

Form **1120-S**Department of the Treasury
Internal Revenue Service**U.S. Income Tax Return for an S Corporation**

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
▶ Go to www.irs.gov/Form1120S for instructions and the latest information.

OMB No. 1545-0123

2021

For calendar year 2021 or tax year beginning _____, ending _____

A S election effective date 01/01/1998	NAME OF PRINT	Name DILLON LIGHTNING PROTECTION SYSTEMS, INC	D Employer identification number ** - *****
B Business activity code number (see instructions) 238900		Number, street, and room or suite no. If a P.O. box, see instructions. 225 BUCHEIMER ROAD	E Date incorporated 09/04/1997
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state or province, country, and ZIP or foreign postal code FREDERICK, MD 21701	F Total assets (see instructions) \$ 615,557.

G Is the corporation electing to be an S corporation beginning with this tax year? ☐ Yes ☒ No

H Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination

I Enter the number of shareholders who were shareholders during any part of the tax year **1**

J Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

Caution: Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1 a Gross receipts or sales 5,792,219.	b Return and allowances	c Bal. Subtract line 1b from line 1a	1c	5,792,219.
	2 Cost of goods sold (attach Form 1125-A)			2	3,490,035.
	3 Gross profit. Subtract line 2 from line 1c			3	2,302,184.
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)			4	
	5 Other income (loss) (attach statement)			5	
	6 Total income (loss). Add lines 3 through 5			6	2,302,184.
Deductions (See instructions for limitations)	7 Compensation of officers (see instrs. - attach Form 1125-E)			7	501,624.
	8 Salaries and wages (less employment credits)			8	123,872.
	9 Repairs and maintenance			9	70,153.
	10 Bad debts			10	
	11 Rents			11	184,520.
	12 Taxes and licenses STATEMENT 1			12	87,604.
	13 Interest (see instructions)			13	15,724.
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			14	84,353.
	15 Depletion (Do not deduct oil and gas depletion.)			15	
	16 Advertising			16	29,580.
	17 Pension, profit-sharing, etc., plans			17	8,772.
	18 Employee benefit programs			18	240,200.
	19 Other deductions (attach statement) STATEMENT 2			19	507,302.
	20 Total deductions. Add lines 7 through 19			20	1,853,704.
	21 Ordinary business income (loss). Subtract line 20 from line 6			21	448,480.
Tax and Payments	22 a Excess net passive income or LIFO recapture tax (see instructions)	22a		22c	
	b Tax from Schedule D (Form 1120-S)	22b			
	c Add lines 22a and 22b				
	23 a 2021 estimated tax payments and 2020 overpayment credited to 2021	23a		23d	
	b Tax deposited with Form 7004	23b			
	c Credit for federal tax paid on fuels (attach Form 4136)	23c			
	d Add lines 23a through 23c				
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>			24	
	25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed			25	
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid			26	
27 Enter amount from line 26: Credited to 2022 estimated tax Refunded			27		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	Date	PRESIDENT	May the IRS discuss this return with the preparer shown below? See instr. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Paid Preparer Use Only	Print/Type preparer's name BRIAN E. RIPPEON	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN P00050220
	Firm's name ▶ LSWG, P.A.	Firm's EIN ▶ ** - *****			
	Firm's address ▶ 201 THOMAS JOHNSON DRIVE FREDERICK, MD 21702	Phone no. (301) 662-9200			

Schedule B Other Information (see instructions)

Yes No

1 Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____						
2 See the instructions and enter the:						
a Business activity ▶ INSTALLATION b Product or service ▶ LIGHTNING RODS						
3 At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation						X
4 At the end of the tax year, did the corporation:						
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below						X
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) is 100%, Enter the Date (if applicable) a Qualified Subchapter S Subsidiary Election Was Made		
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below						X
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital		
5a At the end of the tax year, did the corporation have any outstanding shares of restricted stock? If "Yes," complete lines (i) and (ii) below.						X
(i) Total shares of restricted stock ▶ _____						
(ii) Total shares of non-restricted stock ▶ _____						
b At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? If "Yes," complete lines (i) and (ii) below.						X
(i) Total shares of stock outstanding at the end of the tax year ▶ _____						
(ii) Total shares of stock outstanding if all instruments were executed ▶ _____						
6 Has this corporation filed, or is it required to file, Form 8918 , Material Advisor Disclosure Statement, to provide info. on any reportable transaction? ...						X
7 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.						
8 If the corporation (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation, and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years ▶ \$ _____						
9 Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions						X
10 Does the corporation satisfy one or more of the following? See instructions						X
a The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense.						
b The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the corporation has business interest expense.						
c The corporation is a tax shelter and the corporation has business interest expense. If "Yes," complete and attach Form 8990.						
11 Does the corporation satisfy both of the following conditions?						X
a The corporation's total receipts (see instructions) for the tax year were less than \$250,000.						
b The corporation's total assets at the end of the tax year were less than \$250,000. If "Yes," the corporation is not required to complete Schedules L and M-1.						

Schedule B Other Information (see instructions) (continued)	Yes	No
12 During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If "Yes," enter the amount of principal reduction ▶ \$		X
13 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		X
14a Did the corporation make any payments in 2021 that would require it to file Form(s) 1099?	X	
b If "Yes," did the corporation file or will it file required Form(s) 1099?	X	
15 Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?		X
If "Yes," enter the amount from Form 8996, line 15 ▶ \$		

Schedule K Shareholders' Pro Rata Share Items			Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	448,480.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss) 3a		
	b Expenses from other rental activities (attach statement) 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Interest income	4	
	5 Dividends: a Ordinary dividends 5a		
	b Qualified dividends 5b		
	6 Royalties	6	
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120-S))	7	
Deductions	8a Net long-term capital gain (loss) (attach Schedule D (Form 1120-S))	8a	
	b Collectibles (28%) gain (loss) 8b		
	c Unrecaptured section 1250 gain (attach statement) 8c		
	9 Net section 1231 gain (loss) (attach Form 4797)	9	
	10 Other income (loss) (see instructions) ... Type ▶	10	
	11 Section 179 deduction (attach Form 4562)	11	
	12a Charitable contributions STATEMENT 3	12a	1,482.
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures Type ▶	12c	
	d Other deductions (see instructions) Type ▶	12d	
Credits	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	13c	
	d Other rental real estate credits (see instructions) Type ▶	13d	
	e Other rental credits (see instructions) Type ▶	13e	
	f Biofuel producer credit (attach Form 6478)	13f	
	g Other credits (see instructions) Type ▶	13g	
International Transactions	14 Attach Schedule K-2 (Form 1120-S), Shareholders' Pro Rata Share Items - International, and check this box to indicate you are reporting items of international tax relevance ▶ <input type="checkbox"/>		
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	-1,118.
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties - gross income	15d	
	e Oil, gas, and geothermal properties - deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income STATEMENT 4	16b	142,100.
	c Nondeductible expenses STATEMENT 5	16c	877.
	d Distributions (attach statement if required) STATEMENT 6	16d	448,079.
	e Repayment of loans from shareholders	16e	
	f Foreign taxes paid or accrued	16f	

Schedule K Shareholders' Pro Rata Share Items (continued)		Total amount	
Other Information	17a Investment income	17a	
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (att. stmt.) STATEMENT 7		
Reconciliation	18 Income (loss) reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 16f	18	446,998.

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		168,391.		340,601.
2 a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()	()		
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (att. stmt.)	STATEMENT 8	225,141.		15,294.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (att. stmt.)				
10 a	Buildings and other depreciable assets	1,172,253.		1,172,253.	
b	Less accumulated depreciation	(828,238.)	344,015.	(912,591.)	259,662.
11 a	Depletable assets				
b	Less accumulated depletion	()	()		
12	Land (net of any amortization)				
13 a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()	()		
14	Other assets (att. stmt.)				
15	Total assets		737,547.		615,557.
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year		125,413.		111,760.
18	Other current liabilities (att. stmt.)	STATEMENT 9	23,295.		32,595.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more		433,743.		175,964.
21	Other liabilities (att. stmt.)				
22	Capital stock		100.		100.
23	Additional paid-in capital		88,530.		88,530.
24	Retained earnings	STATEMENT 10	66,466.		206,608.
25	Adjustments to shareholders' equity (att. stmt.) ...				
26	Less cost of treasury stock	()	()		()
27	Total liabilities and shareholders' equity		737,547.		615,557.

Schedule M-1**Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

Note: The corporation may be required to file Schedule M-3. See instructions.

1 Net income (loss) per books	588,221.	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a Tax-exempt interest \$	
		STMT 12 142,100.	142,100.
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 16f (itemize):		6 Deductions included on Schedule K, lines 1 through 12 and 16f, not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Travel and entertainment \$			
STMT 11 877.	877.	7 Add lines 5 and 6	142,100.
4 Add lines 1 through 3	589,098.	8 Income (loss) (Schedule K, line 18). Subtract line 7 from line 4	446,998.

Schedule M-2**Analysis of Accumulated Adjustments Account, Shareholders' Undistributed Taxable Income Previously Taxed, Accumulated Earnings and Profits, and Other Adjustments Account** (see instrs.)

	(a) Accumulated adjustments account	(b) Shareholders' undistributed taxable income previously taxed	(c) Accumulated earnings and profits	(d) Other adjustments account
1 Balance at beginning of tax year	-50,606.			
2 Ordinary income from page 1, line 21	448,480.			
3 Other additions STATEMENT 13	142,100.			
4 Loss from page 1, line 21	()			
5 Other reductions STATEMENT 14	2,359.			()
6 Combine lines 1 through 5	537,615.			
7 Distributions	439,661.			
8 Balance at end of tax year. Subtract line 7 from line 6	97,954.			

Form 1120-S (2021)

Cost of Goods Sold

(Rev. November 2018)

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**

OMB No. 1545-0123

Department of the Treasury
Internal Revenue Service
Name▶ **Go to www.irs.gov/Form1125A for the latest information.**

DILLON LIGHTNING PROTECTION SYSTEMS, INC		Employer identification number **-*****	
1	Inventory at beginning of year	1	
2	Purchases	2	1,409,919.
3	Cost of labor	3	118,152.
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule) SEE STATEMENT 15	5	1,961,964.
6	Total. Add lines 1 through 5	6	3,490,035.
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	8	3,490,035.

9 a Check all methods used for valuing closing inventory:

(i) ☒ Cost

(ii) ☐ Lower of cost or market

(iii) ☐ Other (Specify method used and attach explanation) ▶ _____

b Check if there was a writedown of subnormal goods ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO **9d** | _____

e If property is produced or acquired for resale, do the rules of Section 263A apply to the entity? See instructions ☐ Yes ☒ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No
If "Yes," attach explanation.

Compensation of Officers

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-REIT, 1120-RIC, or 1120S.

► Information about Form 1125-E and its separate instructions is at www.irs.gov/form1125e.

OMB No. 1545-0123

Employer Identification number

* * _ * * * * *

DILLON LIGHTNING PROTECTION SYSTEMS, INC

Note: Complete Form 1125-E only if total receipts are \$500,000 or more. See instructions for definition of total receipts.

[illegible]

2 Total compensation of officers	2	501,624.
3 Compensation of officers claimed on Form 1125-A or elsewhere on return	3	
4 Subtract line 3 from line 2. Enter the result here and on Form 1120, page 1, line 12 or the appropriate line of your tax return	4	501,624.

For Paperwork Reduction Act Notice, see separate instructions.

Form 1125-E (Rev. 10-2016)

Form **4562**Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return

Depreciation and Amortization
(Including Information on Listed Property) OTHER

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form4562 for instructions and the latest information.

OMB No. 1545-0172

2021Attachment
Sequence No. **179**

Identifying number

DILLON LIGHTNING PROTECTION SYSTEMS, INC OTHER DEPRECIATION

-***

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions)	1	
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2020 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12 Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13 Carryover of disallowed deduction to 2022. Add lines 9 and 10, less line 12	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Don't include listed property. See instructions.)**Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2021	17	10,629.
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2021 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2021 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 30-year	/		30 yrs.	MM	S/L	
d 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	73,724.
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	84,353.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No **24b** If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use:								
		%						
SEE STATEMENT		16	%				73,724.	
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	73,724.
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle	(b) Vehicle	(c) Vehicle	(d) Vehicle	(e) Vehicle	(f) Vehicle
30 Total business/investment miles driven during the year (don't include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32	SEE PART V STATEMENT					
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who aren't more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		X
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		X
39 Do you treat all use of vehicles by employees as personal use?		X
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		X
41 Do you meet the requirements concerning qualified automobile demonstration use?		X

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2021 tax year:					
43 Amortization of costs that began before your 2021 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Section 1.263(a)-1(f) De Minimis Safe Harbor Election

Dillon Lightning Protection Systems, Inc
225 Bucheimer Road
Frederick, MD 21701

Employer Identification Number: **-*****

For the Year Ending December 31, 2021

Dillon Lightning Protection Systems, Inc is making the de minimis
safe harbor election under Reg. Sec. 1.263(a)-1(f).

FORM 1120S	TAXES AND LICENSES	STATEMENT 1
DESCRIPTION		AMOUNT
LICENSES AND PERMITS		3,770.
PAYROLL TAXES		54,462.
PERSONAL PROPERTY TAXES		300.
D.C. TAXES - BASED ON INCOME		2,858.
MARYLAND TAXES - BASED ON INCOME		26,214.
TOTAL TO FORM 1120S, PAGE 1, LINE 12		87,604.

FORM 1120S	OTHER DEDUCTIONS	STATEMENT 2
DESCRIPTION		AMOUNT
100% DEDUCTIBLE MEALS		29,261.
ACCOUNTING		39,175.
BANK CHARGES		1,001.
CONSULTING		250.
DUES & SUBSCRIPTIONS		9,424.
FUEL		121,750.
INSURANCE		111,287.
INTERNET		9,294.
MISCELLANEOUS		399.
OFFICE EXPENSE		50,840.
PARKING AND TOLLS		8,424.
PAYROLL ADMIN FEE		23,009.
PEST CONTROL		1,688.
POSTAGE		1,553.
PRINTING & REPRODUCTION		12,414.
RETIREMENT PLAN ADMINISTRATION		4,965.
SECURITY MONITORING		243.
SNOW REMOVAL		1,802.
TELEPHONE		25,867.
TRAVEL		12,471.
UNION DUES & EXPENSES		20,086.
UTILITIES		18,103.
WASTE REMOVAL		3,996.
TOTAL TO FORM 1120S, PAGE 1, LINE 19		507,302.

SCHEDULE K	CHARITABLE CONTRIBUTIONS			STATEMENT 3
DESCRIPTION	NO LIMIT	50%, 60% OR 100% LIMIT	30% LIMIT	20% LIMIT
CHARITABLE CONTRIBUTIONS		1,482.		
TOTALS TO SCHEDULE K, LINE 12A		1,482.		

SCHEDULE K	OTHER TAX-EXEMPT INCOME	STATEMENT 4
DESCRIPTION		AMOUNT
PPP FORGIVENESS		142,100.
TOTAL TO SCHEDULE K, LINE 16B		142,100.

SCHEDULE K	NONDEDUCTIBLE EXPENSES	STATEMENT 5
DESCRIPTION		AMOUNT
PENALTIES & FINES		877.
TOTAL TO SCHEDULE K, LINE 16C		877.

FORM 1120S	DISTRIBUTIONS			STATEMENT 6
DESCRIPTION	DATE ACQUIRED	DATE DISTRIBUTED	COST	AMOUNT
CASH SHAREHOLDER DISTRIBUTIONS				448,079.
TOTAL INCLUDED IN FORM 1120S, PAGE 4, LINE 16D				448,079.

SCHEDULE K	OTHER ITEMS, LINE 17D	STATEMENT 7
DESCRIPTION		AMOUNT
SECTION 199A - ORDINARY INCOME (LOSS)		448,480.
SECTION 199A - W-2 WAGES		743,648.
SECTION 199A - UNADJUSTED BASIS OF ASSETS		1,007,644.

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT 8
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
DUE FROM DILLON LLC	218,653.	13,993.
DUE FROM LJC INC	5,618.	1,301.
EMPLOYEE ADVANCES	870.	0.
TOTAL TO SCHEDULE L, LINE 6	225,141.	15,294.

SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT 9
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
CREDIT CARDS PAYABLE	17,820.	23,253.
DUE FROM DILLON ENTERPRISES LLC	5,475.	9,342.
TOTAL TO SCHEDULE L, LINE 18	23,295.	32,595.

SCHEDULE L	ANALYSIS OF TOTAL RETAINED EARNINGS PER BOOKS	STATEMENT 10
DESCRIPTION		AMOUNT
BALANCE AT BEGINNING OF YEAR		66,466.
NET INCOME PER BOOKS		588,221.
DISTRIBUTIONS		-448,079.
OTHER INCREASES (DECREASES)		
BALANCE AT END OF YEAR - SCHEDULE L, LINE 24, COLUMN (D)		206,608.

SCHEDULE M-1	EXPENSES RECORDED ON BOOKS THIS YEAR NOT INCLUDED ON SCHEDULE K	STATEMENT 11
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DESCRIPTION	AMOUNT
PENALTIES & FINES	877.
TOTAL TO SCHEDULE M-1, LINE 3	877.

SCHEDULE M-1	INCOME RECORDED ON BOOKS THIS YEAR NOT INCLUDED ON SCHEDULE K	STATEMENT 12
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DESCRIPTION	AMOUNT
PPP FORGIVENESS	142,100.
TOTAL TO SCHEDULE M-1, LINE 5	142,100.

SCHEDULE M-2	ACCUMULATED ADJUSTMENTS ACCOUNT - OTHER ADDITIONS	STATEMENT 13
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DESCRIPTION	AMOUNT
OTHER TAX-EXEMPT INCOME	142,100.
TOTAL TO SCHEDULE M-2, LINE 3 - COLUMN (A)	142,100.

SCHEDULE M-2	ACCUMULATED ADJUSTMENTS ACCOUNT- OTHER REDUCTIONS	STATEMENT 14
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DESCRIPTION	AMOUNT
CHARITABLE CONTRIBUTIONS	1,482.
NONDEDUCTIBLE EXPENSES	877.
TOTAL TO SCHEDULE M-2, LINE 5 - COLUMN (A)	2,359.

FORM 1125-A

OTHER COSTS

STATEMENT 15

DESCRIPTION

AMOUNT

CONTRACTORS
TESTING1,686,361.
275,603.

TOTAL TO LINE 5

1,961,964.

FORM 4562, PART V LISTED PROPERTY INFORMATION-MORE THAN 50% STATEMENT 16

(A) DESCRIPTION	(B) DATE	(C) BUS. %	(D) COST	(E) BASIS	(F) LIFE	(G) MTH/CV	(H) DEDUCTION	(I) 179 ELECTED
(J) AUTO NO	(K) TOTAL MILES	(L) BUSINESS MILES	(M) COMMUTING MILES	(N) PERSONAL MILES	(O) WAS VEH. AVAIL.? Y N	(P) > 5% OWNER? Y N	(Q) ANOTHER VEH. AVAILABLE? Y N	
2008 FORD VAN E150	05/27/09	100.00	24,563.		5.00	200DB-MQ		
2009 FORD VAN F150	09/28/09	100.00	45,205.	10,102.	5.00	200DB-MQ		
2010 FORD EXPLORER XLT	10/06/11	100.00	38,542.	27,282.	5.00	200DB-HY	1,875.	
2013 FORD E250	01/01/14	100.00	31,603.	31,603.	5.00	200DB-HY		
2012 FORD E250 (WHITE)	01/01/14	100.00	29,955.	29,955.	5.00	200DB-HY		
2015 FORD TRANSIT 250 (WHITE)	11/24/14	100.00	39,806.	28,646.	5.00	200DB-HY	1,875.	
2015 FORD F250	01/01/15	100.00	52,499.	52,499.	5.00	200DB-HY		
2016 FORD TRANSIT 250 LR VAN - WHITE	11/22/16	100.00	36,400.	25,240.	5.00	200DB-MQ	1,875.	
2017 FORD TRANSIT ACCT#48599	06/15/17	100.00	36,042.	36,042.	5.00	200DB-HY	2,075.	
2017 FORD TRANSIT ACCT #48676	06/22/17	100.00	37,516.	37,516.	5.00	200DB-HY	2,075.	
2017 FORD TNSIT VIN B37115	09/11/17	100.00	37,697.	26,537.	5.00	200DB-HY	1,875.	
2017 FORD TRANSIT VINA86203	12/11/17	100.00	37,198.	26,038.	5.00	200DB-HY	1,875.	

DILLON LIGHTNING PROTECTION SYSTEMS, INC

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2019 FORD	06/04/19						
TRANSIT							
#1FTYR1ZM2K							
KA91574		100.00	41,171.		5.00	200DB-HY	
2019 FORD	07/15/19						
TRANSIT							
#1FTYR1ZM3K							
KA81720		100.00	40,741.		5.00	200DB-HY	
2019 FORD	05/23/19						
TRANSIT							
#1FTYR1ZM2K							
KB04520		100.00	40,423.		5.00	200DB-HY	
2020 FORD	05/28/20						
F150							
1FTEX1EB1LF							
A09289		100.00	37,760.	37,760.	5.00	200DB-HY	12,083.
2020 FORD	11/25/20						
EXPEDITION							
VIN							
1FMJU2AT5LE							
A79634		100.00	73,914.	73,914.	5.00	200DB-HY	23,652.
2020 FORD	09/29/20						
TRANSIT VAN		100.00	43,668.	43,668.	5.00	200DB-HY	13,974.
2020 FORD	08/24/20						
ESCAPE							
#1FMCU9F64L							
UB58819		100.00	32,782.	32,782.	5.00	200DB-HY	10,490.
TOTAL TO FORM 4562, PART V, LINE 26							73,724.

Schedule K-1
(Form 1120-S)

 Department of the Treasury
 Internal Revenue Service

2021
☐ Final K-1 ☐ Amended K-1

OMB No. 1545-0123

 For calendar year 2021, or tax
 year beginning _____
 ending _____

**Shareholder's Share of Income, Deductions,
 Credits, etc.** ▶ See separate instructions.

Part I Information About the Corporation		Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items	
A Corporation's employer identification number ** - *****	1 Ordinary business income (loss) <div style="text-align: right;">448,480.</div>	13	Credits
B Corporation's name, address, city, state, and ZIP code DILLON LIGHTNING PROTECTION SYSTEMS, 225 BUCHEIMER ROAD FREDERICK, MD 21701	2 Net rental real estate inc (loss)		
C IRS Center where corporation filed return E-FILE	3 Other net rental income (loss)		
D Corporation's total number of shares Beginning of tax year <u>100.00</u> End of tax year <u>100.00</u>	4 Interest income		
Part II Information About the Shareholder	5a Ordinary dividends		
E Shareholder's identifying number *** - ** - *****	5b Qualified dividends	14	Schedule K-3 is attached if checked <input type="checkbox"/>
F Shareholder's name, address, city, state, and ZIP code LINDA A. DILLON 4702 FISHERS HOLLOW ROAD MYERSVILLE, MD 21773	6 Royalties	15 A	Alternative min tax (AMT) items <div style="text-align: right;">-1,118.</div>
G Current year allocation percentage ... <u>100.000000 %</u>	7 Net short-term capital gain (loss)		
H Shareholder's number of shares Beginning of tax year <u>100.00</u> End of tax year <u>100.00</u>	8a Net long-term capital gain (loss)		
I Loans from shareholder Beginning of tax year \$ _____ End of tax year \$ _____	8b Collectibles (28%) gain (loss)		
For IRS Use Only	8c Unrecaptured sec 1250 gain		
	9 Net section 1231 gain (loss)	16 B*	Items affecting shareholder basis <div style="text-align: right;">142,100.</div>
	10 Other income (loss)	C*	<div style="text-align: right;">877.</div>
		D*	<div style="text-align: right;">448,079.</div>
		17 V	Other information * STMT
	11 Section 179 deduction	AC	* STMT
	12 Other deductions <div style="text-align: right;">1,482.</div>	A	
	18 <input type="checkbox"/> More than one activity for at-risk purposes*		
	19 <input type="checkbox"/> More than one activity for passive activity purposes*		
*See attached statement for additional information.			

SCHEDULE K-1

FOOTNOTES

DC TAXABLE INCOME TAXED AT CORPORATE TAX LEVEL	17,796.
DC TAXES PAID AT CORPORATE TAX LEVEL IN 2021	1,468.

HEALTH INSURANCE PREMIUMS PAID FOR THE SHAREHOLDER BY THE COMPANY IN 2021. THIS AMOUNT SHOULD BE RECORDED AS "OTHER INCOME" AND DEDUCTED AS SELF-EMPLOYED HEALTH INSURANCE ON THE SHAREHOLDER'S FORM 1040.

11,282.

SCHEDULE K-1

OTHER TAX-EXEMPT INCOME, BOX 16, CODE B

DESCRIPTION	AMOUNT	SHAREHOLDER FILING INSTRUCTIONS
PPP FORGIVENESS	142,100.	
TOTAL	142,100.	

SCHEDULE K-1

NONDEDUCTIBLE EXPENSES, BOX 16, CODE C

DESCRIPTION	AMOUNT	SHAREHOLDER FILING INSTRUCTIONS
PENALTIES & FINES	877.	
TOTAL	877.	

SCHEDULE K-1

DISTRIBUTIONS
BOX 16, CODE D

DESCRIPTION	DATE	AMOUNT	FILING INSTRUCTIONS
CASH SHAREHOLDER DISTRIBUTIONS		448,079.	
TOTAL		448,079.	

SCHEDULE K-1

SECTION 199A ADDITIONAL INFORMATION

THE SECTION 199A AMOUNTS TO BE USED IN THE CALCULATION OF THE QUALIFIED BUSINESS INCOME DEDUCTION ON YOUR 1040/1041 RETURN ARE REPORTED ON LINE 17, UNDER CODE V. PLEASE CONSULT YOUR TAX ADVISOR REGARDING THE CALCULATION OF QUALIFIED BUSINESS INCOME DEDUCTION, INCLUDING THE POSSIBLE AGGREGATIONS AND LIMITATIONS THAT MAY APPLY AND THE FILING OF THE 1.199A-4(C)(2)(I) ANNUAL DISCLOSURE STATEMENT.

SCHEDULE K-1

SECTION 199A ITEMS, BOX 17
CODE V

DESCRIPTION	AMOUNT
TRADE OR BUSINESS	
ORDINARY INCOME(LOSS)	448,480.
W-2 WAGES	743,648.
UNADJUSTED BASIS	1,007,644.

SCHEDULE K-1 GROSS RECEIPTS FOR SECTION 448(C), BOX 17, CODE AC

DESCRIPTION	AMOUNT
GROSS RECEIPTS - CURRENT YEAR	5,792,219.

Shareholder Basis Worksheet

Shareholder Number: 1 Shareholder Name: LINDA A. DILLON Shareholder ID Number: ***-**-**** Ownership Percentage: 100.000000 %	Year Ended: DECEMBER 31, 2021 S Corporation Name: DILLON LIGHTNING PROTECTION SYSTEMS, I S Corporation ID Number: ** - *****
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Stock Basis

1. a. Stock basis, beginning of year (Not less than zero)	38,024.	
b. Additional capital contributions		38,024.
2. Increases:		
a. Ordinary income from trade or business	448,480.	
b. Net income from rental real estate activities		
c. Net income from other rental activities		
d. Net short-term capital gains		
e. Net long-term capital gains		
f. Other portfolio income		
g. Net gain under Section 1231		
h. Other income		
i. Tax exempt interest income		
j. Other tax-exempt income	142,100.	
k. Section 179 recapture		
l. Depletion (other than oil and gas) in excess of basis		
m. Other increases:		
3. Total increases (Add lines 2(a) through 2(m))		590,580.
4. Total increases to stock basis (Add lines 1 and 3)		628,604.
5. Less: Distributions		448,079.
6. Subtract line 5 from line 4 (Not less than zero)		180,525.
7. Decreases:		
a. Ordinary losses from trade or business		
b. Net losses from rental real estate activities		
c. Net losses from other rental activities		
d. Net short-term capital losses		
e. Net long-term capital losses		
f. Other portfolio losses		
g. Net losses under Section 1231		
h. Other deductions		
i. Charitable contributions	1,482.	
j. Section 179 expense deduction		
k. Deductions related to portfolio income (losses)		
l. Interest expense on investment debts		
m. Foreign taxes paid or accrued		
n. Section 59(e) expenditures		
o. Nondeductible expenses	877.	
p. Oil and gas depletion		
q. Other decreases:		
		2,359.
r. Disallowed prior year's losses and deductions		
8. Total decreases (Add lines 7(a) through 7(r))		2,359.
9. Net increases or decreases to basis (Subtract line 8 from line 6)		178,166.
10. Less: Net increases applied to debt basis		
11. Stock basis, end of year (Subtract line 10 from line 9) (Not less than zero)		178,166.

Shareholder Basis Worksheet, Continued

Shareholder Number: 1	Year Ended: DECEMBER 31, 2021
Shareholder Name: LINDA A. DILLON	Shareholder ID Number: ***-**-****

Debt Basis

12. Debt basis, beginning of year (Not less than zero)	0.
13. Loans made during the year	
14. Restoration of debt basis (from line 10)	
15. Subtotal (Add lines 13 and 14)	
16. Less: Loan repayments	
17. Gain from loan repayments	
18. Other adjustments:	
19. Subtotal (Combine lines 12, 15, 16, 17 and 18)	
20. Applied against excess loss and deductions	
21. Debt basis, end of year (Not less than zero)	0.
22. Total shareholder stock and debt basis, end of year (Add lines 11 and 21) (Not less than zero)	178,166.

Gain on Distributions

23. Distributions	448,079.
24. Less: Basis before distributions	628,604.
25. Enter excess of line 23 over line 24 (capital gain)	

Carryover

26. Beginning of year	Total Disallowed Losses	Debt Basis Applied Against Excess Losses and Deductions
27. Add: Losses and deductions this year	2,359.	
28. Less: Applied this year	2,359.	
29. Less: Excess nondeductible expenses		
30. End of year (Not less than zero)	0.	