

DENNIS CORPORATION
REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2006

DENNIS CORPORATION

CONTENTS

	<u>PAGE</u>
ACCOUNTANTS' COMPILATION REPORT	1
FINANCIAL STATEMENTS	
Balance sheet	2
Statement of income	3
Statement of stockholders' equity	4
Statement of cash flows	5

Dennis Corporation
Columbia, South Carolina

We have compiled the accompanying balance sheet of ***Dennis Corporation*** as of December 31, 2006, and the related statements of income, stockholders' equity and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. 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.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the corporation's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Elliott Davis, LLC

January 15, 2007

DENNIS CORPORATION
BALANCE SHEET
DECEMBER 31, 2006

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 87,367
Accounts receivable	418,623
	<hr/>
Total current assets	505,990

PROPERTY AND EQUIPMENT, net

573,576

\$ 1,079,566

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Current portion of long-term debt	\$ 67,359
Accounts payable	272,961
Accrued interest payable	1,402
Due to stockholder	84,709
	<hr/>
Total current liabilities	426,431

LONG-TERM DEBT

394,090

DEFERRED INCOME TAXES

51,608

STOCKHOLDERS' EQUITY

Common stock (\$1.50 stated value; 100,000 shares authorized, 87,666 shares issued)	131,500
Retained earnings	75,937
	<hr/>
Total stockholders' equity	207,437

\$ 1,079,566

See accountants' compilation report.

DENNIS CORPORATION
STATEMENT OF INCOME
For the year ended December 31, 2006

OPERATING REVENUES	\$ 1,456,219
OPERATING EXPENSES	
Automobile	40,236
Bank service charges and fees	2,217
Contract labor	227,171
Contributions	4,152
Dues and subscriptions	7,111
Gifts	10,031
Insurance	66,698
Internet	2,095
Lab testing	4,762
Leased equipment	6,770
Marketing and advertising	12,690
Meals and entertainment	12,944
Miscellaneous expenses and fees	5,975
Office supplies	25,964
Payroll	542,377
Payroll fees	1,943
Postage and delivery	1,173
Printing and reproduction	25,936
Professional development	3,979
Professional fees	45,546
Reimbursed expenses - employees	25,524
Rent	38,605
Supplies	6,510
Survey expense	16,437
Taxes and licenses	12,324
Telephone and fax	9,933
Training and certification	5,519
Travel	5,413
Total operating expenses	<u>1,170,035</u>
Net operating expenses over revenues	<u>286,184</u>
OTHER INCOME (EXPENSE)	
Depreciation	(56,078)
Interest income	626
Interest expense	(20,909)
Total other income (expense)	<u>(76,361)</u>
Net income before income taxes	209,823
PROVISION FOR INCOME TAXES	<u>71,032</u>
Net income	<u>\$ 138,791</u>

See accountants' compilation report.

DENNIS CORPORATION
STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock		Retained	
	Shares	Amount	Earnings (Deficit)	Total
BALANCE, December 31, 2005				
Net income	87,333	\$ 131,000	\$ (62,854)	\$ 68,146
Issuance of common stock	-	-	138,791	138,791
	333	500	-	500
BALANCE, December 31, 2006	\$ 87,666	\$ 131,500	\$ 75,937	\$ 207,437

See accountants' compilation report.

DENNIS CORPORATION
STATEMENT OF CASH FLOWS
For the year ended December 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 138,791
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	56,078
Amortization	3,933
Deferred income taxes	71,032
Changes in deferred and accrued amounts	
Accounts receivable	(418,623)
Accounts payable and accrued expenses	178,916
Due from employees	700
Net cash provided by operating activities	<u>30,827</u>

INVESTING ACTIVITIES

Purchases of property and equipment	<u>(417,555)</u>
Net cash used for investing activities	<u>(417,555)</u>

FINANCING ACTIVITIES

Payments on stockholder loan	(24,531)
Principal payments on notes payable	(36,607)
Proceeds from new notes payable	444,816
Proceeds from issuance of common stock	500
Net cash used for financing activities	<u>384,178</u>
Net decrease in cash and cash equivalents	(2,550)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

89,917

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 87,367

CASH PAID DURING THE YEAR FOR

Interest	<u><u>\$ 19,507</u></u>
----------	-------------------------

NONCASH INVESTING AND FINANCING ACTIVITIES

Acquisition of equipment through trade accounts payable	<u><u>\$ 95,447</u></u>
---	-------------------------

See accountants' compilation report.