

# **Federal Employment Tax Records and Withholding Statements**

## **Confidential Document**

Prepared for: Potential Merger & Acquisition Due Diligence

Prepared by: Nexus Intelligent Systems, Inc. Financial Compliance Department

Date of Preparation: January 22, 2024

## **1. OVERVIEW OF TAX DOCUMENTATION**

### **1.1 Purpose of Document**

This comprehensive Federal Employment Tax Records and Withholding Statements document provides a detailed accounting of Nexus Intelligent Systems, Inc.'s federal employment tax compliance and reporting for the fiscal years 2021-2023, prepared in connection with potential corporate transaction due diligence.

### **1.2 Scope of Documentation**

This document encompasses:

- Quarterly Federal Tax Returns (Form 941)
- Annual Federal Unemployment Tax Returns (Form 940)
- Consolidated Employee Withholding Statements
- Payroll Tax Compliance Verification

## **2. CORPORATE TAX IDENTIFICATION**

### **2.1 Employer Identification**

- Federal Employer Identification Number (FEIN): 87-2349561
- State Tax ID: DE-2018-0315-AI
- Corporate Jurisdiction: Delaware

### **2.2 Reporting Periods**

- Fiscal Years Covered: January 1, 2021 - December 31, 2023
- Quarterly Reporting Periods: Q1 2021 through Q4 2023

## **3. TAX WITHHOLDING SUMMARY**

### 3.1 Aggregate Withholding Amounts

Tax Year	Total Wages Paid	Federal Income Tax Withheld	Social Security Tax	Medicare Tax
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2021	\$6,750,000	\$1,012,500	\$418,500	\$97,875
2022	\$9,375,000	\$1,406,250	\$581,250	\$135,938
2023	\$12,500,000	\$1,875,000	\$775,000	\$181,250

### 3.2 Compliance Verification

All federal employment tax submissions have been timely filed and accurately reported. No outstanding tax liabilities or unresolved tax disputes exist as of the preparation date.

## 4. EMPLOYEE CLASSIFICATION

### 4.1 Workforce Composition

- Total Employees: 87
- Full-Time Employees: 79
- Part-Time Employees: 8
- Independent Contractors: 6

### 4.2 Payroll Classification Breakdown

- W-2 Employees: 85
- 1099 Contractors: 6
- Compliance with IRS worker classification guidelines confirmed

## 5. TAX CREDIT AND INCENTIVE ANALYSIS

### 5.1 Claimed Tax Credits

- Research and Development Tax Credit: \$375,000
- Work Opportunity Tax Credit: \$42,500
- Total Tax Credits: \$417,500

### 5.2 Credit Substantiation

All claimed tax credits have been substantiated through appropriate documentation and meet IRS regulatory requirements.

## **6. LEGAL COMPLIANCE ATTESTATION**

### **6.1 Compliance Statement**

Nexus Intelligent Systems, Inc. hereby attests that all federal employment tax reporting and withholding activities have been conducted in full compliance with applicable federal tax regulations and Internal Revenue Service guidelines.

### **6.2 Authorized Representation**

This document is executed by the following authorized corporate representatives:

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Sarah Williamson

Chief Strategy Officer

Nexus Intelligent Systems, Inc.

## **7. DISCLAIMER**

This document is prepared solely for the purpose of potential corporate transaction due diligence. All information presented is accurate as of the preparation date and subject to verification.