



City of San Marcos

Quarterly Investment Report

Quarter Ended December 31, 2023



Overview of the Economy

- The Federal Open Market Committee increased interest rates 0.25% to a target range of 5.25% to 5.50% in July
- The Committee is trying to reduce inflation to a rate of 2 percent over time
- Inflation in December 2023
 - Consumer Price Index: 3.4%, less food and energy: 3.9%
- Unemployment as of December 2023 (Unadjusted)
 - San Marcos: 3.1%
 - Texas: 3.5%
 - US: 3.5%



Quarter End Results

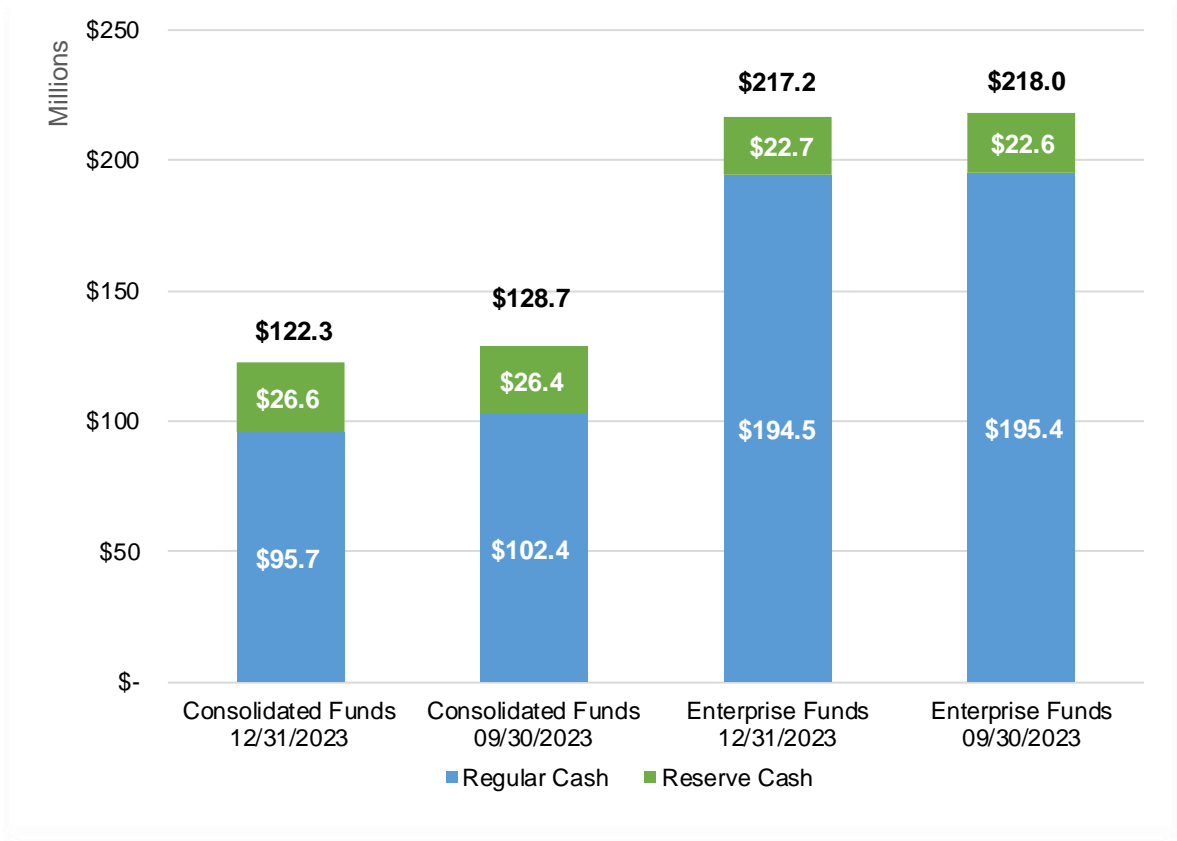
| Asset Type | December 31, 2023 | | September 30, 2023 | |
|-----------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Par Value | Market Value | Par Value | Market Value |
| Pools/MMA | \$ 197,934,490 | \$ 197,934,490 | \$ 107,377,277 | \$ 107,377,277 |
| Securities | 141,325,000 | 140,600,789 | 238,795,000 | 236,802,699 |
| Demand Accounts | 264,407 | 264,407 | 544,324 | 544,324 |
| Totals | \$ 339,523,897 | \$ 338,799,686 | \$ 346,716,601 | \$ 344,724,300 |

| Current Quarter Average Yield | | Rolling Twelve Month Average Yield | |
|---------------------------------|-------|------------------------------------|-------|
| Total Portfolio | 4.82% | Total Portfolio | 3.72% |
| Quarterly Six Month Treasury | 5.46% | Rolling Six Month Treasury | 5.29% |
| Quarterly Twelve Month Treasury | 5.24% | Rolling Twelve Month Treasury | 5.10% |

| | Interest Earnings | Bank Fees Offset |
|-------------|-------------------|------------------|
| 1st Quarter | \$ 4,087,214 | \$ 11,085 |



Investment Value by Fund Type





Pooled Portfolio By Fund *as of 12/31/2023*

| Consolidated Pooled Cash by Fund | \$ 122,342,119 | % of Total |
|----------------------------------|----------------|------------|
| Governmental CIP | 37,514,365 | 30.7% |
| General Fund | 24,116,886 | 19.7% |
| General Fund 'Reserves' | 22,922,406 | 18.7% |
| Special Revenue Funds* | 14,503,079 | 11.9% |
| Debt Service Fund | 10,921,958 | 8.9% |
| Internal Service Fund | 8,546,472 | 7.0% |
| Debt Service Fund 'Reserves' | 3,697,434 | 3.0% |
| Primary Bank Depository | 119,520 | 0.1% |

*Special Revenue includes 25 funds (HOT, ARP, Community Enhancement, CDBG, etc.)

Enterprise Portfolio By Fund *as of 12/31/2023*



| Enterprise Pooled Cash by Fund | \$ 217,181,778 | % of Total |
|---------------------------------------|-----------------------|-------------------|
| W/WW Utility CIP | 110,919,039 | 51.1% |
| Electric Utility CIP | 42,162,977 | 19.4% |
| Stormwater Utility CIP | 18,549,644 | 8.5% |
| W/WW Utility Fund | 12,659,858 | 5.8% |
| W/WW Utility Fund 'Reserves' | 10,618,496 | 4.9% |
| Electric Utility Fund 'Reserves' | 10,567,594 | 4.9% |
| Resource Recovery Fund | 4,206,076 | 1.9% |
| Electric Utility Fund | 3,799,542 | 1.7% |
| Stormwater Utility Fund | 2,047,775 | 0.9% |
| Stormwater Utility Fund 'Reserves' | 1,505,890 | 0.7% |
| Primary Bank Depository | 144,887 | 0.1% |



Investment Diversification *as of 12/31/2023*

| Security Type | *Allowable % | FY2024 Q1 | FY2023 Q4 |
|-----------------------------------|--------------|-----------|-----------|
| Federal Agency Coupon Securities | 80.0% | 41.62% | 68.87% |
| Local Government Investment Pools | 100.0% | 29.36% | 26.34% |
| Money Market Mutual Funds | 50.0% | 28.94% | 4.63% |
| Primary Bank Depository | 100.0% | 0.08% | 0.16% |
| State and Municipal Bonds | 50.0% | 0.00% | 0.00% |
| Total | | 100.0% | 100.0% |

*Allowable investment percentage per the City of San Marcos Investment Policy



Yields as compared to Benchmark

