

Dennis Corporation

Compiled Financial Statements

December 31, 2013

Dennis Corporation

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Accountant's Compilation Report

Dennis Corporation
Columbia, South Carolina 29201

We have compiled the accompanying balance sheet of Dennis Corporation as of December 31, 2013 and the related statement of operations and stockholders' equity for the year then ended. We have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. During our compilation, we did become aware of departures from accounting principles generally accepted in the United States of America that are described in the following paragraphs.

Accounting principles generally accepted in the United States of America require management to assess whether the company has a variable interest in order to determine if those entities should be consolidated. Management has not performed the required assessment and therefore, if there are variable interest entities for which the company is the primary beneficiary, has not consolidated those entities. Although the effects on the financial statements of the failure to perform the required assessment have not been determined, many elements in the financial statements would have been materially affected had management determined that the company is the primary beneficiary of any variable interest entities.

The Company has a long-term lease with the related entity that was treated as an operating lease rather than a capital lease as required by accounting principles generally accepted in the United States of America. If this lease had been treated as a capital lease, property and equipment and capital lease obligations on the balance sheet would have increased by \$1,396,690 and \$1,539,734 as of December 31, 2013, respectively. In addition, net income would have decreased by \$33,410 and stockholders' equity would have decreased by \$143,044.

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

Columbia, South Carolina
July 20, 2014

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Dennis Corporation

Balance Sheet

December 31, 2013

Assets

Current assets

Cash and cash equivalents	\$	83
Accounts receivable, net		832,604
Prepaid expenses		2,251
Total current assets		<u>834,938</u>

Property and equipment, net

317,671

Due from stockholder

220,018

Deferred tax asset

248,917

\$ 1,621,544

Liabilities and Stockholders' Equity

Current liabilities

Outstanding checks in excess of bank balances	\$	29,965
Lines of credit		847,914
Current portion of capital lease obligations		46,196
Accounts payable		345,542
Deferred revenue		2,100
Accrued compensation		33,514
Total current liabilities		<u>1,305,231</u>

Capital lease obligations

14,938

Due to related company

22,477

Due to stockholder

15,807

Total liabilities 1,358,453

Stockholders' equity

Class A Common stock, \$1.50 stated value, 100,000 shares authorized, 87,666 shares issued		131,500
Class B Common stock, \$1.50 stated value, 100,000 shares authorized, 2300 issued		3,450
Additional paid-in capital		85,064
Retained earnings		43,077
Total stockholders' equity		<u>263,091</u>
	\$	<u>1,621,544</u>

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Dennis Corporation**Statement of Operations****For the year ended December 31, 2013**

Operating revenues	\$ 5,096,050
Operating expenses	4,921,323
Net operating income	<u>174,727</u>
Other income (expense)	
Rental income	2,100
Interest revenue	5,046
Contributions	(13,185)
Interest expense	<u>(41,561)</u>
Total other income (expense)	<u>(47,600)</u>
Net income before income taxes	127,127
Provision for income taxes	17,037
Net income	<u><u>\$ 110,090</u></u>

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Dennis Corporation**Statement of Stockholders' Equity****For the year ended December 31, 2013**

	<u>Common Stock - Class A</u>		<u>Common Stock - Class B</u>		<u>Additional</u>	<u>Retained</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Paid-in Capital</u>	<u>Earnings</u>	<u>Total</u>
						<u>(Deficit)</u>	
Balance, December 31, 2012	87,666	\$ 131,500	2,300	\$ 3,450	\$ 85,064	\$ (67,013)	\$ 153,001
Net income	-	-	-	-	-	110,090	110,090
Balance, December 31, 2013	<u>87,666</u>	<u>\$ 131,500</u>	<u>2,300</u>	<u>\$ 3,450</u>	<u>\$ 85,064</u>	<u>\$ 43,077</u>	<u>\$ 263,091</u>

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