

**DENNIS CORPORATION
PROJECTED FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM
JANUARY 1, 2010 TO
DECEMBER 31, 2010**

**DENNIS CORPORATION
COLUMBIA, SOUTH CAROLINA**

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ACCOUNTANTS' COMPILATION REPORT

Dennis Corporation
Columbia, South Carolina

We have compiled the accompanying projected balance sheets, statements of operations, and cash flows of Dennis Corporation as of and for the period from January 1, 2010 to December 31, 2010 in accordance with attestation standards established by the American Institute of Certified Public Accountants. The accompanying projection was prepared for the purpose of negotiating loans and general business planning.

A compilation is limited to presenting in the form of a projection, information that is the representation of management and **does not include evaluation of the support for the assumptions underlying the projection**. We have not examined the projections and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, even if the hypothetical assumptions described in Note 1 materialize, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

As described in Note 9 to the projected financial statements, the Company has not complied with accounting principles generally accepted in the United States of America relating to variable interest entities. This would require the consolidation of the financial statements for the Company and a related entity (Dennis Corporation Development, LLC) which, in our opinion, should be consolidated in order to conform with accounting principles generally accepted in the United States of America. Had the activities of the related entity been recorded in these financial statements, projected net income would have increased by approximately \$74,000 and projected stockholders' equity would have increased by approximately \$119,000.

In addition, the Company has a long-term lease that is treated as an operating lease rather than a capital lease as required by accounting principles generally accepted in the United States of America. If this lease had been treated as a capital lease, projected property and equipment and capital lease obligations on the balance sheet would have increased by approximately \$1,665,000 as of December 31, 2010.

The accompanying projections and this report are intended solely for the information and use of obtaining loans and general business planning and should not be used by anyone other than management and these specified parties.

Elliott Davis, LLC

Columbia, South Carolina
June 4, 2010

DENNIS CORPORATION
PROJECTED BALANCE SHEETS
JANUARY 1, 2010 TO DECEMBER 31, 2010

	January	February	March	April	May	June	July	August	September	October	November	December
ASSETS												
Cash and cash equivalents	\$ 40,030	\$ 2,902,660	\$ 2,805,095	\$ 395,520	\$ 3,018,326	\$ 3,179,456	\$ 3,483,204	\$ 3,400,000	\$ 3,250,000	\$ 291,360	\$ 403,307	\$ 498,034
Accounts receivable, net	2,525,002	2,902,660	2,805,095	2,563,984	3,018,326	3,179,456	3,483,204	3,400,000	3,250,000	3,000,000	2,800,000	2,600,000
Total current assets	2,565,032	2,902,660	2,805,095	2,959,504	3,018,326	3,179,456	3,483,204	3,400,000	3,250,000	3,291,360	3,203,307	3,098,034
Property, plant & equipment	2,432,820	2,734,210	2,849,193	2,854,092	2,861,092	2,979,377	2,979,377	2,979,377	2,979,377	2,979,377	2,979,377	2,979,377
Accumulated depreciation	(871,069)	(910,715)	(954,286)	(998,391)	(1,042,208)	(1,086,025)	(1,129,842)	(1,173,659)	(1,217,476)	(1,261,293)	(1,305,110)	(1,348,927)
Property, plant & equipment, net	1,561,751	1,823,495	1,894,907	1,855,701	1,818,884	1,893,352	1,849,535	1,805,718	1,761,901	1,718,084	1,674,267	1,630,450
Total assets	\$ 4,126,783	\$ 4,726,155	\$ 4,700,002	\$ 4,815,205	\$ 4,837,210	\$ 5,072,808	\$ 5,332,739	\$ 5,205,718	\$ 5,011,901	\$ 5,009,444	\$ 4,877,574	\$ 4,728,484
LIABILITIES												
Accounts payable	\$ 588,340	\$ 651,378	\$ 604,242	\$ 570,027	\$ 577,027	\$ 670,312	\$ 670,312	\$ 670,312	\$ 670,312	\$ 670,312	\$ 670,312	\$ 670,312
Current portion of long-term debt and capital leases	398,410	550,000	549,217	548,217	547,815	546,847	546,257	547,282	549,018	550,766	552,511	556,619
Credit card payable	49,983	97,871	74,607	57,667	57,667	57,667	57,667	57,667	57,667	57,667	57,667	57,667
401K payable	12,356	5,456	5,687	865	865	499,266	526,406	338,063	69,748	-	-	-
Line of credit	777,025	875,569	812,568	673,525	569,566	499,266	526,406	338,063	69,748	-	-	-
Total current liabilities	1,825,114	2,180,274	2,046,321	1,850,301	1,752,075	1,774,092	1,800,642	1,613,324	1,346,745	1,278,745	1,280,490	1,284,598
Deferred income taxes	372,204	429,054	447,974	464,917	529,971	621,499	730,608	772,315	818,990	862,959	829,361	788,237
Long-term debt and capital leases	982,575	1,082,017	1,141,305	1,409,084	1,362,510	1,341,403	1,295,018	1,248,373	1,201,456	1,154,257	1,106,791	1,059,040
Total long-term liabilities	1,354,779	1,511,071	1,589,279	1,874,001	1,892,481	1,962,902	2,025,626	2,020,688	2,020,446	2,017,216	1,936,152	1,847,277
Total liabilities	3,180,893	3,691,345	3,635,600	3,724,302	3,644,556	3,736,994	3,826,268	3,634,012	3,367,191	3,295,961	3,216,642	3,131,875
STOCKHOLDERS' EQUITY												
Common stock	131,500	131,500	131,500	131,500	131,500	131,500	131,500	131,500	131,500	131,500	131,500	131,500
Retained earnings	814,390	903,310	932,902	959,403	1,061,154	1,204,314	1,374,971	1,440,206	1,513,210	1,581,983	1,529,432	1,465,109
Total stockholders' equity	945,890	1,034,810	1,064,402	1,090,903	1,192,654	1,335,814	1,506,471	1,571,706	1,644,710	1,713,483	1,660,932	1,596,609
Total liabilities and stockholders' equity	\$ 4,126,783	\$ 4,726,155	\$ 4,700,002	\$ 4,815,205	\$ 4,837,210	\$ 5,072,808	\$ 5,332,739	\$ 5,205,718	\$ 5,011,901	\$ 5,009,444	\$ 4,877,574	\$ 4,728,484

See accountants' compilation report and notes to projected financial statements and summary of significant projection assumptions and accounting policies.

DENNIS CORPORATION
PROJECTED STATEMENTS OF OPERATIONS
FOR THE PERIOD FROM
JANUARY 1, 2010 TO DECEMBER 31, 2010

	January	February	March	April	May	June	July	August	September	October	November	December	2010
	\$ 1,018,490	\$ 963,184	\$ 989,870	\$ 946,252	\$ 1,083,204	\$ 1,150,000	\$ 1,250,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 800,000	\$ 800,000	\$ 12,000,000
OPERATING REVENUE													
Automobile expense	18,042	18,179	27,877	22,780	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	286,878
Bad debt expense (recovery)	(23,423)	-	-	20,479	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	93,056
Bank service charges and fees	164	86	122	62	110	110	110	110	110	110	110	110	1,314
Contract labor	126,945	61,527	127,291	69,624	96,354	96,354	96,354	96,354	96,354	96,354	96,354	96,354	1,156,249
Contributions	3,725	8,540	14,750	16,500	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	131,515
Dues and subscriptions	1,712	9,057	2,475	10,227	5,868	5,868	5,868	5,868	5,868	5,868	5,868	5,868	70,415
Gifts	240	433	2,393	258	831	831	831	831	831	831	831	831	9,972
Insurance	54,481	28,099	26,803	30,407	34,947	34,947	34,947	34,947	34,947	44,947	44,947	44,947	524,366
Internet	1,351	1,143	909	1,388	1,198	1,198	1,198	1,198	1,198	1,198	1,198	1,198	14,375
Lab testing	8,484	19,134	7,021	16,785	12,856	12,856	12,856	12,856	12,856	12,856	12,856	12,856	154,272
Leased equipment	18,209	8,145	12,134	13,527	13,527	13,527	13,527	13,527	13,527	13,527	13,527	13,527	160,231
Marketing and advertising	3,850	4,250	4,248	4,577	4,577	4,577	4,577	4,577	4,577	4,577	4,577	4,577	53,541
Meals and entertainment	8,269	8,565	11,257	13,843	10,483	10,483	10,483	10,483	10,483	10,483	10,483	10,483	125,798
Miscellaneous expenses and fees	5,406	24,284	686	19,360	12,434	12,434	12,434	12,434	12,434	12,434	12,434	12,434	149,208
Office supplies	13,297	14,087	18,582	9,827	13,948	13,948	13,948	13,948	13,948	13,948	13,948	13,948	167,377
Payroll and related payroll taxes	491,648	403,816	482,742	431,781	443,781	443,473	423,473	423,473	413,473	413,473	413,473	433,473	5,218,079
Payroll fees	1,298	583	4,347	2,318	2,136	2,136	2,136	2,136	2,136	2,136	2,136	2,136	25,634
Postage and delivery	941	1,947	2,096	2,531	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	22,347
Printing and reproduction	3,797	4,471	11,025	3,718	5,753	5,753	5,753	5,753	5,753	5,753	5,753	5,753	69,035
Professional development			(356)	1,816	418	418	418	418	418	418	418	418	5,016
Professional fees	61,070	32,454	14,002	42,344	37,467	37,467	37,467	37,467	37,467	37,467	37,467	37,467	449,606
Repairs			-	-	-	-	-	-	-	250	250	250	1,000
Rent	45,508	40,622	39,130	52,128	47,024	47,024	47,024	47,024	47,024	47,024	47,024	47,024	553,580
Supplies	3,832	4,299	6,035	5,286	4,863	4,863	4,863	4,863	4,863	4,863	4,863	4,863	58,356
Taxes and licenses	1,888	11,276	17,834	9,155	9,155	9,155	9,155	9,155	9,155	9,155	9,155	9,155	109,862
Telephone and fax	1,496	22,747	10,920	11,144	11,576	11,576	11,576	11,576	11,576	11,576	11,576	11,576	138,915
Training and certification	6,990	5,415	8,942	13,103	8,612	8,612	8,612	8,612	8,612	8,612	8,612	8,612	103,346
Travel	23,096	29,967	21,882	15,570	22,628	22,628	22,628	22,628	22,628	22,628	22,628	22,628	271,539
Utilities	1,291	1,388	3,238	6,153	6,153	6,153	6,153	6,153	6,153	6,153	6,153	6,153	61,294
Operating expenses	883,819	764,544	878,385	843,160	856,578	856,270	911,270	836,270	826,520	836,520	836,520	856,520	10,186,376
Net operating revenues over expenses	134,671	198,640	110,485	103,092	226,626	293,730	338,730	163,730	173,480	163,480	(36,520)	(56,520)	1,813,624
OTHER EXPENSE													
Interest expense	20,267	13,224	18,402	15,543	16,004	15,147	15,147	13,471	11,184	8,121	7,012	6,310	159,910
Depreciation	37,622	39,646	43,571	44,105	43,817	43,817	43,817	43,817	43,817	43,817	43,817	43,817	515,480
Total other expenses	57,889	52,870	61,973	59,648	59,821	59,042	58,964	56,788	53,801	50,738	49,629	48,927	670,090
Income (loss) before income taxes (credits)	76,782	145,770	48,512	43,444	166,805	234,688	279,766	106,942	119,679	112,742	(86,149)	(105,447)	1,143,534
PROVISION (CREDIT) FOR INCOME TAXES													
Net income (loss)	29,945	56,850	18,920	16,943	65,054	91,528	109,109	41,707	46,675	43,969	(33,598)	(41,124)	445,978
Net income (loss)	46,837	88,920	29,592	26,501	101,751	143,160	170,657	63,235	73,004	68,773	(52,551)	(64,323)	697,556
RETAINED EARNINGS, BEGINNING OF PERIOD	767,553	814,390	903,310	932,902	959,403	1,061,154	1,204,314	1,374,971	1,440,206	1,513,210	1,581,983	1,529,432	767,553
RETAINED EARNINGS, END OF PERIOD	\$ 814,390	\$ 903,310	\$ 932,902	\$ 959,403	\$ 1,061,154	\$ 1,204,314	\$ 1,374,971	\$ 1,440,206	\$ 1,513,210	\$ 1,581,983	\$ 1,529,432	\$ 1,465,109	\$ 1,465,109

See accountants' compilation report and notes to projected financial statements and summary of significant projection assumptions and accounting policies.

