

Dennis Corporation

Compiled Financial Statements

December 31, 2014

Dennis Corporation
Index
Year Ended December 31, 2014

Accountant's Compilation Report

Financial Statements

Balance Sheet

Statement of Income

Statement of Stockholders' Equity

Accountant's Compilation Report

Dennis Corporation
Columbia, South Carolina 29201

We have compiled the accompanying balance sheet of Dennis Corporation as of December 31, 2014, and the related statements of income and stockholders' equity for the year then ended. We have not audited or reviewed the accompanying consolidated financial statements, and accordingly, do not express an opinion or provide any assurance about whether the consolidated 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 consolidated 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 of the consolidated financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standard for Accounting and Review Services issued by the American Institute of Certified Accountants. The objective of a compilation is to assist management in presenting financial information in the form of consolidated financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the consolidated financial statements.

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 consolidated financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these consolidated financial statements are not designed for those who are not informed about such matters.

Derrick Stubbs + Smith, LLP

March 12, 2015

Dennis Corporation
Consolidating Balance Sheet
As of December 31, 2014

	Dennis Corporation
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 12,221
Customer Receivables	510,597
Total Current Assets	<u>522,818</u>
 Property and Equipment, net	 1,562,583
 Deferred Tax Asset	 380,594
 Due from Stockholder	 192,693
 Total Assets	 <u><u>\$ 2,658,688</u></u>
 Liabilities and Stockholders'/Member's Equity	
Current Liabilities	
Current Portion of Long-term Debt	\$ 669,885
Current Portion of Capital Lease Obligations	55,213
Accounts Payable	173,016
Accrued Expenses	85,676
Total Current Liabilities	<u>983,790</u>
 Long-term Debt	 <u>110,062</u>
 Capital Lease Obligations	 <u>1,431,216</u>
 Due to Related Company	 <u>230,014</u>
 Shareholders' 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, 3,700 Shares Issued	5,550
Additional Paid-In Capital	84,661
Retained Deficit	<u>(318,105)</u>
Total Stockholders'/Member's Equity	<u>(96,394)</u>
 Total Liabilities and Stockholders'/Member's Equity	 <u><u>\$ 2,658,688</u></u>

See Independent Accountant's Compilation Report.

Dennis Corporation
Statement of Income
Year Ended December 31, 2014

	Dennis Corporation
Operating Revenues	\$ 3,457,471
Operating Expenses	
Automobile	16,562
Bad Debts	48,418
Business Development	143,734
Contract Labor	134,748
Bank Service Charges	17,172
Dues and Subscriptions	16,139
Insurance	91,279
Internet	2,909
Lab Testing	11,081
Leased Equipment	224,212
Legal Fees	63,401
Marketing and Advertising	519
Office Supplies & Expense	18,465
Payroll	1,926,083
Postage and Delivery	3,350
Printing and Reproduction	8,183
Professional Development	2,505
Professional Fees	39,661
Rent	274,819
Repairs and Maintenance	43,624
Supplies	14,330
Taxes and Licenses	246,350
Telephone and Fax	25,187
Training and Certification	11,899
Utilities	25,349
Depreciation	151,778
Travel, Meals, and Lodging	224,992
Cost Reimbursements and Job Cost Variance	(126,899)
Total Operating Expenses	3,659,850
Net Ordinary Income	(202,379)

See Independent Accountant's Compilation Report.

Dennis Corporation
Statement of Income
Year Ended December 31, 2014

	Dennis Corporation
Other Income (Expense)	
Interest Income	
Interest Expense	(177,889)
Contributions and Sponsorships	(7,023)
Other Income	49,013
Other Expense	(11,537)
Gain/Loss on Fixed Assets	
Total Other Income (Expense)	<u>(147,436)</u>
Net Income Before Taxes	<u>(349,815)</u>
Provision for Income Taxes	131,677
Net Income	<u><u>\$ (218,138)</u></u>

See Independent Accountant's Compilation Report.

Dennis Corporation
Statement of Stockholders' Equity
Year Ended December 31, 2014

	Dennis Corporation						
	Common Stock - Class A		Common Stock - Class B		Additional Paid-In Capital	Retained Deficit	Total
	Shares	Amount	Shares	Amount			
Balance, January 1, 2014	87,666	\$ 131,500	2,300	\$ 3,450	\$ 85,064	\$ (99,967)	\$ 120,047
Net Income (Loss)						(218,138)	\$ (218,138)
Distributions							\$ -
Class B Shares Redeemed			(100)	(150)	(403)		\$ (553)
Class B Shares Issued			1,500	2,250			\$ 2,250
Balance, December 31, 2014	87,666	\$ 131,500	3,700	\$ 5,550	84,661	\$ (318,105)	\$ (96,394)

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