BUDGET VS ACTUAL REVIEW – For the Year Ending June 30, 2026 – as of September 30, 2025 (1st Quarter)

BUDGET SUMMARY

Budget Summary For the Year Ending June 30, 2026 as of September 30, 2025 (1st Quarter)	Annual Approved Budget	Actual Expense YTD	Under (Over) Budget	% of 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.

Exhibit A: Page 2

ADMINISTRATIVE EXPENDITURES

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

	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	$ 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.

Professional Services (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.

Operational Services and Supplies (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 Expenditure Budget		
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

Non-Administrative Budget Detail: Actuarial For the Year Ending June 30, 2026 as of September 30, 2025 (1st Quarter)	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
Professional Services							
Actuarial Studies	$ 48,705	$ 49,000	$ 295	99.4%	$ 105,000	$ 56,295	46.4%
Consulting	34,326	35,000	674	98.1%	95,000	60,674	36.1%
Total Professional Services	**83,031**	**84,000**	**969**	**98.8%**	**200,000**	**116,969**	**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-Administrative Budget Detail: Legal For the Year Ending June 30, 2026 as of September 30, 2025 (1st Quarter)	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	$ 361,729	$ 365,000	$ 3,271	99.1%	$ 1,805,000	$ 1,443,271	20.0%
Total Personnel Costs	**361,729**	**365,000**	**3,271**	**99.1%**	**1,805,000**	**1,443,271**	**20.0%**
Professional Services							
Attorney Fees	182,183	127,000	(55,183)	143.5%	665,000	482,817	27.4%
Total Professional Services	**182,183**	**127,000**	**(55,183)**	**143.5%**	**665,000**	**482,817**	**27.4%**
Operational Services & Supplies							
Employee Engagement	-	-	-	0.0%	500	500	0.0%
Memberships	2,614	2,900	286	90.1%	11,650	9,036	22.4%
Office Expense	470	500	30	94.0%	3,000	2,530	15.7%
Software & Services	13,452	14,000	548	96.1%	50,000	36,548	26.9%
Training & Travel	10,063	11,000	937	91.5%	30,000	19,937	33.5%
Total Operational Services & Supplies	**26,599**	**28,400**	**1,801**	**93.7%**	**95,150**	**68,551**	**28.0%**
Capital Expense	**-**	**-**	**-**	**0.0%**	**40,000**	**40,000**	**0.0%**
Total Non-Administrative Expense: Legal	**$ 570,512**	**$ 520,400**	**$ (50,112)**	**109.6%**	**$ 2,605,150**	**$ 4,029,277**	**21.9%**

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. The additional expenses will be monitored – these expenses vary throughout the fiscal year.

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

- This category is within expectations for the quarter.

NON-ADMINISTRATIVE EXPENDITURES *(Continued)*

INVESTMENT

Non-Administrative Budget Detail: Investment							
For the Year Ending June 30, 2026							
as of September 30, 2025 (1st Quarter)							
	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**	**25.0%**
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**	**26.9%**
Capital Expense	**-**	**-**	**-**	**0.0%**	**-**	**-**	**0.0%**
Total Non-Administrative Expense: Investments	**$ 1,886,380**	**$ 2,338,825**	**$ 773,787**	**80.7%**	**$ 9,852,500**	**$ 7,966,120**	**19.1%**

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

Non-Administrative Budget Detail: Technology
For the Year Ending June 30, 2026
as of September 30, 2025 (1st Quarter)

	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	$ 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	17.4%
Non-Capital Projects	-	-	-	0.0%	150,000	150,000	0.0%
Software & Services	1,553,197	1,554,000	803	99.9%	2,673,600	1,120,403	58.1%
Training & Travel	5,043	8,750	3,707	57.6%	35,000	29,957	14.4%
Total Operational Services & Supplies	**1,569,539**	**1,574,750**	**5,211**	**99.7%**	**2,923,600**	**1,354,061**	**53.7%**
Capital Expense	**-**	**-**	**-**	**0.0%**	**450,000**	**450,000**	**0.0%**
Total Non-Administrative Expense: Tech	**$ 2,133,546**	**$ 2,144,750**	**$ 11,204**	**99.5%**	**$ 6,736,600**	**$ 4,603,054**	**31.7%**

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.

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)					
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

Exhibit A: Page 9

BUILDING SERVICES

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

	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
Rental Income							
Children's Fund	$ 27,930	$ 27,930	$ -	100%	$ 115,830	$ 87,900	24%
Total Rental Income	**27,930**	**27,930**	**-**	**100%**	**115,830**	**87,900**	**24%**
Building Services							
Utilities							
Electric	45,189	60,000	14,811	75%	240,000	194,811	19%
Gas	129	2,000	1,871	6%	8,000	7,871	2%
Telco	-	1,250	1,250	0%	5,000	5,000	0%
Trash	1,200	1,300	100	92%	5,200	4,000	23%
Water	4,190	3,750	(440)	112%	15,000	10,810	28%
Total Utilities	**50,708**	**68,300**	**17,592**	**74%**	**273,200**	**222,492**	**19%**
Mechanical Systems Services							
Electrical & Elevator	1,910	2,875	965	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**	**15%**
Security Guard Services	**54,261**	**55,000**	**739**	**99%**	**220,000**	**165,739**	**25%**
Security Monitor Services	**4,505**	**6,750**	**2,245**	**67%**	**27,000**	**22,495**	**17%**
Security Patrol Services	**4,836**	**5,500**	**664**	**88%**	**22,000**	**17,164**	**22%**
Cleaning & Suite Services							
Dayporter Services	27,469	32,500	5,031	85%	130,000	102,531	21%
Cleaning Supplies	2,081	-	(2,081)		-	(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	857	-	(857)		-	(857)	
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%**
Total Building Services Expense	**$ 272,140**	**$ 337,363**	**$ 65,222**	**81%**	**$1,049,450**	**$ 777,310**	**26%**
Repair & 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%
Total Repair & Maintenance (Non-Capital)	**$ 1,322**	**$ 1,400**	**$ 78**	**94%**	**$ 107,500**	**$ 106,178**	**1%**
Total Building Expense, net of Rent	**$ 245,532**	**$ 310,833**	**$ 65,300**	**79%**	**$1,041,120**	**$ 795,588**	**24%**