

DENNIS CORPORATION

**FINANCIAL REPORT
(Compiled)**

DECEMBER 31, 2018

DENNIS CORPORATION

FOR THE YEAR ENDED DECEMBER 31, 2018

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ACCOUNTANT'S COMPILATION REPORT

Dennis Corporation
Columbia, South Carolina

Management is responsible for the accompanying financial statements of **Dennis Corporation** ("the Corporation") as of December 31, 2018, 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 American Institute of Certified Public Accountants. 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 and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Corporation'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.

The opening balance of retained earnings for January 1, 2018, has been restated to correct the deferred tax liability. We have not audited or reviewed the 2017 financial statements and do not express an opinion, a conclusion, nor provide any assurance on those financial statements.

We are not independent with respect to Dennis Corporation.

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 3, 2019

DENNIS CORPORATION
BALANCE SHEET
DECEMBER 31, 2018
(See Accountant's Compilation Report)

ASSETS

Current Assets

Cash and cash equivalents	\$ -
Customer receivables, net	878,234
Claim settlement receivable	350,000
Total current assets	<u>1,228,234</u>

Property and equipment, net	1,387,757
Due from related company	919,272
Due from stockholder	3,993
Total assets	<u><u>3,539,256</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities

Line of credit	664,982
Short-term debt	18,299
Current portion of long-term debt	180,427
Current portion of notes payable - stockholder	50,000
Current portion of capital lease obligations	74,130
Accounts payable	606,476
Accrued expenses	63,651
Cash overdraft	9,461
Other current liabilities	9,471
Claim settlement payable	230,000
Total current liabilities	<u>1,906,897</u>

Long-term Liabilities

Capital lease obligations	1,166,051
Long-term debt	334,225
Deferred tax liability	175,000
Due to stockholder	1,039
Notes payable - stockholder	20,472
Note payable - Dan Dennis, Jr.	70,000
Total long-term liabilities	<u>1,766,787</u>

Total liabilities	<u>3,673,684</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, 1,200 shares issued	1,800
Additional paid-in capital	74,046
Retained earnings	(341,774)
Total stockholders' equity	<u>(134,428)</u>

Total liabilities and stockholders' equity	<u><u>\$ 3,539,256</u></u>
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DENNIS CORPORATION
STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2018
(See Accountant's Compilation Report)

Operating Revenues	\$ 5,306,706
Less, customer discounts and allowances	(111,612)
Net operating revenues	<u>5,195,094</u>
Operating Expenses	
Automobile	85,225
Business development	1,065
Bank service charges	8,385
Contract labor	195,353
Dues and subscriptions	7,384
Insurance	241,782
Internet	2,338
Lab testing	75,380
Leased equipment	258,861
Legal fees	222,174
Advertising	1,032
Office supplies and expense	67,165
Payroll	2,844,946
Postage and delivery	2,219
Printing and reproduction	5,695
Professional fees	78,021
Rent	282,445
Repairs and maintenance	46,262
Supplies	43,678
Taxes and licenses	297,390
Telephone	42,292
Training and certification	25,310
Utilities	25,499
Depreciation	120,911
Amortization	4,845
Travel, meals and lodging	252,872
Total operating expenses	<u>5,238,529</u>
Net operating (loss)	<u>(43,435)</u>
Other Income (Expense)	
Interest expense	(242,125)
Contributions and sponsorships	(14,655)
Other (expense)	(43,319)
(Loss) on disposal of fixed assets	(501)
Total other (expense)	<u>(300,600)</u>
Net (loss) before taxes	(344,035)
Benefit for income taxes	<u>71,000</u>
Net (loss)	<u><u>\$ (273,035)</u></u>

DENNIS CORPORATION
STATEMENT OF STOCKHOLDERS' EQUITY
YEAR ENDED DECEMBER 31, 2018
(See Accountant's Compilation Report)

	Common Stock - Class A		Common Stock - Class B		Additional	Retained	Total
	Shares	Amount	Shares	Amount	Paid-in Capital	Earnings	
Balance, December 31, 2017	87,666	\$ 131,500	1,200	\$ 1,800	\$ 74,046	\$ 193,636	\$ 400,982
Prior period adjustment	-	-	-	-	-	(262,375)	(262,375)
Restated balance, January 1, 2018	87,666	131,500	1,200	1,800	74,046	(68,739)	138,607
Net (loss)	-	-	-	-	-	(273,035)	(273,035)
Balance, December 31, 2018	<u>87,666</u>	<u>\$ 131,500</u>	<u>1,200</u>	<u>\$ 1,800</u>	<u>\$ 74,046</u>	<u>\$ (341,774)</u>	<u>\$ (134,428)</u>