

DENNIS CORPORATION

REPORT ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
DECEMBER 31, 2005

Elliott Davis, LLC  
Advisors-CPAs-Consultants  
Post Office Box 2227  
Columbia, South Carolina 29202

***Dennis Corporation***

5000 Thurmond Mall Suite #114  
Columbia, SC 29201-2374

We have compiled the accompanying statement of assets, liabilities, and stockholder's equity - modified cash basis of ***Dennis Corporation*** as of December 31, 2005, and the related statement of revenue and expenses - modified cash basis for the year ended December 31, 2005, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

A compilation is limited to presenting in the form of financial statements information that is the representation of the owner. We have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

The owner has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the corporation's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Elliott Davis, LLC*

April 1, 2006

**DENNIS CORPORATION**  
**STATEMENT OF ASSETS, LIABILITIES, AND STOCKHOLDER'S EQUITY -**  
**MODIFIED CASH BASIS**  
**December 31, 2005**

**ASSETS**

**CURRENT ASSETS**

Cash in bank	\$ 89,917
Due from employees	700
Total current assets	<u>90,617</u>

**FIXED ASSETS**

Furniture and equipment	35,575
Software	12,079
Transportation equipment	<u>77,498</u>
	125,152
Less accumulated depreciation	<u>(8,500)</u>
Total fixed assets	<u>116,652</u>

**INTANGIBLE ASSETS - net**

3,933

**DEFERRED INCOME TAXES**

19,424

Total assets	<u><u>\$ 230,626</u></u>
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**LIABILITIES AND STOCKHOLDER'S EQUITY**

**CURRENT LIABILITIES**

Due to stockholder	\$ 109,240
Current portion of long term notes payable	<u>8,451</u>
Total current liabilities	<u>117,691</u>

**LONG-TERM LIABILITIES**

Notes payable	<u>44,789</u>
Total long-term liabilities	<u>44,789</u>
Total liabilities	<u>162,480</u>

**STOCKHOLDER'S EQUITY**

Common stock	131,000
Retained earnings	<u>(62,854)</u>

**TOTAL STOCKHOLDER'S EQUITY**

68,146

Total liabilities and stockholder's equity	<u><u>\$ 230,626</u></u>
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See accountants' compilation report.

**DENNIS CORPORATION**  
**STATEMENT OF REVENUE AND EXPENSES - MODIFIED CASH BASIS**  
*For the year ended December 31, 2005*

<b>OPERATING REVENUES</b>	<b>\$ 44,943</b>
<b>OPERATING EXPENSES</b>	
Automobile	3,051
Bank service charges	508
Business licenses and fees	897
Contract labor	1,660
Dues and subscriptions	981
Insurance	14,455
Internet	961
Leased equipment	2,426
Marketing	425
Miscellaneous	106
Office supplies	4,812
Payroll	61,907
Payroll fees	380
Payroll taxes	1,478
Postage and delivery	136
Printing and reproduction	537
Professional fees	625
Property tax	4,370
Radiation monitoring services	416
Reimbursed expenses - employees	198
Rent	8,352
Survey expense	5,222
Telephone and fax	2,340
Training and certification	289
Travel and entertainment	710
Total operating expenses	<u>117,242</u>
Net operating expenses over revenues	<u>(72,299)</u>
<b>OTHER INCOME (EXPENSE)</b>	
Depreciation	(8,500)
Amortization	(67)
Interest income	328
Other income	878
Interest expense	<u>(2,618)</u>
Total other income (expense)	<u>(9,979)</u>
Net loss before income taxes	(82,278)
<b>INCOME TAX BENEFIT</b>	<u>19,424</u>
Net loss	<u><u>\$ (62,854)</u></u>

See accountants' compilation report.