

**BUDGET VS ACTUAL REVIEW**

For the Year Ending June 30, 2026  
as of March 31, 2026 (3rd Quarter)

**BUDGET SUMMARY**

<b>Budget Summary</b>				
For the Year Ending June 30, 2026 as of March 31, 2026 (3rd Quarter)				
	<u>Annual Approved Budget</u>	<u>Actual Expense YTD</u>	<u>Under (Over) Budget</u>	<b>% of Budget</b>
Administrative Expenses	\$ 17,299,950	\$ 9,471,888	\$ 7,828,062	54.8 %
Non-Administrative Expenses	\$ 19,394,250	\$ 12,173,217	\$ 7,221,033	62.8 %
Total	<u>\$ 36,694,200</u>	<u>\$ 21,645,105</u>	<u>\$ 15,049,095</u>	<u>59.0 %</u>

Overall, the costs are as expected at the quarter.

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## ADMINISTRATIVE EXPENDITURES

<b>Administrative Budget Detail</b>							
For the Year Ending June 30, 2026							
as of March 31, 2026 (3rd Quarter)							
	Actual Expense as of 3rd Quarter	Approved Budget as of 3rd Quarter	Under (Over) Budget as of 3rd Quarter	% of Allocate d Budget (Q3)	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
<b>Personnel Costs</b>							
Staff Salaries and Benefits	\$ 6,831,370	\$ 8,971,192	\$ 2,139,822	76.1 %	\$ 12,456,000	\$ 5,624,630	54.8 %
Board Members' Stipends	8,300	9,000	700	92.2 %	12,000	3,000	69.2 %
<b>Total Personnel Costs</b>	<b>6,839,670</b>	<b>8,980,192</b>	<b>2,140,522</b>	<b>76.2 %</b>	<b>12,468,000</b>	<b>5,627,630</b>	<b>54.9 %</b>
<b>Professional Services</b>							
Audit	60,460	61,125	665	98.9 %	81,500	21,040	74.2 %
Consulting	50,597	71,250	20,653	71.0 %	95,000	44,403	53.3 %
Disability Claim Process	360,849	780,000	419,151	46.3 %	1,040,000	679,151	34.7 %
Member Engagement	181,950	103,500	(78,450)	175.8 %	138,000	(43,950)	131.8 %
Payroll Services	8,166	12,000	3,834	68.1 %	16,000	7,834	51.0 %
<b>Total Professional Services</b>	<b>662,022</b>	<b>1,027,875</b>	<b>365,853</b>	<b>64.4 %</b>	<b>1,370,500</b>	<b>708,478</b>	<b>48.3 %</b>
<b>Operational Services &amp; Supplies</b>							
Building Services	608,374	780,840	172,466	77.9 %	1,041,120	432,746	58.4 %
Career Development Fund	939	26,250	25,311	3.6 %	35,000	34,061	2.7 %
Claims, Judgments, & Orders	—	26,250	26,250	— %	35,000	35,000	— %
Communication Platforms	200,101	171,750	(28,351)	116.5 %	229,000	28,899	87.4 %
Employee Engagement	35,036	36,000	964	97.3 %	48,000	12,964	73.0 %
Equipment Rent	58,482	82,500	24,018	70.9 %	110,000	51,518	53.2 %
General Maintenance	3,453	5,625	2,172	61.4 %	7,500	4,047	46.0 %
Insurance	345,029	262,500	(82,529)	131.4 %	350,000	4,971	98.6 %
Member Engagement	26,340	47,250	20,910	55.7 %	63,000	36,660	41.8 %
Memberships	61,315	52,530	(8,785)	116.7 %	52,530	(8,785)	116.7 %
Non-Capital Projects	—	—	—	— %	—	—	— %
Office Expense	107,109	127,950	20,841	83.7 %	170,600	63,491	62.8 %
Offsite Storage	21,772	26,250	4,478	82.9 %	35,000	13,228	62.2 %
Recruiting & Hiring	15,056	7,200	(7,856)	209.1 %	7,200	(7,856)	209.1 %
Suite Services	—	—	—	— %	—	—	— %
Training & Travel	143,219	223,125	79,906	64.2 %	297,500	154,281	48.1 %
<b>Total Operational Services &amp; Supplies</b>	<b>1,626,225</b>	<b>1,876,020</b>	<b>249,795</b>	<b>86.7 %</b>	<b>2,481,450</b>	<b>855,225</b>	<b>65.5 %</b>
<b>Capital Expense</b>	<b>343,971</b>	<b>735,000</b>	<b>391,029</b>	<b>46.8 %</b>	<b>980,000</b>	<b>636,029</b>	<b>35.1 %</b>
<b>Total Administrative Expense</b>	<b>\$ 9,471,888</b>	<b>\$ 12,619,087</b>	<b>\$ 3,147,199</b>	<b>75.1 %</b>	<b>\$ 17,299,950</b>	<b>\$ 7,827,362</b>	<b>54.8 %</b>

### **Category Analysis**

#### Personnel Costs (Administrative staff salaries, benefits, and Board stipends)

- At 76.1% the budget for the quarter, this category is slightly less than expected. This is primarily due to vacant unfilled positions.

#### Professional Services (costs for outside contractors and vendors)

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- This category is within expectations for the quarter with the exception of Member Engagement and Disability Claim Process expenses. The expenses associated with the Disability Claim Process have variable timing and are expected to be as budgeted throughout the fiscal year. The expenses for Member Engagement include the Trustee Election that concluded in December 2025, the expenses for the election were in excess of what was budgeted. A budget amendment will be presented if there are not savings in Professional Services line items during the fiscal year.

Operational Services and Supplies (office rent, insurance, non-capital purchases, office expense, printing, training, travel, and depreciation)

- Except for Recruiting and Hiring, this category is within expectations at the quarter. The additional expense incurred in Recruiting and Hiring was for additional expenses required for onboarding a candidate from the East Coast. A proposed budget amendment will be presented if there are not savings in other Operational Services & Supplies line items during the fiscal year.

### **STATUTORY LIMIT**

The Statutory Limit for Administrative Expenses for the year ending June 30, 2026 is \$36,481,729. SBCERA's actual Administrative Expenses for the year ending June 30, 2026 – as of March 31, 2026 (3rd Quarter) are \$9,471,888, or 26% of the Statutory Limit and 55% of approved appropriations of \$17,299,950.

<b>Calculation of Statutory Limit - Administrative Expenditure Budget</b>			
AAL as of June 30, 2023	A	\$	17,372,251,774
Basis points per GC §31580.2	B		0.0021
Statutory limit of 0.21% allowed per GC §31580.2	A*B=C	\$	36,481,729

**NON-ADMINISTRATIVE EXPENDITURES**

**ACTUARIAL**

<b>Non-Administrative Budget Detail: Actuarial</b>							
For the Year Ending June 30, 2026 as of March 31, 2026 (3rd Quarter)							
	Actual Expense as of 3rd Quarter	Approved Budget as of 3rd Quarter	Under (Over) Budget as of 3rd Quarter	% of Allocated Budget (Q3)	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
<b>Professional Services</b>							
Actuarial Studies	\$ 95,075	\$ 95,250	\$ 175	99.8 %	\$ 105,000	\$ 9,925	90.5 %
Consulting	46,838	71,250	24,412	65.7 %	95,000	48,162	49.3 %
<b>Total Professional Services</b>	<b>141,913</b>	<b>166,500</b>	<b>24,587</b>	<b>85.2 %</b>	<b>200,000</b>	<b>58,087</b>	<b>71.0 %</b>
<b>Total Non-Administrative Expense: Actuary</b>	<b>\$ 141,913</b>	<b>\$ 166,500</b>	<b>\$ 24,587</b>	<b>85.2 %</b>	<b>\$ 200,000</b>	<b>\$ 58,087</b>	<b>71.0 %</b>

***Actuarial Expenses***

Professional Services (actuarial valuation, actuarial consulting, and actuarial audit)

- Actuarial expenses are as expected at the quarter.

**NON-ADMINISTRATIVE EXPENDITURES** (Continued)

**LEGAL**

<b>Non-Administrative Budget Detail: Legal</b>							
For the Year Ending June 30, 2026 as of March 31, 2026 (3rd Quarter)							
	Actual Expense as of 3rd Quarter	Approved Budget as of 3rd Quarter	Under (Over) Budget as of 3rd Quarter	% of Allocated Budget (Q3)	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
<b>Personnel Costs</b>							
Staff Salaries and Benefits	\$ 1,306,861	\$ 1,321,796	\$ 14,935	98.9 %	\$ 1,805,000	\$ 498,139	72.4 %
<b>Total Personnel Costs</b>	<b>1,306,861</b>	<b>1,321,796</b>	<b>14,935</b>	<b>98.9 %</b>	<b>1,805,000</b>	<b>498,139</b>	<b>72.4 %</b>
<b>Professional Services</b>							
Attorney Fees	648,997	498,750	(150,247)	130.1 %	665,000	16,003	97.6 %
<b>Total Professional Services</b>	<b>648,997</b>	<b>498,750</b>	<b>(150,247)</b>	<b>130.1 %</b>	<b>665,000</b>	<b>16,003</b>	<b>97.6 %</b>
<b>Operational Services &amp; Supplies</b>							
Employee Engagement	—	375	375	— %	500	500	— %
Memberships	5,334	8,738	3,404	61.0 %	11,650	6,316	45.8 %
Non-Capital Projects	—	—	—	— %	—	—	— %
Office Expense	744	2,250	1,506	33.1 %	3,000	2,256	24.8 %
Software & Services	31,877	37,500	5,623	85.0 %	50,000	18,123	63.8 %
Training & Travel	5,077	22,500	17,423	22.6 %	30,000	24,923	16.9 %
<b>Total Operational Services &amp; Supplies</b>	<b>43,032</b>	<b>71,363</b>	<b>28,331</b>	<b>60.3 %</b>	<b>95,150</b>	<b>52,118</b>	<b>45.2 %</b>
<b>Capital Expense</b>	<b>—</b>	<b>30,000</b>	<b>30,000</b>	<b>— %</b>	<b>40,000</b>	<b>40,000</b>	<b>— %</b>
<b>Total Non-Administrative Expense: Legal</b>	<b>\$ 1,998,890</b>	<b>\$ 1,921,909</b>	<b>\$ (76,981)</b>	<b>104.0 %</b>	<b>\$ 2,605,150</b>	<b>\$ 606,260</b>	<b>76.7 %</b>

**Legal Expenses**

Personnel Costs (legal salaries and benefits)

- This category is within expectations at the quarter.

Professional Services (outside attorney fees or non-investment issues)

- Attorney fees are more than budgeted primarily because of disability hearing costs higher than expected. The additional expenses will be addressed through savings in other categories.

Operational Services and Supplies (memberships, office expense, software, training, and travel)

- This category is within expectations at the quarter.

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## NON-ADMINISTRATIVE EXPENDITURES *(Continued)*

### INVESTMENT

Non-Administrative Budget Detail: Investment							
For the Year Ending June 30, 2026							
as of March 31, 2026 (3rd Quarter)							
	Actual Expense as of 3rd Quarter	Approved Budget as of 3rd Quarter	Under (Over) Budget as of 3rd Quarter	% of Allocated Budget (Q3)	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
<b>Personnel Costs</b>							
Staff Salaries and Benefits	\$ 2,425,634	\$ 3,268,267	\$ 842,633	74.2 %	\$ 5,035,000	\$ 2,609,366	48.2 %
<b>Total Personnel Costs</b>	<b>2,425,634</b>	<b>3,268,267</b>	<b>851</b>	<b>74.2 %</b>	<b>5,035,000</b>	<b>2,609,366</b>	<b>48.2 %</b>
<b>Professional Services</b>							
Attorney Fees	650,069	255,000	(395,069)	254.9 %	340,000	(310,069)	191.2 %
Consulting	1,887,853	1,942,500	54,647	97.2 %	2,590,000	702,147	72.9 %
Custodial Services	762,536	1,200,000	437,464	63.5 %	1,600,000	837,464	47.7 %
<b>Total Professional Services</b>	<b>3,300,458</b>	<b>3,397,500</b>	<b>137,973</b>	<b>97.1 %</b>	<b>4,530,000</b>	<b>1,229,542</b>	<b>72.9 %</b>
<b>Operational Services &amp; Supplies</b>							
Building Rent	—	—	—	— %	—	—	— %
Employee Engagement	382	375	(7)	101.9 %	500	118	76.4 %
General Maintenance	—	—	—	— %	—	—	— %
Memberships	10,349	8,000	(2,349)	129.4 %	8,000	(2,349)	129.4 %
Non-Capital Projects	—	—	—	— %	—	—	— %
Office Expense	5,816	4,500	(1,316)	129.2 %	6,000	184	96.9 %
Software & Services	90,809	129,750	38,941	70.0 %	173,000	82,191	52.5 %
Training & Travel	39,028	75,000	35,972	52.0 %	100,000	60,972	39.0 %
<b>Total Operational Services &amp; Supplies</b>	<b>146,384</b>	<b>217,625</b>	<b>71,241</b>	<b>67.3 %</b>	<b>287,500</b>	<b>141,116</b>	<b>50.9 %</b>
<b>Capital Expense</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>— %</b>	<b>—</b>	<b>—</b>	<b>— %</b>
<b>Total Non-Administrative Expense: Investments</b>	<b>\$ 5,872,476</b>	<b>\$ 6,883,392</b>	<b>\$ 210,065</b>	<b>85.3 %</b>	<b>\$ 9,852,500</b>	<b>\$ 3,980,024</b>	<b>59.6 %</b>

### ***Investment Expenses***

#### Personnel Costs (Investment salaries and benefits)

- This category is within expectations for the quarter; savings are a result of 2 positions that were unfilled as of the end of the quarter.

#### Professional Services (investment attorney issues, consulting, and custodian fees)

- Except for Attorney Fees and Membership Fees, this category is as expected at the quarter. Additional attorney fees for due diligence efforts were more than budgeted. The additional expenses will be addressed through savings in other categories.

#### Operational Services and Supplies (memberships, office expense, software, training, travel, and due diligence travel)

- This category is as expected at the quarter.

**NON-ADMINISTRATIVE EXPENDITURES** (Continued)

**TECHNOLOGY**

<b>Non-Administrative Budget Detail: Technology</b>							
For the Year Ending June 30, 2026							
as of March 31, 2026 (3rd Quarter)							
	Actual Expense as of 3rd Quarter	Approved Budget as of 3rd Quarter	Under (Over) Budget as of 3rd Quarter	% of Allocated Budget (Q3)	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
<b>Personnel Costs</b>							
Staff Salaries and Benefits	\$ 1,933,150	\$ 1,998,054	\$ 64,904	96.8 %	\$ 2,827,000	\$ 893,850	68.4 %
<b>Total Personnel Costs</b>	<b>1,933,150</b>	<b>1,998,054</b>	<b>64,904</b>	<b>96.8 %</b>	<b>2,827,000</b>	<b>893,850</b>	<b>68.4 %</b>
<b>Professional Services</b>							
Consulting	244,543	281,250	36,707	86.9 %	375,000	130,457	65.2 %
Data Integrity	55,849	120,750	64,901	46.3 %	161,000	105,151	34.7 %
<b>Total Professional Services</b>	<b>300,392</b>	<b>402,000</b>	<b>101,608</b>	<b>74.7 %</b>	<b>536,000</b>	<b>235,608</b>	<b>56.0 %</b>
<b>Operational Services &amp; Supplies</b>							
Communication Platforms	—	—	—	— %	—	—	— %
Data Communications	35,080	48,750	13,670	72.0 %	65,000	29,920	54.0 %
General Maintenance	—	—	—	— %	—	—	— %
Memberships	—	—	—	— %	—	—	— %
Non-Capital Projects	35,419	112,500	77,081	31.5 %	150,000	114,581	23.6 %
Office Expense	1,493	—	(1,493)	— %	—	(1,493)	— %
Software & Services	1,596,839	2,005,200	408,361	79.6 %	2,673,600	1,076,761	59.7 %
Training & Travel	15,129	26,250	11,121	57.6 %	35,000	19,871	43.2 %
<b>Total Operational Services &amp; Supplies</b>	<b>1,683,960</b>	<b>2,192,700</b>	<b>508,740</b>	<b>76.8 %</b>	<b>2,923,600</b>	<b>1,239,640</b>	<b>57.6 %</b>
<b>Capital Expense</b>	<b>242,438</b>	<b>337,500</b>	<b>95,062</b>	<b>71.8 %</b>	<b>450,000</b>	<b>207,562</b>	<b>53.9 %</b>
<b>Total Non-Administrative Expense: Tech</b>	<b>\$ 4,159,940</b>	<b>\$ 4,930,254</b>	<b>\$ 770,314</b>	<b>84.4 %</b>	<b>\$ 6,736,600</b>	<b>\$ 2,576,660</b>	<b>61.8 %</b>

**Technology Expenses**

Personnel Costs (Technology salaries and benefits)

- This category is within expectations for the quarter.

Professional Services (consulting and auditing services related to technology)

- This category is slightly less than budgeted at the quarter. This is mainly due to the variability of sending reports to our vendors for data integrity analysis.

Operational Services and Supplies (data processing, software, non-capital purchases)

- This category is within expectations for the quarter.

Capital Expense

- Work has begun on the Data Center and is expected to be fully realized in the second half of the fiscal year.



**BENEFIT AND REFUND PAYMENTS**

**Benefit Payments & Refunds (Not included in the Budget)**

For the Year Ending June 30, 2026  
as of March 31, 2026 (3rd Quarter)  
(in Thousands)

<b>FY 20/21</b>	<b>FY 21/22</b>	<b>FY 22/23</b>	<b>FY 23/24</b>	<b>FY 24/25</b>	<b>FY 25/26</b>
\$660,822	\$726,448	\$760,785	\$811,055	\$860,777	\$677,421

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Building Services, net of Rent							
For the Year Ending June 30, 2026							
as of March 31, 2026 (3rd Quarter)							
	Actual Expense as of 3rd Quarter	Approved Budget as of 3rd Quarter	Under (Over) Budget as of 3rd Quarter	% of Allocated Budget (Q3)	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
<b>Rental Income</b>							
Children's Fund	\$ 88,718	\$ 88,718	\$ -	100%	\$ 115,830	\$ 27,113	77%
<b>Total Rental Income</b>	<b>88,718</b>	<b>88,718</b>	<b>-</b>	<b>100%</b>	<b>115,830</b>	<b>27,113</b>	<b>77%</b>
<b>Building Services</b>							
<b>Utilities</b>							
Electric	119,334	180,000	60,666	66%	240,000	120,666	50%
Gas	2,387	6,000	3,614	40%	8,000	5,614	30%
Telco	-	3,750	3,750	0%	5,000	5,000	0%
Trash	3,402	3,900	498	87%	5,200	1,798	65%
Water	12,660	11,250	(1,410)	113%	15,000	2,340	84%
<b>Total Utilities</b>	<b>137,783</b>	<b>204,900</b>	<b>67,117</b>	<b>67%</b>	<b>273,200</b>	<b>135,417</b>	<b>50%</b>
<b>Mechanical Systems Services</b>							
Electrical & Elevator	5,481	8,625	3,144	64%	11,500	6,019	48%
Fire/Life Safety	15,335	16,500	1,165	93%	22,000	6,665	70%
HVAC	29,160	27,000	(2,160)	108%	36,000	6,840	81%
Generator Service	-	15,000	15,000	0%	20,000	20,000	0%
<b>Total Mechanical Systems Services</b>	<b>49,976</b>	<b>67,125</b>	<b>17,149</b>	<b>74%</b>	<b>89,500</b>	<b>39,524</b>	<b>56%</b>
<b>Security Guard Services</b>	<b>166,346</b>	<b>165,000</b>	<b>(1,346)</b>	<b>101%</b>	<b>220,000</b>	<b>53,654</b>	<b>76%</b>
<b>Security Monitor Services</b>	<b>4,505</b>	<b>20,250</b>	<b>15,745</b>	<b>22%</b>	<b>27,000</b>	<b>22,495</b>	<b>17%</b>
<b>Security Patrol Services</b>	<b>14,508</b>	<b>16,500</b>	<b>1,992</b>	<b>88%</b>	<b>22,000</b>	<b>7,492</b>	<b>66%</b>
<b>Cleaning &amp; Suite Services</b>							
Dayporter Services	78,227	97,500	19,273	80%	130,000	51,773	60%
Building/Cleaning Supplies	6,270	-	(6,270)	-	-	(6,270)	-
Landscaping	24,943	31,875	6,932	78%	42,500	17,557	59%
First Aid Supplies	8,508	11,250	2,742	76%	15,000	6,492	57%
Indoor Plants	2,570	-	(2,570)	-	-	(2,570)	-
Pest Control	3,053	3,750	697	81%	5,000	1,947	61%
Window Cleaning	-	3,000	3,000	0%	4,000	4,000	0%
Parking Lot Sweep	4,487	-	(4,487)	-	-	(4,487)	-
<b>Total Cleaning &amp; Suite Services</b>	<b>128,058</b>	<b>147,375</b>	<b>19,317</b>	<b>87%</b>	<b>196,500</b>	<b>68,442</b>	<b>65%</b>
<b>Insurance Expense</b>	<b>76,405</b>	<b>100,000</b>	<b>23,595</b>	<b>76%</b>	<b>100,000</b>	<b>23,595</b>	<b>76%</b>
<b>Administrative Fees</b>							
Consulting	85,313	90,000	4,688	95%	120,000	34,688	71%
Licenses & Fees	-	938	938	0%	1,250	1,250	0%
<b>Total Administrative Fees</b>	<b>85,313</b>	<b>90,938</b>	<b>5,625</b>	<b>94%</b>	<b>121,250</b>	<b>35,938</b>	<b>70%</b>
<b>Total Building Services Expense</b>	<b>\$ 662,893</b>	<b>\$ 812,088</b>	<b>\$ 149,195</b>	<b>82%</b>	<b>\$1,049,450</b>	<b>\$ 386,557</b>	<b>63%</b>
<b>Repair &amp; Maintenance (Non-Capital)</b>							
Lighting (Exterior)	1,941	11,250	9,309	0%	15,000	13,059	13%
Parking Lot	188	2,625	2,437	7%	3,500	3,312	5%
Structural	864	15,000	14,136	0%	20,000	19,136	4%
Windows	-	3,750	3,750	0%	5,000	5,000	0%
Mechanical Systems - Electrical	-	7,500	7,500	0%	10,000	10,000	0%
Mechanical Systems - Elevator	-	11,250	11,250	0%	15,000	15,000	0%
Mechanical Systems - Fire/Life Safety	-	7,500	7,500	0%	10,000	10,000	0%
Mechanical Systems - HVAC	30,813	10,500	(20,313)	293%	14,000	(16,813)	220%
Mechanical Systems - Plumbing	392	11,250	10,858	0%	15,000	14,608	3%
<b>Total Repair &amp; Maintenance (Non-Capital)</b>	<b>\$ 34,198</b>	<b>\$ 80,625</b>	<b>\$ 46,427</b>	<b>42%</b>	<b>\$ 107,500</b>	<b>\$ 73,302</b>	<b>32%</b>
<b>Total Building Expense, net of Rent</b>	<b>\$ 608,374</b>	<b>\$ 803,995</b>	<b>\$ 195,621</b>	<b>76%</b>	<b>\$1,041,120</b>	<b>\$ 432,746</b>	<b>58%</b>