

Consolidated Corporate Tax Return Workpapers

Confidential Document - Nexus Intelligent Systems, Inc.

1. PRELIMINARY DOCUMENTATION

1.1 Document Purpose

These consolidated corporate tax return workpapers represent the comprehensive financial documentation for Nexus Intelligent Systems, Inc. ("Company") for the fiscal year ending December 31, 2023, prepared in accordance with applicable Internal Revenue Service (IRS) regulations and Generally Accepted Accounting Principles (GAAP).

1.2 Scope of Documentation

This document encompasses:

- Detailed tax calculation methodologies
- Comprehensive income and expense reconciliation
- Consolidated subsidiary financial integration
- Tax strategy documentation
- Jurisdictional tax compliance verification

2. CORPORATE TAX STRUCTURE

2.1 Corporate Entity Classification

- Primary Entity: Nexus Intelligent Systems, Inc. (Delaware C-Corporation)
- Tax ID: 87-2394561
- Fiscal Year: January 1 - December 31, 2023

2.2 Subsidiary Consolidation

The following entities are included in consolidated tax reporting:

Nexus AI Solutions, LLC (100% ownership)

Predictive Analytics Research Group, Inc. (98.7% ownership)

NIS Technology Ventures (wholly-owned subsidiary)

3. FINANCIAL SUMMARY

3.1 Gross Revenue Breakdown

- Total Consolidated Revenue: \$12,500,000
- Service Revenue: \$10,250,000
- Product Revenue: \$2,250,000

3.2 Expense Categories

- Research & Development: \$3,750,000
- Personnel Costs: \$5,625,000
- Operating Expenses: \$2,125,000
- Tax-Deductible Expenses: \$1,875,000

4. TAX CALCULATION METHODOLOGY

4.1 Federal Tax Calculation

- Effective Corporate Tax Rate: 21%
- Taxable Income: \$8,375,000
- Estimated Federal Tax Liability: \$1,758,750

4.2 State Tax Considerations

- Registered State: Delaware
- Combined State Tax Rate: 8.7%
- State Tax Liability: \$729,375

5. R&D TAX CREDIT ANALYSIS

5.1 Qualified Research Expenses

- Total R&D Expenditures: \$3,750,000
- Qualified Research Expenses: \$3,450,000
- Estimated R&D Tax Credit: \$517,500

5.2 Credit Allocation

- Federal R&D Credit: \$412,500
- State R&D Credit: \$105,000

6. COMPLIANCE ATTESTATION

6.1 Legal Compliance Statement

We certify that these tax workpapers have been prepared with full transparency and comply with all applicable federal and state tax regulations. All financial representations are accurate to the best of our knowledge.

6.2 Preparers' Certification

- Prepared By: Michael Chen, Chief Technology Officer
- Reviewed By: Sarah Williamson, Chief Strategy Officer
- Tax Counsel: External Legal Counsel, Thompson & Associates LLP

7. DISCLAIMER

These tax workpapers are confidential and prepared solely for internal review and potential due diligence purposes. Any unauthorized reproduction or distribution is strictly prohibited.

8. SIGNATURE BLOCK

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Date: January 22, 2024