

DENNIS CORPORATION

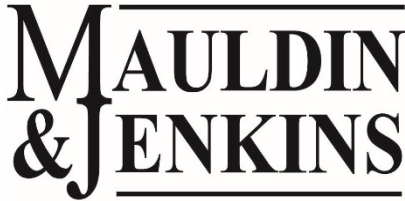
FINANCIAL REPORT

DECEMBER 31, 2017

DENNIS CORPORATION
FOR THE YEAR ENDED DECEMBER 31, 2017

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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, 2017, which comprise the balance sheet and the related 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 a compilation engagement in accordance with Statements on Standards 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 and the statement of cash flows required by 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.

Mauldin & Jenkins, LLC

Columbia, South Carolina
September 12, 2018

DENNIS CORPORATION
BALANCE SHEET
DECEMBER 31, 2017
(See Independent Accountant's Compilation Report)

ASSETS

Current Assets

Cash and cash equivalents	\$ -
Customer receivables, net	1,108,706
Claim settlement receivable	400,000
Total current assets	<u>1,508,706</u>

Property and equipment, net	1,462,779
Deferred tax asset	16,375
Due from related company	679,453
Due from stockholder	3,993
Other assets	8,949
Total assets	<u><u>3,680,255</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities

Line of credit	610,052
Current portion of long-term debt	130,800
Current portion of capital lease obligations	68,576
Accounts payable	727,627
Accrued expenses	67,059
Other current liabilities	9,756
Total current liabilities	<u>1,613,870</u>

Long-Term Liabilities

Capital lease obligations	1,240,519
Long-term debt	387,256
Notes payable - stockholders	42,472
Loan costs, net	(4,845)
Total long-term liabilities	<u>1,665,402</u>

Total liabilities	<u>3,279,272</u>
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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	1,800
Additional paid-in capital	74,046
Retained earnings	193,637
Total stockholders' equity	<u>400,983</u>

Total liabilities and stockholders' equity	<u><u>\$ 3,680,255</u></u>
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DENNIS CORPORATION
STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2017
(See Independent Accountant's Compilation Report)

Operating Revenues	\$ 6,261,341
Less, customer discounts and allowances	(521,595)
Net Operating Revenues	<u>5,739,746</u>
Operating Expenses	
Automobile	61,716
Business development	555
Bank service charges	1,875
Contract labor	472,260
Dues and subscriptions	6,098
Insurance	209,220
Internet	1,935
Lab testing	76,077
Leased equipment	212,432
Legal fees	130,972
Advertising	(239)
Office supplies and expense	92,532
Payroll	2,822,196
Postage and delivery	4,667
Printing and reproduction	12,745
Professional fees	24,583
Rent	280,306
Repairs and maintenance	56,678
Supplies	41,296
Taxes and licenses	285,121
Telephone	36,380
Training and certification	13,357
Utilities	29,407
Depreciation	119,035
Amortization	14,534
Travel, meals and lodging	204,240
Total operating expenses	<u>5,209,978</u>
Net operating income	<u>529,768</u>
Other Income (Expense)	
Interest expense	(175,068)
Contributions and sponsorships	(6,450)
Other income	406,091
Restituion expense	(250,000)
Total other income (expense)	<u>(25,427)</u>
Net income before taxes	504,341
Provision for income taxes	(199,008)
Net income	<u><u>\$ 305,333</u></u>

DENNIS CORPORATION
STATEMENT OF STOCKHOLDERS' EQUITY
YEAR ENDED DECEMBER 31, 2017
(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, 2017	87,666	\$ 131,500	1,200	\$ 1,800	\$ 74,046	\$ (111,696)	\$ 95,650
Net income	-	-	-	-	-	305,333	305,333
Balance, December 31, 2017	87,666	\$ 131,500	1,200	\$ 1,800	\$ 74,046	\$ 193,637	\$ 400,983