

Annual Payroll Tax Summary and Reconciliation Report

Fiscal Year Ending December 31, 2023

Prepared By: Corporate Tax Compliance Department

Nexus Intelligent Systems, Inc.

Delaware Corporate Headquarters

1. Executive Summary

This Annual Payroll Tax Summary and Reconciliation Report ("Report") provides a comprehensive review of Nexus Intelligent Systems, Inc.'s ("Company") payroll tax obligations, withholdings, and reconciliation for the fiscal year ending December 31, 2023. The report has been prepared in accordance with applicable federal and state tax regulations and represents a detailed accounting of all payroll-related tax transactions.

2. Reporting Scope and Methodology

2.1 Reporting Period

This Report covers the complete fiscal year from January 1, 2023, to December 31, 2023, and includes all payroll tax calculations, withholdings, and remittances for the Company's 87 employees across all operational jurisdictions.

2.2 Compliance Framework

The Report has been prepared in compliance with:

- Internal Revenue Code (IRC) Sections 3101-3128
- Federal Insurance Contributions Act (FICA)
- Federal Unemployment Tax Act (FUTA)
- State-specific payroll tax regulations in Delaware and operational states

3. Payroll Tax Summary

3.1 Total Payroll Expenditure

- Total Annual Payroll: \$7,425,000
- Gross Wages: \$6,985,000
- Bonus and Incentive Compensation: \$440,000

3.2 Tax Withholding Breakdown

| Tax Category | Amount Withheld | Percentage of Payroll |

|-----|-----|-----|

| Federal Income Tax | \$1,247,550 | 17.84% |

| Social Security Tax | \$432,570 | 6.19% |

| Medicare Tax | \$101,325 | 1.45% |

| State Income Tax | \$349,875 | 5.00% |

| Total Tax Withholdings | \$2,131,320 | 30.48% |

4. Employer Tax Contributions

4.1 Employer Payroll Tax Obligations

- Social Security Employer Match: \$432,570
- Medicare Employer Contribution: \$101,325
- Federal Unemployment Tax (FUTA): \$42,000
- State Unemployment Insurance: \$87,500

4.2 Total Employer Tax Expenditure

Total Employer Payroll Tax Contributions: \$663,395

5. Reconciliation and Compliance Verification

5.1 Tax Remittance Schedule

All required tax payments were submitted timely and in full accordance with IRS and state tax authority guidelines:

- Quarterly Federal Tax Returns (Form 941): Filed and Paid
- Annual Federal Unemployment Tax Return (Form 940): Filed and Paid
- State Quarterly Wage Reports: Submitted Electronically

5.2 Compliance Attestation

We hereby certify that all payroll tax calculations, withholdings, and remittances have been completed accurately and in full compliance with applicable tax regulations.

6. Disclosures and Limitations

6.1 Professional Disclaimer

This Report represents management's best estimate based on available financial records and is subject to potential audit and adjustment. The Company maintains comprehensive documentation supporting all reported figures.

6.2 Independent Verification

While prepared with due diligence, this Report has not been independently audited and should not be considered a definitive legal or financial statement.

7. Signatures

Corporate Tax Compliance

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Michael Chen

Chief Financial Officer

Nexus Intelligent Systems, Inc.

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Date of Execution: January 22, 2024

8. Appendices

Detailed supporting documentation maintained in corporate tax records, available upon request.