

DENNIS CORPORATION

**Statement of Direct Labor, Fringe Benefits,
and General Overhead-with Field Rates**

For the Year Ended December 31, 2009

BURKETT BURKETT & BURKETT

Certified Public Accountants, P.A.

INDEPENDENT AUDITORS' REPORT ON THE STATEMENT OF DIRECT LABOR, FRINGE BENEFITS, AND GENERAL OVERHEAD-WITH FIELD RATES

The Board of Directors
DENNIS CORPORATION

We have audited the Statement of Direct Labor, Fringe Benefits, and General Overhead-with Field Rates (hereinafter referred to as "the Schedule") of DENNIS CORPORATION (the Company) for the fiscal year ended December 31, 2009. This Schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this Schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall presentation of the Schedule. We believe that our audit provides a reasonable basis for our opinion.

The Schedule was prepared on a basis of accounting practices prescribed by Part 31 of the Federal Acquisition Regulations (FAR) and certain other Federal and State regulations as discussed in Note 2, and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Schedule referred to above presents fairly, in all material respects, the direct labor, fringe benefits, and general overhead of the Company for the year ended December 31, 2009 on the basis of accounting described in Note 2.

In accordance with the *Government Auditing Standards*, we have also issued a report dated February 15, 2010 on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the Schedule is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the use and information of the Company and government agencies or other customers related to contracts employing the cost principles of the Federal Acquisition Regulation and should not be used for any other purpose.



BURKETT BURKETT & BURKETT
Certified Public Accountants, P.A.

West Columbia, South Carolina
February 15, 2010

DENNIS CORPORATION
STATEMENT OF DIRECT LABOR, FRINGE BENEFITS, AND GENERAL OVERHEAD-WITH FIELD RATES
FOR THE YEAR ENDED DECEMBER 31, 2009

	FINANCIAL STATEMENT EXPENSES	DISALLOWED COSTS	FAR REFERENCE	PROPOSED COMPANY WIDE	ALLOCATION		PERCENT TO FIELD OFFICE
					PROPOSED HOME OFFICE	PROPOSED FIELD OFFICE	
DIRECT LABOR	\$ 2,464,096	\$ -		\$ 2,464,096	\$ 1,373,581	\$ 1,090,515	44.26%
FRINGE BENEFITS							
Insurance: Medical	170,794			170,794	95,207	75,587	44.26%
Insurance: Workers' Comp	47,070			47,070	26,239	20,831	44.26%
Payroll Taxes: FICA and Med	247,138			247,138	137,764	109,374	44.26%
Payroll Taxes: FUTA and SUTA	21,213			21,213	11,825	9,388	44.26%
TOTAL FRINGE BENEFITS	\$ 486,215	\$ -		\$ 486,215	\$ 271,035	\$ 215,180	
GENERAL OVERHEAD							
Indirect labor	\$ 1,085,399	\$ 87,762	31.205-6	\$ 997,637	625,119	372,518	37.34%
Direct: Subconsultants	34,422			34,422	28,013	6,409	18.62%
Advertising and Marketing	76,877	45,578	31.205-1	31,299	25,471	5,828	18.62%
Auto expenses	785			785	639	146	18.62%
Bad debts	94,026	94,026	31.205-3	-	-	-	18.62%
Bank Charges	2,810			2,810	2,287	523	18.62%
Contributions	25,410	25,410	31.205-8	-	-	-	18.62%
Political Contributions	6,549	6,549	31.205-22	-	-	-	18.62%
Depreciation	363,562			363,562	98,520	265,042	72.90%
Dues and subscriptions	26,669	9,798	31.205-14	16,871	13,730	3,141	18.62%
Equipment lease	67,698			67,698	55,093	12,605	18.62%
Insurance	287,357	3,721	31.205-19	283,636	230,824	52,812	18.62%
Interest	125,550	125,550	31.205-20	-	-	-	18.62%
Meals and entertainment	47,051	23,781	31.205-14/51	23,270	18,937	4,333	18.62%
Miscellaneous	3,604			3,604	2,933	671	18.62%
Office supplies	77,289			77,289	62,898	14,391	18.62%
Permitting fees	570			570	464	106	18.62%
Printing and reproduction	28,963			28,963	23,570	5,393	18.62%
Professional development	5,162			5,162	4,201	961	18.62%
Professional fees	158,243			158,243	128,778	29,465	18.62%
Rent	434,136	3,160	31.205-36	430,976	350,729	80,247	18.62%
Repairs and maintenance	21,753			21,753	17,703	4,050	18.62%
Supplies	107,134	18,990	31.205-1	88,144	71,732	16,412	18.62%
Survey expense	1,400			1,400	1,139	261	18.62%
Taxes and license	82,811			82,811	67,392	15,419	18.62%
Telephone	84,697			84,697	68,927	15,770	18.62%
Training	58,226			58,226	47,384	10,842	18.62%
Travel	66,332	28,928	31.205-46	37,404	30,439	6,965	18.62%
Utilities	11,640			11,640	9,473	2,167	18.62%
TOTAL GENERAL OVERHEAD	\$ 3,386,125	\$ 473,253		\$ 2,912,872	\$ 1,986,395	\$ 926,477	
TOTAL INDIRECT COSTS				\$ 3,399,087	\$ 2,257,430	\$ 1,141,657	
FACILITIES CAPITAL COST OF MONEY				\$ 73,772	\$ 73,772	\$ -	
TOTAL INDIRECT COSTS AND FCCM				\$ 3,472,859	\$ 2,331,202	\$ 1,141,657	
PERCENTAGE OF DIRECT LABOR				140.94%	169.72%	104.69%	

