Requirement for 90 Days: \$19,783,860
**Net of FY25 carryforward to FY26

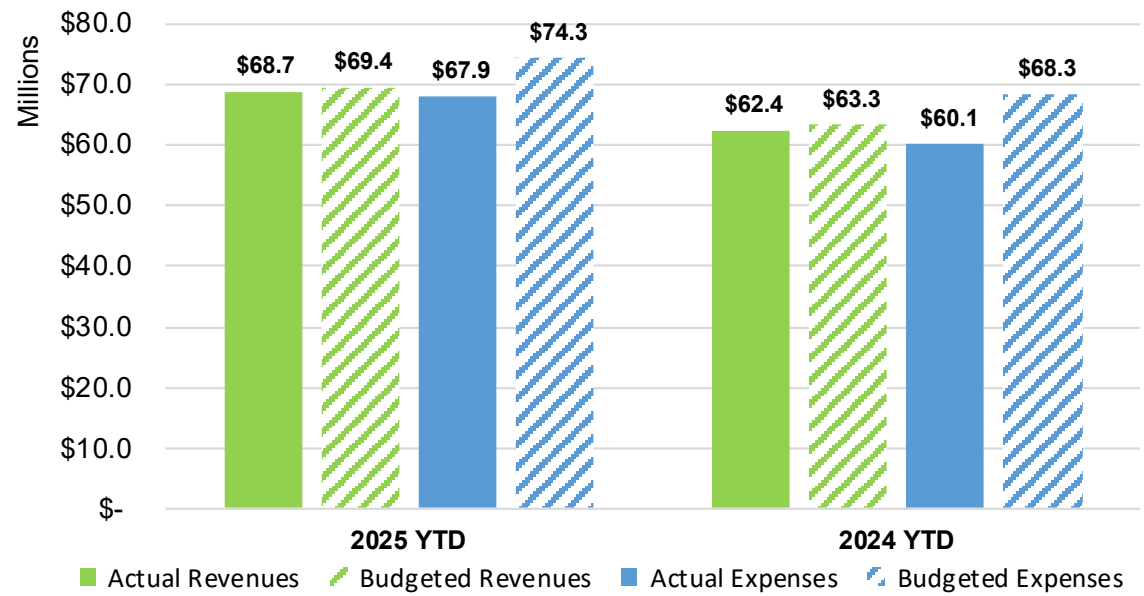
- FY 2026 fund balance requirement is 150 days = \$33 million with a goal of 180 days = \$40 million.
- The downgrade of the Electric Utility’s bond rating cited the need for stronger liquidity, due to increased risk associated with the Electricity Reliability Council of Texas.
- Fund balance supports rate stabilization and provides financial resources for disaster recovery, especially in cases involving damage to above-ground electric infrastructure.

- Spent less than budget in part due to raw water delivery and Service Water Treatment Plan chemical and operational costs being lower than estimated = \$914 thousand.

Water/Wastewater Utility

FY 2025 YTD as of September 30, 2025

- Spent less than budget in part due to Alliance Regional Water Authority flow capacity to City being lower than estimated = \$1.1 million.



FY 2025			
	Revised Budget	Actual	% of Budget
Revenues	\$ 69,422,652	\$ 68,738,878	99.0%
Expenses	74,284,362	67,916,659	91.4%
Net	\$ (4,861,710)	\$ 822,219	

FY 2024			
	Revised Budget	Actual	% of Budget
Revenues	\$ 63,256,984	\$ 62,394,047	98.6%
Expenses	68,328,651	60,081,741	87.9%
Net	\$ (5,071,667)	\$ 2,312,306	

Target = 100% of Budget

**FY25 Estimated Ending Fund Balance: \$30,202,942
 Fund Balance Reserve Requirement for 90 Days: \$16,628,399
 **Net of FY25 carryforward to FY26

- FY 2026 fund balance requirement is 150 days = \$28 million.
- Fund balance supports rate stabilization and provides financial resources for disaster recovery, especially in cases involving flooding and damage to above-ground infrastructure.
- A key factor for the Water-Wastewater Utility's strong bond rating was its very strong reserves and the City's commitment to maintaining a fund balance equal to 150 days of operating expenses.

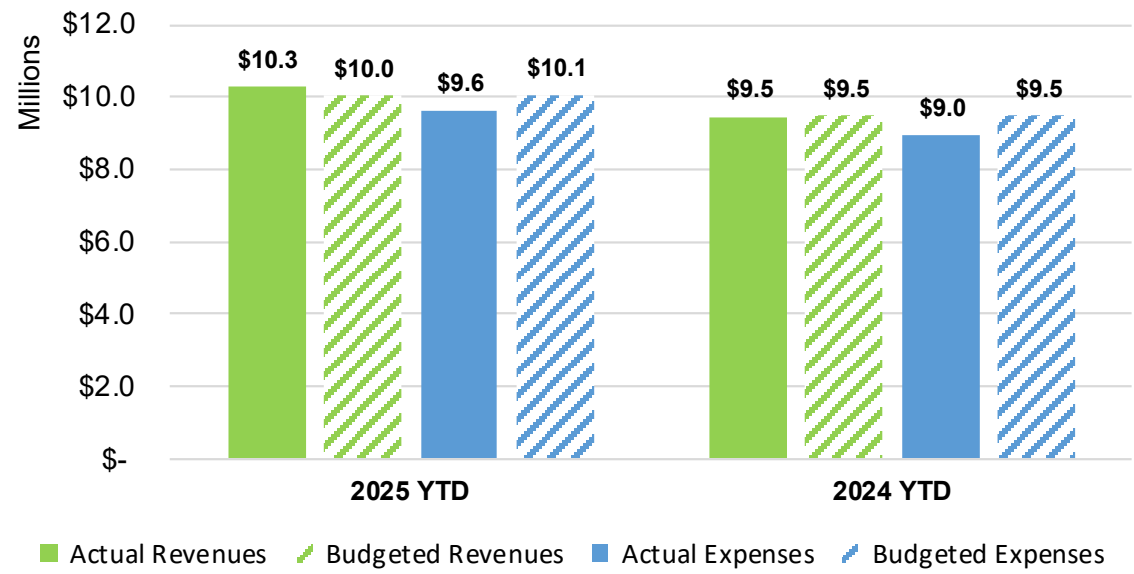
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- Revenues increased due to a \$265,000 transfer from the debt service fund to cover a Texas Water Development Board debt payment.



Stormwater Management

FY 2025 YTD as of September 30, 2025



FY 2025			
	Revised Budget	Actual	% of Budget
Revenues	\$ 10,039,433	\$ 10,291,723	102.5%
Expenses	10,051,118	9,645,383	96.0%
Net	\$ (11,685)	\$ 646,340	

FY 2024			
	Revised Budget	Actual	% of Budget
Revenues	\$ 9,475,184	\$ 9,471,371	100.0%
Expenses	9,478,246	8,956,053	94.5%
Net	\$ (3,062)	\$ 515,318	

**FY25 Estimated Ending Fund Balance: \$3,472,338
Fund Balance Reserve Requirement for 90 Days: \$2,386,593
**Net of FY25 carryforward to FY26

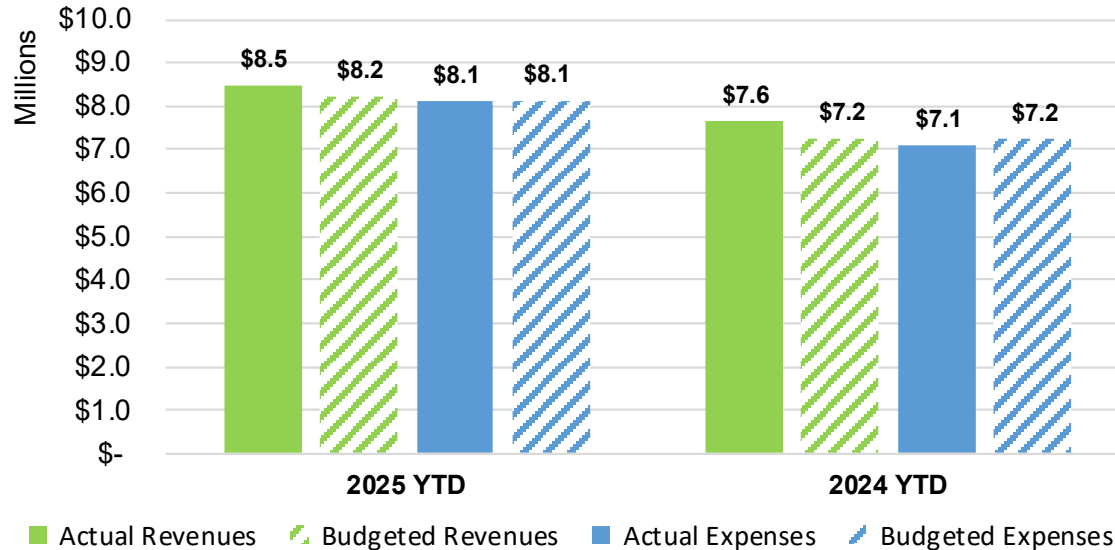
Target = 100% of Budget

*Council approved General Fund to cover Stormwater CIP for FY24 and FY25
*Unaudited Interim Financial Report



Resource Recovery

FY 2025 YTD as of September 30, 2025



FY 2025			
	Revised Budget	Actual	% of Budget
Revenues	\$ 8,225,356	\$ 8,459,338	102.8%
Expenses	8,120,386	8,108,499	99.9%
Net	\$ 104,970	\$ 350,839	

FY 2024			
	Revised Budget	Actual	% of Budget
Revenues	\$ 7,243,073	\$ 7,640,427	105.5%
Expenses	7,233,884	7,078,528	97.9%
Net	\$ 9,189	\$ 561,899	

Target = 100% of Budget

**FY25 Estimated Ending Fund Balance: \$3,497,736
Fund Balance Reserve Requirement for 60 days \$1,317,112
**Net of FY25 carryforward to FY26

- FY 2026 fund balance requirement is 90 days = \$2 million.
- Funds above the required reserve balance are being saved to cash fund a future Resource Recovery site.

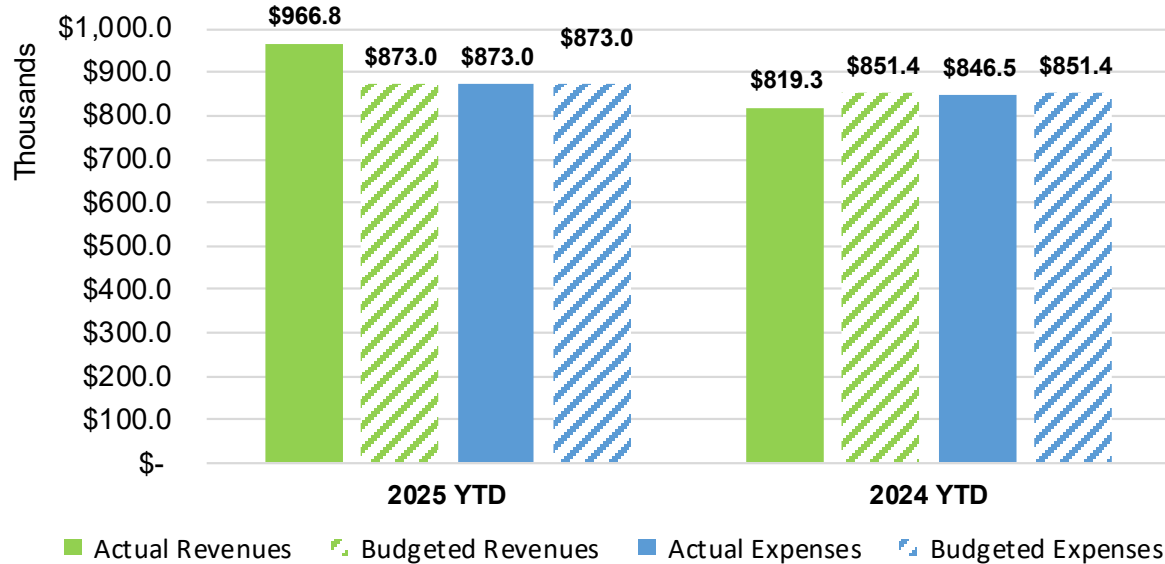
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Airport Fund

FY 2025 YTD as of September 30, 2025

- Revenues came in higher, in part due to commercial rental revenues:
 - Lease renewals brought up to market rates.
 - New commercial lease agreements.



FY25 Estimated Ending Fund Balance: \$151,722

FY 2025			
	Revised Budget	Actual	% of Budget
Revenues	\$ 873,008	\$ 966,760	110.7%
Expenses	873,008	873,008	100.0%
Net	\$ -	\$ 93,752	

FY 2024			
	Revised Budget	Actual	% of Budget
Revenues	\$ 851,387	\$ 819,298	96.2%
Expenses	851,387	846,530	99.4%
Net	\$ -	\$ (27,232)	

Target = 100% of Budget

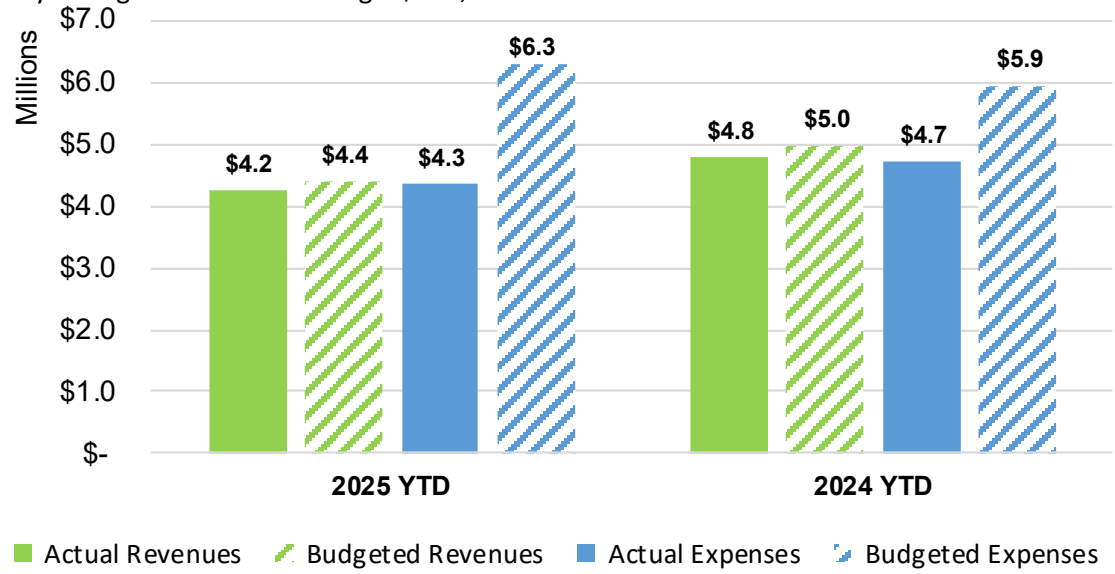
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- Revenues were expected to be lower due to renovation of Embassy Suites.
- Expenses lower due to permanent art/mural funding not being used = \$711,000; and one-time project expenses not incurred for wayfinding and historic funding = \$875,000.

Hotel Tax Fund

FY 2025 YTD as of September 30, 2025



FY 2025			
	Revised Budget	Actual	% of Budget
Revenues	\$ 4,387,678	\$ 4,243,117	96.7%
Expenses	6,271,669	4,346,133	69.3%
Net	\$ (1,883,991)	\$ (103,016)	

FY 2024			
	Revised Budget	Actual	% of Budget
Revenues	\$ 4,964,188	\$ 4,785,379	96.4%
Expenses	5,930,859	4,712,417	79.5%
Net	\$ (966,671)	\$ 72,962	

**FY25 Estimated Ending Fund Balance: \$3,103,121
Fund Balance Reserve Requirement at 25%: \$1,184,441
***Net of FY25 carryforward to FY26 and planned use of Fund Balance*

Target = 100% of Budget