

Consolidated Audit Trail, LLC
2023 Financial and Operating Budget
Revised as of November 7, 2023

Cash Basis Budget ⁽²⁾

Cash Inflows	Actual			Estimated	Total ⁽¹⁾
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
Promissory Notes	\$ 48,250,000	\$ 48,850,000	\$ 46,000,000	\$ 45,300,000	\$ 188,400,000
Total Inflows	\$ 48,250,000	\$ 48,850,000	\$ 46,000,000	\$ 45,300,000	\$ 188,400,000
Operating Costs and Expenditures					
<i>Technology Costs:</i>	Actual			Estimated ⁽³⁾	Total
Cloud hosting services ⁽⁴⁾	\$ 37,910,347	\$ 35,728,418	\$ 30,161,040	\$ 30,402,694	\$ 134,202,498
Operating fees	6,364,742	6,800,095	6,653,427	6,653,431	26,471,695
CAIS operating fees	2,783,078	5,600,739	5,323,939	5,244,751	18,952,507
Change request fees	-	322,300	-	-	322,300
Placeholder for possible change requests	-	-	-	-	-
Total Technology Costs	\$ 47,058,167	\$ 48,451,551	\$ 42,138,406	\$ 42,300,876	\$ 179,949,000
<i>General and Administrative:</i>					
Legal	\$ 247,952	\$ 2,194,288	\$ 1,307,793	\$ 1,139,967	\$ 4,890,000
Consulting	615,541	295,637	381,255	507,568	1,800,000
Insurance	-	9,100	1,624,369	-	1,633,469
Professional and administration	128,456	261,311	116,235	243,024	749,026
Public relations	23,100	23,100	23,100	23,100	92,400
Total General and Administrative	\$ 1,015,049	\$ 2,783,437	\$ 3,452,752	\$ 1,913,658	\$ 9,164,895
Total Operating Costs	\$ 48,073,215	\$ 51,234,988	\$ 45,591,158	\$ 44,214,534	\$ 189,113,895
Capitalized Developed Technology Costs	\$ 3,275,867	\$ 33,333	\$ 375,000	\$ 1,100,000	\$ 4,784,201
Software License Fee - 2022 and 2023 Holdback Credit	-	(2,418,167)	-	-	(2,418,167)
Total Expenditures	\$ 51,349,082	\$ 48,850,155	\$ 45,966,158	\$ 45,314,534	\$ 191,479,929
Plus: Liquidity Reserve (up to 25% of Annual Budget) ⁽⁵⁾	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Cash Balance as of Beginning of Period	(3,168,529)	-	-	-	(3,168,529)
Total Funding Needs	\$ 48,180,554	\$ 48,850,155	\$ 45,966,158	\$ 45,314,534	\$ 188,311,400

(1) Amounts will not reconcile to audited financial statements as the above costs are on a cash basis, while the audited financial statements are on an accrual GAAP basis of accounting. Additionally, a portion of the above FINRA CAT costs have been capitalized.

(2) This cash basis budget reflects expenditures when paid; versus accrual GAAP basis amounts which would reflect expenditures when incurred.

(3) The estimated expenditures for this cash basis budget are based on currently-anticipated costs and cost savings. Actual results may differ from these budgeted amounts.

(4) Based on projected 45% annual year-over-year volume growth.

(5) Liquidity reserve to be included no later than when forward looking or budget-based industry fees are implemented.