

DENNIS CORPORATION

FINANCIAL REPORT

DECEMBER 31, 2015

**DENNIS CORPORATION
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YEAR ENDED DECEMBER 31, 2015**

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Dennis Corporation
Columbia, South Carolina

Management is responsible for the accompanying financial statements of Dennis Corporation ("the Company") as of December 31, 2015, which comprise the consolidated balance sheet and the related consolidated statements of income and stockholders' equity for the year then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Standards on Statements for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all 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 Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Derrick, Stubbs & Stith, LLP

April 28, 2016

DENNIS CORPORATION
BALANCE SHEET
DECEMBER 31, 2015
(See Independent Accountant's Compilation Report)

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 21,540
Customer Receivables, net	719,840
Total current assets	<u>741,380</u>
Property and equipment, net	1,448,871
Unbilled services (WIP)	348,095
Deferred tax asset	216,338
Due from stockholder	196,693
Loan costs, net	33,913
Other assets	1,660
Total assets	<u><u>2,986,950</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities	
Line of credit	255,000
Current portion of long term debt	108,940
Current portion of capital lease obligations	58,684
Accounts payable	117,967
Accrued expenses	111,962
Other current liabilities	26,292
Total current liabilities	<u>678,845</u>
Long-Term Liabilities	
Capital lease obligations	1,372,532
Long term debt	561,303
Notes payable - stockholders	9,092
Due to stockholders	105,000
Total long-term liabilities	<u>2,047,927</u>
Due to related company	110,337
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, 3,200 shares issued	4,800
Additional paid-in capital	74,046
Retained earnings	(60,505)
Total stockholders' equity	<u>149,841</u>
Total liabilities and stockholders' equity	<u><u>\$ 2,986,950</u></u>

DENNIS CORPORATION
STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2015
(See Independent Accountant's Compilation Report)

Operating Revenues	<u>\$ 4,320,940</u>
Operating Expenses	
Automobile	36,187
Bad debts	60,000
Business development	10,862
Contract labor	256,839
Bank service charges	7,381
Dues and subscriptions	9,950
Insurance	133,394
Internet	2,387
Lab testing	62,026
Leased equipment	174,307
Legal fees	28,964
Marketing and advertising	100
Office supplies and expense	50,342
Payroll	1,931,826
Postage and delivery	4,215
Printing and reproduction	10,614
Professional fees	56,746
Rent	273,156
Repairs and maintenance	32,916
Supplies	30,247
Taxes and licenses	237,011
Telephone and fax	29,697
Training and certification	17,955
Utilities	26,157
Depreciation	113,610
Amortization	9,690
Travel, meals and lodging	215,276
Cost reimbursements	(105,019)
Total operating expenses	<u>3,716,835</u>
Net ordinary income	<u>604,105</u>
Other Income (Expense)	
Interest expense	(159,091)
Contributions and sponsorships	(23,176)
Other income	18
Total other income (expense)	<u>(182,249)</u>
Net income before taxes	421,856
Provision for income taxes	<u>(164,256)</u>
Net Income	<u><u>\$ 257,600</u></u>

DENNIS CORPORATION
STATEMENT OF STOCKHOLDERS' EQUITY
YEAR ENDED DECEMBER 31, 2015
(See Independent Accountant's Compilation Report)

	Common Stock - Class A		Common Stock - Class B		Additional Paid-in Capital	Retained Earnings (Deficit)	Total
	Shares	Amount	Shares	Amount			
Balance, January 1, 2015	87,666	\$ 131,500	3,700	\$ 5,550	\$ 84,661	\$ (318,105)	\$ (96,394)
Net income	-	-	-	-	-	257,600	257,600
Class B shares redeemed	-	-	(500)	(750)	(10,615)	-	(11,365)
Balance, December 31, 2015	87,666	\$ 131,500	3,200	\$ 4,800	\$ 74,046	\$ (60,505)	\$ 149,841