



City of San Marcos

Quarterly Investment Report

Quarter Ended December 31, 2025



Overview of the Economy

- The Federal Open Market Committee made two 25-basis point cuts in October and December setting the federal funds rate at 3.50% to 3.75%.
- The Committee is trying to reduce inflation to a rate of 2% over time
- The futures market is projecting the Fed Funds rate to bottom out around 3% in 2026-2027
- Inflation in December 2025
 - Consumer Price Index: 2.7%, less food and energy: 2.6%
- Unemployment as of December 2025 (Unadjusted)
 - San Marcos: 3.2%
 - Texas: 3.9%
 - US: 4.4%



Quarter End Results

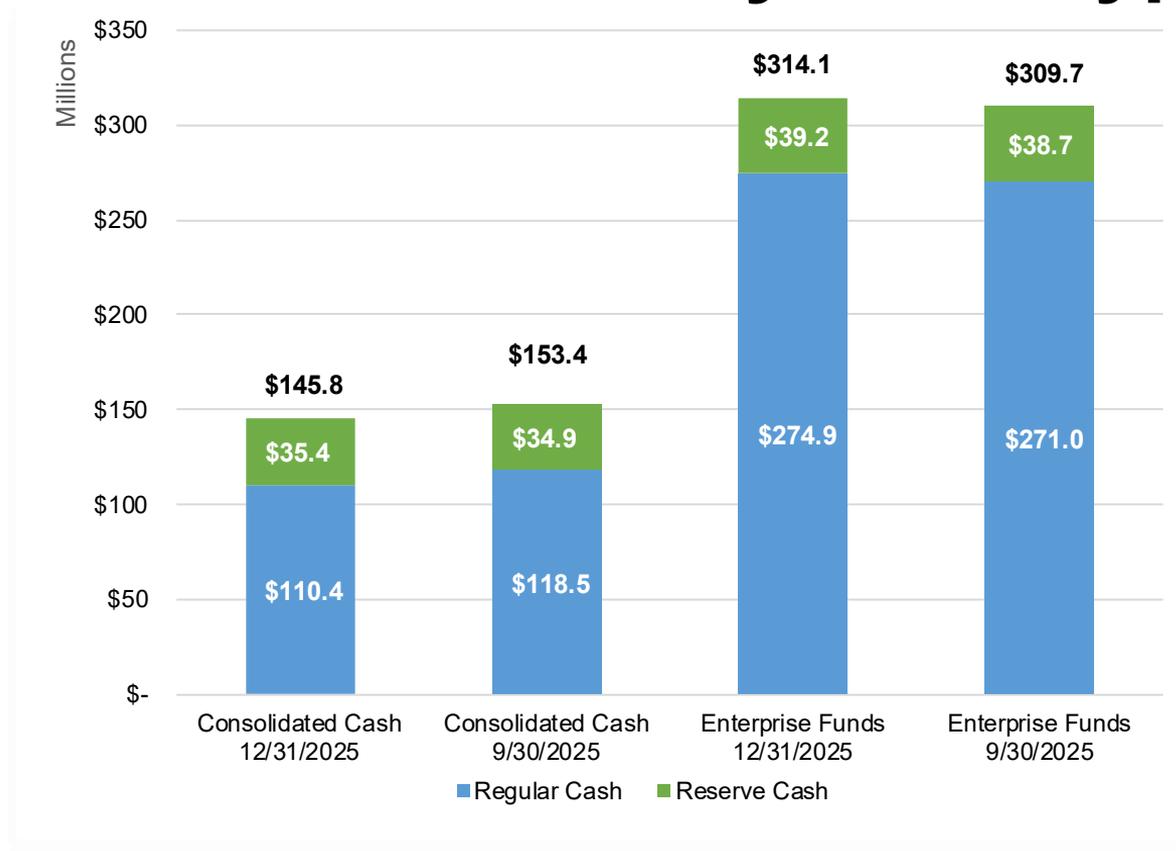
Asset Type	December 31, 2025		September 30, 2025	
	Par Value	Market Value	Par Value	Market Value
Pools/MMA	\$ 179,724,669	\$ 179,724,669	\$ 347,874,351	\$ 347,874,351
Securities	280,140,000	278,787,339	114,780,000	114,917,702
Demand Accounts	94,606	94,606	442,128	442,128
Totals	\$ 459,959,275	\$ 458,606,614	\$ 463,096,479	\$ 463,234,181

Current Quarter Average Yield		Rolling Twelve Month Average Yield	
Total Portfolio	3.85%	Total Portfolio	4.26%
Quarterly Two Year Treasury	3.52%	Rolling Two Year Treasury	3.81%

	Interest Earnings	Bank Fees Offset
1st Quarter	\$ 4,823,584	\$ 18,227



Investment Value by Fund Type





Pooled Portfolio By Fund *as of 12/31/2025*

Consolidated Cash by Fund	\$ 145,868,047	% of Total
Governmental CIP	68,247,233	46.78%
General Fund Reserves	29,841,334	20.46%
Debt Service Fund	16,240,954	11.13%
General Fund	13,088,471	8.97%
Special Revenue Funds*	6,865,853	4.71%
Health Insurance Fund	6,497,598	4.45%
Debt Service Fund Reserves	3,614,998	2.48%
Special Revenue Funds Reserves**	1,445,176	0.99%
Primary Bank Depository	26,430	0.02%

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

**Special Revenue Funds Reserves includes Community Enhancement and HOT



Enterprise Portfolio By Fund *as of 12/31/2025*

Enterprise Fund by Fund	\$ 314,091,227	% of Total
W/WW Utility CIP	156,796,644	49.92%
Electric Utility CIP	53,134,662	16.92%
Stormwater Utility CIP	42,515,036	13.54%
Electric Utility Fund Reserves	18,843,475	6.00%
W/WW Utility Fund Reserves	17,201,101	5.48%
W/WW Utility Fund	12,531,739	3.99%
Electric Utility Fund	6,842,974	2.18%
Resource Recovery Fund	2,000,000	0.64%
Resource Recovery Fund Reserves	1,394,748	0.44%
Stormwater Utility Fund Reserves	1,239,574	0.39%
Stormwater Utility Fund	1,003,622	0.32%
Transit Fund Reserves	519,476	0.17%
Primary Bank Depository	68,176	0.02%



Investment Diversification *as of 12/31/2025*

Security Type	*Allowable %	FY2026 Q1	FY2025 Q4
Local Government Investment Pools	100.0%	35.48%	48.88%
U.S. Treasuries	100.0%	24.10%	0.00%
Federal Agency Coupon Securities	80.0%	15.45%	21.64%
Commercial Paper	40.0%	11.19%	0.00%
State and Municipal Bonds	20.0%	10.05%	3.17%
Money Market Mutual Funds	70.0%	3.71%	26.21%
Primary Bank Depository	100.0%	0.02%	0.10%
Total		100.0%	100.0%

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



Yields as compared to Benchmark

