

DOCUMENT 004113 - BID FORM - STIPULATED SUM (SINGLE-PRIME CONTRACT)

1.1 BID INFORMATION

A. Bidder: PIPCO, LLC

1.2 CERTIFICATIONS AND BASE BID

A. Base Bid, Single-Prime (All Trades) Contract: The undersigned Bidder, having carefully examined the Procurement and Contracting Requirements, Conditions of the Contract, Drawings, Specifications, and all subsequent Addenda, as prepared by Larson & Darby Group and Architect's consultants, having visited the site, and being familiar with all conditions and requirements of the Work, hereby agrees to furnish all material, labor, equipment and services, including all scheduled allowances, necessary to complete the construction of the above-named project, according to the requirements of the Procurement and Contracting Documents, for the stipulated sum of:

1. Base Bid =	\$ <u>432,700.00</u>
2. General Contingency Allowance =	\$ 20,000.00
3. Total Bid Amount =	\$ <u>452,700.00</u>

1.3 BID GUARANTEE

A. The undersigned Bidder agrees to execute a contract for this Work in the above amount and to furnish surety as specified within 10 days after a written Notice of Award, if offered within 60 days after receipt of bids, and on failure to do so agrees to forfeit to Owner the attached cash, cashier's check, certified check, U.S. money order, or bid bond, as liquidated damages for such failure, in the following amount constituting ten percent (10%) of the Base Bid amount above:

1. Forty-five thousand two hundred seventy and 00/100 Dollars (\$ 45,270.00).

B. In the event Owner does not offer Notice of Award within the time limits stated above, Owner will return to the undersigned the cash, cashier's check, certified check, U.S. money order, or bid bond.

1.4 TIME OF COMPLETION

A. The Undersigned Bidder states that if awarded the Contract It shall commence the Work of the Contract Documents on a date specified in a written Notice to Proceed to be Issued by Architect, and achieve Substantial Completion of the Work in accord with the Contract by August 8th, 2026.

1.5 ACKNOWLEDGEMENT OF ADDENDA

A. The undersigned Bidder acknowledges receipt of and use of the following Addenda in the preparation of this Bid:

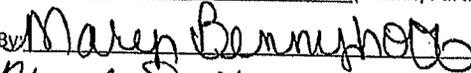
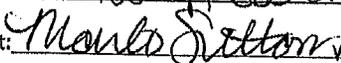
1. Addendum No. 1, dated 3/5/2026.
2. Addendum No. 2, dated _____.
3. Addendum No. 3, dated _____.
4. Addendum No. 4, dated _____.

HIGH SCHOOL RTU REPLACEMENT
PUTNAM COUNTY SCHOOL DISTRICT 535
GRANVILLE, ILLINOIS

1.6 CONTRACTOR'S LICENSE

- A. The undersigned further states that it is a duly licensed contractor, for the type of work proposed, in Granville and McNabb, Illinois, and that all fees, permits, etc., pursuant to submitting this proposal have been paid in full.

1.7 SUBMISSION OF BID

- A. Respectfully submitted this 10 day of March, 2026
- B. Submitted By PIPCO, LLC (Name of bidding firm or corporation).
- C. Authorized Signature:  (Handwritten signature).
- D. Signed By: Greg Cicciarelli (Type or print name).
- E. Title: VP (Owner/Partner/President/Vice President).
- F. Witness By:  (Handwritten signature).
- G. Attest:  (Handwritten signature).
- H. By:  (Type or print name).
- I. Title: Comptroller (Corporate Secretary or Assistant Secretary).
- J. Street Address: 1409 W. Altorfer Drive
- K. City, State, Zip Peoria, IL 61615
- L. Phone: 309-692-4060
- M. License No.: 002879-2021
- N. Federal ID No.: 412369154 (Affix Corporate Seal Here).

1.8 BIDDER'S RESPONSIBILITY INFORMATION

- A. Information required to be submitted with bid to facilitate application of Bidder Responsibility Criteria:
1. Date of establishment of current form of business organization:
11/25/2025
 2. Type of current form of business organization:
LLC
 3. State of registration of current form of business organization:
Delaware
 4. Name of bidder's project manager, with experience summary:
Mike Head - Project Manager for over 8 years.
 5. Identification of projects which meet the requirements. Use Attachment 1 as the form on which to provide this information.

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6. Enclose with this form independently prepared financial reports for the two consecutive, most recently available years. **See Enclosed**
7. Case, caption, number and court for any bankruptcy, receivership or similar proceeding involving the bidder other than solely as a claimant:
N/A

8. List contracts terminated by Owner for non-performance within the past five years of this project's bid date, and the name, address and telephone number of Owner's representative under all such contracts:
N/A

9. List contracts on which a claim against the bidder's bond was made within the past five years of this project's bid date, and the name, address and telephone number of Owner's representative under all such contracts.
N/A

10. Enclose with this form a list of references and project names of all projects. The references must include the names of contact person who are or were officials representing the Owner who are familiar with the Bidder's performance.

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GRANVILLE, ILLINOIS

Name, address and telephone number of Owner's representative:

Marlo Sutton
1409 W. Altorfer Drive, Peoria, IL 61615

THIS FORM MUST BE SUBMITTED WITH BID

ATTACHMENT 1 TO BIDDER'S RESPONSIBILITY INFORMATION

Identification of projects which meet the requirements. Fill out one sheet for each project. Duplicate as necessary:

Name of Project Banner Elementary School Hot Water Piping

Contract price as bid: \$ 259,000.00

Final contract price: \$ 266,000.00

Contract start date: May 1, 2025

Contract completion date: August 1, 2025

Date of Substantial Completion: August 1, 2025

Date of Final Completion: August 1, 2025

Identification of change orders which increased contract price or completion date which were due to the material fault of the Bidder.

Additional piping changes.

Identification of any litigation, mediation or arbitration in which the bidder is or was a party, including the case caption, number and court, mediator or arbitrator and reasons for bidder's involvement:

none

Identification of claims on the Bidder's bond by Owner, subcontractor or others which were due to the material fault of the Bidder.

none

Identification of mechanic's liens filed against the Owner and reasons for liens:

none

HIGH SCHOOL RTU REPLACEMENT
PUTNAM COUNTY SCHOOL DISTRICT 535
GRANVILLE, ILLINOIS

Name, address and telephone number of Owner's representative:

Wade Ross
Farnsworth Group
309-691-3955

THIS FORM MUST BE SUBMITTED WITH BID

ATTACHMENT 1 TO BIDDER'S RESPONSIBILITY INFORMATION

Identification of projects which meet the requirements. Fill out one sheet for each project. Duplicate as necessary:

Name of Project Knox College Ford Hall

Contract price as bid: \$ 1,750,150.00

Final contract price: \$ 1,744,455.50

Contract start date: May 1, 2024

Contract completion date: May 15, 2025

Date of Substantial Completion: May 15, 2025

Date of Final Completion: May 15, 2025

Identification of change orders which increased contract price or completion date which were due to the material fault of the Bidder.

Contingency used for unforeseen circumstances.

Identification of any litigation, mediation or arbitration in which the bidder is or was a party, including the case caption, number and court, mediator or arbitrator and reasons for bidder's involvement:

none

Identification of claims on the Bidder's bond by Owner, subcontractor or others which were due to the material fault of the Bidder.

none

Identification of mechanic's liens filed against the Owner and reasons for liens:

none

HIGH SCHOOL RTU REPLACEMENT
PUTNAM COUNTY SCHOOL DISTRICT 535
GRANVILLE, ILLINOIS

Name, address and telephone number of Owner's representative:

Cody Basham
Klinger & Associates
49 N Prairie Street
Galesburg, IL 61401
309-343-1268

THIS FORM MUST BE SUBMITTED WITH BID

ATTACHMENT 1 TO BIDDER'S RESPONSIBILITY INFORMATION

Identification of projects which meet the requirements. Fill out one sheet for each project. Duplicate as necessary:

Name of Project Norwood Elementary HVAC Upgrades

Contract price as bid: \$ 1,179,200.00

Final contract price: \$ 1,119,087.91

Contract start date: May 1, 2024

Contract completion date: November 30, 2024

Date of Substantial Completion: August 12, 2024

Date of Final Completion: August 12, 2024

Identification of change orders which increased contract price or completion date which were due to the material fault of the Bidder.

Contingency used for unforeseen circumstances.

Identification of any litigation, mediation or arbitration in which the bidder is or was a party, including the case caption, number and court, mediator or arbitrator and reasons for bidder's involvement:

none

Identification of claims on the Bidder's bond by Owner, subcontractor or others which were due to the material fault of the Bidder.

none

Identification of mechanic's liens filed against the Owner and reasons for liens:

none

HIGH SCHOOL RTU REPLACEMENT
PUTNAM COUNTY SCHOOL DISTRICT 535
GRANVILLE, ILLINOIS

Name, address and telephone number of Owner's representative:

Tom Gordon
Kenyon & Associates
6824 N Frostwood Parkway
Peoria, IL 61615
309-674-7121

HIGH SCHOOL RTU REPLACEMENT
PUTNAM COUNTY SCHOOL DISTRICT 535
GRANVILLE, ILLINOIS

THIS FORM MUST BE SUBMITTED WITH BID

ATTACHMENT 1 TO BIDDER'S RESPONSIBILITY INFORMATION

Identification of projects which meet the requirements. Fill out one sheet for each project. Duplicate as necessary:

Name of Project ROWVA School Cafeteria Addition

Contract price as bid: \$ 376,000.00

Final contract price: \$ 383,109.19

Contract start date: May 1, 2024

Contract completion date: October 31, 2025

Date of Substantial Completion: August 9, 2024

Date of Final Completion: August 9, 2024

Identification of change orders which increased contract price or completion date which were due to the material fault of the Bidder.

Misc on site duct changes.

Identification of any litigation, mediation or arbitration in which the bidder is or was a party, including the case caption, number and court, mediator or arbitrator and reasons for bidder's involvement:

none

Identification of claims on the Bidder's bond by Owner, subcontractor or others which were due to the material fault of the Bidder.

none

Identification of mechanic's liens filed against the Owner and reasons for liens:

none

HIGH SCHOOL RTU REPLACEMENT
PUTNAM COUNTY SCHOOL DISTRICT 535
GRANVILLE, ILLINOIS

Name, address and telephone number of Owner's representative:

David Staggs
Hein Construction
9130 N Industrial Rd
Peoria, IL 61615
309-691-4774

THIS FORM MUST BE SUBMITTED WITH BID

ATTACHMENT 1 TO BIDDER'S RESPONSIBILITY INFORMATION

Identification of projects which meet the requirements. Fill out one sheet for each project. Duplicate as necessary:

Name of Project Kewanee Belle Alexander Gym Addition

Contract price as bid: \$ 292,000.00

Final contract price: \$ 291,297.88

Contract start date: May 1, 2022

Contract completion date: August 1, 2023

Date of Substantial Completion: August 1, 2023

Date of Final Completion: August 1, 2023

Identification of change orders which increased contract price or completion date which were due to the material fault of the Bidder.

Duct changes.

Identification of any litigation, mediation or arbitration in which the bidder is or was a party, including the case caption, number and court, mediator or arbitrator and reasons for bidder's involvement:

none

Identification of claims on the Bidder's bond by Owner, subcontractor or others which were due to the material fault of the Bidder.

none

Identification of mechanic's liens filed against the Owner and reasons for liens:

none

HIGH SCHOOL RTU REPLACEMENT
PUTNAM COUNTY SCHOOL DISTRICT 535
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Name, address and telephone number of Owner's representative:

Toby Chenoweth
Valley Construction
Rock Island, IL 61204
309-781-0512

HIGH SCHOOL RTU REPLACEMENT
PUTNAM COUNTY SCHOOL DISTRICT 535
GRANVILLE, ILLINOIS

THIS FORM MUST BE SUBMITTED WITH BID

CERTIFICATE OF COMPLIANCE WITH ILLINOIS DRUG-FREE WORKPLACE ACT (Contractors With 25 or More Employees)

1.1 CERTIFICATE OF COMPLIANCE WITH ILLINOIS DRUG-FREE WORKPLACE ACT

A. PIPCO, LLC, having 25 or more employees, does hereby certify pursuant to Section 3 of the *Illinois Drug-Free Workplace Act* (30 ILCS 580/3) that [he, she, it] shall provide a drug-free workplace for all employees engaged in the performance of work under the contract by complying with the requirements of the *Illinois Drug-Free Workplace Act* and, further certifies, that [he, she, it] is not ineligible for award of this contract by reason of debarment for a violation of the *Illinois Drug-Free Workplace Act*.

By Authorized Agent

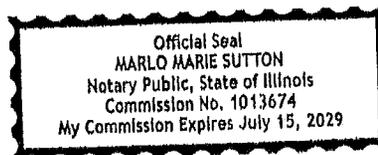
Date

SUBSCRIBED and SWORN TO before me

This 10 day of March, 2026.

NOTARY PUBLIC

Marlo Marie Sutton



HIGH SCHOOL RTU REPLACEMENT
PUTNAM COUNTY SCHOOL DISTRICT 535
GRANVILLE, ILLINOIS

CERTIFICATE REGARDING SEXUAL HARRASSMENT POLICY

1.1 CERTIFICATE REGARDING SEXUAL HARRASSMENT POLICY

A. PIPCO, LLC, [contractor], does hereby certify pursuant to Section 2-105 of the *Illinois Human Rights Act* (775 ILCS 5/2-105) that [he, she, it] has a written sexual harassment policy that includes, at a minimum, the following information: (i) the illegality of sexual harassment; (ii) the definition of sexual harassment under State law; (iii) a description of sexual harassment, utilizing examples; (iv) an internal complaint process including penalties; (v) the legal recourse, investigative and complaint process available through the Department of Human Rights and Human Rights Commission; (vi) directions on how to contact the Department of Human Rights and Human Rights Commission; and (vii) protection against retaliation.

By Authorized Agent

Date

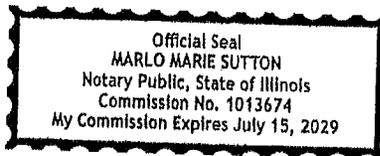
SUBSCRIBED and SWORN TO before me

This 10 day of March, 2026.

NOTARY PUBLIC

Marlo Marie Sutton

END OF DOCUMENT 00 41 13



HIGH SCHOOL RTU REPLACEMENT
PUTNAM COUNTY SCHOOL DISTRICT 535
GRANVILLE, ILLINOIS

DOCUMENT 00 45 19 – NON-COLLUSION AFFIDAVIT

AFFIDAVIT: "I (we) hereby certify and affirm that my (our) proposal was prepared independently for this project and that it contains no fees or amounts other than the legitimate execution of this work as specified and that it includes no understanding or agreements in restraint of trade."

(If an Individual)

Signature of Bidder _____ (Seal)

Business Address _____

(If a Partnership)

Firm Name PIPCO, LLC (Seal)

By Greg Ciccirelli

Business Addresses (1409 W. Altorfer Drive, Peoria, IL 61615

of all Partners (_____)

of the Firm (_____)

(If a Corporation)

Corporate Name _____

By _____

Business Address _____

(Corporate Seal)

Name of Officers: (President) _____

(Secretary) _____

Attest: _____ (Treasurer)

(Secretary)



Name of Bidder PIPCO Date 3/10/2026

END OF DOCUMENT 00 45 19

HIGH SCHOOL RTU REPLACEMENT
PUTNAM COUNTY SCHOOL DISTRICT 535
GRANVILLE, ILLINOIS

DOCUMENT 00 45 48 – BIDDER ELIGIBILITY CERTIFICATE

1.1 BIDDER ELIGIBILITY CERTIFICATE

- A. 720 ILCS 5/33E-11 requires that all contractors bidding for public agencies in the State of Illinois certify that they are not barred from bidding on public contracts for bid rigging or bid rotation.
- B. The following certification must be completed, signed and submitted with the Bidder's Form of Proposal. FAILURE TO DO SO WILL RESULT IN DISQUALIFICATION OF THE BIDDER.

PIPCO, LLC, (Firm name of Contractor) as part of its bid on a contract for

HIGH SCHOOL MEDIA CENTER EXTERIOR WALL ALTERATION
PUTNAM COUNTY SCHOOL DISTRICT #535
GRANVILLE, ILLINOIS

certifies that said contractor is not barred from bidding on the aforementioned contract as a result of a violation of either 720 ILCS 5/33E-3 or 720 ILCS 5/33E-4.

Firm Name: PIPCO, LLC

By: Greg Ciccirelli (Typed or printed name)

(Authorized Agent of Contractor)

(Signature)

VP

(Title)

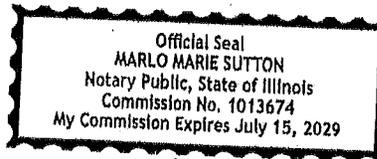
Subscribed and sworn to

before me on this 10 day

of March, 2025

Marlo Marie Sutton
(Notary Public)

END OF DOCUMENT 00 45 48



DOCUMENT 00 46 46 – CERTIFICATE REGARDING CRIMINAL BACKGROUND INVESTIGATIONS

1.1 CERTIFICATE REGARDING CRIMINAL BACKGROUND INVESTIGATIONS

- A. Contractor hereby represents, warrants and certifies that no officer or director thereof has any knowledge that any employee thereof has been convicted of committing or attempting to commit "Criminal Code of 1961," 720 ILCS, Sections 5/11-6 (Indecent solicitation of a child), 5/11-9 (Public indecency), 5/11-14 (Prostitution), 5/11-15 (Soliciting for a prostitute), 5/11-15.1 (Soliciting for a juvenile prostitute), 5/11-19 (Pimping), 5/11-19.1 (Juvenile pimping), 5/11-19.2 (Exploitation of a child), 5/11-20 (Obscenity), 5/11-20.1 (Sexual Assault), 5/12-14 (Aggravated criminal sexual assault), 5/12-15 (Criminal sexual abuse), and 5/12-16 (Aggravated criminal sexual abuse) and/or those offenses defined in the "Cannabis Control Act," 720 ILCS, 550/1 et. seq. (except the "Illinois Controlled Substances Act," 720 ILCS 570/100 et. seq. and/or any offense committed or attempted in any other state or against the laws of the United States, which if committed or attempted in this State, would have been punishable as one or more of the foregoing offenses. Contractor further agrees that it shall not employ any person who have or may have direct, daily contact with the pupils and for whom a criminal background investigation has not been conducted pursuant hereto, and further represents and agrees that all applicants for any such employment shall furnish with their applications the attached written "Authorization for Criminal Background Information" form authorizing the Board of Education, Putnam County Community Unit School District #535 to request a fingerprint-based criminal background investigation of said applicant pursuant to State of Illinois statutes and to receive criminal record information pursuant thereto to determine if the applicant has been convicted of committing or attempting to commit any of the criminal or drug offenses enumerated above. Contractor shall incur any costs and expenses associated with the fingerprint-based criminal background investigation. Contractor further represents, warrants, and certifies that no applicant for employment with respect to whom the criminal investigation reveals any conviction for committing and/or attempting to commit any of the above enumerated offenses, shall be employed thereby in any position that involves or may involve contact with the students. This certification is executed on the date hereinafter indicated by the designated contractor by its duly authorized officer.

By: Greg Cicciarelli

Its: VP

Dated: 3/10/2026

END OF DOCUMENT 00 46 46

HIGH SCHOOL RTU REPLACEMENT
PUTNAM COUNTY SCHOOL DISTRICT 535
GRANVILLE, ILLINOIS

DOCUMENT 00 46 47 – AUTHORIZATION FOR CRIMINAL BACKGROUND INVESTIGATIONS

1.1 AUTHORIZATION FOR CRIMINAL BACKGROUND INVESTIGATION INFORMATION

A. The undersigned hereby authorizes the Board of Education, Putnam County Community Unit School District #535, Illinois to request a fingerprint-based criminal background investigation from the Illinois State Police, pursuant to State of Illinois statutes and to receive criminal history record information pursuant thereto.

B. By: TBD
(Printed/Typed Name of Applicant Employee)

C. By: _____
(Signature of Applicant Employee)

D. Dated: _____

E. NOTE: SIGNATURE NOT REQUIRED FOR SUBMITTAL WITH BID. THIS IS THE FORM REFERRED TO IN DOCUMENT 00 46 46 FOR USE WITH EMPLOYMENT APPLICATIONS.

END OF DOCUMENT 00 46 47

Alexandra Haas, CP
Contracts Administrator/Paralegal

Marsh McLennan Agency
8605 E. Raintree Drive, Suite 200
Scottsdale, AZ 85260
T +1 602 778 7011
Alexandra.Haas@MarshMMA.com

March 5, 2026

PIPCO, LLC
1409 W Altorfer Dr
Peoria, IL 61615

RE: **BID DATE:** March 10, 2026
 To: Putnam County Community Unit School District #535
 Project: PCS High School RTU Replacement 2026
 Estimated Bid Amount: \$300,000.00

Enclosed is the bid bond you requested on the above project. Please sign it and as a precaution, please check all dates, descriptions, names and signatures to ensure there are no mistakes. Also, please verify we have used the proper bid bond form.

Your bid was cleared at the above referenced amount. **If your bid should exceed this amount by more than 10%, you must call us to have it re-approved at the higher amount.**

Following are the rates to be used on final bonds, if you are the low bidder. There are three parts to your premium calculation:

Base Rate:

First \$100,000 of contract @ \$10.34 per \$1,000, or 1.034%
Next \$400,000 of contract @ \$ 7.92 per \$1,000 or .792%
Next \$2,000,000 of contract @ \$ 6.60 per \$1,000, or .660%
Next \$2,500,000 of contract @ \$ 5.50 per \$1,000, or .550%
Next \$2,500,000 of contract @ \$ 4.95 per \$1,000, or .495%
Over \$7,500,000 of contract @ \$ 4.40 per \$1,000, or .440%

Completion Time: The Base Rate is based on the stipulated time of completion of one (1) year (12 months, 255 working days or 365 calendar days) or less. If the completion time stipulated in the contract exceeds 1 year, the Base Rate will be surcharged 1% per month for every full month over 12 months.

Warranty Period: If the warranty period as stated in the contract exceeds one year, there is a charge for each additional year.

The rates are as follows:

First \$100,000 of contract @ \$2.50 per \$1,000, or .250%
Next \$400,000 of contract @ \$2.25 per \$1,000, or .225%
Next \$2,000,000 of contract @ \$2.00 per \$1,000, or .200%
Next \$2,500,000 of contract @ \$1.75 per \$1,000, or .175%
Next \$2,500,000 of contract @ \$1.50 per \$1,000, or .150%
Over \$7,500,000 of contract @ \$1.40 per \$1,000, or .140%

We are pleased to be of service. We would appreciate knowing bid results as soon as they are available. If you have any questions, please feel free to give me a call. GOOD LUCK!

This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. Marsh & McLennan Agency, LLC shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting or legal matters are based solely on our experience as consultants and are not to be relied upon as actuarial, accounting, tax or legal advice, for which you should consult your own professional advisors. Any modeling analytics or projections are subject to inherent uncertainty and the analysis could be materially affected if any underlying assumptions, conditions, information or factors are inaccurate or incomplete or should change. Copyright © 2023 Marsh McLennan Agency, LLC. All rights reserved. CA Insurance Lic: 0H18131. MarshMMA.com

AIA Document 310 - 2010 Bid Bond

CONTRACTOR (Name, legal status and address):

PIPCO, LLC
1409 W Altorfer Dr
Peoria, IL 61615

SURETY (Name, legal status and principal place of business):

Harco National Insurance Company
4200 Six Forks Road, Suite 1400
Raleigh, NC 27609

OWNER (Name, legal status and address):

Putnam County Community Unit School District #535
400 East Silverspoon
Granville, Illinois 61326

Bond Amount: Ten Percent (10%) of Principal's Bid Amount

PROJECT : (Name, location or address, and Project number, if any):

PCS HIGH SCHOOL RTU REPLACEMENT 2026 / PROJECT NO.: 2025-201
402 East Silverspoon, Granville, Illinois 61326

The Contractor and Surety are bound to the Owner in the amount set forth above, for the payment of which the Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, as provided herein. The conditions of this Bond are such that if the Owner accepts the bid of the Contractor within the time specified in the bid documents, or within such time period as may be agreed to by the Owner and Contractor, and the Contractor either (1) enters in to a contract with the Owner in accordance with the terms of such bid, and gives such bond or bonds as may be specified in the bidding or Contract Documents, with a surety admitted in the jurisdiction of the Project and otherwise acceptable to the Owner, for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof; or (2) pays to the Owner the difference, not to exceed the amount of this Bond, between the amount specified in said bid and such larger amount for which the Owner may in good faith contract with another party to perform the work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect. The Surety hereby waives any notice of an agreement between the Owner and Contractor to extend the time in which the Owner may accept the bid. Waiver of notice by the Surety shall not apply to any extension exceeding sixty (60) days in the aggregate beyond the time for acceptance of bids specified in the bid documents, and the Owner and Contractor shall obtain the Surety's consent for an extension beyond sixty (60) days.

If this Bond is issued in connection with a subcontractor's bid to a Contractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed by the Contractor.

When this Bond has been furnished to comply with a statutory or other legal requirement in the location of the Project, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

Signed and sealed this 5th day of March, 2026

Mary Bennett
(Witness)

Debbie Clayton
(Witness) Debbie Clayton



PIPCO, LLC
(Principal) (Seal)

(Title)
Harco National Insurance Company

(Surety) Alexandra Haas
(Title) Alexandra Haas, Attorney-In-Fact

Bond # Bid Bond

POWER OF ATTORNEY
HARCO NATIONAL INSURANCE COMPANY
INTERNATIONAL FIDELITY INSURANCE COMPANY

Member companies of IAT Insurance Group, Headquartered: 4200 Six Forks Rd, Suite 1400, Raleigh, NC 27609

KNOW ALL MEN BY THESE PRESENTS: That **HARCO NATIONAL INSURANCE COMPANY**, a corporation organized and existing under the laws of the State of Illinois, and **INTERNATIONAL FIDELITY INSURANCE COMPANY**, a corporation organized and existing under the laws of the State of New Jersey, and having their principal offices located respectively in the cities of Rolling Meadows, Illinois and Newark, New Jersey, do hereby constitute and appoint

TINA MARIE PERKINS, RANDI L. MORGAN, DEBBIE CLAYTON, ALEXANDRA HAAS, HOLLY BYRD

Scottsdale, AZ

their true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY**, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by their regularly elected officers at their principal offices.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of the By-Laws of **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY** and is granted under and by authority of the following resolution adopted by the Board of Directors of **INTERNATIONAL FIDELITY INSURANCE COMPANY** at a meeting duly held on the 13th day of December, 2018 and by the Board of Directors of **HARCO NATIONAL INSURANCE COMPANY** at a meeting held on the 13th day of December, 2018.

"RESOLVED, that (1) the Chief Executive Officer, President, Executive Vice President, Senior Vice President, Vice President, or Secretary of the Corporation shall have the power to appoint, and to revoke the appointments of, Attorneys-in-Fact or agents with power and authority as defined or limited in their respective powers of attorney, and to execute on behalf of the Corporation and affix the Corporation's seal thereto, bonds, undertakings, recognizances, contracts of indemnity and other written obligations in the nature thereof or related thereto; and (2) any such Officers of the Corporation may appoint and revoke the appointments of joint-control custodians, agents for acceptance of process, and Attorneys-in-fact with authority to execute waivers and consents on behalf of the Corporation; and (3) the signature of any such Officer of the Corporation and the Corporation's seal may be affixed by facsimile to any power of attorney or certification given for the execution of any bond, undertaking, recognition, contract of indemnity or other written obligation in the nature thereof or related thereto, such signature and seals when so used whether heretofore or hereafter, being hereby adopted by the Corporation as the original signature of such officer and the original seal of the Corporation, to be valid and binding upon the Corporation with the same force and effect as though manually affixed."

IN WITNESS WHEREOF, **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY** have each executed and attested these presents on this 31st day of December, 2025



STATE OF NEW JERSEY
County of Essex

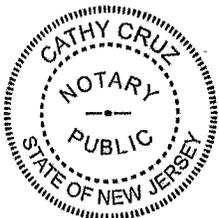
STATE OF ILLINOIS
County of Cook



Michael F. Zurcher

Executive Vice President, Harco National Insurance Company
and International Fidelity Insurance Company

On this 31st day of December, 2025, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY**; that the seals affixed to said instrument are the Corporate Seals of said Companies; that the said Corporate Seals and his signature were duly affixed by order of the Boards of Directors of said Companies.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

Cathy Cruz a Notary Public of New Jersey
My Commission Expires April 16, 2029

CERTIFICATION

I, the undersigned officer of **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY** do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Sections of the By-Laws of said Companies as set forth in said Power of Attorney, with the originals on file in the home office of said companies, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand on this day, March 05, 2026

Irene Martins, Assistant Secretary

Certificate of Registration

STATE BOARD OF ELECTIONS

Registration No: 69977

PIPCO LLC

1409 W Altorfer Dr.
Peoria, IL 61615

Information for this business was last updated on:
Monday, February 16, 2026

Certificate produced on Monday, February 16, 2026 at 3:14



**UNANIMOUS CONSENT
OF THE DIRECTORS OF
THE PIPCO COMPANIES, LTD.
A DELAWARE CORPORATION**

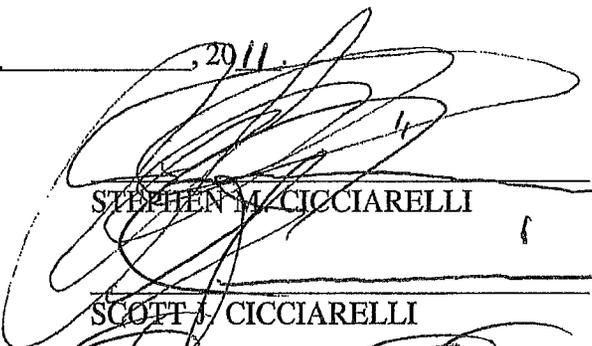
The undersigned, being all the Directors of THE PIPCO COMPANIES, LTD., a Delaware Corporation authorized to transact business in the State of Illinois, acting without the formality of a meeting pursuant to the authority granted in the By-Laws, does hereby unanimously consent in writing and adopt the following resolutions:

RESOLVED, that the following persons are hereby elected to the following offices, to serve until their successors are duly elected and qualified:

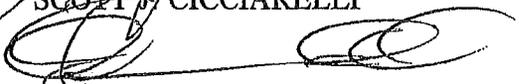
STEPHEN M. CICCARELLI	President
SCOTT J. CICCARELLI	Executive Vice-President
GREGORY L. CICCARELLI	Executive Vice President
DANIEL J. SHADID	Vice President
KAREN M. SHADID	Secretary/Treasurer

AND IT IS FURTHER RESOLVED, that a copy of this Consent be delivered to the Secretary of the Corporation with direction that it be filed and maintained with the records of the Corporation.

Dated this 1st day of Jan., 2011.



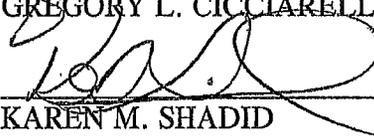
STEPHEN M. CICCARELLI



SCOTT J. CICCARELLI



GREGORY L. CICCARELLI



KAREN M. SHADID

Being all the Directors of
THE PIPCO COMPANIES, LTD.
a Delaware Corporation



PIPICO, LLC Organizational Chart
(Delaware)

Registered Officers:

Chairman: Joel Gaynor

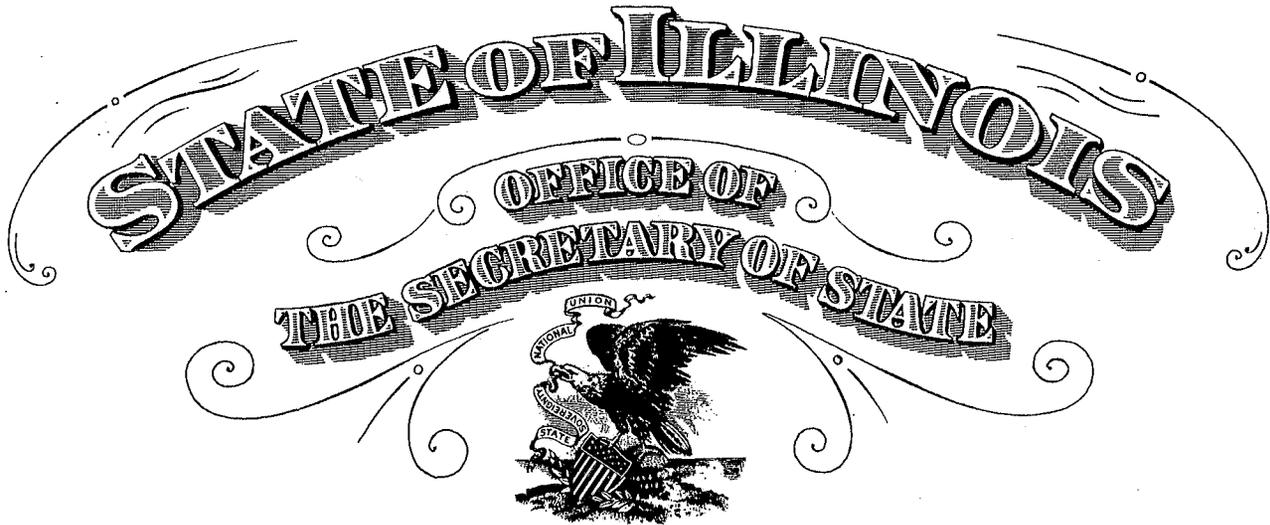
President: Mike MacRitchie

CEO: William Walter

CFO: Jared Hall

CIO: Devon IZard





To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulas, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

PIPICO, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON NOVEMBER 18, 2025, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 17TH day of FEBRUARY A.D. 2026 .

Alexi Giannoulas

SECRETARY OF STATE

UNITED STATES DEPARTMENT OF LABOR

Office of Apprenticeship

Certificate of Registration of Apprenticeship Program

NATIONAL AUTOMATED SPRINKLER INDUSTRY
LOCAL UNION 669 EDUCATION FUND

*Registered as part of the National Apprenticeship System
in accordance with the basic standards of apprenticeship
established by the Secretary of Labor*

July 20, 2006 (Revised)

Date

ZA002530001

Registration No.



A. J. Chao
Secretary of Labor

[Signature]
Secretary of Labor

United States Department of Labor

Office of Apprenticeship Training, Employer and Labor Services
Bureau of Apprenticeship and Training

Certificate of Registration

Sheet Metal Workers Local #1 and the Central Illinois
Chapter of SMACNA, Inc., Peoria Heights, Illinois

Registered as part of the National Apprenticeship Program
in accordance with the basic standards of apprenticeship
established by the Secretary of Labor

May 29, 1945

Revised August 7, 2002

IL007450001

id:rat/m 2X6

Scott Chao
Secretary of Labor

Anthony S. ...
Administrator, Apprenticeship Training, Employer and Labor Services

United States Department of Labor

Office of Apprenticeship Training, Employer and Labor Services

Bureau of Apprenticeship and Training

Certificate of Registration

Joint Apprenticeship and Training Committee of Plumbers Local Union 63
East Peoria, Illinois

Plumber

Registered as part of the National Apprenticeship Program
in accordance with the basic standards of apprenticeship
established by the Secretary of Labor

Registered December 31, 1978

Date ~~Revised August 19, 2008~~

IL007-780008

Registration No.



Lo. Cheo

Secretary of Labor

Anthony Swartz

Administrator, Apprenticeship Training, Employer and Labor Services

UNITED STATES DEPARTMENT OF LABOR

Office of Apprenticeship Training, Employer and Labor Services
Bureau of Apprenticeship and Training

Certificate of Registration
Joint Apprenticeship and Training Committee of Steamfitters Local 353
Peoria, Illinois

Pipefitter
Registered as part of the National Apprenticeship Program
in accordance with the basic standards of apprenticeship
established by the Secretary of Labor

Date January 22, 2007

11007-780009
Registration No.



L. J. Chao
Secretary of Labor

Anthony Szwarc
Administrator, Apprenticeship Training, Employer and Labor Services

OFFICE REGISTERED STATES DEPARTMENT OF LABOR



Bureau of Apprenticeship and Training Certificate of Registration

ILLINOIS LABORERS' AND CONTRACTORS' TRAINING TRUST FUND
MOUNT STERLING, ILLINOIS

FOR THE TRADE OF CONSTRUCTION CRAFT LABORER
Registered as part of the National Apprenticeship Program
in accordance with the basic standards of apprenticeship
established by the Secretary of Labor

DATE FEBRUARY 3, 1997

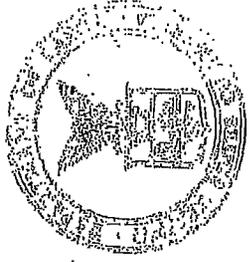
REGISTRATION NO. 11,001 - 0012

Registration No.

Robert B. Bell
Secretary of Labor

Anthony Swartz
Director, Bureau of Apprenticeship and Training

UNITED STATES DEPARTMENT OF LABOR



Bureau of Apprenticeship and Training

Certificate of Registration

*International Association of Heat & Frost Insulators
Local 17, I.A.F.C., Chicago, Illinois*

*For the Trade of Insulation Worker
Registered as part of the National Apprenticeship Program
in accordance with the basic standards of apprenticeship
established by the Secretary of Labor*

Date September 7, 1990

Revision
11012-0480

Registration No.

Ralph M. Allen

Secretary of Labor

Anthony Swargo
Director, Bureau of Apprenticeship and Training



THE PIPCO COMPANIES, LTD.

Updated 6/15/2023

Major Work Completed in Last 5 yrs

Project	General Contractor/Owner	Amount	Start Date	Completion Date	Project Manager
Buehler Independent Living Add	PJ Hoerr	\$ 282,465	2015	2016	Scott Fehr
St. Jude Phase 2	George Rump Const	\$ 386,370	2015	2016	Dan Muno
ICC Holdings - Delavan	River City Construction	\$ 267,740	2015	2016	Matt Brown
CAT TC-K Innovation Center	River City Construction	\$ 359,490	2015	2016	Andy Cook
IAWC Mossville Water Main Repl	IAWC	\$ 1,817,309	2015	2017	Christian Volz
Silas Willard Elementary School	Russell Const	\$ 2,536,739	2015	2017	Lee Marbach
Keystone Baghouse Stack Proj	Process Barron	\$ 694,302	2016	2017	Barry Banks
CFH Sports Ortho Bldg	Pepper Construction	\$ 188,289	2015	2017	Gene Ward
Hearis Peoria	McShane Const	\$ 398,566	2015	2017	Alex Dowd
UND McCourtney Hall	Shiel Sexton	\$ 791,993	2015	2017	Chris Metzger
Eisenhower MAU Retrofit	Johnson Controls	\$ 258,080	2015	2017	Sigmund Self
Peoria Municipal Bldg	City of Peoria	\$ 210,400	2015	2017	Jason Meeks
Lonza Septic System	Lonza	\$ 202,400	2016	2017	Jim Steiner
Ransom Meter Pits	IAWC	\$ 523,991	2016	2017	Dave Clifton
East Peoria New City Hall	PCM+Design Architects	\$ 394,760	2015	2017	Wil Helmick
Lonza 2am Piping	Lonza	\$ 1,852,772	2016	2017	Adam Hirsh
OSF Jump Workgroup Integration	PJ Hoerr	\$ 1,030,717	2015	2017	Mike Kreutz
SEMC - AHU 4 Replacement	OSF Healthcare System	\$ 385,191	2015	2017	Evan Spirrisson
SFMC 8th Flr AHU Replacement	PJ Hoerr	\$ 706,697	2015	2017	Brent Hewitt
Junction City Detention Basin	Criterion Development	\$ 894,368	2015	2017	Chuck Hollis
IAWC Goup 2	IAWC	\$ 364,430	2016	2017	Christian Volz
IAWC Streator Water Main	IAWC	\$ 359,014	2016	2017	Christian Volz
Pekin HS Piping Upgrade Bldg E	Midwest Const Professionals	\$ 378,495	2016	2017	Beth Huffman
CEFCU Bloomington Member Ctr	CEFCU	\$ 307,861	2016	2017	Mike Couri
Westminster Village Addition/Reno	PJ Hoerr	\$ 2,783,000	2016	2019	Scott Fehr
The Baby Fold	McCoy Construction	\$ 1,080,000	2017	2018	Mike McCoy
State Farm Bloomington-Atrium Ph 2	Ryan Companies	\$ 120,500	2017	2018	James Wright
St. John's MOB	PJ Hoerr	\$ 168,500	2017	2018	Dave Wilson
Milford Water Treatment Plant	Giffin Engineering	\$ 117,500	2018	2018	Judd Giffen
Macomb Lincoln School Addition	Laverdiere Construction	\$ 256,000	2017	2018	Mitch Lynn
IVCC AHU-Chiller Replacement	Demonica Kemper Architects	\$ 1,064,000	2017	2018	Dominick Demonica
Air National Guard Fuel Facility Repairs	PJ Hoerr	\$ 86,800	2018	2019	Brian Liesen
ICC RTU Replacement Phase 6	Midwest Engineering Professor	\$ 1,238,700	2018	2018	Luke Knapp
North Point Shopping Center WMR	IAWC	\$ 63,270	2018	2018	Steven Wegman

Cunningham Children's Home	FP	Johnco Construction	\$ 106,000	2017	2018	309-359-3000	Paul Berns
Carle Ambulatory Surgery	FP	Berglund Construction	\$ 140,000	2017	2018	312-726-6624	Thomas Sicinski
Bloomington HS Fine Arts	Plumbing	Johnco Construction	\$ 110,000	2018	2018	309-359-3000	Paul Berns
Peoria Public Library Main Branch	HVAC	Apace Design	\$ 1,650,000	2018	2019	309-685-4722	Mark Cordes
Washington Gifted School HVAC	HVAC	George Rump Const	\$ 1,180,000	2019	2019	309-637-6114	Dan Muno
Morton JR HS Addition	HVAC/Site	George Rump Const	\$ 427,000	2019	2019	309-637-6114	Dan Muno
Cat PPG Electrical Upgrades	HVAC/Site	CORE Construction	\$ 288,490	2019	2019	309-404-4700	Andrew Arnold
University Street Improvements	Site	RA Cullinan	\$ 809,414	2019	2019	309-925-2721	Kevin Walker
OSF Ministry Headquarters Building	Site	Pointcore	\$ 492,300	2020	2020	309-404-4800	Tom Cole
IAWC 2020 Pekin Water Main Replacement	Site	IL American Water Co	\$ 898,174	2020	2020	309-566-4102	Josh Harken
Tremont Sanitary Sewer	Site	Village of Tremont	\$ 1,628,500	2019	2020	309-258-7507	Scott Desplinter
IAWC 2020 Group 4 Water Main Replace	Site	IL American Water Co	\$ 448,560	2020	2020	309-883-6045	Albert Huff
Farmington Softball Concessions	Site	Midwest Construction Professio	\$ 68,200	2019	2020	309-883-4760	Michael Schupp
Athens High School Add/Reno	FP	Johnco Construction	\$ 197,800	2020	2020	309-359-3000	Bob Berns
UIUC Tonswent & Wardall Halls Reno	FP	Turner Construction	\$ 277,500	2020	2020	309-339-3439	Patrick Klopfenstein
ISU Watterson South Tower	FP	CORE Construction	\$ 96,300	2019	2020	309-266-9768	Dan Joos
Peoria County ETSB Call Centers	FP/HVAC	Peoria Metro Construction	\$ 349,000	2020	2021	309-671-1466	Tom Meischner
Shute Elementary School Add & Reno	FP	Midwest Construction Professio	\$ 108,100	2020	2021	309-883-4760	Jeff Pfledderer
CDB - New In-Patient Treatment Center	FP	River City Construction	\$ 180,700	2019	2021	309-692-3120	Phil Kingdon
182AW B530 Replace HVAC	HVAC/Elec	RB Construction	\$ 78,000	2021	2022	618-467-8488	Annalisa Warner
812 SW Washington Street	FP	Raineri Construction	\$ 359,000	2021	2022	314-667-5913	Dean Bantz
Hollis Grade School Cafetria & Gym HVAC	HVAC	Hollis Grade School District	\$ 253,400	2022	2022	309-275-6462	Travis Kistner
ISU Waterson Penthouse AHU Replacement	HVAC	Illinois State University	\$ 1,614,000	2019	2022	309-404-3616	Justin Herren
Joliet In-Patient Facility	FP	River City Construction	\$ 1,180,700	2019	2022	309-694-3120	Phillip Kingdon
Peoria Federal Courthouse Boiler Replacement	HVAC	Lawdensky Construction	\$ 245,000	2021	2022	312-246-1179	Chuck Lawdensky
Rivian Paint Shop Boiler Replacements	HVAC	Barton Malow	\$ 939,300	2020	2021	248-436-5000	Jim Mullen
IAWC Spring-Ravinwoods Water Main	Site	IL American Water Co	\$ 195,500	2022	2022	309-208-8365	Brad Reeser



REFERENCES

INSTITUTIONAL:

Bradley University
1501 W Bradley Ave
Peoria, IL 61625
LeRoy Neilson
309-677-4525
lneilson@bumail.bradley.edu

Illinois Central College
1 College Drive
East Peoria, IL 61635
Tom Braun
309-472-3537
Tbraun@ICC.edu

Illinois State University
100 S Fell Ave
Normal, IL 61761
Brady Mann
309-696-8668
bemann@ilstu.edu

INDUSTRIAL:

ARXADA, Inc
8616 W. Route 24
Mapleton, IL 61547
Kyle Kamischke
309-697-7238
kyle.kamischke@arxada

Illinois Corn Processing
1301 South Front Street
Pekin, IL 61555
Jack Kuntz
309-478-4411
Jack.kuntz@ilcorn.com

USDA – NCAUR
1815 N University
Peoria, IL 61604
Craig Tiezzi
309-681-6697
mlulay@icms.com

HEALTHCARE:

OSF Healthcare
PO Box 6259
Peoria, IL 61601
Greg Timerman
309-655-2923
gregory.s.timerman@osfhealthcare.org

Carle Health Methodist
221 NE Glen Oak Ave
Peoria, IL 61636
Mark Negley
309-267-4302
mnegley@carle.org

Petersen Healthcare
15 Harvest Road
Canton, IL 61520
Doug Currier
309-883-9917
dcurrier@petersenhealthcare.net

GENERAL CONTRACTORS:

River City Construction
101 Hoffer Lane
East Peoria, IL 61611
Leanne Skuse
309-694-3120
lskuse@rcellc.com

CORE Construction
601 SW Water Street
Peoria, IL 61602
Tim Erickson
309-266-9768
Timerickson@coreconstruction.com

PJ Hoerr Inc.
P.O. Box 3333
Peoria, IL 61612
Kirk Anderson
309-688-9567
kirk@pjhoerr.com

United States Department of Labor

Office of Apprenticeship Training, Employer and Labor Services

Bureau of Apprenticeship and Training

Certificate of Registration

Joint Apprenticeship and Training Committee of Plumbers Local Union 63

East Peoria, Illinois

Plumber

Registered as part of the National Apprenticeship Program

in accordance with the basic standards of apprenticeship

established by the Secretary of Labor

Registered December 31, 1978

Date Revised August 19, 2008

IL007-780008

Registration No.



L. J. Chao
Secretary of Labor

Anthony Swager
Administrator, Apprenticeship Training, Employer and Labor Services



OFFICE OF EQUAL OPPORTUNITY

**ANNUAL
CERTIFICATE OF COMPLIANCE**

This is to certify that Pipco Companies LTD., has submitted an Employer Report Form (CC1) and other necessary documents satisfactory to the City of Peoria, Office of Equal Opportunity. The above-named Company is hereby approved to contract with the City of Peoria and the County of Peoria for a period of one year.

If the information submitted by the Company concerning its Affirmative Action/Equal Employment as well as State and Federal mandates, has been declared false information, through an investigation, such false information shall be deemed a total breach of the contract, and such contract may be terminated, canceled or suspended, in whole or in part, and such contractor may be declared ineligible for any further contracts for a period of up to one year.

Dated this 30TH DAY OF MAY 2025

Expires on the 30TH DAY OF JUNE 2026

EEO Certification Number:

EEO-369-260630

Melodi Green

Melodi Green

Chief Diversity & Inclusion Officer

EEO CERTIFICATION FORMS NOW AVAILABLE ONLINE!

Visit City of Peoria website at ic Click Government, Click Equal Opportunity then Click Forms and select the appropriate form. Please utilize this convenient process.

City Hall Building
419 Fulton Street Rm. 303
Peoria, Illinois 61602
VOICE (309) 494-8530
EMAIL: eeo@peoriagov.org

Scott J. Cicciarelli
The PIPCO Companies, Ltd.

Title: Executive Vice President

Position: Head of HVAC / Process Piping Divisions

Industry Experience: 30 years

Education: Bachelor of Science Degree, Construction Engineering
Iowa State University, Ames, Iowa - 1982

1978 - Present The PIPCO Companies, Ltd.

1982 - Present

HVAC and Process Piping

- Directly in charge of the operations of the piping functions of this department
- Responsible for day-to-day scheduling of all steamfitters and jobs under construction
- Supervise and direct all office functions pertaining to this department; i.e., estimating, drafting, purchasing, and project management

Sheet Metal Fabrication and Ventilation

- Set up / implement sheet metal fabrication portion of The PIPCO Companies, Ltd.
- Research / purchase all equipment required for fabrication
- Directly responsible for day-to-day scheduling of all sheet metal workers / fabrication / installations under contract
- Supervise and direct all office functions pertaining to this department; i.e., estimating, drafting, purchasing, and project management

1978 - 1982

Summer work in pipefitting trade, including process piping, HVAC piping, and treatment plant systems

Stephen M. Cicciarelli
The PIPCO Companies, Ltd.

Title: President

Position: Director of Sales, Marketing & Estimating

Industry Experience: 32 years

Education: Bachelor of Arts Degree, Management
University of Notre Dame - 1980

NICET Level 3
Fire Protection Engineering Tech - 1988

Membership/Registration/Committees:

- National Institute for Certification in Engineering Tech
- Fire Protection Field, Level 3, Engineering tech Certificate No. 080110
- OSHA Certified Instructor - Construction Industry
- National Fire Protection Association Member
- Member of City of Peoria Construction Commission/ Life Safety Expert since 1996
- Charter member of the Millennium Insurance Company
- Member of IFPA, GPCSA & CIB

Areas of Concentration: *Twenty-five years of Business Management and Fire Protection Contracting*

- Business Management - Business insurance, benefits, and personnel
- Fire Protection Contracting - Sales / estimating / design / purchasing / fabrication / project management
- Fire Protection Inspection and Service Department - Develop / market / oversee inspection/maintenance contracts for over 150 clients and growing

Field Experience:

(1976 - 1980) Summer work as sprinklerfitter trainee, laborer, pipefitter trainee, and shop fabrication
(1980 - 2000) Develop / market / oversaw the Fire Protection and Inspection Service Department field teams

***Selected Project Experience:**

U of I Beckman Institute, Champaign, Illinois - Fire Protection System
Diamond Star Motors, Bloomington/Normal, Illinois - Site Fire Protection / Fire Pump House
State Farm Regional Office, Bloomington, Illinois - Fire Protection System
Subaru/Isuzu Plant, Lafayette, Indiana - Site Fire Protection
Caterpillar Building "F" Warehouse, Joliet, Illinois - Fire Protection System
OSF Milestone, Peoria, IL - Fire Protection System

* Contract amount over one million dollars

Gregory L. Cicciarelli
The PIPCO Companies, Ltd.

Title: Executive Vice President

Position: Head of Excavation and Site Utilities Division

Industry Experience: 27 years

Education: Bachelor of Arts Degree, Business Management
Loras College, Dubuque, Iowa - 1985

- | | |
|----------------|---|
| 1981 - present | The PIPCO Companies, Ltd. |
| 1985 - 1990 | <ul style="list-style-type: none">• Supervise and direct all office functions relating to this department; i.e., estimating, drafting, purchasing, and project management• Directly responsible for day-to-day scheduling of all field personnel and jobs under construction• Received State of Illinois Plumber's License (April, 1990) |
| 1990 - present | <ul style="list-style-type: none">• Supervise and direct all office functions relating to this department; i.e., estimating, drafting, purchasing, and project management• Manager of field operations on all projects• Directly responsible for day-to-day scheduling of all field personnel and jobs under construction• Supervise the purchase, maintenance, scheduling, and transporting of all heavy equipment / trucking• Directly responsible for sales/public relations as they relate to this department |
| 1981 - 1985 | Summer work in plumbing and labor trades - field work on large commercial, industrial, and municipal projects |

Daniel J. Shadid
The PIPCO Companies, Ltd.

Title: Vice President

Position: Head of Plumbing Division

Industry Experience: 18 years

Education: Bradley University, Peoria, Illinois (2 years)
State of Illinois Plumbing License - 1995

1989 - present

- Directly responsible for day-to-day scheduling of all plumbers and plumbing projects under construction
- Directly in charge of all operations relating to this division, including supervision / direction of all office functions and personnel pertaining to project management, purchasing, design, and estimating

Systems Experience:

- Sanitary waste and vent systems
- Domestic water distribution
- Acid waste piping design and dilution tank applications
- Reverse osmosis systems
- Medical gas systems design, installation, and testing per NFPA 99
- Chemical process piping associated with water treatment plants
- Natural gas systems
- Deionized water systems
- Laboratory testing facilities
- Waste oil piping and storage tank installations



Income Statement
For the Period Ended December 31, 2025

Account	Title	Current Month	YTD
<u>Income</u>			
	Sales - Contracts	\$ 2,871,781.25	\$ 40,158,409.39
Total Income		\$ 2,871,781.25	\$ 40,158,409.39
<u>Cost of Sales</u>			
5010	C/S-Materials	\$ 527,562.16	\$ 8,654,006.62
5020	C/S-Labor	596,502.21	8,279,158.46
5021	C/S-FICA Direct Burden	47,359.10	631,938.87
5022	C/S-FUTA Direct Burden	15.26	4,731.30
5023	C/S-SUTA Direct Burden	543.55	119,951.63
5024	C/S-W/C Direct Burden	12,696.05	155,252.71
5025	C/S-Union Direct Burden	380,839.03	5,079,749.06
5026	C/S-Travel/Sub Pay	1,748.00	87,566.88
5030	C/S-Subcontracts	352,894.64	2,871,800.78
5040	C/S-Trucking	850.00	38,152.30
5051	C/S-Equipment Rental	51,012.27	702,553.75
5060	C/S-Misc. Job Costs	9,893.61	199,433.01
Total Cost of Sales		\$ 1,981,915.88	\$ 26,824,295.37
Gross Margin		\$ 889,865.37	\$ 13,334,114.02
<u>Expenses</u>			
6000	Salaried Wages	\$ 2,140,099.18	\$ 4,233,695.12
6010	Hourly Office Wages	23,158.80	256,848.07
6020	Hourly Union Shop Wages	26,903.76	184,015.94
6100	O/H FICA Tax	45,391.05	257,828.41
6101	O/H FUTA Tax	93.21	1,572.99
6102	O/H SUTA Tax	2,326.21	37,770.91
6103	O/H W/C Insurance	47,072.08	96,711.32
6104	O/H Union Burden	23,864.43	206,947.80
6300	Depreciation	11,873.91	142,486.92
6400	Building Repairs & Maint.	11,504.45	267,391.67
6402	Yard Repair & Maintenance	3,956.13	33,009.74
6415	Heavy Equipment - Repairs &	1,299.72	53,622.20
6416	Heavy Equipment - Gas & Oil	511.13	11,302.82
6417	Machinery - Repair & Mainte	2,844.62	25,115.59

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Income Statement
For the Period Ended December 31, 2025

Account	Title	Current Month	YTD
6425	Heavy Trucks - Repairs & Ma	\$ 24.20	\$ 2,608.14
6430	Truck & Auto Repair & Maint	12,136.55	166,375.38
6500	Gas & Oil Expense	32,318.37	443,268.34
6510	Small Tools	23,563.72	485,419.23
6519	Safety Supplies	420.06	58,596.96
6520	Shop Supplies	1,150.52	32,795.92
6530	Janitorial Supplies	306.37	5,118.85
6531	Consumables	9,605.98	155,897.11
6540	Office Supplies	10,089.40	44,509.54
6545	Blue Line Expenses	1,666.39	22,429.29
6550	Computer Supplies	12,465.55	106,319.87
6551	COMPUTER TECHNICAL SUPPORT	7,888.75	84,861.25
6560	Plans & Specification Costs	64.00	553.72
6570	Postage & UPS Costs	104.88	21,200.08
6605	Vehicle Leases	58,725.56	588,039.40
6620	Service Agreements for Offi	1,127.23	12,478.70
6625	Outside Services	15,152.73	33,042.03
6630	Property Rental	22,500.00	271,760.00
6700	Telephone	584.29	7,322.91
6710	Mobile Communications	13,333.12	74,993.59
6720	Utilities	12,297.67	126,258.14
6800	Legal		27,452.00
6810	Accounting	7,625.00	47,595.00
6820	Seminars & Education	108.00	3,323.59
6830	Subscriptions	(4,948.23)	29,223.00
6840	Organizational Dues		6,066.45
6900	Advertising	616.95	10,426.81
6910	Meals & Entertainment	819.71	6,925.08
6920	Travel	676.97	676.97
6930	Other Sales Promotion Costs	3,054.35	198,283.32
6940	Contributions & Donations		5,749.52
7000	Misc. Insurance	13,675.75	234,205.32
7005	Bond Insurance		10,966.00
7010	General Liability Insurance		110,512.75
7020	Property Insurance		22,036.00
7030	Vehicle Insurance		68,339.65

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Income Statement
For the Period Ended December 31, 2025

Account	Title	Current Month	YTD
7040	Machinery & Equipment Insur		\$ 29,118.00
7050	Employee Group Insurance	17,259.40	221,866.96
7060	Key Man Life Insurance		35,338.00
7100	Sales Tax	2,071.61	27,291.21
7110	Real Estate Taxes	5,583.37	74,135.72
7220	Security Expense	366.24	4,394.88
7230	Licenses & Permits	4,112.59	28,099.73
7240	Fines		1,012.50
7260	Drug Testing & Medical Expe	652.00	4,559.97
8001	FIDUS Note Interest & Fees	53,303.76	53,303.76
8020	Service Charges	1,647.08	24,140.15
8101	State Income Tax Expense	(1,877.33)	34,122.67
	Total Expenses	\$ 2,681,171.24	\$ 9,871,332.96
	Net Income (Loss)	\$ (1,791,305.87)	\$ 3,462,781.06

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BALANCE SHEET
December 31, 2025

ASSETS

Current Assets

1017	HICKORY OPERATING ACCOUNT	\$ 2,213,414.61
1019	PIPCO LLC Operating	916,528.48
1034	HICKORY TRADES PAYROLL	(67,264.71)
1100	Accounts Receivable	6,175,534.32
1101	Retainage Receivable	1,150,698.67
1190	Reserve for Bad Debts	(159,600.90)
1202	Inventory FIRE	639,819.28
1208	Inventory MEP	142,536.14
1290	Underbillings WIP	1,014,983.00
1295	INVENTORY ALLOWANCE	(50,000.00)
1620	Prepaid Insurance	8,323.00
1950	Right of Use Assets	<u>2,934,999.50</u>
Total Current Assets		\$ <u>14,919,971.39</u>

Property and Equipment

1400	Autos & Trucks	\$ 322,628.75
1410	Machinery & Equipment	4,122,781.28
1420	Office Equipment	48,872.87
1535	Accumulated Depreciation	<u>(4,193,941.92)</u>
Total Property and Equipment		\$ <u>300,340.98</u>

Other Assets

Total Other Assets

Total Assets

\$ 15,220,312.37



BALANCE SHEET
December 31, 2025

LIABILITIES & EQUITY

Liabilities

2000	Accounts Payable	\$ 1,006,414.38
2050	Accrued FIT W/H	8,959.37
2051	Accrued FICA W/H	7,186.48
2052	Accrued Employer's FICA	7,186.48
2060	Accrued Illinois Withholding	4,540.52
2061	Accrued Indiana Withholding	37.12
2062	Accrued Indiana County Withholdin	22.02
2070	Accrued FUTA	268.51
2071	Accrued SUTA - Illinois	6,150.83
2080	Accrued Employee 401K Withholding	(2,701.09)
2082	AFLAC Insurance Withheld	(1,546.20)
2100	Accrued Wages	19,708.00
2110	Accrued Union Benefits	440,394.26
2120	Accrued Wage Assignments	4,805.82
2130	Accrued Workman's Comp	129,146.16
2150	Accrued Real Estate Taxes	70,939.68
2160	Accrued Sales Tax	3,922.12
2201	Accrued State Corp. Income Tax	(191,989.00)
2300	Overbillings WIP	811,042.00
2400	Lease Liability	<u>2,934,999.50</u>
Total Current Liabilities		<u>\$ 5,259,486.96</u>

Long Term Liabilities

Total Long Term Liab.

Total Liabilities

\$ 5,259,486.96

Equity

3000	Capital Stock	\$ 100,000.00
3001	PIPICO LLC EQUITY	969,832.24
3020	Dividends	(15,407,864.53)
3015	Additional Paid In Capital	200,000.00
3010	Retained Earnings	20,636,076.64
	Net Income	3,462,781.06

Total Equity

\$ 9,960,825.41

Total Liab. & Equity

\$ 15,220,312.37

THE PIPCO COMPANIES, LTD.

FINANCIAL REPORT

December 31, 2024 and 2023

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CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The PIPCO Companies, Ltd.
Peoria, Illinois

Opinion

We have audited the financial statements of The PIPCO Companies, Ltd. (the Company) which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, stockholders' equity and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Company and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these 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 issued or available to be issued.

Auditor's Responsibility 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 GAAS 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 GAAS, 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.

Gordon, Stockman & Waugh, P.C.

Peoria, Illinois
April 3, 2025

THE PIPCO COMPANIES, LTD.

BALANCE SHEETS

December 31, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash	\$ 2,173,533	\$ -
Receivables:		
Contracts, less allowance for credit losses		
2024 \$369,084 and 2023 \$369,084	6,658,394	10,874,521
Material and supplies inventories	682,589	769,638
Prepaid state replacement taxes	2,412	-
Costs and estimated earnings in excess of billings on uncompleted contracts	408,812	842,075
Total current assets	9,925,740	12,486,234
Property and Equipment, net	400,432	513,293
Long-Term Investments		
Land	9,350	9,350
Right-of-use assets-operating leases	2,935,000	2,650,908
	2,944,350	2,660,258
	\$ 13,270,522	\$ 15,659,785
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Line of credit	\$ -	\$ 118,046
Current portion of lease obligation-operating	568,144	464,785
Outstanding checks in excess of bank balance	-	1,243,915
Accounts payable	1,124,946	1,890,966
Accrued expenses	1,034,920	1,000,476
Accrued replacement taxes	-	2,752
Billings in excess of costs and estimated earnings on uncompleted contracts	1,128,698	2,023,336
Total current liabilities	3,856,708	6,744,276
Long-term lease obligation-operating	2,366,856	2,186,123
Commitments and Contingencies (Notes 6, 7, and 8)		
Stockholders' Equity		
Common stock, no par value; authorized 5,000 shares; issued and outstanding 5,000 shares	100,000	100,000
Additional paid in capital	200,000	200,000
Retained earnings	6,746,958	6,429,386
	7,046,958	6,729,386
	\$ 13,270,522	\$ 15,659,785

See Notes to Financial Statements.

THE PIPCO COMPANIES, LTD.

STATEMENTS OF INCOME

Years Ended December 31, 2024 and 2023

	2024	2023
Contract revenue earned	\$ 36,604,356	\$ 40,785,104
Cost of revenue earned	26,288,095	31,425,448
Gross profit	10,316,261	9,359,656
Selling, general, and administrative expenses	7,276,583	6,900,298
Operating income	3,039,678	2,459,358
Other income (expense):		
Interest expense	-	(53,058)
Interest income	2,756	-
	2,756	(53,058)
Income before state replacement taxes	3,042,434	2,406,300
State replacement taxes	48,471	45,570
Net income	\$ 2,993,963	\$ 2,360,730

See Notes to Financial Statements.

THE PIPCO COMPANIES, LTD.

STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 2024 and 2023

	Common Stock	Additional Paid In Capital	Retained Earnings
Balance, December 31, 2022	\$ 100,000	\$ 200,000	\$ 7,219,725
Dividends paid	-	-	(3,151,069)
Net income	-	-	2,360,730
Balance, December 31, 2023	100,000	200,000	6,429,386
Dividends paid	-	-	(2,676,391)
Net income	-	-	2,993,963
Balance, December 31, 2024	<u>\$ 100,000</u>	<u>\$ 200,000</u>	<u>\$ 6,746,958</u>

See Notes to Financial Statements.

THE PIPCO COMPANIES, LTD.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Net income	\$ 2,993,963	\$ 2,360,730
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	169,330	184,025
Amortization of operating leases	656,361	519,694
Credit losses	-	269,084
Loss (gain) on disposal of property and equipment	3,710	(15,313)
Change in working capital components:		
(Increase) decrease in:		
Contract receivables	4,216,127	3,823,071
Material and supplies inventories	87,049	41,190
Costs and estimated earnings in excess of billings on uncompleted contracts	433,263	44,353
Prepaid state replacement taxes	(2,412)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	(734,328)	(1,141,440)
Operating lease liability	(656,361)	(519,694)
Outstanding checks in excess of bank balance	(1,243,915)	(1,206,204)
Billings in excess of costs and estimated earnings on uncompleted contracts	(894,638)	(318,924)
Net cash provided by operating activities	5,028,149	4,040,572
Cash Flows From Investing Activities		
Net proceeds from notes and other receivables, stockholders'	-	24,225
Dividends paid	(2,676,391)	(3,071,069)
Purchase of equipment	(60,179)	(7,500)
Net cash (used in) investing activities	(2,736,570)	(3,054,344)
Cash Flows From Financing Activities		
Payments on line of credit, net	(118,046)	(986,228)
Net cash (used in) financing activities	(118,046)	(986,228)
Net change in cash	2,173,533	-
Cash:		
Beginning	-	-
Ending	\$ 2,173,533	\$ -
Supplemental Disclosures of Cash Flow Information		
Cash payments for replacement taxes	\$ 51,223	\$ 89,465
Interest paid	-	53,058
Distribution of other assets	-	80,000

See Notes to Financial Statements.

THE PIPCO COMPANIES, LTD.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: The Company is a process piping, HVAC, electrical, fire protection, excavating, and plumbing construction contractor performing services primarily in Illinois and Indiana. The Company maintains its principal office at 1409 W. Altorfer Drive, Peoria, Illinois.

A summary of the Company's significant accounting policies follows:

Revenue and cost recognition: The Company applies the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

Revenue is measured based on the amount of consideration specified in a contract with a customer. Revenue is recognized when and as our performance obligations under the terms of the contract are satisfied which generally occurs with the transfer of control of the goods or services to the customer.

Construction Contracts

The Company recognizes revenue over time, as performance obligations are satisfied, for substantially all construction contracts due to the continuous transfer of control to the customer. For most construction contracts, the customer contracts with the Company to provide a significant service of integrating a complex set of tasks and components into a single project or capability and are therefore accounted for as a single performance obligation. The Company recognizes revenue using the cost-to-cost input method, based primarily on contract costs incurred to date compared to total estimated contract costs. This method is the most accurate measure of the Company's contract performance because it directly measures the value of the goods and services transferred to the customer.

Contract costs include all direct material, labor, and subcontractor cost and indirect costs related to contract performance.

The Company does not normally have contracts that contain variable consideration. In the event variable consideration is a factor the Company makes a determination of whether to include such amounts in the transaction price based largely on the Company's assessment of legal enforceability, anticipated performance, and any other information that is reasonably available.

Contract estimates are subject to many variables and requires significant judgment. The Company routinely updates contract related estimates by review of project progress and execution of the Company's performance obligation. The Company recognizes changes in contract estimates on a cumulative catch-up basis in the period in which the changes are identified. 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.

In the event of a modification to a contract, the Company accounts for the modification as if it were part of the original contract. The Company recognizes contract modifications on a cumulative catch-up basis in the period in which the modification is identified.

The asset, "Costs and estimated earnings in excess of billings on uncompleted contracts," represents revenues recognized in excess of amounts billed. The liability, "Billings in excess of costs and estimated earnings on uncompleted contracts," represents billings in excess of revenues recognized.

THE PIPCO COMPANIES, LTD.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Cash: The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Contracts receivable: Contract receivables are carried at original invoice amount less an estimate made for doubtful receivables.

Allowance for credit losses and doubtful accounts: The measurement of expected credit losses under the current expected credit loss ("CECL") methodology is applicable to financial assets measured at amortized cost, which include trade receivables, contract assets and non-current receivables. An allowance for credit losses under the CECL methodology is determined using the aging method. The credit loss associated with a specific past due bucket is applied to the amortized cost basis of the past due bucket as of the balance sheet date, then adjusted for qualitative factors (current and forecast). The CECL allowance is based on relevant available information, from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. The allowance for credit losses as of December 31, 2024 and 2023, and change in the allowance for credit losses during the year ended December 31, 2024 and 2023, was not material to the financial statements.

Material and supplies inventories: Material and supplies inventories are stated at the lower of cost (first-in, first-out method) or net realizable value.

Property and equipment: Property and equipment is stated at cost. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years.

Depreciation of leasehold improvements is based on the terms of the respective leases. As discussed in Note 8, the Company leases certain facilities from related parties, the terms of which are unwritten, and leasehold improvements applicable to such leases are depreciated over estimated useful lives since, in the opinion of management, the leases will be renewed in the future on an annual basis.

Long-lived assets: Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the assets' carrying amount and the fair value of the asset, and long-lived assets to be disposed of are reported at the lower of the carrying amount or the fair value less cost to sell.

Income taxes: Effective with the year beginning on May 1, 2009, the Company, with the consent of its stockholders, will be taxed under sections of federal and state income tax law, which provide that, in lieu of corporation income taxes, the stockholders will separately account for their pro rata shares of the Company's income, deductions, losses and credits.

The Financial Accounting Standards Board issued guidance on accounting for uncertainty in income taxes. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Use of estimates in the preparation of financial statements: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

THE PIPCO COMPANIES, LTD.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Leases: The Company calculates operating lease liabilities using their incremental borrowing rate, using a comparable period with the lease term. All lease and non-lease components are combined for all leases. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized.

Subsequent events: The Company has evaluated subsequent events and transactions for potential recognition or disclosure through April 3, 2025, which is the date the financial statements were available to be issued.

Note 2. Contracts Receivable

Contracts receivable consist of the following at December 31, 2024 and 2023:

	2024	2023
Completed contracts	\$ 2,946,868	\$ 4,548,474
Contracts in progress	3,037,576	5,250,096
Retentions	1,043,034	1,445,035
	<u>7,027,478</u>	<u>11,243,605</u>
Less allowance for credit losses	369,084	369,084
	<u>\$ 6,658,394</u>	<u>\$ 10,874,521</u>

Note 3. Uncompleted Contracts

Information regarding uncompleted contracts, as of December 31, 2024 and 2023, is as follows:

	2024	2023
Total amount of contracts in progress	\$ 28,302,196	\$ 47,603,044
Costs incurred on uncompleted contracts	\$ 14,380,873	\$ 26,737,598
Estimated earnings	5,973,012	6,650,783
	<u>20,353,885</u>	<u>33,388,381</u>
Less billings to date	21,073,771	34,569,642
	<u>\$ (719,886)</u>	<u>\$ (1,181,261)</u>

Included in the accompanying balance sheets under the following captions:

	2024	2023
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 408,812	\$ 842,075
Billings in excess of costs and estimated earnings on uncompleted contracts	(1,128,698)	(2,023,336)
	<u>\$ (719,886)</u>	<u>\$ (1,181,261)</u>

THE PIPCO COMPANIES, LTD.

NOTES TO FINANCIAL STATEMENTS

Note 4. Property and Equipment

Property and equipment, as of December 31, 2024 and 2023, consists of the following:

	2024	2023
Machinery and equipment	\$ 4,080,385	\$ 5,206,832
Office furniture, fixtures, and equipment	48,873	341,970
Vehicles	322,629	1,972,489
	<u>4,451,887</u>	<u>7,521,291</u>
Less accumulated depreciation	4,051,455	7,007,998
	<u>\$ 400,432</u>	<u>\$ 513,293</u>

Note 5. Pledged Assets and Note Payable

The Company has a line-of-credit agreement with a bank in the amount of \$5,000,000 which expires June 2025. Borrowings under this line bear interest at the national prime rate minus 1% (an effective rate of 6.5% at December 31, 2024) and is collateralized by substantially all assets of the Company and personally guaranteed by the stockholders. Outstanding borrowings totaled none and \$118,046 at December 31, 2024 and 2023, respectively.

Note 6. Retirement Plans and Contingency

The Company contributes to union-sponsored multiemployer defined benefit pension plans under the collective bargaining agreement terms that cover its union-represented employees. Below is information with respect to the plans.

Pension Fund	EIN/Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Company Contributions		Collective Bargaining Agreement Surcharge Imposed	Exp. Date
		2024	2023		2024	2023		
Sheet Metal Workers' National Pension Fund	52-6112463 /001	Green December 2024	Green December 2023	Implemented	\$ 357,509	\$ 382,232	No	4/30/2025
U.A Locals 63 and 353 Joint Pension Trust	37-6118084 /001	Yellow April 2024	Yellow April 2023	Implemented	318,819	326,028	No	4/30/2025
Central Laborers' Pension Fund	37-6052379 /001	Yellow December 2023	Yellow December 2022	Implemented	85,455	108,943	Yes	4/30/2025
National Automatic Sprinkler Industry Pension Fund	52-6054620 /001	Green December 2023	Green December 2022	Implemented	493,914	458,704	No	3/31/2025
United Association National Pension Fund	52-6152779 /001	Yellow June 2024	Yellow June 2023	Implemented	103,334	253,415	No	4/30/2025
Other					258,802	176,784		

THE PIPCO COMPANIES, LTD.

NOTES TO FINANCIAL STATEMENTS

Note 6. Retirement Plans and Contingency (Continued)

The Company's participation in these plans for the annual periods ended December 31, 2024 and 2023 is outlined in the above table. The EIN/Plan Number column provides the EIN and the three-digit plan number if applicable.

Unless otherwise noted, the most recent PPA zone status available in 2024 and 2023 is for the plan's year-end ending in 2024, 2023 and 2022 respectively.

The zone status is based on information the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are less than 65% funded, plans in the yellow zone are between 65 - 80% funded, and plans in the green zone are more than 80% funded.

The FIP/RP Status Pending/Implemented column indicates plans for which a financial improvement plan (FIP) or rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration dates of the collective bargaining agreements to which the plans are subject.

The percentage of employees covered by the Company's multiemployer plans was approximately 80% for the years ending December 31, 2024 and 2023, respectively.

The Company was not listed on the Plans' Form 5500 as providing more than 5% of the total contributions for the 2024 and 2023 plan years.

The Company has contributed to multiemployer pension funds in prior years. While the Company has no intentions to withdrawal from the pension funds, if they choose to in the future the Company would likely incur a withdrawal liability. The amount of the liability is not known at this time.

The Company has a defined contribution 401(k) profit sharing pension plan covering substantially all nonunion employees who have completed at least one year of continuous service and attained age 21. The Company's discretionary matching contributions are determined annually by the Board of Directors. Participants are immediately vested in their voluntary contributions. The Company made plan contributions totaling approximately \$90,000 and \$86,000 for the years ended December 31, 2024 and 2023, respectively.

Note 7. Stock Redemption Agreement

In the event of the death of a common stockholder, the Company has agreed to purchase the outstanding common stock held by the deceased stockholder for the book value per share of the Company as of the end of the month preceding the date of the stockholder's death times the number of outstanding shares owned by the deceased stockholder. If the Company receives any proceeds of any life insurance policies on the life of the decedent, such amounts are to be used to redeem the stock, and any balance still due is to be paid in equal annual installments, plus interest at the applicable IRS AFR long-term rate, at each payment date, over a five-year period following the death of a stockholder.

Note 8. Leases

The Company leases its office and certain shop facilities from related parties and entities controlled by the stockholders and vehicles and equipment from unrelated parties that have initial terms ranging from 4 to 10 years. The Company's operating leases generally do not contain any material restrictive covenants or residual guarantees.

Operating lease costs is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the years ended December 31, 2024 and 2023:

THE PIPCO COMPANIES, LTD.

NOTES TO FINANCIAL STATEMENTS

Note 8. Leases (Continued)

	2024	2023
Operating lease cost (resulting from lease payments)	\$ 818,666	\$ 652,896
Short-term lease cost	7,160	190,428
Total lease cost	<u>\$ 825,826</u>	<u>\$ 843,324</u>

Supplemental cash flow information related to leases is as follows for the years ended December 31, 2024 and 2023:

	2024	2023
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash outflows- payments on operating leases	\$ 818,856	\$ 652,896
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 940,453	\$ 63,661

Supplemental balance sheet information related to leases is as follows for the years ended December 31, 2024 and 2023:

	2024	2023
Weighted-average remaining lease term:		
Operating leases	6.20 years	7.41 years
Weighted-average discount rate:		
Operating leases	5%	5%

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the balance sheets are as follows as of December 31, 2024:

During the year ending December 31:	
2025	\$ 698,658
2026	614,341
2027	535,987
2028	427,270
2029	320,465
Thereafter	810,000
Total lease payments	<u>3,406,721</u>
Less imputed interest	471,721
Total present value of lease liabilities	<u>\$ 2,935,000</u>

THE PIPCO COMPANIES, LTD.

FINANCIAL REPORT

December 31, 2023 and 2022

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CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The PIPCO Companies, Ltd.
Peoria, Illinois

Opinion

We have audited the financial statements of The PIPCO Companies, Ltd. (the Company) which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income, stockholders' equity and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Company and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these 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 issued or available to be issued.

Auditor's Responsibility 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 GAAS 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 GAAS, 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.

Gordon, Stockman & Waugh, P.C.

Peoria, Illinois
March 25, 2024

THE PIPCO COMPANIES, LTD.

BALANCE SHEETS

December 31, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Receivables:		
Contracts, less allowance for credit losses		
2023 \$369,084 and 2022 \$100,000	\$ 10,874,521	\$ 14,966,676
Stockholders	-	24,225
Material and supplies inventories	769,638	810,828
Costs and estimated earnings in excess of billings		
on uncompleted contracts	842,075	886,428
Total current assets	<u>12,486,234</u>	<u>16,688,157</u>
Property and Equipment, net	<u>513,293</u>	762,005
Long-Term Investments		
Land	9,350	9,350
Right-of-use assets-operating leases	2,650,908	3,106,941
	<u>2,660,258</u>	<u>3,116,291</u>
	<u>\$ 15,659,785</u>	<u>\$ 20,566,453</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Line of credit	\$ 118,046	\$ 1,104,274
Current portion of lease obligation-operating	464,785	513,745
Outstanding checks in excess of bank balance	1,243,915	2,450,119
Accounts payable	1,890,966	2,727,899
Accrued expenses	1,000,476	1,268,588
Accrued replacement taxes	2,752	46,647
Billings in excess of costs and estimated earnings		
on uncompleted contracts	2,023,336	2,342,260
Total current liabilities	<u>6,744,276</u>	<u>10,453,532</u>
Long-term lease obligation-operating	<u>2,186,123</u>	2,593,196
Commitments and Contingencies (Notes 6, 7, and 8)		
Stockholders' Equity		
Common stock, no par value; authorized 5,000 shares;		
issued and outstanding 5,000 shares	100,000	100,000
Additional paid in capital	200,000	200,000
Retained earnings	6,429,386	7,219,725
	<u>6,729,386</u>	<u>7,519,725</u>
	<u>\$ 15,659,785</u>	<u>\$ 20,566,453</u>

See Notes to Financial Statements.

THE PIPCO COMPANIES, LTD.

STATEMENTS OF INCOME

Years Ended December 31, 2023 and 2022

	2023	2022
Contract revenue earned	\$ 40,785,104	\$ 44,439,973
Cost of revenue earned	<u>31,425,448</u>	<u>35,602,283</u>
Gross profit	9,359,656	8,837,690
Selling, general, and administrative expenses	<u>6,900,298</u>	<u>5,628,133</u>
Operating income	<u>2,459,358</u>	<u>3,209,557</u>
Other income (expense):		
Interest expense	<u>(53,058)</u>	<u>(21,428)</u>
	<u>(53,058)</u>	<u>(21,428)</u>
Income before state replacement taxes	2,406,300	3,188,129
State replacement taxes	<u>45,570</u>	<u>47,016</u>
Net income	\$ 2,360,730	\$ 3,141,113

See Notes to Financial Statements.

THE PIPCO COMPANIES, LTD.

STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 2023 and 2022

	Common Stock	Additional Paid In Capital	Retained Earnings
Balance, December 31, 2021	\$ 100,000	\$ 200,000	\$ 5,255,161
Dividends paid	-	-	(1,176,549)
Net income	-	-	3,141,113
Balance, December 31, 2022	100,000	200,000	7,219,725
Dividends paid	-	-	(3,151,069)
Net income	-	-	2,360,730
Balance, December 31, 2023	\$ 100,000	\$ 200,000	\$ 6,429,386

See Notes to Financial Statements.

THE PIPCO COMPANIES, LTD.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Net income	\$ 2,360,730	\$ 3,141,113
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	184,025	188,040
Amortization of operating leases	519,694	427,064
Credit losses	269,084	-
Loss (gain) on disposal of property and equipment	(15,313)	682
Change in working capital components:		
(Increase) decrease in:		
Contract receivables	3,823,071	(9,442,572)
Material and supplies inventories	41,190	(98,010)
Costs and estimated earnings in excess of billings on uncompleted contracts	44,353	237,675
Increase (decrease) in:		
Accounts payable and accrued expenses	(1,141,440)	2,396,564
Operating lease liability	(519,694)	(427,064)
Outstanding checks in excess of bank balance	(1,206,204)	2,450,119
Billings in excess of costs and estimated earnings on uncompleted contracts	(318,924)	876,261
Net cash provided by (used in) operating activities	4,040,572	(250,128)
Cash Flows From Investing Activities		
Net proceeds from (payments to) notes and other receivables, stockholders'	24,225	(2,530)
Dividends paid	(3,071,069)	(1,140,449)
Purchase of equipment	(7,500)	(174,285)
Net cash (used in) investing activities	(3,054,344)	(1,317,264)
Cash Flows From Financing Activities		
(Proceeds) borrowings on line of credit, net	(986,228)	1,104,274
Net cash (used in) financing activities	(986,228)	1,104,274
Net change in cash	-	(463,118)
Cash:		
Beginning	-	463,118
Ending	\$ -	\$ -

Supplemental Disclosures of Cash Flow Information

Cash payments for replacement taxes	\$ 89,465	\$ 9,006
Interest paid	53,058	21,428
Distribution of other assets	80,000	36,100
Accounts payable used to acquire equipment	-	7,500

See Notes to Financial Statements.

THE PIPCO COMPANIES, LTD.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: The Company is a process piping, HVAC, electrical, fire protection, excavating, and plumbing construction contractor performing services primarily in Illinois and Indiana. The Company maintains its principal office at 1409 W. Altorfer Drive, Peoria, Illinois.

A summary of the Company's significant accounting policies follows:

Revenue and cost recognition: The Company applies the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

Revenue is measured based on the amount of consideration specified in a contract with a customer. Revenue is recognized when and as our performance obligations under the terms of the contract are satisfied which generally occurs with the transfer of control of the goods or services to the customer.

Construction Contracts

The Company recognizes revenue over time, as performance obligations are satisfied, for substantially all construction contracts due to the continuous transfer of control to the customer. For most construction contracts, the customer contracts with the Company to provide a significant service of integrating a complex set of tasks and components into a single project or capability and are therefore accounted for as a single performance obligation. The Company recognizes revenue using the cost-to-cost input method, based primarily on contract costs incurred to date compared to total estimated contract costs. This method is the most accurate measure of the Company's contract performance because it directly measures the value of the goods and services transferred to the customer.

Contract costs include all direct material, labor, and subcontractor cost and indirect costs related to contract performance.

The Company does not normally have contracts that contain variable consideration. In the event variable consideration is a factor the Company makes a determination of whether to include such amounts in the transaction price based largely on the Company's assessment of legal enforceability, anticipated performance, and any other information that is reasonably available.

Contract estimates are subject to many variables and requires significant judgment. The Company routinely updates contract related estimates by review of project progress and execution of the Company's performance obligation. The Company recognizes changes in contract estimates on a cumulative catch-up basis in the period in which the changes are identified. 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.

In the event of a modification to a contract, the Company accounts for the modification as if it were part of the original contract. The Company recognizes contract modifications on a cumulative catch-up basis in the period in which the modification is identified.

The asset, "Costs and estimated earnings in excess of billings on uncompleted contracts," represents revenues recognized in excess of amounts billed. The liability, "Billings in excess of costs and estimated earnings on uncompleted contracts," represents billings in excess of revenues recognized.

THE PIPCO COMPANIES, LTD.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Cash: The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Contracts receivable: Contract receivables are carried at original invoice amount less an estimate made for doubtful receivables.

Allowance for credit losses and doubtful accounts: The Company adopted ASC 326, Financial Instruments-Credit Losses, as of January 1, 2023, with the cumulative-effect transition method with the required prospective approach. The measurement of expected credit losses under the current expected credit loss ("CECL") methodology is applicable to financial assets measured at amortized cost, which include trade receivables, contract assets and non-current receivables. An allowance for credit losses under the CECL methodology is determined using the aging method. The credit loss associated with a specific past due bucket is applied to the amortized cost basis of the past due bucket as of the balance sheet date, then adjusted for qualitative factors (current and forecast). The CECL allowance is based on relevant available information, from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. The allowance for credit losses as of December 31, 2023, and change in the allowance for credit losses during the year ended December 31, 2023, was not material to the financial statements.

Prior to adoption of ASC 326, the Company maintained an allowance for doubtful accounts to reserve for potentially uncollectible receivables. The allowance for doubtful accounts as of December 31, 2022, was not material to the financial statements.

Material and supplies inventories: Material and supplies inventories are stated at the lower of cost (first-in, first-out method) or net realizable value.

Property and equipment: Property and equipment is stated at cost. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years.

Depreciation of leasehold improvements is based on the terms of the respective leases. As discussed in Note 8, the Company leases certain facilities from related parties, the terms of which are unwritten, and leasehold improvements applicable to such leases are depreciated over estimated useful lives since, in the opinion of management, the leases will be renewed in the future on an annual basis.

Long-lived assets: Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the assets' carrying amount and the fair value of the asset, and long-lived assets to be disposed of are reported at the lower of the carrying amount or the fair value less cost to sell.

Income taxes: Effective with the year beginning on May 1, 2009, the Company, with the consent of its stockholders, will be taxed under sections of federal and state income tax law, which provide that, in lieu of corporation income taxes, the stockholders will separately account for their pro rata shares of the Company's income, deductions, losses and credits.

The Financial Accounting Standards Board issued guidance on accounting for uncertainty in income taxes. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Use of estimates in the preparation of financial statements: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Leases: The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company recognizes most leases on its balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the income statement.

The Company made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of ASC Topic 842, Leases). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Company made an accounting policy election available to non-public companies to utilize incremental borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Company has made an accounting policy election to account for lease and nonlease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. The nonlease components typically represent additional services transferred to the Company, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Subsequent events: The Company has evaluated subsequent events and transactions for potential recognition or disclosure through March 25, 2024, which is the date the financial statements were available to be issued.

THE PIPCO COMPANIES, LTD.

NOTES TO FINANCIAL STATEMENTS

Note 2. Contracts Receivable

Contracts receivable consist of the following at December 31, 2023 and 2022:

	2023	2022
Completed contracts	\$ 4,548,474	\$ 2,937,695
Contracts in progress	5,250,096	10,157,968
Retentions	1,445,035	1,971,013
	<u>11,243,605</u>	<u>15,066,676</u>
Less allowance for credit losses	369,084	100,000
	<u>\$ 10,874,521</u>	<u>\$ 14,966,676</u>

Note 3. Uncompleted Contracts

Information regarding uncompleted contracts, as of December 31, 2023 and 2022, is as follows:

	2023	2022
Total amount of contracts in progress	\$ 47,603,044	\$ 49,809,139
Costs incurred on uncompleted contracts	\$ 26,737,598	\$ 21,313,168
Estimated earnings	6,650,783	8,068,815
	<u>33,388,381</u>	<u>29,381,983</u>
Less billings to date	34,569,642	30,837,815
	<u>\$ (1,181,261)</u>	<u>\$ (1,455,832)</u>

Included in the accompanying balance sheets under the following captions:

	2023	2022
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 842,075	\$ 886,428
Billings in excess of costs and estimated earnings on uncompleted contracts	(2,023,336)	(2,342,260)
	<u>\$ (1,181,261)</u>	<u>\$ (1,455,832)</u>

Note 4. Property and Equipment

Property and equipment, as of December 31, 2023 and 2022, consists of the following:

	2023	2022
Buildings and improvements	\$ -	\$ 115,000
Machinery and equipment	5,206,832	5,206,832
Office furniture, fixtures, and equipment	341,970	341,970
Vehicles	1,972,489	1,972,489
	<u>7,521,291</u>	<u>7,636,291</u>
Less accumulated depreciation	7,007,998	6,874,286
	<u>\$ 513,293</u>	<u>\$ 762,005</u>

THE PIPCO COMPANIES, LTD.

NOTES TO FINANCIAL STATEMENTS

Note 5. Pledged Assets and Note Payable

The Company has a line-of-credit agreement with a bank in the amount of \$5,000,000 which expires June 2024. Borrowings under this line bear interest at the national prime rate (an effective rate of 7.5% at December 31, 2023) and is collateralized by substantially all assets of the Company and personally guaranteed by the stockholders. Outstanding borrowings totaled \$118,046 and \$1,104,274 at December 31, 2023 and 2022, respectively.

Note 6. Retirement Plans and Contingency

The Company contributes to union-sponsored multiemployer defined benefit pension plans under the collective bargaining agreement terms that cover its union-represented employees. Below is information with respect to the plans.

Pension Fund	EIN/Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/Implemented	Company Contributions		Surcharge Imposed	Collective Bargaining Agreement Exp. Date
		2023	2022		2023	2022		
Sheet Metal Workers' National Pension Fund	52-6112463 /001	Green December 2023	Green December 2022	Implemented	\$ 382,232	\$ 359,641	No	4/30/2024
U.A Locals 63 and 353 Joint Pension Trust	37-6118084 /001	Yellow April 2023	Yellow April 2022	Implemented	326,028	365,949	No	4/30/2024
Central Laborers' Pension Fund	37-6052379 /001	Yellow December 2022	Yellow December 2021	Implemented	108,943	139,205	Yes	4/30/2024
National Automatic Sprinkler Industry Pension Fund	52-6054620 /001	Green December 2022	Green December 2021	Implemented	458,704	424,037	No	3/31/2024
United Association National Pension Fund	52-6152779 /001	Yellow June 2023	Yellow June 2022	Implemented	253,415	303,331	No	4/30/2024
Other					176,784	169,498		

The Company's participation in these plans for the annual periods ended December 31, 2023 and 2022 is outlined in the above table. The EIN/Plan Number column provides the EIN and the three-digit plan number if applicable.

Unless otherwise noted, the most recent PPA zone status available in 2023 and 2022 is for the plan's year-end ending in 2023, 2022 and 2021 respectively.

The zone status is based on information the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are less than 65% funded, plans in the yellow zone are between 65 - 80% funded, and plans in the green zone are more than 80% funded.

The FIP/RP Status Pending/Implemented column indicates plans for which a financial improvement plan (FIP) or rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration dates of the collective bargaining agreements to which the plans are subject.

The percentage of employees covered by the Company's multiemployer plans was approximately 81% for the years ending December 31, 2023 and 2022, respectively.

The Company was not listed on the Plans' Form 5500 as providing more than 5% of the total contributions for the 2023 and 2022 plan years.

The Company has contributed to multiemployer pension funds in prior years. While the Company has no intentions to withdrawal from the pension funds, if they choose to in the future the Company would likely incur a withdrawal liability. The amount of the liability is not known at this time.

THE PIPCO COMPANIES, LTD.

NOTES TO FINANCIAL STATEMENTS

Note 6. Retirement Plans and Contingency (Continued)

The Company has a defined contribution 401(k) profit sharing pension plan covering substantially all nonunion employees who have completed at least one year of continuous service and attained age 21. The Company's discretionary matching contributions are determined annually by the Board of Directors. Participants are immediately vested in their voluntary contributions. The Company made plan contributions totaling approximately \$86,000 and \$80,000 for the years ended December 31, 2023 and 2022, respectively.

Note 7. Stock Redemption Agreement

In the event of the death of a common stockholder, the Company has agreed to purchase the outstanding common stock held by the deceased stockholder for the book value per share of the Company as of the end of the month preceding the date of the stockholder's death times the number of outstanding shares owned by the deceased stockholder. If the Company receives any proceeds of any life insurance policies on the life of the decedent, such amounts are to be used to redeem the stock, and any balance still due is to be paid in equal annual installments, plus interest at the applicable IRS AFR long-term rate, at each payment date, over a five-year period following the death of a stockholder.

Note 8. Leases

The Company leases its office and certain shop facilities from related parties and entities controlled by the stockholders and vehicles and equipment from unrelated parties that have initial terms ranging from 4 to 10 years. The Company's operating leases generally do not contain any material restrictive covenants or residual guarantees.

Operating lease costs is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the years ended December 31, 2023 and 2022:

	2023	2022
Operating lease cost (resulting from lease payments)	\$ 652,896	\$ 576,166
Variable lease cost	145,563	80,701
Short-term lease cost	44,865	118,969
Total lease cost	<u>\$ 843,324</u>	<u>\$ 775,836</u>

Supplemental cash flow information related to leases is as follows for the years ended December 31, 2023 and 2022:

	2023	2022
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash outflows- payments on operating leases	\$ 652,896	\$ 576,166
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 63,661	\$ 3,534,005

Supplemental balance sheet information related to leases is as follows for the years ended December 31, 2023 and 2022:

	2023	2022
Weighted-average remaining lease term:		
Operating leases	7.41 years	7.9 years
Weighted-average discount rate:		
Operating leases	5%	5%

THE PIPCO COMPANIES, LTD.

NOTES TO FINANCIAL STATEMENTS

Note 8. Leases (Continued)

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the balance sheets are as follows as of December 31, 2023:

During the year ending December 31:	
2024	\$ 584,164
2025	482,491
2026	398,174
2027	340,438
2028	281,966
Thereafter	1,080,000
Total lease payments	<u>3,167,233</u>
Less imputed interest	516,325
Total present value of lease liabilities	<u>\$ 2,650,908</u>