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BUDGET VS ACTUAL REVIEW – For the Year Ending June 30, 2025 – as of June 30, 2025 (4th Quarter)

BUDGET SUMMARY

Budget Summary				
For the Year Ending June 30, 2025 as of June 30, 2025 (4th Quarter)				
	Annual Approved Budget	Actual Expense YTD	Under (Over) Budget	% of Budget
Administrative Expenses	\$ 14,935,000	\$ 12,731,132	\$ 2,203,868	85.2%
Non-Administrative Expenses	\$ 18,291,360	\$ 15,805,346	\$ 2,486,014	86.4%
Total	\$ 33,226,360	\$ 28,536,478	\$ 4,689,882	85.9%

Overall, the costs are within budget for the year.

ADMINISTRATIVE EXPENDITURES

Administrative Budget Detail				
For the Year Ending June 30, 2025 as of June 30, 2025 (4th Quarter)				
	Actual Expense as of 4th Quarter	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
Personnel Costs				
Staff Salaries and Benefits	\$ 9,453,581	\$ 11,099,300	\$ 1,645,719	85.2%
Board Members' Stipends	10,600	12,000	1,400	88.3%
Total Personnel Costs	9,464,181	11,111,300	1,647,119	85.2%
Professional Services				
Audit	62,356	81,500	19,144	76.5%
Consulting	3,000	75,000	72,000	4.0%
Disability Claim Process	608,936	1,040,000	431,064	58.6%
Member Engagement	84,574	138,000	53,426	61.3%
Payroll Services	15,765	16,000	235	98.5%
Total Professional Services	774,631	1,350,500	575,869	57.4%
Operational Services & Supplies				
Building Rent	1,100,575	775,000	(325,575)	142.0%
Career Development Fund	18,437	35,000	16,563	52.7%
Claims, Judgments, & Orders	-	35,000	35,000	0.0%
Communication Platforms	214,910	197,000	(17,910)	109.1%
Employee Engagement	39,147	45,000	5,853	87.0%
Equipment Rent	73,415	130,000	56,585	56.5%
General Maintenance	13,794	53,140	39,346	26.0%
Insurance	310,522	357,300	46,778	86.9%
Member Engagement	55,063	94,500	39,437	58.3%
Memberships	45,049	62,400	17,351	72.2%
Non-Capital Projects	28,913	100,000	71,087	28.9%
Office Expense	150,442	186,550	36,108	80.6%
Offsite Storage	34,461	35,000	539	98.5%
Recruiting & Hiring	34,808	37,600	2,792	92.6%
Suite Services	52,320	166,500	114,180	31.4%
Training & Travel	204,642	233,310	28,668	87.7%
Total Operational Services & Supplies	2,376,497	2,543,300	166,803	93.4%
Capital Expense	111,823	140,000	28,177	79.9%
Total Administrative Expense	\$ 12,727,132	\$ 15,145,100	\$ 2,417,968	84.0%

Category Analysis

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

- At 85% of the budget for the year, this category is slightly less than expected. This is primarily due to vacant unfilled positions.

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Professional Services (costs for outside contractors and vendors)

- This category is within expectations for the year. The expenses associated with the Disability Claim Process have variable timing and are expected to be slightly less than budgeted at the end of the fiscal year.

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

- Within expectations

STATUTORY LIMIT

The Statutory Limit for Administrative Expenses for the year ending June 30, 2025 is \$34,538,010. SBCERA's actual Administrative Expenses for the year ending June 30, 2025 are \$12,727,132, or 37% of the Statutory Limit and 84% of approved appropriations of \$15,145,100.

Calculation of Statutory Limit - Administrative Expenditure Budget		
AAL as of June 30, 2023	A	\$ 16,446,671,652
Basis points per GC §31580.2	B	0.0021
Statutory limit of 0.21% allowed per GC §31580.2	A*B=C	\$ 34,538,010

NON-ADMINISTRATIVE EXPENDITURES

ACTUARIAL

Non-Administrative Budget Detail: Actuarial				
For the Year Ending June 30, 2025 as of June 30, 2025 (4th Quarter)				
	Actual Expense as of 4th Quarter	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
Professional Services				
Actuarial Studies	\$ 105,923	\$ 90,000	\$ (15,923)	117.7%
Consulting	31,454	95,000	63,546	33.1%
Total Professional Services	137,377	185,000	47,623	74.3%
Total Non-Administrative Expense: Actuary	\$ 137,377	\$ 185,000	\$ 47,623	74.3%

Actuarial Expenses

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

- Actuarial expenses are as expected for the year.

NON-ADMINISTRATIVE EXPENDITURES *(Continued)*

LEGAL

Non-Administrative Budget Detail: Legal				
For the Year Ending June 30, 2025 as of June 30, 2025 (4th Quarter)				
	Actual Expense as of 4th Quarter	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
Personnel Costs				
Staff Salaries and Benefits	\$ 1,708,433	\$ 1,687,500	\$ (20,933)	101.2%
Total Personnel Costs	1,708,433	1,687,500	(20,933)	101.2%
Professional Services				
Attorney Fees	684,972	705,000	20,028	97.2%
Total Professional Services	684,972	705,000	20,028	97.2%
Operational Services & Supplies				
Employee Engagement	-	1,150	1,150	0.0%
Memberships	8,557	28,450	19,893	30.1%
Non-Capital Projects	(100)	5,000	5,100	-2.0%
Office Expense	4,172	6,350	2,178	65.7%
Software & Services	43,583	57,000	13,417	76.5%
Training & Travel	17,754	45,000	27,246	39.5%
Total Operational Services & Supplies	73,965	142,950	68,985	51.7%
Capital Expense	-	100,000	100,000	0.0%
Total Non-Administrative Expense: Legal	\$ 2,467,370	\$ 2,635,450	\$ 236,160	93.6%

Legal Expenses

Personnel Costs (legal salaries and benefits)

- This category is slightly higher than expected for the year.

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

- This category is within expectations.

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

- This category is within expectations.

NON-ADMINISTRATIVE EXPENDITURES (Continued)

INVESTMENT

Non-Administrative Budget Detail: Investment				
For the Year Ending June 30, 2025 as of June 30, 2025 (4th Quarter)				
	Actual Expense as of 4th Quarter	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
Personnel Costs				
Staff Salaries and Benefits	\$ 3,324,119	\$ 3,524,100	\$ 199,981	94.3%
Total Personnel Costs	3,324,119	3,524,100	199,981	94.3%
Professional Services				
Attorney Fees	191,786	380,000	188,214	50.5%
Consulting	2,315,167	3,031,000	715,833	76.4%
Custodial Services	1,398,539	1,100,000	(298,539)	127.1%
Total Professional Services	3,905,491	4,511,000	605,509	86.6%
Operational Services & Supplies				
Building Rent	150,000	150,000	-	100.0%
Employee Engagement	620	500	(120)	124.1%
General Maintenance	-	2,500	2,500	0.0%
Memberships	6,863	8,000	1,137	85.8%
Non-Capital Projects	-	5,000	5,000	0.0%
Office Expense	6,436	18,000	11,564	35.8%
Software & Services	176,851	185,000	8,149	95.6%
Training & Travel	134,943	107,500	(27,443)	125.5%
Total Operational Services & Supplies	475,714	476,500	786	99.8%
Capital Expense	27,000	25,000	(2,000)	108.0%
Total Non-Administrative Expense: Investments	\$ 7,732,325	\$ 8,536,600	\$ 804,275	90.6%

Investment Expenses

Personnel Costs (Investment salaries and benefits)

- This category is within expectations.

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

- This category is as expected.

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

- This category is as expected.

NON-ADMINISTRATIVE EXPENDITURES (Continued)

TECHNOLOGY

Non-Administrative Budget Detail: Technology				
For the Year Ending June 30, 2025 as of June 30, 2025 (4th Quarter)				
	Actual Expense as of 4th Quarter	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
Personnel Costs				
Staff Salaries and Benefits	\$ 2,520,225	\$ 2,507,500	\$ (12,725)	100.5%
Total Personnel Costs	2,520,225	2,507,500	(12,725)	100.5%
Professional Services				
Consulting	134,594	460,000	325,406	29.3%
Data Integrity	76,829	86,000	9,171	89.3%
Total Professional Services	76,829	86,000	9,171	89.3%
Operational Services & Supplies				
Communication Platforms	-	-	-	0.0%
Data Communications	50,157	65,000	14,843	77.2%
Non-Capital Projects	170,087	555,005	384,918	30.6%
Software & Services	1,886,460	2,568,305	681,845	73.5%
Training & Travel	29,001	60,000	30,999	48.3%
Total Operational Services & Supplies	2,135,705	3,248,310	1,112,605	65.7%
Capital Expense	619,399	875,000	255,601	70.8%
Total Non-Administrative Expense: Tech	\$ 5,486,751	\$ 7,176,810	\$ 1,690,059	76.5%

Technology Expenses

Personnel Costs (Technology salaries and benefits)

- This category is within expectations.

Professional Services (consulting and auditing services related to technology)

- This category is as expected.

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

- At 66% of the budget for the fiscal year, this category is less than expected. Much of the savings come from the Software & Services line item. Several products have been consciously delayed until the new security approach is in place.

Capital Expense

- This category is within expectations at the quarter.

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BENEFIT AND REFUND PAYMENTS

Benefit Payments & Refunds (Not included in the Budget) For the Year Ending June 30, 2025 as of June 30, 2025 (4th Quarter) (in Thousands)					
FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
\$621,564	\$660,822	\$726,448	\$760,785	\$811,055	\$860,777

CAPITAL EXPENDITURES

Capital Expenditure Summary For the Year Ending June 30, 2025				
	<u>Expended</u>	<u>Approved Budget</u>	<u>Budget as of 2nd Quarter</u>	<u>Annual Budget</u>
Administrative Budget:				
Physical Signage	\$ -	\$ 30,000	\$ 30,000	0.0%
SBCERA Call Center Relocation to First Floor	111,823	110,000	(1,823)	101.7%
Total Additions for Administrative Budget	\$ 111,823	\$ 140,000	\$ 28,177	79.9%
Non-Administrative Budget:				
Legal Appropriations				
Contract Management Software	\$ -	\$ 100,000	\$ 100,000	0.0%
Total Additions for Legal Appropriations	\$ -	\$ 100,000	\$ 100,000	0.0%
Investment Appropriations				
Data Management & Library Project	27,000	\$ 25,000	\$ (2,000)	108.0%
Total Additions for Legal Appropriations	\$ 27,000	\$ 25,000	\$ (2,000)	108.0%
Technical Appropriations:				
Azure Tenant Migration	\$ 127,656	\$ 150,000	\$ 22,344	85.1%
Audio & Video Equipment	24,553	75,000	50,447	32.7%
ZTNA & Sasse Solution	467,189	650,000	182,811	71.9%
Total Additions for Technology Appropriations	\$ 619,399	\$ 875,000	\$ 255,601	70.8%
Total Additions for Non-Administrative Budget	\$ 646,399	\$ 1,000,000	\$ 255,601	64.6%
Total Additions for Capital Expenditures¹	\$ 758,222	\$ 1,140,000	\$ 381,778	66.5%