

FORM 1120 - U.S. CORPORATION INCOME TAX RETURN

Tax Year 2023

Summit Digital Solutions, Inc.

EIN: 81-3456789

PART I - INCOME AND DEDUCTIONS

1. Gross receipts or sales: \$87,500,000

2. Returns and allowances: (\$1,250,000)

3. Net receipts: \$86,250,000

4. Cost of goods sold (Schedule A): \$34,500,000

5. Gross profit: \$51,750,000

Other Income:

- Interest income: \$175,000
- Licensing revenue: \$2,250,000
- Other income (attach statement): \$325,000

6. Total income: \$54,500,000

Deductions:

- Compensation of officers: \$4,850,000
- Salaries and wages: \$28,750,000
- Repairs and maintenance: \$750,000
- Bad debts: \$425,000
- Rents: \$2,150,000
- Taxes and licenses: \$1,850,000
- Interest expense: \$875,000
- Depreciation: \$2,250,000
- Amortization: \$750,000
- Employee benefit programs: \$3,850,000
- Professional development: \$925,000
- Marketing and advertising: \$1,750,000

- Software licenses: \$1,250,000
- Travel and entertainment: \$875,000
- Other deductions (attach statement): \$1,150,000

7. Total deductions: \$52,450,000

8. Taxable income before NOL: \$2,050,000

9. Net operating loss deduction: \$0

10. Taxable income: \$2,050,000

PART II - TAX COMPUTATION

11. Total tax: \$430,500

12. Credits:

- Research & Development credit: (\$175,000)
- Other credits: (\$25,000)

13. Net tax liability: \$230,500

SCHEDULE A - COST OF GOODS SOLD

Inventory at beginning of year: \$3,250,000

Purchases: \$28,750,000

Cost of labor: \$4,750,000

Additional section 263A costs: \$250,000

Other costs: \$1,250,000

Total: \$38,250,000

Inventory at end of year: \$3,750,000

Cost of goods sold: \$34,500,000

SCHEDULE J - TAX COMPUTATION AND PAYMENTS

Tax rate: 21%

Alternative minimum tax: N/A

Total tax: \$430,500

2023 estimated tax payments: \$400,000

Amount owed: \$30,500

SCHEDULE K - OTHER INFORMATION

Business activity code: 541512

Business activity: Digital Transformation Services

Product or service: Enterprise Technology Consulting

End of tax year total assets: \$65,750,000

Number of shareholders: 12

Foreign ownership: None

Filed Form 8833: No

Foreign financial accounts: No

OFFICER CERTIFICATION

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.

Signature: [Signature on File]

Name: Dr. Alexandra Reeves

Title: Chief Executive Officer

Date: March 15, 2024

Prepared by:

Johnson & Williams LLP

Tax ID: 52-9876543

123 Corporate Drive

New York, NY 10001

ATTACHMENTS

Schedule D - Capital Gains and Losses

Form 4562 - Depreciation and Amortization

Form 8833 - Treaty-Based Return Position Disclosure

Form 5471 - Information Return of U.S. Persons With Respect to Certain Foreign Corporations

Supporting statements for other income and deductions

This return is subject to audit by the Internal Revenue Service and should be retained with supporting documentation for a minimum of seven years.