WORKPAPER VERSION 1.5

Sample Crypto Tax Reconstruction Workpaper

Tax year 2024 · Jurisdiction: US Federal. Prepared by the Moonscape Reconstruction Desk to demonstrate the workpaper format a reviewing CPA receives.

All 1,037 disposals are included in Form 8949 output, reported as 2,707 lot rows — one sale consuming three FIFO lots is three rows on the form. 5 earlier disposals (2022–2023) required historical cost-basis reconstruction, which is what gives the 2024 lots their basis; resolved and flagged for CPA awareness, not excluded (see page 4). 6 exchanges and wallets imported, 3,680 source transactions normalized for 2024.

753 exception flags across 750 unique records, in 4 categories (3 unmatched wraps counted under both Exception 3 and Exception 4): 5 required historical reconstruction, resolved · 292 transfer candidates, 100% matched with proposed treatment · 379 wrapped conversions, 99% matched to the proposed non-disposal rule · 77 incomplete records, mostly informational.

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TAXABLE DISPOSALS	NET GAIN	EXCEPTION FLAGS	COST-BASIS METHOD
1,037	**$59,341.25**	**753**	**FIFO**
2,707 Form 8949 lot rows	Crypto-only, before other items	89% auto-matched · 3 need review	Universal scope · USD · UTC

Reviewer Summary

READY FOR REVIEW **4 exception categories, 753 exception flags across 750 unique records** — 673 (89%) auto-matched or auto-resolved; 3 wrapped conversions genuinely need manual review. None silently assigned cost basis or tax treatment.

ENGAGEMENT STATISTICS

6 SOURCES IMPORTED	**13,613** RAW RECORDS RECEIVED (ALL YEARS)	**3,680** NORMALIZED 2024 TRANSACTIONS	**292** TRANSFER CANDIDATES IDENTIFIED
1,037 DISPOSALS (2,707 LOT ROWS)	**240** INCOME TRANSACTIONS (2024)	**180** DUPLICATES REMOVED	**4** EXCEPTION CATEGORIES

All 1,037 disposals are included, as 2,707 Form 8949 lot rows (a sale consuming three FIFO lots is three rows); 11 span both terms, so the term counts sum to 1,048. The 5 reconstructions (Exception 1) are 2022–2023 disposals whose basis carries into these lots — resolved, not excluded. See page 4.

TAX SUMMARY — 2024

CATEGORY	PROCEEDS (GROSS)	COST BASIS	GAIN/(LOSS)	DISPOSALS (8949 ROWS)
Short-term	$281,677.56	$244,831.39	$36,457.16	713 (2,031)
Long-term	$93,425.07	$70,401.99	$22,884.09	335 (676)
Total capital disposals	**$375,102.63**	**$315,233.38**	**$59,341.25**	**1,037 (2,707)**
Other income (staking, mining, airdrops)			$7,550.74	240

Methodology

Cost-basis method: **FIFO** · Accounting scope: **Universal** (pooled across all wallets/exchanges) · Reporting currency: **USD** · Timezone: **UTC**
Price source: exchange-reported trade price where the transaction has a direct fiat/stablecoin leg; CoinMarketCap historical snapshot as fallback for cross-asset and on-chain legs without a quoted price · Fee treatment: acquisition fees capitalized into basis; disposal fees deducted in the gain, proceeds stated gross · Rounding: stored and displayed to 2 decimals, so a lot row can sit a cent off the unrounded figure.

Reviewer attention

1. 5 earlier disposals (2022–2023) required historical cost-basis reconstruction — resolved, and the basis they established carries into the figures above (page 4).
2. 379 wrapped-token conversions: 376 matched to the proposed non-disposal rule (clean 1:1 value match), ready for bulk approval under the firm's agreed treatment policy.
3. 292 wallet-to-wallet transfers: all 292 matched with proposed treatment as self-transfers on a confidence hierarchy (see page 4), ready for bulk approval.
4. No additional off-platform wallets reported by client (synthetic — N/A for this sample).

Figures above are pipeline-computed from the synthetic dataset described on page 3, not illustrative placeholders. Matching methodology and thresholds: page 4.

Source & Completeness Reconciliation

SOURCE MANIFEST

SOURCE	CONNECTION	COVERAGE	RECORDS (2024)	RECORDS (ALL YEARS)	STATUS
Coinbase	API	Jan 2022 – Dec 2024	1,687	5,319	Complete
FTX	Historical export	Jan – Oct 2022	0	2,365	Exchange collapsed Nov 2022 — cost-basis history retained, no 2024 activity
Ethereum Wallet 1	On-chain	Jan 2022 – Dec 2024	581	1,759	Complete
Ethereum Wallet 2	On-chain	Jan 2022 – Dec 2024	435	1,227	Complete
Solana Wallet	On-chain	Jan 2022 – Dec 2024	611	1,819	Complete
Bitcoin Wallet	On-chain	Jan 2022 – Dec 2024	366	1,124	Complete

COMPLETENESS CHECKS — THREE SEPARATE QUESTIONS

“Complete” above means the source period was fully imported, not that every transaction carries sufficient tax-basis evidence — checked separately below.

Source coverage: Complete — date continuity · duplicates removed (180) · fiat deposits/withdrawals reviewed
Quantity reconciliation: Complete — opening qty reconciled (historical basis gaps flagged separately, Exception 1) · closing balances reconciled · negative balances checked
Tax-basis and treatment: Exceptions remain — 5 resolved via reconstruction (Exception 1) · 292 transfers pending (Exception 2) · 379 wraps pending (Exception 3) · 77 incomplete (Exception 4)

ASSET RECONCILIATION EXAMPLE — BTC (BITCOIN WALLET, ALL YEARS)

	QUANTITY (BTC)
Opening balance	0.000000
+ Purchases (729 records; 3 more had an empty qty field, excluded not estimated) + Incoming deposits (40 records, transfers in, tracked separately)	2.572947 + 0.437885
– Disposals (348 records; 4 more had an empty qty field, excluded not estimated) – Outgoing withdrawals	(2.602485) (0.000000)
Calculated closing balance = source-derived closing balance (independent sum check) — variance 0.000000 BTC	**0.408347**

> No broker tax form was included in this synthetic sample, so no proceeds reconciliation is shown. For transactions from January 1, 2025, Moonscape can reconcile Form 1099-DA proceeds against the complete reconstructed history.

Exceptions Report

4	89%	3	$1,297.13
CATEGORIES, 753 FLAGS / 750 RECORDS	AUTO-MATCHED OR AUTO-RESOLVED	GENUINELY NEED MANUAL REVIEW	PROCEEDS RECONSTRUCTED VIA EXCEPTION 1

ID	SEVERITY	ISSUE	SOURCE	COUNT	AMOUNT AFFECTED	STATUS	RECOMMENDED ACTION
Exception 1	Medium	Historical cost-basis reconstruction	Coinbase (2), Solana Wallet (2), ETH Wallet 1 (1)	5	$1,297.13 in disposal proceeds	Resolved (5/5)	Basis found via full-history FIFO replay; review the reconstruction method below, override if the client has better records
Exception 2	Medium	Wallet-to-wallet transfers	Ethereum Wallet 1 → 2	292	Not a proceeds exposure — self-transfer candidates	Matched (292/292)	Bulk-approve as self-transfers — matched on the confidence hierarchy below
Exception 3	Medium	Wrapped-token classification	Ethereum Wallet 1 & 2	379	Classification only — quantities immaterial individually	Matched (376/379)	Bulk-approve non-disposal treatment for the 376 matched to the proposed rule (clean 1:1 value match); the remaining 3 arrived with an incomplete source record (a missing asset field) and fall under Exception 4
Exception 4	Low	Incomplete source records	Multiple	77	Mostly timestamp/fee precision gaps, values estimated where possible	Informational	Enrich from original export where possible; none block filing output

MATCHING CONFIDENCE HIERARCHY (EXCEPTION 2)

Matches ranked by confidence, highest first — exact transaction hash or destination-address match where available; otherwise same asset, amount net of identifiable withdrawal fees, and a temporally adjacent inbound record. All 292 in this sample matched at the second tier; lower-confidence matches remain open exceptions rather than being auto-approved.

EXCEPTION 1 EXAMPLE — BTC ACQUISITION RECONSTRUCTED (VIA WBTC WRAP, ETHEREUM WALLET 1)

0.010274 BTC wrapped to wBTC (Ethereum Wallet 1, 2022-06-21) · the direct acquisition record for this specific lot wasn't in the immediate source data · resolved by a full-history FIFO replay across all sources, which found two earlier BTC purchases (2022-05-30 and 2022-05-31) with sufficient unconsumed quantity · **basis assigned: $211.07 + $223.03 = $434.10, not zero-basis or an estimate** — against $626.46 of proceeds, a $192.36 gain · included in this workpaper's filing figures · flagged here so the CPA can see the reconstruction rather than have it happen silently.

Resolved, flagged for awareness — already in the figures	**Matched, proposed treatment** — awaiting bulk approval	**Informational** — timestamp/fee precision gaps only
Exception 1 (5/5)	Exception 2 (292/292), Exception 3 (376/379)	Exception 4, plus 3 unmatched Exception 3 items

Reviewer controls (in-app): accept proposed treatment · override classification · request client evidence · exclude transaction · add reviewer note.

Exceptions 2 and 3 counts are large because this synthetic sample deliberately concentrates DeFi activity for demonstration — a typical client file has proportionally fewer. One additional low-priority audit flag (a balance-reconciliation variance on a single USD-value row) doesn't affect any figure in this workpaper and isn't broken out separately here. Full matching methodology and thresholds available on request.

One Fully Traced Disposal

Every number on the filing forms traces back to a specific source row. This page shows a disposal that needed real reconstruction work: one sale, consuming three separate acquisition lots under FIFO.

Form 8949 result · 17.952826 LINK sold in one transaction, matched to 3 FIFO lots · Disposed: Feb 11, 2024 (all short-term) · Proceeds: $446.87 gross · Basis: $416.90 · Disposal fee: $0.67, deducted in the gain · Gain: $29.29 as the three lot rows report it ($29.30 unrounded — see the note below the table)

3 Coinbase purchases (Mar 31 – Apr 2, 2023) → held 314–316 days → sold directly for USD on Coinbase (2024-02-11T01:26:41Z) → reported on Form 8949, Part I (Box C), 3 lot rows because the single sell consumed three separate FIFO acquisition lots. All three lots below are correctly short-term: held 314–316 days, under the 1-year threshold. One lot (of the three) sits below its cost basis — a real, small loss within an overall-gain disposal, exactly the kind of detail that gets lost without per-lot tracing.

ACQUISITION LOTS (FIFO ORDER)

LOT	ACQUIRED (UTC)	TRADE ID	QUANTITY	COST BASIS	DAYS HELD	TERM
1	2023-03-31T07:00:15Z	5152141c…	6.712905 LINK	$135.65	316	Short-term
2	2023-04-02T19:01:13Z	572ed124…	5.344832 LINK	$145.16	314	Short-term
3	2023-04-02T23:35:04Z	fef5e229…	5.895089 LINK	$136.09	314	Short-term
Total			**17.952826 LINK**	**$416.90**		

DISPOSAL (SINGLE SELL TRANSACTION, 3 MATCHED LOTS)

LOT	QUANTITY	ALLOCATED PROCEEDS	COST BASIS	FEE	GAIN/(LOSS)
1	6.712905 LINK	$167.09	$135.65	$0.25	$31.19
2	5.344832 LINK	$133.04	$145.16	$0.20	($12.32)
3	5.895089 LINK	$146.74	$136.09	$0.22	$10.42
Total	**17.952826 LINK**	**$446.87**	**$416.90**	**$0.67**	**$29.29**

Received: $446.87 USD, gross · the $0.67 disposal fee is allocated across the three lots and deducted in each lot's gain, not netted out of proceeds. Lot 2 shows a loss because that specific lot was bought at a slightly higher price than lots 1 and 3 — FIFO still allocates it its own true cost, not an average. The three lot gains sum to $29.29; computed on the unrounded disposal ($446.87 – $416.90 – $0.67) it is $29.30. The one-cent difference is lot-level rounding at 2 decimals, and the lot rows are what reach the form.

`disposal_type: FIFO · pricing_source: exchange-reported trade price`
`disposal tradeid: 9e53194b-a41f-4df2-bd53-ecc27ee9261b · manual override: none · reviewer note: none`

Figures pulled directly from the underlying source and tax-event records for this disposal (3 matched buy lots), not recomputed for this page.

Form 8949 Summary — Tax Year 2024

Box C	Box F	2,707
2,031 SHORT-TERM ROWS (713 DISPOSALS)	676 LONG-TERM ROWS (335 DISPOSALS)	TOTAL ROWS, COVERING ALL 1,037 DISPOSALS — SEE PAGE 4

	PROCEEDS (GROSS)	COST BASIS	GAIN/(LOSS)
Box C — Short-term, not reported on 1099-B	$281,677.56	$244,831.39	$36,457.16
Box F — Long-term, not reported on 1099-B	$93,425.07	$70,401.99	$22,884.09
Total	**$375,102.63**	**$315,233.38**	**$59,341.25**

11 disposals consumed both short- and long-term lots, so they appear in both boxes and the two disposal counts sum to 1,048 against 1,037 distinct sales.

REPRESENTATIVE ROWS — PART I (SHORT-TERM)

PROPERTY	DATE ACQUIRED	DATE SOLD	PROCEEDS	COST BASIS	GAIN/(LOSS)
0.962243 AAVE	Apr 8, 2023	Mar 11, 2024	$173.80	$106.67	$66.87
0.790303 AAVE (Solana Wallet)	Mar 19, 2023	Jan 6, 2024	$161.78	$125.47	$36.07
1.158747 AAVE	Apr 23, 2023	Apr 3, 2024	$201.79	$157.97	$43.52

Rows held 293–346 days — all under the 1-year threshold.

REPRESENTATIVE ROWS — PART II (LONG-TERM)

PROPERTY	DATE ACQUIRED	DATE SOLD	PROCEEDS	COST BASIS	GAIN/(LOSS)
1.255693 AAVE	Jun 17, 2023	Jul 9, 2024	$224.93	$128.60	$95.99
1.418515 AAVE	Jun 28, 2023	Jul 29, 2024	$262.18	$169.57	$92.22

Both rows held 387–396 days — clearly over the 1-year threshold.

Detailed Form 8949 rows in the full appendix: 2,707, covering all 1,037 disposals (the lots reconstructed under Exception 1 carry a reconstructed cost basis, not an excluded or assumed one — see page 4) · Sum of detailed rows agrees to summary above: Yes · Rounding variance: $0.00 at the summary level; individual lot rows are stored to the cent, so a single row can sit a cent off its unrounded value · Full filing-format Form 8949 (landscape Letter) available separately.

Schedule D Input Summary — Tax Year 2024

A Moonscape-prepared summary of the figures for Schedule D (Form 1040) — not an official IRS form. Use it to complete the real Schedule D or hand it to your preparer.

SCHEDULE D LINE	DESCRIPTION	PROCEEDS	BASIS	GAIN/(LOSS)
Line 3	Short-term, Box C transactions	$281,677.56	$244,831.39	$36,457.16
Line 7	Net short-term result (crypto only)			$36,457.16
Line 10	Long-term, Box F transactions	$93,425.07	$70,401.99	$22,884.09
Line 15	Net long-term result (crypto only)			$22,884.09
Line 16	**Crypto-only combined capital gain component**			**$59,341.25**

Note: Form 1040 line 7 (not 7a) applies for the 2024 revision. This crypto-only figure must be combined with the taxpayer's other Schedule D items (below) before the real line 16 total flows to Form 1040 line 7 — it is not itself a finished line 16.

CPA completion required.

These figures cover only cryptocurrency activity processed by Moonscape. The preparer must combine them with: other securities/property disposals · capital-loss carryovers · K-1 capital gains · capital-gain distributions · collectibles or Section 1250 gains · other taxpayer-specific adjustments — before arriving at the actual Schedule D line 16 / Form 1040 line 7 figure.

Tie-out statement. Form 8949 Box C + Box F gain/loss ($36,457.16 + $22,884.09 = $59,341.25) equals this workpaper's crypto-only Schedule D component. Verified above, $0.00 variance.

Detailed Transaction-Ledger Sample

11 representative rows from the underlying workpaper — a simple sale, acquisitions, a staking reward, a wrapped-token swap, an auto-matched wallet transfer, the fully-traced disposal from page 5, and Exception 1 rows resolved via cost-basis reconstruction.

ROW ID	DATE/TIME (UTC)	SOURCE	ACTIVITY	ASSET OUT	QTY OUT	ASSET IN	QTY IN	USD VALUE	CLASSIFICATION	LOT REF	REVIEW STATUS
TXN-11634	2024-02-07T13:32	Coinbase	Sell	ARB	1103.867275	USD	2,732.36	$2,732.36	Disposal	FIFO	Clean
TXN-02114	2024-03-30T17:06	Coinbase	Buy	USD	214.05	BTC	0.00244	$214.05	Acquisition	Lot-created	Clean
TXN-00073	2024-03-28T11:04	ETH Wallet 2	Staking reward	—	—	ETH	0.011907	$59.28	Ordinary income	—	Clean
TXN-00546	2024-04-29T10:00	ETH Wallet 1	Wrapped swap	ETH	0.015366	cbETH	0.015350634	$81.53	Review — Exception 3	—	Pending reviewer
TXN-00655	2024-12-05T19:20	Bitcoin Wallet	Sell	— (asset field null)	0.002488	USD	231.09	$231.09	Review required — Exception 4	—	Excluded, asset unidentified
TXN-5152141c	2023-03-31T07:00	Coinbase	Buy (acquisition lot 1 of 3)	USD	135.65	LINK	6.712905	$135.65	Acquisition	Lot-created	Clean
TXN-9e5319	2024-02-11T01:26	Coinbase	Sell (traced on p.5)	LINK	17.952826	USD	446.87*	$446.87	Disposal, Form 8949	FIFO → 3 lots	Clean
TXN-7371→2826	2022-02-20T19:44 → 19:51	ETH Wallet 1→2	Withdrawal→deposit pair	ETH	0.334706	ETH	0.334037	n/a — internal	Self-transfer, Exception 2	Matched, proposed	Pending bulk approval
TXN-78	2022-06-21T02:06	ETH Wallet 1	Wrap, reconstructed	BTC	0.010274	wBTC	0.010263726	—	Acquisition, reconstructed	Reconstructed → 2 lots	Resolved (Exception 1)
TXN-81	2023-04-12T17:02	Coinbase	Sell, reconstructed	MATIC	286.285747	USD	323.20	$323.20	Disposal, reconstructed basis	Reconstructed lot	Resolved (Exception 1)
TXN-82	2022-09-04T02:26	Solana Wallet	Sell, reconstructed	ETH	0.032288	USD	114.01	$114.01	Disposal, reconstructed basis	Reconstructed lot	Resolved (Exception 1)

* TXN-9e5319 quantity in is gross ($446.87), which is what the Form 8949 proceeds column carries; the $0.67 fee is deducted in the gain (see page 5).
Complete ledger available as XLSX/CSV · Total rows in complete ledger: 13,613 (all years) / 3,680 (2024).
The PDF above is only the summary — the full reviewable workpaper (every transaction, every field) exists underneath it.