SECTION 00 4100
BID FORM

THE PROJECT AND THE PARTIES

1.01 TO: The City of Seguin **(Owner)**

Bid Package No. AF-2024-36

1.02 FOR: Lawson Street Reconstruction Project **(Project)**

1.03 DATE: 07/30/2024 **(Bidder to enter date)**

1.04 SUBMITTED BY: (Bidder to enter name and address)

A. Company Name: E-Z Bel Construction, LLC

1. Address: 203 Recoleta Road
2. City, State, Zip: San Antonio, TX 78216
3. The Undersigned proposes to furnish all labor, services, materials, tools and necessary equipment for the construction of various improvements and to perform the work required at the locations set out by the Plans and Specifications, in strict accordance with the Contract Documents.
4. In submitting this Bid, it is understood that this Bid may not be altered or withdrawn for a minimum of 90 calendar days, and that the Owner has reserved the right to reject any and all Bids.
5. The Undersigned certifies that this Bid is made in good faith, without collusion or connection with any other person, persons, partnership, company, firm, association, or corporation offering Bids on this work, for the following sum or prices to wit:

1.05 DECLARATION

A. The undersigned hereby declares that he has visited the site and has carefully examined the Drawings, Specifications, Contract Documents and Bidding Documents related to the work covered by his Bid.

1.06 OFFER

A. Having examined the Place of The Work and all matters referred to in the Instructions to Bidders and the Contract Documents for the above mentioned project, we, the undersigned, hereby offer to enter into a Contract to perform the Work for the Unit Prices listed in this bid form of:

B. Bid Amount:

1. SUBTOTAL - ROADWAY AND DRAINAGE ITEMS in Base Bid:

One Million Two Hundred Eighty-Nine Thousand Six Hundred Sixty-Four dollars and Eight-Five Cents ($ 1,289,664.85), in lawful money of the United States of America.

2. **SUBTOTAL - WATER ITEMS** in Base Bid:

One Hundred Eighteen Thousand Seven Hundred Seventy-Five dollars and Zero Cents
($ 118,775.00), in lawful money of the United States of America.

3. **SUBTOTAL - SANITARY SEWER ITEMS** in Base Bid:

Four Hundred Thirty-Six Thousand Eight Hundred Seventy-Two dollars and Thirty-Five Cents
($ 436,872.35), in lawful money of the United States of America.

4. **TOTAL AMOUNT in Base Bid:**

One Million Eight Hundred Forty-Five Thousand Two Hundred Ninety-Two **dollars** and Twenty Cents
($ 1,845,292.20), in lawful money of the United States of America.

5. **TOTAL AMOUNT in Additive Alternate 1:**

Seventy-One Thousand Six Hundred Eighty-One **dollars** and Fifty-Four Cents
($ 71,681.54), in lawful money of the United States of America.

6. **GRAND TOTAL = Base Bid + Additive Alternate 1:**

One Million Nine Hundred Sixteen Thousand Nine Hundred Seventy-Three **dollars** and Seventy-Four Cents
($ 1,916,973.74), in lawful money of the United States of America.

C. We have included the required security Bid Bond as required by the Instruction to Bidders.

1.07 ACCEPTANCE

A. This offer shall be open to acceptance and is irrevocable for sixty days from the bid closing date.

B. If this bid is accepted by Owner within the time period stated above, we will:
   1. Execute the Agreement within seven (7) days of receipt of Notice of Award or acceptance of this bid.
   2. Furnish the required bonds within seven (7) days of receipt of Notice of Award or acceptance of this bid.
   3. Commence work within 90 days after written Notice to Proceed or acceptance of this bid.

C. If this bid is accepted within the time stated, and we fail to commence the Work or we fail to provide the required Bond(s), the security deposit shall be forfeited as damages to Owner by reason of our failure, limited in amount to the lesser of the face value of the security deposit or the difference between this bid and the bid upon which a Contract is signed.

D. In the event our bid is not accepted within the time stated above, the required security deposit shall be returned to the undersigned, in accordance with the provisions of the Instructions to Bidders; unless a mutually satisfactory arrangement is made for its retention and validity for an extended period of time.

1.08 CONTRACT TIME

A. If this Bid is accepted, we will complete the Work in **180 calendar days** from Notice to Proceed or acceptance of this bid. Completion time includes days for adverse weather conditions and holidays.

B. Reference Supplemental Conditions to Bidding Requirements for established construction schedule, payment retainage, liquidated damages, etc.

1.09 CHANGES TO THE WORK

A. When Owner establishes that the method of valuation for Changes in the Work will be net cost plus a percentage fee in accordance with General Conditions, our percentage fee will be:

1. 10% overhead and profit on the net cost of our own Work;
2. 5% on the cost of work done by any Subcontractor.

B. On work deleted from the Contract, our credit to Owner shall be Engineer-approved net cost plus 10% of the overhead and profit percentage noted above.

1.10 ADDENDA

A. The following Addenda have been received. The modifications to the Bid Documents noted below have been considered and all costs are included in the Bid Price. (Bidder may add lines)

1. Addendum # 1 Dated 07/24/2024. RH
2. Addendum # ______ Dated ______________.

1.11 BID FORM SUPPLEMENTS

A. The following Supplements are attached to this Bid Form and are considered an integral part of this Bid Form:

1. Document 00 4322 - Unit Prices Form: Include a listing of unit prices specifically requested by Contract Documents.
2. Document 00 4336 - Proposed Subcontractors Form: Include the names of all Subcontractors and the portions of the Work they will perform.
3. Document 00 4373 - Proposed Schedule of Values Form identifies the Bid Sum segmented into portions as requested.

B. Bonds:

1. Payment and performance bonds running to the Owner pursuant to Article 1.02, INSTRUCTION FOR BIDDERS.
   a. Premium: 1% of the Total Bid Amount
   b. Name and Address of Surety:

1) HCDT Insurance Agency
2) 2161 NW Military Hwy., Suite 210, San Antonio, Texas 78213

C. Insurance
1. Insurance pursuant to Article 1.16, INSTRUCTION FOR BIDDERS (show normal coverage).
a. Workmen's Compensation Insurance complying with the laws of the state:
1) Carrier: Zurich American Insurance Company
b. Employer's Liability Insurance:
1) Carrier: Zurich American Insurance Company
2) $1,000,000/$1,000,000/$1,000,000
c. Comprehensive General Liability and Property Damage Insurance:
1) Carrier: Zurich American Insurance Company
2) $1,000,000 per occurrence / $2,000,000 aggregate
d. Comprehensive Automobile Liability and Property Damage Insurance:
1) Carrier: Zurich American Insurance Company
2) $1,000,000 Combined Single Limit – Bodily Injury and Property Damage

1.12 KEY PERSONNEL

A. Name of the proposed Project Manager: Taylor Rodriguez

B. Name of the proposed Site Superintendent: Frank Mendoza

1.13 ASSURANCES

A. The Undersigned affirms that it is duly authorized to submit this bid, that this bid has not been prepared in collusion with any other bidder, and that the content of this bid as to prices, terms, or conditions of said bid has not been communicated to any other bidder prior to the official opening of this bid.

B. The Undersigned certifies that pursuant to Section 2270.002 of the Texas Government Code, Bidder does not boycott Israel and will not boycott Israel during the term of the contract resulting from this solicitation.

C. The Undersigned certifies that pursuant to S.B 19, Bidder does not boycott energy companies and will not boycott energy companies during the term of the contract.

D. The Undersigned certifies that pursuant to S.B. 13, Bidder does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and will not discriminate during the term of the contract against a firearm entity or firearm trade association.

1.14 BID FORM SIGNATURE(S)

A. The Corporate Seal of

1. E-Z Bel Construction, LLC
2. (Bidder - print the full name of your firm)

B. was hereunto affixed in the presence of:

1. Stephen Park, Chief Executive Officer
2. (Authorized signing officer, Title)
3. (Seal)
4. Randy Hood, Chief Operating Officer
5. (Authorized signing officer, Title)
(Seal)

END OF SECTION

SECTION 00 4322
UNIT PRICES FORM

PARTICULARS

1.01 The following is the list of Unit Prices referenced in the bid submitted by:

1.02 (Bidder) E-Z Bel Construction, LLC

1.03 To (Owner): The City of Seguin

1.04 Dated: 07/30/2024 and which is an integral part of the Bid Form.

1.05 THE FOLLOWING ARE UNIT PRICES FOR SPECIFIC PORTIONS OF THE WORK AS LISTED, AND ARE APPLICABLE TO AUTHORIZED VARIATIONS FROM THE CONTRACT DOCUMENTS.

UNIT PRICE LIST

2.01 Base Bid

Item No.	Spec Item	Item Description	Unit	Quantity	Unit Price	Item Value
ROADWAY AND DRAINAGE ITEMS						
1	100 6002	PREPARING ROW	STA	12	$ 4,200.00	$ 50,400.00
2	104 6009	REMOVING CONC (RIPRAP)	SY	280	$ 12.50	$ 3,500.00
3	104 6044	REMOVING CONC (FLUME)	SY	60	$ 13.50	$ 810.00
4	105 6008	REMOVING STAB BASE AND ASPH PAVE (6")	SY	2551	$ 4.50	$ 11,479.50
5	110 6001	EXCAVATION (ROADWAY)	CY	3637	$ 20.00	$ 72,740.00
6	110 6002	EXCAVATION (CHANNEL)	CY	867	$ 23.50	$ 20,374.50
7	132 6008	EMBANKMENT (FINAL) (DENS CONT) (TY D)	CY	272	$ 3.50	$ 952.00
8	160 6003	FURNISHING AND PLACING TOPSOIL (4")	SY	3712	$ 3.50	$ 12,992.00
9	162 6002	BLOCK SODDING	SY	3712	$ 6.50	$ 24,128.00
10	164 6055	BONDED FBR MTRX SEE (TEMP) (WARM)	SY	3712	$ 1.80	$ 6,681.60
11	164 6056	BONDED FBR MTRX SEE (TEMP) (COOL)	SY	3712	$ 1.80	$ 6,681.60
12	168 6001	VEGETATIVE WATERING	MG	84	$ 70.00	$ 5,880.00
13	260 6004	LIME (QUICKLIME (DRY))	TON	85	$ 1.00	$ 85.00
14	260 6073	LIME TRT (SUBGRADE) (8")	SY	5775	$ 11.50	$ 66,412.50
15	360 6003	CONC PVMT (CONT REINF-CRCP) (9")	SY	5119	$ 120.00	$ 614,280.00
16	432 6002	RIPRAP (CONC) (5 IN)	CY	76	$ 1,050.00	$ 79,800.00
17	462 6001	CONC BOX CULV (3FT X 2FT)	LF	225	$ 425.00	$ 95,625.00
18	465 6006	JCTBOX (COMPL)(PJB) (4FTX4FT)	EA	1	$ 11,800.00	$ 11,800.00
19	465 6233	INLET (COMP) (TY SIDEWALK BRIDGE)	EA	2	$ 3,100.00	$ 6,200.00
20	467 6105	SET (TY 1) (S=3FT) (HW=3FT) (3:1) (P)	EA	1	$ 2,400.00	$ 2,400.00
21	467 6110	SET (TY 1) (S=3FT) (HW=3FT) (6:1) (P)	EA	5	$ 2,400.00	$ 12,000.00
22	496 6004	REMOVE STR (SET)	EA	4	$ 1.00	$ 4.00

Item No.	Spec Item	Item Description	Unit	Quantity	Unit Price	Item Value
23	496 6007	REMOVE STR (PIPE)	LF	38	$ 1.00	$ 38.00
24	500 6001	MOBILIZATION	LS	1	$ 60,000.00	$ 60,000.00
25	502 6001	BARRICADES, SIGNS AND TRAFFIC HANDLING	LS	1	$ 5,000.00	$ 5,000.00
26	506 6002	ROCK FILTER DAMS (INSTALL) (TY 2)	LF	22	$ 51.00	$ 1,122.00
27	506 6011	ROCK FILTER DAMS (REMOVE)	LF	22	$ 11.00	$ 242.00
28	506 6020	CONSTRUCTION EXITS (INSTALL) (TY 1)	SY	112	$ 20.55	$ 2,301.60
29	506 6024	CONSTRUCTION EXITS (REMOVE)	SY	112	$ 5.90	$ 660.80
30	506 6038	TEMP SEDMT CONT FENCE (INSTALL)	LF	1,319	$ 3.75	$ 4,946.25
31	506 6039	TEMP SEDMT CONT FENCE (REMOVE)	LF	1,319	$ 0.50	$ 659.50
32	529 6005	CONC CURB (TY II) (MONO)	LF	2,098	$ 10.00	$ 20,980.00
33	531 6001	CONC SIDEWALKS (4")	SY	418	$ 84.00	$ 35,112.00
34	531 6004	CURB RAMPS (TY 1)	EA	1	$ 2,400.00	$ 2,400.00
35	531 6005	CURB RAMPS (TY 2)	EA	3	$ 2,000.00	$ 6,000.00
36	636 6001	ALUMINUM SIGNS (TY A)	SF	19	$ 45.00	$ 855.00
37	644 6027	IN SM RD SN SUP&AM TYS80(1) SA(P)	EA	2	$ 950.00	$ 1,900.00
38	662 6067	WK ZN PAV MRK REMOV (W) 6" (SLD)	LF	1015	$ 1.00	$ 1,015.00
39	666 6048	REFL PAV MARK TY I (W) 24" (SLD) (100 MIL)	LF	54	$ 10.00	$ 540.00
40	666 6309	RE PM W/RET REQ TY I (W) 6" (SLD) (100 MIL)	LF	1,406	$ 2.25	$ 3,163.50
41	666 6319	RE PM W/RET REQ TY I (Y) 6" (SLD) (100 MIL)	LF	786	$ 2.25	$ 1,768.50
42	677 6001	ELIM EXT PAV MRK & MRKS (4")	LF	1,015	$ 1.00	$ 1,015.00
43	COSA503.1	PORTLAND CEMENT CONC DRIVEWAY (RESIDENTIAL)	SY	86	$ 95.00	$ 8,170.00
44	COSA503.2	PORTLAND CEMENT CONC DRIVEWAY (COMMERCIAL)	SY	250	$ 95.00	$ 23,750.00
45	COSA522.1	SIDEWALK PIPE RAILING	LF	56	$ 50.00	$ 2,800.00
					SUBTOTAL – ROADWAY AND DRAINAGE ITEMS	$ 1,289,664.85
WATER ITEMS						
46	SAWS 818	12" WATER PIPE, C900 DR18	LF	85	$ 165.00	$ 14,025.00
47	SAWS 818	6" WATER PIPE, C900 DR18	LF	157	$ 90.00	$ 14,130.00
48	SAWS 828	12" GATE VALVE	EA	1	$ 10,800.00	$ 10,800.00
49	SAWS 831	12"X16" TEE	EA	1	$ 9,500.00	$ 9,500.00
50	SAWS 832	16" X 12" TAPPING SLEEVE	EA	1	$ 11,000.00	$ 11,000.00
51	SAWS 832	16" X 6" TAPPING SLEEVE	EA	1	$ 8,300.00	$ 8,300.00
52	SAWS 834	FIRE HYDRANT ASSEMBLY	EA	3	$ 15,000.00	$ 45,000.00
53	SAWS 841	HYDROSTATIC TESTING	EA	3	$ 2,000.00	$ 6,000.00
					SUBTOTAL – WATER ITEMS	$ 118,775.00

Item No.	Spec Item	Item Description	Unit	Quantity	Unit Price	Item Value
SANITARY SEWER ITEMS						
54	SAWS 550	TRENCH EXCAVATION PROTECTION	LF	1,165	$ 1.00	$ 1,165.00
55	SAWS 848	18" SEWER PIPE, PVC D3034 SDR26	LF	1,165	$ 145.00	$ 168,925.00
56	SAWS 852	5' PRECAST MANHOLES (DEPTH GREATER THAN 6')	VF	96.2	$ 2,000.00	$ 192,400.00
57	SAWS 854	LONG SEWER CONNECTIONS (6" PVC, SDR 26)	EA	1	$ 10,000.00	$ 10,000.00
58	SAWS 854	DEAD-END CLEANOUT	EA	1	$ 1,200.00	$ 1,200.00
59	SAWS 858	SANITARY SEWER ENCASEMENT (FLOWABLE FILL)	LF	122	$ 40.00	$ 4,880.00
60	SAWS 862	ABANDONMENT OF EXISTING 12" SANITARY SEWER MAIN	LF	928	$ 10.00	$ 9,280.00
61	SAWS 862	ABANDONMENT OF EXISTING MANHOLE	EA	2	$ 2,000.00	$ 4,000.00
62	SAWS 862	EXISTING MANHOLE REMOVAL	EA	3	$ 2,000.00	$ 6,000.00
63	SAWS 862	EXISTING 12" SEWER MAIN REMOVAL	LF	192	$ 10.00	$ 1,920.00
64	SAWS 864-S2	SMALL DIAMETER – BYPASS PUMPING SYSTEM	EA	1	$ 30,000.00	$ 30,000.00
65	SAWS 866	SEWER MAIN PRE-TELEVISING	LF	928	$ 3.95	$ 3,665.60
66	SAWS 866	SEWER MAIN POST-TELEVISING	LF	1,165	$ 2.95	$ 3,436.75
					SUBTOTAL – SANITARY SEWER ITEMS	$ 436,872.35

2.02 Additive Alternate 1

Item No.	Spec Item	Item Description	Unit	Quantity	Unit Price	Item Value
ROADWAY ITEMS						
1	162 6002	BLOCK SODDING	SY	-702	$ 6.38	$ -4,478.76
2	164 6055	BONDED FBR MTRX SEE (TEMP) (WARM)	SY	-702	$ 1.80	$ -1,263.60
3	164 6056	BONDED FBR MTRX SEE (TEMP) (COOL)	SY	-702	$ 1.80	$ -1,263.60
4	168 6001	VEGETATIVE WATERING	MG	-16	$ 70.00	$ -1,120.00
5	260 6004	LIME (QUICKLIME (DRY))	TON	85	$ 1.00	$ 85.00
6	260 6073	LIME TRT (SUBGRADE) (8")	SY	741	$ 11.50	$ 8521.50
7	360 6003	CONC PVMT (CONT REINF-CRCP) (9")	SY	667	$ 115.00	$ 76,705.00
8	432 6002	RIPRAP (CONC) (5 IN)	CY	-4	$ 1,050.00	$ -4,200.00
9	500 6001	MOBILIZATION	LS	1	$ 1.00	$ 1.00
10	502 6001	BARRICADES, SIGNS AND TRAFFIC HANDLING	LS	1	$ 1.00	$ 1.00

Item No.	Spec Item	Item Description	Unit	Quantity	Unit Price	Item Value
11	529 6005	CONC CURB (TY II) (MONO)	LF	-15	$ 10.00	$ -150.00
12	531 6001	CONC SIDEWALKS (4")	SY	-9	$ 84.00	$ -756.00
13	531 6004	CURB RAMPS (TY 1)	EA	-1	$ 2,400.00	$ -2,400.00
14	531 6005	CURB RAMPS (TY 2)	EA	1	$ 2,000.00	$ 2,000.00
					TOTAL – ADDITIVE ALTERNATE 1	$ 71,681.54

END OF SECTION

SECTION 00 4336

PROPOSED SUBCONTRACTORS FORM

PARTICULARS

1.01 Herewith is the list of proposed Subcontractors referenced in the bid submitted by:

1.02 (Bidder) E-Z Bel Construction, LLC

1.03 To (Owner): The City of Seguin

1.04 Dated: 07/30/2024 **and which is an integral part of the Bid Form.**

1.05 The following work is proposed to be performed (or provided) by Subcontractors and coordinated by us:

LIST OF SUBCONTRACTORS

2.01 WORK SUBJECT SUBCONTRACTOR NAME, LOCATION, & CONTACT INFORMATION

2.02 Barricades, Striping, and Signs, Highway Infrastructure, Bill Meloni

2.03 Hauling, Bobcat Trucking, Holly Hayes

2.04 SWPPP and Landscape, AK Fuquay, Jon Ellis

2.05 Testing, Arias, Gary Quintanilla

2.06 ....

2.07 ....

2.08 ....

2.09 ....

2.10 ....

2.11 ....

2.12 ....

END OF SECTION

BID BOND

KNOW ALL MEN BY THESE PRESENTS:

That E-Z Bel Construction, LLC Contractor, as Principal,
and Travelers Casualty and Surety Company of America as Surety,
are held and firmly bound unto City of Seguin , Texas, herein called Owner, in the
sum of $ 5% (Figure)
Five Percent of the Largest Total Amount of the Bid (Written Form)
(not less than 5 percent of the largest total amount of the bid)
for the payment of which sum, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.
WHEREAS, said Principal has submitted a Bid to said Owner to perform the Work required under the Bidding Schedule(s) of the Owner's Contract Documents entitled:

LAWSON STREET RECONSTRUCTION PROJECT
RFQ No. AF-2024-36
TxRBF Grant No. 2022-01

NOW THEREFORE, if said Principal is awarded a contract by said Owner, and, within the time, and in the manner required in the Notice Inviting Bids and the Instructions to Bidders, enters into a written Agreement on the form of agreement bound with said Contract Documents, furnishes the required Certificates of Insurance, and furnishes the required Performance Bond and Payment Bond, then this obligation shall be null and void, otherwise it shall remain in full force and effect. In the event suit is brought upon this bond by said Owner and Owner prevails, said Surety shall pay all costs incurred by said Owner in such suit, including a reasonable attorney's fee to be fixed by the court.

SIGNED AND SEALED, this 30th day of July, 20 24.

Brandon Zientek
(Witness)

E-Z Bel Construction, LLC *(Seal)*
(Principal)

(Title) Randy Hood, Chief Operating Officer

(Witness)

Travelers Casualty and Surety Company of America *(Seal)*
(Surety)
Paul W Poettgen
(Title) Paul W. Poettgen, Attorney in Fact

TRAVELERS	Travelers Casualty and Surety Company of America Travelers Casualty and Surety Company St. Paul Fire and Marine Insurance Company

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **Paul W. Poettgen** of **SAN ANTONIO**, **Texas**, their true and lawful Attorney(s)-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **21st** day of **April, 2021.**

State of Connecticut

City of Hartford ss.

By: Robert L. Raney, Senior Vice President

On this the **21st** day of **April, 2021**, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of each of the Companies, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Companies by himself as a duly authorized officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June, 2026**

Anna P. Nowik, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of each of the Companies, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of each of the Companies, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this 30th day of July, 2024.

Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney(s)-in-Fact and the details of the bond to which this Power of Attorney is attached.

Appendix II to Part 200 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

(A) Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) All contracts in excess of $10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended - Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(H) Debarment and Suspension (Executive Orders 12549 and 12689) - A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) - Contractors that apply or bid for an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(J) Procurement of recovered materials (§ 200.323) - A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

(K) Prohibition on certain telecommunications and video surveillance services or equipment (§200.216)

(a) Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

(1) Procure or obtain;

(2) Extend or renew a contract to procure or obtain; or

(3) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

(i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

(ii) Telecommunications or video surveillance services provided by such entities or using such equipment.

(iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

(b) In implementing the prohibition under Public Law 115-232, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.

(c) See Public Law 115-232, section 889 for additional information.

(d) See also § 200.471.

(L) (§ 200.322) Domestic preferences for procurements –

(a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

(b) For purposes of this section:

(1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

(2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

I have read, understand, and agree to comply with the Federal Affirmations specified above. Checking "YES" indicates acceptance, while checking "NO" denotes non-acceptance.

YES X NO ______

Authorized Signature: [signature]

Printed Name and Title: Randy Hood, Chief Operating Officer

Respondent's Tax ID: 74-1894400 Telephone: 210-736-6595

If Respondent is a Corporation or other legal entity, please attach a corporate resolution or other appropriate official documentation that states that the person signing this Solicitation Response is an authorized person to sign for and legally bind the corporation or entity.

FEDERAL AFFIRMATIONS AND SOLICITATION ACCEPTANCE

In the event federal funds are used for payment of part or all of the consideration due under any contract resulting from this Solicitation Response, Respondent must execute this **Federal Affirmation and Solicitation Acceptance**, which shall constitute an agreement, without exception, to the following affirmations:

1. **Debarment and Suspension (2 CFR 180.220)**
   Respondent certifies, by signing this Attachment, that neither it nor any of its principals or subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the OMB guidelines at 2 CFR 180 that implement Executive Order 12549 (3 C.F.R. Part 1986 Comp., p. 189) and 12689 (3 C.F.R. Part 1989 Comp., p. 235), Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

2. **Americans with Disabilities Act**
   Respondent and any potential subcontractors shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program- specific regulations.

3. **Discrimination**
   Respondent and any potential subcontractors shall comply with all Federal statutes relating to nondiscrimination. These include, but are not limited to:
   a. Title VI of the Civil Rights Act of 1964 (P.L. 88-352), which prohibits discrimination on the basis of race, color, or national origin;
   b. Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex;
   c. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps;
   d. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101- 6107), which prohibits discrimination on the basis of age;
   e. The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse;
   f. The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
   g. Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records;
   h. Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental, or financing of housing;
   i. Any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and
   j. The requirements of any other nondiscrimination statute(s) that may apply to the application.

4. **Equal Employment Opportunity**
   Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

5. **Wages**
   Under the Davis Bacon Act, 40 U.S.C. 276a – 276a-5 (40 U.S.C. 3141-3148), as amended, and the regulations adopted thereunder contained in 29 C.F.R. pt. 1 and 5. When required by Federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-Federal entities must include a provision for compliance with the

Davis-Bacon as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). Respondent and any potential subcontractors have a duty to and shall pay the prevailing wage rate specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

6. **Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708)**
Where applicable, all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

7. Contracts for more than the simplified acquisition threshold currently set at $150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

8. All contracts in excess of $10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be affected and the basis for settlement.

9. **Lobbying**
If Respondent, in connection with any resulting contract from this Solicitation, is a recipient of a Federal contract, grant, or cooperative agreement exceeding $100,000 or a Federal loan or loan guarantee exceeding $150,000, the Contractor shall comply with the requirements of the new restrictions on lobbying contained in Section 1352, Title 31 of the U.S. Code, which are implemented in 15 CFR Part 28. Respondent shall require that the certification language of Section 1352, Title 31 of the U.S. Code be included in the award documents for all subcontracts and require that all subcontractors submit certification and disclosure forms accordingly. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

10. **Rights to Inventions Made Under a Contract or Agreement**
If the Federal award meets the definition of "funding agreement" under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

11. **Minority and Women's Businesses**
Respondent and any potential subcontractors shall take affirmative steps to assure that minority and women's businesses are utilized when possible as sources of supplies, equipment, construction, and services, as detailed in the federal requirements relating to minority and women's business enterprises: Executive Order 11625 of October 13, 1971, 36 Fed. Reg. 19967, as amended by Executive Order No. 12007 of August 22, 1977, 42 Fed. Reg. 42839; Executive Order No. 12432 of July 14, 1983, 48 Fed. Reg., 32551; and Executive Order No. 12138 of May 18, 1979, 44 Fed. Reg. 29637.

12. Environmental Standards

Respondent and any potential subcontractors shall comply with environmental standards that may be prescribed pursuant to the following:

a. Institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514;
b. Notification of violating facilities pursuant to EO 11738;
c. Protection of wetlands pursuant to EO 11990;
d. Evaluation of flood hazards in floodplains in accordance with EO 11988;
e. Assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.);
f. Conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C.§§7401 et seq.);
g. Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
h. Protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and
i. Protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
j. Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201).
k. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded
    - $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

13. Historic Properties

Respondent and any potential subcontractors shall assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

14. All Other Federal Laws

Respondent and any potential subcontractors shall comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing the Solicitation.

I have read, understand, and agree to comply with the Federal Affirmations specified above. Checking "YES" indicates acceptance, while checking "NO" denotes non-acceptance.

YES__X__ NO______

Authorized Signature: __________

Printed Name & Title: Randy Hood, Chief Operating Officer

Respondent's Tax ID: 74-1894400 Telephone: 210-736-6595

If Respondent is a Corporation or other legal entity, please attach a corporate resolution or other appropriate official documentation that states that the person signing this Solicitation Response is an authorized person to sign for and legally bind the corporation or entity.

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

Complete Nos. 1 - 4 and 6 if there are interested parties. Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.	**OFFICE USE ONLY** **CERTIFICATION OF FILING**
1 **Name of business entity filing form, and the city, state and country of the business entity's place of business.** E-Z Bel Construction, LLC San Antonio, TX United States	**Certificate Number:** 2024-1193855 **Date Filed:** 07/30/2024
2 **Name of governmental entity or state agency that is a party to the contract for which the form is being filed.** City of Seguin	**Date Acknowledged:**

3 **Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.**

RFQ No. AF-2024-36
LAWSON STREET RECONSTRUCTION PROJECT

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary
Park, Stephen	San Antonio, TX United States	X	
Hood , Randy	San Antonio, TX United States	X	
Wright, Tom	San Antonio, TX United States	X	
Rodriguez De Alba, Monica	San Antonio, TX United States	X	

5 **Check only if there is NO Interested Party.** ☐

6 **UNSWORN DECLARATION**

My name is Randy Hood, and my date of birth is 04/05/1979.

My address is 203 Recoleta Road (street), San Antonio (city), TX (state), 78216 (zip code), United States (country).

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Bexar County, State of Texas, on the 30th day of July (month), 20 24 (year).

ALEXIS BOYD
My Notary ID # 132768478
Expires November 6, 2024
NOTARY PUBLIC STATE OF TEXAS

Signature of authorized agent of contracting business entity
(Declarant)

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 **Name of vendor who has a business relationship with local governmental entity.**

E-Z Bel Construction, LLC

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information is being disclosed.**

Not Applicable

Name of Officer

4 **Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.**

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☒ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes ☒ No

5 **Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.**

Not Applicable - E-Z Bel Construction, LLC has no Conflict of Interests to disclose.

6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

Randy Hood, Chief Operating Officer

Signature of vendor doing business with the governmental entity

July 30th, 2024

Date

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

<u>Local Government Code § 176.001(1-a)</u>: "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

<u>Local Government Code § 176.003(a)(2)(A) and (B):</u>

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

***

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

<u>Local Government Code § 176.006(a) and (a-1)</u>

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

Taylor Dunn Rodriguez

203 Recoleta • San Antonio, Texas 78216 • Phone: (210) 391-0904 • E-Mail: trodriguez@ezbel.com

Objective

Dedicated full time Division Manager procuring and completing work contracts for E-Z Bel Construction, LLC including increasing construction and retention capabilities of company's divisions as a whole through interdepartmental management. Areas of expertise include moderate scale roadway reconstruction, traffic/fiber and illumination/signalization, SAWS/COSA/CPS/Private underground utilities, and concrete flatwork/structure construction.

Experience

E-Z Bel Construction, LLC May 2016 – March 2021 / Sept. 2021 - Current

Local San Antonio area general contractor/subcontractor for private and public civil projects. Owners include COSA, Texas Department of Transportation, Bexar County, SAWS, CPS, Verizon, other General Contractors, and local municipalities/agencies. Primary responsibilities and functions are as follows:

Streets & Utilities - Division Manager September 2021-Current

- Manage through project teams 8-16 projects at one time within operations and estimating ranging from 96K to 19+M, including field management responsibilities, quality control, quantity management, subcontractor management, supplier management, and overall TCP in project zones with all in house and subcontracted services
- Manage estimates from all sources of work, including budget finalization and actualization to WIP including contract execution and retainage release finalization
- Ensure long term growth and stabilization of Streets and Utilities Division (65% of company's revenue) through equipment procurement/utilization/management, team hiring/promotion/training, and contracted work completion
- Manage accounting software "Viewpoint Spectrum" integration into company wide utilization, starting 9/20/22, including full recoding of all current WOH, payroll coding management, training of 12+ operations/estimating/accounting staff members, and refinement of equipment job cost structure through monthly reconciliations and interdepartmental discussions with appropriate personnel
- Integrate all modifications from all departments to ensure proper job cost structuring

Traffic Signals Division Manager/Project Manager/Estimator August 2018-March 2021

- Manage 30-40 projects at one time and entire Traffic Signals Division. Workforce consisted of three Superintendents, two project coordinators, one assistant project manager, ten utility crews, one drill crew, and one inventory manager
- Increased revenue 70% from 2018 to 2021. Increased margin to over 31% from 2018 to 2021
- Working hours 6 AM to 6 PM Monday through Friday, Weekends and Nights as Needed based on project requirements/locations as far as Uvalde, TX/Kerville + Ingram, TX
- Contract management including new contract acquisition, current contract/project completions, and all preconstruction/closeout activities from subcontract issuance to retainage release submission

Lead Estimator May 2016-August 2018

- Formulate estimate from project discovery to final submission, complete with all takeoffs, quote requests and analysis, gross margin review, hours reports, and pay item pricing through HCSS Heavy Bid and if needed Excel or Timberline
- Create project schedules utilizing Primavera P6 and Microsoft Project to determine contract length and feasibility of available resources
- Track every project that comes through estimating utilizing excel log to determine available market share, past performance, projects bidding, bid, currently open, and awarded, by estimator, owner, and division (core and signals)
- Utilize above log to create current jobs list utilized companywide by accounting, Human Resources, and production for pertinent job information such as retainage %, location, and project team, along with job numbering
- Turnover projects from estimating to production, along with project budget to accounting, special provisions to Human Resources, and crew utilization to Vice President, complete with supplier buy out and subcontract negotiation
- Daily collaboration and work in conjunction with President, Chief Estimator, Vice President, Project Managers, and Superintendents to formulate realistic cost estimates of projects bidding
- Establish new client relations, maintain current client and subcontractor relations, identify areas of market to penetrate for increased market share/margin

Supervisors: Michael R. Rodriguez, Ishmael Garcia, Randy Hood, & Stephen Park

WPM Construction March 2021 – September 2021

- Project Manager
- Managed field operations for Project STAR, consistently managed 4 utility crews, 1 concrete crew, multiple subcontractors, and several other projects around East San Antonio with General Contractors (SUNDT, YATES, ZACHRY, DPR, WHITING TURNER,SKANSKA, PRIVATE OWNERS).
- Management of large scale utility products ordering with suppliers from submittal request to invoice approval
- Crew management including onboarding and termination of all field employees associated with Project STAR
- Large scale roadway reconstruction project pay estimate management

Supervisors: Michael Koch, Pedro Aragon

Building Tech Team, LLC April 2016-May 2016

- General Associate
- HVAC inspection, testing, and reporting

Supervisor: Phillip A. Guajardo, PE

Byrom Cattle Co. June 2012 – January 2017

- General associate
- Maintenance of tractor and implements
- Fence building, hay hauling, cattle work, etc. as required to maintain cattle ranch

Supervisor: Dr. Keith Byrom

Education

Southwest High School August 2011 - June 2014
Texas A&M University- College Station August 2014 – May 2015

- 1 year, 24 credit hours completed
- GPA- 3.125 out of 4.00
- Courses included
  - Foundations of Engineering
  - Physical Geology
  - Physics for scientists and engineers

The University of Texas at San Antonio August 2015-May 2017

- Bachelors of Science in Construction Science and Management with a minor in Business Administration
- Multiple 4.0 Semesters
- Last two semesters were two 21-hour consecutive semesters while working two occupations, one part time and one full time
- Graduated with honors, Magna Cum Laude, number one in Construction Science Major with 3.75 GPA
- Completed undergraduate degree in 3 years, with no debt accumulation

Skills

- Ability to operate standard vehicles and tractors, mini excavators, pressure diggers (truck mounted drill rig), PCMS, Front End Loader, Track Dozer
- Able to convey information effectively verbally and in writing
- Highly detail oriented
- Ability to multitask and accomplish multiple concurrent projects

Training

- CPS jobsite "contractor passport" certified (safety around CPS energy equipment and infrastructure), 2017
- OSHA 30-hour certification, April 2016
- TRF-450, 100% exam score, August 2018
- Arbinger Institute Training
- Vistage Emerging Leaders Program 2019-completed
- FMI Training, 5 Sessions
- Vistage Advancing Leader Program 2021-current

FRANCISCO **MENDOZA**

FMENDOZA@EZBEL.COM

EXPERIENCE

OCTOBER 2022 – PRESENT

GENERAL SUPERINTENDENT, E-Z BEL CONSTRUCTION, LLC

Manages all superintendents and crews for the Street & Utilities Division, including coordinating phases of construction with superintendents and crews; this involves the effective planning and scheduling of material, equipment, and staffing needs to complete the project on time and within budget. Works with Division Manager, Project Managers, and Superintendents in the creation of a two week schedule and manages the overall productivity of the project, crews and subcontractors onsite.

JUNE 2016 – OCTOBER 2022

SUPERINTENDENT, E-Z BEL CONSTRUCTION, LLC

Manages all aspects of an assigned project, including coordinating all phases of construction; this involves the effective planning and scheduling of material, equipment and staffing needs in order to complete the project on time and within budget. Works with Project Manager in the creation of a two week schedule and manages the overall productivity of the project, crews and subcontractors onsite.

SEPTEMBER 2010 – JUNE 2016

SUPERINTENDENT, DEAN WORD LTD.

Manages all aspects of an assigned project, including coordinating all phases of construction; this involves the effective planning and scheduling of material, equipment and staffing needs in order to complete the project on time and within budget. Works with Project Manager in the creation of a two week schedule and manages the overall productivity of the project, crews and subcontractors onsite. Reported to Project Engineer and/or Vice President of Production on performance with the contract schedules.

SEPTEMBER 2004 – SEPTEMBER 2010

PARTY CHIEF SURVEYOR, DEAN WORD LTD.

Performs layouts for roads and bridges with horizontal and vertical alignments. Assisted concrete crews with alignment and grades and in understanding the procedure of construction. Helped project superintendent to plan and organize activities concerning the project.

EDUCATION

CERTIFICATE ON ACCOUNTING

SOUTH TEXAS COMMUNITY COLLEGE, 2003.

HIGH SCHOOL DIPLOMA

ROMA HIGH SCHOOL, 1997.

SKILLS

- Heart Saver First Aid, CPR, AED | American Heart Association | 10/9/2015 | Card.
- Storm Water Construction Inspector Workshop | SAWS | 11/12/2015 | Certificate.
- Confined Spaces in Construction | EGC, INC. | 1/16/2016 | Certificate & Card.
- CISEC | CISEC | 4/4/2016 | Certificate.
- Work Zone Safety Temporary Traffic Control | EGC/UT Arlington | 6/2/2016 | Certificate
- Management Leadership | ABC/NCCER | 6/7/2016 | Certificate.
- Asbestos Awareness | OSHA/CATTO & CATTO | 10/3/2016 | Certificate & Card.
- 8-H Competent Person Excavation & Trenching | EGC, INC. | 11/12/2016 | Certificate.
- OSHA 30 Hour | OSHA | 12/10/2016 | Card.
- Work Zone Traffic Control for Contractor's Responsible Person | TEEX | 4/19/2017 | Certificate.
- TRF450

E-Z BEL CONSTRUCTION, LLC
203 Recoleta
San Antonio, Texas 78216
Office: (210) 736 - 6595
Fax: (210) 735 - 1842

Current Jobs List

Job #	Job Name	CONTRACT AMOUNT	Prime/Sub	Project Owner
24-006	Tx Bx Blanco 270801033	$ 778,577.00	Prime	TXDOT
24-007	PEC-Florence Subs Pad Site	$ 1,815,700.00	Prime	Private & Other
24-011	CPS-Rafter Expansion	$ 628,286	Prime	CPS
24-014	Bitterblue-Emergency Barrier	$ 68,800.00	Prime	Private & Other
24-026	COSA MCP3 Brook Hollow	$ 447,829	Prime	COSA
24-029	TxDOT McLennan 0014-10-068	$ 787,787	Prime	TXDOT
24-036	City of Pflugerville-Heatherwilde Blvd and Settlers	$ 287,437	Prime	Cities Other than SA
24-045	Whiting Turner-Intercontinental Hotel	$ 148,740	Sub	Private & Other
22-0124032	Pape-Dawson-Borgfeld Drive and Kinder Parkway	$ 1,751,790	Prime	Private & Other
22-0214039	WGI-Victoria Commons	$ 1,647,056	Prime	Private & Other
22-0231010	COSA-South Gevers Street Drainage	$ 10,230,541	Prime	COSA
22-0311016	COSA-South Presa Street	$ 16,255,154.00	Prime	COSA
22-0326035	CPS-345 Howard Road Substation	$ 15,738,061.00	Prime	CPS
22-0415023	TxDOT-Comal-0016-10-025	$ 2,079,347.00	Prime	TXDOT
22-0415026	TxDOT-Bexar-0016-08-043	$ 1,884,493.00	Prime	TXDOT
23-0111049	COSA-Hamilton Wolfe Cycle Track	$ 5,043,985.00	Prime	COSA
23-0111050	COSA-Floyd Curl Drive	$ 7,859,489.00	Prime	COSA
23-0113012	Selma-Lookout Road Mt Crest	$ 1,319,548.00	Prime	Cities Other than SA
23-0125021	TxDOT-Dewitt-0839-04-013	$ 1,049,362.00	Prime	TXDOT
23-0125032	TxDOT-Gonzales-0913-22-016	$ 1,278,589.00	Prime	TXDOT
23-0125034	TxDOT-Victoria-1132-01-035	$ 2,595,422.00	Prime	TXDOT
23-0125037	TxDOT-Gonzales-0715-01-025	$ 6,351,465.00	Prime	TXDOT
23-0125058	TxDOT-Dewitt-0840-02-024	$ 2,141,122.00	Prime	TXDOT
23-0127045	Pulte McCrary Tract Bridge	$ 2,151,078.00	Sub	TXDOT
23-01GTC01	COSA-GTCTO-Midcrown	$ 524,496.00	Prime	COSA
23-01TMC01	COSA-MCP3-Commerce Bridge	$ 647,867.00	Prime	COSA
23-01TMC02	COSA-Commerce SA River	$ 1,520,935.00	Prime	COSA
23-01TMC04	COSA-M&S Cementitious Overlay	$ 699,045.00	Prime	COSA
23-01TMC06	CoSA NW Service Center SW	$ 143,319.00	Prime	COSA
23-01TMC08	CoSA MCP3 Historical Bridge	$ 602,728.00	Prime	COSA
23-01TMC16	CoSA MCP3 Castroville Ped Bridge Demo	$ 259,962.00	Prime	COSA
23-01TMC17	CoSA MCP3 Downtown Bridge	$ 792,505.00	Prime	COSA
23-0231048	CoSA Contessa Dr Drainage	$ 1,392,657.00	Prime	COSA
23-0234042	UHS Vida CH-Site Clearing	$ 7,716,021.00	Prime	Private & Other
23-0235031	TxDOT-Hays-SH123-0366-01-081	$ 2,331,672.00	Prime	TxDOT
23-0314036	Pape-Dawson-Borgfeld Turn Lanes TS	$ 944,739.00	Prime	Private & Other
23-0315033	TxDOT Hays US290 0113-07-072	$ 1,960,789.00	Prime	TXDOT
23-0316051	CPS-Crossroads Substation	$ 345,889.00	Prime	CPS
23-0326022	CPS Shaula Solar Switchyard	$ 6,298,660.00	Prime	CPS

23-0326040	CPS S0885 Scenic Loop Substation	$ 5,781,241.00	Prime	CPS
23-0326044	CPS Ingram Rd Substation	$ 3,389,476.00	Prime	CPS
23-0413039	City of New Braunfels 23-031 Intersection Improvements	$ 854,000.00	Prime	Cities Other than SA
23-0414028	Fasken-Talavera Camp Bullis	$ 572,553.00	Sub	Private & Other
23-0414041	Kencon-Compass Rose Dream Campus	$ 103,656	Sub	Private & Other
23-0414052	Santikos UTSA and UTEX TS	$ 147,650.00	Prime	Private & Other
23-0414054	Comal ISD TS 1863 & Johnson	$ 297,685.00	Prime	Private & Other
23-0414059	Bartlett Cocke - Valor SA	$ 159,354	Sub	Private & Other
23-0415007	TxDOT BX-PM6427-41-001	$ 259,900	Prime	TXDOT
23-0415010	TxDOT-BX-FY23 0915-00-253	$ 1,505,726.00	Prime	TXDOT
23-0415016	TxDOT UV US 90 024-01-109	$ 1,194,195.00	Prime	TXDOT
23-0415019	TxDOT Guad-US90 002902058	$ 2,059,648.00	Prime	TXDOT
23-0415020	TxDOT Mata SH35 017904102	$ 327,710	Prime	TXDOT
23-0415023	TxDOT-Bexar-SP Sahara 091512698	$ 1,086,718.00	Prime	TXDOT
23-0415026	TxDOT-Bexar-Districtwide 091500254	$ 1,347,420.00	Prime	TXDOT
23-0415027	TxDOT McLennan 020901071	$ 796,945.00	Prime	TXDOT
23-0415029	TxDOT Burnet U281 025202063	$ 597,525.00	Prime	TXDOT
23-0415030	TxDOT Travis TS 091400479	$ 2,491,969.00	Prime	TXDOT
23-0415038	TxDOT IH10 HWY 6445-70-001	$ 332,180.00	Prime	TXDOT
23-0415056	TxDOT Bexar Safety 09151-12-696	$ 1,519,980.00	Prime	TXDOT
23-0415057	TxDOT Austin Bridg 001608047	$ 1,784,528.00	Sub	TXDOT
23-0415058	TxDOT Webb TCD 054201102	$ 907,084.00	Prime	TXDOT
23-0415059	TxDOT Travis SI 091404331	$ 550,670.00	Prime	TXDOT
23-0415060	TxDOT Guad US90 002503105	$ 1,668,822.00	Prime	TXDOT
23-0415061	TxDOT FM1518 Widen 046502027	$ 1,333,841.00	Prime	TXDOT
23-0415062	TxDOT-SP-FM2986 302601034	$ 417,141.00	Prime	TXDOT
23-0417008	Joeris-Nutty Brown HEB 2	$ 589,889.00	Sub	Private & Other
23-0417014	Legacy SH46 & Weltner Rd	$ 335,816.00	Sub	Private & Other
23-0417017	Kencon CB Compass Rose	$ 456,667.00	Sub	Private & Other
23-0417024	Robins & Morton Wiseman Blvd.	$ 327,297.00	Sub	Private & Other
23-0417046	Vero Sade-1604 at O'connor	$ 654,351.00	Sub	Private & Other
23-04TMC03	CoSA MCP3 MLK Fliv Crosswalk	$ 186,246.00	Prime	COSA
23-04TMC09	CoSA MCP3 ACME HAWK	$ 180,519.00	Prime	COSA
23-04TMC11	CoSA MCP3 Hemisfair Park	$ 160,322.00	Prime	COSA

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Completed Jobs List

Job #	Job Name	CONTRACT AMOUNT	Prime/Sub	Start	Finish	Project Owner
1-04-06015	Blanco Road Reconstruction Ph II	$ 14,755,774.64	prime	2/1/2017	4/1/2018	COSA
20-02-31011	COSA-West Military and Westmar Drive Area	$ 10,358,000.00	prime	8/3/2020	3/4/2022	COSA
1-05-01616	COSA-Main and Soledad	$ 9,561,830.00	prime	5/1/2018	6/1/2019	COSA
19-03-21010	COSA-West Military Drive & Ingram Road Connectors	$ 7,736,269	prime	8/19/2019	8/17/2020	COSA
1-02-02015	Menger Creek Drainage	$ 7,407,862.00	prime	6/5/2019	7/8/2020	COSA
4-02-03815	BDA-Kennedy Hill	$ 7,195,739.26	prime	5/8/2018	6/8/2019	Private and Other
18-01-11034	COSA-FY18 TOC for Misc Construction Projects Pkg 1	$ 7,191,894.70	prime	11/12/2018	11/11/2020	COSA
21-03-21017	COSA-Upper Leon Creek	$ 6,964,977.00	prime	1/1/2022	12/1/2022	COSA
19-02-31022	COSA-Esma Street Area Drainage	$ 6,567,695.54	prime	11/11/2019	4/3/2021	COSA
20-02-31029	COSA-Barbara Drive Drainage Phase 2	$ 6,186,300.00	prime	11/1/2020	10/1/2022	COSA
20-01-11052	COSA-Brooks City Base Stinson Corridor (Research Plaza to S Presa St)	$ 5,915,859	prime	4/14/2020	7/11/2022	COSA
19-02-31021	COSA-South Pine Street (Greer Street Phase 1)	$ 5,271,945.25	prime	11/1/2019	11/12/2020	COSA
1-03-04716	COSA-Frio Street(Houston to Cesar Chavez)	$ 5,149,255.61	prime	3/1/2017	12/1/2017	COSA
1-02-01915	Sapphire Dr. & Flora Mae Dr. (Billy Dr. to Alfred Dr.)	$ 5,041,071	prime			COSA
17-02-31029	COSA-Medical Center Phase 10	$ 4,610,951.39	prime	2/1/2018	2/16/2019	COSA
17-03-24019	BDA-Aviation Landing	$ 4,125,587.87	prime	9/11/2017	6/1/2017	Private and Other
18-03-12035	Bexar Co-Candlewood Streets Phase II	$ 4,077,203.10	prime	1/7/2019	4/15/2020	Bexar County
19-03-11032	COSA-Thousand Oaks Drive (Wetmore to Perrin Beitel)	$ 3,845,353.70	prime	4/20/2020	6/2/2021	COSA
20-04-14041	PD-Trinity-Hildebrand Improvements	$ 3,838,507.00	prime	12/14/2020	8/10/2021	Private and Other
20-02-12042	Bexar Co-ARMA-BC09 Candlemeadow (Binz-Engleman to Foster)	$ 3,771,010.50	prime	3/1/2022	4/6/2023	Bexar County
18-04-15031	TxDOT-Bexar-Various Improvements-Trf Sig & Saf Lighting-0016-08-037	$ 3,513,969.00	prime	4/1/2019	4/1/2020	TxDOT
4-04-06314	La Cantera Heights-Package 1 & 2	$ 3,478,590.62	prime			Private and Other
18-04-15032	TxDOT-Atascosa-Various Traffic Signal & Illumination-0017-13-010	$ 3,207,689.00	prime	4/1/2019	9/1/2020	TxDOT
20-02-33002	Castle Hills-Watershed III Drainage Improvement Phase I (Banyan Dr & Glentower Dr)	$ 3,184,145.53	prime	3/16/2020	11/11/2020	Cities other than SA
19-04-15018	TxDOT-Uvalde-CS-Intersection Upgrades & Improvements-0036-08-054	$ 3,103,121.00	prime	3/16/2020	3/4/2021	TXDOT
4-04-07116	Castle Hills-2015 Street Maintenance (Phase 2)	$ 2,689,363	prime			Cities other than SA
1-07-00916	COSA-2016-2018 Task Order Contract for Traffic Signal Systems Pkg. B	$ 2,673,191.18	prime			COSA
17-04-15017	TxDOT-Bexar-Traffic Signal Rehab & Update-0915-00-186	$ 2,664,496.00	prime	3/1/2018	6/1/2019	TXDOT
17-04-11020	COSA-2017-2019 TOC for Traffic Signal Systems A	$ 2,627,254.95	prime	10/1/2017	10/1/2019	COSA
17-02-23007	Helotes-SH 16 Water & Sewer Project	$ 2,402,503.51	prime	7/5/2017	7/5/2018	Cities other than SA
18-04-11030	COSA-FY18-19 Traffic Engineering TOC Pkg 2	$ 2,350,944.00	prime	4/1/2019	3/31/2021	COSA
20-03-11008	COSA-N Flores St & Fredericksburg Rd (5 Points)	$ 2,332,637.79	prime	8/10/2020	4/16/2021	COSA
20-03-11039	COSA-Thomas Jefferson High School (Area Streets)	$ 2,167,864.31	prime	11/2/2020	9/7/2021	COSA
20-04-15031	TxDOT-Uvalde-VA-Safety Improvement Projects-0024-02-075	$ 2,070,932.03	prime	1/11/2021	8/2/2021	TXDOT
21-03-11006	COSA-S Zarzamora St & Applewhite Rd Intersection	$ 1,940,478.83	prime	5/17/2021	2/19/2022	COSA
21-04-18012	Sundt-Camaron St (Fox tech to W Houston St)	$ 1,799,356.00	sub	7/6/2021	3/6/2022	Private and Other
19-04-21019	COSA-FY20-21 Traffic Calming Construction Contract	$ 1,792,775.00	prime	11/1/2020	11/20/2022	COSA
17-03-36009	CPS-New Martinez Substation	$ 1,791,560	prime	6/19/2017	10/16/2017	CPS
19-04-15009	TxDOT-Bexar-CS-FY19 DW Traffic Signal & Illumination Upgrades-0915-12-566	$ 1,774,682.00	prime	10/21/2019	8/25/2020	TXDOT
19-02-16002	SAWS-Louis Pasteur 12" Water Main Replacement	$ 1,750,168.00	prime	3/4/2019	12/9/2019	SAWS
18-03-41012	COSA-17-18 Reconstruction-Reclamation TOC Pkg 12	$ 1,736,436.50	prime	5/29/2018	1/26/2019	COSA
19-04-15017	TxDOT-Bexar-CS-Hazard Elimination & Safety Improvements (Signals)-0915-12-622	$ 1,694,498.00	prime	10/21/2019	5/1/2020	TXDOT
18-02-31009	COSA-Belfast Dr & Janda Rd Area Phase 2	$ 1,664,827.05	prime	3/1/2018	8/1/2018	COSA
18-02-31009	COSA-Belfast Dr & Janda Rd Area Phase 2	$ 1,664,827.05	prime	5/29/2018	1/1/2019	COSA
18-03-13020	Cibolo-FM 1103 & Cibolo Valley Dr Intersection Roadway Improvements	$ 1,631,430.54	prime	7/27/2018	1/23/2019	Cities other than SA
17-01-12024	Bexar Co-Pedestrian Crossing Improvements	$ 1,615,435.25	prime	1/15/2018	5/1/2018	Bexar County
21-02-31036	COSA-Paso Del Norte St (Shady Oaks)	$ 1,579,900	prime	9/6/2021	9/6/2022	COSA
18-03-17033	Bartlett Cocke-SH 46 and Voss Middle School-TxDOT ROW Work	$ 1,574,613.00	sub	11/5/2018	7/1/2019	Private and Other
18-04-18002	COSA-Curran-DeZavala-UPRR to Lockhill Selma-Signals Only	$ 1,555,390.20	sub	5/1/2018	11/1/2019	COSA-SUB BID
18-04-18002	COSA-Curran-DeZavala-UPRR to Lockhill Selma-Signals Only	$ 1,555,390	sub	5/1/2018	11/1/2019	COSA-SUB BID
20-04-11030	COSA-Evans Road (Highway 281 to Caliza Drive)	$ 1,553,971.56	prime	9/26/2020	8/7/2021	COSA
1-04-06516	Harper Bros-Callaghan Road-Signals Only	$ 1,508,557.58	sub			COSA
20-04-21044	COSA-FY21-22 Traffic Calming Construction Contract	$ 1,500,000	prime	10/1/2022	11/20/2022	COSA
19-02-31030	COSA-District 7 Drainage Improvements	$ 1,490,624.22	prime	2/10/2020	9/17/2020	COSA
19-04-15016	TxDOT-Bexar-CS-Hazard Elimination & Safety Improvements (Beacons)-0017-10-288	$ 1,477,237.00	prime	5/4/2020	11/27/2020	TXDOT
17-02-54008	BDA-Aeromedical Drive	$ 1,455,813	prime	7/10/2017	11/10/2017	Private and Other
18-04-11010	COSA-FY18 and FY19 Traffic Calming Construction	$ 1,423,791.18	prime	6/1/2018	6/1/2020	COSA
3-01-08417	TXDOT-Bexar-Traffic Control Device-0915-00-180	$ 1,383,518	prime	5/1/2017	5/1/2018	TXDOT

3-01-07716	TxDOT-Non Site Specific Task Orders	$	1,363,395.35	prime			TXDOT
18-03-15027	TxDOT-Bexar-Austin Hwy & New Braunfels-0016-08-036	$	1,345,680.00	prime	11/12/2018	7/1/2019	TXDOT
19-03-17011	Joeris-Avenue B Reconstruction (Newell to Josephine)	$	1,321,187.30	sub	9/2/2019	4/23/2020	Private and Other
20-03-36005	CPS-Elm Creek Substation	$	1,195,914.00	sub	3/16/2020	5/29/2020	CPS
1-04-06415	Old Grissom Rd From Culebra to Grissom	$	1,178,531.04	prime			CO
17-02-32037	Bexar Co-Palm Park Subdivision Drainage Project	$	1,139,186.03	prime	3/1/2018	8/1/2018	Bexar County
18-03-14018	PD-TJX-FM 1937 Widening and Turn Lanes	$	1,127,745.00	prime	6/25/2018	10/31/2018	Private and Other
17-03-13022	New Braunfels-Landa Street Maintenance	$	1,087,049.48	prime	10/16/2017	3/1/2018	Cities other than SA
19-04-15015	TxDOT-Guadalupe-CS-US 90 & TX 123 Traffic Signal Upgrades-0366-12-030	$	997,498.00	prime	1/21/2020	8/6/2020	TXDOT
17-01-11026	COSA-2017-2018 TO Contract for Flatwork & Street Improv Pkg 25	$	980,000	prime	12/1/2017	1/1/2019	COSA
19-01-11034	COSA-FY20-21 TOC for Flatwork and Street Improvements Pkg 4	$	980,000.00	prime			COSA
20-04-17016	Vaughn-San Antonio College Garage 3 (San Pedro Traffic Signals)	$	980,000.00	sub	9/3/2020	2/11/2021	Private and Other
19-03-11020	COSA-Applewhite S of Watson Rd	$	976,588	prime	9/16/2019	4/13/2020	COSA
4-05-02115	HEB-Joeris-Main Street Improvements	$	957,252.03	sub			Private and Other
19-04-15014	TxDOT-Frio-CS-Flashing Beacon & Safety Lighting Installation-0017-07-136	$	952,818.00	prime	5/25/2020	2/5/2021	TXDOT
17-04-11021	COSA-FY17 Traffic Signal Reconstruction-Project Specific	$	950,729.00	prime	2/1/2018	5/1/2018	COSA
20-03-13028	Balcones Heights-Reconstruction of Vivian Lane (Ronald Lane to Gentleman Road)	$	908,805.67	prime	9/21/2020	5/19/2021	Cities other than SA
19-03-11029	COSA-Jones Maltsberger Rd & Burning Trail Intersection	$	896,608.67	prime	4/13/2020	10/19/2020	COSA
21-04-15011	TxDOT-Bexar-General McMullen Intersection Upgrades-0915-12-633	$	872,525.10	prime	8/9/2021	12/9/2021	TXDOT
3-01-08016	TxDot-BexarCo-Zachary-LP1604	$	856,258.44	sub			TXDOT
4-04-06815	Bexar Co-Alamo Ranch Traffic Signals	$	827,194.64	prime			Bexar County
19-04-15004	TxDOT-Bexar-VA-FY19 DW School Flasher Upgrades-0915-00-192	$	817,876.00	prime	6/24/2019	2/10/2020	TXDOT
3-01-07515	TxDOT-Signal Maintenance and Repair 2016	$	801,514.65	prime			TxDOT
21-03-14007	PD-Trinity-Hildebrand Onsite Work	$	798,160.00	sub	5/18/2021	9/3/2021	Private and Other
20-04-18033	TxDOT-Guadalupe-VA-Truesdell-Safety Improvement Projects (Signals Only)-0115-01-014	$	791,680.00	sub	10/1/2020	5/31/2021	TXDOT-SUB BID
19-02-33013	Universal City-Parkview Estates Drainage Improvements Phase 14	$	777,079.73	prime	8/19/2019	1/26/2020	Cities other than SA
19-02-11007	COSA-Highland Blvd Drainage	$	767,942.00	prime	6/10/2019	12/7/2019	COSA
1-04-06716	COSA- 36th Street and Bangor Intersection Improvements	$	745,989	prime			COSA
4-04-07316	BexarCo-Curran-FM471-Signals	$	729,973	sub			Bexar County
3-03-01516	TXDOT-Comal-Flashing Beacon-IH 35-0016-05-113	$	716,940.48	prime			TXDOT
21-01-18026	Pearl-Campus Connection	$	714,652.43	prime	8/31/2021	2/7/2022	Private and Other
18-02-13028	Cibolo-FM 78 & Haeckerville Rd Waterline Improvements	$	714,312.30	prime	10/9/2018	1/31/2019	Cities other than SA
18-04-11022	COSA-2018 Traffic Signal Installation Pkg A	$	711,414.60	prime	9/1/2018	9/1/2019	COSA
18-04-18023	TxDOT-Bexar-Capital-1604 Turnarounds-2452-02-119-Signals Only	$	657,138.50	sub	10/1/2018	9/1/2019	TXDOT-SUB BID
20-04-18048	Bexar Co-Capital Excavation-SH 211 Pass Through Finance (Signals Only)	$	629,903.40	sub			Bexar County
22-0415011	TxDOT-Comal-STP 2022 (404) HESG-0915-17-073	$	629,837.00	prime	7/18/2022	11/15/2022	TXDOT
17-02-24027	REVISED-LCRA-McKinney Roughs Nature Park Designated Camping	$	620,798.00	prime	11/6/2017	12/15/2017	Private and Other
18-04-18011	New Braunfels-Capital-Solms Rd, Morningside, Rueckle Rd-Signals Only	$	611,380.50	sub	5/1/2018	5/1/2020	Cities other than SA
1-05-01716	COSA-Jordan Foster-Main,San Pedro, and Navarro-Signals Only	$	607,150	sub	1/30/2017	12/1/2017	COSA
17-03-13006	City of Windcrest-Roadway CIP Package #4	$	580,000	prime	7/3/2017	11/3/2017	Cities other than SA
1-04-06616	TSC-UTSA Blvd-Signals Only	$	565,214	sub			Private and Other
3-07-00815	TxDOT-Kendall County-Austin Bridge-IH 10-Signals Only	$	555,600	sub			TxDOT
18-04-15037	TxDOT-Bexar-VA-FY18 Intersection Upgrades-0915-00-207	$	533,807.00	prime	11/1/2018	12/1/2020	TXDOT
22-0236009	CPS-Rosillo Creek LWC Repair	$	523,959.00	prime	4/6/2022	6/18/2022	CPS
21-0417048	Joeris-Traffic Signals FM 1103 & Main	$	521,704.10	prime	8/1/2022	8/1/2023	
21-02-23022	Leon Valley-Settlers Ridge Sewer and Water Main Replacement	$	521,514.31	prime	8/21/2021	12/8/2021	Cities other than SA
20-01-13049	Olmos Park-McCullough Avenue Phase 1	$	506,510.58	prime	1/25/2021	5/24/2021	Cities other than SA
18-04-11036	COSA-Randolph-Weidner Intersection Improvements	$	491,260.00	prime	9/25/2019	1/22/2020	COSA
3-01-07415	TxDOT-Preventive Maintenance of Traffic Signals 2016	$	489,677.00	prime			CO
22-0414007	Indigo-Copper Canyon Subdivision	$	481,986	prime	8/31/2022	8/31/2023	
3-01-08217	TXDOT-Bexar-Austin Mat-US 281 & Nakoma-0073-08-184-Signals Only	$	475,435	sub	5/1/2017	5/1/2018	TXDOT-SUB BID
21-0414049	PD-De Zavala and Bristlewood Intersection Improvements	$	474,483.21	prime	7/29/2022	7/29/2023	
17-03-22003	Bexar Co-Steubing Road Project-FM 1560 to Shaenfield	$	465,827	prime	6/19/2017	8/31/2017	Bexar County
19-03-17012	Redrock Opportunities-Culebra Commons (Enclave) Phase 2	$	458,137.50	sub	10/1/2019	3/1/2020	Private and Other
19-04-17008	Kencon-Prue Road at Laureate Drive Traffic Signal Improvements	$	449,500.00	sub	9/12/2019	6/1/2020	Private and Other
20-04-17010	EMJ Construction-HEB-Main Street Traffic Signal	$	447,000.00	sub	7/27/2020	9/30/2020	Private and Other
17-01-16030	CPS-LA Heights Substation	$	427,615.00	prime	11/6/2017	3/1/2018	CPS
17-04-18011	TXDOT-Bexar-Capital-FM 1516-Signals Only	$	421,985	sub	7/1/2017	7/1/2018	TXDOT-SUB BID
1-03-04415	Ray Ellison Blvd-Signals Only	$	421,182.68	sub			CO
20-04-18019	COSA-All In-Bitters Road Intersections and Sidewalks (Signals Only)	$	419,007.58	sub			COSA-SUB BID
17-04-15005	TxDOT-Bexar-FM 1976-1890-01-048-Signals Only	$	405,949.00	prime	9/1/2017	9/1/2018	TXDOT
4-04-07516	Bexar Co- Alamo Ranch at Westwood Loop Traffic Signals	$	399,404.37	prime			Bexar County
17-04-17025	Joeris-HEB Marble Falls-TxDOT and Signals	$	397,481.00	sub	9/29/2017	11/1/2017	Private and Other
17-02-33012	Guadalupe County-Precast Culverts on Link Road	$	392,540.00	prime	6/19/2017	9/19/2017	Cities other than SA
20-04-17007	RCP Construction-Ackerman Rd @ Dietrich Rd Traffic Signal	$	382,159.72	sub	8/4/2020	10/5/2020	Private and Other
3-05-00616	TxDOT-Uvalde-American Civil-0036-07-036-Signals Only	$	374,997.00	sub			TXDOT
4-01-10516	Joeris-Karnes Street Pavers	$	370,197	sub			Private and Other
19-04-15006	TxDOT-Bexar-VA-FY19 DW Traffic Signal Maintenance and Repair-6342-46-001	$	365,445.00	prime	7/23/2019	7/23/2020	TXDOT

18-02-26017	SAWS-Turtle Creek Sewer Line Relocation	$	358,296.65	prime	6/11/2018	12/1/2018	SAWS
21-03-17042	KFW-Trench Repair Cornerstone	$	356,000.00	prime	12/6/2021	12/23/2021	Private and Other
1-04-06115	Tezel Road-Signals Only	$	352,545.80	sub			CO
17-03-44033	LCRA-Camp Creek Park Host Site	$	340,242.00	prime	1/19/2018	3/19/2018	Private and Other
18-03-12024	Bexar Co-Von Ormy Quarterhorse Phase II and III	$	323,110.00	prime	11/1/2018	6/1/2019	Bexar County
19-04-14033	Endura-FM 1957 (Potranco Rd) at Empresario Dr Traffic Signal	$	312,941.00	sub	2/27/2020	9/23/2020	Private and Other
19-04-17028	All In-COSA-Ellison at Wiseman Intersection Improvements	$	302,079.56	sub	1/27/2020	8/20/2020	Private and Other
21-03-17005	RCP Construction-Seale Rd @ WW White Decel Lane	$	301,401.00	sub	5/13/2021	8/2/2021	Private and Other
17-04-15010	TxDOT-Bexar-Traf Sig Maint & Repair-6315-50-001	$	289,000	prime	8/1/2017	8/1/2018	TXDOT
1-03-04515	36th St-Ph IIIB-Signals Only	$	286,853.00	sub			CO
18-04-14007	Kimley Horn-Wilderness and Gathering Oak Traffic Signal	$	280,000.00	prime	4/1/2018	9/30/2018	Private and Other
17-04-15036	TxDOT-Bexar-IH 10 Prev Maint-6319-85-001	$	277,125.00	prime	1/15/2018	1/15/2019	TXDOT
4-01-10816	Universal City-Parkview Estates Ph.XI Drainage Improvements	$	277,050.00	prime			Cities other than SA
20-04-17032	Scrappy Development-SH 46 & Waters Edge Subdivision	$	255,000.00	sub	10/5/2020	5/13/2021	Private and Other
21-04-17021	DNT-Alamo Pkwy @ Wiseman Rd Traffic Signal	$	251,191.25	sub	11/15/2021	2/28/2022	Private and Other
20-04-14036	SH 130-FM 1185 at SH 130 Signal & Flashing Beacon	$	249,500.00	prime			Private and Other
3-03-01315	TxDOT-Comal-Dan Williams-SH 46-Signals Only	$	248,556	sub			TxDOT
18-04-14019	Kencon-Ingram and Majestic Intersection-Signals Only	$	245,000.00	sub	6/14/2018	7/14/2019	Private and Other
20-04-17020	SpawGlass-HEB-Stevens Parkway & Potranco Road Traffic Signal	$	243,000.00	sub			Private and Other
4-05-02416	M&M Alamodome	$	241,504.13	sub			Private and Other
18-04-14021	PD-KB Homes-SH 211 & Lambda Drive Traffic Signal	$	240,803.55	prime	10/1/2018	4/1/2019	Private and Other
20-04-17004	Kencon-FM 1516 at Binz Engleman Traffic Signal Improvements	$	240,000.00	sub	6/24/2020	7/28/2020	Private and Other
17-04-17032	Huser-Kerrville-Holdsworth Intersection-Signals Only	$	239,503.50	sub			Private and Other
20-03-17043	RCP Construction-Potranco Road Retail Decel Lanes	$	235,000.00	sub	10/30/2020	11/20/2020	Private and Other
17-04-14018	HEB-Stantec-Potranco Road #41-Signals Only	$	220,601	prime	10/1/2017	11/20/2017	Private and Other
17-04-18028	TxDOT-Atascosa-Dean Word-SH 97-0328-03-035-Signals Only	$	208,133.00	sub	2/1/2018	12/1/2018	TXDOT-SUB BID
4-07-01116	VIA-Sundt-US 281 N Park and Ride-Signals Only	$	205,000	sub			Private and Other
21-04-17023	Hausman Holdings-FM 1518 & Abbott Rd Intersection Improvements	$	200,009.92	prime	8/16/2021	10/1/2021	Private and Other
3-03-01617	TXDOT-Comal-Hunter-SH 46-0216-01-051-Signals Only	$	192,485	sub	5/1/2017	5/1/2018	TXDOT-SUB BID
21-0223046	Seguin-Fleming Drive Sewer Main Replacement	$	190,303.25	prime	4/1/2022	6/30/2022	Cities other than SA
18-04-18016	TxDOT-Bexar-Angel Brothers-410 Overlay-0521-05-145-Signals Only	$	189,923.25	sub	6/1/2018	10/31/2019	TXDOT-SUB BID
3-03-01215	TxDOT-Comal Co-Hunter Ind-FM 306	$	185,919	sub			TxDOT
21-04-17010	American Constructors-DSISD US 290 & Tiger Ln Traffic Signal	$	180,000.00	sub	5/24/2021	8/30/2021	Private and Other
22-0114008	Botanical Gardens-Trail Repairs	$	178,100.00	prime	5/23/2022	6/22/2022	Private and Other
22-0417005	Legacy Sitework-Toutant Beauregard at Scenic Loop Signal	$	176,162.08	prime	8/31/2022	8/31/2023	
3-01-07916	TxDOT-Bexar Co.-RELMCO-IH10 Fair Oaks-Signals only	$	175,813	sub			TXDOT
21-04-17019	Turner-Caldwell County SH 142 Highway Improvements	$	168,600.00	sub	7/5/2021	9/6/2021	Private and Other
3-09-00716	TxDOT-Guadalupe-Curran-FM466-Signals Only	$	167,521.00	sub			TXDOT
4-03-02916	LAFB- JE Dunn Utilities	$	166,804	sub			Private and Other
1-01-02616	COSA-Jordan Foster-McCullough-Signals	$	165,612	sub			COSA
17-04-18014	Selma-Capital-Lookout Road-Signals Only	$	163,875	sub	8/1/2017	12/1/2017	Cities other than SA
21-02-33028	Balcones Heights-Crossroads Drainage Failure Phase II	$	159,629.00	prime	8/31/2021	10/16/2021	Cities other than SA
17-04-12023	Bexar Co-Talley Rd at Culebra Rd-Signals Only	$	159,522.00	prime	2/1/2018	4/1/2018	Bexar County
20-04-13003	Leon Valley-Pedestrian Crossing Improvements	$	157,223	prime	6/1/2020	8/4/2020	Cities other than SA
19-04-14031	CISD-School Zone Upgrades (Specht Elementary School & Pieper Ranch Middle School)	$	157,000.00	prime	5/12/2020	6/29/2020	Private and Other
3-03-01114	FM 1101 Signals	$	149,009.00	sub			TxDOT-SUB BID
3-05-00516	TxDOT-Uvalde-Relmco-US83-Signals Only	$	148,458.83	sub			TXDOT
4-01-09915	Glen Mont Drive	$	139,754	sub			Bexar County
17-04-17004	HEB-Joeris-Baytown-Santavy Road-Signals Only	$	135,740	sub	7/1/2017	3/1/2018	Private and Other
18-01-14026	Whiting-Turner-Cesar Chavez & Main Turn Lane	$	132,646	sub	9/17/2018	11/15/2019	Private and Other
21-02-33020	Balcones Heights-Crossroads Drainage Failure	$	131,952.00	prime	5/17/2021	9/1/2021	Cities other than SA
17-04-13013	City of Leon Valley-Huebner Rd at Evers Rd-Signals Only	$	128,897	prime	7/20/2017	10/20/2017	Cities other than SA
17-04-17031	VIA-Spawglass-Zarzamora Primo Construction-Signals Only	$	128,560	sub			Private and Other
4-01-10716	Olmos Park Storm Drain Outfall	$	126,000.00	prime			Cities other than SA
18-01-14006	Lone Star-Westridge Entry La Cantera Paver Band	$	122,609.36	sub	3/19/2018	4/15/2018	Private and Other
22-0417002	Bartlett Cocke-Basis San Antonio Northwest Campus	$	118,158.00	prime	5/16/2022	6/13/2022	Private and Other
20-04-18045	Modus-Downtown SA Traffic Signal Replacement Pkg 2	$	115,500.00	sub	10/30/2020	11/25/2020	Private and Other
20-02-34046	PD-Methodist Hospital Drainage	$	110,000	prime	11/2/2020	1/22/2021	Private and Other
20-04-18018	TxDOT-Bexar-Acme-Flashing Beacon Improvements (Signals Only)-0915-00-230	$	100,791.50	sub	6/16/2020	3/31/2022	TXDOT-SUB BID
20-04-17040	RCP Construction-Potranco Road Fourth Leg Traffic Signals	$	100,350.00	sub			Private and Other
22-02-34030	Brooks-Greenline Park-Underground Storm Drain Repair	$	100,000	prime	10/1/2022	11/1/2022	Private and Other
20-01-14015	PMSI-West Military Drive Tree Upgrades	$	97,000.00	prime	4/22/2020	8/20/2020	Private and Other
3-10-00315	TxDOT-Wilson Co-Hunter Ind-SH 97-Signals Only	$	95,990	sub			TxDOT
17-03-13001	LCRA-Camp Creek Facilities	$	91,150	prime	5/18/2017	5/31/2017	Private and Other
17-02-14034	Hampton Inn & Suites-Soledad-Sewer and Water	$	85,572.00	prime	12/3/2017	1/1/2018	Private and Other
18-04-17004	Lorenz-Pleasanton-Preferred Sands Flashing Beacon	$	80,000.00	sub	4/1/2018	10/31/2018	Private and Other
18-02-24029	Gray Street Partners-SA Light and Print Sewer Taps	$	79,000.00	sub	11/5/2019	12/15/2018	Private and Other
3-03-01416	TxDot-Comal-MAC-Landa-BS46	$	77,757	sub	3/1/2017	12/1/2017	TXDOT

22-0317004	Wayne Rodgers-Canyon Golf Hooded Turn Lane	$	76,800.00	sub	2/28/2022	3/30/2022	Private and Other
18-04-17015	Kimley Horn-Gonzaba-Pleasanton Rd Mid Block Ped Xing	$	75,000.00	prime	7/1/2018	1/31/2019	Private and Other
20-04-18034	Modus-Downtown SA Traffic Signal Replacement	$	73,250	sub	8/10/2020	9/18/2020	Private and Other
18-01-17005	M&M-Silver Eagle Trench Drain	$	73,134.00	sub	3/19/2018	4/15/2018	Private and Other
20-04-17037	Kencon-IDEA Big Country Flashing Beacons	$	72,000.00	sub			Private and Other
19-01-14003	Weston Urban-Savoy Pavers at Houston Street	$	71,018.00	prime	2/19/2019	3/24/2019	Private and Other
4-05-03117	Canam Prod-ANW-Signals Only	$	70,000.00	prime			Private and Other
18-04-14008	NISD-School Flashers at Mora Elementary School	$	68,000.00	prime	5/1/2018	10/31/2018	Private and Other
3-09-00616	TxDOT-Guadalupe-Curran-BS 123 B at US 90-Signals Only	$	67,437.00	sub			TXDOT
21-02-14031	SAMF-Wurzbach Rd Recycled Water Tap	$	65,000.00	prime	8/18/2021	12/15/2021	Private and Other
19-03-17005	Middleman Construction-Evans Road at Bulverde Road Turn Lane	$	62,000.00	sub	4/19/2019	5/3/2019	Private and Other
18-01-14001	Weston Centre Drop Off Lanes	$	60,355.00	prime	1/30/2018	3/27/2018	Private and Other
21-04-17003	Joeris-1900 Broadway Traffic Signal Upgrade	$	60,000.00	sub	2/26/2021	4/1/2021	Private and Other
20-04-17035	Noble Texas Builders-School Zone Flashers	$	58,300.00	sub	9/24/2020	11/5/2020	Private and Other
18-02-34060	BDA-Linear Park and Military-Culvert Installation	$	58,273.00	prime	3/19/2018	4/15/2018	Private and Other
4-05-02916	Cambria Hotel-ABRB-Water Services	$	58,000	sub	3/1/2017	12/1/2017	Private and Other
18-02-17014	Vulcan-1604 Connect to City Water Supply	$	55,100.00	sub	6/4/2018	7/4/2018	Private and Other
20-01-14021	Potranco Cornerstore-Potranco and Hunt Driveways and Sidewalks	$	54,023.00	prime	7/6/2020	9/4/2020	Private and Other
20-04-17006	Joeris-HEB 10 Traffic Signal Poles (Material Only)	$	53,727	sub	N/A	N/A	Private and Other
18-01-18013	Zachry-UTHSC SA Concrete Work	$	50,500.00	sub	5/23/2018	6/23/2018	Private and Other
19-03-14027	Alamo Fireworks-SH 16 Culvert Installation	$	49,827.48	prime	12/4/2019	12/13/2019	Private and Other
20-04-17022	Bartlett Cocke-Bowen's Crossing Roadside Flashing Beacons	$	48,000.00	sub	7/8/2020	8/18/2020	Private and Other
20-03-44025	SH 130-Ditch Remediation	$	47,496.00	sub	8/17/2020	8/25/2020	Private and Other
20-04-14023	SH 130-Signal Pole Relocation	$	45,780.00	prime	7/23/2020	7/30/2020	Private and Other
4-04-07616	Medical Drive-Water Service Connections	$	43,600.00	prime			Private and Other
21-04-27027	Big State-Monument Signs	$	42,000.00	sub	12/1/2021	2/1/2022	Private and Other
21-03-13034	Castle Hills-Street Maintenance Base Repair	$	41,890	prime	8/30/2021	10/1/2021	Cities other than SA
21-01-17014	Sundt-La Cantera Roca Pass	$	40,883.00	sub	5/10/2021	5/12/2021	Private and Other
18-04-14019	Kencon-Ingram and Majestic Intersection-Flatwork and Striping	$	38,000.00	sub	6/14/2018	7/14/2019	Private and Other
20-04-17001	Trinsic-Evans Rd Flashing Beacon	$	35,000.00	sub	6/22/2020	7/20/200	Private and Other
21-04-18008	Texstar-Downtown SA Traffic Signal Replacement	$	35,000.00	sub	6/28/2021	7/2/2021	Private and Other
21-04-17018	PD-La Cantera Heights North	$	31,000	sub	6/8/2021	6/18/2021	Private and Other
20-03-14050	Whiting Turner-Old Guilbeau Rd Mill & Overlay	$	30,500.00	prime			Private and Other
17-02-14035	Book Bldg-Soledad-Water Installation	$	29,725.00	prime	12/3/2017	1/1/2018	Private and Other
18-04-14019	Kencon-Ingram and Majestic Intersection-School Zone Flashers	$	29,000	sub	9/14/2018	10/14/2018	Private and Other
18-04-17003	ECISD-Curran-St Hedwig Roadway-Flashing Beacons	$	27,520	sub	5/1/2018	7/30/2018	Private and Other
20-03-18026	Badeco-CPS-Somerset Rd Mill & Overlay	$	26,797.00	sub			Private and Other
18-04-17025	Joeris-HEB Austin-South Congress Traffic Signals-MATERIAL ONLY	$	25,000.00	sub	9/1/2018	2/27/2019	Private and Other
20-04-17024	GFA Construction-M&M-Sigma Rd Conduit Repair	$	24,600.00	sub	7/29/2020	8/31/2020	Private and Other
22-0417020	Whiting Turner-Plaza de Armas	$	23,750.00	sub	7/5/2022	8/4/2022	Private and Other
21-04-13035	Leon Valley-Huebner @ Evers Signal Conductor Repair	$	23,500.00	prime	10/1/2021	11/1/2021	Cities other than SA
21-04-17004	Key Construction-The Gathering Place Phase 2 Flashing Beacons	$	20,000.00	sub	4/19/2021	5/19/2021	Private and Other
21-01-27037	Joeris-Walker Ranch Entry Concrete	$	20,000.00	sub	10/11/2021	10/18/2021	Private and Other
21-03-13013	Balcones Heights-Leisure Dr Pavement Repair	$	19,100.00	prime	3/15/2021	5/3/2021	Cities other than SA
21-02-23009	Castle Hills-Gardenview Reconnect	$	19,050.00	prime	4/1/2021	5/1/2021	Cities other than SA
22-0267003	Joeris-HEB HQ Exploratory Work	$	18,000.00	prime	2/16/2022	3/18/2022	Private and Other
4-05-02816	Transwestern-Probandt Striping, Signage, Curb Ramp	$	17,900.00	prime	2/1/2017		Private and Other
4-04-07717	Sign Crafters-Medical-Power to Lums	$	16,957	sub			Private and Other
18-01-14026	Whiting-Turner-Cesar Chavez Signal Upgrade	$	16,750.00	sub	10/1/2018	11/1/2018	Private and Other
22-0417001	Wayne Rodgers-Canyon Golf Flashing Beacon Relocation	$	16,000.00	sub	1/31/2022	3/2/2022	Private and Other
17-04-18015	TXDOT-Hays-Curran-FM 150-Solar Powered Beacon	$	15,500	sub			TXDOT
4-01-11117	Universal City-Parkview Flatwork	$	15,150	prime	2/16/2017	2/17/2017	Cities other than SA
19-02-24001	Marie Hill-Janda Susan Services	$	14,600.00	prime	1/16/2019	1/18/2019	Private and Other
SJ-99-99999	Boerne-Herff Rd Signal Pole Realignment	$	8,500.00	prime	5/10/2021	5/10/2021	Cities other than SA
4-05-02716	SAK-St Mary's & Alamo-Ped Sig	$	8,000.00	sub	3/1/2017	4/1/2017	Private and Other
17-03-04002	PSW-Olmos Drive Grading	$	6,250.00	prime	5/18/2017	5/21/2017	Private and Other
4-01-11317	133 Terrell Road	$	6,000	prime			Private and Other
17-04-48016	M&M-UTSA Parking Lot Conduit Installation	$	4,000.00	sub	7/31/2017	8/1/2017	Private and Other
4-05-03017	PSW-Clay Street Repair	$	2,995	prime			Private and Other
4-01-11217	M&M-Autozone-Grate Inlets	$	2,000	sub			Private and Other
22-0326028	CPS-Howard Road 138kV Expansion	$	1,488,542.00	prime	8/29/2022	2/14/2023	CPS
23-0336003	CPS-South San Replace TR-SWGR #4	$	355,997.98	prime	2/13/2023	6/2/2023	CPS

E-Z Bel Holdings, Inc. and Subsidiaries

December 31, 2023 and 2022

Consolidated Financial Statements and
Supplementary Information (Audited)

CJ CPAs

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Independent Auditor's Report

To the Stockholders
E-Z Bel Holdings, Inc. and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of E-Z Bel Holdings, Inc. (a Texas corporation), which comprise the balance sheet as of December 31, 2023, and the related consolidated statement of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of E-Z Bel Holdings, Inc. as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of E-Z Bel Holdings, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CJ CPAs, PLLC
San Antonio, TX
February 20, 2024

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

		2023		2022
Assets				
Current assets				
Cash	$	8,471,127	$	6,275,628
Investments		8,057,411		7,238,473
Receivables:				
Contracts receivable		9,550,035		8,256,280
Unconditional retainage		508,227		260,094
Contract assets:				
Costs and estimated earnings in excess of billings on uncompleted contracts		5,864,202		894,043
Conditional retainage		5,814,342		3,242,721
Prepaid expenses and other		818,400		647,965
Total current assets		39,083,744		26,815,204
Property and equipment, net		10,392,600		7,218,656
Other assets				
Due from stockholders		-		172,318
Deposits		105,200		91,200
Related party note receivable		1,180,397		-
Cash value of life insurance		779,690		909,429
Goodwill (net of accumulated amortization of $90,016)		545,400		608,940
Construction in progress		189,770		315,500
Investment in captive insurance company		45,000		45,000
Total other assets		2,845,457		2,142,387
Total assets	$	52,321,801	$	36,176,247

See notes to consolidated financial statements.

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

	2023	2022
Liabilities and Stockholders' Equity		
Current liabilities		
Current maturities of long-term debt	$ 1,191,523	$ 1,016,067
Current portion of right-of-use finance lease liabilities	787,230	798,185
Current portion of related party note payable	561,025	544,684
Accounts payable		
Trade	8,589,621	5,347,433
Unconditional retainage	45,123	133,706
Accrued expenses	1,737,355	394,020
Accrued job loss	265,813	134,422
Franchise taxes payable	141,000	35,812
Contract liabilities:		
Billings in excess of costs and earnings on uncompleted contracts	8,312,051	5,687,339
Conditional retainage	1,317,854	646,610
Distributions payable	2,130,000	-
Total current liabilities	25,078,595	14,738,278
Long-term liabilities		
Long-term debt, less current maturities	3,362,891	3,091,226
Long-term portion of right-of-use finance lease liabilities	1,565,874	1,748,799
Related party note payable	4,427,798	4,988,823
Deferred compensation plan payable	446,704	358,590
Total long-term liabilities	9,803,267	10,187,438
Stockholders' equity		
Common stock - $.0.10 par value, 1,500,000 shares authorized; 1,000,000 shares issued and outstanding	10,000	10,000
Retained earnings	22,279,146	16,494,054
Less unearned employee stock ownership plan (ESOP) shares	(4,849,207)	(5,253,523)
Total stockholders' equity	17,439,939	11,250,531
Total liabilities and stockholders' equity	$ 52,321,801	$ 36,176,247

See notes to consolidated financial statements.

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Statements of Income
Years Ended December 31, 2023 and 2022

	2023	2022
Construction income	$ 106,951,749	$ 65,116,914
Cost of construction	89,469,630	57,648,949
Gross profit	17,482,119	7,467,965
General and administrative expenses	(7,669,638)	(6,030,869)
Gain on disposal of equipment	109,184	67,613
Operating income	9,921,665	1,504,709
Other income (expense):		
Interest expense	(451,230)	(314,503)
Interest and dividend income	228,597	196,092
Net realized and unrealized gain (loss) on investments	747,213	(709,359)
Amortization expense	(63,540)	(26,476)
Other income	524,124	100,942
Total other income, net	985,164	(753,304)
Income before income tax expense	10,906,829	751,405
Franchise tax expense	156,826	28,294
Net Income	$ 10,750,003	$ 723,111

See notes to consolidated financial statements.

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity
Years Ended December 31, 2023 and 2022

	Common Stock		Retained	Unearned ESOP		
	Shares	Amount	Earnings	Shares	Amount	Total
Balance at December 31, 2021	1,000,000	$ 10,000	$ 17,865,787	185,018	$ (5,550,529)	$ 12,325,258
Release of shares in suspense	-	-	32,412	(11,701)	297,006	329,418
Distributions	-	-	(2,103,236)	-	-	(2,103,236)
Change in fair value of shares released	-	-	(24,020)	-	-	(24,020)
Net income	-	-	723,111	-	-	723,111
Balance at December 31, 2022	1,000,000	10,000	16,494,054	173,317	(5,253,523)	11,250,531
Release of shares in suspense	-	-	-	(13,585)	404,316	404,316
Distributions	-	-	(4,851,521)	-	-	(4,851,521)
Change in fair value of shares released	-	-	(113,390)	-	-	(113,390)
Net income	-	-	10,750,003	-	-	10,750,003
Balance at December 31, 2023	1,000,000	$ 10,000	$ 22,279,146	159,732	$ (4,849,207)	$ 17,439,939

See notes to consolidated financial statements.

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Net income	$ 10,750,003	$ 723,111
Adjustments to reconcile net income to net cash provided by operations:		
ESOP compensation expense	290,926	367,725
Depreciation and amortization	2,573,840	2,017,965
Gain on disposal of equipment	(109,184)	(67,613)
Changes in operating assets and liabilities:		
Investments	(879,131)	328,083
Accounts receivable	(1,369,570)	(1,765,441)
Contract assets	(7,541,780)	(608,270)
Prepaid expenses	(170,435)	(122,805)
Deposits	(14,000)	(1,000)
Cash surrender value of life insurance	129,739	120,657
Accounts payable and accrued expenses	4,716,445	681,967
State franchise taxes payable	105,188	(70,220)
Contract liabilities	3,295,956	3,593,340
Net cash provided by operating activities	11,777,997	5,197,499
Cash flows from investing activities		
Issuance of related party note, net	(1,180,397)	(8,995)
Proceeds from disposal of equipment	153,254	67,613
Investment in captive insurance company	-	(20,000)
Net purchases of investments	60,193	(126,914)
Purchase of property and equipment	(2,142,015)	(655,684)
Net cash used by investing activities	(3,108,965)	(743,980)
Cash flows from financing activities		
Principal payments on long-term debt	(1,717,608)	(1,000,149)
Principal payments on finance lease obligations	(2,034,404)	(642,112)
Distributions	(2,721,521)	(3,189,329)
Net cash used by financing activities	(6,473,533)	(4,831,590)
Net increase (decrease) in cash	2,195,499	(378,071)
Cash and cash equivalents at beginning of year	6,275,628	6,653,699
Cash and cash equivalents at end of year	$ 8,471,127	$ 6,275,628

(continued)

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Supplemental cash flow information		
Cash paid for interest expense	$ 451,230	$ 314,503
Cash paid for state franchise taxes	68,119	95,100
Cash paid for amounts included in measurement of lease liabilities:		
Financing cash flows from finance leases	96,502	38,965
Supplemental disclosures of noncash flow information		
Equipment acquired with long-term debt	1,620,045	343,832
Transfer of Right-of-Use Asset to Property, Plant, and Equipment	1,238,079	-
Lease assets obtained in exchange for lease obligations:		
Finance leases	1,840,524	1,128,246
Declared and accrued cash distributions	2,130,000	-
Fair market value adjustment for ESOP shares released	113,390	24,020
Debt issued for acquisition of Hill Country Bridge, Inc.	-	3,150,225

See notes to consolidated financial statements.

Note 1. Summary of Significant Accounting Policies

Reporting entity and nature of operations: E-Z Bel Construction, LLC (Construction) is engaged in the heavy highway, utility construction, and bridge and concrete industry and its jobs are generally awarded through a competitive bid process in which the low bidder is awarded the contract. Substantially all Construction's contracts are with federal, state and municipal institutions in San Antonio, Texas, and the surrounding areas. 811 El Monte, LLC (El Monte) is engaged in rental real estate for third parties. E-Z Bel Construction is wholly owned by E-Z Bel Holdings, Inc. (collectively, the Company). 811 El Monte is wholly owned by E-Z Bel Construction, LLC.

Principles of consolidation: The consolidated financial statements (the financial statements) include the accounts of E-Z Bel Holdings, Inc. and its subsidiaries Construction and El Monte. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates inherent in the accompanying consolidated financial statements include estimated costs on incomplete contracts.

Investments: Investments consist primarily of mutual funds, common stocks, municipal bonds and a money market account. The fair value of substantially all investments is determined by quoted market prices. The estimated fair value of securities for which there are no quoted market prices is based on similar types of securities that are traded in the market (see Note 2). The consolidated statements of income include interest and dividend income of $228,597 ($196,092 in 2022) and realized and unrealized gains (losses) totaling $747,213 (709,359 loss in 2022) for the year ended December 31, 2023, from these investments.

The investment in the captive insurance company is accounted for at the lower of cost or market due to the Company not owning a controlling interest in the investment.

Trade accounts receivable: The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for bad debts charged to earnings. Losses are charged against the allowance when management believes the uncollectibility of a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. The evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

At December 31, 2023 and 2022, no allowance for future bad debts has been established, as it is management's opinion that losses, if incurred, would not materially affect the financial statements.

Depreciation: Property and equipment is stated at cost. Depreciation of property and equipment is calculated on the straight-line method based on the following estimated lives: buildings–18 to 40 years, autos and trucks-five to seven years, machinery, and equipment–five to ten years and office furniture and equipment–three to ten years. Construction in progress will begin depreciating upon completion.

Impairment of long-lived assets: The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results; trends and prospects; and the effects of obsolescence, demand, competition and other economic factors. The Company did not recognize an impairment loss during the year ended December 31, 2023 and 2022.

Cash surrender value of life insurance: The Company is beneficiary of whole life insurance policies being carried on certain officers totaling approximately $10,068,374 and $18,068,374 as of December 31, 2023, and 2022, respectively. The related cash surrender value of approximately $779,000 is recorded as other assets in the accompanying consolidated balance sheet as of December 31, 2023 ($909,000 in 2022).

Revenue recognition: Revenue is primarily derived from multi-year construction contracts. The Company recognizes revenue in accordance with the FASB Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with customers as follows: identify the contract, identify performance obligations, determine the transaction price, allocate the transaction price and recognize revenue.

The Company's customers consist of federal, state and municipal institutions in San Antonio, Texas, and the surrounding areas and general contractors working for government agencies and private customers, primarily located within the continental United States. For government contracts, future cash flows depend on the Company's ability to continue to obtain federal, state and local government contracts, and indirectly on the amount of funding available to these agencies for new and current government projects. Therefore, a portion of the Company's operations is dependent upon the level and timing of government funding. For private customers, statutory mechanics liens provide the Company relatively high priority in the event of lien foreclosures; thus, minimizing credit risk.

The Company has elected, as a practical expedient, the accounting policy under which it excludes from the transaction price taxes it collects from its customers that were assessed by a government authority on (or contemporaneous with) the entity's revenue-generating transactions with its customers. The Company therefore reports sales revenue net of sales tax.

El Monte generates revenue through monthly lease rentals. The entity recognizes income from leases in accordance with ASC Topic 840, Leases. Total rental income recognized under ASC Topic 840 was approximately $7,000 and $6,100 for the years ended December 31, 2023 and 2022, respectively and is included in other income on the accompanying consolidated financial statements.

Contract combination: When multiple contracts are entered into under a single master agreement (whether for construction projects or construction-related materials), management reviews the contracts to determine whether (a) the contracts are negotiated as a package with a single commercial objective, (b) the amount of consideration paid in one contract depends on the price or performance in the other contract and (c) the goods or services promised in the contracts are a single performance obligation. If one of these three conditions is met, the contracts are combined and accounted for as a single contract.

Construction contracts: The Company's construction contracts include multiple promises, which management reviews at contract inception to determine whether they represent multiple performance obligations. This review consists of determining whether promises or groups of promises are capable of being distinct within the context of the contract. Most of the Company's construction contracts are considered to have a single performance obligation because the Company provides a significant service of integrating a complex set of tasks and components into a single asset. Some contracts include multiple projects that are separately identifiable (e.g., multiple buildings or sites) or include elements not related to the design and/or building aspects of the contract. These contracts typically are considered to have multiple performance obligations even when they are part of a single contract.

When a contract has multiple performance obligations, the transaction price is allocated to each performance obligation based on estimated relative stand-alone selling prices of the goods or services at the inception of the contract. In most cases, the Company does not sell the distinct good or service on a stand-alone basis and, instead, uses its best estimate of the stand-alone selling price of each distinct good or service in the contract. The primary method used to estimate stand-alone selling price is the expected-cost-plus-a-margin approach, under which the Company forecasts its expected costs of satisfying a performance obligation and then adds an appropriate margin.

Billing practices are governed by the contract terms and generally are based on the achievement of milestones or predetermined schedules. From time to time, these terms may require the customer to make advance payments as work progresses, or could result in the Company receiving payment prior to transferring the related good or service. The period between the receipt of payment and the completion of the work to which it relates is generally one year or less. The Company has elected not to adjust consideration for the effects of financing under the practical expedient that allows an entity to ignore the effects of a significant financing component when the period between the receipt of payment and the transfer of the good or service to the customer is one year or less.

Certain construction contracts include retention provisions to provide assurance to the Company's customers that it will perform in accordance with the contract terms. These provisions could result in a period of more than a year passing between the transfer of the good or service and the receipt of payment, but are not considered to be for purposes of financing. The balances billed, but not paid by customers pursuant to these provisions, generally become due upon completion and acceptance of the project work or products by the customer. The Company has determined there were no significant financing components in its contracts during the years ended December 31, 2023 and 2022, as the intent of the retention provisions is to protect the customer rather than provide financing.

Management has concluded performance obligations related to construction contracts are satisfied over time because the Company's performance typically creates or enhances an asset that the customer controls as the asset is created or enhanced. The Company recognizes revenue as performance obligations are satisfied and control of the promised good and/or service is transferred to the customer. The Company measures the progress toward complete satisfaction of the performance obligation(s) using an input (i.e., cost-to-cost) method. Under the cost-to-cost method, costs incurred to date are generally the best depiction of transfer of control.

Variable consideration: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods and services to the customer. The consideration promised in a contract with a customer may include both fixed amounts and variable amounts (e.g., bonuses/incentives, penalties/liquidated damages, returns) to the extent that it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Company estimates the amount of variable consideration at the most likely amount to which the Company expects to be entitled. The Company's estimates of variable consideration are based on its assessment of legal enforceability, anticipated performance and any other information (historical, current or forecasted) that is reasonably available.

Contract estimates and modifications: The accuracy of the Company's revenue and profit recognition in a given period depends on the accuracy of management's estimates of the cost to complete each project. There are a number of factors that can contribute to changes in estimates of contract cost and profitability. Significant factors include:

- The completeness and accuracy of the original bid
- Costs associated with scope changes and changes from the original design
- Changes in costs of labor and/or materials, owner changes, weather, site conditions and other delays
- Subcontractor performance issues
- Changes in productivity expectations
- The Company's ability to fully and promptly recover on contract changes
- The customer's ability to properly administer the contract

The foregoing factors, as well as the stage of completion of contracts in process and the mix of contracts at different margins, may cause fluctuations in gross profit and gross profit margin from period to period, which may have a significant impact on the financial statements. At the time an anticipated loss on a contract becomes evident, the entire amount of the estimated loss is accrued.

The Company recognizes changes in contract estimates on a cumulative catch-up basis in the period in which the changes are identified. Such changes in contract estimates can result in the recognition of revenue in a current period for performance obligations that were satisfied or partially satisfied in prior periods. For the year ended December 31, 2023, the Company over recognized approximately $334,000 of revenue from performance obligations satisfied (or partially satisfied) in previous periods, primarily due to changes in estimates or changes in transaction price (approximately $1,161,000 over recognized in 2022).

Changes in contract estimates also may result in the reversal of previously recognized revenue if the current estimate differs from the previous estimate. If at any time the estimate of contract profitability indicates an anticipated loss on the contract, the Company recognizes the total loss in the period it is identified.

Subsequent to the inception of a contract, the transaction price may change for various reasons, including the executed or estimated amount of change orders, contract modifications, claims to or from customers and back-charge recoveries. On certain projects, the Company may have submitted and have pending unresolved contract modifications and claims to recover additional costs and the associated profit, if applicable, to which the Company believes it is entitled under the terms of contracts with customers. The customers or their authorized representatives may be in partial or full agreement with the modifications or affirmative claims, or may have rejected or disagree entirely or partially as to such entitlement.

Recognizing changes in the transaction price requires significant judgment of various factors including, but not limited to, dispute resolution developments and outcomes, anticipated negotiation results and the cost of resolving such matters. If the transaction price is changed and no additional distinct goods or services are added, the effect of a change in the transaction price and the measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue on a cumulative catch-up basis. When a contract is modified to deliver additional goods or services that are distinct and the increase in price of the contract is for the same amount as the stand-alone selling price of the additional goods or services included in the modification, the modification is accounted for as a separate contract.

Contract assets and liabilities: Accounts receivable are governed by the contract terms and are recorded based on contracted prices when the Company obtains an unconditional right to payment under the terms of its contracts.

Contract assets are classified on the balance sheet as costs and estimated earnings in excess of billings on incomplete contracts and represent revenues recognized in excess of amounts billed or available to be billed where the right to payment is not unconditional. Retainage, included in contract assets, represents the amount withheld from billings by the Company's customers pursuant to provisions in the contracts and may not be paid to the Company until the completion of specific tasks or the completion of the project and, in some instances, for even longer periods.

Contract liabilities are classified on the balance sheet as billings in excess of costs and estimated earnings on incomplete contracts and represent billings in excess of revenues recognized.

Warranties: The Company generally provides limited assurance-type warranties for work performed under its construction contracts. The warranty periods typically extend for a limited duration following substantial completion of the Company's work on a project. Historically, warranty claims have not resulted in material costs incurred. The Company does not consider these warranties to be separate performance obligations.

Contract costs: All contract costs, including those associated with change orders, unresolved contract modifications, claims to or from customers and back-charge recoveries, are recorded as incurred, and revisions to estimated total costs are reflected as soon as the obligation to perform is determined. Contract costs include all direct labor, material, subcontractors, equipment and indirect costs related to contract performance. General and administrative expenses are charged to operations as incurred. The Company recognizes revenue, but not profit, on certain significant uninstalled materials that are not specifically produced, fabricated or constructed for a project. Revenue related to these uninstalled materials is recognized when the cost is incurred (when control is transferred).

Costs to obtain contracts (pre-bid costs) that are not expected to be recovered from the customer are expensed as incurred and included in general and administrative expenses in the consolidated statement of income. Pre-bid costs that are explicitly chargeable to the customer, even if the contract is not obtained, are included in trade accounts receivable in the consolidated balance sheet.

Tax status: The Company has elected to be taxed as an S Corporation for federal income tax purposes. As an S Corporation, the Company's taxable income or loss is allocated to shareholders in accordance with their respective ownership percentage. Since the entity is not a tax paying entity, no provision or liability for income taxes is included in the financial statements.

In accordance with the ASC Topic 740, management has evaluated the Company's tax position and concluded the Company has taken no uncertain tax positions that require adjustment to the financial statements.

The Company is subject to the Texas gross margin tax.

Contingencies: Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates a potentially material loss contingency is not probable, but is reasonably possible, or is probable, but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

Compensated absences: Employees of the Company are entitled to paid time off depending on job classification, length of service and other factors. At December 31, 2023 and 2022, the Company has employees that are both hourly and salaried. Accruals for compensated absences are evaluated periodically by management and adjusted as necessary.

Advertising and business promotion costs: Advertising and business promotion costs totaled approximately $84,000 and $43,000 the years ended December 31, 2023 and 2022, respectively, and are expensed as incurred.

Reclassification: Certain reclassifications have been made within these consolidated financial statements to conform prior periods to current-year presentation.

Subsequent events: The Company has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through February 20, 2024, which is the date the financial statements were available to be issued. Based on this evaluation, the Company has determined that there were no material subsequent events that require adjustment to or disclosure in the financial statements.

Note 2. Fair Value Measurements and Disclosures

The requirements of Fair Value Measurements and Disclosures of the ASC apply to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair Value Measurements and Disclosures establishes a fair value hierarchy that prioritizes the inputs used in valuation methodologies into the following three levels.

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs are observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, or other inputs that can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies or other valuation techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The Company determines the fair value of mutual funds, common stocks and municipal bonds based upon quoted market prices in active markets. The Company determines the value of money market funds as cash equivalents, which approximate fair value.

The following table represents assets measured at fair value on a recurring basis, as reported on the consolidated balance sheets as of December 31, 2023 and 2022, and by level within the fair value measurement hierarchy:

	Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 2,391,958	$ -	$ -	$ 2,391,958
Common stocks	441,114	-	-	441,114
Municipal bonds	-	5,021,836	-	5,021,836
Money market	114,148	-	-	114,148
Other	-	-	88,355	88,355
	$ 2,947,220	$ 5,021,836	$ 88,355	$ 8,057,411

	Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 1,605,796	$ -	$ -	$ 1,605,796
Common stocks	740,197	-	-	740,197
Municipal bonds	-	4,326,266	-	4,326,266
Money market	527,179	-	-	527,179
Other	-	-	39,035	39,035
	$ 2,873,172	$ 4,326,266	$ 39,035	$ 7,238,473

Note 3. Contracts and Retainage Receivable

Contracts receivable consists of the following:

	2023	2022
Contracts receivable:		
Completed contracts	$ 65,985	$ 442,841
Contracts in progress	9,484,050	7,813,439
	9,550,035	8,256,280
Conditional retainage	508,227	260,094
Total contracts receivable	$ 10,058,262	$ 8,516,374

Note 4. Revenue Recognized and Costs Incurred on Uncompleted Contracts

The following is a summary of contracts in progress at December 31:

	2023	2022
Costs incurred on uncompleted contracts	$ 128,682,881	$ 63,058,022
Estimated gross profit	18,943,231	6,528,385
Contract revenue earned on uncompleted contracts	147,626,112	69,586,407
Less: billings to date	(150,073,961)	(74,379,703)
Plus: conditional retainage (net)	4,496,488	2,596,111
Total net contract asset (liability)	$ 2,048,639	$ (2,197,185)

The total net contract asset (liability) is included in the accompanying balance sheet under the following captions as of December 31:

	2023	2022
Contract assets:		
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 5,864,202	$ 894,043
Conditional retainage	5,814,342	3,242,721
Contract liabilities:		
Billings in excess of costs and earnings on uncompleted contracts	(8,312,051)	(5,687,339)
Conditional retainage	(1,317,854)	(646,610)
Total net contract asset (liability)	$ 2,048,639	$ (2,197,185)
Accrued loss on contracts	$ 265,813	$ 134,422

Backlog represents a measure of the Company's remaining unsatisfied performance obligations and reflects the amount of revenue the Company expects to realize from work to be performed on incomplete contracts in progress at December 31, 2023, and from contractual agreements on which work has not yet commenced.

Estimated gross revenues on contracts in progress at December 31, 2023	$ 220,978,905
Less: contract revenues recognized to date on contracts in progress at December 31, 2023	(147,626,112)
	73,352,793
Additional contracts entered into at December 31, 2023 for which work had yet to begin (unaudited)	7,607,863
Backlog at December 31, 2023	$ 80,960,656

Note 5. Property and Equipment

Property and equipment consists of the following:

	December 31 2023	December 31 2022
Land	$ 44,229	$ 44,229
Buildings	1,495,821	1,126,740
Autos and trucks	4,693,811	3,179,237
Machinery and equipment	11,883,239	7,769,945
Office furniture and equipment	641,364	1,884,723
ROU assets	4,671,530	4,472,798
	23,429,994	18,477,672
Less accumulated depreciation and amortization	13,037,394	11,259,016
Net property and equipment	$ 10,392,600	$ 7,218,656

Depreciation expense by major asset classification is summarized below:

	December 31 2023	December 31 2022
Buildings	$ 182,659	$ 201,016
Autos and trucks	328,055	747,605
Machinery and equipment	1,091,240	1,015,278
Office furniture and equipment	23,644	27,590
ROU assets	884,702	-
	$ 2,510,300	$ 1,991,489

Depreciation expense is reflected in the accompanying financial statements as follows:

	December 31 2023	December 31 2022
Cost of construction	$ 2,439,004	$ 1,788,464
General and administrative	71,296	203,025
	$ 2,510,300	$ 1,991,489

Note 6. Lines of Credit

At December 31, 2023 and 2022, the Company has available a $3,000,000 line of credit at a bank. The line is secured by all accounts and equipment, bears interest at prime rate and matures May 19, 2025. At December 31, 2023 and 2022, the effective interest rate was 8.5% and 7.5%, respectively. There were no amounts outstanding on this line of credit at December 31, 2023 and 2022. The line of credit contains certain financial covenants.

At December 31, 2023 and 2022, the Company has available a $1,000,000 line of credit at a bank. The line is secured by equipment, bears interest at the 5-year treasury plus 3% subject to a floor of 7.00% and matures October 4, 2024. At December 31, 2023 and 2022, the effective interest rate was 7% and 7%. There were no amounts outstanding on this line of credit at December 31, 2023 and 2022.

Note 7. Long-term Debt

Long-term debt consists of the following:

Description—Collateral	Monthly Installment	Interest Rate	Payable Through	December 31 2023	December 31 2022
Commercial finance companies—machinery, equipment and vehicles	$ 46,478	0.00% to 8.99%	2024-2028	$ 1,615,571	$ 669,184
Bank installment loans—machinery and equipment	27,377	2.73% to 6.49%	2024-2028	433,886	346,260
Acquisition debt—Bank installment loans —machinery and equipment	19,120	5.46%	2027	759,737	941,624
Loan to seller—Hill Country Bridge, Inc. —company stock	478,599	3.00%	2027	1,745,220	2,150,225
Total long-term debt				4,554,414	4,107,293
Less current maturities of long-term debt				1,191,523	1,016,067
				$ 3,362,891	$ 3,091,226

Assets purchased with the notes above are pledged as collateral.

Aggregate maturities on long-term debt at December 31, 2023, are as follows:

Years ending December 31:	
2024	$ 1,191,523
2025	1,190,820
2026	1,163,416
2027	960,849
2028	47,806
	$ 4,554,414

Related party debt consists of the following:

Collateral	Annual Payment	Interest Rate	Payable Through	December 31 2023	December 31 2022
Debt to former stockholder	$710,690	3.00%	2031	$ 4,988,823	$ 5,533,507
Less current maturities of long-term debt				561,025	544,684
				$ 4,427,798	$ 4,988,823

Future principal payments at December 31, 2023, are due as follows:

Years ending December 31:	
2024	$ 561,025
2025	577,856
2026	595,191
2027	613,047
2028	631,439
Thereafter	2,010,265
	$4,988,823

Note 8. Employee Stock Ownership Plan

Effective January 1, 2020, the Company adopted an Employee Stock Ownership Plan (ESOP) that covers substantially all employees. A participant's stock account and investment account shall vest at the rate of 0% upon completion of one year of service, 20% upon completion of the second year of service, 40% upon completion of the third year of service, 60% upon completion of the fourth year of service, 80% upon completion of the fifth year of service, and 100% upon completion of the sixth year of service.

The Company makes annual contributions to the ESOP based on determinations by the Company's Board of Directors. The ESOP shares are pledged as collateral for its debt. Shares are released and allocated to active participants based on payments of the debt of the ESOP for the purchase of shares, including interest. Debt of the ESOP is recorded as unearned ESOP shares on the consolidated balance sheets. As shares are released from collateral, the Company reports compensation expense equal to the current market price of the shares. Distributions on allocated ESOP shares are recorded as a reduction of retained earnings; distributions on unallocated ESOP shares used to pay debt service are treated as contributions to the plan. Distributions on unallocated ESOP shares paid to participants or added to participant accounts are treated as compensation cost. There were approximately 13,598 shares released in 2023 with a fair value of $340,000. Approximately 13,352 shares released in 2022 with a fair value of $380,098.

The ESOP initially acquired 200,000 shares from a stockholder for $6,000,000 in exchange for a nonrecourse promissory note with an interest rate at 1.73% per annum. During 2022, this initial note was amended based on a working capital adjustment. The amended note totaled $6,062,327. Had the note been recorded at the amended amount at inception, shares released would have been lower by 1,631. The company has recorded the adjustment to the ESOP in 2022. The note is payable in annual installments of $456,446 beginning December 31, 2021 and ending December 31, 2035. The noteholder swapped this note for a subordinated note issued by the company.

There was no ESOP repurchase liability for 2023 and 2022.

The shares acquired are pledged as security for the promissory notes and will be released from such pledge as the principal of the promissory notes are reduced with cash contributions made by the Company. Participants receive an allocation of shares held in the plan as the promissory notes are reduced and additional shares are released. Allocated shares are divided among participants based on relative compensation.

The ESOP shares as of December 31, were as follows:

	December 31 2023	December 31 2022
Allocated shares	26,670	13,335
Shares released for allocation	13,598	13,335
Unreleased shares	159,732	173,330
Total ESOP shares	200,000	200,000
Fair value of unreleased shares at December 31	$ 3,993,300	$ 4,002,190

Note 9. Warrants

In 2021, the Company issued warrants associated with a note to a former stockholder to purchase up to 50,000 shares of the company in conjunction with the loan agreements described in Note 8. The exercise price of the warrants is $25 per share and they are exercisable through August 31, 2031.

Note 10. Leases

The Company has financing leases of vehicles and for certain equipment. Leases have remaining lease terms of 1 year to 5 years.

The following summarizes the line items in the balance sheets which include amounts for operating and finance leases as of December 31:

	2023	2022
Finance Leases		
Autos and trucks	$ 1,868,928	$ 1,935,713
Machinery and equipment	2,802,602	2,537,085
Accumulated amortization	(2,041,252)	(1,657,156)
Finance lease right-of-use assets, net	$ 2,630,278	$ 2,815,642
Current portion of right-of-use finance lease liabilities	$ 787,230	$ 798,185
Long-term portion of right-of-use finance lease liabilities	1,565,874	1,748,799
Total finance lease liabilities	$ 2,353,104	$ 2,546,984

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2023:

Weighted Average Remaining Lease Term	
Finance leases	5 years
Weighted Average Discount Rate	
Finance leases	5.68%

The maturities of lease liabilities as of December 31, 2023 were as follows:

	Finance Leases
Years ending December 31:	
2024	$ 902,413
2025	693,045
2026	460,152
2027	356,701
2028	215,116
Total lease payments	2,627,427
Less amount of lease payments attributable to interest	274,323
Present value of lease payments	2,353,104
Less current portion of lease obligations	787,230
Long-term portion of lease obligations	$ 1,565,874

The following summarizes the line items in the income statements which include the components of lease expense for the year ended December 31:

	2023	2022
Finance lease costs:		
Amortization of lease assets included in depreciation and amortization expense	$ 884,702	$ 624,505
Interest on lease liabilities included in interest expense	116,678	136,668
Total finance lease costs	$ 1,001,380	$ 761,173

Note 11. Related-Party Transactions

The Company has an agreement with a former stockholder regarding life insurance policies. Under the terms of the agreement, the Company pays the life insurance premiums, which will be repaid upon receipt of the death benefit or cash surrender value of the policy. The policy terminated subsequent to year end resulting in the company writing off the receivable in the current year. The amount due from stockholders totaled approximately $172,000 at December 31, 2022.

The company leases office space from related parties. All related party leases are less than one year. Given the lease terms of all these agreements are less than 12 months, the Company has elected the practical expedient under ASC 842 not to recognize lease assets and lease liabilities for these leases. During year ended December 31, 2023, lease expense totaled approximately $583,000 ($442,000 in 2022).

A deposit of approximately $105,000 is maintained on certain leased related party properties.

In August 2023, the Company issued a promissory note to a related party in the principal amount of $1,200,000. The note bears an annual interest rate of 4%, with repayment structured in monthly installments of $8,876 over a period of 15 years. As of December 31, 2023, the outstanding balance of the promissory note was $1,180,397, inclusive of accrued interest and principal repayments made since the issuance of the note.

The Company ensures that all related party transactions are conducted on terms that are at least as favorable as those that could be negotiated with an unrelated party.

Note 12. Goodwill

In 2022, the Company adopted the accounting alternatives for amortizing goodwill and for goodwill impairment triggering event evaluation available to private companies under FASB ASC 350-20. Accordingly, the Company began amortizing goodwill as of August 1, 2022, on a straight-line basis over 10 years. The Company performs a goodwill impairment triggering event evaluation at the entity level as of the end of each reporting period. When a triggering event occurs, the Company first assesses qualitative factors to determine whether the quantitative impairment test is necessary. If that qualitative assessment indicates that it is more likely than not that goodwill is impaired, the Company performs the quantitative test to compare the entity's fair value with its carrying amount, including goodwill. If the qualitative assessment indicates that it is not more likely than not that goodwill is impaired, further testing is unnecessary. The goodwill impairment loss, if any, represents the excess of the carrying amount of the entity over its fair value.

No triggering events occurred as of December 31, 2023, that required goodwill impairment testing and, accordingly, no impairment loss was recorded in 2023.

	2023	2022
Goodwill	$ 635,416	$ 635,416
Accumulated amortization	90,016	26,476
	$ 545,400	$ 608,940

Amortization expense for the year ended December 31, 2023 and 2022 totaled $63,540 and $26,476, respectively.

Note 13. Amortization of bond issuance costs

The Company capitalized approximately $ 399,327 and $276,618 as of December 31, 2023 and 2022, respectively, of bond premiums which are included in prepaid expenses on the accompanying consolidated balance sheets. These costs are amortized proportionately as the progress toward satisfaction of the performance obligation occurs.

Note 14. Insurance Matter

At December 31, 2023 and 2022, the Company holds investments in two multi-shareholder captive insurance companies. The investments are recorded at cost and is classified as investment in captive insurance company on the balance sheet. The Company purchases insurance policies from the captive insurance company to manage health, general liability, workers' compensation and auto liability risks. The policies provide for potential retrospective premium assessments in the event claim experience for insured events exceed specified levels. Management considers estimates for retrospective premiums at each balance sheet date. Such estimates, if any, are included in accrued expenses in the accompanying balance sheets.

Note 15. Commitments and Contingent Liabilities

The Company may be involved in claims and litigation in the normal course of business. Management believes the applicable insurance coverage is adequate to cover costs of settlement and defense of such claims and litigation, if any.

Note 16. Surety Bonds

The Company, as a condition for entering into some of its construction contracts, had outstanding surety bonds as of December 31, 2023 and 2022.

Note 17. Major Customers

The Company performs contract work, which is acquired on a competitive bid basis, for the City of San Antonio (the City). In 2023, approximately 32 percent of the Company's gross revenues and 25 percent of the Company's receivables are tied directly to contracts awarded by the City. In 2023, approximately 24 percent of the Company's gross revenues and 11 percent of the Company's receivables are tied directly to contracts awarded by the Texas Department of Transportation. Additionally, approximately 26 percent of the Company's gross revenues and 33 percent of the Company's receivables are tied directly to contracts awarded by CPS Energy.

In 2022, approximately 65 percent of the Company's gross revenues and 46 percent of the Company's receivables are tied directly to contracts awarded by the City. In 2022, approximately 15 percent of the Company's gross revenues and 16 percent of the Company's receivables are tied directly to contracts awarded by the Texas Department of Transportation.

Note 18. Economic Dependency and Concentration of Credit Risk

In 2023 and 2022, the Company's revenue was substantially all made on credit to various federal, state and municipal institutions in San Antonio, Texas, and the surrounding areas. The Company evaluates credit risks on an individual basis before extending credit to its customers. The Company estimates an allowance for doubtful accounts based upon the creditworthiness of its customers, as well as general economic conditions. Consequently, an adverse change in those factors could affect the Company's estimate of its bad debts. Management believes the Company has recognized all losses on uncollectible accounts.

The Company maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation up to a maximum of $250,000. The Company has not experienced any losses in such accounts. At December 31, 2023 and December 31, 2022, the Company's uninsured cash balances total $3,300,000 and $3,750,000, respectively.

Note 19. Employee Benefit Plans

The Company has a 401(k) employees' profit sharing plan covering substantially all its employees. Company contributions to the plan are at the discretion of the Board of Directors, but may not exceed the maximum allowable deduction permitted under the Internal Revenue Code at the time of contribution. Company matching contributions totaled approximately $5,000 and $5,000 for the years ended December 31, 2023 and 2022, respectively, and are included in accrued expenses.

On January 1, 2020, the company established a deferred compensation agreement with certain key members of management. The Deferred Compensation Committee, as appointed by the Board, will determine on an annual basis if an allocation will be made to the plan and if so how much. To vest in the allocated amounts, the participants must remain in continuous full-time employment through vesting dates. Vested amounts are payable in five annual installments beginning in the year following full vesting and are paid from the general assets of the Company. Total expense recognized for the year ended December 31, 2023 and 2022, was approximately $136,000 and $161,000, respectively, and covered 10 employees. The present value of the unpaid gross value at a discount rate of 8.0% has been recorded as a long-term liability in the consolidated financial statements.

E-Z Bel Holdings, Inc. and Subsidiaries

December 31, 2022 and 2021

Consolidated Financial Report and Supplementary Information (Audited)

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Independent Auditor's Report

To the Stockholders
E-Z Bel Holdings, Inc. and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of E-Z Bel Holdings, Inc. (a Texas corporation), which comprise the balance sheet as of December 31, 2022, and the related consolidated statement of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of E-Z Bel Holdings, Inc. as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of E-Z Bel Holdings, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Slattery Perkins Ramirez P.C.
San Antonio, TX
February 17, 2023

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash	$ 6,275,628	$ 6,653,699
Investments	7,238,473	7,439,642
Receivables:		
Contracts receivable	8,256,280	4,685,084
Retainage receivable - Unconditional	260,094	927,448
Contract assets:		
Costs and estimated earnings in excess of billings on uncompleted contracts	894,043	1,574,244
Retainage receivable - Conditional	3,242,721	1,893,449
Related-party note receivable	-	202
Prepaid expenses and other	647,965	481,838
Total current assets	26,815,204	23,655,606
Property and equipment, net	4,718,514	3,339,497
Finance lease right-of-use assets, net	2,815,642	2,272,936
	7,534,156	5,612,433
Other assets		
Due from stockholders	172,318	163,121
Deposits	91,200	90,200
Cash value of life insurance	909,429	1,030,086
Goodwill (net of accumulated amortization of $26,476)	608,940	-
Investment in captive insurance company	45,000	25,000
Total other assets	1,826,887	1,308,407
Total assets	$ 36,176,247	$ 30,576,446

See notes to consolidated financial statements.

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

	2022	2021
Liabilities and Stockholders' Equity		
Current liabilities		
Current maturities of long-term debt	$ 1,016,067	$ 385,846
Current portion of right-of-use finance lease liabilities	798,185	613,360
Current portion of related party note payable	544,684	523,383
Accounts payable		
Trade	5,347,433	4,639,142
Retainage	133,706	214,672
Accrued expenses	394,020	218,774
Accrued job loss	134,422	-
Franchise taxes payable	35,812	106,032
Contract liabilities:		
Billings in excess of costs and earnings on uncompleted contracts	5,687,339	2,438,159
Retainage payable - Conditional	646,610	205,786
Distributions payable	-	1,086,093
Total current liabilities	14,738,278	10,431,247
Long-term liabilities		
Long-term debt, less current maturities	3,091,226	698,719
Long-term portion of right-of-use finance lease liabilities	1,748,799	1,447,490
Related party note payable	4,988,823	5,476,617
Deferred compensation plan payable	358,590	197,115
Total long-term liabilities	10,187,438	7,819,941
Stockholders' equity		
Common stock - $.0.10 par value, 1,500,000 shares authorized; 1,000,000 shares issued and outstanding	10,000	10,000
Retained earnings	16,494,054	17,865,787
Less unearned employee stock ownership plan (ESOP) shares	(5,253,523)	(5,550,529)
Total stockholders' equity	11,250,531	12,325,258
Total liabilities and stockholders' equity	$ 36,176,247	$ 30,576,446

See notes to consolidated financial statements.

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Statements of Income
Years Ended December 31, 2022 and 2021

	2022	2021
Construction income	$ 65,116,914	$ 58,769,310
Cost of construction	57,648,949	46,466,348
Gross profit	7,467,965	12,302,962
General and administrative expenses	(6,030,869)	(3,065,113)
Operating income	1,437,096	9,237,849
Other income (expense):		
Interest expense	(314,503)	(118,653)
Interest and dividend income	196,092	125,043
Net realized and unrealized gain (loss) on investments	(709,359)	232,239
Amortization expense	(26,476)	-
Forgiveness of paycheck protection loan	-	2,109,000
Gain on disposal of equipment	67,613	97,912
Other income	100,942	170,055
Total other income, net	(685,691)	2,615,596
Income before income tax expense	751,405	11,853,445
Franchise tax expense	28,294	114,989
Net Income	$ 723,111	$ 11,738,456

See notes to consolidated financial statements.

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity
Years Ended December 31, 2022 and 2021

	Common Stock		Retained	Unearned ESOP		
	Shares	Amount	Earnings	Shares	Amount	Total
Balance at December 31, 2020	-	$ -	$ 13,146,100	-	$ -	$ 13,146,100
Conversion from LLC to Corporation	1,000,000	10,000	(10,000)	-	-	-
Shares sold to ESOP	-	-	-	200,000	(6,000,000)	(6,000,000)
Release of shares in suspense	-	-	-	(14,982)	449,471	449,471
Distributions	-	-	(6,924,868)			(6,924,868)
Change in fair value of shares released	-	-	(83,901)			(83,901)
Net income	-	-	11,738,456	-	-	11,738,456
Balance at December 31, 2021	1,000,000	10,000	17,865,787	185,018	(5,550,529)	12,325,258
Release of shares in suspense	-	-	32,412	(11,701)	297,006	329,418
Distributions	-	-	(2,103,236)	-	-	(2,103,236)
Change in fair value of shares released	-	-	(24,020)	-	-	(24,020)
Net income	-	-	723,111	-	-	723,111
Balance at December 31, 2022	1,000,000	$ 10,000	$ 16,494,054	173,317	$ (5,253,523)	$ 11,250,531

See notes to consolidated financial statements.

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Net income	$ 723,111	$ 11,738,456
Adjustments to reconcile net income to net cash provided by operations:		
ESOP compensation expense	367,725	365,570
Depreciation & amortization	2,017,965	1,773,428
Gain on disposal of equipment	(67,613)	(97,912)
Forgiveness of paycheck protection program loan	-	(2,109,000)
Changes in operating assets and liabilities:		
Investments	328,083	(335,212)
Accounts receivable	(1,765,441)	651,923
Contract assets	(608,270)	(544,191)
Prepaid expenses	(122,805)	(362,890)
Deposits	(1,000)	4,572
Cash surrender value of life insurance	136,027	(67,086)
Accounts payable and accrued expenses	681,967	(2,304,720)
State franchise taxes payable	(70,220)	19,889
Contract liabilities	3,593,340	(594,393)
Net cash provided by operating activities	5,212,869	8,138,434
Cash flows from investing activities		
Due from stockholders, net	(8,995)	10,042
Premiums paid officers' life insurance	(15,370)	(15,370)
Proceeds from disposal of equipment	67,613	210,500
Investment in captive insurance company	(20,000)	-
Net purchases of investments	(126,914)	(2,495,512)
Purchase of property and equipment	(655,684)	(1,020,753)
Net cash used by investing activities	(759,350)	(3,311,093)
Cash flows from financing activities		
Principal payments on long-term debt	(1,000,149)	(751,382)
Proceeds from long-term debt	-	219,003
Principal payments on finance lease obligations	(642,112)	(555,930)
Distributions	(3,189,329)	(6,849,840)
Net cash used by financing activities	(4,831,590)	(7,938,149)
Net decrease in cash	(378,071)	(3,110,808)
Cash and cash equivalents at beginning of year	6,653,699	9,764,507
Cash and cash equivalents at end of year	$ 6,275,628	$ 6,653,699

(continued)

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Supplemental cash flow information		
Cash paid for interest expense	$ 314,503	$ 118,653
Cash paid for state franchise taxes	95,100	95,100
Cash paid for amounts included in measurement of lease liabilities:		
Financing cash flows from finance leases	38,965	-
Supplemental disclosures of noncash flow information		
Equipment purchased with long-term debt	343,832	46,396
Lease assets obtained in exchange for lease obligations:		-
Finance leases	1,128,246	482,443
Declared and accrued cash distributions	-	1,086,093
Forgiveness of paycheck protection program loan	-	2,109,000
Fair market value adjustment for ESOP shares released	24,020	83,901
Debt issued for acquisition of Hill Country Bridge, Inc. (see note 12)	3,150,225	-

See notes to consolidated financial statements.

Note 1. Summary of Significant Accounting Policies

Reporting entity and nature of operations: E-Z Bel Construction, LLC (Construction) is engaged in the heavy highway and utility construction industry and its jobs are generally awarded through a competitive bid process in which the low bidder is awarded the contract. Substantially all Construction's contracts are with federal, state and municipal institutions in San Antonio, Texas, and the surrounding areas. 811 El Monte, LLC (El Monte) is engaged in rental real estate for third parties. Hill Country Bridge, Inc was acquired August 1, 2022 and is engaged in bridge and concrete construction mostly for TXDOT. Both E-Z Bel Construction and Hill Country Bridge are wholly owned by E-Z Bel Holdings, Inc. (collectively, the Company). 811 El Monte is 100% owned by E-Z Bel Construction, LLC. In 2021, E-Z Bel Holdings, LLC converted to E-Z Bel Holdings, Inc.

Principles of consolidation: The consolidated financial statements (the financial statements) include the accounts of E-Z Bel Holdings, Inc. and its wholly owned subsidiaries Construction and El Monte. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates inherent in the accompanying consolidated financial statements include estimated costs on incomplete contracts.

Investments: Investments consist primarily of mutual funds, common stocks, municipal bonds and a money market account The fair value of substantially all investments is determined by quoted market prices. The estimated fair value of securities for which there are no quoted market prices is based on similar types of securities that are traded in the market (see Note 2). The consolidated statements of income include interest and dividend income of $196,092 ($130,418 in 2021) and realized and unrealized gains (losses) totaling $(709,259) ($232,239 in 2021) for the year ended December 31, 2022, from these investments.

The investment in the captive insurance company is accounted for at the lower of cost or market due to the Company not owning a controlling interest in the investment.

Trade accounts receivable: The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for bad debts charged to earnings. Losses are charged against the allowance when management believes the uncollectibility of a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. The evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

At December 31, 2022 and 2021, no allowance for future bad debts has been established, as it is management's opinion that losses, if incurred, would not materially affect the financial statements.

Depreciation: Property and equipment is stated at cost. Depreciation of property and equipment is calculated on the straight-line method based on the following estimated lives: buildings–18 to 40 years, autos and trucks-five to seven years, machinery, and equipment–five to ten years and office furniture and equipment–three to ten years. Construction in progress will begin depreciating upon completion.

Impairment of long-lived assets: The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results; trends and prospects; and the effects of obsolescence, demand, competition and other economic factors. The Company did not recognize an impairment loss during the year ended December 31, 2022 and 2021.

Cash surrender value of life insurance: The Company is beneficiary of whole life insurance policies being carried on certain officers totaling approximately $18,068,374 and $18,068,374 as of December 31, 2022, and 2021, respectively. The related cash surrender value of approximately $909,000 is recorded as other assets in the accompanying consolidated balance sheet as of December 31, 2022 ($1,030,000 in 2021).

Revenue recognition: Revenue is primarily derived from multi-year construction contracts. The Company recognizes revenue in accordance with the FASB Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with customers as follows: identify the contract, identify performance obligations, determine the transaction price, allocate the transaction price and recognize revenue.

The Company's customers consist of general contractors working for government agencies and private customers, primarily located within the continental United States. For government contracts, future cash flows depend on the Company's ability to continue to obtain federal, state and local government contracts, and indirectly on the amount of funding available to these agencies for new and current government projects. Therefore, a portion of the Company's operations is dependent upon the level and timing of government funding. For private customers, statutory mechanics liens provide the Company relatively high priority in the event of lien foreclosures; thus, minimizing credit risk.

The Company has elected, as a practical expedient, the accounting policy under which it excludes from the transaction price taxes it collects from its customers that were assessed by a government authority on (or contemporaneous with) the entity's revenue-generating transactions with its customers. The Company therefore reports sales revenue net of sales tax.

El monte generates revenue through monthly lease rentals. The entity recognizes income from leases in accordance with ASC Topic 840, Leases. Total rental income recognized under ASC Topic 840 was approximately $6,100 and $37,000 for the years ended December 31, 2022 and 2021, respectively and is included in other income on the accompanying consolidated financial statements.

Contract combination: When multiple contracts are entered into under a single master agreement (whether for construction projects or construction-related materials), management reviews the contracts to determine whether (a) the contracts are negotiated as a package with a single commercial objective, (b) the amount of consideration paid in one contract depends on the price or performance in the other contract and (c) the goods or services promised in the contracts are a single performance obligation. If one of these three conditions is met, the contracts are combined and accounted for as a single contract.

Construction contracts: The Company's construction contracts include multiple promises, which management reviews at contract inception to determine whether they represent multiple performance obligations. This review consists of determining whether promises or groups of promises are capable of being distinct within the context of the contract. Most of the Company's construction contracts are considered to have a single performance obligation because the Company provides a significant service of integrating a complex set of tasks and components into a single asset. Some contracts include multiple projects that are separately identifiable (e.g., multiple buildings or sites) or include elements not related to the design and/or building aspects of the contract. These contracts typically are considered to have multiple performance obligations even when they are part of a single contract.

When a contract has multiple performance obligations, the transaction price is allocated to each performance obligation based on estimated relative stand-alone selling prices of the goods or services at the inception of the contract. In most cases, the Company does not sell the distinct good or service on a stand-alone basis and, instead, uses its best estimate of the stand-alone selling price of each distinct good or service in the contract. The primary method used to estimate stand-alone selling price is the expected-cost-plus-a-margin approach, under which the Company forecasts its expected costs of satisfying a performance obligation and then adds an appropriate margin.

Billing practices are governed by the contract terms and generally are based on the achievement of milestones or predetermined schedules. From time to time, these terms may require the customer to make advance payments as work progresses, or could result in the Company receiving payment prior to transferring the related good or service. The period between the receipt of payment and the completion of the work to which it relates is generally one year or less. The Company has elected not to adjust consideration for the effects of financing under the practical expedient that allows an entity to ignore the effects of a significant financing component when the period between the receipt of payment and the transfer of the good or service to the customer is one year or less.

Certain construction contracts include retention provisions to provide assurance to the Company's customers that it will perform in accordance with the contract terms. These provisions could result in a period of more than a year passing between the transfer of the good or service and the receipt of payment, but are not considered to be for purposes of financing. The balances billed, but not paid by customers pursuant to these provisions, generally become due upon completion and acceptance of the project work or products by the customer. The Company has determined there were no significant financing components in its contracts during the year ended December 31, 2022 and 2021, as the intent of the retention provisions is to protect the customer rather than provide financing.

Management has concluded performance obligations related to construction contracts are satisfied over time because the Company's performance typically creates or enhances an asset that the customer controls as the asset is created or enhanced. The Company recognizes revenue as performance obligations are satisfied and control of the promised good and/or service is transferred to the customer. The Company measures the progress toward complete satisfaction of the performance obligation(s) using an input (i.e., cost-to-cost) method. Under the cost-to-cost method, costs incurred to date are generally the best depiction of transfer of control.

Variable consideration: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods and services to the customer. The consideration promised in a contract with a customer may include both fixed amounts and variable amounts (e.g., bonuses/incentives, penalties/liquidated damages, returns) to the extent that it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Company estimates the amount of variable consideration at the most likely amount to which the Company expects to be entitled. The Company's estimates of variable consideration are based on its assessment of legal enforceability, anticipated performance and any other information (historical, current or forecasted) that is reasonably available.

Contract estimates and modifications: The accuracy of the Company's revenue and profit recognition in a given period depends on the accuracy of management's estimates of the cost to complete each project. There are a number of factors that can contribute to changes in estimates of contract cost and profitability. Significant factors include:

- The completeness and accuracy of the original bid
- Costs associated with scope changes and changes from the original design
- Changes in costs of labor and/or materials, owner changes, weather, site conditions and other delays
- Subcontractor performance issues
- Changes in productivity expectations
- The Company's ability to fully and promptly recover on contract changes
- The customer's ability to properly administer the contract

The foregoing factors, as well as the stage of completion of contracts in process and the mix of contracts at different margins, may cause fluctuations in gross profit and gross profit margin from period to period, which may have a significant impact on the financial statements. At the time an anticipated loss on a contract becomes evident, the entire amount of the estimated loss is accrued.

The Company recognizes changes in contract estimates on a cumulative catch-up basis in the period in which the changes are identified. Such changes in contract estimates can result in the recognition of revenue in a current period for performance obligations that were satisfied or partially satisfied in prior periods. For the year ended December 31, 2022, the Company over recognized approximately $1,161,000 of revenue from performance obligations satisfied (or partially satisfied) in previous periods, primarily due to changes in estimates or changes in transaction price (approximately $1,693,000 under recognized in 2021).

Changes in contract estimates also may result in the reversal of previously recognized revenue if the current estimate differs from the previous estimate. If at any time the estimate of contract profitability indicates an anticipated loss on the contract, the Company recognizes the total loss in the period it is identified.

Subsequent to the inception of a contract, the transaction price may change for various reasons, including the executed or estimated amount of change orders, contract modifications, claims to or from customers and back-charge recoveries. On certain projects, the Company may have submitted and have pending unresolved contract modifications and claims to recover additional costs and the associated profit, if applicable, to which the Company believes it is entitled under the terms of contracts with customers. The customers or their authorized representatives may be in partial or full agreement with the modifications or affirmative claims, or may have rejected or disagree entirely or partially as to such entitlement.

Recognizing changes in the transaction price requires significant judgments of various factors including, but not limited to, dispute resolution developments and outcomes, anticipated negotiation results and the cost of resolving such matters. If the transaction price is changed and no additional distinct goods or services are added, the effect of a change in the transaction price and the measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue on a cumulative catch-up basis. When a contract is modified to deliver additional goods or services that are distinct and the increase in price of the contract is for the same amount as the stand-alone selling price of the additional goods or services included in the modification, the modification is accounted for as a separate contract.

Contract assets and liabilities*:* Accounts receivable are governed by the contract terms and are recorded based on contracted prices when the Company obtains an unconditional right to payment under the terms of its contracts.
Contract assets are classified on the balance sheet as costs and estimated earnings in excess of billings on incomplete contracts and represent revenues recognized in excess of amounts billed or available to be billed where the right to payment is not unconditional. Retainage, included in contract assets, represents the amount withheld from billings by the Company's customers pursuant to provisions in the contracts and may not be paid to the Company until the completion of specific tasks or the completion of the project and, in some instances, for even longer periods.

Contract liabilities are classified on the balance sheet as billings in excess of costs and estimated earnings on incomplete contracts and represent billings in excess of revenues recognized.

Warranties*:* The Company generally provides limited assurance-type warranties for work performed under its construction contracts. The warranty periods typically extend for a limited duration following substantial completion of the Company's work on a project. Historically, warranty claims have not resulted in material costs incurred. The Company does not consider these warranties to be separate performance obligations.

Contract costs: All contract costs, including those associated with change orders, unresolved contract modifications, claims to or from customers and back-charge recoveries, are recorded as incurred, and revisions to estimated total costs are reflected as soon as the obligation to perform is determined. Contract costs include all direct labor, material, subcontractors, equipment and indirect costs related to contract performance. General and administrative expenses are charged to operations as incurred. The Company recognizes revenue, but not profit, on certain significant uninstalled materials that are not specifically produced, fabricated or constructed for a project. Revenue related to these uninstalled materials is recognized when the cost is incurred (when control is transferred).

Costs to obtain contracts (pre-bid costs) that are not expected to be recovered from the customer are expensed as incurred and included in general and administrative expenses in the consolidated statement of income. Pre-bid costs that are explicitly chargeable to the customer, even if the contract is not obtained, are included in trade accounts receivable in the consolidated balance sheet.

Tax status: S corporation tax status has been elected by all of the stockholders of the corporation. An S corporation is not a taxpaying entity. Any income or operating loss arising from the activities of the company is reported, after appropriate adjustments, on the personal income tax returns of the stockholders. Because the company is not a taxpaying entity, its financial statements are different from those of taxpaying entities. Specifically, on the income statement there is no provision for income tax expense. In addition, the balance sheet does not present a liability for income taxes incurred but not yet paid as of the balance sheet date. Also, the balance sheet does not present any deferred tax assets or deferred tax liabilities that might arise from the differences between net income on the income statement and taxable income on the individual stockholders' tax returns, as well as differences between carrying values of assets and liabilities and their tax bases.

In accordance with the ASC Topic 740, management has evaluated the Company's tax position and concluded the Company has taken no uncertain tax positions that require adjustment to the financial statements.

The Company is subject to the Texas gross margin tax.

Contingencies: Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates a potentially material loss contingency is not probable, but is reasonably possible, or is probable, but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

Compensated absences: Employees of the Company are entitled to paid time off depending on job classification, length of service and other factors. At December 31, 2022 and 2021, the Company has employees that are both hourly and salaried. Accruals for compensated absences are evaluated periodically by management and adjusted as necessary.

Advertising and business promotion costs: Advertising and business promotion costs totaled approximately $43,000 and $37,000 the years ended December 31, 2022 and 2021, respectively, and are expensed as incurred.

Reclassification: Certain reclassifications have been made within these consolidated financial statements to conform prior periods to current-year presentation.

Subsequent events: The Company has evaluated subsequent events through February 17, 2023, the date the financial statements were available to be issued.

Note 2. Fair Value Measurements and Disclosures

The requirements of Fair Value Measurements and Disclosures of the ASC apply to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair Value Measurements and Disclosures establishes a fair value hierarchy that prioritizes the inputs used in valuation methodologies into the following three levels.

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs are observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, or other inputs that can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies or other valuation techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The Company determines the fair value of mutual funds, common stocks and municipal bonds based upon quoted market prices in active markets. The Company determines the value of money market funds as cash equivalents, which approximate fair value.

The following table represents assets measured at fair value on a recurring basis, as reported on the consolidated balance sheets as of December 31, 2022 and 2021, and by level within the fair value measurement hierarchy:

	Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 1,605,796	$ -	$ -	$ 1,605,796
Common stocks	740,197	-	-	740,197
Municipal bonds	-	4,326,266	-	4,326,266
Money market	527,179	-	-	527,179
Other	-	-	39,035	39,035
	$ 2,873,172	$ 4,326,266	$ 39,035	$ 7,238,473

	Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 5,876,246	$ -	$ -	$ 5,876,246
Common stocks	917,580	-	-	917,580
Municipal bonds	-	407,555	-	407,555
Money market	151,461	-	-	151,461
Other	-	-	86,800	86,800
	$ 6,945,287	$ 407,555	$ 86,800	$ 7,439,642

Note 3. Contracts and Retainage Receivable

Contracts receivable consists of the following:

	2022	**2021**
Contracts receivable:		
Completed contracts	$ 442,841	$ 132,505
Contracts in progress	7,813,439	4,552,579
	8,256,280	4,685,084
Retainage receivable	260,094	927,448
Total contracts receivable	$ 8,516,374	$ 5,612,532

Note 4. Revenue Recognized and Costs Incurred on Uncompleted Contracts

The following is a summary of contracts in progress at December 31:

	2022	2021
Costs incurred on uncompleted contracts	$ 63,058,022	$ 44,890,663
Estimated gross profit	6,528,385	11,436,288
Contract revenue earned on uncompleted contracts	69,586,407	56,326,951
Less: billings to date	(74,379,703)	(57,190,866)
Plus: conditional retainage	2,596,111	1,687,663
Total net contract asset (liability)	$ (2,197,185)	$ 823,748

The total net contract asset (liability) is included in the accompanying balance sheet under the following captions as of December 31:

	2022	2021
Contract assets:		
Revenue recognized in excess of amounts paid or payable to the company on uncompleted contracts, excluding retainage	$ 894,043	$ 1,574,244
Conditional retainage	3,242,721	1,893,449
Contract liabilities:		
Payments received or receivable in excess of revenue recognized on uncompleted contracts, excluding retainage	(5,687,339)	(2,438,159)
Conditional retainage	(646,610)	(205,786)
Total net contract asset (liability)	$ (2,197,185)	$ 823,748
Accrued loss on contracts	$ 134,422	$ -

Backlog represents a measure of the Company's remaining unsatisfied performance obligations and reflects the amount of revenue the Company expects to realize from work to be performed on incomplete contracts in progress at December 31, 2022, and from contractual agreements on which work has not yet commenced.

Estimated gross revenues on contracts in progress at December 31, 2022	$ 143,640,978
Less: contract revenues recognized to date on contracts in progress at December 31, 2022	(69,586,407)
	74,054,571
Additional contracts entered into at December 31, 2022 for which work had yet to begin (unaudited)	7,166,786
Backlog at December 31, 2022	$ 81,221,357

Note 5. Property and Equipment

Property and equipment consists of the following:

	December 31 2022	December 31 2021
Land	$ 44,229	$ 44,229
Buildings	1,126,740	1,109,105
Autos and trucks	3,179,237	4,652,184
Machinery and equipment	7,769,945	8,680,532
Office furniture and equipment	1,884,723	512,681
Construction in progress	315,500	53,850
	14,320,374	15,052,581
Less accumulated depreciation and amortization	9,601,860	9,440,148
Net property and equipment	$ 4,718,514	$ 5,612,433

Depreciation expense by major asset classification is summarized below:

	December 31 2022	December 31 2021
Buildings	$ 1,788,464	$ 143,299
Autos and trucks	29,040	760,118
Machinery and equipment	167,005	845,590
Office furniture and equipment	6,980	24,421
	$ 1,991,489	$ 1,773,428

Depreciation expense is reflected in the accompanying financial statements as follows:

	December 31 2022	December 31 2021
Cost of construction	$ 1,788,464	$ 1,732,986
General and administrative	203,025	40,442
	$ 1,991,489	$ 1,773,428

Note 6. Lines of Credit

At December 31, 2022 and 2021, the Company has available a $3,000,000 line of credit at a bank. The line is secured by all accounts and equipment, bears interest at prime rate and matures May 19, 2023. At December 31, 2022 and 2021, the effective interest rate was 7.5% and 3.5%, respectively. There were no amounts outstanding on this line of credit at December 31, 2022 and 2021. The line of credit contains certain financial covenants.

At December 31, 2022 and 2021, the Company has available a $1,000,000 line of credit at a bank. The line is secured by equipment and matures October 5, 2023. At December 31, 2022 and 2021, the effective interest rate was 7% and 4.25%. There were no amounts outstanding on this line of credit at December 31, 2022 and 2021.

Note 7. Long-term Debt

Long-term debt consists of the following:

Description—Collateral	Monthly Installment	Interest Rate	Payable Through	December 31 2022	December 31 2021
Commercial finance companies—machinery, equipment and vehicles	$ 20,062	0.00% to 8.99%	2023-2027	$ 669,184	$ 501,514
Bank installment loans—machinery and equipment	20,053	2.73% to 4.69%	2023-2026	346,260	583,051
Acquisition debt—Bank installment loans—machinery and equipment	19,120	5.46%	2027	941,624	-
Loan to seller—Hill Country Bridge, Inc.—company stock	478,599	3.00%	2027	2,150,225	-
				4,107,293	1,084,565
Less current maturities of long-term debt				1,016,067	385,846
Total long-term debt				$ 3,091,226	$ 698,719

Assets purchased with the notes above are pledged as collateral.

Aggregate maturities on long-term debt at December 31, 2022, are as follows:

Years ending December 31:	
2023	$ 1,016,067
2024	863,399
2025	820,193
2026	774,467
2027	633,167
	$ 4,107,293

Related party debt consists of the following:

Collateral	Annual Payment	Interest Rate	Payable Through	December 31 2022	December 31 2021
Debt to former stockholder	$710,690	3.00%	2031	$ 5,533,507	$ 6,000,000
Less current maturities of long-term debt				544,684	523,383
Total related party note payable				$ 4,988,823	$ 5,476,617

Future principal payments at December 31, 2022, are due as follows:

Years ending December 31:	
2023	$ 544,684
2024	561,025
2025	577,856
2026	595,191
2027	613,047
Thereafter	2,641,704
	$ 5,533,507

Note 8. Employee Stock Ownership Plan

Effective January 1, 2020, the Company adopted an Employee Stock Ownership Plan (ESOP) that covers substantially all employees. A participant's stock account and investment account shall vest at the rate of 0% upon completion of one year of service, 20% upon completion of the second year of service, 40% upon completion of the third year of service, 60% upon completion of the fourth year of service, 80% upon completion of the fifth year of service, and 100% upon completion of the sixth year of service.

The Company makes annual contributions to the ESOP based on determinations by the Company's Board of Directors. The ESOP shares are pledged as collateral for its debt. Shares are released and allocated to active participants based on payments of the debt of the ESOP for the purchase of shares, including interest. Debt of the ESOP is recorded as unearned ESOP shares on the consolidated balance sheets. As shares are released from collateral, the Company reports compensation expense equal to the current market price of the shares. Distributions on allocated ESOP shares are recorded as a reduction of retained earnings; distributions on unallocated ESOP shares used to pay debt service are treated as contributions to the plan. Distributions on unallocated ESOP shares paid to participants or added to participant accounts are treated as compensation cost. There were approximately 13,352 shares released in 2022 with a fair value of $380,098. Approximately 13,351 shares released in 2021 with a fair value of $353,198.

The ESOP initially acquired 200,000 shares from a stockholder for $6,000,000 in exchange for a nonrecourse promissory note with an interest rate at 1.73% per annum. During 2022, this initial note was amended based on a working capital adjustment to $6,062,327. The note is payable in annual installments of $457,161 beginning December 31, 2021 and ending December 31, 2035. The noteholder swapped this note for a subordinated note issued by the company.

There was no ESOP repurchase liability for 2022 and 2021.

The shares acquired are pledged as security for the promissory notes and will be released from such pledge as the principal of the promissory notes are reduced with cash contributions made by the Company. Participants receive an allocation of shares held in the plan as the promissory notes are reduced and additional shares are released. Allocated shares are divided among participants based on relative compensation.

The ESOP shares as of December 31, were as follows:

	December 31 2022	December 31 2021
Allocated shares	13,351	-
Shares released for allocation	13,332	13,351
Unreleased shares	173,317	186,649
Total ESOP shares	200,000	200,000
Fair value of unreleased shares at December 31	$ 4,421,317	$ 4,761,416

Note 9. Warrants

In 2021, the Company issued warrants associated with a note to a former stockholder to purchase up to 50,000 shares of the company in conjunction with the loan agreements described in Note 7. The exercise price of the warrants is $25 per share and they are exercisable through August 31, 2031. The Company has accounted for the warrants as a component of debt.

Note 10. Leases

The Company has financing leases of vehicles and for certain equipment. Leases have remaining lease terms of 1 year to 5 years.

The following summarizes the line items in the balance sheets which include amounts for operating and finance leases as of December 31:

Finance Leases	
Autos and trucks	$ 1,935,713
Machinery and equipment	2,537,085
Accumulated amortization	(1,657,156)
Finance lease right-of-use assets, net	$ 2,815,642
Current portion of right-of-use finance lease liabilities	$ 798,185
Long-term portion of right-of-use finance lease liabilities	1,748,799
Total finance lease liabilities	$ 2,546,984

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2022:

Weighted Average Remaining Lease Term	
Finance leases	5 years
Weighted Average Discount Rate	
Finance leases	4.90%

The maturities of lease liabilities as of December 31, 2022 were as follows:

	Finance Leases
Years ending December 31:	
2023	$ 907,248
2024	774,159
2025	564,372
2026	331,898
2027	220,144
Total lease payments	2,797,821
Less amount of lease payments attributable to interest	250,837
Present value of lease payments	2,546,984
Less current portion of lease obligations	798,185
Long-term portion of lease obligations	$ 1,748,799

The following summarizes the line items in the income statements which include the components of lease expense for the year ended December 31, 2022:

Finance lease costs:	
Amortization of lease assets included in depreciation and amortization expense	$ 624,505
Interest on lease liabilities included in interest expense	136,668
Total finance lease costs	$ 761,173

Note 11. Related-Party Transactions

The Company has agreements with several of its stockholders regarding life insurance policies. Under the terms of the agreement, the Company pays the life insurance premiums, which will be repaid by the stockholders upon receipt of the death benefit or cash surrender value of the policy. The amount due from stockholders totaled approximately $172,000 at December 31, 2022 (approximately $165,000 in 2021).

The company leases office space from related parties. A deposit of approximately $90,000 is maintained on certain leased properties. All related party leases are less than one year. During year ended December 31, 2022, lease expense totaled approximately $442,000 ($448,000 in 2021).

Note 12. Acquisition of Hill Country Bridge, Inc.

On August 1, 2022, the Company completed the purchase of Hill Country Bridge, Inc.(HCB) The Company acquired substantially all of the assets and 100% of the equity. The Company also assumed certain trade payables, accrued expenses and receivables associated with the assets being acquired. The aggregate purchase price paid was $3,150,225 comprised of a $1,000,000 payment to the owner through a bank note and buyer's note of $2,150,225 (see note 7).

GAAP defines the acquirer in a business combination as the entity that obtains control of one or more businesses in a business combination and establishes the acquisition date as the date that the acquirer achieves control. GAAP requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date. GAAP also requires the acquirer to recognize contingent consideration at the acquisition date, measured at its fair value at that date.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date:

Cash and cash equivalents	$	13,830
Accounts receivable		1,138,402
Contract assets		60,801
Other current assets		29,491
Vehicles & equipment		1,785,450
Goodwill		635,416
Current liabilities		(416,501)
Contract liabilities		(96,664)
	$	3,150,225

Accounts Receivable
Acquired receivables are amounts due from customers. The gross amount due for these receivables is $1,138,402 which management considers to be fully collectible; as such no allowance for uncollectible receivables has been recorded in the accompanying consolidated financial statements. Accounts receivables are expected to be fully collected by the end of the first quarter of 2023.

Vehicles & Equipment
An independent appraisal of vehicles & equipment was performed over acquired assets to determine the fair market value at the date of acquisition. The valuation method used is market approach, which is a valuation technique that provides an estimate of the fair value of an asset based on recent sales and offering prices of similar assets.

Goodwill Allocation
Among the primary reasons the Company entered into the HCB acquisition and factors that contributed to a purchase price allocation resulting in the recognition of goodwill were a history of operating margins and profitability. These additions will enable the Company to expand its service offerings.

Acquisition-Related Expenses
Included in general and administrative expenses in the consolidated statement of operations for the year ended December 31, 2022 were pretax charges totaling $42,000 for advisory, legal, and regulatory costs in connection with the HCB.

Note 13. Goodwill

In 2022, the Company adopted the accounting alternatives for amortizing goodwill and for goodwill impairment triggering event evaluation available to private companies under FASB ASC 350-20. Accordingly, the Company began amortizing goodwill as of August 1, 2022, on a straight-line basis over 10 years. The Company performs a goodwill impairment triggering event evaluation at the entity level as of the end of each reporting period. When a triggering event occurs, the Company first assesses qualitative factors to determine whether the quantitative impairment test is necessary. If that qualitative assessment indicates that it is more likely than not that goodwill is impaired, the Company performs the quantitative test to compare the entity's fair value with its carrying amount, including goodwill. If the qualitative assessment indicates that it is not more likely than not that goodwill is impaired, further testing is unnecessary. The goodwill impairment loss, if any, represents the excess of the carrying amount of the entity over its fair value.

No triggering events occurred as of December 31, 2022, that required goodwill impairment testing and, accordingly, no impairment loss was recorded in 2022.

Goodwill	$	635,416
Accumulated amortization		26,476
	$	608,940

Amortization expense for the year ended December 31, 2022 totaled $26,476.

Note 14. Insurance Matter

At December 31, 2022 and 2021, the Company holds an investment in a multi-shareholder captive insurance company. The investment is recorded at cost and is classified as investment in captive insurance company on the balance sheet. The Company purchases insurance policies from the captive insurance company to manage health, general liability, workers' compensation and auto liability risks. The policies provide for potential retrospective premium assessments in the event claim experience for insured events exceed specified levels. Management considers estimates for retrospective premiums at each balance sheet date. Such estimates, if any, are included in accrued expenses in the accompanying balance sheets.

Note 15. Commitments and Contingent Liabilities

The Company may be involved in claims and litigation in the normal course of business. Management believes the applicable insurance coverage is adequate to cover costs of settlement and defense of such claims and litigation, if any.

The Company has elected the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with an initial term of 12 months or less, that do not include an option to purchase the underlying asset that we are reasonably certain to exercise, are not recorded on the balance sheet.

Note 16. Surety Bonds

The Company, as a condition for entering into some of its construction contracts, had outstanding surety bonds as of December 31, 2022 and 2021.

Note 17. Change in accounting estimate

As of December 31, 2020, the Company estimated it would make a $1,600,000 contribution for 2020 in 2021 to fund the newly formed ESOP. This amount was accrued in 2020 and is included in current liabilities in the accompanying consolidated balance sheets as of December 31, 2020. After issuing the Company's 2020 financial statements, the Company obtained new information which ultimately changed the estimated contributions to be made in 2021 pertaining to 2020. This change has the effect of adjusting the carrying amount of the 2020 accrued liability. Had this change in estimate not occurred, Net Income for the year ended December 31, 2020 would have been $1,250,000 higher and Net Income for the year ended December 31, 2021 would have been $1,250,000 lower. This change in estimate does not affect any other years.

Note 18. Major Customers

The Company performs contract work, which is acquired on a competitive bid basis, for the City of San Antonio (the City). In 2022, approximately 65 percent of the Company's gross revenues and 46 percent of the Company's receivables are tied directly to contracts awarded by the City. In 2022, approximately 15 percent of the Company's gross revenues and 16 percent of the Company's receivables are tied directly to contracts awarded by the Texas Department of Transportation.

The Company performs contract work, which is acquired on a competitive bid basis, for the City of San Antonio (the City). In 2021, approximately 62 percent of the Company's gross revenues and 61 percent of the Company's receivables are tied directly to contracts awarded by the City. In 2021, approximately 10 percent of the Company's gross revenues and 11 percent of the Company's receivables are tied directly to contracts awarded by the Texas Department of Transportation.

Note 19. Economic Dependency and Concentration of Credit Risk

In 2022 and 2021, the Company's revenue was substantially all made on credit to various federal, state and municipal institutions in San Antonio, Texas, and the surrounding areas. The Company evaluates credit risks on an individual basis before extending credit to its customers. The Company estimates an allowance for doubtful accounts based upon the creditworthiness of its customers, as well as general economic conditions. Consequently, an adverse change in those factors could affect the Company's estimate of its bad debts. Management believes the Company has recognized all losses on uncollectible accounts.

The Company maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation up to a maximum of $250,000. The Company has not experienced any losses in such accounts.

Note 20. Employee Benefit Plans

The Company has a 401(k) employees' profit sharing plan covering substantially all its employees. Company contributions to the plan are at the discretion of the Board of Directors, but may not exceed the maximum allowable deduction permitted under the Internal Revenue Code at the time of contribution. Company matching contributions totaled approximately $5,000 and $3,000 for the years ended December 31, 2022 and 2021, respectively, and are included in accrued expenses.

On January 1, 2020, the Company established a deferred compensation agreement with certain key members of management. The Board of Directors will allocate an amount each year to the plan at their discretion. To vest in the allocated amounts, the participants must remain in continuous full-time employment through vesting dates. Vested amounts are payable in five annual installments beginning in the year following full vesting and are paid from the general assets of the Company. Total expense recognized for the year ended December 31, 2022 and 2021, was approximately $161,000 and $119,000, respectively, and covered 10 employees. The present value of the unpaid gross value at a discount rate of 7.50% has been recorded as a long-term liability in the consolidated financial statements.

Supplementary Information

Slattery Perkins Ramirez

Independent Auditor's Report on the Supplementary Information

To the Stockholders
E-Z Bel Holdings, Inc and Subsidiaries

We have audited the consolidated financial statements of E-Z Bel Holdings, Inc and Subsidiaries as of and for the year ended December 31, 2022, and have issued our report thereon, dated February 17, 2023, which contains an unmodified conclusion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financials statements as a whole.

The supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and we are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

SPR PC

Slattery Perkins Ramirez P.C.
San Antonio, TX
February 17, 2023

P.O. Box 12808 San Antonio, TX 78212 (210) 561 2668 www.sprcpas.com

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidating Balance Sheet
December 31, 2022
See Independent Auditor's Report on the Supplementary Information

	E-Z Bel Holdings, Inc.	E-Z Bel Construction, LLC	811 El Monte, LLC	Hill Country Bridge, Inc.	Eliminations	Consolidated Total
Assets						
Current assets						
Cash	$ 1,935,859	$ 4,059,378	$ 38,046	$ 242,345	$ -	$ 6,275,628
Investments	6,675,374	563,099	-	-	-	7,238,473
Receivables						
Contracts receivable	-	7,452,378	-	803,902	-	8,256,280
Retainage receivable	-	260,094	-	-	-	260,094
Contract assets:						
Costs and estimated earnings in excess of billings on uncompleted contracts	-	861,184	-	32,859	-	894,043
Retainage receivable - Conditional	-	3,242,721	-	-	-	3,242,721
Related-party note receivable	-	40,391	555	1,058	(42,004)	-
Prepaid expenses and other	-	579,716	-	68,249	-	647,965
Total current assets	8,611,233	17,058,961	38,601	1,148,413	(42,004)	26,815,204
Property and equipment, net	-	3,115,422	72,597	1,530,495	-	4,718,514
Finance lease right-of-use assets, net	-	2,815,642	-	-	-	2,815,642
	-	5,931,064	72,597	1,530,495	-	7,534,156
Other assets						
Investment in 811 El Monte, LLC	-	118,818	-	-	(118,818)	-
Investment in Hill Country Bridge, Inc.	2,642,483	-	-	-	(2,642,483)	-
Due from stockholders	-	172,318	-	-	-	172,318
Deposits	-	91,200	-	-	-	91,200
Cash value of life insurance	-	909,429	-	-	-	909,429
Goodwill	-	-	-	608,940	-	608,940
Investment in captive insurance company	24,900	20,100	-	-	-	45,000
Total other assets	2,667,383	1,311,865	-	608,940	(2,761,301)	1,826,887
Total assets	$ 11,278,616	$ 24,301,890	$ 111,198	$ 3,287,848	$ (2,803,305)	$ 36,176,247

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidating Balance Sheet
December 31, 2022
See Independent Auditor's Report on the Supplementary Information

	E-Z Bel Holdings, Inc.	E-Z Bel Construction, LLC	811 El Monte, LLC	Hill Country Bridge, Inc.	Eliminations	Consolidated Total
Liabilities and stockholders' equity						
Current liabilities						
Current maturities of long-term debt	$ 594,731	$ 421,336	$ -	$ -	$ -	$ 1,016,067
Current portion of right-of-use finance lease liabilities	-	798,185	-	-	-	798,185
Current portion of related party note payable	544,684	-	-	-	-	544,684
Accounts payable						
Trade	-	5,037,416	3,354	348,667	(42,004)	5,347,433
Retainage payable	-	133,706	-	-	-	133,706
Accrued expenses	-	348,928	-	45,092	-	394,020
Accrued job loss	-	134,422	-	-	-	134,422
State income taxes payable	-	35,812	-	-	-	35,812
Contract liabilities:						
Billings in excess of costs and earnings on uncompleted contracts	-	5,435,733	-	251,606	-	5,687,339
Retainage payable - Conditional	-	646,610	-	-	-	646,610
Total current liabilities	1,139,415	12,992,148	3,354	645,365	(42,004)	14,738,278
Long -term liabilities						
Long-term debt, less current maturities	2,497,118	594,108	-	-	-	3,091,226
Long-term portion of right-of-use finance lease liabilities	-	1,748,799	-	-	-	1,748,799
Related party note payable	4,988,823	-	-	-	-	4,988,823
Deferred compensation plan payable	-	358,590	-	-	-	358,590
Total long-term liabilities	7,485,941	2,701,497	-	-	-	10,187,438
Stockholders' equity	2,653,260	8,608,245	107,844	2,642,483	(2,761,301)	11,250,531
Total liabilities and stockholders' equity	$ 11,278,616	$ 24,301,890	$ 111,198	$ 3,287,848	$ (2,803,305)	$ 36,176,247

E-Z Bel Holdings, Inc. and Subsidiaries
Schedule of Job Revenue and Cost
Year Ended December 31, 2022
See Independent Auditor's Report on the Supplementary Information

	Revenue	Cost	Gross Profit
Construction in progress	$ 69,586,407	$ 63,058,022	$ 6,528,385
Completed jobs	59,150,219	45,626,002	13,524,217
	128,736,626	108,684,024	20,052,602
Less amounts recognized in prior years	56,326,951	44,890,663	11,436,288
Less amounts recognized in prior years related to acquired contracts	7,292,761	6,144,412	1,148,349
	$ 65,116,914	$ 57,648,949	$ 7,467,965

E-Z Bel Holdings, Inc. and Subsidiaries
Schedule of Construction In Progress
Year Ended December 31, 2022
See Independent Accountant's Report on the Supplementary Information

								Contract Assets		Contract Liabilities	
Project Name	Contract Amount	Estimated Costs	Cost to date	Percent completed	Revenue recognized to date	Gross Profit (Loss) Recognized to Date	Billed to Date	Costs and estimated earnings in excess of billings	Conditional Retainage	Billings in excess of costs and earnings	Conditional Retainage
CoSA South Presa Street	$ 16,266,116	$ 14,221,432	$ 1,223,469	8.60	$ 1,399,373	$ 175,904	$ 2,175,108	$ -	$ -	$ 775,735	$ 5,138
CPS-345 Howard Rd Substation	15,738,061	13,242,981	939,700	7.10	1,116,747	177,047	1,938,607	-	193,861	821,860	34,636
COSA N Main & Soledad	10,653,670	8,941,966	5,382,689	60.20	6,413,063	1,030,374	7,637,174	-	381,859	1,224,111	48,444
CoSA S Gevers St Drainage	10,230,541	8,385,701	2,752,413	32.82	3,357,939	605,526	3,743,801	-	187,190	385,862	67,026
COSA-N New Braunfels Ave	7,919,991	8,313,975	5,935,361	71.39	5,654,095	(281,266)	5,416,150	237,945	270,808	-	46,005
COSA-Barbara Dr Drainage	7,296,769	6,940,094	6,925,344	99.79	7,281,261	355,917	7,282,651	-	364,133	1,390	33,333
COSA-Upper Leon Creek	6,964,977	5,501,478	5,423,321	98.58	6,866,029	1,442,708	6,875,977	-	343,799	9,948	134,323
COSA-Brooks City Base	5,915,859	5,645,076	5,608,982	99.36	5,878,034	269,052	5,915,859	-	295,793	37,825	109,474
COSA-Fred Rd	5,313,491	5,813,387	5,575,289	95.90	5,095,867	(479,422)	5,104,140	-	255,207	8,273	42,145
COSA-Roosevelt I10-St Mary's	4,472,185	3,746,354	1,740,682	46.46	2,077,927	337,245	2,308,685	-	115,434	230,758	16,730
La Salle CR	3,804,556	3,687,982	165,313	4.48	170,538	5,225	150,979	19,559	-	-	-
Lavaca Co. UA 77	3,714,694	3,343,225	1,794,074	53.66	1,993,415	199,341	2,049,092	-	-	55,677	-
TxDOT BxRamps	2,791,622	2,286,502	335,978	14.69	410,200	74,222	719,371	-	-	309,171	1,103
SAWS-2023 SMP Hermine Blvd	2,755,332	2,452,220	1,939	0.08	2,179	240	-	2,179	-	-	-
Gonzales Co. FM 2067	2,478,718	2,156,688	268,903	12.47	309,055	40,152	504,985	-	-	195,930	-
CoSA Hemisfair Park StPh2	2,340,404	2,019,534	1,137,905	56.34	1,318,699	180,794	1,549,244	-	77,462	230,545	18,485
Embrey Partners-7600 Broadway	2,212,840	1,604,154	1,560,928	97.31	2,153,212	592,284	2,188,259	-	166,743	35,047	21,038
TxCo-Hunter	2,143,786	1,801,339	1,034,313	57.42	1,230,943	196,630	1,027,150	203,793	51,357	-	-
TxDOT-Comal	2,079,347	1,794,690	174,691	9.73	202,399	27,708	412,520	-	-	210,121	751
TxDOT-Bexar-0016-08-043	1,982,400	1,529,972	322,639	21.09	418,047	95,408	427,845	-	-	9,798	253
Sundt-Camaron St (Fox Tec	1,949,535	1,885,007	1,310,830	69.54	1,355,703	44,873	1,478,754	-	73,938	123,051	438
T.C Barbarosa 0915-17-072	1,934,817	1,668,890	91,679	5.49	106,287	14,608	94,830	11,457	-	-	-
PD-Borgfeld Dr - Kinder P	1,823,822	1,505,560	78,834	5.24	95,499	16,665	214,481	-	21,448	118,982	947
TxDOT-Fost&CM-0915-12-693	1,705,803	1,457,827	372,974	25.58	436,417	63,443	704,193	-	-	267,776	-
COSA-Paso Del Norte	1,697,420	1,499,967	1,487,507	99.17	1,683,320	195,813	1,695,920	-	84,796	12,600	20,334
TxDOT-T Ctr D 0915-00-237	1,606,331	1,397,614	666,027	47.65	765,490	99,463	668,856	96,634	-	-	3,317
TxBx-San Pedro-0915-12-62	1,594,277	1,387,147	1,387,014	99.99	1,594,124	207,110	1,591,097	3,027	-	-	-
CPS-138 Howard Rd Substation	1,466,882	1,223,049	726,119	59.37	870,882	144,763	1,089,218	-	108,922	218,336	27,213
COSA-MCP2-Buena Vista	1,346,409	1,608,337	1,601,857	99.60	1,340,984	(260,873)	1,280,353	60,631	-	-	283
TxDOTKerrSH16 0291-03-076	1,311,993	1,087,594	729,413	67.07	879,910	150,497	875,801	4,109	-	-	1,853
Creekside Ranch	893,803	791,256	715,474	90.42	808,199	92,725	794,899	13,300	-	-	-
TXDOT Comal STP 2022 404	752,051	635,030	627,318	98.79	742,918	115,600	732,722	10,196	-	-	-
CoSA MCP2 Hackberry St N	748,676	858,649	857,405	99.86	747,591	(109,814)	748,676	-	-	1,085	1,948
TxDOT-Bexar-IH10-RMC-6382	666,006	514,121	287,711	55.96	372,708	84,997	531,448	-	-	158,740	-
Joeris TS FM1103 & Main	569,101	470,951	420,385	89.26	507,997	87,612	569,101	-	56,910	61,104	657
PD-De Zavala and Bristlew	515,301	414,590	411,963	99.37	512,036	100,073	515,301	-	51,530	3,265	944
Indigo-Copper Canyon Subd	512,351	408,906	383,593	93.81	480,634	97,041	503,274	-	50,327	22,640	734
Contracts under $500,000	5,471,042	4,625,369	2,597,986		2,936,686	338,700	2,863,182	231,213	91,204	157,709	9,058
	$ 143,640,978	$ 126,868,614	$ 63,058,022		$ 69,586,407	$ 6,528,385	$ 74,379,703	$ 894,043	$ 3,242,721	$ 5,687,339	$ 646,610

E-Z Bel Holdings, Inc. and Subsidiaries
Schedule of Completed Contracts
Year Ended December 31, 2022
See Independent Auditor's Report on the Supplementary Information

Job Name	Revenues Earned	Cost of Revenues	Gross Profit (Loss)
COSA-West Military & West	$ 9,694,949	$ 8,338,837	$ 1,356,112
Bexar-ARMA Candlemeadow	4,518,715	4,183,220	335,495
PD-Trinity Hildebrand Imp	3,838,507	2,022,806	1,815,701
Colorado Co. US 90A	3,350,269	2,904,057	446,212
T.Uvalde-0036-08-054	3,159,316	2,102,560	1,056,756
COSA-Thomas Jefferson	2,242,010	1,080,590	1,161,420
T.Uvalde-0024-02-075	2,166,127	1,855,959	310,168
COSA-Applewhite @ Zarzamo	1,934,392	1,417,640	516,752
Stotle Ranch	1,842,262	1,516,976	325,286
TxDOT-Bexar-VA-0915-00-23	1,698,470	1,244,642	453,828
T.Bexar-0017-10-288	1,467,410	978,330	489,080
TxUv-3.0-US 90-0023-05-08	1,176,693	902,795	273,898
CoSA Bitters Rd Take Over	1,053,077	1,354,235	(301,158)
T.Frio-0017-07-136	949,708	762,649	187,059
T.Bexar-0915-12-633	926,359	818,580	107,779
CoSA MCP2 Heath & Grissom	857,198	613,960	243,238
Pearl-Campus Connections	844,724	773,088	71,636
CoSA Probandt Rails to Tr	832,022	575,681	256,341
CoSA Northwest Service Ce	668,100	436,606	231,494
Kerr Co.	638,067	492,003	146,064
COSA-2021 Traffic Calming	575,900	423,144	152,756
TxDOT-Bexar-IH35 PM	560,100	222,017	338,083
Leon Valley-Settlers Ridg	539,902	595,701	(55,799)
CPS-Rosillo Creek LWC Rep	535,016	462,383	72,633
Big Creek Ranch	531,685	409,457	122,228
Bexar Co-Capital-SH 211 P	523,523	400,014	123,509
Olmos Park-McCullough Ph1	517,672	378,768	138,904
Projects under $500,000	11,508,046	8,359,304	3,061,245
	$ 59,150,219	**$ 45,626,002**	**$ 13,436,719**

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Schedules of General and Administrative Expenses
Years Ended December 31, 2022 and 2021
See Independent Auditor's Report on the Supplementary Information

	2022	2021
Advertising	$ 42,518	$ 36,539
Contributions	59,462	71,210
Deferred compensation plan	161,474	120,192
Depreciation	203,025	40,442
Dues and subscriptions	74,085	74,437
Employee benefits	132,948	57,580
Estimating expenses	2,362	823
Gas	65,340	14,164
Insurance	356,771	276,678
Lease	76,560	51,760
Maintenance and repairs-yard	284,483	75,390
Office supplies and other expense	583,299	391,190
Professional fees	409,698	484,771
Salaries:		
Bonus	533,014	511,356
401(k) contributions	5,000	2,941
Salaries	1,905,610	1,551,509
Taxes:		
Payroll	123,210	191,187
Other	60,903	50,991
Retirement expense	635,563	(1,178,838)
Telephone and utilities	84,495	67,399
Travel and entertainment	231,049	173,392
	$ 6,030,869	$ 3,065,113

E-Z Bel Holdings, Inc. and Subsidiaries
Ratio analysis-Unaudited

	Industry Average*		E-Z Bel Holdings, Inc. and Subsidiaries				
	Southwest Region	Between $50-$100 Million Revenue	2022	2021	2020	2019	2018
Current ratio	2.10	1.70	1.82	2.27	1.81	1.43	1.26
Working capital turnover	5.50	6.60	5.39	4.44	5.91	9.89	15.13
Return on equity	24.50%	36.10%	6.13%	92.17%	69.57%	53.60%	-30.10%
Revenue on equity	3.90	4.90	3.95	3.29	4.20	4.92	5.24
Months in backlog	10.00	9.20	14.97	11.03	10.37	9.66	7.11
Debt to equity	0.90	1.20	2.22	1.48	1.35	1.36	1.69

* Source: 2021 Construction Financial Management Survey, Highway Contractors

E-Z Bel Holdings, Inc. and Subsidiaries

December 31, 2021 and 2020

Consolidated Financial Report and Supplementary Information (Audited)

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Independent Auditor's Report

To the Stockholders
E-Z Bel Holdings, Inc. and Subsidiaries

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of E-Z Bel Holdings, Inc. (formerly E-Z Bel Holdings, LLC) and Subsidiaries, which comprise the consolidated balance sheet as of December 31, 2021; and the related consolidated statement of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Other Matter
The financial statements of E-Z Bel Holdings, Inc. (formerly E-Z Bel Holdings, LLC) and Subsidiaries for the year ended December 31, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on February 23, 2021.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of E-Z Bel Holdings, Inc. and Subsidiaries as of December 31, 2021, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

SPR P.C.

Slattery Perkins Ramirez P.C.
San Antonio, TX
February 15, 2022

P.O. Box 12808 San Antonio, TX 78212 (210) 561 2668 www.sprcpas.com

SPR | Slattery Perkins Ramirez

Independent Auditor's Report

To the Stockholders
E-Z Bel Holdings, Inc. and Subsidiaries

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of E-Z Bel Holdings, Inc. (formerly E-Z Bel Holdings, LLC) and Subsidiaries, which comprise the consolidated balance sheet as of December 31, 2021; and the related consolidated statement of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

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The financial statements of E-Z Bel Holdings, Inc. (formerly E-Z Bel Holdings, LLC) and Subsidiaries for the year ended December 31, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on February 23, 2021.

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Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2021 and 2020

	2021	2020
Assets		
Current assets		
Cash	$ 6,653,699	$ 9,764,507
Investments	7,439,642	4,608,918
Accounts receivable		
Trade	4,683,451	5,659,528
Retainage	2,820,897	2,496,743
Costs and estimated earnings in excess of billings on uncompleted contracts	1,574,244	1,030,053
Related-party note receivable	202	24,364
Prepaid expenses and other	481,838	118,948
Total current assets	23,653,973	23,703,061
Property and equipment, net	5,612,433	5,948,857
Other assets		
Due from stockholders	164,754	150,634
Deposits	90,200	94,772
Cash value of life insurance	1,030,086	947,630
Investment in captive insurance company	25,000	25,000
Total other assets	1,310,040	1,218,036
Total assets	$ 30,576,446	$ 30,869,954

See notes to consolidated financial statements.

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2021 and 2020

	2021	2020
Liabilities and Stockholders' Equity		
Current liabilities		
Current maturities of long-term debt	$ 385,846	$ 701,609
Current portion of capitalized lease obligations	613,360	526,997
Current portion of related party note payable	523,383	-
Accounts payable		
Trade	4,639,142	5,032,140
Retainage	420,458	300,359
Accrued expenses	218,774	770,787
Employee benefit plan contribution payable	-	1,600,000
Franchise taxes payable	106,032	86,143
Billings in excess of costs and earnings on uncompleted contracts	2,438,159	3,032,552
Distributions	1,086,093	1,011,065
Total current liabilities	10,431,247	13,061,652
Long-term liabilities		
Long-term debt, less current maturities	698,719	2,977,939
Long-term portion of capitalized lease obligations	1,447,490	1,607,340
Related party note payable	5,476,617	-
Deferred compensation plan payable	197,115	76,923
Total long-term liabilities	7,819,941	4,662,202
Stockholders' equity		
Common stock - $.0.10 par value, 1,500,000 shares authorized; 1,000,000 shares issued and outstanding	10,000	-
Retained earnings	17,865,787	13,146,100
Less unearned employee stock ownership plan (ESOP) shares	(5,550,529)	-
Total stockholders' equity	12,325,258	13,146,100
Total liabilities and stockholders' equity	$ 30,576,446	$ 30,869,954

See notes to consolidated financial statements.

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Statements of Income
Years Ended December 31, 2021 and 2020

	2021	2020
Construction income	$ 58,769,310	$ 55,219,616
Cost of construction	46,466,348	43,017,024
Gross profit	12,302,962	12,202,592
General and administrative expenses	(3,065,113)	(5,189,081)
Gain on disposal of equipment	97,912	133,512
Operating income	9,335,761	7,147,023
Other income (expense):		
Interest expense	(118,653)	(119,546)
Interest and dividend income	130,418	104,186
Net realized and unrealized gain on investments	232,239	252,137
Forgiveness of paycheck protection loan	2,109,000	-
Other income	164,680	362,857
Total other income, net	2,517,684	599,634
Income before income tax expense	11,853,445	7,746,657
Franchise tax expense	114,989	87,159
Net Income	$ 11,738,456	$ 7,659,498

See notes to consolidated financial statements.

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity
Years Ended December 31, 2021 and 2020

	Common Stock		Member/ Stockholders'	Unearned ESOP		
	Shares	Amount	Equity	Shares	Amount	Total
Balance at December 31, 2019	-	$ -	$ 8,874,208	-	$ -	$ 8,874,208
Distributions	-	-	(3,387,606)	-	-	(3,387,606)
Net income	-	-	7,659,498	-	-	7,659,498
Balance at December 31, 2020	-	-	13,146,100	-	-	13,146,100
Conversion from LLC to Corporation	1,000,000	10,000	(10,000)	-	-	-
Shares sold to ESOP	-	-	-	200,000	(6,000,000)	(6,000,000)
Release of shares in suspense	-	-	-	(14,982)	449,471	449,471
Distributions	-	-	(6,924,868)	-	-	(6,924,868)
Change in fair value of shares released	-	-	(83,901)	-	-	(83,901)
Net income	-	-	11,738,456	-	-	11,738,456
Balance at December 31, 2021	1,000,000	$ 10,000	$ 17,865,787	185,018	$ (5,550,529)	$ 12,325,258

See notes to consolidated financial statements.

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Net income	$ 11,738,456	$ 7,659,498
Adjustments to reconcile net income to net cash provided by operations:		
ESOP compensation expense	365,570	-
Depreciation and amortization	1,773,428	1,603,921
Gain on disposal of equipment	(97,912)	(133,512)
Forgiveness of paycheck protection program loan	(2,109,000)	-
Changes in operating assets and liabilities:		
Investments	(335,212)	496,817
Accounts receivable	651,923	(3,202,527)
Costs and estimated earnings in excess of billings on incomplete contracts	(544,191)	(540,902)
Prepaid expenses	(362,890)	93,309
Deposits	4,572	(4,572)
Cash surrender value of life insurance	(67,086)	-
Accounts payable and accrued expenses	(2,304,720)	2,767,956
State franchise taxes payable	19,889	33,143
Billings in excess of costs and estimated earnings on incomplete contracts	(594,393)	1,164,295
Net cash provided by operating activities	8,138,434	9,937,426
Cash flows from investing activities		
Due from stockholders, net	10,042	(120,217)
Premiums paid officers' life insurance	(15,370)	(250,806)
Proceeds from disposal of equipment	210,500	343,263
Net purchases of investments	(2,495,512)	-
Purchase of property and equipment	(1,020,753)	(822,412)
Net cash used by investing activities	(3,311,093)	(850,172)
Cash flows from financing activities		
Principal payments on long-term debt	(751,382)	(860,870)
Proceeds from long-term debt	219,003	250,086
Proceeds from paycheck protection plan loan	-	2,109,000
Principal payments on capitalized lease obligations	(555,930)	(231,066)
Distributions	(6,849,840)	(4,376,541)
Net cash used by financing activities	(7,938,149)	(3,109,391)
Net increase (decrease) in cash	(3,110,808)	5,977,863
Cash and cash equivalents at beginning of year	9,764,507	3,786,644
Cash and cash equivalents at end of year	$ 6,653,699	$ 9,764,507

(continued)

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Supplemental cash flow information		
Cash paid for interest expense	$ 118,653	$ 119,546
Cash paid for state franchise taxes	95,100	13,025
Supplemental disclosures of noncash flow information		
Equipment purchased with long-term debt	46,396	196,478
Equipment acquired through capital lease obligations	482,443	1,182,711
Declared and accrued cash distributions	1,086,093	1,011,065
Forgiveness of paycheck protection program loan	2,109,000	-
Fair market value adjustment for ESOP shares released	83,901	-

See notes to consolidated financial statements.

Note 1. Summary of Significant Accounting Policies

Reporting entity and nature of operations: E-Z Bel Construction, LLC (Construction) is engaged in the heavy highway and utility construction industry and its jobs are generally awarded through a competitive bid process in which the low bidder is awarded the contract. Substantially all Construction's contracts are with federal, state and municipal institutions in San Antonio, Texas, and the surrounding areas. 811 El Monte, LLC (El Monte) is engaged in rental real estate for third parties. Both Construction and El Monte are wholly owned by E-Z Bel Holdings, Inc. (collectively, the Company). In 2021, E-Z Bel Holdings, LLC converted to E-Z Bel Holdings, Inc.

Principles of consolidation: The consolidated financial statements (the financial statements) include the accounts of E-Z Bel Holdings, Inc. and its wholly owned subsidiaries Construction and El Monte. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates inherent in the accompanying consolidated financial statements include estimated costs on incomplete contracts.

Investments: Investments consist primarily of mutual funds, common stocks, municipal bonds and a money market account The fair value of substantially all investments is determined by quoted market prices. The estimated fair value of securities for which there are no quoted market prices is based on similar types of securities that are traded in the market (see Note 2). The consolidated statements of income include interest and dividend income of $130,418 ($104,186 in 2020) and realized and unrealized gains totaling $232,239 ($252,137 in 2020) for the year ended December 31, 2021, from these investments.

The investment in the captive insurance company is accounted for at the lower of cost or market due to the Company not owning a controlling interest in the investment.

Trade accounts receivable: The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for bad debts charged to earnings. Losses are charged against the allowance when management believes the uncollectibility of a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. The evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

At December 31, 2021 and 2020, no allowance for future bad debts has been established, as it is management's opinion that losses, if incurred, would not materially affect the financial statements.

Depreciation: Property and equipment is stated at cost. Depreciation of property and equipment is calculated on the straight-line method based on the following estimated lives: buildings–18 to 40 years, autos and trucks-five to seven years, machinery, and equipment–five to ten years and office furniture and equipment–three to ten years. Construction in progress will begin depreciating upon completion.

Note 1. Summary of Significant Accounting Policies (Continued)

Impairment of long-lived assets: The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results; trends and prospects; and the effects of obsolescence, demand, competition and other economic factors. The Company did not recognize an impairment loss during the year ended December 31, 2021 and 2020.

Cash surrender value of life insurance: The Company is beneficiary of whole life insurance policies being carried on certain officers totaling approximately $21,068,374 and $16,508,374 as of December 31, 2021, and 2020, respectively. The related cash surrender value of approximately $1,030,000 is recorded as other assets in the accompanying consolidated balance sheet as of December 31, 2021 ($947,000 in 2020).

Revenue recognition: Revenue is primarily derived from multi-year construction contracts. The Company recognizes revenue in accordance with the FASB Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with customers as follows: identify the contract, identify performance obligations, determine the transaction price, allocate the transaction price and recognize revenue.

The Company's customers consist of general contractors working for government agencies and private customers, primarily located within the continental United States. For government contracts, future cash flows depend on the Company's ability to continue to obtain federal, state and local government contracts, and indirectly on the amount of funding available to these agencies for new and current government projects. Therefore, a portion of the Company's operations is dependent upon the level and timing of government funding. For private customers, statutory mechanics liens provide the Company relatively high priority in the event of lien foreclosures; thus, minimizing credit risk.

The Company has elected, as a practical expedient, the accounting policy under which it excludes from the transaction price taxes it collects from its customers that were assessed by a government authority on (or contemporaneous with) the entity's revenue-generating transactions with its customers. The Company therefore reports sales revenue net of sales tax.

El monte generates revenue through monthly lease rentals. The entity recognizes income from leases in accordance with ASC Topic 840, Leases. Total rental income recognized under ASC Topic 840 was approximately $37,000 and $35,000 for the years ended December 31, 2021 and 2020, respectively and is included in other income on the accompanying consolidated financial statements.

Contract combination: When multiple contracts are entered into under a single master agreement (whether for construction projects or construction-related materials), management reviews the contracts to determine whether (a) the contracts are negotiated as a package with a single commercial objective, (b) the amount of consideration paid in one contract depends on the price or performance in the other contract and (c) the goods or services promised in the contracts are a single performance obligation. If one of these three conditions is met, the contracts are combined and accounted for as a single contract.

Note 1. Summary of Significant Accounting Policies (Continued)

Construction contracts: The Company's construction contracts include multiple promises, which management reviews at contract inception to determine whether they represent multiple performance obligations. This review consists of determining whether promises or groups of promises are capable of being distinct within the context of the contract. Most of the Company's construction contracts are considered to have a single performance obligation because the Company provides a significant service of integrating a complex set of tasks and components into a single asset. Some contracts include multiple projects that are separately identifiable (e.g., multiple buildings or sites) or include elements not related to the design and/or building aspects of the contract. These contracts typically are considered to have multiple performance obligations even when they are part of a single contract.

When a contract has multiple performance obligations, the transaction price is allocated to each performance obligation based on estimated relative stand-alone selling prices of the goods or services at the inception of the contract. In most cases, the Company does not sell the distinct good or service on a stand-alone basis and, instead, uses its best estimate of the stand-alone selling price of each distinct good or service in the contract. The primary method used to estimate stand-alone selling price is the expected-cost-plus-a-margin approach, under which the Company forecasts its expected costs of satisfying a performance obligation and then adds an appropriate margin.

Billing practices are governed by the contract terms and generally are based on the achievement of milestones or predetermined schedules. From time to time, these terms may require the customer to make advance payments as work progresses, or could result in the Company receiving payment prior to transferring the related good or service. The period between the receipt of payment and the completion of the work to which it relates is generally one year or less. The Company has elected not to adjust consideration for the effects of financing under the practical expedient that allows an entity to ignore the effects of a significant financing component when the period between the receipt of payment and the transfer of the good or service to the customer is one year or less.

Certain construction contracts include retention provisions to provide assurance to the Company's customers that it will perform in accordance with the contract terms. These provisions could result in a period of more than a year passing between the transfer of the good or service and the receipt of payment, but are not considered to be for purposes of financing. The balances billed, but not paid by customers pursuant to these provisions, generally become due upon completion and acceptance of the project work or products by the customer. The Company has determined there were no significant financing components in its contracts during the year ended December 31, 2021 and 2020, as the intent of the retention provisions is to protect the customer rather than provide financing.

Management has concluded performance obligations related to construction contracts are satisfied over time because the Company's performance typically creates or enhances an asset that the customer controls as the asset is created or enhanced. The Company recognizes revenue as performance obligations are satisfied and control of the promised good and/or service is transferred to the customer. The Company measures the progress toward complete satisfaction of the performance obligation(s) using an input (i.e., cost-to-cost) method. Under the cost-to-cost method, costs incurred to date are generally the best depiction of transfer of control.

Note 1. Summary of Significant Accounting Policies (Continued)

Variable consideration: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods and services to the customer. The consideration promised in a contract with a customer may include both fixed amounts and variable amounts (e.g., bonuses/incentives, penalties/liquidated damages, returns) to the extent that it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Company estimates the amount of variable consideration at the most likely amount to which the Company expects to be entitled. The Company's estimates of variable consideration are based on its assessment of legal enforceability, anticipated performance and any other information (historical, current or forecasted) that is reasonably available.

Contract estimates and modifications: The accuracy of the Company's revenue and profit recognition in a given period depends on the accuracy of management's estimates of the cost to complete each project. There are a number of factors that can contribute to changes in estimates of contract cost and profitability. Significant factors include:

- The completeness and accuracy of the original bid
- Costs associated with scope changes and changes from the original design
- Changes in costs of labor and/or materials, owner changes, weather, site conditions and other delays
- Subcontractor performance issues
- Changes in productivity expectations
- The Company's ability to fully and promptly recover on contract changes
- The customer's ability to properly administer the contract

The foregoing factors, as well as the stage of completion of contracts in process and the mix of contracts at different margins, may cause fluctuations in gross profit and gross profit margin from period to period, which may have a significant impact on the financial statements. At the time an anticipated loss on a contract becomes evident, the entire amount of the estimated loss is accrued.

The Company recognizes changes in contract estimates on a cumulative catch-up basis in the period in which the changes are identified. Such changes in contract estimates can result in the recognition of revenue in a current period for performance obligations that were satisfied or partially satisfied in prior periods. For the year ended December 31, 2021, the Company recognized approximately $1,693,000 of revenue from performance obligations satisfied (or partially satisfied) in previous periods, primarily due to changes in estimates or changes in transaction price (approximately $1,711,000 under recognized in 2020).

Changes in contract estimates also may result in the reversal of previously recognized revenue if the current estimate differs from the previous estimate. If at any time the estimate of contract profitability indicates an anticipated loss on the contract, the Company recognizes the total loss in the period it is identified.

Subsequent to the inception of a contract, the transaction price may change for various reasons, including the executed or estimated amount of change orders, contract modifications, claims to or from customers and back-charge recoveries. On certain projects, the Company may have submitted and have pending unresolved contract modifications and claims to recover additional costs and the associated profit, if applicable, to which the Company believes it is entitled under the terms of contracts with customers. The customers or their authorized representatives may be in partial or full agreement with the modifications or affirmative claims, or may have rejected or disagree entirely or partially as to such entitlement.

Note 1. Summary of Significant Accounting Policies (Continued)

Recognizing changes in the transaction price requires significant judgments of various factors including, but not limited to, dispute resolution developments and outcomes, anticipated negotiation results and the cost of resolving such matters. If the transaction price is changed and no additional distinct goods or services are added, the effect of a change in the transaction price and the measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue on a cumulative catch-up basis. When a contract is modified to deliver additional goods or services that are distinct and the increase in price of the contract is for the same amount as the stand-alone selling price of the additional goods or services included in the modification, the modification is accounted for as a separate contract.

Contract assets and liabilities*:* Accounts receivable are governed by the contract terms and are recorded based on contracted prices when the Company obtains an unconditional right to payment under the terms of its contracts.

Contract assets are classified on the balance sheet as costs and estimated earnings in excess of billings on incomplete contracts and represent revenues recognized in excess of amounts billed or available to be billed where the right to payment is not unconditional. Retainage, included in contract assets, represents the amount withheld from billings by the Company's customers pursuant to provisions in the contracts and may not be paid to the Company until the completion of specific tasks or the completion of the project and, in some instances, for even longer periods.

Contract liabilities are classified on the balance sheet as billings in excess of costs and estimated earnings on incomplete contracts and represent billings in excess of revenues recognized.

Warranties*:* The Company generally provides limited assurance-type warranties for work performed under its construction contracts. The warranty periods typically extend for a limited duration following substantial completion of the Company's work on a project. Historically, warranty claims have not resulted in material costs incurred. The Company does not consider these warranties to be separate performance obligations.

Contract costs: All contract costs, including those associated with change orders, unresolved contract modifications, claims to or from customers and back-charge recoveries, are recorded as incurred, and revisions to estimated total costs are reflected as soon as the obligation to perform is determined. Contract costs include all direct labor, material, subcontractors, equipment and indirect costs related to contract performance. General and administrative expenses are charged to operations as incurred. The Company recognizes revenue, but not profit, on certain significant uninstalled materials that are not specifically produced, fabricated or constructed for a project. Revenue related to these uninstalled materials is recognized when the cost is incurred (when control is transferred).

Costs to obtain contracts (pre-bid costs) that are not expected to be recovered from the customer are expensed as incurred and included in general and administrative expenses in the consolidated statement of income. Pre-bid costs that are explicitly chargeable to the customer, even if the contract is not obtained, are included in trade accounts receivable in the consolidated balance sheet.

Note 1. Summary of Significant Accounting Policies (Continued)

Tax status: S corporation tax status has been elected by all of the stockholders of the corporation. An S corporation is not a taxpaying entity. Any income or operating loss arising from the activities of the company is reported, after appropriate adjustments, on the personal income tax returns of the stockholders. Because the company is not a taxpaying entity, its financial statements are different from those of taxpaying entities. Specifically, on the income statement there is no provision for income tax expense. In addition, the balance sheet does not present a liability for income taxes incurred but not yet paid as of the balance sheet date. Also, the balance sheet does not present any deferred tax assets or deferred tax liabilities that might arise from the differences between net income on the income statement and taxable income on the individual stockholders' tax returns, as well as differences between carrying values of assets and liabilities and their tax bases.

In accordance with the ASC Topic 740, management has evaluated the Company's tax position and concluded the Company has taken no uncertain tax positions that require adjustment to the financial statements.

The Company is subject to the Texas gross margin tax.

Contingencies: Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates a potentially material loss contingency is not probable, but is reasonably possible, or is probable, but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

Compensated absences: Employees of the Company are entitled to paid time off depending on job classification, length of service and other factors. At December 31, 2021 and 2020, the Company has employees that are both hourly and salaried. Accruals for compensated absences are evaluated periodically by management and adjusted as necessary.

Advertising and business promotion costs: Advertising and business promotion costs totaled approximately $36,539 and $20,509 the years ended December 31, 2021 and 2020, respectively, and are expensed as incurred.

Reclassification: Certain reclassifications have been made within these consolidated financial statements to conform prior periods to current-year presentation.

Note 1. Summary of Significant Accounting Policies (Continued)

Recent accounting pronouncements: In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Throughout 2017 and 2018, the FASB issued amendments and clarification, as well as narrow scope improvements to the standard for specific issues. A modified retrospective transition approach is required. An entity may adopt the guidance either (1) retrospectively to each prior reporting period presented in the financial statements with a cumulative effect adjustment recognized at the beginning of the earliest comparative period presented or (2) retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. The Company expects to adopt the guidance retrospectively at the beginning of the period of adoption, January 1, 2022, through a cumulative-effect adjustment, and will not apply the new standard to comparative periods presented. The new standard provides a number of practical expedients. Upon adoption, the Company expects to elect all the practical expedients available. The Company is currently evaluating the impact of the pending adoption of the new standard on its financial statements.

Subsequent events: The Company has evaluated subsequent events through February 15, 2022, the date the financial statements were available to be issued.

Note 2. Fair Value Measurements and Disclosures

The requirements of Fair Value Measurements and Disclosures of the ASC apply to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair Value Measurements and Disclosures establishes a fair value hierarchy that prioritizes the inputs used in valuation methodologies into the following three levels.

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs are observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, or other inputs that can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies or other valuation techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The Company determines the fair value of mutual funds, common stocks and municipal bonds based upon quoted market prices in active markets. The Company determines the value of money market funds as cash equivalents, which approximate fair value.

The following table represents assets measured at fair value on a recurring basis, as reported on the consolidated balance sheets as of December 31, 2021 and 2020, and by level within the fair value measurement hierarchy:

Note 2. Fair Value Measurements and Disclosures (Continued)

	Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 5,876,246	$ -	$ -	$ 5,876,246
Common stocks	917,580	-	-	917,580
Municipal bonds	-	407,555	-	407,555
Money market	151,461	-	-	151,461
Other	-	-	86,800	86,800
	$ 6,945,287	$ 407,555	$ 86,800	$ 7,439,642

	Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 828,595	$ -	$ -	$ 828,595
Common stocks	771,382	-	-	771,382
Municipal bonds	-	2,796,969	-	2,796,969
Money market	211,972	-	-	211,972
	$ 1,811,949	$ 2,796,969	$ -	$ 4,608,918

Note 3. Costs and Estimated Earnings on Incomplete Contracts and Backlog

Costs and estimated earnings on incomplete contracts and backlog information are as follows:

	December 31	
	2021	2020
Amended contract amount	$ 90,005,361	$ 90,979,521
Revenue recognized to date	56,326,951	53,997,818
Unearned contract amount—backlog	$ 33,678,410	$ 36,981,703
Cost to date	$ 44,890,663	$ 45,594,434
Estimated cost to complete	29,111,225	31,433,162
Estimated total cost	$ 74,001,888	$ 77,027,596
Billings to date	$ 57,190,866	$ 56,000,317
Costs and estimated earnings in excess of billings on incomplete contracts	$ 1,574,244	$ 1,030,053
Billings in excess of costs and estimated earnings on incomplete contracts	$ 2,438,159	$ 3,032,552

Note 3. Costs and Estimated Earnings on Incomplete Contracts and Backlog (Continued)

Backlog represents a measure of the Company's remaining unsatisfied performance obligations and reflects the amount of revenue the Company expects to realize from work to be performed on incomplete contracts in progress at December 31, 2021, and from contractual agreements on which work has not yet commenced. At December 31, 2021, the Company's backlog totaled approximately $54,000,000 (approximately $48,000,000 at December 31, 2020).

Note 4. Property and Equipment

Property and equipment consists of the following:

	December 31	
	2021	2020
Land and buildings	$ 1,153,334	$ 865,125
Autos and trucks	4,652,184	4,340,939
Machinery and equipment	8,680,532	8,565,162
Office furniture and equipment	512,681	331,754
Construction in progress	53,850	129,977
	15,052,581	14,232,957
Less accumulated depreciation and amortization	9,440,148	8,284,100
Net property and equipment	$ 5,612,433	$ 5,948,857

Depreciation expense by major asset classification is summarized below:

	December 31	
	2021	2020
Buildings	$ 143,299	$ 70,591
Autos and trucks	760,118	689,814
Machinery and equipment	845,590	802,538
Office furniture and equipment	24,421	40,978
	$ 1,773,428	$ 1,603,921

Depreciation expense is reflected in the accompanying financial statements as follows:

	December 31	
	2021	2020
Cost of construction	$ 1,732,986	$ 1,541,486
General and administrative	40,442	62,435
	$ 1,773,428	$ 1,603,921

Note 5. Lines of Credit

At December 31, 2021 and 2020, the Company has available a $3,000,000 line of credit at a bank. The line is secured by all accounts and equipment, bears interest at prime rate and matures May 19, 2023. At December 31, 2021 and 2020, the effective interest rate was 3.5% and 4.85%, respectively. There were no amounts outstanding on this line of credit at December 31, 2021 and 2020. The line of credit contains certain financial covenants.

At December 31, 2021 and 2020, the Company has available a $1,000,000 line of credit at a bank. The line is secured by equipment and matures September 24, 2022. At December 31, 2021 and 2020 the effective interest rate was 4.25% and 4.07%, respectively. There were no amounts outstanding on this line of credit at December 31, 2021 and 2020.

Note 6. Long-term Debt

Long-term debt consists of the following:

Collateral	Monthly Installment	Interest Rate	Payable Through	December 31 2021	December 31 2020
Commercial finance companies—machinery, equipment and vehicles	$ 13,597	0.00% to 8.99%	2022-2026	$ 501,514	$ 548,533
Bank installment loans—machinery and equipment *	23,313	0.00% to 4.69%	2022-2026	583,051	3,131,015
				1,084,565	3,679,548
Less current maturities of long-term debt				385,846	701,609
Total long-term debt				$ 698,719	$ 2,977,939

Assets purchased with the notes above are pledged as collateral.

* In April 2020, the Company received $2,109,000 from the Paycheck Protection Program (PPP), a loan designated to provide a direct incentive from small businesses to keep employees on payroll. The PPP loan was an integral component of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) that was signed into law in the United States on March 27, 2020, administered by the Small Business Administration. The loan was used for qualified business expenses and forgiven by the Small Business Administration on June 21, 2021.

Aggregate maturities on long-term debt at December 31, 2021, are as follows:

Years ending December 31:	
2022	$ 385,846
2023	370,455
2024	167,797
2025	122,599
2026	37,868
	$ 1,084,565

Note 6. Long-term debt (Continued)

Related party debt consists of the following:

Collateral	Annual Payment	Interest Rate	Payable Through	December 31 2021
Debt to former stockholder	$ 703,383	3.00%	2031	$ 6,000,000
Less current maturities of long-term debt				523,383
Total related party note payable				$ 5,476,617

Future principal payments at December 31, 2021, are due as follows:

Years ending December 31:	
2022	$ 523,383
2023	539,085
2024	555,257
2025	571,915
2026	589,072
Thereafter	3,221,288
	$ 6,000,000

Note 7. Employee Stock Ownership Plan

Effective January 1, 2020, the Company adopted an Employee Stock Ownership Plan (ESOP) that covers substantially all employees. A participant's stock account and investment account shall vest at the rate of 0% upon completion of one year of service, 20% upon completion of the second year of service, 40% upon completion of the third year of service, 60% upon completion of the fourth year of service, 80% upon completion of the fifth year of service, and 100% upon completion of the sixth year of service.

The Company makes annual contributions to the ESOP based on determinations by the Company's Board of Directors. The ESOP shares are pledged as collateral for its debt. Shares are released and allocated to active participants based on payments of the debt of the ESOP for the purchase of shares, including interest. Debt of the ESOP is recorded as unearned ESOP shares on the consolidated balance sheets. As shares are released from collateral, the Company reports compensation expense equal to the current market price of the shares. Distributions on allocated ESOP shares are recorded as a reduction of retained earnings; distributions on unallocated ESOP shares used to pay debt service are treated as contributions to the plan. Distributions on unallocated ESOP shares paid to participants or added to participant accounts are treated as compensation cost. There were approximately 14,982 shares released in 2021 with a fair value of $365,570.

The ESOP initially acquired 200,000 shares from a stockholder for $6,000,000 in exchange for a nonrecourse promissory note with an interest rate at 1.73% per annum. The note is payable in annual installments of $451,753 beginning December 31, 2021 and ending December 31, 2035. The noteholder swapped this note for a subordinated note issued by the company.

There was no ESOP repurchase liability for 2020 and 2021.

Note 7. Employee Stock Ownership Plan (Continued)

The shares acquired are pledged as security for the promissory notes and will be released from such pledge as the principal of the promissory notes are reduced with cash contributions made by the Company. Participants receive an allocation of shares held in the plan as the promissory notes are reduced and additional shares are released. Allocated shares are divided among participants based on relative compensation.

The ESOP shares as of December 31, were as follows:

	December 31 2021
Allocated shares	-
Shares released for allocation	14,982
Unreleased shares	185,018
Total ESOP shares	200,000
Fair value of unreleased shares at December 31	$ 4,514,439

Note 8. Warrants

In 2021, the Company issued warrants associated with a note to a former stockholder to purchase up to 50,000 shares of the company in conjunction with the loan agreements described in Note 6. The exercise price of the warrants is $25 per share and they are exercisable through August 31, 2031. The Company has accounted for the warrants as a component of debt.

Note 9. Leases

The following is a summary of leased property under capital leases, by major classes, included in property and equipment in the accompanying financial statements:

	December 31	
	2021	2020
Vehicles	$ 3,301,981	$ 2,593,852
Less accumulated amortization	1,029,045	550,066
	$ 2,272,936	$ 2,043,786

The Company leases machinery, equipment and office space under noncancelable operating lease agreements expiring through 2026, some of which are with a related party. Lease expense, including amounts paid to a related party, of $447,800 and $423,600 in 2021 and 2020, respectively, totaled $470,180 and $445,980 for the years ended December 31, 2021 and 2020, respectively.

Note 9. Leases (Continued)

	Capital Leases	Operating Leases	Related Party
Years ending December 31:			
2022	$ 679,893	$ 7,560	$ 345,600
2023	641,914	-	32,400
2024	508,825	-	32,400
2025	300,096	-	26,400
2026	70,038	-	2,200
Future minimum lease payments	2,200,766	7,560	439,000
Less amount of net minimum lease payments attributable to interest	139,916		
Present value of net minimum lease payments	2,060,850		
Less current portion of capitalized lease obligations	613,360		
Long-term portion of capitalized lease obligations	$ 1,447,490		

Note 10. Related-Party Transactions

A deposit of approximately $90,000 is maintained on certain leased properties. Future commitments on this related-party transaction are included in Note 8.

The Company has agreements with several of its stockholders regarding life insurance policies. Under the terms of the agreement, the Company pays the life insurance premiums, which will be repaid by the stockholders upon receipt of the death benefit or cash surrender value of the policy. The amount due from stockholders totaled approximately $165,000 at December 31, 2021 (approximately $151,000 in 2020).

Note 11. Insurance Matter

At December 31, 2021 and 2020, the Company holds an investment in a multi-shareholder captive insurance company. The investment is recorded at cost and is classified as investment in captive insurance company on the balance sheet. The Company purchases insurance policies from the captive insurance company to manage general liability, workers' compensation and auto liability risks. The policies provide for potential retrospective premium assessments in the event claim experience for insured events exceed specified levels. Management considers estimates for retrospective premiums at each balance sheet date. Such estimates, if any, are included in accrued expenses in the accompanying balance sheets.

Note 12. Commitments and Contingent Liabilities

The Company may be involved in claims and litigation in the normal course of business. Management believes the applicable insurance coverage is adequate to cover costs of settlement and defense of such claims and litigation, if any.

Note 13. Surety Bonds

The Company, as a condition for entering into some of its construction contracts, had outstanding surety bonds as of December 31, 2021 and 2020.

Note 14. Change in accounting estimate

As of December 31, 2020, the Company estimated it would make a $1,600,000 contribution for 2020 in 2021 to fund the newly formed ESOP. This amount was accrued in 2020 and is included in current liabilities in the accompanying consolidated balance sheets as of December 31, 2020. After issuing the Company's 2020 financial statements, the Company obtained new information which ultimately changed the estimated contributions to be made in 2021 pertaining to 2020. This change has the effect of adjusting the carrying amount of the 2020 accrued liability. Had this change in estimate not occurred, Net Income for the year ended December 31, 2020 would have been $1,250,000 higher and Net Income for the year ended December 31, 2021 would have been $1,250,000 lower. This change in estimate does not affect any other years.

Note 15. Major Customers

The Company performs contract work, which is acquired on a competitive bid basis, for the City of San Antonio (the City). In 2021, approximately 62 percent of the Company's gross revenues and 61 percent of the Company's receivables are tied directly to contracts awarded by the City. In 2021, approximately 10 percent of the Company's gross revenues and 11 percent of the Company's receivables are tied directly to contracts awarded by the Texas Department of Transportation.

The Company performs contract work, which is acquired on a competitive bid basis, for the City of San Antonio (the City). In 2020, approximately 61 percent of the Company's gross revenues and 33 percent of the Company's receivables are tied directly to contracts awarded by the City. In 2020, approximately 15 percent of the Company's gross revenues and 2 percent of the Company's receivables are tied directly to contracts awarded by the Texas Department of Transportation.

Note 16. Economic Dependency and Concentration of Credit Risk

In 2021 and 2020, the Company's revenue was substantially all made on credit to various federal, state and municipal institutions in San Antonio, Texas, and the surrounding areas. The Company evaluates credit risks on an individual basis before extending credit to its customers. The Company estimates an allowance for doubtful accounts based upon the creditworthiness of its customers, as well as general economic conditions. Consequently, an adverse change in those factors could affect the Company's estimate of its bad debts. Management believes the Company has recognized all losses on uncollectible accounts.

The Company maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation up to a maximum of $250,000. The Company has not experienced any losses in such accounts.

Note 17. Employee Benefit Plans

The Company has a 401(k) employees' profit sharing plan covering substantially all its employees. Company contributions to the plan are at the discretion of the Board of Directors, but may not exceed the maximum allowable deduction permitted under the Internal Revenue Code at the time of contribution. Company matching contributions totaled approximately $3,000 and $26,000 for the years ended December 31, 2021 and 2020, respectively, and are included in accrued expenses.

On January 1, 2020, the Company established a deferred compensation agreement with certain key members of management. The Board of Directors will allocate an amount each year to the plan at their discretion. To vest in the allocated amounts, the participants must remain in continuous full-time employment through vesting dates. Vested amounts are payable in five annual installments beginning in the year following full vesting and are paid from the general assets of the Company. Total expense recognized for the year ended December 31, 2021 and 2020, was approximately $119,000 and $76,000, respectively, and covered 8 employees. The present value of the unpaid gross value at a discount rate of 4.00% has been recorded as a long-term liability in the consolidated financial statements.

Note 18. Risks and Uncertainties Related to the COVID-19 Pandemic

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020, declared COVID-19 a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. COVID-19 and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates. On March 27, 2020, the CARES Act was enacted to amongst other provisions provide emergency assistance for individuals, families and businesses affected by COVID-19.

It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the Company. Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

Supplementary Information

Slattery Perkins Ramirez

Independent Auditor's Report on the Supplementary Information

To the Stockholders
E-Z Bel Holdings, Inc and Subsidiaries

We have audited the consolidated financial statements of E-Z Bel Holdings, Inc and Subsidiaries as of and for the year ended December 31, 2021, and have issued our report thereon, dated February 15, 2022, which contains an unmodified conclusion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financials statements as a whole.

The supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and we are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

SPR P.C.

Slattery Perkins Ramirez P.C.
San Antonio, TX
February 15, 2022

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E-Z Bel Holdings, Inc. and Subsidiaries
Consolidating Balance Sheet
December 31, 2021
See Independent Auditor's Report on the Supplementary Information

	E-Z Bel Holdings, Inc.	E-Z Bel Construction, LLC	811 El Monte, LLC	Eliminations	Consolidated Total
Assets					
Current assets					
Cash	$ 2,758,019	$ 3,831,963	$ 63,717	$ -	$ 6,653,699
Investments	7,246,890	192,752	-	-	7,439,642
Accounts receivable					
Trade	-	4,683,451	-	-	4,683,451
Retainage	-	2,820,897	-	-	2,820,897
Costs and estimated earnings in excess of billings on uncompleted contracts	-	1,574,244	-	-	1,574,244
Related-party note receivable	-	202	-	-	202
Prepaid expenses and other	-	481,838	-	-	481,838
Total current assets	10,004,909	13,585,347	63,717	-	23,653,973
Property and equipment, net	-	5,532,856	79,577	-	5,612,433
Other assets					
Investment in 811 El Monte, LLC	-	95,283	-	(95,283)	-
Due from stockholders	-	164,754	-	-	164,754
Deposits	-	90,200	-	-	90,200
Cash value of life insurance	-	1,030,086	-	-	1,030,086
Investment in captive insurance company	24,900	100	-	-	25,000
Total other assets	24,900	1,380,423	-	(95,283)	1,310,040
Total assets	$ 10,029,809	$ 20,498,626	$ 143,294	$ (95,283)	$ 30,576,446

E-Z Bel Holdings, Inc. and Subsidiaries
Consolidating Balance Sheet
December 31, 2021
See Independent Auditor's Report on the Supplementary Information

	E-Z Bel Holdings, Inc.	E-Z Bel Construction, LLC	811 El Monte, LLC	Eliminations	Consolidated Total
Liabilities and stockholders' equity					
Current liabilities					
Current maturities of long-term debt	$ -	$ 385,846	$ -	$ -	$ 385,846
Current portion of capitalized lease obligations	-	613,360	-	-	613,360
Current portion of related party note payable	523,383	-	-	-	523,383
Accounts payable					
Trade	-	4,639,142	-	-	4,639,142
Retainage payable	-	420,458	-	-	420,458
Accrued expenses	-	215,774	3,000	-	218,774
State income taxes payable	-	106,032	-	-	106,032
Billings in excess of costs and estimated earnings on uncompleted contracts	-	2,438,159	-	-	2,438,159
Distributions	1,086,093	-	-	-	1,086,093
Total current liabilities	1,609,476	8,818,771	3,000	-	10,431,247
Long -term liabilities					
Long-term debt, less current maturities	-	698,719	-	-	698,719
Long-term portion of capitalized lease obligations	-	1,447,490	-	-	1,447,490
Related party note payable	5,476,617	-	-	-	5,476,617
Deferred compensation plan payable	-	197,115	-	-	197,115
Total long-term liabilities	5,476,617	2,343,324	-	-	7,819,941
Stockholders' equity	2,943,716	9,336,531	140,294	(95,283)	12,325,258
Total liabilities and stockholders' equity	$ 10,029,809	$ 20,498,626	$ 143,294	$ (95,283)	$ 30,576,446