

ANNUAL AUDIT DOCUMENTATION 2023

Summit Digital Solutions, Inc.

For the Fiscal Year Ending December 31, 2023

1. AUDIT CERTIFICATION AND SCOPE

1 This Annual Audit Documentation ("Documentation") has been prepared in accordance with Generally Accepted Auditing Standards (GAAS) and the requirements set forth by the Public Company Accounting Oversight Board (PCAOB) for Summit Digital Solutions, Inc., a Delaware corporation ("Company"), for the fiscal year ending December 31, 2023.

2 The audit encompasses all financial statements, internal controls, and operational procedures of the Company, including its proprietary Peak Performance Platform and associated technology infrastructure.

2. EXECUTIVE SUMMARY

1 The Company has demonstrated substantial compliance with all material aspects of financial reporting requirements and maintains effective internal controls over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934.

2 Total revenue for FY2023: \$87,500,000

- Enterprise Solutions Division: \$52,500,000
- IoT Integration Services: \$21,875,000
- Professional Services: \$13,125,000

3. FINANCIAL STATEMENT VERIFICATION

1 The accompanying financial statements have been prepared in accordance with U.S. GAAP and fairly present, in all material respects, the financial position of Summit Digital Solutions, Inc. as of December 31, 2023.

2 Key Financial Metrics:

- Gross Margin: 68%
- EBITDA: \$19,250,000
- Operating Cash Flow: \$15,750,000

- Current Ratio: 2.8:1

4. INTERNAL CONTROL ASSESSMENT

1 Control Environment

- Board oversight structure effectively maintained
- Management integrity and ethical values demonstrated
- Organizational structure appropriate for operations
- Clear assignment of authority and responsibility

2 Risk Assessment

- Regular evaluation of fraud risks
- Changes in external environment monitored
- New service offerings properly evaluated
- Technology risk protocols maintained

3 Control Activities

- Segregation of duties properly maintained
- IT general controls effectively implemented
- Authorization protocols properly enforced
- Documentation requirements met

5. OPERATIONAL AUDIT FINDINGS

1 Technology Infrastructure

- Peak Performance Platform security protocols verified
- Data center redundancy requirements met
- Disaster recovery procedures tested
- Cloud infrastructure compliance maintained

2 Service Delivery

- Project management methodologies validated
- Quality assurance procedures verified
- Client deliverable standards met

- Resource allocation protocols effective

6. COMPLIANCE VERIFICATION

1 Regulatory Compliance

- SOC 2 Type II certification maintained
- ISO 27001 requirements met
- GDPR compliance verified
- CCPA compliance confirmed

2 Contract Compliance

- Client agreements properly maintained
- Vendor contracts current
- License agreements valid
- Insurance coverage adequate

7. RISK MANAGEMENT ASSESSMENT

1 Identified Risks

- Cybersecurity threats monitored
- Intellectual property protection maintained
- Client concentration risk managed
- Technology obsolescence addressed

2 Mitigation Strategies

- Regular security assessments conducted
- Patent portfolio maintained
- Client diversification strategy implemented
- R&D investment maintained

8. RECOMMENDATIONS

1 Immediate Action Items

- Enhance automated testing protocols
- Strengthen vendor management system

- Update disaster recovery procedures
- Implement additional security controls

2 Long-term Improvements

- Develop AI governance framework
- Expand compliance monitoring tools
- Enhance data analytics capabilities
- Strengthen IP protection measures

9. AUDIT OPINION

Based on our examination and the evidence obtained, we conclude that the financial statements present fairly, in all material respects, the financial position of Summit Digital Solutions, Inc. as of December 31, 2023, in conformity with U.S. generally accepted accounting principles.

10. CERTIFICATION

This Annual Audit Documentation has been prepared and reviewed by:

KPMG LLP

Independent Registered Public Accounting Firm

License #12345

New York, NY

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Sarah Johnson, CPA

Lead Audit Partner

KPMG LLP

Date: March 15, 2024

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Michael Chen, CPA

Quality Review Partner

KPMG LLP

Date: March 15, 2024

11. DISCLAIMERS AND LIMITATIONS

1 This audit documentation is provided solely for the use of Summit Digital Solutions, Inc., its Board of Directors, and authorized representatives. Any reproduction or distribution without written consent is strictly prohibited.

2 The audit procedures performed were designed to provide reasonable, but not absolute, assurance regarding the financial statements and internal controls.

3 This documentation may contain forward-looking statements and projections that involve risks and uncertainties. Actual results may differ materially from those projected.

12. APPENDICES

1 Detailed Financial Statements

2 Control Testing Documentation

3 Risk Assessment Matrices

4 Compliance Certificates

5 Management Response Letters

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