

Consolidated Audit Trail, LLC
2024 Financial and Operating Budget - Mid-Year Update - July 2024

Cash Basis Budget ⁽²⁾

	Actual		Estimated		Total ⁽¹⁾
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
Cash Inflows					
Promissory Notes/Short-Term Lending	\$ 46,850,000	\$ 50,650,000	\$ 59,250,000	\$ 19,300,000	\$ 176,050,000
Projected Fees From Industry Members (2/3)	-	-	-	36,927,181	36,927,181
Projected Fees From SROs (1/3)	-	-	-	18,463,590	18,463,590
Total Inflows	\$ 46,850,000	\$ 50,650,000	\$ 59,250,000	\$ 74,690,771	\$ 231,440,771
Operating Costs and Expenditures					
<i>Technology Costs:</i>					
	Actual		Estimated ⁽³⁾		Total
Cloud hosting services	\$ 30,343,917	\$ 36,393,893	\$ 38,132,441	\$ 43,919,730	\$ 148,789,981
Operating fees	6,702,506	5,906,034	6,907,383	6,907,383	26,423,306
CAIS operating fees	5,017,108	5,060,937	5,060,937	5,060,937	20,199,919
Cyber Insurance Premium Adjustment	-	-	904,664	440,748	1,345,412
Placeholder for possible change requests	-	-	-	162,500	162,500
Total Technology Costs	\$ 42,063,531	\$ 47,360,864	\$ 51,005,425	\$ 56,491,298	\$ 196,921,118
<i>General and Administrative:</i>					
Legal	\$ 791,912	\$ 2,364,850	\$ 2,647,277	\$ 2,342,560	\$ 8,146,599
Consulting	264,101	621,479	359,925	354,495	1,600,000
Insurance	-	-	1,342,345	-	1,342,345
Professional and administration	110,542	262,435	157,270	293,683	823,930
Public relations	23,100	23,100	23,450	23,625	93,275
Total General and Administrative	\$ 1,189,655	\$ 3,271,864	\$ 4,530,267	\$ 3,014,362	\$ 12,006,149
Total Operating Costs	\$ 43,253,186	\$ 50,632,728	\$ 55,535,691	\$ 59,505,660	\$ 208,927,267
<i>Capitalized Developed Technology Costs</i>	\$ 2,300,000	\$ -	\$ -	\$ 291,000	\$ 2,591,000
<i>Software License Fee - 2024</i>	1,359,490	-	3,810,990	-	5,170,480
Total Expenditures	\$ 46,912,676	\$ 50,632,728	\$ 59,346,681	\$ 59,796,661	\$ 216,688,747
Other Cash Inflows					
New Participant Fees	\$ -	\$ -	\$ 589,232	\$ -	\$ 589,232
Projected Liquidity Reserve ⁽⁴⁾	-	-	-	13,847,693	13,847,693
Total Other Cash Inflows	\$ -	\$ -	\$ 589,232	\$ 13,847,693	\$ 14,436,925

(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. Actual results may differ from these budgeted amounts.

(4) The estimated liquidity reserve was calculated based on 25% of the projected fee filing costs of \$110,781,540 to be incurred from July 16, 2024 to December 31, 2024, representing the period from the achievement of Financial Accountability Milestone 4 to December 31, 2024.