BUDGET VS ACTUAL REVIEW – For the Year Ending June 30, 2026 – as of September 30, 2025 ($1^{\rm st}$ Quarter)

BUDGET SUMMARY

	Budget Su	mm	ary			
	e Year Ending ptember 30, 2		•	·)		
	Annual					
	Approved		Actual	U	nder (Over)	% of
	Budget	Ex	pense YTD		Budget	Budget
Administrative Expenses	\$ 17,300,030	\$	3,098,212	\$	14,201,818	17.9%
Non-Administrative Expenses	\$ 19,394,250	\$	4,673,469	\$	14,720,781	24.1%
Total	\$ 36,694,280	\$	7,771,682	\$	28,922,598	21.2%

Overall, the costs are as expected at the quarter.

ADMINISTRATIVE EXPENDITURES

	A	dministrative E	Budget Detail				
		or the Year Ending	_				
		f September 30, 2					
	Actual Expense as of 1st Ouarter	Approved Budget as of 1st Quarter	Under (Over) Budget as of 1st Quarter	% of Allocated Budget (Q1)	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
Personnel Costs	Quarter	15t Qual tel	1 St Qualter	(Q1)	Buuget	Ailluai buuget	Duaget
Staff Salaries and Benefits	\$ 2.034.397	\$ 2,490,000	\$ 455.603	81.7%	\$ 12.456.000	\$ 10.421.603	16.3
Board Members' Stipends	3,300	3,000	(300)	110.0%	12,000	8.700	27.5
Total Personnel Costs	2,037,697	2,493,000	455,303	81.7%	12,468,000	10,430,303	16.3
Professional Services							
Audit	34,556	35,000	444	98.7%	81,500	46,944	42.4
Consulting	1,456	1,500	44	97.1%	95,000	93,544	1.5
Disability Claim Process	176,426	200,000	23,574	88.2%	1,040,000	863,574	17.0
Member Engagement	21,160	34,500	13,340	61.3%	138,000	116,840	15.3
Payroll Services	3,135	4,000	865	78.4%	16,000	12,865	19.6
Total Professional Services	236,733	275,000	38,268	86.1%	1,370,500	1,133,768	17.3
Operational Services & Supplies							
Building Services	245,532	260,300	14,768	94.3%	1,041,200	795,668	23.6
Career Development Fund	-	-	-	0.0%	35,000	35,000	0.0
Claims, Judgments, & Orders	-	-	-	0.0%	35,000	35,000	0.0
Communication Platforms	52,874	57,250	4,376	92.4%	229,000	176,126	23.1
Employee Engagement	3,444	3,500	56	98.4%	48,000	44,556	7.2
Equipment Rent	17,784	18,000	216	98.8%	110,000	92,216	16.2
General Maintenance	320	1,500	1,180	21.3%	7,500	7,180	4.3
Insurance	345,126	350,000	4,874	98.6%	350,000	4,874	98.6
Member Engagement	9,777	10,000	223	97.8%	63,000	53,223	15.5
Memberships	23,890	24,000	110	99.5%	52,530	28,640	45.5
Office Expense	19,054	57,000	37,946	33.4%	170,600	151,546	11.2
Offsite Storage	7,084	6,250	(834)	113.3%	35,000	27,916	20.2
Recruiting & Hiring	749	1,900	1,151	39.4%	7,200	6,451	10.4
Training & Travel	68,092	74,375	6,283	91.6%	297,500	229,408	22.9
Total Operational Services & Supplies	793,727	864,075	70,348	91.9%	2,481,530	1,687,803	32.0
Capital Expense	30,056	30,100	44	99.9%	980,000	949,944	3.1
Total Administrative Expense	\$ 3,098,212	\$ 3,662,175	\$ 563,963	84.6%	\$ 17,300,030	\$ 14,201,818	17.9

Category Analysis

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

At 82% of the budget for the quarter, this category is slightly less than expected.
 This is primarily due to vacant unfilled positions.

<u>Professional Services</u> (costs for outside contractors and vendors)

 This category is below expectations for the quarter. The expenses associated with the Disability Claim Process have variable timing and are expected to be as budgeted throughout the fiscal year.

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

At 92%, costs are as expected overall for the quarter in this category.
 Slightly higher than expected Offsite Storage costs are a product of the digitization project and will be as expected over 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 September 30, 2025 (1st Quarter) are \$3,098,212, or 9% of the Statutory Limit and 18% of approved appropriations of \$17,300,030.

Calculation of Statutory Limit - Administrative	ve Expen	ditu	ıre Budget
AAL as of June 30, 2023	Α	\$1	7,372,251,774
Basis points per GC §31580.2	В		0.0021
Statutory limit of 0.21% allowed per GC §31580.2	A*B=C	\$	36,481,729

NON-ADMINISTRATIVE EXPENDITURES

ACTUARIAL

	'	For	the Ye	ntive Budge ear Ending Je nber 30, 202	une 30,	2026	rial			
	а	ial Expense s of 1st Quarter	A Bud	pproved Iget as of t Quarter	Unde Budç	er (Over) let as of Quarter	% of Allocated Budget (Q1)	 Annual Approved Budget	nder (Over) nual Budget	% of Annual Budget
Professional Services Actuarial Studies Consulting Total Professional Services	\$	48,705 34,326 83,031	\$	49,000 35,000 84,000	\$	295 674 969	99.4% 98.1% 98.8 %	\$ 105,000 95,000 200,000	\$ 56,295 60,674 116,969	46.4 36.1 41.5 °
Total Non-Administrative Expense: Actuary	\$	83,031	\$	84,000	\$	969	98.8%	\$ 200,000	\$ 116,969	41.5

Actuarial Expenses

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

• Actuarial expenses are as expected at the quarter.

NON-ADMINISTRATIVE EXPENDITURES (Continued)

LEGAL

		Non-Admi	inistr	ative Budg	et De	tail: Legal						
				ar Ending Jur ber 30, 2025								
	Actual Expense as of 1st Quarter		Bu	Approved adget as of st Quarter	Under (Over) Budget as of 1st Quarter		% of Allocated Budget (Q1)	Annual Approved Budget		Under (Over) Annual Budget		% of Annual Budget
Personnel Costs Staff Salaries and Benefits	ć	361.729	Ś	265,000	Ś	3,271	99.1%	Ś	1.805.000	\$ 1,443,2	71	20.0%
Total Personnel Costs	\$	361,729	٠	365,000 365,000	<u> </u>	3,271	99.1%	<u>\$</u>	1.805.000	1,443,2		20.0%
Total Personner Costs		301,729		303,000		3,271	99.1%	_	1,605,000	1,443,2	<u>/ I </u>	20.0%
Professional Services												
Attorney Fees		182,183		127,000		(55,183)	143.5%		665,000	482,8	317	27.4%
Total Professional Services		182,183		127,000		(55,183)	143.5%		665,000	482,8	17	27.4%
Operational Services & Supplies												
Employee Engagement		-		-		-	0.0%		500		500	0.09
Memberships		2,614		2,900		286	90.1%		11,650	9,0	36	22.49
Office Expense		470		500		30	94.0%		3,000	2,	30	15.79
Software & Services		13,452		14,000		548	96.1%		50,000	36,	548	26.99
Training & Travel		10,063		11,000		937	91.5%		30,000	19,9	937	33.59
Total Operational Services & Supplies		26,599		28,400		1,801	93.7%		95,150	68,5	51	28.09
Capital Expense		-		-		-	0.0%		40,000	40,0	00	0.0%
Total Non-Administrative Expense: Legal	\$	570,512	\$	520,400	\$	(50,112)	109.6%	\$	2,605,150	\$ 4,029,2	77	21.9%

Legal Expenses

Personnel Costs (legal salaries and benefits)

o This category is within expectations at the quarter.

<u>Professional Services</u> (outside attorney fees or non-investment issues)

Attorney fees are more than budgeted. The additional expenses will be monitored
 these expenses vary throughout the fiscal year.

<u>Operational Services and Supplies</u> (memberships, office expense, software, training, and travel)

 $\circ\quad$ This category is within expectations for the quarter.

NON-ADMINISTRATIVE EXPENDITURES (Continued)

INVESTMENT

	Non-Administ	rative Budget [Detail: Investm	ent			
		e Year Ending Jun otember 30, 2025					
	Actual Expense as of 1st Quarter	Approved Budget as of 1st Quarter	Under (Over) Budget as of 1st Quarter	% of Allocated Budget (Q1)	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
Personnel Costs Staff Salaries and Benefits	\$ 678,658	\$ 1,000,000	\$ 321,342	67.9%	\$ 5,035,000	\$ 4,356,342	13.5%
Total Personnel Costs	678,658	1,000,000	321,342	67.9%	5,035,000	4,356,342	13.5%
Professional Services							
Attorney Fees	202,415	203,000	585	99.7%	340,000	137,585	59.5
Consulting	672,366	650,000	(22,366)	103.4%	2,590,000	1,917,634	26.0
Custodial Services	255,705	400,000	144,295	63.9%	1,600,000	1,344,295	16.0
Total Professional Services	1,130,486	1,253,000	122,514	90.2%	4,530,000	3,399,514	25.09
Operational Services & Supplies							
Employee Engagement	-	125	125	0.0%	500	500	0.0
General Maintenance	-	-	-	0.0%	-	-	0.0
Memberships	7,196	7,200	4	99.9%	8,000	804	90.0
Non-Capital Projects	-	-	-	0.0%	-	-	0.0
Office Expense	47	1,500	1,453	3.1%	6,000	5,953	0.8
Software & Services	54,225	55,000	775	98.6%	173,000	118,775	31.3
Training & Travel	15,769	22,000	6,231	71.7%	100,000	84,231	15.8
Total Operational Services & Supplies	77,237	85,825	8,588	90.0%	287,500	210,263	26.99
Capital Expense	-	-	-	0.0%	-	-	0.09
Total Non-Administrative Expense: Investments	\$ 1,886,380	\$ 2,338,825	\$ 773,787	80.7%	\$ 9,852,500	\$ 7,966,120	19.19

Investment Expenses

<u>Personnel Costs</u> (Investment salaries and benefits)

 This category is within expectations for the quarter. The slightly lower expense is due to vacancies in the newly created Associated Investment Officer positions at the quarter.

<u>Professional Services</u> (investment attorney issues, consulting, and custodian fees)

 Except for Attorney Fees, this category is as expected at the quarter. The additional expenses will be monitored – these expenses vary throughout the fiscal year.

<u>Operational Services and Supplies</u> (memberships, office expense, software, training, travel, and due diligence travel)

This category is as expected at the quarter.

NON-ADMINISTRATIVE EXPENDITURES (Continued)

TECHNOLOGY

				ear Ending omber 30, 20								
	as	Actual Expense App as of 1st Budge		Approved dget as of et Quarter	Bud	• • • • • • • • • • • • • • • • • • • •			Under (Over) Annual Budget	% of Annual Budget		
Personnel Costs		=== 001		E40.000		0.070	00.50					40.70
Staff Salaries and Benefits	\$	556,921	\$	560,000	\$	3,079	99.5%	\$	2,827,000	\$	2,270,079	19.7%
Total Personnel Costs		556,921		560,000		3,079	99.5%		2,827,000		2,270,079	19.7%
Professional Services												
Consulting		-		-		-	0.0%		375,000		375,000	0.0%
Data Integrity		7,085		10,000		2,915	70.9%		161,000		153,915	4.4%
Total Professional Services		7,085		10,000		2,915	70.9%		161,000		153,915	4.4%
Operational Services & Supplies												
Data Communications		11,299		12,000		701	94.2%		65,000		53,701	17.49
Non-Capital Projects		-		-		-	0.0%		150,000		150,000	0.09
Software & Services		1,553,197		1,554,000		803	99.9%		2,673,600		1,120,403	58.19
Training & Travel		5,043		8,750		3,707	57.6%		35,000		29,957	14.49
Total Operational Services & Supplies	1	,569,539		1,574,750		5,211	99.7%	_	2,923,600		1,354,061	53.79
Capital Expense		-					0.0%		450,000		450,000	0.09
Total Non-Administrative Expense: Tech	Š 2	2,133,546	Ś	2,144,750	\$	11,204	99.5%	Ś	6,736,600	Ś	4,603,054	31.79

Technology Expenses

Personnel Costs (Technology salaries and benefits)

o This category is within expectations for the quarter.

<u>Professional Services</u> (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)

o This category is within expectations for the quarter.

BENEFIT AND REFUND PAYMENTS

Benefit Payments & Refunds (Not included in the Budget)

For the Year Ending June 30, 2026 as of September 30, 2025 (1st Quarter)

(in Thousands)

		(111 111)	usanus <i>)</i>		
FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
\$660,822	\$726,448	\$760,785	\$811,055	\$860,777	\$212,116

BUILDING SERVICES

	Fo	uilding Service or the Year Endin f September 30,	g June 30, 202	6			
	Actual Expense as of 1st Quarter	Approved Budget as of 1st Quarter	Under (Over) Budget as of 1st Quarter	% of Allocated Budget (Q1)	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
ental Income Children's Fund	\$ 27,930	\$ 27,930	\$ -	100%	\$ 115,830	\$ 87,900	249
otal Rental Income	27,930	27,930		100%	115,830	87,900	249
uilding Services							
Utilities							
Electric	45,189	60,000	14,811	75%	240,000	194,811	199
Gas	129	2,000	1,871	6%	8,000	7,871	29
Telco	-	1,250	1,250	0%	5,000	5,000	09
Trash	1,200	1,300	100	92%	5,200	4,000	239
Water	4,190	3,750	(440)	112%	15,000	10,810	289
Total Utilities	50,708	68,300	17,592	74%	273,200	222,492	199
Mechanical Systems Services	30,708	00,300	17,392	14%	2/3,200		197
-	1.010	0.075	065	6601	11 500	0.500	170
Electrical & Elevator	1,910	2,875	965 5.450	66%	11,500	9,590	17
Fire/Life Safety	41	5,500	5,459	1%	22,000	21,959	0,
HVAC	11,827	9,000	(2,827)	131%	36,000	24,173	33'
Generator Service		5,000	5,000	0%	20,000	20,000	0
Total Mechanical Systems Services	13,778	22,375	8,597	62%	89,500	75,722	159
Security Guard Services	54,261	55,000	739	99%	220,000	165,739	259
Security Monitor Services	4,505	6,750	2,245	67%	27,000	22,495	179
Security Patrol Services	4,836	5,500	664	88%	22,000	17,164	229
Cleaning & Suite Services							
Dayporter Services	27,469	32,500	5,031	85%	130,000	102,531	21
Cleaning Supplies	2,081	-	(2,081)	00.0	-	(2,081)	
Landscaping	4,767	10,625	5,858	45%	42,500	37,733	11
First Aid Supplies	1,743	3,750	2,007	46%	15,000	13,257	12
Indoor Plants	•	3,730		40%	13,000		12
	857	1 250	(857)	770/	- -	(857)	10
Pest Control	968	1,250	282	77%	5,000	4,032	19
Window Cleaning	-	1,000	1,000	0%	4,000	4,000	0
Parking Lot Sweep	513		(513)			(513)	
Total Cleaning & Suite Services	38,398	49,125	10,727	78%	196,500	158,102	20
Insurance Expense	76,405	100,000	23,595	76%	100,000	23,595	76
Administrative Fees							
Consulting	29,250	30,000	750	98%	120,000	90,750	24
Licenses & Fees	-	313	313	0%	1,250	1,250	0
Total Administrative Fees	29,250	30,313	1,063	96%	121,250	92,000	24
otal Building Services Expense	\$ 272,140	\$ 337,363	\$ 65,222	81%	\$1,049,450	\$ 777,310	26
epair & Maintenance (Non-Capital)							
Lighting (Exterior)	-	-	-	0%	15,000	15,000	0
Parking Lot	188	200	12	94%	3,500	3,312	5
Structural	-	-	-	0%	20,000	20,000	0
Windows	-	-	-	0%	5,000	5,000	0
Mechanical Systems - Electrical	-	-	-	0%	10,000	10,000	0
Mechanical Systems - Elevator	-	-	-	0%	15,000	15,000	0
Mechanical Systems - Fire/Life Safety	-	-	-	0%	10,000	10,000	0
Mechanical Systems - HVAC	1,134	1,200	66	95%	14,000	12,866	8
Mechanical Systems - Plumbing	-,	-,	-	0%	15,000	15,000	0
otal Repair & Maintenance (Non-Capital)	\$ 1,322	\$ 1,400	\$ 78	94%	\$ 107,500	\$ 106,178	1