# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2019**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

**A** This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [X] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
BES ENGINEERING 401(K) PLAN AND TRUST

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 06/01/2000

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
THE BERGAILA COMPANY DBA BES ENGINEERING

10300 TOWN PARK DRIVE
STE SE4003
HOUSTON, TX 77072

**2b** Employer Identification Number (EIN) 26-3028298

**2c** Plan Sponsor's telephone number 820-149-6927

**2d** Business code (see instructions) 541330

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/14/2020 | ARNOLD PUBCHARA |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

| | | |
|---|---|---|
| **3a** Plan administrator's name and address [X] Same as Plan Sponsor | **3b** Administrator's EIN | |
| | **3c** Administrator's telephone number | |
| **4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br>**a** Sponsor's name<br>**c** Plan Name | **4b** EIN<br>**4d** PN | |
| **5** Total number of participants at the beginning of the plan year | **5** | 246 |
| **6** Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** Total number of active participants at the beginning of the plan year | **6a(1)** | 167 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 140 |
| **b** Retired or separated participants receiving benefits | **6b** | 1 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 74 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 215 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 215 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 144 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 13 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2F 2G 2J 2K 2T 3D 2E

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

| **9a** Plan funding arrangement (check all that apply) | | **9b** Plan benefit arrangement (check all that apply) | |
|---|---|---|---|
| **(1)** | [ ] Insurance | **(1)** | [ ] Insurance |
| **(2)** | [ ] Code section 412(e)(3) insurance contracts | **(2)** | [ ] Code section 412(e)(3) insurance contracts |
| **(3)** | [X] Trust | **(3)** | [X] Trust |
| **(4)** | [ ] General assets of the sponsor | **(4)** | [ ] General assets of the sponsor |

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] ___ **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [X] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

## Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

**11c** Enter the Receipt Confirmation Code for the 2019 Form M-1 annual report. If the plan was not required to file the 2019 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2019**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

**A** Name of plan
BES ENGINEERING 401(K) PLAN AND TRUST

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
THE BERGAILA COMPANY DBA BES ENGINEERING

**D** Employer Identification Number (EIN)
26-3028298

## Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

BES ENGINEERING

1527 PARK ROW, SUITE 200
HOUSTON, TX 77084

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 16 | CONSULTANT | 9000 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 37 60 64 65 | RECORDKEEPER | 750 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

LPL FINANCIAL LLC

04-3046611

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 55 | ADVISOR | 0 | Yes [X] No [ ] | Yes [ ] No [X] | 21105 | Yes [ ] No [X] |

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

| **(b)** Service Code(s) | **(c)** Relationship to employer, employee organization, or person known to be a party-in-interest | **(d)** Enter direct compensation paid by the plan. If none, enter -0-. | **(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | **(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | **(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | **(h)** Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

**(a)** Enter name and EIN or address (see instructions)

| **(b)** Service Code(s) | **(c)** Relationship to employer, employee organization, or person known to be a party-in-interest | **(d)** Enter direct compensation paid by the plan. If none, enter -0-. | **(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | **(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | **(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | **(h)** Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

**(a)** Enter name and EIN or address (see instructions)

| **(b)** Service Code(s) | **(c)** Relationship to employer, employee organization, or person known to be a party-in-interest | **(d)** Enter direct compensation paid by the plan. If none, enter -0-. | **(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | **(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | **(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | **(h)** Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

## Part I Service Provider Information (continued)

**3.** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|---|
| BLKRK EQUITY DIV A - BNY MELLON IN | P.O. BOX 9793<br>PROVIDENCE, RI 02940 | 0.25% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|---|
| COL EMERGING MKTS A - COLUMBIA MGT | PO BOX 219104<br>KANSAS CITY, MO 64121-9104 | 0.25% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|---|
| COL LARGE CAP IDX A - COLUMBIA MGT | PO BOX 219104<br>KANSAS CITY, MO 64121-9104 | 0.10% |

**Part I Service Provider Information (continued)**

**3.** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| HTFD SM CAP GRTH R4 - HARTFORD ADM<br>41-0679409 | 0.25% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| J H ENTERPRISE S - JANUS SERVICES<br>43-1804048 | 0.25% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| JPM SM CAP VALUE A - DST ASSET MAN 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105 | 0.25% |

**Part I Service Provider Information (continued)**

**3.** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| LD ABBETT TOT RTN A - DST SYSTEMS<br><br>43-1581814 | 0.25% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| MFS INTL INTR VAL R3 - MFS SERVICE<br><br>04-2865649 | 0.25% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| MFS INTL INTR VAL R4 - MFS SERVICE<br><br>04-2865649 | 0.15% |

## Part I Service Provider Information (continued)

**3.** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| MFS MID CAP VALUE R4 - MFS SERVICE<br><br>04-2865649 | 0.15% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| PGIM HIGH YIELD - PRUDENTIAL MUT<br><br>22-3703799 | 0.25% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| PIF MDCP S&P400 R3 - PRINCIPAL SHA 711 HIGH STREET DES MOINES, IA 50392 | 0.30% |

## Part I Service Provider Information (continued)

**3.** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| PIF SMCP S&P 600 R3 - PRINCIPAL SH<br>711 HIGH STREET<br>DES MOINES, IA 50392 | 0.30% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| LPL FINANCIAL LLC | 55 | 21105 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| NATIONAL FINANCIAL SERVICES LLC<br><br>04-3523567 | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| | |

## Part II Service Providers Who Fail or Refuse to Provide Information

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2019**

**This Form is Open to Public Inspection.**

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

**A** Name of plan
BES ENGINEERING 401(K) PLAN AND TRUST

**B** Three-digit plan number (PN) ▶ 001

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
THE BERGAILA COMPANY DBA BES ENGINEERING

**D** Employer Identification Number (EIN)
26-3028298

**Part I** **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: FA STABLE VALUE II

**b** Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 04-3022712-026 | C | 199061 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

## Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2019**

**This Form is Open to Public Inspection**

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

**A** Name of plan
BES ENGINEERING 401(K) PLAN AND TRUST

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
THE BERGAILA COMPANY DBA BES ENGINEERING

**D** Employer Identification Number (EIN)
26-3028298

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | 0 | 0 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 0 | 0 |
| **(2)** Participant contributions | 1b(2) | 0 | 0 |
| **(3)** Other | 1b(3) | 0 | 0 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 0 | 0 |
| **(2)** U.S. Government securities | 1c(2) | 0 | 0 |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | 0 | 0 |
| **(B)** All other | 1c(3)(B) | 0 | 0 |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | 0 | 0 |
| **(B)** Common | 1c(4)(B) | 0 | 0 |
| **(5)** Partnership/joint venture interests | 1c(5) | 0 | 0 |
| **(6)** Real estate (other than employer real property) | 1c(6) | 0 | 0 |
| **(7)** Loans (other than to participants) | 1c(7) | 0 | 0 |
| **(8)** Participant loans | 1c(8) | 165217 | 141112 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 361979 | 199061 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | 0 | 0 |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | 0 | 0 |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | 0 | 0 |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 7492300 | 8928497 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | 0 | 0 |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 0 | 0 |
| | **(2)** Employer real property | 1d(2) | 0 | 0 |
| **e** | Buildings and other property used in plan operation | 1e | 0 | 0 |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 8019496 | 9268670 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | 0 | 0 |
| **h** | Operating payables | 1h | 0 | 0 |
| **i** | Acquisition indebtedness | 1i | 0 | 0 |
| **j** | Other liabilities | 1j | 0 | 0 |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 8019496 | 9268670 |

## Part II Income and Expense Statement

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 184642 | |
| | **(B)** Participants | 2a(1)(B) | 960015 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 72452 | |
| | **(2)** Noncash contributions | 2a(2) | 0 | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 1217109 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 0 | |
| | **(B)** U.S. Government securities | 2b(1)(B) | 0 | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | 0 | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | 0 | |
| | **(E)** Participant loans | 2b(1)(E) | 7463 | |
| | **(F)** Other | 2b(1)(F) | 0 | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 7463 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | 0 | |
| | **(B)** Common stock | 2b(2)(B) | 0 | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 537361 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 537361 |
| | **(3)** Rents | 2b(3) | | 0 |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 0 | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 0 | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | 0 | |
| | **(B)** Other | 2b(5)(B) | 0 | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| **(6)** Net investment gain (loss) from common/collective trusts | 2b(6) | | 4096 |
| **(7)** Net investment gain (loss) from pooled separate accounts | 2b(7) | | 0 |
| **(8)** Net investment gain (loss) from master trust investment accounts | 2b(8) | | 0 |
| **(9)** Net investment gain (loss) from 103-12 investment entities | 2b(9) | | 0 |
| **(10)** Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 1284795 |
| **c** Other income | 2c | | 0 |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | 3050824 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| **(1)** Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 1791900 | |
| **(2)** To insurance carriers for the provision of benefits | 2e(2) | 0 | |
| **(3)** Other | 2e(3) | 0 | |
| **(4)** Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 1791900 |
| **f** Corrective distributions (see instructions) | 2f | | 0 |
| **g** Certain deemed distributions of participant loans (see instructions) | 2g | | 0 |
| **h** Interest expense | 2h | | 0 |
| **i** Administrative expenses: **(1)** Professional fees | 2i(1) | 0 | |
| **(2)** Contract administrator fees | 2i(2) | 0 | |
| **(3)** Investment advisory and management fees | 2i(3) | 0 | |
| **(4)** Other | 2i(4) | 9750 | |
| **(5)** Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 9750 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 1801650 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line **2j** from line **2d** | 2k | | 1249174 |
| **l** Transfers of assets: | | | |
| **(1)** To this plan | 2l(1) | | 0 |
| **(2)** From this plan | 2l(2) | | |

## Part III Accountant's Opinion

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

**(1)** ☐ Unmodified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

**(1)** Name: WEINSTEIN SPIRA & COMPANY, P.C. **(2)** EIN: 74-2181616

**d** The opinion of an independent qualified public accountant is **not attached** because:

**(1)** ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | X | | 61 |
| **b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| c | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| d | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 1000000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| g | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| h | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| i | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| j | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | |
| k | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| n | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | X | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year_____. (See instructions.)

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

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OMB No. 1210-0110

**2019**

**This Form is Open to Public Inspection.**

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

**A** Name of plan
BES ENGINEERING 401(K) PLAN AND TRUST

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
THE BERGAILA COMPANY DBA BES ENGINEERING

**D** Employer Identification Number (EIN)
26-3028298

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1**

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-6568107

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... **3**

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6** **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11** **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

**14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

| | | |
|---|---|---|
| **a** The current year | **14a** | |
| **b** The plan year immediately preceding the current plan year | **14b** | |
| **c** The second preceding plan year | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

**19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

**a** Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

**20** **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

**a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

**b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation_____

# BES Engineering 401(k) Plan and Trust

Annual Financial Report
Houston, Texas
December 31, 2019



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All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted, as they are not applicable.

WEINSTEIN SPIRA

certified public accountants
& business advisors

**Independent Auditors' Report**

October 13, 2020

Plan Administrator
BES Engineering 401(k) Plan and Trust
Houston, Texas

***Report on the Financial Statements***

We were engaged to audit the accompanying financial statements of the BES Engineering 401(k) Plan and Trust (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2019 and 2018, and for the year ended December 31, 2019, that the information provided to the plan administrator by the trustee is complete and accurate.

October 13, 2020
BES Engineering 401(k) Plan and Trust

***Disclaimer of Opinion***

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

***Other Matter***

The supplemental Schedule H, Line 4a – Schedule of Delinquent Participant Contributions for the year ended December 31, 2019 and the Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2019 are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis, and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

***Report on Form and Content in Compliance With DOL Rules and Regulations***

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Weinstein Spira & Company P.C.

WEINSTEIN SPIRA & COMPANY, P.C.
Houston, Texas

**BES ENGINEERING 401(k) PLAN AND TRUST**
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

| | December 31, | |
|---|---|---|
| | **2019** | 2018 |
| **ASSETS** | | |
| **Investments, at fair value:** | | |
| Common/collective trust fund | **$ 199,061** | $ 361,979 |
| Mutual funds | **8,928,497** | 7,492,300 |
| | **9,127,558** | 7,854,279 |
| **Receivables:** | | |
| Employee contributions | **11,677** | - |
| Employer contributions - other | **15,735** | 25,268 |
| Notes receivable from participants | **141,112** | 165,217 |
| | **168,524** | 190,485 |
| **Net Assets Available for Benefits** | **$ 9,296,082** | $ 8,044,764 |

See independent auditors' report and accompanying notes to financial statements.

**BES ENGINEERING 401(k) PLAN AND TRUST**
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**
**For the Year Ended December 31, 2019**

| | | |
|---|---|---|
| **Contributions:** | | |
| Employee | $ | 971,692 |
| Employer, net of forfeitures | | 175,109 |
| Rollover | | 72,452 |
| Total Contributions | | 1,219,253 |
| **Investment Income:** | | |
| Interest, dividends and other | | 541,457 |
| Net appreciation in fair value of investments | | 1,284,795 |
| Net Investment Income | | 1,826,252 |
| **Interest Income on Notes Receivable from Participants** | | 7,463 |
| **Benefit Payments** | | (1,791,900) |
| **Administrative Expenses** | | (9,750) |
| **Net Increase in Net Assets Available for Benefits** | | 1,251,318 |
| Net Assets Available for Benefits - Beginning of Year | | 8,044,764 |
| **Net Assets Available for Benefits - End of Year** | $ | 9,296,082 |

See independent auditors' report and accompanying notes to financial statements.

## Note 1 - Plan Description

The following brief description of the BES Engineering 401(k) Plan and Trust (the Plan) is provided for general information only. Participants should refer to the plan document for a more complete description of the Plan's provisions.

### General

The Plan is a defined contribution plan covering eligible employees of The Bergaila Company dba BES Engineering (the Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan was initially adopted by the Company on June 1, 2000, and has since been amended and restated.

### Plan Administration

Fidelity Management Trust Company (Fidelity) serves as the trustee of the Plan. The Company serves as the plan administrator and is responsible for oversight of the Plan, determining the appropriateness of the Plan's investment offerings, and monitoring investment performance.

### Eligibility

The Plan is provided for all eligible employees of the Company. All employees, excluding those who are employees of affiliated employers that have not adopted this plan, may participate in the Plan so long as they are at least 21 years of age. Eligible employees may enroll in the Plan immediately upon meeting the eligibility requirements. The Plan includes a savings feature designed to permit the employee to contribute to the Plan, as allowable under Section 401(k) of the Internal Revenue Code (IRC).

### Contributions

Upon satisfying the eligibility requirements, participants may elect to contribute up to 80% of their eligible compensation, as defined, on a pre-tax and/or after-tax basis, subject to amounts allowed under the IRC. Eligible employees who have attained age 50 before the close of the plan year are eligible to make catch-up contributions, subject to limitations under the IRC.

The Plan allows for the Company to make discretionary matching employer contributions and discretionary non-elective employer contributions, as determined by the Company's board of directors on an annual basis. Employees must have at least one year of service (1,000 hours) and be employed on the last day of the plan year to be eligible for discretionary non-elective employer contributions. For the year ended December 31, 2019, the Company provided a discretionary matching employer contribution equal to 50% of the participant's elective deferrals not to exceed 3% of eligible compensation. The Company did not make discretionary non-elective employer contributions during 2019.

## Vesting

Participants are immediately vested in their contributions, plus actual earnings thereon. Participants hired before November 15, 2013, become 100% vested in the Company's discretionary matching contributions after three years of service. Participant's hired after November 15, 2013, begin vesting in the Company's discretionary matching contributions at 20% after two years of service, increasing 20% each year thereafter, with the participant 100% vested after six years. Effective June 17, 2019, the vesting schedule was changed so that all participants employed as of that date begin vesting in the Company's discretionary matching contributions at 20% after one year of service, increasing 20% each year thereafter, with the participant 100% vested after 5 years. Participants become 100% vested in the Company's discretionary non-elective contributions after six years of service.

## Forfeitures

Forfeitures attributable to Company contributions may be used to pay administrative expenses of the Plan or to reduce future employer contributions. There were unallocated forfeitures of $59,378 and $78,135 available at December 31, 2019 and 2018, respectively. During 2019, $36,460 of forfeitures were used to reduce employer contributions. Forfeitures in the amount of $3,708 were used in 2020 to reduce employer contributions related to the 2019 plan year. During 2019, $9,000 were used to pay plan expenses.

## Participant Accounts

Upon enrollment in the Plan, a participant may direct the trustee with regard to the investment of their account balances into the various investment options offered by the Plan. Participants may change their investment elections at any time.

Under the Plan, earnings and losses are allocated to the participants' accounts daily based on their respective balances in the investments. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

## Notes Receivable from Participants

Participants may borrow a minimum of $1,000 from their vested account balance. The respective note may not be more than 50% of the participant's vested account balance or $50,000 reduced by the highest outstanding note balance, if any, during the previous twelve months. The notes are secured by the vested balance in the participants' accounts. A participant may not have more than one note outstanding at any time. Interest rates are based on the prime rate plus 1% on the first business day of the month of issuance. Principal and interest are repaid ratably through payroll deductions. Note terms are limited to five years unless for the purchase of a principal residence, in which case the term may be extended to ten years.

### Benefit Payments

Distributions may be made to participants or their beneficiaries upon termination of employment, retirement, disability or death, as applicable. Withdrawals may be made by active participants upon attainment of age 59½ or due to financial hardship, subject to the provisions of the Plan. Upon termination, participants with an account balance of $1,000 or less receive an automatic lump sum distribution from the Plan. For participants who terminate with an account balance of more than $1,000 but less than $5,000, the plan administrator will make a direct rollover into an individual retirement account. Withdrawals from the Plan may be subject to income taxes on contributions and income earned.

## Note 2 - Summary of Accounting Policies

### Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

### Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation in the fair value of investments includes realized gains or losses on investments bought and sold during the year as well as unrealized gains or losses on the investments held at the end of the year.

### Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2019 or 2018, as the notes are collateralized by the participants' account balances. In general, notes receivable from participants are considered in default if a scheduled payment has not been received in the calendar quarter following the calendar quarter in which the payment was due. Defaulted notes receivable are treated as distributions based upon the terms of the plan document when a distributable event has occurred.

### Benefit Payments

Benefits paid to participants or beneficiaries are recorded when paid.

### Administrative Expenses

Certain administrative expenses of maintaining the Plan are paid directly by the Company, at its discretion, and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and other transaction fees are charged to the participant's account and are included in administrative expenses. Investment related expenses are included in the net appreciation or depreciation in fair value of investments.

### Use of Estimates

The preparation of financial statements in conformity with GAAP requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

### Risks and Uncertainties

The Plan provides for investments in various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect participants' account balances and amounts reported in the financial statements.

### Subsequent Events

Management of the Plan evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 13, 2020, which is the date the financial statements were available to be issued. See Note 10.

## Note 3 - Information Certified by the Trustee

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator has obtained a certification from the trustee of the Plan that all of the information provided is complete and accurate. Information included in the financial statements and accompanying notes to the financial statements as to investments, notes receivable from participants, investment income, interest income on notes receivable from participants, and all the related information in the supplemental schedule, Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2019, is presented in reliance solely upon this certification.

The Plan's independent auditors did not perform auditing procedures with respect to this information except for comparing such information to the related information included in the financial statements, the accompanying notes and the supplemental schedule.

## Note 4 - Fair Value Measurements

GAAP provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2019 and 2018.

*Mutual Funds*: These funds are valued daily based upon their quoted market prices.

*Common/Collective Trust Fund*: The fund is valued at its net asset value (NAV) as determined by the issuer based on quoted market prices of the underlying investments, when available. The NAV is used as a practical expedient to estimate fair value. The practical expedient is not used when it is determined to be probable that the investment will be sold for an amount different than the reported NAV.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value:

| | December 31, 2019 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Mutual funds | **$ 8,928,497** | **$ -** | **$ -** | **$ 8,928,497** |
| Investment measured at NAV (practical expedient) | | | | **199,061** |
| Total investments at fair value | | | | **$ 9,127,558** |

| | December 31, 2018 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | $ 7,492,300 | $ - | $ - | $ 7,492,300 |
| Investment measured at NAV (practical expedient) | | | | 361,979 |
| Total investments at fair value | | | | $ 7,854,279 |

The following provides additional information for the common/collective trust fund which is measured using NAV as the practical expedient as of December 31, 2019 and 2018. There are no participant redemption restrictions for this investment. The redemption notice period is applicable only to the Plan.

| | **Fair Value** | | | | |
|---|---|---|---|---|---|
| **Investment Class** | **2019** | 2018 | **Unfunded Commitments** | **Redemption Frequency** | **Redemption Notice Period** |
| Stable Value | **$ 199,061** | $ 361,979 | None | Daily | Up to 12 months |

## Note 5 - Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

## Note 6 - Federal Income Tax

The Company adopted a volume submitter plan offered by Fidelity. The volume submitter plan obtained its latest advisory letter dated March 31, 2014, in which the Internal Revenue Service (IRS) stated that the volume submitter plan, as then designed, was in compliance with the applicable requirements of the IRC. Although the volume submitter has been amended since receiving the advisory letter, the plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires plan management to evaluate tax positions taken by the Plan and to recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress.

## Note 7 - Party-in-Interest Transactions

Certain plan investments are managed by the trustee or an affiliate of the trustee. These transactions qualify as party-in-interest transactions and are covered by an exemption from the "prohibited transaction" provisions of ERISA and the IRC.

## Note 8 - Nonexempt Transactions

As disclosed on Schedule H, Line 4a - Schedule of Delinquent Participant Contributions for the year ended December 31, 2019, there were unintentional delays in remitting $61 of participant contributions to the Plan. The plan administrator is in the process of correcting the delinquent participant contributions.

## Note 9 - Reconciliation of the Financial Statements to the Form 5500

The following is a reconciliation of the net assets available for benefits per the financial statements to net assets per the Form 5500 at December 31, 2019 and 2018:

| | December 31, | |
|---|---|---|
| | **2019** | 2018 |
| Net assets available for benefits per the financial statements | **$ 9,296,082** | $ 8,044,764 |
| Employee contributions receivable | **(11,677)** | - |
| Employer contributions receivable - other | **(15,735)** | (25,268) |
| Net assets per the Form 5500 | **$ 9,268,670** | $ 8,019,496 |

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the net income per the Form 5500 for the year ended December 31, 2019:

| | | |
|---|---|---|
| Net increase in net assets available for benefits per the financial statements | $ | 1,251,318 |
| Employee contributions receivable | | (11,677) |
| Change in employer contributions receivable - other | | 9,533 |
| Net income per the Form 5500 | $ | 1,249,174 |

**Note 10 - Subsequent Events**

The COVID-19 pandemic has led to volatility in the financial markets and has affected, and may continue to affect, Plan assets. The potential economic impact brought by, and the duration of, COVID-19 is difficult to assess or predict and will depend on future developments that are highly uncertain.

The Plan has implemented certain requirements of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and the Setting Every Community Up for Retirement Enhancement Act (the SECURE Act), which change the Plan to, among others, allow certain eligible individuals to receive coronavirus-related relief for loan repayments, suspend required minimum distributions, delay the commencement date for required minimum distributions and provide for coronavirus-related distributions. Written amendments to the Plan to reflect these operational changes will be adopted at a later date in accordance with applicable laws and IRS guidance.

# SUPPLEMENTARY INFORMATION

**BES ENGINEERING 401(k) PLAN AND TRUST**
**PLAN SPONSOR'S EIN: 26-3028298**
**PLAN NUMBER: 001**
**SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS**
**For the Year Ended December 31, 2019**

| | Total that Constitute Nonexempt Prohibited Transactions | | | |
|---|---|---|---|---|
| Participant Contributions Transferred Late to Plan | Contributions Not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Correction in VFCP | Total Fully Corrected Under VFCP and PTE 2002-51 |
| $ 61 | $ 61 | $ - | $ - | $ - |

**BES ENGINEERING 401(k) PLAN AND TRUST**
**PLAN SPONSOR'S EIN: 26-3028298**
**PLAN NUMBER: 001**
**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**December 31, 2019**

| | (a) (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment | (e) Current Value |
|---|---|---|---|
| | | **Common/Collective Trust Fund:** | |
| * | Fidelity Management Trust Company | Fidelity Advisor Stable Value Portfolio | $ 199,061 |
| | | **Mutual Funds:** | |
| | BlackRock Advisors, LLC | BlackRock Equity Dividend Fund | 218,419 |
| | Columbia Threadneedle | Columbia Emerging Markets Fund | 55,232 |
| | Columbia Threadneedle | Columbia Large Cap Index Fund | 338,064 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2010 Fund | 31,592 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2015 Fund | 103,282 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2020 Fund | 1,258,811 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2025 Fund | 896,737 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2030 Fund | 847,004 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2035 Fund | 1,227,844 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2040 Fund | 822,977 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2045 Fund | 176,279 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2050 Fund | 119,849 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2055 Fund | 141,142 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2060 Fund | 21,013 |
| * | Fidelity Investments | Fidelity Advisor Balanced Fund | 127,917 |
| * | Fidelity Investments | Fidelity Advisor New Insights Fund | 291,369 |
| * | Fidelity Investments | Fidelity Advisor Strategic Income Fund | 56,631 |
| | Hartford Funds | Hartford Small Cap Growth Fund | 283,608 |
| | Janus Capital Management, LLC | Janus Enterprise Fund | 1,100,710 |
| | JPMorgan Asset Management | JPMorgan Small Cap Value Fund | 92,182 |
| | Lord Abbett | Lord Abbett Total Return Fund | 15,835 |
| | MFS Investment Management | MFS International Value Fund | 176,903 |
| | MFS Investment Management | MFS Mid Cap Value Fund | 86,281 |
| | Principal Funds, Inc. | Principal MidCap S&P 400 Index Fund | 72,312 |
| | Principal Funds, Inc. | Principal SmallCap S&P 600 Index Fund | 177,807 |
| | PGIM Investments | Prudential High-Yield Fund | 188,697 |
| | | | 8,928,497 |
| | | **Participant Loans:** | |
| * | Participant Loans | Interest rates ranging from 4.75% to 6.50% due at various dates through 2027 | 141,112 |
| | | | $ 9,268,670 |

* Indicates a party-in-interest

This schedule has been prepared from information certified by Fidelity Management Trust Company as complete and accurate.

See independent auditors' report.

# BES Engineering 401(k) Plan and Trust

Annual Financial Report
Houston, Texas
December 31, 2019



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| Schedule H, Line 4i - Schedule of Assets (Held at End of Year) | 14 |


All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted, as they are not applicable.

WEINSTEIN SPIRA

certified public accountants
& business advisors

**Independent Auditors' Report**

October 13, 2020

Plan Administrator
BES Engineering 401(k) Plan and Trust
Houston, Texas

***Report on the Financial Statements***

We were engaged to audit the accompanying financial statements of the BES Engineering 401(k) Plan and Trust (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2019 and 2018, and for the year ended December 31, 2019, that the information provided to the plan administrator by the trustee is complete and accurate.

October 13, 2020
BES Engineering 401(k) Plan and Trust

***Disclaimer of Opinion***

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

***Other Matter***

The supplemental Schedule H, Line 4a – Schedule of Delinquent Participant Contributions for the year ended December 31, 2019 and the Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2019 are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis, and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

***Report on Form and Content in Compliance With DOL Rules and Regulations***

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Weinstein Spira & Company P.C.

WEINSTEIN SPIRA & COMPANY, P.C.
Houston, Texas

**BES ENGINEERING 401(k) PLAN AND TRUST**
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

| | December 31, | |
|---|---|---|
| | **2019** | 2018 |
| **ASSETS** | | |
| **Investments, at fair value:** | | |
| Common/collective trust fund | **$ 199,061** | $ 361,979 |
| Mutual funds | **8,928,497** | 7,492,300 |
| | **9,127,558** | 7,854,279 |
| **Receivables:** | | |
| Employee contributions | **11,677** | - |
| Employer contributions - other | **15,735** | 25,268 |
| Notes receivable from participants | **141,112** | 165,217 |
| | **168,524** | 190,485 |
| **Net Assets Available for Benefits** | **$ 9,296,082** | $ 8,044,764 |

See independent auditors' report and accompanying notes to financial statements.

**BES ENGINEERING 401(k) PLAN AND TRUST**
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**
**For the Year Ended December 31, 2019**

| | | |
|---|---|---|
| **Contributions:** | | |
| Employee | $ | 971,692 |
| Employer, net of forfeitures | | 175,109 |
| Rollover | | 72,452 |
| Total Contributions | | 1,219,253 |
| **Investment Income:** | | |
| Interest, dividends and other | | 541,457 |
| Net appreciation in fair value of investments | | 1,284,795 |
| Net Investment Income | | 1,826,252 |
| **Interest Income on Notes Receivable from Participants** | | 7,463 |
| **Benefit Payments** | | (1,791,900) |
| **Administrative Expenses** | | (9,750) |
| **Net Increase in Net Assets Available for Benefits** | | 1,251,318 |
| Net Assets Available for Benefits - Beginning of Year | | 8,044,764 |
| **Net Assets Available for Benefits - End of Year** | $ | 9,296,082 |

See independent auditors' report and accompanying notes to financial statements.

## Note 1 - Plan Description

The following brief description of the BES Engineering 401(k) Plan and Trust (the Plan) is provided for general information only. Participants should refer to the plan document for a more complete description of the Plan's provisions.

### General

The Plan is a defined contribution plan covering eligible employees of The Bergaila Company dba BES Engineering (the Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan was initially adopted by the Company on June 1, 2000, and has since been amended and restated.

### Plan Administration

Fidelity Management Trust Company (Fidelity) serves as the trustee of the Plan. The Company serves as the plan administrator and is responsible for oversight of the Plan, determining the appropriateness of the Plan's investment offerings, and monitoring investment performance.

### Eligibility

The Plan is provided for all eligible employees of the Company. All employees, excluding those who are employees of affiliated employers that have not adopted this plan, may participate in the Plan so long as they are at least 21 years of age. Eligible employees may enroll in the Plan immediately upon meeting the eligibility requirements. The Plan includes a savings feature designed to permit the employee to contribute to the Plan, as allowable under Section 401(k) of the Internal Revenue Code (IRC).

### Contributions

Upon satisfying the eligibility requirements, participants may elect to contribute up to 80% of their eligible compensation, as defined, on a pre-tax and/or after-tax basis, subject to amounts allowed under the IRC. Eligible employees who have attained age 50 before the close of the plan year are eligible to make catch-up contributions, subject to limitations under the IRC.

The Plan allows for the Company to make discretionary matching employer contributions and discretionary non-elective employer contributions, as determined by the Company's board of directors on an annual basis. Employees must have at least one year of service (1,000 hours) and be employed on the last day of the plan year to be eligible for discretionary non-elective employer contributions. For the year ended December 31, 2019, the Company provided a discretionary matching employer contribution equal to 50% of the participant's elective deferrals not to exceed 3% of eligible compensation. The Company did not make discretionary non-elective employer contributions during 2019.

## Vesting

Participants are immediately vested in their contributions, plus actual earnings thereon. Participants hired before November 15, 2013, become 100% vested in the Company's discretionary matching contributions after three years of service. Participant's hired after November 15, 2013, begin vesting in the Company's discretionary matching contributions at 20% after two years of service, increasing 20% each year thereafter, with the participant 100% vested after six years. Effective June 17, 2019, the vesting schedule was changed so that all participants employed as of that date begin vesting in the Company's discretionary matching contributions at 20% after one year of service, increasing 20% each year thereafter, with the participant 100% vested after 5 years. Participants become 100% vested in the Company's discretionary non-elective contributions after six years of service.

## Forfeitures

Forfeitures attributable to Company contributions may be used to pay administrative expenses of the Plan or to reduce future employer contributions. There were unallocated forfeitures of $59,378 and $78,135 available at December 31, 2019 and 2018, respectively. During 2019, $36,460 of forfeitures were used to reduce employer contributions. Forfeitures in the amount of $3,708 were used in 2020 to reduce employer contributions related to the 2019 plan year. During 2019, $9,000 were used to pay plan expenses.

## Participant Accounts

Upon enrollment in the Plan, a participant may direct the trustee with regard to the investment of their account balances into the various investment options offered by the Plan. Participants may change their investment elections at any time.

Under the Plan, earnings and losses are allocated to the participants' accounts daily based on their respective balances in the investments. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

## Notes Receivable from Participants

Participants may borrow a minimum of $1,000 from their vested account balance. The respective note may not be more than 50% of the participant's vested account balance or $50,000 reduced by the highest outstanding note balance, if any, during the previous twelve months. The notes are secured by the vested balance in the participants' accounts. A participant may not have more than one note outstanding at any time. Interest rates are based on the prime rate plus 1% on the first business day of the month of issuance. Principal and interest are repaid ratably through payroll deductions. Note terms are limited to five years unless for the purchase of a principal residence, in which case the term may be extended to ten years.

### Benefit Payments

Distributions may be made to participants or their beneficiaries upon termination of employment, retirement, disability or death, as applicable. Withdrawals may be made by active participants upon attainment of age 59½ or due to financial hardship, subject to the provisions of the Plan. Upon termination, participants with an account balance of $1,000 or less receive an automatic lump sum distribution from the Plan. For participants who terminate with an account balance of more than $1,000 but less than $5,000, the plan administrator will make a direct rollover into an individual retirement account. Withdrawals from the Plan may be subject to income taxes on contributions and income earned.

## Note 2 - Summary of Accounting Policies

### Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

### Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation in the fair value of investments includes realized gains or losses on investments bought and sold during the year as well as unrealized gains or losses on the investments held at the end of the year.

### Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2019 or 2018, as the notes are collateralized by the participants' account balances. In general, notes receivable from participants are considered in default if a scheduled payment has not been received in the calendar quarter following the calendar quarter in which the payment was due. Defaulted notes receivable are treated as distributions based upon the terms of the plan document when a distributable event has occurred.

### Benefit Payments

Benefits paid to participants or beneficiaries are recorded when paid.

### Administrative Expenses

Certain administrative expenses of maintaining the Plan are paid directly by the Company, at its discretion, and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and other transaction fees are charged to the participant's account and are included in administrative expenses. Investment related expenses are included in the net appreciation or depreciation in fair value of investments.

### Use of Estimates

The preparation of financial statements in conformity with GAAP requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

### Risks and Uncertainties

The Plan provides for investments in various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect participants' account balances and amounts reported in the financial statements.

### Subsequent Events

Management of the Plan evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 13, 2020, which is the date the financial statements were available to be issued. See Note 10.

## Note 3 - Information Certified by the Trustee

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator has obtained a certification from the trustee of the Plan that all of the information provided is complete and accurate. Information included in the financial statements and accompanying notes to the financial statements as to investments, notes receivable from participants, investment income, interest income on notes receivable from participants, and all the related information in the supplemental schedule, Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2019, is presented in reliance solely upon this certification.

The Plan's independent auditors did not perform auditing procedures with respect to this information except for comparing such information to the related information included in the financial statements, the accompanying notes and the supplemental schedule.

## Note 4 - Fair Value Measurements

GAAP provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2019 and 2018.

*Mutual Funds*: These funds are valued daily based upon their quoted market prices.

*Common/Collective Trust Fund*: The fund is valued at its net asset value (NAV) as determined by the issuer based on quoted market prices of the underlying investments, when available. The NAV is used as a practical expedient to estimate fair value. The practical expedient is not used when it is determined to be probable that the investment will be sold for an amount different than the reported NAV.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value:

| | December 31, 2019 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Mutual funds | **$ 8,928,497** | **$ -** | **$ -** | **$ 8,928,497** |
| Investment measured at NAV (practical expedient) | | | | **199,061** |
| Total investments at fair value | | | | **$ 9,127,558** |

| | December 31, 2018 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | $ 7,492,300 | $ - | $ - | $ 7,492,300 |
| Investment measured at NAV (practical expedient) | | | | 361,979 |
| Total investments at fair value | | | | $ 7,854,279 |

The following provides additional information for the common/collective trust fund which is measured using NAV as the practical expedient as of December 31, 2019 and 2018. There are no participant redemption restrictions for this investment. The redemption notice period is applicable only to the Plan.

| | **Fair Value** | | | | |
|---|---|---|---|---|---|
| **Investment Class** | **2019** | 2018 | **Unfunded Commitments** | **Redemption Frequency** | **Redemption Notice Period** |
| Stable Value | **$ 199,061** | $ 361,979 | None | Daily | Up to 12 months |

## Note 5 - Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

## Note 6 - Federal Income Tax

The Company adopted a volume submitter plan offered by Fidelity. The volume submitter plan obtained its latest advisory letter dated March 31, 2014, in which the Internal Revenue Service (IRS) stated that the volume submitter plan, as then designed, was in compliance with the applicable requirements of the IRC. Although the volume submitter has been amended since receiving the advisory letter, the plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires plan management to evaluate tax positions taken by the Plan and to recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress.

## Note 7 - Party-in-Interest Transactions

Certain plan investments are managed by the trustee or an affiliate of the trustee. These transactions qualify as party-in-interest transactions and are covered by an exemption from the "prohibited transaction" provisions of ERISA and the IRC.

## Note 8 - Nonexempt Transactions

As disclosed on Schedule H, Line 4a - Schedule of Delinquent Participant Contributions for the year ended December 31, 2019, there were unintentional delays in remitting $61 of participant contributions to the Plan. The plan administrator is in the process of correcting the delinquent participant contributions.

## Note 9 - Reconciliation of the Financial Statements to the Form 5500

The following is a reconciliation of the net assets available for benefits per the financial statements to net assets per the Form 5500 at December 31, 2019 and 2018:

| | December 31, | |
|---|---|---|
| | **2019** | 2018 |
| Net assets available for benefits per the financial statements | **$ 9,296,082** | $ 8,044,764 |
| Employee contributions receivable | **(11,677)** | - |
| Employer contributions receivable - other | **(15,735)** | (25,268) |
| Net assets per the Form 5500 | **$ 9,268,670** | $ 8,019,496 |

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the net income per the Form 5500 for the year ended December 31, 2019:

| | | |
|---|---|---|
| Net increase in net assets available for benefits per the financial statements | $ | 1,251,318 |
| Employee contributions receivable | | (11,677) |
| Change in employer contributions receivable - other | | 9,533 |
| Net income per the Form 5500 | $ | 1,249,174 |

**Note 10 - Subsequent Events**

The COVID-19 pandemic has led to volatility in the financial markets and has affected, and may continue to affect, Plan assets. The potential economic impact brought by, and the duration of, COVID-19 is difficult to assess or predict and will depend on future developments that are highly uncertain.

The Plan has implemented certain requirements of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and the Setting Every Community Up for Retirement Enhancement Act (the SECURE Act), which change the Plan to, among others, allow certain eligible individuals to receive coronavirus-related relief for loan repayments, suspend required minimum distributions, delay the commencement date for required minimum distributions and provide for coronavirus-related distributions. Written amendments to the Plan to reflect these operational changes will be adopted at a later date in accordance with applicable laws and IRS guidance.

# SUPPLEMENTARY INFORMATION

**BES ENGINEERING 401(k) PLAN AND TRUST**
**PLAN SPONSOR'S EIN: 26-3028298**
**PLAN NUMBER: 001**
**SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS**
**For the Year Ended December 31, 2019**

| | Total that Constitute Nonexempt Prohibited Transactions | | | |
|---|---|---|---|---|
| Participant Contributions Transferred Late to Plan | Contributions Not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Correction in VFCP | Total Fully Corrected Under VFCP and PTE 2002-51 |
| $ 61 | $ 61 | $ - | $ - | $ - |

**BES ENGINEERING 401(k) PLAN AND TRUST**
**PLAN SPONSOR'S EIN: 26-3028298**
**PLAN NUMBER: 001**
**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**December 31, 2019**

| | (a) (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment | (e) Current Value |
|---|---|---|---|
| | | **Common/Collective Trust Fund:** | |
| * | Fidelity Management Trust Company | Fidelity Advisor Stable Value Portfolio | $ 199,061 |
| | | **Mutual Funds:** | |
| | BlackRock Advisors, LLC | BlackRock Equity Dividend Fund | 218,419 |
| | Columbia Threadneedle | Columbia Emerging Markets Fund | 55,232 |
| | Columbia Threadneedle | Columbia Large Cap Index Fund | 338,064 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2010 Fund | 31,592 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2015 Fund | 103,282 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2020 Fund | 1,258,811 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2025 Fund | 896,737 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2030 Fund | 847,004 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2035 Fund | 1,227,844 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2040 Fund | 822,977 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2045 Fund | 176,279 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2050 Fund | 119,849 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2055 Fund | 141,142 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2060 Fund | 21,013 |
| * | Fidelity Investments | Fidelity Advisor Balanced Fund | 127,917 |
| * | Fidelity Investments | Fidelity Advisor New Insights Fund | 291,369 |
| * | Fidelity Investments | Fidelity Advisor Strategic Income Fund | 56,631 |
| | Hartford Funds | Hartford Small Cap Growth Fund | 283,608 |
| | Janus Capital Management, LLC | Janus Enterprise Fund | 1,100,710 |
| | JPMorgan Asset Management | JPMorgan Small Cap Value Fund | 92,182 |
| | Lord Abbett | Lord Abbett Total Return Fund | 15,835 |
| | MFS Investment Management | MFS International Value Fund | 176,903 |
| | MFS Investment Management | MFS Mid Cap Value Fund | 86,281 |
| | Principal Funds, Inc. | Principal MidCap S&P 400 Index Fund | 72,312 |
| | Principal Funds, Inc. | Principal SmallCap S&P 600 Index Fund | 177,807 |
| | PGIM Investments | Prudential High-Yield Fund | 188,697 |
| | | | 8,928,497 |
| | | **Participant Loans:** | |
| * | Participant Loans | Interest rates ranging from 4.75% to 6.50% due at various dates through 2027 | 141,112 |
| | | | $ 9,268,670 |

* Indicates a party-in-interest

This schedule has been prepared from information certified by Fidelity Management Trust Company as complete and accurate.

See independent auditors' report.

# BES Engineering 401(k) Plan and Trust

Annual Financial Report
Houston, Texas
December 31, 2019



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| Supplementary Information: | |
| Schedule H, Line 4a - Schedule of Delinquent Participant Contributions | 13 |
| Schedule H, Line 4i - Schedule of Assets (Held at End of Year) | 14 |


All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted, as they are not applicable.

WEINSTEIN SPIRA

certified public accountants
& business advisors

**Independent Auditors' Report**

October 13, 2020

Plan Administrator
BES Engineering 401(k) Plan and Trust
Houston, Texas

***Report on the Financial Statements***

We were engaged to audit the accompanying financial statements of the BES Engineering 401(k) Plan and Trust (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2019 and 2018, and for the year ended December 31, 2019, that the information provided to the plan administrator by the trustee is complete and accurate.

October 13, 2020
BES Engineering 401(k) Plan and Trust

***Disclaimer of Opinion***

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

***Other Matter***

The supplemental Schedule H, Line 4a – Schedule of Delinquent Participant Contributions for the year ended December 31, 2019 and the Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2019 are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis, and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

***Report on Form and Content in Compliance With DOL Rules and Regulations***

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Weinstein Spira & Company P.C.

WEINSTEIN SPIRA & COMPANY, P.C.
Houston, Texas

**BES ENGINEERING 401(k) PLAN AND TRUST**
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

| | December 31, | |
|---|---|---|
| | **2019** | 2018 |
| **ASSETS** | | |
| **Investments, at fair value:** | | |
| Common/collective trust fund | **$ 199,061** | $ 361,979 |
| Mutual funds | **8,928,497** | 7,492,300 |
| | **9,127,558** | 7,854,279 |
| **Receivables:** | | |
| Employee contributions | **11,677** | - |
| Employer contributions - other | **15,735** | 25,268 |
| Notes receivable from participants | **141,112** | 165,217 |
| | **168,524** | 190,485 |
| **Net Assets Available for Benefits** | **$ 9,296,082** | $ 8,044,764 |

See independent auditors' report and accompanying notes to financial statements.

**BES ENGINEERING 401(k) PLAN AND TRUST**
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**
**For the Year Ended December 31, 2019**

| | | |
|---|---|---|
| **Contributions:** | | |
| Employee | $ | 971,692 |
| Employer, net of forfeitures | | 175,109 |
| Rollover | | 72,452 |
| Total Contributions | | 1,219,253 |
| **Investment Income:** | | |
| Interest, dividends and other | | 541,457 |
| Net appreciation in fair value of investments | | 1,284,795 |
| Net Investment Income | | 1,826,252 |
| **Interest Income on Notes Receivable from Participants** | | 7,463 |
| **Benefit Payments** | | (1,791,900) |
| **Administrative Expenses** | | (9,750) |
| **Net Increase in Net Assets Available for Benefits** | | 1,251,318 |
| Net Assets Available for Benefits - Beginning of Year | | 8,044,764 |
| **Net Assets Available for Benefits - End of Year** | $ | 9,296,082 |

See independent auditors' report and accompanying notes to financial statements.

## Note 1 - Plan Description

The following brief description of the BES Engineering 401(k) Plan and Trust (the Plan) is provided for general information only. Participants should refer to the plan document for a more complete description of the Plan's provisions.

### General

The Plan is a defined contribution plan covering eligible employees of The Bergaila Company dba BES Engineering (the Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan was initially adopted by the Company on June 1, 2000, and has since been amended and restated.

### Plan Administration

Fidelity Management Trust Company (Fidelity) serves as the trustee of the Plan. The Company serves as the plan administrator and is responsible for oversight of the Plan, determining the appropriateness of the Plan's investment offerings, and monitoring investment performance.

### Eligibility

The Plan is provided for all eligible employees of the Company. All employees, excluding those who are employees of affiliated employers that have not adopted this plan, may participate in the Plan so long as they are at least 21 years of age. Eligible employees may enroll in the Plan immediately upon meeting the eligibility requirements. The Plan includes a savings feature designed to permit the employee to contribute to the Plan, as allowable under Section 401(k) of the Internal Revenue Code (IRC).

### Contributions

Upon satisfying the eligibility requirements, participants may elect to contribute up to 80% of their eligible compensation, as defined, on a pre-tax and/or after-tax basis, subject to amounts allowed under the IRC. Eligible employees who have attained age 50 before the close of the plan year are eligible to make catch-up contributions, subject to limitations under the IRC.

The Plan allows for the Company to make discretionary matching employer contributions and discretionary non-elective employer contributions, as determined by the Company's board of directors on an annual basis. Employees must have at least one year of service (1,000 hours) and be employed on the last day of the plan year to be eligible for discretionary non-elective employer contributions. For the year ended December 31, 2019, the Company provided a discretionary matching employer contribution equal to 50% of the participant's elective deferrals not to exceed 3% of eligible compensation. The Company did not make discretionary non-elective employer contributions during 2019.

## Vesting

Participants are immediately vested in their contributions, plus actual earnings thereon. Participants hired before November 15, 2013, become 100% vested in the Company's discretionary matching contributions after three years of service. Participant's hired after November 15, 2013, begin vesting in the Company's discretionary matching contributions at 20% after two years of service, increasing 20% each year thereafter, with the participant 100% vested after six years. Effective June 17, 2019, the vesting schedule was changed so that all participants employed as of that date begin vesting in the Company's discretionary matching contributions at 20% after one year of service, increasing 20% each year thereafter, with the participant 100% vested after 5 years. Participants become 100% vested in the Company's discretionary non-elective contributions after six years of service.

## Forfeitures

Forfeitures attributable to Company contributions may be used to pay administrative expenses of the Plan or to reduce future employer contributions. There were unallocated forfeitures of $59,378 and $78,135 available at December 31, 2019 and 2018, respectively. During 2019, $36,460 of forfeitures were used to reduce employer contributions. Forfeitures in the amount of $3,708 were used in 2020 to reduce employer contributions related to the 2019 plan year. During 2019, $9,000 were used to pay plan expenses.

## Participant Accounts

Upon enrollment in the Plan, a participant may direct the trustee with regard to the investment of their account balances into the various investment options offered by the Plan. Participants may change their investment elections at any time.

Under the Plan, earnings and losses are allocated to the participants' accounts daily based on their respective balances in the investments. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

## Notes Receivable from Participants

Participants may borrow a minimum of $1,000 from their vested account balance. The respective note may not be more than 50% of the participant's vested account balance or $50,000 reduced by the highest outstanding note balance, if any, during the previous twelve months. The notes are secured by the vested balance in the participants' accounts. A participant may not have more than one note outstanding at any time. Interest rates are based on the prime rate plus 1% on the first business day of the month of issuance. Principal and interest are repaid ratably through payroll deductions. Note terms are limited to five years unless for the purchase of a principal residence, in which case the term may be extended to ten years.

### Benefit Payments

Distributions may be made to participants or their beneficiaries upon termination of employment, retirement, disability or death, as applicable. Withdrawals may be made by active participants upon attainment of age 59½ or due to financial hardship, subject to the provisions of the Plan. Upon termination, participants with an account balance of $1,000 or less receive an automatic lump sum distribution from the Plan. For participants who terminate with an account balance of more than $1,000 but less than $5,000, the plan administrator will make a direct rollover into an individual retirement account. Withdrawals from the Plan may be subject to income taxes on contributions and income earned.

## Note 2 - Summary of Accounting Policies

### Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

### Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation in the fair value of investments includes realized gains or losses on investments bought and sold during the year as well as unrealized gains or losses on the investments held at the end of the year.

### Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2019 or 2018, as the notes are collateralized by the participants' account balances. In general, notes receivable from participants are considered in default if a scheduled payment has not been received in the calendar quarter following the calendar quarter in which the payment was due. Defaulted notes receivable are treated as distributions based upon the terms of the plan document when a distributable event has occurred.

### Benefit Payments

Benefits paid to participants or beneficiaries are recorded when paid.

### Administrative Expenses

Certain administrative expenses of maintaining the Plan are paid directly by the Company, at its discretion, and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and other transaction fees are charged to the participant's account and are included in administrative expenses. Investment related expenses are included in the net appreciation or depreciation in fair value of investments.

### Use of Estimates

The preparation of financial statements in conformity with GAAP requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

### Risks and Uncertainties

The Plan provides for investments in various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect participants' account balances and amounts reported in the financial statements.

### Subsequent Events

Management of the Plan evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 13, 2020, which is the date the financial statements were available to be issued. See Note 10.

## Note 3 - Information Certified by the Trustee

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator has obtained a certification from the trustee of the Plan that all of the information provided is complete and accurate. Information included in the financial statements and accompanying notes to the financial statements as to investments, notes receivable from participants, investment income, interest income on notes receivable from participants, and all the related information in the supplemental schedule, Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2019, is presented in reliance solely upon this certification.

The Plan's independent auditors did not perform auditing procedures with respect to this information except for comparing such information to the related information included in the financial statements, the accompanying notes and the supplemental schedule.

## Note 4 - Fair Value Measurements

GAAP provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2019 and 2018.

*Mutual Funds*: These funds are valued daily based upon their quoted market prices.

*Common/Collective Trust Fund*: The fund is valued at its net asset value (NAV) as determined by the issuer based on quoted market prices of the underlying investments, when available. The NAV is used as a practical expedient to estimate fair value. The practical expedient is not used when it is determined to be probable that the investment will be sold for an amount different than the reported NAV.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value:

| | December 31, 2019 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Mutual funds | **$ 8,928,497** | **$ -** | **$ -** | **$ 8,928,497** |
| Investment measured at NAV (practical expedient) | | | | **199,061** |
| Total investments at fair value | | | | **$ 9,127,558** |

| | December 31, 2018 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | $ 7,492,300 | $ - | $ - | $ 7,492,300 |
| Investment measured at NAV (practical expedient) | | | | 361,979 |
| Total investments at fair value | | | | $ 7,854,279 |

The following provides additional information for the common/collective trust fund which is measured using NAV as the practical expedient as of December 31, 2019 and 2018. There are no participant redemption restrictions for this investment. The redemption notice period is applicable only to the Plan.

| | **Fair Value** | | | | |
|---|---|---|---|---|---|
| **Investment Class** | **2019** | 2018 | **Unfunded Commitments** | **Redemption Frequency** | **Redemption Notice Period** |
| Stable Value | **$ 199,061** | $ 361,979 | None | Daily | Up to 12 months |

## Note 5 - Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

## Note 6 - Federal Income Tax

The Company adopted a volume submitter plan offered by Fidelity. The volume submitter plan obtained its latest advisory letter dated March 31, 2014, in which the Internal Revenue Service (IRS) stated that the volume submitter plan, as then designed, was in compliance with the applicable requirements of the IRC. Although the volume submitter has been amended since receiving the advisory letter, the plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires plan management to evaluate tax positions taken by the Plan and to recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress.

## Note 7 - Party-in-Interest Transactions

Certain plan investments are managed by the trustee or an affiliate of the trustee. These transactions qualify as party-in-interest transactions and are covered by an exemption from the "prohibited transaction" provisions of ERISA and the IRC.

## Note 8 - Nonexempt Transactions

As disclosed on Schedule H, Line 4a - Schedule of Delinquent Participant Contributions for the year ended December 31, 2019, there were unintentional delays in remitting $61 of participant contributions to the Plan. The plan administrator is in the process of correcting the delinquent participant contributions.

## Note 9 - Reconciliation of the Financial Statements to the Form 5500

The following is a reconciliation of the net assets available for benefits per the financial statements to net assets per the Form 5500 at December 31, 2019 and 2018:

| | December 31, | |
|---|---|---|
| | **2019** | 2018 |
| Net assets available for benefits per the financial statements | **$ 9,296,082** | $ 8,044,764 |
| Employee contributions receivable | **(11,677)** | - |
| Employer contributions receivable - other | **(15,735)** | (25,268) |
| Net assets per the Form 5500 | **$ 9,268,670** | $ 8,019,496 |

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the net income per the Form 5500 for the year ended December 31, 2019:

| | | |
|---|---|---|
| Net increase in net assets available for benefits per the financial statements | $ | 1,251,318 |
| Employee contributions receivable | | (11,677) |
| Change in employer contributions receivable - other | | 9,533 |
| Net income per the Form 5500 | $ | 1,249,174 |

**Note 10 - Subsequent Events**

The COVID-19 pandemic has led to volatility in the financial markets and has affected, and may continue to affect, Plan assets. The potential economic impact brought by, and the duration of, COVID-19 is difficult to assess or predict and will depend on future developments that are highly uncertain.

The Plan has implemented certain requirements of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and the Setting Every Community Up for Retirement Enhancement Act (the SECURE Act), which change the Plan to, among others, allow certain eligible individuals to receive coronavirus-related relief for loan repayments, suspend required minimum distributions, delay the commencement date for required minimum distributions and provide for coronavirus-related distributions. Written amendments to the Plan to reflect these operational changes will be adopted at a later date in accordance with applicable laws and IRS guidance.

# SUPPLEMENTARY INFORMATION

**BES ENGINEERING 401(k) PLAN AND TRUST**
**PLAN SPONSOR'S EIN: 26-3028298**
**PLAN NUMBER: 001**
**SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS**
**For the Year Ended December 31, 2019**

| | Total that Constitute Nonexempt Prohibited Transactions | | | |
|---|---|---|---|---|
| Participant Contributions Transferred Late to Plan | Contributions Not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Correction in VFCP | Total Fully Corrected Under VFCP and PTE 2002-51 |
| $ 61 | $ 61 | $ - | $ - | $ - |

**BES ENGINEERING 401(k) PLAN AND TRUST**
**PLAN SPONSOR'S EIN: 26-3028298**
**PLAN NUMBER: 001**
**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**December 31, 2019**

| | (a) (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment | (e) Current Value |
|---|---|---|---|
| | | **Common/Collective Trust Fund:** | |
| * | Fidelity Management Trust Company | Fidelity Advisor Stable Value Portfolio | $ 199,061 |
| | | **Mutual Funds:** | |
| | BlackRock Advisors, LLC | BlackRock Equity Dividend Fund | 218,419 |
| | Columbia Threadneedle | Columbia Emerging Markets Fund | 55,232 |
| | Columbia Threadneedle | Columbia Large Cap Index Fund | 338,064 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2010 Fund | 31,592 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2015 Fund | 103,282 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2020 Fund | 1,258,811 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2025 Fund | 896,737 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2030 Fund | 847,004 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2035 Fund | 1,227,844 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2040 Fund | 822,977 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2045 Fund | 176,279 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2050 Fund | 119,849 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2055 Fund | 141,142 |
| * | Fidelity Investments | Fidelity Advisor Freedom 2060 Fund | 21,013 |
| * | Fidelity Investments | Fidelity Advisor Balanced Fund | 127,917 |
| * | Fidelity Investments | Fidelity Advisor New Insights Fund | 291,369 |
| * | Fidelity Investments | Fidelity Advisor Strategic Income Fund | 56,631 |
| | Hartford Funds | Hartford Small Cap Growth Fund | 283,608 |
| | Janus Capital Management, LLC | Janus Enterprise Fund | 1,100,710 |
| | JPMorgan Asset Management | JPMorgan Small Cap Value Fund | 92,182 |
| | Lord Abbett | Lord Abbett Total Return Fund | 15,835 |
| | MFS Investment Management | MFS International Value Fund | 176,903 |
| | MFS Investment Management | MFS Mid Cap Value Fund | 86,281 |
| | Principal Funds, Inc. | Principal MidCap S&P 400 Index Fund | 72,312 |
| | Principal Funds, Inc. | Principal SmallCap S&P 600 Index Fund | 177,807 |
| | PGIM Investments | Prudential High-Yield Fund | 188,697 |
| | | | 8,928,497 |
| | | **Participant Loans:** | |
| * | Participant Loans | Interest rates ranging from 4.75% to 6.50% due at various dates through 2027 | 141,112 |
| | | | $ 9,268,670 |

* Indicates a party-in-interest

This schedule has been prepared from information certified by Fidelity Management Trust Company as complete and accurate.

See independent auditors' report.