

Consolidated Audit Trail, LLC
2022 Financial and Operating Budget

Cash Basis Budget ⁽²⁾

	Actual			Estimated	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total ⁽¹⁾
Cash Inflows					
Promissory Notes	\$ 37,079,323	\$ 52,401,677	\$ 38,747,459	\$ 49,885,399	\$ 178,113,857
Total Inflows	\$ 37,079,323	\$ 52,401,677	\$ 38,747,459	\$ 49,885,399	\$ 178,113,857
Operating Costs and Expenditures					
<i>Technology Costs:</i>					
	Actual			Estimated ⁽³⁾	Total
Cloud hosting services	\$ 30,360,705	\$ 33,124,368	\$ 31,637,688	\$ 28,778,941	\$ 123,901,702
Operating fees	6,252,995	6,357,210	6,390,168	6,563,223	25,563,596
CAIS operating fees	1,966,439	1,907,526	2,581,428	2,748,462	9,203,855
Change request fees	-	1,524,500	617,000	1,645,500	3,787,000
Total Technology Costs	\$ 38,580,138	\$ 42,913,604	\$ 41,226,285	\$ 39,736,125	\$ 162,456,153
<i>General and Administrative ⁽⁴⁾:</i>					
Legal	\$ 1,680,483	\$ 1,468,218	\$ 1,724,909	\$ 1,938,471	\$ 6,812,082
Consulting	441,097	417,844	422,187	618,872	1,900,000
Insurance	-	-	1,898,827	-	1,898,827
Professional and administration	209,956	188,851	77,061	208,807	684,675
Public relations	23,100	23,100	23,100	23,100	92,400
Total General and Administrative	\$ 2,354,637	\$ 2,098,013	\$ 4,146,084	\$ 2,789,250	\$ 11,387,984
Total Operating Costs	\$ 40,934,775	\$ 45,011,617	\$ 45,372,369	\$ 42,525,375	\$ 173,844,136
<i>Capitalized Developed Technology Costs</i>	\$ 3,864,516	\$ 906,463	\$ 100,440	\$ 200,000	\$ 5,071,418
Total Expenditures	\$ 44,799,291	\$ 45,918,080	\$ 45,472,808	\$ 42,725,375	\$ 178,915,555

(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) Quarter 3 actual costs include certain estimates, as final invoices have not yet been rendered to Consolidated Audit Trail, LLC.

Budget vs Actual				
Quarter 3				
	Q3 Budget	Q3 Actual	Over/(Under) Budget	Variance %
<i>Technology Costs:</i>				
Cloud hosting services	\$ 27,644,365	\$ 31,637,688	\$ 3,993,323	
Operating fees	6,587,851	6,390,168	(197,683)	
CAIS operating fees	2,962,003	2,581,428	(380,575)	
Change request fees	824,000	617,000	(207,000)	
Total Technology Costs	<u>\$ 38,018,219</u>	<u>\$ 41,226,285</u>	<u>\$ 3,208,066</u>	<u>8.4%</u>
<i>General and Administrative:</i>				
Legal	\$ 2,020,858	\$ 1,724,909	\$ (295,949)	
Consulting	288,355	422,187	133,832	
Insurance	1,820,122	1,898,827	78,706	
Professional and administration	141,934	77,061	(64,873)	
Public relations	23,100	23,100	-	
Total General and Administrative	<u>\$ 4,294,368</u>	<u>\$ 4,146,084</u>	<u>\$ (148,284)</u>	<u>-3.5%</u>
Total Operating Costs	<u>\$ 42,312,587</u>	<u>\$ 45,372,369</u>	<u>\$ 3,059,782</u>	<u>7.2%</u>
<i>Capitalized Developed Technology Costs</i>	\$ 115,675	\$ 100,440	\$ (15,236)	-13.2%
Total Expenditures	<u>\$ 42,428,262</u>	<u>\$ 45,472,808</u>	<u>\$ 3,044,546</u>	<u>7.2%</u>