UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2019

or

☐ **Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from______to

Commission file number: 1-7525

The Goldfield Corporation

(Exact name of registrant as specified in its charter)

Delaware	88-0031580
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1684 W. Hibiscus Boulevard
Melbourne, Florida 32901
(Address of principal executive offices, including zip code)

(321) 724-1700
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.10 per share	GV	NYSE American

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately $51.2 million as of June 28, 2019 (the last business day of the registrant's most recently completed second fiscal quarter), computed by reference to the price at which such common equity was last sold on such date.

The number of shares of the registrant's common stock outstanding as of March 6, 2020 was 24,522,534.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of The Goldfield Corporation's definitive proxy statement for its 2020 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days after the end of the year covered by this Form 10-K Report are incorporated by reference into Part III of this report.

THE GOLDFIELD CORPORATION AND SUBSIDIARIES

ANNUAL REPORT ON FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2019

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PART I

Item 1. Business.

General

The Goldfield Corporation, incorporated in Wyoming in 1906 and subsequently reincorporated in Delaware in 1968, is engaged in both the construction of electrical infrastructure for the utility industry and industrial customers and to a lesser extent real estate development. Real estate development represented 7.1% of our total revenue in 2019. The principal market for the electrical construction operation is primarily in the Southeast, mid-Atlantic and Texas-Southwest regions of the United States. The primary focus of the real estate operations is on the development of residential properties on the east coast of Central Florida. Unless the context otherwise requires, the terms "Goldfield," the "Company," "we," "our" and "us" as used herein mean The Goldfield Corporation and its consolidated subsidiaries.

Our Internet website address is www.goldfieldcorp.com. Within the "Investor Relations" section, under the "Investors" tab of our website, we make available, free of charge, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the U.S. Securities and Exchange Commission ("SEC"). The information on our website is not incorporated by reference into this Annual Report on Form 10-K. You may also access our reports, proxy statement, and other information regarding us at the SEC's website at www.sec.gov. You may also read and copy any document we file with the SEC at the SEC's public reference facilities located at 100 F Street, NE, Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference facilities.

Financial Information About Geographic Areas

During the years ended December 31, 2019 and 2018, our operations were exclusively in the United States.

Employees

As of March 1, 2020, we had a total of 536 employees, which included 529 full-time and seven part-time employees. These employees included 94 unionized employees at our subsidiary, C and C Power Line, Inc. ("C&C"). The total number of employees includes 467 hourly-rate employees. The number of hourly-rate employees fluctuates depending upon the number and size of projects under construction at any particular time. We believe that our relationship with our employees is good.

Electrical Construction Operations

Through our subsidiaries, Power Corporation of America ("PCA"), Southeast Power Corporation ("Southeast Power"), C&C and Precision Foundations, Inc. ("PFI") we are engaged in the construction of electrical infrastructure for the utility industry and industrial customers. Southeast Power, C&C and PFI operate under PCA, headquartered in Port Orange, Florida. Southeast Power is headquartered in Titusville, Florida, and has additional facilities in Bastrop and Cresson, Texas, Lancaster, Kentucky and Spartanburg, South Carolina. C&C, headquartered in Jacksonville, Florida, is a full-service electrical contractor that provides similar services as Southeast Power with a unionized work force. PFI, headquartered in Port Orange, Florida, constructs drilled pier foundations and installs concrete poles, direct embeds and vibratory casings.

Our electrical construction business includes the construction of transmission lines, distribution systems, substations, drilled pier foundations and other electrical services.

Representative customers include:

Santee Cooper (South Carolina Public Service Authority)	JEA (Jacksonville Electric Authority)
Florida Power & Light Company	Duke Energy Corporation
CPS Energy	Orlando Utilities Commission
Aubrey Silvey Enterprises, Inc.	AEP Texas
Oncor Electric Delivery Company LLC	Dominion Energy

Historically, a significant portion of our revenue has come from several different customers each year. Our largest customers may change from year to year. For the year ended December 31, 2019, our top three customers accounted for approximately 54.1% of our consolidated revenue. Since the contribution of a customer may vary from year to year, we cannot predict the future effect of the loss of any given customer.

It is our policy to commit ourselves only to the amount of work we believe we can properly supervise, equip and complete to the customer's satisfaction and timetable. As a result of this policy and the magnitude of some of the construction projects undertaken by us, a substantial portion of our annual revenue is derived from a relatively small number of customers. See note 11 to the consolidated financial statements for detail on sales to major customers that exceed 10% of total sales.

Construction is customarily performed pursuant to plans and specifications of customers. We generally supply the management, labor, equipment and tools, while customers generally supply most of the required materials, however we generally supply most of the required materials for the construction of concrete foundations. We are not presently experiencing, nor do we anticipate experiencing, any difficulties in procuring an adequate supply of materials.

Revenue and results of operations in our electrical construction business can be subject to seasonal variations. These variations are influenced by weather, customer spending patterns and system loads. Project duration varies based on project type, complexity, applicable environmental regulations and customer requirements.

We enter into contracts on the basis of either competitive bidding, direct negotiations or pursuant to master service agreements ("MSAs"). Competitively bid contracts and MSAs account for a majority of our electrical construction revenue. Although there is considerable variation in the terms of the contracts undertaken, such contracts are typically lump sum (fixed-price) contracts, time plus equipment contracts, or unit price contracts. Most of our contracts do not require our clients to purchase a minimum amount of services, and some of our contracts are cancelable on short notice.

In certain circumstances, we are required to provide performance and payment bonds issued by a surety to secure our contractual commitments. These bonds provide a guarantee to the customer that we will perform under the terms of a contract and that we will pay subcontractors and vendors. If we fail to perform under a contract or to pay subcontractors and vendors, the customer may demand the surety to make payments or provide services under the bond. No bond issued for us has ever been called by a customer. Under current circumstances we believe that we will not need to fund any claims written by our surety in the foreseeable future. At present, we have adequate bonding availability for our operations. As of December 31, 2019, outstanding performance bonds issued on behalf of our electrical construction subsidiaries amounted to $47.9 million.

Contracts may include retention provisions. From 5% to 10% is withheld by the customer from progress payments as retainage until the contract work has been completed and approved.

Backlog

Our backlog represents future services to be performed under existing project-specific fixed-price and maintenance contracts and the estimated value of future services that we expect to provide under our existing MSAs.

The following table presents our total backlog as of December 31, 2019 and 2018 along with an estimate of the backlog amounts expected to be realized within 12 months and during the life of each of the MSAs. The existing MSAs include two renewals each for a one-year period from one customer representing $44.4 million (22.4%) of our total estimated MSA backlog as of December 31, 2019.

	Backlog as of December 31, 2019		Backlog as of December 31, 2018	
Electrical Construction Operations	**12-Month**	**Total**	**12-Month**	**Total**
Project-Specific Firm Contracts (1)	$ 58,940,375	$ 78,355,556	$ 44,373,384	$ 44,373,384
Estimated MSAs	83,132,616	198,035,808	57,464,231	170,097,919
Total	$ 142,072,991	$ 276,391,364	$ 101,837,615	$ 214,471,303

(1) Amount includes firm contract awards under MSA agreements.

Our total backlog as of December 31, 2019, increased $61.9 million, or 28.9%, to $276.4 million, compared to $214.5 million as of December 31, 2018. The increase in total backlog is primarily due to the increase in project-specific firm contracts, primarily attributable to increases in firm MSA projects.

Our 12-month backlog as of December 31, 2019, increased $40.2 million, or 39.5%, to $142.1 million compared to $101.8 million in 2018, mainly due to the award of a new MSA and a large project awarded under an existing MSA, partially offset by MSA run-off on an existing MSA which was re-awarded subsequent to December 31, 2019.

Of our total backlog as of December 31, 2019, we expect approximately $142.1 million, or 51.4%, to be completed during 2020.

Backlog is estimated at a particular point in time and is not determinative of total revenue in any particular period. It does not reflect future revenue from a significant number of short-term projects undertaken and completed between the estimated dates. Our electrical construction revenue in 2019 exceeded our 12-month backlog as of December 31, 2018 by 64.8%.

Subsequent to December 31, 2019, we were awarded multiple new MSAs with existing customers. We estimate approximately $242.0 million in additional backlog, increasing our total estimated backlog to $518.0 million. Approximately $31.5 million of the backlog awarded subsequent to December 31, 2019 is estimated to be completed in 2020.

The estimated amount of backlog for work under MSAs is calculated by using recurring historical trends inherent in current MSAs and projected customer needs based upon ongoing communications with the customer. Our estimated backlog also assumes exercise of existing customer renewal options. Certain MSAs are not exclusive to the Company and, therefore, the size and amount of projects we may be awarded cannot be determined with certainty. Accordingly, the amount of future revenue from MSA contracts may vary substantially from reported backlog. Even if we realize all of the revenue from the projects in our backlog, there is no guarantee of profit from the projects awarded under MSAs.

As of December 31, 2019 and 2018, estimated MSAs (other than project-specific firm contracts under MSAs) accounted for approximately 71.7% and 79.3% of total backlog, respectively. We plan to continue our efforts to grow MSA business. MSA contracts are generally multi-year and should provide improved operating efficiencies.

Backlog is not a term recognized under U.S. generally accepted accounting principles("GAAP"), but is a common measurement used in our industry. While we believe that our methodology of calculation is appropriate, such methodology may not be comparable to that employed by other companies. Given the duration of our contracts and MSAs and our method of calculating backlog, our backlog at any point in time may not accurately represent the revenue that we expect to realize during any period, and our backlog as of the end of the year may not be indicative of the revenue we expect to earn in the following year and should not be viewed or relied upon as a stand-alone indicator. Consequently, we cannot provide assurance as to our customers' requirements or our estimates of backlog.

Reconciliation of Backlog to our Remaining Unsatisfied Performance Obligation

The following table presents a reconciliation of our total backlog as ofDecember 31, 2019 to our remaining unsatisfied performance obligation as defined under GAAP:

	December 31, 2019
Total backlog	$ 276,391,364
Estimated MSAs	(198,035,808)
Estimated firm (1)	(9,814,819)
Total unsatisfied performance obligation	$ 68,540,737

(1) Represents estimated backlog contract value as of December 31, 2019, on projects awarded.

The amount of total backlog differs from the amount of our remaining unsatisfied performance obligation as ofDecember 31, 2019 and as described in note 14 to the consolidated financial statements, primarily due to the inclusion of estimates of future revenue under MSA and other service agreements within our backlog estimates, as described above.

Revenue estimates included in our backlog may be subject to change as a result of project accelerations, additions, cancellations or delays due to various factors, including but not limited to: commercial issues, material deficiencies, permitting, regulatory requirements and adverse weather. Our customers are not contractually committed to a specific level of services under our MSAs (other than project-specific firm contracts under MSAs). While we did not experience any material cancellations during the current period, most of our contracts may be terminated, even if we are not in default under the contract.

For further information regarding the factors that affect the realizability of profits from our business backlog, please refer to the information set forth in "Item 1A. Risk Factors."

Competition and Regulation

The electrical construction business is highly competitive. We compete with other independent contractors, including larger regional and national firms that may have financial, operational, technical and marketing resources that exceed our own. Competitive factors include: level of technical expertise and experience, industry reputation, quality of work, price, geographic presence, dependability, availability of skilled personnel, worker safety and financial stability. Our management believes that we compete favorably with our competitors on the basis of these factors. There can be no assurance that our competitors will not develop the expertise, experience and resources to provide services that are superior in both price and quality to our services, or that we will be able to maintain or enhance our competitive position.

We are subject to various federal, state and local statutes and rules regarding, among other things, contractor licensing, electrical codes, worker safety and environmental protection. We believe that we are in substantial compliance with all applicable regulatory requirements.

Properties

The Company and its subsidiaries operate with owned or leased offices and facilities located in Florida, South Carolina, Kentucky and Texas. Individually, none of the properties are financially significant to the Company. We believe that such properties are currently in good condition and properly maintained. The Company leases its principal office space as well as other office spaces as principal offices for our subsidiaries PCA, PFI, SEP and C&C. See note 15 to the consolidated financial statements for additional detail on leases.

Real Estate Development

Through our subsidiary Bayswater Development Corporation and its various subsidiaries ("Bayswater") we are engaged in the acquisition, development, management and disposition of land and improved properties. The primary focus of our real estate operations has been the development of residential properties along the east coast of Central Florida.

When we use either of the terms "homes" or "units," we mean our residential properties, which include detached single-family homes, townhomes and condominiums. References to our homebuilding revenues and similar references refer to revenues derived from the sales of our residential properties, in each case unless otherwise expressly stated or the context otherwise requires.

Our customers generally are pre-retirement, retirement or second home buyers seeking higher quality, low maintenance residences.

We generally purchase land and pay for architectural, engineering and various other costs with cash reserves. Construction costs are generally paid with cash reserves or in some cases financed, as specified in note 7 to the consolidated financial statements.

We acquire land for development only after feasibility and environmental testing has been performed. Architectural, engineering, structural and other plans for the projects are outsourced. In an effort to limit risk on condominium projects, our policy is to obtain a substantial number of contracts for purchase prior to commencing construction, backed by customers' non-refundable earnest money deposits which are generally 20% of the purchase price. We do not offer financing arrangements to purchasers of our homes. As of December 31, 2019, we had four projects with a total of nine units under construction in Brevard County, Florida. Three projects consist of one single family home each, of which two homes were under contract at December 31, 2019. The fourth project consists of a six-unit townhome complex with three and four-bedroom townhome units, of which none were under contract at December 31, 2019. The four projects are expected to be completed during 2020.

As of December 31, 2019, we owned seven vacant parcels of land which are for future projects.

Our historical financial performance in real estate construction is not necessarily a meaningful indicator of future results and, in particular, we expect financial results to vary from project to project and from quarter-to-quarter. Our revenue may therefore fluctuate significantly on a quarterly basis, and we believe that quarter-to-quarter comparisons of our results should not be relied upon as an indication of future performance.

The real estate industry is highly competitive and fragmented. The Company competes with other real estate developers on the basis of a number of interrelated factors, including: quality, location, design, perceived value, price and reputation in the marketplace. We believe that we have certain competitive advantages including desirable locations, attractive designs and higher quality features not generally offered by other developers in the markets in which we compete.

We are subject to federal, state and local statutes, ordinances, rules and regulations regarding, among other things, zoning, building permits, environmental standards, building moratoriums and building codes. Permits and approvals mandated by regulation for development of any magnitude are often numerous, significantly time-consuming and onerous to obtain, and not guaranteed. We believe that our real estate operations are in substantial compliance with all applicable regulations.

The real estate division administrative offices are located within the Company's corporate offices in Melbourne, Florida.

Item 1A. Risk Factors.

Our business involves various risks associated with the operations of our Company. To provide a framework to understand our operating environment, we are providing a brief explanation of the significant risks associated with our business. Although we have tried to identify and discuss key risk factors, others could emerge in the future. Each of the following risks could affect our performance.

We derive a significant portion of our revenue from a small group of customers. The loss of one or more of these customers could negatively impact our revenue and results of operations.

Our electrical construction customer base is highly concentrated. For the year endedDecember 31, 2019, our top three customers accounted for approximately 54.1% of our consolidated revenue, as discussed in note 11 to our consolidated financial statements herein. Our revenue could materially decline if one or more of our significant customers terminated our business relationship. Revenue under our contracts with significant customers may vary substantially from period-to-period. Reduced demand for our services or the loss of one or more of these customers, if not replaced by other business, would result in a decrease in revenue and profits, and could have a material impact on our results of operations.

The electrical construction industry is highly competitive.

The electrical construction business is highly competitive. We compete with other independent contractors, including larger regional and national firms that may have financial, operational, technical and marketing resources that exceed our own. We also face competition from existing and prospective customers establishing or augmenting in-house service and organizations that employ personnel who perform some of the same types of services as those provided by us. Some of our competitors may have lower cost structures and may, therefore, be able to provide their services at lower rates than we can provide. Many of our current and potential competitors, especially our competitors with national scope, also may have significantly greater financial, technical and marketing resources than we do. If we fail to compete favorably with new or existing competitors, our results of operations and financial condition could be adversely affected.

Our business is affected by the spending patterns of our customers, exposing us to variable quarterly results.

Our revenues are primarily driven by the spending patterns of our customers, which can vary significantly from period-to-period, as well as seasonal variations. These variations are influenced by available system outages, bidding seasons, customers' budgetary constraints, holidays, weather and hours of daylight, which can have a significant impact on our gross margins.

An adverse change in economic conditions in the electric utility industry might reduce the demand for our services.

Because a substantial portion of our electrical construction work is performed for customers in the electric utility industry, an adverse change in economic conditions in the electric utility industry could impair the financial condition of many of our customers, which may cause them to reduce their capital expenditures and demand for our services.

Skilled labor shortages and increased labor costs may negatively affect our ability to compete for new projects.

In our electrical construction business, we have from time to time experienced shortages of certain types of qualified personnel. The commencement of new, large-scale infrastructure projects, increased demand for infrastructure improvements, departure of workers to storm affected locations and the aging utility workforce reduce the pool of skilled labor available to us, even if we are not awarded such projects. As a result of these factors, the supply of experienced linemen and supervisors may not be sufficient to meet our expected demand and we may not be able to allocate or hire a sufficient number of project managers for new electrical construction projects. We may also spend considerable resources training employees who may then be hired by our competitors, forcing us to spend additional funds to attract personnel to fill those positions. If we were unable to retain sufficient qualified personnel at a reasonable cost, or at all, we would be unable to staff new and existing projects, which would reduce our revenue and profits.

Our revenue recognition accounting policies may result in a reduction or elimination of previously reported profits.

As discussed in Critical Accounting Estimates and in the notes to our consolidated financial statements included herein, a significant portion of our revenue in our electrical construction operations is recognized using the cost-to-cost method, which is standard for fixed-price contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenue is recorded proportionally as costs are incurred.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. We estimate variable consideration at the most likely amount we expect to receive. We include estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of all information (historical, current and forecasted) that is reasonably available to us.

The earnings or losses recognized on individual contracts are based on these estimates of contract revenue, costs and profitability. The cost of labor and materials, however, may vary from the costs we originally estimated. These variations, along with other risks inherent in performing fixed-price contracts, may cause actual revenue and gross profit for a project to differ from those we originally estimated and may result in reduced profitability or losses on projects. Depending upon the size of a particular project, variations from the estimated contract costs may have a significant impact on our operating results for any quarter or year.

We possess a significant amount of accounts receivable and costs and estimated earnings in excess of billings assets.

We extend credit to our customers as a result of performing work under contract prior to billing our customers for that work. These customers mainly include electric utilities. As of December 31, 2019, we had net accounts receivable of $23.9 million and costs and estimated earnings in excess of billings of $9.3 million. We periodically assess the credit risk of our customers and continuously monitor the timeliness of payments. Slowdowns in the industries we serve may impair the financial condition of one or more of our customers and hinder their ability to pay us on a timely basis or at all. The failure or delay in payment by our customers may reduce our cash flows and adversely impact our liquidity and profitability.

Amounts included in our backlog may not result in revenue or translate into profits.

Backlog for our electrical construction operations as ofDecember 31, 2019 was $276.4 million, which represents the estimated amount of revenue that we expect to realize from work to be performed on uncompleted contracts, including new contractual agreements on which work has not begun. Of the total backlog, $198.0 million is attributable to MSAs (other than project-specific firm contracts under MSAs). We determine the estimated amount of backlog for work under MSAs by using recurring historical trends in current MSAs and projected customer needs based upon ongoing communications with the customer. These service agreements do not require our customers to award a minimum amount of contracts and are cancelable on short notice. To the extent that our customers cancel their contracts with us or reduce their requirements during a particular period for any reason, we will not realize revenue or profit from the associated backlog. Furthermore, contracts included in our backlog may not be profitable. We may experience variances in the realization of backlog revenue because of project delays or cancellations, external market factors and economic factors beyond our control. Even if we realize all of the revenue from the projects in our backlog, there is no guarantee of profit from the projects awarded under MSAs. Given these factors and our method of calculating backlog, our backlog at any point in time may not accurately represent the revenue that we expect to realize during any period, and our backlog as of the end of the year may not be indicative of the revenue we expect to earn in the following year and should not be viewed or relied upon as a stand-alone indicator. Consequently, we cannot provide assurance as to our customers' requirements or our estimates of backlog and should we receive less revenue than expected, our results of operations and financial condition may be adversely affected. For further discussion on how we calculate backlog for our business, please refer to the information set forth in "Item 1. Business" under the caption "Backlog."

Our projects are subject to numerous hazards. If we do not maintain an adequate safety record, we may be ineligible to bid on certain projects, may be terminated from existing projects and may have difficulty procuring adequate insurance.

Hazards experienced as a result of our electrical construction operations include electrocutions, fires, mechanical failure and transportation accidents. These hazards can cause and have caused personal injury and loss of life, severe damage to or destruction of property and equipment, and other consequential damages, including blackouts, and may result in suspension of our operations on a project, large damage claims, and, in extreme cases, criminal liability. At any given time, we are subject to workers' compensation claims and claims by employees, customers and third parties for property damage, loss of life and personal injuries resulting from such hazards or other workplace accidents. Further, regulatory changes implemented by the Occupational Safety and Health Administration may impose additional costs on us. Notwithstanding our investment of substantial resources in occupational health and safety programs, our industry involves a high degree of operational risk and we may be unable to avoid accidents resulting from the hazards described above and the associated liability exposure, which may be significant. Furthermore, if serious accidents or fatalities were to occur or if our safety record were to deteriorate, we may become ineligible to bid on certain projects and may be terminated from existing projects, our reputation and our prospects for future projects may be negatively affected, and we may be required to expend additional resources on health and safety programs. In addition, if our safety record were to significantly deteriorate, it would become more difficult and expensive for us to procure adequate insurance.

An inability to obtain bonding would have a negative impact on our operations and results.

On many of our projects we are required to provide performance bonds to secure our contractual commitments.We have not experienced difficulty in obtaining bonding. However, if we were unable to obtain surety bonds in the future, or were required to post collateral in order to obtain surety bonds, our ability to obtain new contracts would be adversely affected. This may have a material adverse effect on our results of operations and financial condition.

Our capital expenditures may fluctuate as a result of changes in business requirements.

Our anticipated capital expenditure requirements, primarily for property and equipment for our electrical construction operation, may vary from time to time as a result of the level of our electrical construction operations. Increased capital expenditures will use cash flow and may increase our borrowing costs if cash for capital expenditures is not available from operations.

We may be unable to secure sufficient independent subcontractors to fulfill our obligations, or our independent subcontractors may fail to satisfy their obligations.

We utilize independent subcontractors to complete work on a portion of our projects. If we are unable to secure independent subcontractors at a reasonable cost or at all, we may be delayed in completing work under a contract or the cost of completing the work may increase. In addition, we may have disputes with these independent subcontractors arising from, among other things, the quality and timeliness of the work they performed. Any of these factors may adversely affect the quality of our service, our ability to perform under certain contracts and the relationship with our customers, which could have an adverse effect on our results of operations, cash flows and liquidity.

Our failure to properly manage projects, or project delays, may result in additional costs or claims, which could have a material adverse effect on our operating results, cash flows and liquidity.

Certain of our engagements involve large-scale, complex projects. The quality of our performance on such a project depends in large part upon our ability to manage our client relationship and the project itself and to timely deploy appropriate resources, including third-party contractors and our own personnel. Our results of operations, cash flows and liquidity could be adversely affected if we miscalculate the resources or time needed to complete a project with capped or fixed fees, or the resources or time needed to meet contractual milestones. Additionally, delays on a particular project, including permitting, material and weather delays, may cause us to incur costs for standby pay, and may lead to personnel shortages on other projects scheduled to commence at a later date. In addition, some of our agreements require that we share in cost overages or pay liquidated damages if we do not meet project deadlines; therefore, any failure to properly estimate or manage costs, or delays in completion of projects, could subject us to penalties, which could adversely affect our results of operations, cash flows and liquidity. Further, any defects or errors, or failures to meet our customers' expectations could result in large damage claims against us, and because of the substantial cost of, and potentially long lead-times necessary to acquire certain of the materials and equipment used in our more complex projects, damage claims may substantially exceed the amount we can charge for our associated services.

Our business may be affected by difficult work sites and environments, which could cause delays and increase our costs.

We perform work under a variety of conditions, including, but not limited to, difficult and hard to reach terrain and difficult site conditions. Weather changes can materially change work site conditions after initial inspection and bid submittal. Performing work under such conditions can result in project delays or cancellations, potentially causing us to incur additional unanticipated costs, reductions in revenues or the payment of liquidated damages. In addition, most of our contracts require that we assume the risk should actual site conditions vary from those expected.

Our unionized workforce and related obligations could adversely affect our operations.

Certain of our employees are represented by labor unions and collective bargaining agreements. Although all such collective bargaining agreements prohibit strikes and work stoppages, we cannot be certain that strikes or work stoppages will not occur despite the terms of these agreements. Strikes or work stoppages would adversely impact relationships with our customers and could cause us to lose business and decrease our revenue. Additionally, as current agreements expire, the labor unions may not be able to negotiate extensions or replacements on terms favorable to their members, or at all, or avoid strikes, lockouts or other labor actions from time to time that may affect their members. Therefore, it cannot be assured that new agreements will be reached with employee labor unions as existing contracts expire, or on terms that we find desirable. Any labor action against us relating to failure to reach an agreement with employee labor unions could have a material adverse effect on our liquidity, cash flows and results of operations.

We may be required to contribute cash to meet our underfunded obligations in certain multi-employer pension plans.

Our collective bargaining agreements generally require us to participate with other companies in multi-employer pension plans. To the extent those plans are underfunded, the Employee Retirement Income Security Act of 1974, as amended by the Multi-Employer Pension Plan Amendments Act of 1980, may subject us to substantial liabilities under those plans if we withdraw from them or they are terminated or experience a mass withdrawal.

In addition, the Pension Protection Act of 2006 added special funding and operational rules generally applicable to plan years beginning after 2007 for multi-employer plans that are classified as "endangered," "seriously endangered," or "critical" status. Plans in these classifications must adopt measures to improve their funded status through a funding improvement or rehabilitation plan, which may require additional contributions from employers (which may take the form of a surcharge on benefit contributions) and/or modifications to retiree benefits. A number of multi-employer plans to which we contribute or may contribute in the future could have "endangered," "seriously endangered" or "critical" status. The amount of additional funds we may be obligated to contribute to these plans in the future cannot be estimated, as such amounts will likely be based on future work that requires the specific use of union employees covered by these plans, and the amount of that future work and the number of employees that may be affected cannot reasonably be estimated. Our performance of a significant amount of future services in areas that require us to utilize unionized employees covered by these affected plans, or a deterioration in the funding status of any of the plans to which our operating units contribute, could require significant additional contributions, which could detrimentally affect our results of operations, financial condition or cash flows if we are not able to adequately mitigate these costs.

Adverse weather conditions and climate change risk expose us to variable quarterly results.

Most of our work is performed outdoors and as a result, our results of operations can be adversely impacted by extended periods of inclement weather. Any weather related delays in the completion of, or which increase the cost of, our projects could adversely affect our revenue and results of operations in any one or more of our reporting periods. We cannot predict with certainty whether climate change is occurring and, if so, at what rate. However, the physical effects of climate change could have a material adverse effect on our properties, operations and business. The potential physical impacts of climate change on our operations are highly uncertain. Climate change may result in, among other things, changing rainfall patterns, changing storm patterns and intensities and changing temperature levels. Because our operating results are significantly influenced by weather, substantial changes in historical weather patterns could significantly impact our future operating results. For example, if climate change results in a greater amount of rainfall, snow, ice, flooding or other less accommodating weather over a greater period of time in a given period, we could experience reduced productivity, which could negatively impact our revenue and gross margins.

Compliance with environmental laws and regulations may be costly.

We are subject to numerous federal, state, local and environmental laws and regulations governing our operations, including the handling, transportation and disposal of non-hazardous and hazardous substances and wastes, as well as emissions and discharges into the environment, including discharges to air, surface water and groundwater and soil. We also are subject to laws and regulations that impose liability and cleanup responsibility for releases of hazardous substances into the environment. Under some of these laws and regulations, such liabilities can be imposed for cleanup of previously operated properties regardless of whether we directly caused the contamination or violated any law at the time. The presence of any contamination from substances or wastes could interfere with ongoing operations. In addition, we could be held liable for significant penalties and damages under certain environmental laws and regulations and also could be subject to a revocation of our permits, which could materially and adversely affect our business and results of operations.

From time to time, we may incur costs and obligations for correcting environmental noncompliance matters and for remediation at or relating to our operations. We believe that we are currently in compliance with our environmental obligations and that any such obligations should not have a material adverse effect on our business or financial performance.

Climate change issues may result in the adoption of new environmental regulations that may unfavorably impact us, our suppliers, our customers, and subsequently effect how we conduct our businesses. This could also cause us to incur additional direct costs in complying with any new environmental regulations, as well as increased indirect costs resulting from our customers, suppliers, or both, incurring additional compliance costs that are passed on to us. These costs may adversely impact our operations and financial condition. In addition, developments in federal and state legislation and regulation on climate change could result in increased capital expenditures to improve the energy efficiency of our existing properties, equipment and our processes without a corresponding increase in revenue.

Our operating results may vary significantly from period-to-period.

Our periodic results may be materially and adversely affected by:

- the timing and volume of work under contract;
- changes in national, regional, local and general economic conditions;
- the budgetary spending patterns of customers;

- variations in margins of projects performed during any particular quarter;
- a change in the demand for our services;
- increased costs of performance of our services caused by severe weather conditions;
- increases in design and construction costs that we are unable to pass through to our customers;
- the termination of existing agreements;
- losses experienced in our operations that are not covered by insurance;
- a change in the mix of our customers, contracts and business;
- availability of qualified labor hired for specific projects;
- changes in bonding requirements applicable to existing and new agreements; and
- other factors such as terrorism, military action and public health crisis (including the outbreak of the recent coronavirus).

Our actual costs may be greater than expected in performing our fixed-price and unit-price contracts.

We currently generate, and expect to continue to generate, a significant portion of our revenues and profits under fixed-price and unit-price contracts. We must estimate the costs of completing a particular project when we bid for these types of contracts or when they are awarded under our current MSAs. The actual cost of labor and equipment, however, may vary from the costs we originally estimated and we may not be successful in recouping additional costs from our customers. These variations, along with other risks inherent in performing fixed-price and unit-price contracts, may cause actual revenue and gross profits for a project to differ from those we originally estimated and could result in reduced profitability or losses on projects due to changes in a variety of factors such as:

- failure to properly estimate costs of engineering, material, equipment or labor;
- unanticipated technical problems with the materials or services being supplied by us, which may require us to incur additional costs to remedy the problem;
- project modifications that create unanticipated costs;
- changes in costs of equipment, materials, labor or subcontractors;
- the failure of our suppliers or subcontractors to perform;
- difficulties in our customers obtaining required governmental permits or approvals;
- site conditions that differ from those assumed in the original bid (to the extent contract remedies are unavailable);
- the availability and skill level of workers in the geographic location of the project;
- an increase in the cost of fuel or other resources;
- changes in local laws and regulations;
- delays caused by local weather conditions, third parties or customers; and
- quality issues requiring rework.

We could be adversely affected by the loss of key management personnel.

Our future success depends, to a significant degree, on the efforts of our executive officers and senior management, including those of our subsidiaries. Other than with respect to our Chief Executive Officer, we do not have employment agreements with any of our employees. We believe that key members of our senior management possess valuable industry knowledge, relationships and experience that are important to the successful operation of our business. The relationships between our executive officers and senior management and our customers are important to our being retained as a service provider. We are also dependent upon our project managers and field supervisors who are responsible for managing and drawing employees to our projects. There can be no assurance that any individual will continue in his or her capacity for any particular period of time. Industry-wide competition for managerial talent in electrical construction has increased and the loss of one or more of our key employees could negatively impact our ability to manage our business and relationships with our customers. The loss of any of our executive officers or senior management could adversely affect our financial condition and results of operations.

We engage in real estate activities which are speculative and involve a high degree of risk.

The real estate industry is highly cyclical by nature and future market conditions are uncertain. Factors which adversely affect the real estate and homebuilding industries, many of which are beyond our control, include:

- the availability and cost of financing;
- unfavorable interest rates and increases in inflation;
- overbuilding or decreases in demand;
- changes in national, regional and local economic conditions;
- cost overruns, inclement weather, and labor and material shortages;
- the impact of present or future environmental legislation, zoning laws and other regulations;
- availability, delays and costs associated with obtaining permits, approvals or licenses necessary to develop property; and
- increases in real estate taxes and other local government fees.

Changes in national and regional economic conditions, as well as local economic conditions where we conduct our real estate development operations and where prospective purchasers of our homes live, can have a negative impact on our business. Adverse changes in employment levels, job growth, consumer confidence, interest rates and population growth may reduce demand and depress prices for our homes. This, in turn, can reduce our earnings.

The homebuilding industry is cyclical and is significantly affected by changes in general and local economic conditions, such as employment levels; availability of financing for homebuyers; interest rates; consumer confidence; levels of new and existing homes for sale; demographic trends and housing demand. If any adverse conditions affect our markets, they could have a proportionately greater or lesser impact on us versus other homebuilding companies. An excess supply of housing, including homes held for sale by investors, banks and other lending institutions, can also lower new residential property prices and reduce our gross margins on new home sales.

As a result of the foregoing, potential customers may be less willing or able to buy our homes, or we may take longer or incur more costs to build them. We may not be able to recapture increased costs by raising prices in many cases because of market conditions or because we fix our prices in advance of delivery by signing residential property sales contracts. We may be unable to change the affordability of our residential properties to maintain our margins or satisfactorily address changing market conditions in other ways. In addition, cancellations of residential property sales contracts from time to time may increase if homebuyers' sentiment changes and they may fail to honor their contracts.

The residential real estate development industry is highly competitive and, if others are more successful, our business could decline.

We operate in a very competitive environment, which is characterized by competition from a number of other real estate developers. We compete with large national and regional development companies and with smaller local firms for land, financing, raw materials and skilled management and labor resources. We also compete with the resale, or "previously owned" market. Increased competition could cause us to increase our selling incentives and/or reduce our prices. Increased competition could also result in an oversupply of new homes or other housing alternatives available, which could depress the prices at which we can sell our homes, and increase the length of time it takes us to sell them. If a failure to compete effectively resulted in our selling fewer homes at lower prices, our results of operations and financial condition would be adversely affected. Due to various contingencies, like delayed construction and buyer defaults, we may receive less cash than we expected, which could affect our financial condition and results of operations.

If land is not available at reasonable prices, our sales and earnings could decrease.

Our real estate development operations depend on our ability to obtain land at reasonable prices for our developments. Changes in the general availability of land, competition for available land, availability of financing to acquire land, zoning regulations that limit housing density and other market conditions may hurt our ability to obtain land for new residential developments. If the supply of land appropriate for development becomes more limited because of these factors, or for any other reason, the cost of land could increase, which could reduce the profitability of our real estate development operations if we are unable to recover these costs in the sales prices of our homes, and the number of homes that we build and sell could be reduced, which would reduce our revenue.

If the market value of our land and developments drops significantly, our profits could decrease.

The market value of our land and home inventories of our real estate development operations depends on market conditions. We acquire land for replacement of land inventory and expansion within our current market. If housing demand decreases below what we anticipated when we acquired our inventory, we may not be able to make profits similar to what we have made in the past, may experience less than anticipated profits and may not be able to recover our costs when we sell our property or finished product. In the face of adverse market conditions, we may have substantial inventory carrying costs or may have to sell land or completed units at a loss, which would have an adverse effect on our results of operations and financial condition. Also, if there is a decrease in demand for homes such that the market value of a home is less than the purchase price reduced by the deposit made by a buyer, the buyer may elect to forfeit their deposit to us and have no further obligation to purchase the home, resulting in a loss of revenue, operating income and a possible write-down of homes in inventory.

Government regulations and legal challenges may delay the start or completion of our developments, increase our expenses or limit our building activities, which could have a negative impact on our operations.

We must obtain the approval of numerous governmental authorities in connection with our real estate development operations, and these governmental authorities often have broad discretion in exercising their approval authority. We incur substantial costs related to compliance with legal and regulatory requirements. Any increase in legal and regulatory requirements may cause us to incur substantial additional costs, as discussed below. Various local, state and federal statutes, ordinances, rules and regulations concerning building, zoning, sales and similar matters apply to and/or affect the homebuilding industry. Municipalities may restrict or place moratoriums on the availability of utilities, such as water and sewer taps. In some areas, municipalities may enact growth control initiatives, which will restrict the number of building permits available in a given year. This governmental regulation affects construction activities as well as sales activities, mortgage lending activities and other dealings with consumers. The industry also has experienced an increase in state and local legislation and regulations which limit the availability or use of land. We may be required to apply for additional approvals or modify our existing approvals because of changes in local circumstances or applicable law. Further, we may experience delays and increased expenses as a result of legal challenges to our proposed developments, whether brought by governmental authorities or private parties.

Increases in taxes or government fees could increase our costs, and adverse changes in tax laws could reduce customer demand for our homes.

Increases in real estate taxes and other local government fees, such as fees imposed on developers to fund schools, open space, road improvements, or to provide low or moderate income housing, could increase our costs and have an adverse effect on our real estate development operations if we are unable to recover these costs in the sales prices of our homes. In addition, increases in local real estate taxes could adversely affect our potential customers who may consider those costs in determining whether to make a new home purchase and decide, as a result, not to purchase one of our homes. In addition, any changes in the income tax laws that would reduce or eliminate tax deductions or incentives to homeowners could make housing less affordable or otherwise reduce the demand for housing, which in turn could reduce our sales and adversely affect our revenues. Specifically, the enactment of the Tax Cuts and Jobs Act (the “Tax Act”), which was enacted in December 2017, establishes new limits on the federal tax deductions individual taxpayers may take on mortgage loan interest payments and on state and local taxes, including property taxes. These changes could reduce the actual or perceived affordability of homeownership, which could adversely affect demand for and sales prices of new homes.

Our real estate business is concentrated in Florida, which increases our exposure to local adverse events.

In our real estate development operations, we currently develop and sell homes only on the east coast of Central Florida. As a consequence, our exposure to local adverse events, such as natural disasters or changes in economic conditions, is increased. In particular, Florida is affected by tropical storms and hurricanes, which can damage or destroy buildings. The occurrence of such a storm or other natural disaster could result in delays in construction and shortages and increased costs of labor and building materials. Any such delays or additional costs could adversely affect the profitability of our real estate development operations.

Additionally, the inability of property owners to obtain cost-effective insurance could have an adverse effect on demand for property in our markets, which could reduce our revenue. Furthermore, there are periods of time during which insurance companies will not write policies because of the presence of a named storm that may pass over the areas in which we sell homes. During these periods, home closings in areas that could be affected by such a storm will be delayed until the risk of the storm has passed and the required insurance can be obtained.

Adverse weather conditions and conditions in nature beyond our control could significantly impact our revenue and profitability.

In our real estate development operations, adverse weather conditions and natural disasters, such as, but not limited to, hurricanes, tornadoes, floods and fires, can have serious effects on our ability to perform work. We also may be affected by unforeseen engineering, environmental or geological problems. Any of these adverse events or circumstances could cause delays in the completion of, or increase the cost of, our projects and, as a result, could adversely affect our sales, earnings and profitability.

In addition, approaching storms require that sales, development and construction operations be suspended in favor of storm preparation activities such as securing construction materials and equipment. After a storm has passed, construction-related resources such as sub-contracted labor and building materials are likely to be redeployed to hurricane recovery efforts around the State of Florida.

Governmental permitting and inspection activities may similarly be focused primarily on returning displaced residents to homes damaged by the storms, rather than on new construction activity. Depending on the severity of the damage caused by the storms, disruptions such as these could last for several months.

If we experience shortages of labor and supplies or other circumstancesbeyond our control, there could be delays or increased costs in developing our homes, which could adversely affect our operating results.

Our ability to develop land and construct homes may be affected by circumstances beyond our control, including: work stoppages, labor disputes and shortages of qualified trades people, such as carpenters, roofers, electricians and plumbers; lack of availability of adequate utility infrastructure and services; our need to rely on local subcontractors who may not be adequately capitalized or insured; and shortages, or delays in availability, or fluctuations in prices of, building materials. Any of these circumstances could give rise to delays in the start or completion of, or increase the cost of, one or more of our developments. If we are not able to recover these increased costs by raising the prices of our homes we might decide to postpone or cancel the development of projects on which we have not yet begun construction. If that happens, our operating results could be harmed. Additionally, we may be limited in the amount we can raise sales prices by our customers' unwillingness to pay higher prices.

Product liability litigation and warranty claims that arise in the ordinary course of business may be costly, which could adversely affect our business.

As a real estate developer, we are subject to construction defect and home warranty claims arising in the ordinary course of business. These claims, which can include bodily injury claims and mold-related property damage claims among others, are common in the homebuilding industry and can be costly. In addition, the costs of insuring against construction defect and product liability claims are high, and the amount of coverage offered by insurance companies is currently limited. There can be no assurance that this coverage will not be further restricted and become more costly. If we are not able to obtain adequate insurance against these claims, we may experience losses that could have an adverse effect on our results of operations and financial condition, which could be material.

If we are not able to obtain suitable financing, our business may decline.

Our real estate development operations depend substantially on our ability to obtain financing for the development of our projects. If we are not able to obtain suitable financing, our costs would increase and our revenue would decrease, or we could be precluded from continuing our operations at current levels. Increases in interest rates can make it more difficult and expensive for us to obtain the funds we need to operate our business, which would have an adverse effect on our profitability.

If our potential customers are not able to obtain suitable financing, our business may decline.

Our real estate development operations also depend on the ability of our potential customers to obtain mortgages for the purchase of our homes. An increase in default rates, fewer loan products and stricter loan qualification standards may make it more difficult for some borrowers to finance the purchase of our homes. Increases in the cost of home mortgage financing could prevent our potential customers from purchasing our homes. In addition, where our potential customers must sell their existing homes in order to buy a new home from us, increases in mortgage costs could prevent the buyers of our customers' existing homes from obtaining the mortgages they need to complete the purchase, which could result in our potential customers' inability to buy a home from us. Furthermore, changes in government sponsored entities involved in the residential mortgage market such as Fannie Mae and FHA could affect mortgage rates, down payment requirements and our customers' ability to obtain affordable financing, which could subsequently affect our customers' ability to purchase our products. If our potential customers or the buyers of our customers' current homes are not able to obtain suitable financing, our sales and revenue could decline.

We depend upon the availability and skill of subcontractors.

Substantially all our construction work is done by subcontractors. Accordingly, the timing and quality of our construction depends on the availability and skill of those subcontractors. We do not have long-term contractual commitments with any particular subcontractors or suppliers. Although we believe that our relationships with our subcontractors and suppliers are good, we cannot assure you that skilled subcontractors will continue to be available to us at reasonable rates. The inability to contract with skilled subcontractors at reasonable costs on a timely basis could limit our ability to build and deliver homes and could have a material adverse effect on the operating results of our real estate development operations. Additionally, our production, revenue and operating income may be adversely affected if there is an impairment, bankruptcy or default by subcontractors or suppliers.

We rely on outside professionals whose errors could increase our costs.

We often collaborate with numerous professionals such as architects and engineers in the development of our real estate projects. In the course of our business, we rely on the work of these professionals to help design and permit the homes that we develop and errors in their work can create significant increases in cost and delays in construction.

Our revenue and operating results have fluctuated in the past and may continue to do so in the future.

Our revenue and operating results from real estate development operations are subject to fluctuations. Because we typically do not have more than one or two projects under development at any time, factors such as the timing of the start of construction of new projects, the timing of receipt of regulatory approvals for development and construction and others can cause our revenue and operating results to vary from period to period and from year to year. Accordingly, the historical financial performance of our real estate development operations is not necessarily a meaningful indicator of future results for any particular period, and quarter-to-quarter comparisons should not be relied upon as an indicator of future performance.

We may be subject to environmental liabilities that could adversely affect our results of operations or the value of our properties.

The development and sale of real property creates a potential for environmental liability on our part as owner and developer, for our own acts as well as the acts of prior owners, current owners or past owners of adjacent parcels. If hazardous substances are discovered on or emanating from any of our properties, we may be held liable for costs and liabilities relating to those hazardous substances. Should a substantial environmental hazard be found on any of our properties, our results of operations and the value of the contaminated property could be adversely affected.

Increased insurance risk could negatively affect our business.

Insurance and surety companies may take actions that could negatively affect our business, including increasing insurance premiums, requiring higher self-insured retentions and deductibles, requiring additional collateral or covenants on surety bonds, reducing limits, restricting coverages, imposing exclusions, and refusing to underwrite certain risks and classes of business. Any of these actions may adversely affect our ability to obtain appropriate insurance coverage at reasonable costs, which could have a material adverse effect on our business.

Changes in tax laws.

Changes in tax laws or tax rates may have a material impact on our future cash expended for taxes, effective tax rate or deferred tax assets and liabilities. These conditions are beyond our control and may have a significant impact on our business, results of operations, liquidity, and financial position. For example, the Tax Act, which was enacted in December 2017, significantly revised the U.S. tax code by, among other items, reducing the federal corporate tax rate from its highest rate of 35% to a single rate of 21%.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our credit facility are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remains the same, and net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease.

We could be adversely affected by environmental liabilities associated with our former mining business.

The Company was previously engaged in mining activities and disposed of our last mining property over 17 years ago. Although we are not aware of any current environmental investigations relating to previously owned sites, we could still be liable for previous activities at such sites. For example, in 2015 we completed remediation activities at a mining site which we sold over 50 years ago, as discussed in note 4 to the consolidated financial statements.

The violation of our debt covenants imposed by our credit facility could impact our access to that credit facility and therefore our cash flows.

Our debt arrangements contain various financial and other covenants including, but not limited to: minimum tangible net worth, outside debt limitation, maximum debt to tangible net worth ratio and fixed charge coverage ratio. Our loans also have cross-default provisions whereby any default under any loans of the Company (or its subsidiaries) with the lender will constitute a default under all of the other loans of the Company (and its subsidiaries) with the lender. Although we are in compliance with all covenants, if we were to experience substantial losses, absent a modification of the loan agreement or a waiver, this could result in a violation of the financial covenants. A violation of our financial covenants will give the right to our lender to accelerate our loans. Under these circumstances, there can be no assurance that we could obtain a modification or waiver. The acceleration of all of our loans would adversely affect our cash flows and consequently our results of operations.

The phase out of the London Interbank Offered Rate (LIBOR), or the replacement of LIBOR with a different reference rate, may adversely affect interest rates .

On July 27, 2017, the Financial Conduct Authority (the authority that regulates LIBOR) announced that it would phase out LIBOR by the end of 2021. It is unclear whether new methods of calculating LIBOR will be established such that it continues to exist after 2021, or if alternative rates or benchmarks will be adopted. Changes in the method of calculating LIBOR, or the replacement of LIBOR with an alternative rate or benchmark, may adversely affect interest rates and result in higher borrowing costs. This could materially and adversely affect the Company's results of operations, cash flows and liquidity. We cannot predict the effect of the potential changes to LIBOR or the establishment and use of alternative rates or benchmarks. We may need to renegotiate our loan facilities and changes in the method of calculating LIBOR, or the use of an alternative rate or benchmark, may negatively impact the terms of such indebtedness.

Failure to protect critical data and technology systems adequately could materially affect our operations.

We use our own information technology systems as well as those of business partners to manage our operations and other business processes and to protect sensitive information maintained in the normal course of business. Third-party security breaches, employee error, malfeasance or other irregularities may compromise our measures to protect these systems and may result in persons obtaining unauthorized access to our or our customers' data or accounts. The occurrence of any such event could have a material adverse effect on our business.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

For information with respect to the principal properties utilized in the Company's operations, see "Item 1. Business - Properties."

Item 3. Legal Proceedings.

The Company is not currently involved in any material legal proceedings.

The Company is involved in various legal claims arising in the ordinary course of business. The Company has concluded that the ultimate disposition of these matters should not have a material adverse effect on the Company's consolidated financial position, results of operations, or liquidity.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our Common Stock is listed on the NYSE American stock exchange under the symbol GV. Our Common Stock is the longest traded security on the NYSE American and its predecessor exchanges, having commenced trading in 1906. The following table shows the reported high and low sales price at which our Common Stock was traded in 2019 and 2018:

	2019		2018	
	High	Low	High	Low
First Quarter	2.87	2.15	5.35	3.60
Second Quarter	2.95	2.19	4.63	3.70
Third Quarter	2.49	1.97	4.96	4.11
Fourth Quarter	3.68	2.02	4.32	1.98

As of March 6, 2020, there were 5,130 holders of record of our Common Stock.

We have paid no cash dividends on our Common Stock since 1933, and it is not expected that we will pay any cash dividends on our Common Stock in the immediate future.

We have had a stock repurchase plan since September 17, 2002, that was last amended by the Board of Directors on March 7, 2019. Through December 31, 2019, we have repurchased 3,273,880 shares of our Common Stock at a cost of $3,421,383 (average cost of $1.05 per share). We may repurchase our shares either in the open market or through private transactions. The volume of the shares to be repurchased is contingent upon market conditions and other factors. We currently hold the repurchased stock as Treasury Stock, reported at cost. Also included as Treasury Stock are 17,358 shares purchased prior to the current stock repurchase plan at a cost of $18,720.

Issuer Purchases of Equity Securities (1)

Period	(a) Total number of shares (or units) purchased	(b) Average price paid per share (or unit)	(c) Total number of shares (or units) purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs
January 1, 2019 to January 31, 2019	67,709	$ 2.38	67,709	$ 161,285
Total	67,709	$ 2.38	67,709	$ 161,285

(1) The stock repurchase plan became effective on September 17, 2002, and was last amended by the Board of Directors on March 7, 2019. The March 7, 2019 amendment expanded the original purchase amount of 3,500,000 shares by an additional 2,500,000 shares. There is currently available for purchase through September 30, 2020, a maximum of 2,726,120 shares.

Item 6. Selected Financial Data.

The following table sets forth summary consolidated financial information for each of the years in the five-year period ended December 31, 2019:

	Year Ended December 31,				
	2019	2018	2017	2016	2015
	(In thousands except per share and share amounts)				
Continuing operations					
Revenue					
Electrical construction	$ 167,780	$ 136,527	$ 109,154	$ 125,771	$ 119,617
Real estate development	12,866	1,622	4,799	4,652	955
Total revenue	$ 180,646	$ 138,149	$ 113,954	$ 130,423	$ 120,571
Income (loss) from continuing operations					
Electrical construction	13,756	11,850	13,128	24,218	12,533
Real estate development	1,754	(359)	550	568	(326)
Corporate	(5,520)	(4,667)	(4,069)	(3,868)	(4,003)
Income before taxes from continuing operations	9,990	6,825	9,609	20,918	8,204
Income tax provision	3,263	1,797	1,036	7,810	3,378
Income from continuing operations	6,727	5,028	8,573	13,108	4,826
Discontinued operations (1)					
Loss from operations, net of tax	—	—	(276)	(108)	(333)
Net income	$ 6,727	$ 5,028	$ 8,298	$ 13,000	$ 4,493
Earnings (loss) per share — basic and diluted					
Continuing operations	$ 0.27	$ 0.20	$ 0.34	$ 0.52	$ 0.19
Discontinued operations	—	—	(0.01)	—	(0.01)
Net income	$ 0.27	$ 0.20	$ 0.33	$ 0.51	$ 0.18
Weighted average shares outstanding — basic and diluted	24,523,429	25,411,623	25,451,354	25,451,354	25,451,354
Balance sheet data					
Total assets	$ 129,367	$ 112,548	$ 93,632	$ 91,302	$ 81,164
Long term debt including current portion, net	32,172	29,191	22,251	22,333	26,472
Stockholders' equity	66,171	59,605	56,548	48,251	35,251
Working capital	36,699	33,078	35,995	32,993	25,498

The total of the above categories may differ from the sum of the components due to rounding.

(1) For information as to Discontinued Operations, see note 4 to the consolidated financial statements.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

We make "forward-looking statements" within the meaning of the "safe harbor" provision of the Private Securities Litigation Reform Act of 1995 throughout this document. You can identify these statements by forward-looking words such as "may," "will," "expect," "anticipate," "believe," "estimate," "plan," and "continue" or similar words. We have based these statements on our current expectations about future events. Although we believe that our expectations reflected in or suggested by our forward-looking statements are reasonable, we cannot assure you that these expectations will be achieved. Our actual results may differ materially from what we currently expect. Factors that may affect the results of our operations include, among others: the level of construction activities by public utilities; the concentration of revenue from a limited number of utility customers; the loss of one or more significant customers; the timing and duration of construction projects for which we are engaged; our ability to estimate accurately with respect to fixed-price construction contracts; and heightened competition in the electrical construction field, including intensification of price competition. Other factors that may affect the results of our operations include, among others: adverse weather; natural disasters; global pandemics; effects of climate changes; changes in generally accepted accounting principles; ability to obtain necessary permits from regulatory agencies; our ability to maintain or increase historical revenue and profit margins; general economic conditions, both nationally and in our region; adverse legislation or regulations; availability of skilled construction labor and materials and material increases in labor and material costs; and our ability to obtain additional and/or renew financing. Other important factors which could cause our actual results to differ materially from the forward-looking statements in this document include, but are not limited to, those discussed in the "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Risk Factors" sections and should be considered while evaluating our business, financial condition, results of operations and prospects.

You should read this report in its entirety and with the understanding that our actual future results may be materially different from what we expect. We may not update these forward-looking statements, even in the event that our situation changes in the future, except as required by law. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

Overview

We are a provider of electrical construction services for the utility industry and industrial customers primarily in the Southeast, mid-Atlantic and Texas-Southwest regions of the United States. To a lesser extent we are a developer of real estate residential properties on the east coast of Central Florida. We report our results under two reportable segments, electrical construction and real estate development. For the year ended December 31, 2019, our total consolidated revenue grew 30.8% to $180.6 million from $138.1 million in 2018.

Through our subsidiaries, Power Corporation of America ("PCA"), Southeast Power Corporation ("Southeast Power"), C and C Power Line, Inc. ("C&C") and Precision Foundations, Inc. ("PFI"), we are engaged in the construction of electrical infrastructure for the utility industry and industrial customers. Southeast Power performs electrical contracting services including the construction of transmission lines, distribution systems, substations, and other electrical services. Southeast Power is headquartered in Titusville, Florida and has additional facilities in Bastrop and Cresson, Texas, Lancaster, Kentucky and Spartanburg, South Carolina. C&C, headquartered in Jacksonville, Florida, is a full-service electrical contractor that provides similar services as Southeast Power with a unionized workforce. PFI, headquartered in Port Orange, Florida, acquired its operating assets from Southeast Power in August 2018 and constructs drilled pier foundations and installs concrete poles, direct embeds and vibratory casings.

The electrical construction business is highly competitive and fragmented. We compete with other independent contractors, including larger regional and national firms that may have financial, operational, technical and marketing resources that exceed our own. We also face competition from existing and prospective customers establishing or augmenting in-house services and organizations that employ personnel who perform similar services as those provided by us. In addition, a significant portion of our electrical construction revenue is derived from a small group of customers that account for a substantial portion of our revenue in any given year. The revenue contribution by any single customer or group of customers may significantly fluctuate from period-to-period. For example, for the years ended December 31, 2019 and 2018, three of our customers accounted for approximately 54.1% and 57.2% of our consolidated revenue, respectively. The loss of, or decrease in current demand from one or more customers, if not replaced, may result in a material decrease in revenue, margin and profit.

Through our subsidiary Bayswater Development Corporation and its various subsidiaries ("Bayswater"), we are engaged in the acquisition, development, management and disposition of land and improved properties along the east coast of Central Florida. Bayswater is headquartered in Melbourne, Florida. Our customers are generally pre-retirement, retirement or second home buyers seeking higher quality, low maintenance residences.

When we use either of the terms "homes" or "units," we mean our residential properties, which include detached single-family homes, townhomes and condominiums. References to our homebuilding revenues and similar references refer to revenues derived from the sales of our residential properties, in each case unless otherwise expressly stated or the context otherwise requires.

Critical Accounting Estimates

This discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amount of assets, liabilities, revenue and expense, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, particularly those related to electrical construction contracts. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable, under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities, that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Our management has discussed the selection and development of our critical accounting policies, estimates, and related disclosures with the Audit Committee of the Board of Directors.

Revenue Recognition

Our significant accounting policies are detailed in note 1 to the consolidated financial statements. Our revenue recognition accounting policies are in accordance with Accounting Standards Codification ("ASC") Topic 606 *Revenue from Contracts with Customers* and all the related amendments (the "revenue standard") as discussed in note 1, note 2 and note 14 to the consolidated financial statements. There were no material changes in the pattern of revenue recognition for real estate development operations after the adoption of the revenue standard. We recognize revenue upon the transfer of control of the promised real estate properties, generally at time of closing.

Fixed-Price Electrical Construction Contracts

We account for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. We generally recognize revenue over time as we perform because of continuous transfer of control to the customer. Because of control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. We generally use the cost-to-cost measure of progress for our contracts because it best depicts the transfer of control to the customer which occurs as we incur costs on our contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenue is recorded proportionally as costs are incurred.

Due to the nature of the work required to be performed on many of our performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. We estimate variable consideration at the most likely amount which we expect to receive. We include estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of all information (historical, current and forecasted) that is reasonably available to us.

Contracts are often modified to account for changes in contract specifications and requirements. We consider contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of our contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

We have a standard and disciplined quarterly estimated costs at completion process in which management reviews the progress and execution of our performance obligations. Management must make assumptions and estimates regarding labor productivity and availability, the complexity of the work to be performed, the availability of materials, the length of time to complete the performance obligation (e.g., to estimate increases in wages and prices for materials and related support cost allocations), execution by our subcontractors, among other variables. Based on this analysis, any quarterly adjustments to net revenue, cost of electrical construction revenue and the related impact to operating income are recognized as necessary in the period they become known.

The accuracy of our revenue and profit recognition in a given period is almost solely dependent on the accuracy of our estimates of the cost to complete each project. Our projects can be complex and in almost every case the profit margin estimates for a project will either increase or decrease from the amount that was originally estimated at the time of bid. If a current estimate of total costs exceeds the total estimate of revenue to be earned, on a performance obligation, the projected loss is recognized in full when determined. Accrued contract losses were $0.3 million and $0.7 million as of December 31, 2019 and 2018, respectively. The accrued contract losses as of bothDecember 31, 2019 and 2018 are mainly attributable to transmission projects experiencing unexpected construction issues.

The following table disaggregates our revenue for the years ended December 31 as indicated:

	2019	2018
Electrical construction operations (1)		
Southeast	$ 69,558,248	$ 54,123,848
mid-Atlantic	50,406,022	41,071,994
Texas-Southwest	45,318,830	33,825,666
Other electrical construction (2)	2,496,723	7,505,003
Total electrical construction operations	167,779,823	136,526,511
Real estate development operations	12,865,895	1,622,331
Total revenue	$ 180,645,718	$ 138,148,842

(1) Principal electrical construction operations include revenue from transmission lines, distribution systems, substations and drilled pier foundations.
(2) Other electrical construction includes revenue from storm work, fiber optics and other miscellaneous electrical construction items.

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied as ofDecember 31, 2019 was $68.5 million. Of this total, $49.1 million is expected to be satisfied within the next twelve months and the remaining balance of $19.4 million is expected to be satisfied thereafter.

RESULTS OF OPERATIONS

YEAR ENDED DECEMBER 31, 2019 COMPARED TO YEAR ENDED DECEMBER 31, 2018

The following table presents a reconciliation of our operating income (loss) attributable to each of our reportable segments for the years ended December 31 as indicated:

	2019	2018
Electrical construction		
Revenue	$ 167,779,823	$ 136,526,511
Operating expenses		
Costs of goods sold	139,820,478	113,976,157
Selling, general and administrative	2,128,346	1,797,548
Depreciation and amortization	10,718,202	8,319,362
Gain on sale of property and equipment	(6,467)	(178,114)
Total costs and expenses	152,660,559	123,914,953
Operating income	$ 15,119,264	$ 12,611,558
Real estate development		
Revenue	$ 12,865,895	$ 1,622,331
Operating expenses		
Costs of goods sold	9,362,963	1,012,098
Selling, general and administrative	1,750,008	890,951
Depreciation and amortization	26,950	21,279
(Gain) loss on sale of property and equipment	(33,444)	507
Total costs and expenses	11,106,477	1,924,835
Operating income (loss)	$ 1,759,418	$ (302,504)

Operating income (loss) equals total operating revenue less operating costs and expenses inclusive of depreciation and amortization, and selling, general and administrative expenses. Operating costs and expenses also include any gains or losses on the sale of property and equipment. Operating income (loss) excludes interest expense, interest income, other income, and income taxes.

Revenue

Total revenue for the year endedDecember 31, 2019, increased 30.8% to $180.6 million, from $138.1 million in 2018, mainly due to the increase in both electrical construction and real estate development operations.

Electrical construction operations revenue increased $31.3 million, or 22.9%, to $167.8 million for the year endedDecember 31, 2019, from $136.5 million in 2018.

The increase in revenue is mainly due to increases in our Southeast region of approximately $15.4 million, mainly attributable to a combination of non-MSA and MSA project volume. Also contributing to the increase in revenue was an increase in the Texas-Southwest region of $11.5 million, attributable to a combination of increases in transmission project volume and service line expansion. In addition, our mid-Atlantic region revenue increased approximately $9.3 million mainly attributable to service line expansion with existing MSA customers. These increases were partially offset by decreases in Other electrical construction revenue of $5.0 million for the year ended December 31, 2019, mainly due to a decrease in storm work.

Revenue from real estate development increased to $12.9 million for the year endedDecember 31, 2019, from $1.6 million in 2018, due to the increase in the number of units sold and the timing of completion of units available for sale.

Backlog

Our backlog represents future services to be performed under existing project-specific fixed-price and maintenance contracts and the estimated value of future services that we expect to provide under our existing MSAs.

The following table presents our total backlog as of December 31, 2019 and 2018 along with an estimate of the backlog amounts expected to be realized within 12 months and during the life of each of the MSAs. The existing MSAs include two renewals each for a one-year period from one customer representing $44.4 million, or 22.4%, of our total estimated MSA backlog as of December 31, 2019.

	Backlog as of December 31, 2019		Backlog as of December 31, 2018	
Electrical Construction Operations	**12-Month**	**Total**	**12-Month**	**Total**
Project-Specific Firm Contracts (1)	$ 58,940,375	$ 78,355,556	$ 44,373,384	$ 44,373,384
Estimated MSAs	83,132,616	198,035,808	57,464,231	170,097,919
Total	$ 142,072,991	$ 276,391,364	$ 101,837,615	$ 214,471,303

(1) Amount includes firm contract awards under MSA agreements.

Our total backlog as of December 31, 2019, increased $61.9 million, or 28.9%, to $276.4 million, compared to $214.5 million as of December 31, 2018. The increase in total backlog is primarily due to the increase in project-specific firm contracts, primarily attributable to increases in firm MSA projects.

Our 12-month backlog as of December 31, 2019 increased $40.2 million, or 39.5%, to $142.1 million, compared to $101.8 million in 2018, mainly due to the award of a new MSA and a large project awarded under an existing MSA, partially offset by MSA run-off on an existing MSA which was re-awarded subsequent to December 31, 2019.

Of our total backlog as of December 31, 2019, we expect approximately $142.1 million, or 51.4%, to be completed during 2020.

Backlog is estimated at a particular point in time and is not determinative of total revenue in any particular period. It does not reflect future revenue from a significant number of short-term projects undertaken and completed between the estimated dates. Our electrical construction revenue in 2019 exceeded our 12-month backlog as of December 31, 2018 by 64.8%.

Subsequent to December 31, 2019 we were awarded multiple new MSAs with existing customers. We estimate approximately $242.0 million in additional backlog, increasing our total estimated backlog to approximately $518.0 million. Approximately $31.5 million of the backlog awarded subsequent to December 31, 2019, is estimated to be completed in 2020.

The estimated amount of backlog for work under MSAs is calculated by using recurring historical trends inherent in current MSAs and projected customer needs based upon ongoing communications with the customer. Our estimated backlog also assumes exercise of existing customer renewal options. Certain MSAs are not exclusive to the Company and, therefore, the size and amount of projects we may be awarded cannot be determined with certainty. Accordingly, the amount of future revenue from MSA contracts may vary substantially from reported backlog. Even if we realize all the revenue from the projects in our backlog, there is no guarantee of profit from the projects awarded under MSAs.

As of December 31, 2019 and 2018, estimated MSAs (other than project-specific firm contracts under MSAs) accounted for approximately 71.7% and 79.3% of total backlog, respectively. We plan to continue to grow our MSA business. MSA contracts are generally multi-year and should provide improved operating efficiencies.

Backlog is not a term recognized under GAAP, but is a common measurement used in our industry. While we believe that our methodology of calculation is appropriate, such methodology may not be comparable to that employed by some other companies. Given the duration of our contracts and MSAs and our method of calculating backlog, our backlog at any point in time may not accurately represent the revenue that we expect to realize during any period and our backlog as of the end of a fiscal year may not be indicative of the revenue we expect to earn in the following fiscal year and should not be viewed or relied upon as a stand-alone indicator. Consequently, we cannot provide assurance as to our customers' requirements or our estimates of backlog.

Reconciliation of Backlog to our Remaining Unsatisfied Performance Obligation

The following table presents a reconciliation of our total backlog as ofDecember 31, 2019 to our remaining unsatisfied performance obligation as defined under GAAP:

		December 31, 2019
Total backlog	$	276,391,364
Estimated MSAs		(198,035,808)
Estimated firm (1)		(9,814,819)
Total unsatisfied performance obligation	$	68,540,737

(1) Represents estimated backlog contract value as of December 31, 2019, on projects awarded.

The amount of total backlog differs from the amount of our remaining unsatisfied performance obligation as ofDecember 31, 2019 and as described in note 14 to the consolidated financial statements, primarily due to the inclusion of estimates of future revenue under MSA and other service agreements within our backlog estimates, as described above.

Revenue estimates included in our backlog may be subject to change as a result of project accelerations, additions, cancellations or delays due to various factors, including but not limited to: commercial issues, material deficiencies, permitting, regulatory requirements and adverse weather. Our customers are not contractually committed to a specific level of services under our MSAs (other than project-specific firm contracts under MSAs). While we did not experience any material cancellations during the current period, most of our contracts may be terminated, even if we are not in default under the contract.

For further Backlog information, please refer to the information set forth in "Item 1. Business" under the caption "Backlog," and "Item 1A. Risk Factors."

Operating Results

Total operating income increased to $11.2 million for the year endedDecember 31, 2019, from $7.6 million in 2018, an increase of $3.7 million, or 48.3%, mainly due to a higher volume in both electrical construction and real estate development segments, partially offset by increases in depreciation and selling, general and administrative expenses.

Gross margin on electrical construction operations for the year endedDecember 31, 2019 increased slightly to 16.7% from 16.5% in 2018.

Such gross margin represents electrical construction revenue less electrical construction costs and expenses (excluding depreciation and amortization, selling, general and administrative expenses, and (gain) loss on sale of property and equipment), divided by electrical construction revenue.

Gross margin on real estate development for the year endedDecember 31, 2019 decreased to 27.2%, from 37.6% in 2018. This decrease was due to the amount and type of units sold for the year ended December 31, 2019 when compared to 2018.

Such gross margin represents real estate revenue less real estate costs and expenses (excluding depreciation and amortization, selling, general and administrative expenses, and (gain) loss on sale of property and equipment), divided by real estate development revenue.

The following table provides a reconciliation of our net income to EBITDA (a non-GAAP financial measure) for the years ended December 31 as indicated:

	2019	2018
Net income (GAAP as reported)	$ 6,726,607	$ 5,027,751
Interest expense, net of amount capitalized	1,445,528	875,646
Provision for income taxes	3,263,373	1,796,946
Depreciation and amortization (1)	10,846,334	8,436,972
EBITDA	$ 22,281,842	$ 16,137,315

(1) Depreciation and amortization includes depreciation on property, plant and equipment and amortization of finite-lived intangible assets.

EBITDA, a non-GAAP performance measure used by management, is defined as net income plus: interest expense, provision (benefit) for income taxes and depreciation and amortization, as shown in the table above. EBITDA, a non-GAAP financial measure, does not purport to be an alternative to net income as a measure of operating performance or to net cash flows provided by operating activities as a measure of liquidity. Because not all companies use identical calculations, this presentation of EBITDA may not be comparable to other similarly-titled measures of other companies. We use, and we believe investors benefit from the presentation of, EBITDA in evaluating our operating performance because it provides us and our investors with an additional tool to compare our operating performance on a consistent basis by removing the impact of certain items that management believes do not directly reflect our core operations. We believe that EBITDA is useful to investors and other external users of our financial statements in evaluating our operating performance because EBITDA is widely used by investors to measure a company's operating performance without regard to items such as interest expense, taxes, and depreciation and amortization, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired.

Using EBITDA as a performance measure has material limitations as compared to net income, or other financial measures as defined under GAAP as it excludes certain recurring items which may be meaningful to investors. EBITDA excludes interest expense; however, as we have borrowed money in order to finance transactions and operations, interest expense is an element of our cost structure and can affect our ability to generate revenue and returns for our stockholders. Further, EBITDA excludes depreciation and amortization; however, as we use capital and intangible assets to generate revenues, depreciation and amortization are a necessary element of our costs and ability to generate revenue. Finally, EBITDA excludes income taxes; however, as we are organized as a corporation, the payment of taxes is a necessary element of our operations. As a result of these exclusions from EBITDA, any measure that excludes interest expense, depreciation and amortization and income taxes has material limitations as compared to net income. When using EBITDA as a performance measure, management compensates for these limitations by comparing EBITDA and net income in each period, so as to allow for the comparison of the performance of the underlying core operations with the overall performance of the company on a full-cost, after-tax basis. Using both EBITDA and net income to evaluate the business allows management and investors to (a) assess our relative performance against our competitors and (b) monitor our capacity to generate returns for our stockholders.

Costs and Expenses

Total costs and expenses increased by $38.8 million to $169.4 million for the year endedDecember 31, 2019, from $130.6 million in 2018, commensurate with the higher level of both electrical construction and real estate development operations, as well as increases in depreciation and selling, general and administrative expenses.

The following table sets forth selling, general and administrative ("SG&A") expenses for the years ended December 31 as indicated:

	2019	2018
Electrical construction operations	$ 2,128,346	$ 1,797,548
Real estate development	1,750,008	890,951
Corporate	5,573,161	4,647,976
Total	$ 9,451,515	$ 7,336,475

SG&A expenses increased 28.8% to $9.5 million for the year endedDecember 31, 2019, from $7.3 million for the year ended December 31, 2018. The increase in SG&A expenses was mainly due to an increase in corporate executive bonuses, attributable to a partial bonus waiver by the CEO for 2018, with no such bonus waiver made for the year ended December 31, 2019. Also contributing to the increase in SG&A were increases in real estate development selling expenses, including bonuses. As a percentage of revenue, SG&A expenses decreased slightly to 5.2% for the year ended December 31, 2019, from 5.3% in 2018, due primarily to the aforementioned increase in revenue during 2019.

The following table sets forth depreciation and amortization expense for the years ended December 31 as indicated:

	2019	2018
Electrical construction operations	$ 10,718,202	$ 8,319,362
Real estate development	26,950	21,279
Corporate	101,182	96,331
Total	$ 10,846,334	$ 8,436,972

Depreciation and amortization expense, which includes $0.06 million of amortization expense for acquired intangibles, increased $2.4 million or 28.6%, to $10.8 million for the year ended December 31, 2019, from $8.4 million for the year ended December 31, 2018, as a result of an increase in capital expenditures.

Income Taxes

The following table presents our provision for income tax and effective income tax rate from continuing operations for the years ended December 31 as indicated:

	2019	2018
Income tax provision	$ 3,263,373	$ 1,796,946
Effective income tax rate	32.7 %	26.3 %

Our effective tax rate for the year endingDecember 31, 2019 was 32.7%. Our effective tax rate differs from the federal statutory rate of 21% primarily due to nondeductible expenses and state income taxes. Our effective tax rate for the year ended December 31, 2018 was 26.3%. The effective tax rate differs from the federal statutory rate of 21% mainly due to nondeductible expenses and state income taxes offset by true-ups to the prior year return and state rate changes of 6.6%.

Liquidity and Capital Resources

Working Capital Analysis

Our primary cash needs have been for capital expenditures and working capital. Our primary sources of cash have been cash flow from operations and borrowings under our lines of credit and equipment financing. As of December 31, 2019, we had cash and cash equivalents of $23.3 million and working capital of $36.7 million, as compared to cash and cash equivalents of $11.4 million, and working capital of $33.1 million as of December 31, 2018.

In addition to cash flow from operations, we have an $23.0 million revolving line of credit, of which $22.4 million was available for borrowing as of December 31, 2019. This revolving line of credit is used as a Working Capital Loan, as discussed in note 7 to the consolidated financial statements. As a credit guarantor to Branch Banking and Trust Company, now known as Truist Bank, we are contingently liable for the guaranty of a subsidiary obligation under an irrevocable letter of credit related to workers' compensation. The amount of this letter of credit was $0.6 million as of both December 31, 2019 and 2018 and is deducted from the amount available for borrowing under the Working Capital Loan.

We anticipate that this cash on hand, our credit facilities and our future cash flows from operating activities will provide sufficient cash to enable us to meet our operating needs and debt requirements for the next twelve months.

Cash Flow Analysis

The following table presents our net cash flows for each of the years ended December 31 as indicated:

	2019	2018
Net cash provided by operating activities	$ 28,369,963	$ 6,819,485
Net cash used in investing activities	(19,290,761)	(18,577,571)
Net cash provided by financing activities	2,790,601	4,528,655
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 11,869,803	$ (7,229,431)

Operating Activities

Cash flows from operating activities are comprised of net income, adjusted to reflect the timing of cash receipts and disbursements therefrom. Our cash flows are influenced by the level of operations, operating margins and the types of services we provide, as well as the stages of our electrical construction projects.

Cash provided by our operating activities totaled $28.4 million for the year ended December 31, 2019, compared to cash provided by operating activities of $6.8 million for 2018. The increase in cash flows from operating activities was approximately $21.6 million and was primarily due to the changes reflected in our residential properties under construction of $12.0 million and the changes in our costs and estimated earnings in excess of billings on uncompleted contracts of $8.7 million. Operating cash flows normally fluctuate relative to the status of our electrical construction projects.

Days of Sales Outstanding Analysis

We evaluate fluctuations in our "accounts receivable and accrued billings" and "costs and estimated earnings in excess of billings on uncompleted contracts," for our electrical construction operations, by comparing days of sales outstanding ("DSO"). We calculate DSO as of the end of any period by utilizing the respective quarter's electrical construction revenue to determine sales per day. We then divide "accounts receivable and accrued billings, net of allowance for doubtful accounts" at the end of the period, by sales per day, to calculate DSO for accounts receivable. To calculate DSO for costs and estimated earnings in excess of billings, we divide "costs and estimated earnings in excess of billings on uncompleted contracts," by sales per day.

For the quarters ended December 31, 2019 and 2018, our DSO for accounts receivable and accrued billings were 50 and 56, respectively, and our DSO for costs and estimated earnings in excess of billings on uncompleted contracts were 19 and 30, respectively. The decrease in our DSO for accounts receivable and accrued billings and the decrease in our DSO for costs and estimated earnings in excess of billings for the quarter ended December 31, 2019, when compared to the same quarterly period in 2018 was mainly due to the timing of project billings and cash collections, as well as the aforementioned increase in revenue. As of March 9, 2020, we have received approximately 98.1% of our December 31, 2019 outstanding trade accounts receivable and have billed 91.8% of our costs and estimated earnings in excess of billings balance.

Income Taxes Paid

Income tax payments decreased from $1.0 million for the year ended December 31, 2018 to $0.6 million for the year ended December 31, 2019. Taxes paid for the year ended December 31, 2019 included $0.5 million for the 2019 estimated tax liability and the remaining $0.1 million for the 2018 income tax liability. Taxes paid for the year ended December 31, 2018 included approximately $35,000, mainly for the 2017 tax liability, and the remaining $1.0 million for the estimated 2018 income tax liability.

Investing Activities

Cash used in investing activities for the year ended December 31, 2019, was $19.3 million, compared to cash used in investing activities of $18.6 million for 2018. The increase in cash used in our investing activities for the year ended December 31, 2019 is mainly due to the decrease in proceeds from the disposal of equipment, as well as an increase in capital expenditures when compared to 2018. Our capital expenditures are mainly for the purchases of equipment, primarily trucks and heavy machinery, used by our electrical construction operations for the upgrading and replacement of equipment. Our capital spending for 2019 included approximately $2.2 million for assets placed in service in 2018 but not paid for until 2019.

Our capital budget for 2020 is expected to total approximately $12.5 million, the majority of which is for continued upgrading and purchases of equipment, for our electrical construction operations, mainly due to favorable purchasing opportunities. We plan to fund these purchases through our cash on hand and equipment financing, consistent with past practices.

Financing Activities

Cash provided by financing activities for the year ended December 31, 2019, was $2.8 million, compared to cash provided by financing activities of $4.5 million for 2018. Our financing activities for the current year consisted of borrowings totaling $15.5 million and repayments of $7.2 million on our $38.2 Million Equipment Loan, repayments of $5.0 million on our Working Capital Loan (as these loans are defined in note 7 to the consolidated financial statements) and repayments of $298,000 on our other long-term debt, as well as debt issuance costs of $75,000. Our financing activities for the year ended December 31, 2019, also included the repurchase of 67,709 shares of common stock totaling $161,000, as discussed in note 10 to the consolidated financial statements. Our financing activities for the year ended December 31, 2018 consisted mainly of borrowings totaling $18.3 million as follows: $10.5 million on our $27.49 Million Equipment Loan (previously $22.6 Million Equipment Loan) and borrowings of $7.8 million on our Working Capital Loan (as such loans are defined in note 7 to the consolidated financial statements). These borrowings were offset by repayments totaling $11.6 million, as follows: repayments of $6.1 million on our $27.49 Million Equipment Loan (previously $22.6 Million Equipment Loan), and repayments of $2.8 million on our Previous Working Capital Loan, repayments of $2.8 million on our current Working Capital Loan (as such loans are defined in note 7 to the consolidated financial statements) and repayments of $107,000 on our other long term debt (as described in note 7 to the consolidated financial statements). Our financing activities for the year ended December 31, 2018, also included the repurchase of 861,111 shares of common stock totaling $2.0 million, as discussed in note 10 to the consolidated financial statements

We have paid no cash dividends on our Common Stock since 1933, and it is not expected that we will pay any cash dividends on our Common Stock in the immediate future.

Debt Covenants

Our debt arrangements contain various financial and other covenants including cross-default provisions whereby any default under any loans of the Company (or its subsidiaries) with the lender will constitute a default under all of the other loans of the Company (and its subsidiaries) with the lender. The most significant of the covenants are: maximum debt to tangible net worth ratio and fixed charge coverage ratio. We must maintain: a tangible net worth of at least $20.0 million calculated quarterly; no more than $2.0 million in outside debt (with certain exceptions); a maximum debt to tangible net worth ratio of no greater than 2.5 : 1.0 and a fixed charge coverage ratio that is to equal or exceed 1.3 : 1.0. The fixed charge coverage ratio is calculated annually using EBITDAR (earnings before interest, taxes, depreciation, amortization and rental expense) divided by the sum of CPLTD (current portion of long term debt), interest expense and rental expense. We were in compliance with all of our covenants as of December 31, 2019.

The following are computations of these most significant financial covenants:

Covenants Measured at Each Quarter End:	**Covenant**	**Actual as of December 31, 2019**
Tangible net worth minimum	$ 20,000,000	$ 65,440,348
Outside debt not to exceed	$ 2,000,000	$ —
Maximum debt/tangible net worth ratio not to exceed	2.50 : 1.00	.97 : 1.00
Covenants Measured Only at Year End:		
Earnings to fixed charge coverage ratio must equal or exceed	1.30 : 1.00	2.37 : 1.00

Forecast

We anticipate our cash on hand and cash flows from operations and credit facilities will provide sufficient cash to enable us to meet our working capital needs, debt service requirements and planned capital expenditures, for at least the next twelve months. The amount of our planned capital expenditures will depend, to some extent, on the results of our future performance. However, our revenue, results of operations and cash flows, as well as our ability to seek additional financing, may be negatively impacted by factors including, but not limited to: a decline in demand for electrical construction services, general economic conditions, heightened competition, availability of construction materials, increased interest rates, and adverse weather conditions.

Off-Balance Sheet Arrangements

We do not have any outstanding derivative financial instruments, off-balance sheet guarantees, interest rate swap transactions or foreign currency forward contracts. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

Item7A. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 8. Financial Statements and Supplementary Data.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors

The Goldfield Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of The Goldfield Corporation and subsidiaries (the Company) as ofDecember 31, 2019 and 2018, the related consolidated statements of income, stockholders' equity, and cash flows for the years then ended, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 11, 2020 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in Notes 1 and 15 to the consolidated financial statements, the Company has changed its method of accounting for leases as of January 1, 2019 due to the adoption of Accounting Standards Codification Topic 842, *Leases.*

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/KPMG LLP

We have served as the Company's auditor since 1963.

Orlando, Florida

March 11, 2020

THE GOLDFIELD CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2019	December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 23,272,156	$ 11,376,373
Accounts receivable and accrued billings	23,930,655	22,236,071
Costs and estimated earnings in excess of billings on uncompleted contracts	9,321,368	12,030,000
Income taxes receivable	1,482,618	1,220,527
Residential properties under construction	2,060,364	8,244,995
Prepaid expenses	924,733	634,069
Other current assets	46,186	1,835,743
Total current assets	61,038,080	57,577,778
Property, buildings and equipment, at cost, net of accumulated depreciation of $51,904,568 in 2019 and $43,060,083 in 2018	55,073,579	48,927,055
Deferred charges and other assets		
Land and land development costs	5,060,581	4,680,080
Cash surrender value of life insurance	543,433	547,009
Restricted cash	—	25,980
Goodwill	101,407	101,407
Intangibles, net of accumulated amortization of $384,801 in 2019 and $324,634 in 2018	628,999	689,166
Operating lease right-of-use assets	6,861,099	—
Other assets	60,000	—
Total deferred charges and other assets	13,255,519	6,043,642
Total assets	$ 129,367,178	$ 112,548,475
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 13,881,277	$ 15,999,157
Billings in excess of costs and estimated earnings on uncompleted contracts	731,492	1,165,002
Current portion of operating lease liability	1,880,957	—
Current portion of other long-term debt	—	113,855
Current portion of notes payable, net	7,769,497	7,161,890
Accrued remediation costs	75,545	60,101
Total current liabilities	24,338,768	24,500,005
Deferred income taxes	9,008,765	6,061,042
Accrued remediation costs, less current portion	398,877	436,982
Other long-term debt, less current portion, net	—	183,744
Notes payable, less current portion, net	24,402,926	21,731,024
Other accrued liabilities	5,047,088	30,246
Total liabilities	63,196,424	52,943,043
Commitments and contingencies (notes 4 and 8)		
Stockholders’ equity		
Preferred stock, $1 par value, 5,000,000 shares authorized, none issued		
Common stock, $.10 par value, 40,000,000 shares authorized; 27,813,772 shares issued 24,522,534 shares outstanding in 2019 and 24,590,243 shares outstanding in 2018	2,781,377	2,781,377
Additional paid-in capital	18,481,683	18,481,683
Retained earnings	48,347,798	41,621,191
Treasury stock, 3,291,238 shares in 2019 and 3,223,529 shares in 2018, at cost	(3,440,104)	(3,278,819)
Total stockholders’ equity	66,170,754	59,605,432
Total liabilities and stockholders’ equity	$ 129,367,178	$ 112,548,475

See accompanying notes to consolidated financial statements

THE GOLDFIELD CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31, 2019	2018
Revenue		
Electrical construction	$ 167,779,823	$ 136,526,511
Real estate development	12,865,895	1,622,331
Total revenue	180,645,718	138,148,842
Costs and expenses		
Electrical construction	139,820,478	113,976,157
Real estate development	9,362,963	1,012,098
Selling, general and administrative	9,451,515	7,336,475
Depreciation and amortization	10,846,334	8,436,972
Gain on sale of property and equipment	(51,123)	(176,564)
Total costs and expenses	169,430,167	130,585,138
Total operating income	11,215,551	7,563,704
Other income (expense), net		
Interest income	98,048	52,288
Interest expense, net of amount capitalized	(1,445,528)	(875,646)
Other income, net	121,909	84,351
Total other expense, net	(1,225,571)	(739,007)
Income before income taxes	9,989,980	6,824,697
Income tax provision	3,263,373	1,796,946
Net income	$ 6,726,607	$ 5,027,751
Net income per share of common stock — basic and diluted	$ 0.27	$ 0.20
Weighted average shares outstanding — basic and diluted	24,523,429	25,411,623

See accompanying notes to consolidated financial statements

THE GOLDFIELD CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2019	2018
Cash flows from operating activities		
Net income	$ 6,726,607	$ 5,027,751
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	10,846,334	8,436,972
Amortization of debt issuance costs	30,024	34,873
Deferred income taxes	2,947,723	1,362,322
Gain on sale of property and equipment	(51,123)	(176,564)
Other losses	3,576	3,326
Changes in operating assets and liabilities		
Accounts receivable and accrued billings	(1,694,584)	(669,229)
Costs and estimated earnings in excess of billings on uncompleted contracts	2,708,632	(5,955,654)
Residential properties under construction	6,184,631	(5,832,793)
Income taxes receivable	(262,091)	(600,975)
Prepaid expenses and other assets	1,438,893	55,966
Land and land development costs	(380,501)	(353,352)
Accounts payable and accrued liabilities	321,067	4,512,742
Operating leases	6,946	—
Billings in excess of costs and estimated earnings on uncompleted contracts	(433,510)	998,734
Accrued remediation costs	(22,661)	(24,634)
Net cash provided by operating activities	28,369,963	6,819,485
Cash flows from investing activities		
Proceeds from disposal of property and equipment	563,707	1,031,674
Purchases of property, buildings and equipment	(19,854,468)	(19,609,245)
Net cash used in investing activities	(19,290,761)	(18,577,571)
Cash flows from financing activities		
Purchases of treasury stock	(161,285)	(1,970,632)
Proceeds from notes payable	15,500,000	18,275,451
Repayments on notes payable	(12,176,000)	(11,645,451)
Other long-term debt repayments	(297,599)	(107,400)
Debt issuance costs	(74,515)	(23,313)
Net cash provided by financing activities	2,790,601	4,528,655
Net increase (decrease) in cash, cash equivalents and restricted cash	11,869,803	(7,229,431)
Cash, cash equivalents and restricted cash at beginning of the year	11,402,353	18,631,784
Cash, cash equivalents and restricted cash at end of the year	$ 23,272,156	$ 11,402,353
Supplemental disclosure of cash flow information		
Interest paid, net of amounts capitalized	$ 1,421,656	$ 805,756
Income taxes paid, net	$ 577,741	$ 1,035,599
Supplemental disclosure of non-cash investing		
Liability for equipment acquired	$ 124,178	$ 2,235,772
Equipment funded by other long-term debt	$ —	$ 297,599
Right-of-use asset obtained in exchange for operating lease obligations	$ 5,819,471	$ —

See accompanying notes to consolidated financial statements

THE GOLDFIELD CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2019 AND 2018

	Common stock		Additional paid-in capital	Retained earnings	Treasury stock	Total stockholders' equity
	Shares	Amount				
Balance as of December 31, 2018	27,813,772	$ 2,781,377	$ 18,481,683	$ 41,621,191	$ (3,278,819)	$ 59,605,432
Repurchase of stock					(161,285)	(161,285)
Net income	—	—	—	6,726,607	—	6,726,607
Balance as of December 31, 2019	27,813,772	$ 2,781,377	$ 18,481,683	$ 48,347,798	$ (3,440,104)	$ 66,170,754

	Common stock		Additional paid-in capital	Retained earnings	Treasury stock	Total stockholders' equity
	Shares	Amount				
Balance as of December 31, 2017	27,813,772	$ 2,781,377	$ 18,481,683	$ 36,593,440	$ (1,308,187)	$ 56,548,313
Repurchase of stock					(1,970,632)	(1,970,632)
Net income	—	—	—	5,027,751	—	5,027,751
Balance as of December 31, 2018	27,813,772	$ 2,781,377	$ 18,481,683	$ 41,621,191	$ (3,278,819)	$ 59,605,432

See accompanying notes to consolidated financial statements

THE GOLDFIELD CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 1 – Organization and Summary of Significant Accounting Policies

Overview

The Goldfield Corporation (the "Company") was incorporated in Wyoming in 1906 and subsequently reincorporated in Delaware in 1968. The Company's principal line of business is the construction of electrical infrastructure for the utility industry and industrial customers and to a lesser extent real estate development. The principal market for the Company's electrical construction operation is primarily in the Southeast, mid-Atlantic and Texas-Southwest regions of the United States. The principal market for the Company's real estate development operation is along the east coast of Central Florida.

Basis of Financial Statement Presentation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

The Company adopted Accounting Standards Updates ("ASU") ASU 2011-05 and ASU 2011-12, which require comprehensive income to be reported in either a single statement or in two consecutive statements reporting net income and other comprehensive income. The amendment eliminates the option to report other comprehensive income and its components in the statement of changes in stockholders' equity. However, comprehensive income is equivalent to net income for the Company, and therefore, the Company's accompanying financial statements do not include a Statement of Other Comprehensive Income.

Cash and Cash Equivalents

The Company considers highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company determines the allowance based on customer specific information and historical write-off experience. The Company reviews its allowance for doubtful accounts quarterly. Account balances are charged off against the allowance after reasonable means of collection have been exhausted and the potential for recovery is considered remote. As of both December 31, 2019 and 2018, upon its review, management determined it was not necessary to record an allowance for doubtful accounts due to the majority of accounts receivable being generated by electrical utility customers who the Company considers creditworthy based on timely collection history and other considerations.

Property, Buildings, Equipment and Depreciation

Property, buildings and equipment are stated at cost. Depreciation on property, buildings and equipment is calculated on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term, including renewals that are deemed to be reasonably assured, or the estimated useful life of the improvement.

In accordance with Accounting Standard Codification ("ASC") ASC Topic 360-10-05, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Company assesses the need to record impairment losses on long-lived assets when events and circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when future estimated undiscounted cash flows expected to result from use of the asset are less than the asset's carrying value. Any resulting loss would be measured at fair value based on discounted expected cash flows.

Electrical Construction Revenue

On January 1, 2018 the Company adopted accounting standard ASC 606 and all the related amendments (the "revenue standard") to all applicable contracts using the modified retrospective method (cumulative effect method). Applicable contracts did not include contracts considered substantially complete. Contracts that were modified before the beginning of the earliest period presented were not retrospectively restated. Instead, the Company reflected the aggregate effect of all modifications when identifying the satisfied and unsatisfied performance obligations, determining the transaction price and allocating the transaction price as of the date of adoption. Adoption of the revenue standard did not result in significant changes to the Company's accounting policies, business processes, systems or controls, or have a material impact on its financial position, results of operations and cash flows. In addition, the Company concluded that the cumulative effect of initially applying the revenue standard was immaterial and consequently did not record an adjustment to the opening balance of retained earnings. The adoption of the revenue standard did not have a material impact to its financial position, results of operations and cash flows on an ongoing basis.

Revenue from unit-price contracts is recognized over time as services are performed and the underlying obligations to customers are fulfilled.Revenue from service agreements are recognized as services are performed. Revenue from service agreements are billed on either a man-hour or man-hour plus equipment basis. Terms of the Company's service agreements may extend for periods beyond one year.

The Company's contracts allow it to bill additional amounts for change orders and claims. The Company considers a claim to be for additional work performed outside the scope of the contract and contested by the customer. Historically, claims relating to electrical construction work have not been significant.

A change order is a modification to a contract that changes the provisions of the contract, typically resulting from changes in scope, specifications, design, manner of performance, facilities, equipment, materials, sites, or period of completion of the work under the contract. It is the Company's policy to include revenue from change orders in contract value only when they can be reliably estimated and realization is considered probable.

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

Contract costs include all direct material, direct labor, subcontractor costs and indirect costs related to contract performance, such as supplies, tools and equipment maintenance. General and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, estimated profitability and final contract settlements may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

Real Estate Development Operations Revenue

There were no material changes in the pattern of revenue recognition for real estate development operations after the adoption of the revenue standard on January 1, 2018. The Company recognizes revenue upon the transfer of control of the promised real estate properties, generally at time of closing.

Land and Land Development Costs and Residential Properties Under Construction

The costs of a land purchase and any development expenses up to the initial construction phase of any residential property development project are recorded under the asset "land and land development costs." Once construction commences, both the land development costs and construction costs are recorded under the asset "residential properties under construction." The assets "land and land development costs" and "residential properties under construction" relating to specific projects are recorded as current assets when the estimated project completion date is less than one year from the date of the consolidated financial statements, or as non-current assets when the estimated project completion date is one year or more from the date of the consolidated financial statements.

In accordance with ASC 360-10, *Accounting for the Impairment or Disposal of Long-lived Assets*, land and residential properties under construction are reviewed by the Company for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If the carrying amount or basis is not expected to be recovered, impairment losses are recorded and the related assets are adjusted to their estimated fair value. The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, other than in a forced or liquidation sale. The Company also complies with ASC Topic 820, *Fair Value Measurement*, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The Company did not record an impairment write-down to either of its land carrying value or residential properties under construction carrying value for either years ended December 31, 2019 or 2018.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, *Income Taxes,* which establishes the recognition requirements. Deferred tax assets and liabilities are recognized for the future tax effects attributable to temporary differences and carryforwards between the financial statement carrying amounts of existing assets and liabilities and the respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest and penalties related to unrecognized tax benefits as interest expense and other general and administrative expenses, respectively, and not as a component of income taxes.

Executive Long-term Incentive Plan

The Company has not issued shares pursuant to The Goldfield Corporation 2013 Long-term Incentive Plan (the “2013 Plan”) in either 2019 or 2018. Therefore, the Company has no compensation expense for shares pursuant to the 2013 Plan for either of the years ended December 31, 2019 or 2018.

Use of Estimates

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these consolidated financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”). Actual results could differ from those estimates. Management considers the most significant estimates in preparing these consolidated financial statements to be the estimated costs at completion of electrical construction contracts in progress.

Fair Value of Financial Instruments

The Company’s financial instruments include cash and cash equivalents, accounts receivable and accrued billings, restricted cash collateral deposited with insurance carriers, cash surrender value of life insurance policies, accounts payable, notes payable, and other current liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value guidance establishes a valuation hierarchy, which requires maximizing the use of observable inputs when measuring fair value.

The three levels of inputs that may be used are:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable market based inputs or other observable inputs.

Level 3 - Significant unobservable inputs that cannot be corroborated by observable market data. These values are generally determined using valuation models incorporating management's estimates of market participant assumptions.

Fair values of financial instruments are estimated through the use of public market prices, quotes from financial institutions, and other available information. Management considers the carrying amounts reported on the consolidated balance sheets for cash and cash equivalents, accounts receivable and accrued billings, accounts payable and accrued liabilities, to approximate fair value due to the immediate or short-term maturity of these financial instruments. The Company's carrying value of long-term notes payable are estimated by management to approximate fair value since the interest rates prescribed by Branch Banking and Trust Company, now known as Truist Bank (the "Bank"), are variable market interest rates and are adjusted periodically, and as such, are classified as Level 2. The carrying value of cash surrender value of life insurance is also considered by management to approximate fair value as the carrying value is based on the current settlement value under the contract, as provided by the carrier and as such, is classified as Level 2.

Restricted Cash

The Company's restricted cash includes cash deposited in a secured interest bearing bank account, as required by the Collateral Trust Agreement in connection with the Company's previous workers' compensation insurance policies, as described in note 12. On September 12, 2019, the Company was reimbursed the cash deposited and classified as restricted cash. Therefore, as of December 31, 2019, the Company no longer holds restricted cash reported under "Deferred charges and other assets" on its consolidated balance sheet.

Goodwill and Intangible Assets

Intangible assets with finite useful lives recorded in connection with a historical acquisition are amortized over the term of the related contract or useful life, as applicable. Intangible assets held by the Company with finite useful lives include customer relationships and trademarks. The Company reviews the values recorded for intangible assets and goodwill to assess recoverability from future operations annually or whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. As of December 31, 2019, the Company assessed the recoverability of its long-lived assets and goodwill, by reviewing relevant events and circumstances to evaluate the qualitative factors in addition to the quantitative impairment test. As a result, there was no impairment of the carrying amounts of such assets.

Reclassifications

Certain amounts associated with deferred income tax assets allocated in each segment were reflected as of December 31, 2018 in the assets table within note 11 Business Segment Information and have been reclassified to conform to the total assets presentation as of December 31, 2019. This reclassification had no impact on the total assets reported as of December 31, 2018.

In addition, within note 3 Income Taxes, certain amounts associated with state tax permanent differences, previously reported under the caption "Other" in the effective tax rate reconciliation table as of December 31, 2018, have been reclassified to conform to the December 31, 2019 presentation.

Recent Accounting Pronouncements

In February 2016, Financial Accounting Standards Board (the "FASB") issued Accounting Standards Codification Topic 842,*Leases* (ASC 842),to increase transparency and comparability among organizations by recognizing all lease transactions (with terms in excess of 12 months) on the balance sheet as a lease liability and a right-of-use asset (as defined). ASC 842 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, with earlier application permitted. On January 1, 2019, the Company adopted the accounting pronouncement issued using the modified retrospective method. The Company elected the "package of practical expedients" permitted under the transition guidance within the new standard, which among other things, allowed the Company to carry forward the historical lease classification. In addition, the Company elected not to utilize the hindsight practical expedient to determine the lease term for existing leases. The Company elected the short-term lease recognition exemption for all leases that qualify. This means, for those leases that qualify, the Company did not recognize right-of-use assets or lease liabilities, including not recognizing right-of-use assets or lease liabilities for existing short-term leases of those assets in transition. The Company adopted this pronouncement utilizing the transition practical expedient added by the FASB, which eliminates the requirement that entities apply the new lease standard to the comparative periods presented in the year of adoption. The Company also elected the practical expedient to not separate lease and non-lease components. Expenses associated with leases will continue to be recognized in a manner similar to previous accounting guidance. The adoption of this accounting pronouncement resulted in the recognition of operating lease right-of-use assets and associated lease liabilities on our balance sheet of $4.3 million and $4.3 million, respectively, as of January 1, 2019. Additional required disclosures have been included within note 15 *Leases*. The adoption of this standard did not have an impact on the Company's retained earnings, liquidity, results of operations or its compliance with its debt covenants. The Company modified existing controls and processes to support the adoption of the new lease accounting standard that the Company adopted as of January 1, 2019.

In January 2017, the FASB issued ASU 2017-04, which eliminates Step 2 of the current goodwill impairment test. A goodwill impairment loss will instead be measured at the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the recorded amount of goodwill allocated to that reporting unit. The provisions of this ASU are effective for years beginning after December 15, 2019, with early adoption permitted for any impairment test performed on testing dates after January 1, 2017. The Company is currently assessing the impact that adoption will have on its consolidated financial statements: however, the Company does not expect this ASU to have a significant impact on its consolidated financial statements.

In June 2016 the FASB issued ASU-2016-13, Financial Instruments – Credit Losses. This update requires immediate recognition of management's estimates of current expected credit losses. This update is effective for the Company in the first quarter of fiscal year 2020. The adoption of ASU 2016-13 is not expected to have a significant impact on the Company's consolidated financial statements.

In December 2019, the FASB issued ASU-2019-12, Income Taxes: Simplifying the Accounting for Income Taxes, effective beginning fiscal year 2021. This update simplifies the accounting for interim period tax law changes and loss limitations, ownership changes in equity investments, intraperiod tax allocations and the step up of tax basis in goodwill that is not acquired during a business combination. The adoption of ASU-2019-12 is not expected to have a significant impact on the Company's consolidated financial statements.

Note 2 – Contract Assets and Contract Liabilities

On January 1, 2018 the Company adopted accounting standard ASC 606 and all the related amendments (the "revenue standard") to all applicable contracts using the modified retrospective method. Applicable contracts did not include contracts considered substantially complete. Contracts that were modified before the beginning of the earliest period presented were not retrospectively restated. Instead, the Company reflected the aggregate effect of all modifications when identifying the satisfied and unsatisfied performance obligations, determining the transaction price and allocating the transaction price as of the date of adoption. Adoption of this standard did not result in significant changes to the Company's accounting policies, business processes, systems or controls, or have a material impact on its financial position, results of operations and cash flows.

The following table presents the net contract assets and liabilities for the electrical construction operations as of the dates indicated:

	December 31, 2019	December 31, 2018	$ Change
Contract assets (1)	$ 9,321,368	$ 12,030,000	$ (2,708,632)
Contract liabilities (2)	(1,008,679)	(1,845,049)	836,370
Net contract assets	$ 8,312,689	$ 10,184,951	$ (1,872,262)

(1) Contract assets consist of amounts under the caption "Costs and estimated earnings in excess of billings on uncompleted contracts."

(2) Contract liabilities consist of the aggregate of amounts presented under the caption "Billings in excess of costs and estimated earnings on uncompleted contracts" and any contract loss accruals included in "Accounts payable and accrued liabilities."

The amounts billed but not paid by customers pursuant to retention provisions of the electrical construction contracts were $2.8 million and $2.2 million as of December 31, 2019 and 2018, respectively, and are included in the accompanying consolidated balance sheets in accounts receivable and accrued billings. Retainage is expected to be collected within the next twelve months.

The following table presents the changes in the net contract assets and liabilities for the electrical construction operations for the twelve months ended December 31, 2019:

	$ Change Twelve Months Ended December 31, 2019
Cumulative adjustment due to changes in contract values (1)	$ 2,260,795
Cumulative adjustment due to changes in estimated costs at completion	(4,127,610)
Revenue recognized in the period	128,656,865
Amounts reclassified to receivables	(129,065,172)
Impairment of contract assets (2)	402,860
Total	$ (1,872,262)

(1) Amount attributable to contract modifications accounted for on a cumulative catch-up basis where the customer has approved a change in the scope or price of the contract, where the modification is treated as part of the existing contract and where the remaining goods and services are not distinct.

(2) Adjustment amount due to changes in contract losses.

For the year ended December 31, 2019, $1.0 million of the total revenue recognized in the current period was attributable to the contract liability billings in excess of costs and estimated earnings on uncompleted contracts' balance as of December 31, 2018.

Note 3 – Income Taxes

The following table presents the income tax provision from continuing operations for the years ended December 31 as indicated:

	2019	2018
Current		
Federal	$ (13,164)	$ (153,610)
State	334,307	597,909
	321,143	444,299
Deferred		
Federal	2,638,158	1,779,574
State	304,072	(426,927)
	2,942,230	1,352,647
Total	$ 3,263,373	$ 1,796,946

The following table presents the total income tax provision for the years ended December 31 as indicated:

	2019	2018
Income tax provision	$ 3,263,373	$ 1,796,946
Discontinued operations	—	—
Total	$ 3,263,373	$ 1,796,946

The following table presents the temporary differences and carryforwards, which give rise to deferred tax assets and liabilities as of December 31 as indicated:

	2019	2018
Deferred tax assets		
Accrued vacation	$ 171,391	$ 139,713
Acquisition costs capitalized	50,450	55,917
Accrued remediation costs	115,000	120,493
Net operating loss carryforwards	925,774	435,121
Sec 163(j) interest limitation	—	199,582
Federal depreciation in excess of state	813,542	635,202
Accrued payables	62,721	17,914
Percentage completed contract method for tax	90,241	1,557,437
Accrued workers' compensation	90,795	205,150
Capitalized bidding costs	86,112	73,565
Inventory adjustments	141,838	263,680
Lease liability	1,677,962	15,199
Accrued contract losses	67,190	164,843
Other	5,152	4,097
Total deferred tax assets	4,298,168	3,887,913
Deferred tax liabilities		
481 (a) adjustment for deferred revenue	—	(24,602)
Tax amortization in excess of financial statement amortization	(17,347)	(13,378)
Tax depreciation in excess of financial statement depreciation	(11,624,772)	(9,910,975)
Right-of-use assets	(1,664,814)	—
Total deferred tax liabilities	(13,306,933)	(9,948,955)
Total net deferred tax liabilities	$ (9,008,765)	$ (6,061,042)

As of December 31, 2019, the Company had net operating loss ("NOL") carryforwards of approximately $4.4 million available to offset future federal taxable income. Current tax law allows for an indefinite carryforward of the NOL to use against future taxable income, subject to a limitation of 80 percent of taxable income each year.

As of December 31, 2019, the non-current deferred tax liabilities increased to $9.0 million from $6.1 million as of December 31, 2018 primarily due to additional tax depreciation in excess of book depreciation. Current tax law provides for the full expensing of certain depreciable property for 2018 and through 2022 and partial expensing through 2026.

The Company accounts for income taxes in accordance with ASC 740, *Income Taxes*, which establishes the recognition requirements. Deferred tax assets and liabilities are recognized for the future tax effects attributable to temporary differences and carryforwards between the financial statement carrying amounts of existing assets and liabilities and the respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The carrying amounts of deferred tax assets are reduced by a valuation allowance, if based on the available evidence, it is more likely than not such assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the deferred tax assets are expected to be recovered or settled. In the assessment for a valuation allowance, appropriate consideration is given to positive and negative evidence related to the realization of the deferred tax assets. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability and tax planning alternatives. If the Company determines it will not be able to realize all or part of the deferred tax assets, a valuation allowance would be recorded to reduce deferred tax assets to the amount that is more likely than not to be realized.

Based on assumptions with respect to forecasts of future taxable income and tax planning, among others, the Company anticipates being able to generate sufficient taxable income to utilize the deferred tax assets. Therefore, the Company has not recorded a valuation allowance against deferred tax assets. The minimum amount of future taxable income required to be generated to fully realize the deferred tax assets as of December 31, 2019 is approximately $14.4 million.

The following table presents the differences between the Company's effective income tax rate and the federal statutory rate on income from continuing operations for the years ended December 31 as indicated:

	2019	**2018**
Federal statutory rate	21.0 %	21.0 %
State tax rate, net of federal tax	4.2 %	4.0 %
Nondeductible expenses	6.2 %	5.4 %
Other	1.3 %	(4.1)%
Total	32.7 %	26.3 %

The effective tax rate for 2018 was offset by true-ups to the prior year return and state rate changes of 6.6%. In addition, certain amounts associated with state tax permanent differences, previously reported under the caption "Other" in the effective tax rate reconciliation table above as of December 31, 2018, have been reclassified to conform to the December 31, 2019 presentation.

The Company had gross unrecognized tax benefits of $4,000 and $5,000 as of December 31, 2019 and 2018, respectively. The Company believes that it is reasonably possible that the liability for unrecognized tax benefits related to certain state income tax matters may be settled within the next twelve months. The federal statute of limitation has expired for tax years prior to 2016 and relevant state statutes vary. The Company is currently not under any income tax audits or examinations and does not expect the assessment of any significant additional tax in excess of amounts provided.

The following table presents a reconciliation of the beginning and ending amounts of unrecognized tax benefits for the years as indicated:

	2019	2018
Balance as of January 1	$ 4,723	$ 4,723
Increase from current year tax positions	—	—
Increase from prior years' tax positions	—	—
Decrease from settlements with taxing authority	(723)	—
Decrease from expiration of statute of limitations	—	—
Balance as of December 31	$ 4,000	$ 4,723

The Company accrues interest and penalties related to unrecognized tax benefits as interest expense and other general and administrative expenses, respectively, and not as a component of income taxes. Decreases in interest and penalties are due to settlements with taxing authorities and expiration of statutes of limitation. During the years ended December 31, 2019 and 2018, the Company recognized $1,000 each year in interest and penalties. The Company had accrued as a current liability $11,000 for the future payment of interest and penalties as of both December 31, 2019 and 2018.

Note 4 – Commitments and Contingencies Related to Discontinued Operations

Discontinued operations represent former mining activities, the last of which ended in 2002. Pursuant to an agreement with the United States Environmental Protection Agency (the "EPA"), the Company performed certain remediation actions at a property sold over fifty years ago. This remediation work was completed by September 30, 2015. As of December 31, 2019 and 2018, the Company has established a contingency provision related to discontinued operations, which was $0.5 million for both year end periods. No change to the provision was required for either of the three or twelve month periods ended December 31, 2019 or December 31, 2018.

The remaining balance of the accrued remediation costs as ofDecember 31, 2019, mainly represents estimated future charges for EPA response costs and monitoring and provisions for potential future remediation efforts of the property as required by the state of Washington. The total costs to be incurred in future periods may vary from this estimate. The amounts recorded in the aforementioned contingency provision are not discounted. The provision will be reviewed periodically based upon facts and circumstances available at the time.

Note 5 – Property, Buildings and Equipment

The following table presents the balances of major classes of properties as of December 31 as indicated:

	Estimated useful lives in years	2019	2018
Land	—	$ 2,047,449	$ 670,400
Land improvements	7 - 15	650,932	537,175
Buildings and improvements	5 - 40	2,815,440	2,767,603
Leasehold improvements	5 - 39	253,733	254,385
Machinery and equipment	2 - 10	100,988,697	87,734,262
Construction in progress	—	221,896	23,313
Total		106,978,147	91,987,138
Less accumulated depreciation		51,904,568	43,060,083
Net properties, buildings and equipment		$ 55,073,579	$ 48,927,055

Management reviews the net carrying value of all properties, buildings and equipment on a regular basis to assess and determine whether trigger events of impairment exist and the need for possible impairments. As a result of such review, no impairment write-down was considered necessary for the years ended December 31, 2019 and 2018.

Note 6 – 401(k) Employee Benefits Plan

Effective January 1, 1995, the Company adopted The Goldfield Corporation and Subsidiaries Employee Savings and Retirement Plan, a defined contribution plan that qualifies under Section 401(k) of the Internal Revenue Code. The plan provides retirement benefits to all employees who meet eligibility requirements and elect to participate. Under the plan, participating employees may defer up to 75% of their pre-tax compensation per calendar year subject to Internal Revenue Code limits. The Company's contributions to the plan are discretionary and amounted to approximately $340,000 and $258,000 for the years ended December 31, 2019 and 2018, respectively.

Note 7 – Notes Payable

The following table presents the balances of our notes payables as of December 31 as indicated:

				Interest Rates	
Branch Banking and Trust Company, now known as Truist Bank	**Maturity Date**	**2019**	**2018**	**2019**	**2018**
Working Capital Loan	November 28, 2021	$ —	$ 5,000,000	— %	4.31 %
$38.2 Million Equipment Loan	March 9, 2024	32,244,000	23,920,000	3.52 %	4.31 %
$ 4.5 Million Equipment Loan	March 7, 2024	—	—	— %	— %
Total notes payable		32,244,000	28,920,000		
Less unamortized debt issuance costs		71,577	27,086		
Total notes payable, net		32,172,423	28,892,914		
Less current portion of notes payable, net		7,769,497	7,161,890		
Notes payable net, less current portion		$ 24,402,926	$ 21,731,024		

As of December 31, 2019, the Company, and the Company's wholly owned subsidiaries Southeast Power Corporation ("Southeast Power"), Pineapple House of Brevard, Inc. ("Pineapple House"), Bayswater Development Corporation ("Bayswater"), Power Corporation of America ("PCA"), Precision Foundations, Inc. ("PFI") and C and C Power Line, Inc. ("C&C"), (collectively the "Debtors,") were parties to a Master Loan Agreement, dated May 24, 2018 (the "2018 Master Loan Agreement"), with Branch Banking and Trust Company, now known as Truist Bank (the "Bank"), as amended on March 7, 2019 by the First Amendment to the 2018 Master Loan Agreement (the "Amendment"), and on December 6, 2019 by the Note Modification Agreement and related Addendum to Note Modification to the 2018 Master Loan Agreement (collectively, the "Ancillary Loan Document").

The Amendment provided an exhibit which lists new loans, or modifications of loans, which are governed by the 2018 Master Loan Agreement and which were also entered into on March 7, 2019. On January 1, 2019, the Company had a loan agreement with the Bank for a $27.49 Million equipment loan (the "$27.49 Equipment Loan"). On March 7, 2019, the Company, the Debtors and the Bank entered into a modification of the $27.49 Million Equipment Loan, increasing it to a $38.2 million equipment loan (as increased, the "$38.2 Million Equipment Loan") and a new $4.5 million equipment promissory note (the "$4.5 Million Equipment Loan").

Borrowings of $22.7 million, outstanding as of March 7, 2019, plus accrued interest under the $27.49 Million Equipment Loan continue under the $38.2 Million Equipment Loan. The $15.5 million balance remaining on the $38.2 Million Equipment Loan was drawn by the Company on March 8, 2019 for equipment purchases that were made on or after August 1, 2018. Borrowings under the $38.2 Million Equipment Loan were $32.2 million as of December 31, 2019 and borrowings under the $27.49 Million Equipment Loan (as predecessor to the $38.2 Million Equipment Loan) were $23.9 million as of December 31, 2018.

Under the documentation related to the $38.2 Million Equipment Loan, principal payments of $598,000 plus accrued interest commenced on March 9, 2019 and will continue monthly thereafter until and including the payment due on December 9, 2019. Thereafter, equal monthly principal payments of $650,000, plus accrued interest, will commence on January 9, 2020, and continue monthly thereafter until the March 9, 2024 maturity date.

Under the documentation related to the $4.5 Million Equipment Loan, borrowingscan be made only for the purchase of equipment currently held by the Company under master lease agreements and cannot exceed the cost of the lease buy-out. Interest only payments on any amounts drawn commenced on April 7, 2019, and continued monthly through and including the payment due on March 7, 2020. Principal payments on any amounts drawn of $93,750 plus accrued interest will commence on April 7, 2020, and continue monthly thereafter until and including the payment due on March 7, 2024. As of December 31, 2019 there were no borrowings under the $4.5 Million Equipment Loan.

The Ancillary Loan Document increased the maximum amount of the revolving line of credit loan to be used as a "Working Capital Loan" (the "Working Capital Loan") from $18.0 million to $23.0 million and changed the maturity of that loan from November 28, 2020 to November 28, 2021. In connection with the Ancillary Loan Document the Company also signed a rider acknowledging that effective December 7, 2019, Branch Banking and Trust Company would merge with SunTrust Bank and change its name to Truist Bank (which merger did take place). As of December 31, 2019, the Working Capital Loan, evidenced by a promissory note and a series of related ancillary agreements with the Bank, under the 2018 Master Loan Agreement and the Amendment, had a maximum principal amount of $23.0 million. There were no borrowings under the Working Capital Loan as of December 31, 2019. As of December 31, 2018, borrowings under the Working Capital Loan were $5.0 million.

As a credit guarantor to the Bank, the Company is contingently liable for the guaranty of a subsidiary obligation under an irrevocable letter of credit related to workers' compensation. The amount of this letter of credit was $0.6 million as of both December 31, 2019 and 2018.

As of December 31, 2019, all loan agreements between the Debtors and the Bank, under the 2018 Master Loan Agreement, the Amendment and the Ancillary Loan Document are guaranteed by the Debtors and include the grant of a continuing security interest in all now owned and after acquired and wherever located personal property of the Debtors.

On March 2, 2020, the Company drew the amount of $4.5 million under the $4.5 Million Equipment Loan.

The Working Capital Loan, the $38.2 Million Equipment Loan and the $4.5 Million Equipment Loan each bear interest at a rate per annum equal to one month LIBOR (as defined in the documentation related to each loan) plus 1.80%, which will be adjusted monthly and subject to a maximum rate as described in the documentation related to each loan.

The Company's debt arrangements contain various financial and other covenants including, but not limited to: minimum tangible net worth, maximum debt to tangible net worth ratio and fixed charge coverage ratio. Other loan covenants prohibit, among other things, a change in legal form of the Company, and entering into a merger or consolidation. The loans also have cross-default provisions whereby any default under any loans of the Company (or its subsidiaries) with the Bank, will constitute a default under all of the other loans of the Company (and its subsidiaries) with the Bank.

The schedule of payments of the notes payable as ofDecember 31, 2019 is as follows:

2020	$	7,800,000
2021		7,800,000
2022		7,800,000
2023		7,800,000
2024		1,044,000
Total payments of notes payable	$	32,244,000

Other Long Term Debt

As of December 31, 2018, the Company had an equipment purchase loan agreement, maturing on June 14, 2021, for a specialty piece of equipment to be used in the Company's electrical construction operations in the amount of $405,000 plus interest and sales tax. The agreement required monthly payments of $10,687 plus interest at a 5.85% fixed rate. On August 29, 2019, the Company paid the loan in full prior to its maturity.

Note 8 – Commitments and Contingencies

Performance Bonds

In certain circumstances, the Company is required to provide performance bonds to secure its contractual commitments. Management is not aware of any performance bond issued for the Company that has ever been called by a customer. As of December 31, 2019, outstanding performance bonds issued on behalf of the Company's electrical construction subsidiaries amounted to approximately $47.9 million.

Collective Bargaining Agreements

C&C, one of the Company's electrical construction subsidiaries, is party to collective bargaining agreements with unions representing workers performing field construction operations. The collective bargaining agreements expire at various times and have typically been renegotiated and renewed on terms similar to the ones contained in the expiring agreements. The agreements require the subsidiary to pay specified wages, provide certain benefits to their respective union employees and contribute certain amounts to multi-employer pension plans and employee benefit trusts. The subsidiary's multi-employer pension plan contribution rates generally are specified in the collective bargaining agreements (usually on an annual basis), and contributions are made to the plans on a "pay-as-you-go" basis based on such subsidiary's union employee payrolls, which cannot be determined for future periods because contributions depend on, among other things, the number of union employees that such subsidiary employs at any given time; the plans in which it may participate vary depending on the projects it has ongoing at any time; and the need for union resources in connection with those projects. If the subsidiary withdraws from, or otherwise terminates its participation in, one or more multi-employer pension plans, or if the plans were to otherwise become substantially underfunded, such subsidiary could be assessed liabilities for additional contributions related to the underfunding of these plans. The Company is not aware of any amounts of withdrawal liability that have been incurred as a result of a withdrawal by C&C from any multi-employer defined benefit pension plans.

Multi-employer Pension Plans

The Company contributes to a multi-employer pension plan on behalf of employees covered by collective bargaining agreements. These plans are administered jointly by management and union representatives and cover substantially all full-time and certain part-time union employees who are not covered by other plans. The risks of participating in multi-employer plans are different from single-employer plans in the following aspects: (1) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (2) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers, and (3) if the Company chooses to stop participating in a multi-employer plan, we could, under certain circumstances, be liable for unfunded vested benefits or other expenses of jointly administered union/management plans. At this time, we have not established any liabilities because withdrawal from these plans is not probable. For the years ended December 31, 2019 and 2018, the contributions to these plans were $216,000 and $227,000, respectively.

The Company's participation in multi-employer pension plans is outlined in the table below. The EIN column provides the Employer Identification Number ("EIN") of the plan. Unless otherwise noted, the most recent Pension Protection Act zone status available in 2019 and 2018 is for the plan's year ended December 31, 2019, and 2018, respectively. The zone status is based on information that the Company received from the plan, and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP" column indicates plans for which a financial improvement plan ("FIP") is either pending or has been implemented. The last column lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject. There have been no significant changes in the number of Company employees covered by the multi-employer plans or other significant events that would impact the comparability of contributions to the plans.

Information about the Plan is publicly available on Form 5500, Annual Return / Report of Employee Benefit Plan. The Plan year-end is December 31st and no single employer contributes 5% or more of total plan contributions.

Plan Name	EIN Number	Plan Number	Certified Zone Status 2019	Certified Zone Status 2018	FIP Implemented (yes or no)	Surcharge Imposed (yes or no)	Expiration Date Of Collective Bargaining Agreement
National Electrical Benefit Fund	53-0181657	001	Green	Green	Not applicable (green-zone plan)	Not applicable (green-zone plan)	8/31/2023

Committed Expenditures

The Company from time to time commits to various contractual agreements that secure future rights to goods, services and other items to be used in the normal course of operations. These commitments include capital equipment purchases, sub-contractor services for the construction of residential properties and land purchases for the future construction of residential properties.

Legal Proceedings

The Company is involved in various legal claims arising in the ordinary course of business. The Company has concluded that the ultimate disposition of these matters should not have a material adverse effect on the Company's consolidated financial position, results of operations, or liquidity. The Company expenses legal fees as incurred.

Note 9 – Income Per Share of Common Stock

Basic income per common share is computed by dividing net income by the weighted average number of common stock shares outstanding during the period. Diluted income per share reflects the potential dilution that could occur if common stock equivalents, such as stock options outstanding, were exercised into common stock that subsequently shared in the earnings of the Company.

As of December 31, 2019 and 2018, the Company had no common stock equivalents. The computation of the weighted average number of common stock shares outstanding excludes 3,291,238 and 3,223,529 shares of Treasury Stock for the years ended December 31, 2019 and 2018, respectively.

Note 10 – Common Stock Repurchase Plan

The Company has had a stock repurchase plan since September 17, 2002, when the Board of Directors approval was announced. As last amended by the Board of Directors on March 7, 2019, this plan permits the purchase of up to 6,000,000 shares. There is currently available for purchase through September 30, 2020, a maximum of 2,726,120 shares. The Company may repurchase its shares either in the open market or through private transactions. The volume of the shares to be repurchased is contingent upon market conditions and other factors. During the year ended December 31, 2019, 67,709 shares were purchased at a cost of $161,285 (average cost of $2.38 per share). During the year ended December 31, 2018, 861,111 shares were purchased at a cost of $1,970,632 (average cost of $2.29 per share). As of December 31, 2019, the total number of shares repurchased under the Repurchase Plan was 3,273,880 at a cost of $3,421,383 (average cost of $1.05 per share). The Company currently holds the repurchased stock as Treasury Stock, reported at cost. Prior to September 17, 2002, the Company had 17,358 shares of Treasury Stock that it had purchased at a cost of $18,720.

Note 11 – Business Segment, Business Credit Risks and Concentration

Segment

The Company is currently involved in two segments, electrical construction and real estate development. There were no material amounts of sales or transfers between segments and no material amounts of foreign sales. Any inter-segment sales have been eliminated.

The following table sets forth certain segment information as of December 31 for the years indicated:

	2019	2018
Continuing Operations		
Revenue		
Electrical construction	167,779,823	136,526,511
Real estate development	12,865,895	1,622,331
Total revenue	$ 180,645,718	$ 138,148,842
Operating expenses		
Electrical construction	152,660,559	123,914,953
Real estate development	11,106,477	1,924,835
Corporate	5,663,131	4,745,350
Total operating expenses	$ 169,430,167	$ 130,585,138
Operating income (loss)		
Electrical construction	15,119,264	12,611,558
Real estate development	1,759,418	(302,504)
Corporate	(5,663,131)	(4,745,350)
Total operating income	$ 11,215,551	$ 7,563,704
Other (expenses) income, net		
Electrical construction	(1,362,917)	(761,117)
Real estate development	(5,498)	(56,010)
Corporate	142,844	78,120
Total other expenses, net	$ (1,225,571)	$ (739,007)
Net income (loss) before taxes		
Electrical construction	13,756,347	11,850,441
Real estate development	1,753,920	(358,514)
Corporate	(5,520,287)	(4,667,230)
Total net income before taxes	$ 9,989,980	$ 6,824,697
Capital Expenditures		
Electrical construction	18,799,010	19,514,124
Real estate development	116,497	42,545
Corporate	938,961	52,576
Total	$ 19,854,468	$ 19,609,245
Depreciation and Amortization		
Electrical construction	10,718,202	8,319,362
Real estate development	26,950	21,279
Corporate	101,182	96,331
Total	$ 10,846,334	$ 8,436,972

Operating income (loss) equals total operating revenue less operating costs and expenses inclusive of depreciation and amortization, and selling, general and administrative expenses. Operating costs and expenses also include any gains or losses on the sale of property and equipment. Operating income (loss) excludes interest expense, interest income, other income and income taxes.

Certain amounts associated with deferred income tax assets allocated in each segment were reflected as of December 31, 2018 in the assets table below and have been reclassified to the Corporate segment to conform to the total assets presentation as of December 31, 2019. This reclassification had no impact on the total assets reported as of December 31, 2018.

The following table sets forth assets by segment as of the dates indicated:

Assets	December 31, 2019	December 31, 2018
Electrical construction	111,064,071	93,625,017
Real estate development	7,578,440	14,557,323
Corporate	10,724,667	4,366,135
Total	$ 129,367,178	$ 112,548,475

Credit Risks

Financial instruments, mainly within the electrical construction operations, which potentially subject the Company to concentrations of credit risk, consist principally of accounts receivable and accrued billings in the amounts of $23.9 million and $22.2 million as of December 31, 2019 and 2018, respectively, which management reviews to assess the need to establish an allowance for doubtful accounts.

Cash and Cash Equivalents

The Company holds cash on deposit in U.S. banks, in excess of Federal Deposit Insurance Corporation insurance limits. The Company has not experienced and does not anticipate any losses in any such accounts. The Company mitigates this risk by doing business with well capitalized, quality financial institutions.

Customer Concentration

Revenue to customers exceeding 10% of the Company's total revenue for the years ended December 31 as indicated are as follows:

	2019		2018	
	Amount	% of Total revenue	Amount	% of Total revenue
Electrical construction operations				
Customer A	$ 48,771,790	27.0 %	$ 39,866,379	28.9 %
Customer B	26,276,755	14.5 %	22,085,201	16.0 %
Customer C	22,765,933	12.6 %	—	— %
Customer D	—	— %	16,971,598	12.3 %
Total		54.1 %		57.2 %

Revenue by service/product for the years ended December 31 as indicated are as follows:

	2019		2018	
	Amount	% of Total revenue	Amount	% of Total revenue
Electrical construction				
Principal electrical construction operations (1)	$ 165,283,100	92 %	$ 129,021,508	93 %
Other electrical construction (2)	2,496,723	1 %	7,505,003	6 %
Total	167,779,823	93 %	136,526,511	99 %
Real estate development	12,865,895	7 %	1,622,331	1 %
Total revenue	$ 180,645,718	100.00 %	$ 138,148,842	100.00 %

(1) Principal electrical construction operations include revenue from transmission lines, distribution systems, substations and drilled pier foundations.
(2) Other electrical construction includes revenue from storm work, fiber optics and other miscellaneous electrical construction items as disclosed in the revenue disaggregation reported in note 14.

Note 12 – Restricted Cash

Restricted cash, reported under “Deferred charges and other assets” on the Company’s consolidated balance sheet, represents amounts deposited in a trust account to secure the Company’s obligations in connection with the Company’s previous workers’ compensation insurance policies. On September 12, 2019 the Company was reimbursed the cash deposited and classified as restricted cash. Therefore, as of December 31, 2019, the Company holds no restricted cash on its consolidated balance sheet.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheet that sum to the total of the same such amounts shown in the statement of cash flows as of the dates indicated:

	December 31, 2019	December 31, 2018
Cash and cash equivalents	$ 23,272,156	$ 11,376,373
Restricted cash	—	25,980
Cash, cash equivalents and restricted cash shown in the consolidated statement of cash flows	$ 23,272,156	$ 11,402,353

Note 13 – Goodwill and Other Intangible Assets Associated with the Acquisition of C&C

The Company performed an annual impairment assessment on its goodwill and intangible assets onDecember 31, 2019. Based upon this analysis, the Company determined that there were no impairments.

The following table presents the gross and net balances of our goodwill and intangible assets as of the dates indicated:

	December 31, 2019				December 31, 2018		
	Useful Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Indefinite-lived and non-amortizable acquired intangible assets							
Goodwill	Indefinite	$ 101,407	$ —	$ 101,407	$ 101,407	$ —	$ 101,407
Definite-lived and amortizable acquired intangible assets							
Trademarks/Names	15	$ 640,000	$ (256,001)	$ 383,999	$ 640,000	$ (213,334)	$ 426,666
Customer relationships	20	350,000	(105,000)	245,000	350,000	(87,500)	262,500
Non-competition agreement	5	10,000	(10,000)	—	10,000	(10,000)	—
Other	1	13,800	(13,800)	—	13,800	(13,800)	—
Total		$ 1,013,800	$ (384,801)	$ 628,999	$ 1,013,800	$ (324,634)	$ 689,166

Amortization of definite-lived intangible assets will be approximately $0.06 million annually for 2020 through 2024.

Note 14 – ASC 606 Revenue Recognition and Significant Accounting Policies Disclosures

On January 1, 2018, the Company adopted revenue standard ASC 606 and all the related amendments (the “revenue standard”). Adoption of this standard did not result in significant changes to the Company’s accounting policies, business processes, systems or controls, or have a material impact on its financial position, results of operations and cash flows. The Company concluded that the cumulative effect of initially applying the revenue standard was immaterial and consequently did not record an adjustment to the opening balance of retained earnings.

To determine the proper revenue recognition method for contracts for electrical construction services, the Company evaluates whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment and the decision to combine a group of contracts or separate the combined or single contract into multiple performance obligations could change the amount of revenue and profit recorded in a given period. For most of the contracts, the Company provides a significant service of integrating a complex set of tasks and components into a single project or capability. Hence, the entire contract is accounted for as one performance obligation. However, less likely, if a contract is separated into more than one performance obligation, the Company allocates the total transaction price for each performance obligation in an amount based on the estimated relative stand-alone selling prices of the promised goods or services underlying each performance obligation.

The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The Company generally recognizes revenue over time as it performs because of continuous transfer of control to the customer. Because of control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The cost-to-cost measure of progress is generally used for its contracts because it best depicts the transfer of control to the customer which occurs as the Company incurs costs on the contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenue is recorded proportionally as costs are incurred.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is complex, subjecto many variables and requires significant judgment. The Company estimates variable consideration at the most likely amount which the Company expects to receive. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of all information (historical, current and forecasted) that is reasonably available to the Company.

Contracts are often modified to account for changes in contract specifications and requirements. The Company considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

The Company has a standard and disciplined quarterly estimated costs at completion process in which management reviews the progress and execution of our performance obligations. Management must make assumptions and estimates regarding labor productivity and availability, the complexity of the work to be performed, the availability of materials, the length of time to complete the performance obligation (e.g., to estimate increases in wages and prices for materials and related support cost allocations), and execution by our subcontractors, among other variables. Based on this analysis, any quarterly adjustments to net revenue, cost of electrical construction revenue and the related impact to operating income are recognized as necessary in the period they become known.

The following table disaggregates the Company’s revenue for the years ended December 31 as indicated:

	2019	2018
Electrical construction operations (1)		
Southeast	$ 69,558,248	$ 54,123,848
mid-Atlantic	50,406,022	41,071,994
Texas-Southwest	45,318,830	33,825,666
Other electrical construction (2)	2,496,723	7,505,003
Total electrical construction operations	167,779,823	136,526,511
Real estate development operations	12,865,895	1,622,331
Total revenue	$ 180,645,718	$ 138,148,842

(1) Principal electrical construction operations include revenue from transmission lines, distribution systems, substations and drilled pier foundations.
(2) Other electrical construction includes revenue from storm work, fiber optics and other miscellaneous electrical construction items.

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied as ofDecember 31, 2019 was $68.5 million. Of this total, $49.1 million is expected to be satisfied within the next twelve months and the remaining balance of $19.4 million is expected to be satisfied thereafter.

Note 15 – Leases

In February 2016, the FASB issued ASC 842 to increase transparency and comparability among organizations by recognizing all lease transactions (with terms in excess of 12 months) on the balance sheet as a lease liability and a right-of-use asset (as defined). On January 1, 2019, the Company adopted the accounting pronouncement issued using the modified retrospective method. The Company elected the "package of practical expedients" permitted under the transition guidance within the new standard, which among other things, allowed the Company to carry forward the historical lease classification. In addition, the Company elected not to utilize the hindsight practical expedient to determine the lease term for existing leases. The Company elected the short-term lease recognition exemption for all leases that qualify. This means, for those leases that qualify, the Company did not recognize right-of-use assets or lease liabilities, including not recognizing right-of-use assets or lease liabilities for existing short-term leases of those assets in transition. The Company also elected the practical expedient to not separate lease and non-lease components. Adoption of the new standard resulted in the recording of additional operating right-of-use assets and operating lease liabilities of approximately $4.3 million and $4.3 million, respectively, as of January 1, 2019. The adoption of this standard did not impact the Company's retained earnings liquidity, results of operations or its compliance with its debt covenants. The Company modified existing controls and processes to support the adoption of the new lease accounting standard that the Company adopted as of January 1, 2019.

From time to time, the Company enters into leases primarily for the electrical construction operation's equipment needs and to a lesser extent office facilities. These leases allow the Company to conserve cash by paying a monthly lease rental fee for the use of equipment rather than purchasing them. The Company's leases have remaining terms ranging from months to seven years, some of which may include options to extend the lease term. Currently, all of the Company's leases contain fixed payment terms. Additionally, all of our month-to-month leases are cancelable by the Company, at any time and are not included in our right-of-use asset or liability. At December 31, 2019, the Company had no leases with residual value guarantees. Typically, the Company has purchase options on the equipment underlying its long-term leases and many of its short-term rental arrangements. The Company has concluded that it is not reasonably certain that such options will be exercised as the Company does not have a compelling economic reason at lease commencement to exercise the option. However, the Company may exercise some of these purchase options when the need for equipment is on-going and the purchase option price is attractive.

Financing Leases

The Company currently does not have any leases that are classified as financing leases under ASC 842 *Leases.*

Operating Right-of-Use Leases

Operating right-of-use leases are reported under "Operating right-of-use assets," on the Company's consolidated balance sheet. The current portion operating lease liabilities are reported under "Current portion of operating lease liability" and the non-current portion is reported under "Other accrued liabilities," respectively on the Company's consolidated balance sheet. Operating lease right-of-use assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of the Company's leases do not provide an implicit rate to calculate present value, the Company determines this rate, by estimating the Company's incremental borrowing rate, at the lease commencement date. The majority of the operating right-of-use leases are for equipment used in the electrical construction operations. The incremental borrowing rate used for these leases is based on the interest rate of the outstanding notes payable at the date of lease execution, which reflects the rate the Company would incur to finance the equipment. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

The following table presents a summary of the Company's lease assets and lease liabilities as of December 31, 2019:

	Classification		December 31, 2019
Lease Assets			
Operating lease assets	Operating lease right-of-use assets	$	6,861,099
Lease Liabilities			
Current operating lease liabilities	Current portion of operating lease liability	$	1,880,957
Non-current operating lease liabilities	Other accrued liabilities		4,987,088
Total lease liabilities		$	6,868,045

The total weighted-average incremental borrowing rate and remaining lease term for the Company's operating leases was 4.05% and 5.66 years, respectively, as of December 31, 2019. Operating lease costs for the twelve months ended December 31, 2019 and 2018 were $3.7 million and $4.7 million, respectively and approximate the cash payments for these periods.

The following table presents the Company's maturity analysis of its operating lease liabilities asof December 31, 2019:

		December 31, 2019
2020	$	1,916,250
2021		1,112,792
2022		1,098,487
2023		1,055,010
2024 and beyond		2,547,044
Total lease payments	$	7,729,583
Less: interest		(861,538)
Present value of lease liabilities	$	6,868,045

The following table presents the Company's maturity analysis of its operating lease liabilities asof December 31, 2018:

		December 31, 2018
2019	$	3,613,980
2020		910,778
2021		88,469
2022 and beyond		114,466
Total minimum operating lease payments	$	4,727,693

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of disclosure controls and procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management in a timely manner. An evaluation was performed under the supervision and with the participation of our management, including John H. Sottile, our Chief Executive Officer ("CEO"), and Stephen R. Wherry, our Chief Financial Officer ("CFO"), of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of December 31, 2019. Based upon this evaluation, our management, including our CEO and our CFO, concluded that our disclosure controls and procedures were effective, as of the end of the period covered by this Annual Report on Form 10-K, at the reasonable assurance level.

Management's report on internal control over financial reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Exchange Act Rule 13a-15(f), which consists of processes and procedures designed to provide reasonable assurance to our management and board of directors regarding the preparation and fair presentation of our published financial statements. Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2019, based on the criteria set forth in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on our assessment, we believe that as of December 31, 2019, our internal control over financial reporting was effective based on those criteria.

KPMG LLP, the Company's independent registered public accounting firm, has issued an attestation report on the effectiveness of the Company's internal control over financial reporting.

Changes in internal control

No changes in our internal control over financial reporting occurred during the fourth quarter of 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the effectiveness of controls

A control system, no matter how well conceived and operated, can provide only reasonable assurance, not absolute assurance, that the objectives of the control system are met. Because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that the design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies and procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors

The Goldfield Corporation:

Opinion on Internal Control Over Financial Reporting

We have audited The Goldfield Corporation and subsidiaries' (the Company) internal control over financial reporting as ofDecember 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2019 and 2018, the related consolidated statements of income, stockholders' equity, and cash flows for the years then ended, and the related notes (collectively, the consolidated financial statements), and our report dated March 11, 2020 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's report on internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Orlando, Florida

March 11, 2020

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Information concerning the directors of the Company will be contained under the heading "Proposal 1. Election of Directors" and information concerning compliance with Section 16(a) of the Securities Exchange Act of 1934, as amended, will be contained under the heading "Section 16(a) Beneficial Ownership Reporting Compliance" in our 2020 Proxy Statement, which information is incorporated herein by reference.

Our executive officers are as follows:

Name and Title	Year in which service began as officer	Age (1)
John H. Sottile Chairman of the Board, President and Chief Executive Officer, Director	1983	72
Stephen R. Wherry Senior Vice President, Chief Financial Officer, Treasurer, and Assistant Secretary	1988	61
Jason M. Spivey President of Power Corporation of America, Southeast Power Corporation and Precision Foundations, Inc.	2017	49

(1) As of February 29, 2020

Throughout the past five years, John H. Sottile and Stephen R. Wherry have been principally employed as executive officers of the Company, with responsibilities substantially consistent with those of their current positions.

John H. Sottile has served as Chairman of the Board of Directors since May 1998.

Jason M. Spivey joined Southeast Power Corporation as Project Manager in January 2015 and was promoted to Assistant Vice President in May 2016, prior to being appointed President in June of 2017. Prior to joining the Company, Mr. Spivey worked in the power line construction industry for over 25 years and held various leadership roles related to transmission and distribution line construction at Orlando Utilities Commission, a municipally-owned public utility company, including the position of Transmission Line Supervisor from February 2010 until January 2015.

The term of office of all directors is until the next annual meeting and the term of office of all officers is one year, and until their successors are elected and qualify.

Code of Ethics

In March 2003, our Board of Directors adopted a Code of Ethics (the "Code") that is specifically applicable to our Chief Executive Officer and Senior Financial Officers, including our Chief Financial Officer (who is our Principal Financial and Accounting Officer). The Code incorporates guidelines designed to deter wrongdoing, to promote honest and ethical conduct, compliance with applicable laws and regulations, prompt internal reporting of Code violations and accountability for Code adherence. A copy of the Code was filed as an exhibit to our Annual Report on Form 10-K for the period ended December 31, 2003.

The Code is also available, free of charge, within the "Corporate Governance" section of our website, our website address is www.goldfieldcorp.com. We intend to disclose on our website any amendments to, or waivers from, our Code of Ethics that are required to be publicly disclosed pursuant to the rules of the Securities and Exchange Commission.

Audit Committee

Information concerning our Audit Committee including the Audit Committee Financial Expert will be contained under “Committees and Meetings of the Board of Directors” in our 2020 Proxy Statement, which information is incorporated herein by reference.

Item 11. Executive Compensation.

Information concerning executive compensation and director compensation will be contained under “Executive Compensation” and “Director Compensation” in our 2020 Proxy Statement, which information is incorporated herein by reference.

Item 12. Security Owner ship of Certain Beneficial Owners and Management and Related Stockholder Matters.

Information concerning the security ownership of certain beneficial owners and management will be contained under “Security Ownership of Certain Beneficial Owners and Management” and “Executive Compensation-Equity Compensation Plan Information” in our 2020 Proxy Statement, which information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Information concerning certain relationships and related transactions of the directors and officers of our Company and director independence will be contained under “Proposal 1. Election of Directors” and “Director Compensation-Transactions with Related Parties” in our 2020 Proxy Statement, which information is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services.

Information concerning the accounting services performed by our Independent Registered Public Accounting Firm, KPMG LLP, and their respective fees for such services will be contained under “Audit Committee Report and Fee Information” in our 2020 Proxy Statement, which information is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) The following documents are filed as part of this report:

(1) Financial Statements

(2) Financial Statement Schedules

No financial statement schedules are included as all applicable information is included in the notes to the consolidated financial statements.

(3) Exhibits

3-1 (p)	Restated Certificate of Incorporation of the Company, as amended, is hereby incorporated by reference to Exhibit 3-1 of the Company's Annual Report on Form 10-K for the year ended December 31, 1987, heretofore filed with the Commission (file No. 1-7525).
3-2	Amended and Restated By-Laws of the Company are hereby incorporated by reference to Exhibit 3-1 of the Company's Current Report on Form 8-K dated December 11, 2007, heretofore filed with the Commission (file No. 1-7525).
4-1 (p)	Specimen copy of Company's Common Stock certificate is hereby incorporated by reference to Exhibit 4-5 of the Company's Annual Report on Form 10-K for the year ended December 31, 1987, heretofore filed with the Commission (file No. 1-7525).
4-2*	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.
+10-1	Amended and Restated Employment Agreement dated November 1, 2001 between The Goldfield Corporation and John H. Sottile is hereby incorporated by reference to Exhibit 10-2(g) of the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2001, heretofore filed with the Commission (file No. 1-7525).
+10-1(a)	Amendment to John H. Sottile Employment Agreement, dated April 15, 2010, between John H. Sottile and The Goldfield Corporation, is hereby incorporated by reference to Exhibit 10-1 of the Company's Current Report on Form 8-K dated April 15, 2010, heretofore filed with the Commission (file No. 1-7525).
+10-1(b)	Letter dated March 15, 2012 from John H. Sottile to the Benefits and Compensation Committee of the Board of Directors of The Goldfield Corporation, is hereby incorporated by reference to Exhibit 10-1 of the Company's Current Report on Form 8-K dated March 15, 2012, heretofore filed with the Commission (file No. 1-7525).
+10-1(c)	Partial Bonus Waiver Letter dated November 5, 2018 from John H. Sottile to the Benefits and Compensation Committee of the Board of Directors of The Goldfield Corporation, is hereby incorporated by reference to Exhibit 10-1 of the Company's Current Report on Form 10-Q dated November 5, 2018, hereto filed with the Commission (file No. 1-7525).
+10-2	Form of Indemnification Agreement is hereby incorporated by reference to Item 1.01 of the Company's Current Report on Form 8-K dated December 7, 2017, heretofore filed with the Commission (file No. 1-7525).

+10-3	Amended and Restated Performance-Based Bonus Plan effective January 1, 2016 is hereby incorporated by reference to the Company's 2016 Proxy Statement, heretofore filed with the Commission on April 27, 2016 (file No. 1-7525).
+10-4	The Goldfield Corporation 2013 Long-Term Incentive Plan is hereby incorporated by reference to the Company's 2013 Proxy Statement, heretofore filed with the Commission on April 29, 2013 (file No. 1-7525).
10-5	Collateral Trust Agreement between The Goldfield Corporation, Valley Forge Insurance Company Branch Banking and Trust Company is hereby incorporated by reference to Exhibit 10-1 of the Company's Current Report on Form 8-K dated October 25, 2010, heretofore filed with the Commission (file No. 1-7525).
10-6	The Lease Agreement dated June 7, 2004 between Hibiscus Office Park, LLC and The Goldfield Corporation is hereby incorporated by reference to Exhibit 10-1 of the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2004, heretofore filed with the Commission (file No. 1-7525).
10-6(a)	The First Amendment to the Lease Agreement signed October 7, 2011, effective November 1, 2011 between Hibiscus Office Park, LLC and The Goldfield Corporation is hereby incorporated by reference to Exhibit 10-1 of the Company's Current Report on Form 8-K dated October 7, 2011, heretofore filed with the Commission (file No. 1-7525).
10-6(b)	The Second Amendment to the Lease Agreement signed July 29, 2013, effective November 1, 2013 between Hibiscus Office Park, LLC and The Goldfield Corporation is hereby incorporated by reference to Exhibit 10-1 of the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2013, heretofore filed with the Commission (file No. 1-7525).
10-7	Master Lease Agreement dated March 31, 2014, among Power Corporation of America and Terex Master Trust relating to (4) 60 month lease schedules for specific use of equipment totaling $6.4 million in the aggregate over the 60-month term is hereby incorporated by reference to Item 2.03 of the Company's Current Report on Form 8-K dated April 3, 2014, heretofore filed with the Commission (file No. 1-7525).
10-8	Master Loan Agreement, dated May 24, 2018, among The Goldfield Corporation, Power Corporation of America, Southeast Power Corporation, C and C Power Line, Inc, Bayswater Development Corporation, Precision Foundations, Inc., Pineapple House of Brevard, Inc., and Branch Banking and Trust Company relating to all prior and new loans with Branch Banking and Trust Company as listed in Exhibit "A" of the loan document is hereby incorporated by reference to Exhibit 10-1 of the Company's Current Report on Form 8-K dated May 24, 2018, heretofore filed with the Commission (file No. 1-7525).
10-8(a)	Master Loan Agreement Amendment, dated March 7, 2019, by and between Branch Banking and Trust Company and The Goldfield Corporation, Southeast Power Corporation, Pineapple House of Brevard, Inc., Bayswater Development Corporation, Power Corporation of America, Precision Foundations, Inc., and C and C Power Line, Inc. is hereby incorporated by reference to Exhibit 10-1 of the Company's Current Report on Form 8-K dated March 7, 2019, heretofore filed with the Commission (file No. 1-7525).
10-8(b)	Master Loan Agreement Second Amendment, dated December 6, 2019, by and between BB&T and the Company, Southeast Power Corporation, Pineapple House of Brevard, Inc., Bayswater Development Corporation, Power Corporation of America, Precision Foundations, Inc., and C and C Power Line, Inc.is hereby incorporated by reference to Exhibit 10-7 of the Company's Current Report on Form 8-K dated December 6,2019, heretofore filed with the Commission (file No. 1-7525).
10-9	Promissory Note of The Goldfield Corporation, dated June 9, 2017, relating to Loans of up to $22.6 million is hereby incorporated by reference to Exhibit 10-2 of the Company's Current Report on Form 8-K dated June 9, 2017, heretofore filed with the Commission (file No. 1-7525).
10-9(a)	Addendum to Promissory Note dated June 9, 2017, among The Goldfield Corporation and Branch Banking and Trust Company relating to Loans of up to $22.6 million is hereby incorporated by reference to Exhibit 10-3 of the Company's Current Report on Form 8-K dated June 9, 2017, heretofore filed with the Commission (file No. 1-7525).
10-9(b)	Modification Promissory Note, dated May 24, 2018, among The Goldfield Corporation and Branch Banking and Trust Company relating to Loans to The Goldfield Corporation of up to $27.49 million is hereby incorporated by reference to Exhibit 10-2 of the Company's Current Report on Form 8-K dated May 24, 2018, heretofore filed with the Commission (file No. 1-7525).

10-9(c)	Addendum To Modification Promissory Note, dated May 24, 2018, among The Goldfield Corporation and Branch Banking and Trust Company relating to Loans to The Goldfield Corporation of up to $27.49 million is hereby incorporated by reference to Exhibit 10-3 of the Company's Current Report on Form 8-K dated May 24, 2018, heretofore filed with the Commission (file No. 1-7525).
10-9(d)	Security Agreement, dated May 24, 2018, between Southeast Power Corporation, Power Corporation of America, Bayswater Development Corporation, Pineapple House of Brevard, Inc., C and C Power Line, Inc., Precision Foundations, Inc., and Branch Banking and Trust Company relating to Loans to The Goldfield Corporation of up to $27.49 million is hereby incorporated by reference to Exhibit 10-4 of the Company's Current Report on Form 8-K dated May 24, 2018, heretofore filed with the Commission (file No. 1-7525).
10-9(e)	Guaranty Agreement, dated May 24, 2018, between Southeast Power Corporation, Power Corporation of America, Bayswater Development Corporation, Pineapple House of Brevard, Inc., C and C Power Line, Inc., Precision Foundations, Inc., and Branch Banking and Trust Company relating to Loans to The Goldfield Corporation of up to $27.49 million is hereby incorporated by reference to Exhibit 10-5 of the Company's Current Report on Form 8-K dated May 24, 2018, heretofore filed with the Commission (file No. 1-7525).
10-9(g)	Modification Promissory Note, dated March 7, 2019, relating to The Goldfield Corporation $38.2 Million Loan is hereby incorporated by reference to Exhibit 10-2 of the Company's Current Report on Form 8-K dated March 7, 2019, heretofore filed with the Commission (file No. 1-7525).
10-9(h)	Addendum to Modification Promissory Note, dated March 7, 2019, relating to The Goldfield Corporation $38.2 Million Loan is hereby incorporated by reference to Exhibit 10-3 of the Company's Current Report on Form 8-K dated March 7, 2019, heretofore filed with the Commission (file No. 1-7525).
10-9(i)	Branch Banking and Trust Company Security Agreement, dated March 7, 2019 by and between BB&T and the Debtors, relating to The Goldfield Corporation $38.2 Million Loan is hereby incorporated by reference to Exhibit 10-4 of the Company's Current Report on Form 8-K dated March 7, 2019, heretofore filed with the Commission (file No. 1-7525).
10-10	Promissory Note, dated May 24, 2018, among The Goldfield Corporation and Branch Banking and Trust Company relating to Loans to The Goldfield Corporation of up to $18.0 million is hereby incorporated by reference to Exhibit 10-6 of the Company's Current Report on Form 8-K dated May 24, 2018, heretofore filed with the Commission (file No. 1-7525).
10-10(a)	Addendum To Promissory Note, dated May 24, 2018, among The Goldfield Corporation and Branch Banking and Trust Company relating to Loans to The Goldfield Corporation of up to $18.0 million is hereby incorporated by reference to Exhibit 10-7 of the Company's Current Report on Form 8-K dated May 24, 2018, heretofore filed with the Commission (file No. 1-7525).
10-10(b)	Security Agreement, dated May 24, 2018, between Southeast Power Corporation, Power Corporation of America, Bayswater Development Corporation, Pineapple House of Brevard, Inc., C and C Power Line, Inc., Precision Foundations, Inc., and Branch Banking and Trust Company relating to Loans to The Goldfield Corporation of up to $18.0 million is hereby incorporated by reference to Exhibit 10-8 of the Company's Current Report on Form 8-K dated May 24, 2018, heretofore filed with the Commission (file No. 1-7525).
10-10(c)	Guaranty Agreement, dated May 24, 2018, between Southeast Power Corporation, Power Corporation of America, Bayswater Development Corporation, Pineapple House of Brevard, Inc., C and C Power Line, Inc., Precision Foundations, Inc., and Branch Banking and Trust Company relating to Loans to The Goldfield Corporation of up to $18.0 million is hereby incorporated by reference to Exhibit 10-9 of the Company's Current Report on Form 8-K dated May 24, 2018, heretofore filed with the Commission (file No. 1-7525).
10-10(d)	Note Modification, dated December 6, 2019, relating to The Goldfield Corporation Working Capital Loan is hereby incorporated by reference to Exhibit 10-8 of the Company's Current Report on Form 8-K dated December 6, 2019, heretofore filed with the Commission (file No. 1-7525).
10-10(e)	Addendum to Note Modification, dated December 6, 2019, relating to The Goldfield Corporation Working Capital Loan is hereby incorporated by reference to Exhibit 10-9 of the Company's Current Report on Form 8-K dated December 6, 2019, heretofore filed with the Commission (file No. 1-7525).

10-10(f)	Legal Entity Rider, dated December 6, 2019 by and between BB&T and the Debtors, relating to The Goldfield Corporation Working Capital Loan is hereby incorporated by reference to Exhibit 10-10 of the Company's Current Report on Form 8-K dated December 6, 2019, heretofore filed with the Commission (file No. 1-7525).
10-11	Promissory Note, dated March 7, 2019, relating to The Goldfield Corporation $4.5 Million Equipment Loan is hereby incorporated by reference to Exhibit 10-5 of the Company's Current Report on Form 8-K dated March 7, 2019, heretofore filed with the Commission (file No. 1-7525).
10-11(a)	Addendum to Promissory Note, dated March 7, 2019, relating to The Goldfield Corporation $4.5 Million Equipment Loan is hereby incorporated by reference to Exhibit 10-6 of the Company's Current Report on Form 8-K dated March 7, 2019, heretofore filed with the Commission (file No. 1-7525).
10-11(b)	Branch Banking and Trust Company Security Agreement, dated March 7, 2019 by and between BB&T and the Debtors, relating to The Goldfield Corporation $4.5 Million Equipment Loan is hereby incorporated by reference to Exhibit 10-7 of the Company's Current Report on Form 8-K dated March 7, 2019, heretofore filed with the Commission (file No. 1-7525).
10-11(c)	Guaranty Agreement, dated March 7, 2019, relating to The Goldfield Corporation $4.5 Million Equipment Loan is hereby incorporated by reference to Exhibit 10-8 of the Company's Current Report on Form 8-K dated March 7, 2019, heretofore filed with the Commission (file No. 1-7525).
(p)	Filed as a paper exhibit with the U.S. Securities and Exchange Commission
11	For computation of per share earnings, see note 9 to the consolidated financial statements.
*21	Subsidiaries of Registrant
*23	Consent of Independent Registered Public Accounting Firm
*24	Powers of Attorney
*31-1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, 15 U.S.C. Section 7241
*31-2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, 15 U.S.C. Section 7241
*32-1	**Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350
*32-2	**Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase Document

* Filed herewith.

** These exhibits are furnished in accordance with Regulation S-K Item 601(b)(32) and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liability of that section. These exhibits shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the registrant specifically incorporates them by reference.

\+ Management contract, compensatory plan or arrangement.

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE GOLDFIELD CORPORATION

By: /s/ JOHN H. SOTTILE
(John H. Sottile)

Chairman of the Board, President and Chief Executive Officer
(Principal Executive Officer)

Dated: March 11, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 11, 2020.

Signature	Title
/s/ JOHN H. SOTTILE (John H. Sottile)	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)
/s/ STEPHEN R. WHERRY (Stephen R. Wherry)	Senior Vice President, Chief Financial Officer, Treasurer and Assistant Secretary (Principal Financial and Accounting Officer)
* (Stephen L. Appel)	Director
* (David P. Bicks)	Director
* (Harvey C. Eads, Jr.)	Director
* (John P. Fazzini)	Director
* (Danforth E. Leitner)	Director

*By: /s/ JOHN H. SOTTILE
John H. Sottile
Attorney-in-Fact

DESCRIPTION OF THE REGISTRANT'S SECURITIES

REGISTERED PURSUANT TO SECTION 12 OF THE

SECURITIES EXCHANGE ACT OF 1934

As of March 6, 2020, The Goldfield Corporation has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), its Common Stock.

The following is a summary of information concerning capital stock of The Goldfield Company (the " **Company**"). The summaries and descriptions below do not purport to be complete statements of the relevant provisions of the Company's Restated Certificate of Incorporation, as amended, (the "**Charte**r") and Amended and Restated By-Laws of the Company (the "**By-Laws**"), and are entirely qualified by these documents.

Common Stock

Shares Outstanding. The Company is authorized to issue up to 40 million shares of common stock, par value $0.10 per share (the " **Common Stock**").

Dividends. Subject to the rights of holders of outstanding shares of Preferred Stock, if any, the holders of Common Stock are entitled to receive dividends, if any, as may be declared from time to time by the Board of Directors in its discretion out of funds legally available for the payment of dividends.

Voting Rights . Other than the election of directors, each share of Common Stock is entitled to one vote per share on matters voted on by the stockholders. Holders of Common Stock are entitled to vote shares cumulatively for the election of directors.

Liquidation Rights. Subject to any preferential rights of outstanding shares of Preferred Stock, holders of Common Stock will share ratably in all assets legally available for distribution to our stockholders in the event of dissolution.

Other Rights. The shares of Common Stock are not subject to redemption by operation of a sinking fund or otherwise. Holders of shares of Common Stock are not currently entitled to pre-emptive rights.

Fully Paid. The issued and outstanding shares of Common Stock are fully paid and non-assessable. This means the full purchase price for the outstanding shares of Common Stock has been paid and the holders of such shares will not be assessed any additional amounts for such shares.

Listing. The Common Stock is traded on NYSE American under the trading symbol "GV".

Subsidiaries of Registrant

Company	State of Jurisdiction of Organization	Percentage of Voting Securities Owned
Power Corporation of America	Florida	100%
Subsidiaries of Power Corporation of America		
C and C Power Line, Inc.	Florida	100%
Southeast Power Corporation	Florida	100%
Precision Foundations, Inc.	Florida	100%
Bayswater Development Corporation	Florida	100%
Subsidiaries of Bayswater Development Corporation		
Abacos of Brevard, Inc.	Florida	100%
Florida Coastal Homes, Inc.	Florida	100%
Harbor Beach Club of Brevard	Florida	100%
Palm Beach of Brevard, Inc. (Previously Palmilla of Brevard, Inc.)	Florida	100%
Pineapple House of Brevard, Inc.	Florida	100%
The Savoy of Brevard, Inc.	Florida	100%

All of the above subsidiaries are included in the consolidated financial statements of the Company as of December 31, 2019.

Exhibit 23

Consent of Independent Registered Public Accounting Firm

The Board of Directors
The Goldfield Corporation:

We consent to the incorporation by reference in the registration statements (No. 333-72241 and No. 333-201028) on Form S-8 of The Goldfield Corporation of our reports dated March 11, 2020, with respect to the consolidated balance sheets of The Goldfield Corporation as of December 31, 2019 and 2018, and the related consolidated statements of income, cash flows, and stockholders' equity for each of the years then ended, and the related notes, and the effectiveness of internal control over financial reporting as of December 31, 2019, which reports appear in the December 31, 2019 annual report on Form 10-K of The Goldfield Corporation.

Our report on the consolidated financial statements contains an explanatory paragraph relating to the Company changing its method of accounting for leases.

/s/ KPMG LLP

Orlando, Florida
March 11, 2020

Exhibit 24

POWER OF ATTORNEY

The undersigned who is a director or officer of The Goldfield Corporation, a Delaware corporation (the "Company");

Does hereby constitute and appoint John H. Sottile and Stephen R. Wherry to be his agent and attorney-in-fact;

Each with the power to act fully hereunder without the other and with full power of substitution to act in the name and on behalf of the undersigned;

To sign and file with the Securities and Exchange Commission the Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2019, and any amendments or supplements to such Annual Report; and

To execute and deliver any instruments, certificates or other documents which they shall deem necessary or proper in connection with the filing of such Annual Report, and generally to act for and in the name of the undersigned with respect to such filings as fully as could the undersigned if then personally present and acting.

Each agent named above is hereby empowered to determine in his discretion the times when, the purposes for, and the names in which, any power conferred upon him herein shall be exercised and the terms and conditions of any instrument, certificate or document which may be executed by him pursuant to this instrument.

This Power of Attorney shall not be affected by the disability of the undersigned nor by the lapse of time.

The validity, terms and enforcement of this Power of Attorney shall be governed by those laws of the State of Delaware that apply to instruments negotiated, executed, delivered and performed solely within the State of Delaware.

This Power of Attorney may be executed in any number of counterparts, each of which shall have the same effect as if it were the original instrument and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, I have executed this Power of Attorney this 5th day of December, 2019.

/s/ Danforth E. Leitner	/s/ John P. Fazzini
Witness	John P. Fazzini, Director
/s/ Harvey C. Eads, Jr.	
Witness	

State of Florida
County of Brevard

The foregoing instrument was acknowledged before me this 5th day of December, 2019 by John P. Fazzini, Director of The Goldfield Corporation, a Delaware corporation. He is personally known to me.

/s/ Melissa A. Munson
Notary Public Melissa A. Munson

Imprint of Notary Stamp of Melissa A. Munson

POWER OF ATTORNEY

The undersigned who is a director or officer of The Goldfield Corporation, a Delaware corporation (the "Company");

Does hereby constitute and appoint John H. Sottile and Stephen R. Wherry to be his agent and attorney-in-fact;

Each with the power to act fully hereunder without the other and with full power of substitution to act in the name and on behalf of the undersigned;

To sign and file with the Securities and Exchange Commission the Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2019, and any amendments or supplements to such Annual Report; and

To execute and deliver any instruments, certificates or other documents which they shall deem necessary or proper in connection with the filing of such Annual Report, and generally to act for and in the name of the undersigned with respect to such filings as fully as could the undersigned if then personally present and acting.

Each agent named above is hereby empowered to determine in his discretion the times when, the purposes for, and the names in which, any power conferred upon him herein shall be exercised and the terms and conditions of any instrument, certificate or document which may be executed by him pursuant to this instrument.

This Power of Attorney shall not be affected by the disability of the undersigned nor by the lapse of time.

The validity, terms and enforcement of this Power of Attorney shall be governed by those laws of the State of Delaware that apply to instruments negotiated, executed, delivered and performed solely within the State of Delaware.

This Power of Attorney may be executed in any number of counterparts, each of which shall have the same effect as if it were the original instrument and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, I have executed this Power of Attorney this 5th day of December, 2019.

/s/ Danforth E. Leitner Witness	/s/ Harvey C. Eads, Jr. Harvey C. Eads, Jr., Director
/s/ Stephen R. Wherry Witness	

State of Florida
County of Brevard

The foregoing instrument was acknowledged before me this 5th day of December, 2019 by Harvey C. Eads, Jr., Director of The Goldfield Corporation, a Delaware corporation. He is personally known to me.

/s/Melissa A. Munson
Notary Public Melissa A. Munson

Imprint of Notary Stamp of Melissa A. Munson

POWER OF ATTORNEY

The undersigned who is a director or officer of The Goldfield Corporation, a Delaware corporation (the “Company”);

Does hereby constitute and appoint John H. Sottile and Stephen R. Wherry to be his agent and attorney-in-fact;

Each with the power to act fully hereunder without the other and with full power of substitution to act in the name and on behalf of the undersigned;

To sign and file with the Securities and Exchange Commission the Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2019, and any amendments or supplements to such Annual Report; and

To execute and deliver any instruments, certificates or other documents which they shall deem necessary or proper in connection with the filing of such Annual Report, and generally to act for and in the name of the undersigned with respect to such filings as fully as could the undersigned if then personally present and acting.

Each agent named above is hereby empowered to determine in his discretion the times when, the purposes for, and the names in which, any power conferred upon him herein shall be exercised and the terms and conditions of any instrument, certificate or document which may be executed by him pursuant to this instrument.

This Power of Attorney shall not be affected by the disability of the undersigned nor by the lapse of time.

The validity, terms and enforcement of this Power of Attorney shall be governed by those laws of the State of Delaware that apply to instruments negotiated, executed, delivered and performed solely within the State of Delaware.

This Power of Attorney may be executed in any number of counterparts, each of which shall have the same effect as if it were the original instrument and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, I have executed this Power of Attorney this 5th day of December, 2019.

/s/ Stephen R. Wherry
Witness

/s/ David P. Bicks
David P. Bicks, Director

/s/ Danforth E. Leitner
Witness

State of Florida
County of Brevard

The foregoing instrument was acknowledged before me this 5th day of December, 2019 by David P. Bicks, Director of The Goldfield Corporation, a Delaware corporation. He is personally known to me.

/s/ Melissa A. Munson
Notary Public Melissa A. Munson

Imprint of Notary Stamp of Melissa A. Munson

POWER OF ATTORNEY

The undersigned who is a director or officer of The Goldfield Corporation, a Delaware corporation (the “Company”);

Does hereby constitute and appoint John H. Sottile and Stephen R. Wherry to be his agent and attorney-in-fact;

Each with the power to act fully hereunder without the other and with full power of substitution to act in the name and on behalf of the undersigned;

To sign and file with the Securities and Exchange Commission the Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2019, and any amendments or supplements to such Annual Report; and

To execute and deliver any instruments, certificates or other documents which they shall deem necessary or proper in connection with the filing of such Annual Report, and generally to act for and in the name of the undersigned with respect to such filings as fully as could the undersigned if then personally present and acting.

Each agent named above is hereby empowered to determine in his discretion the times when, the purposes for, and the names in which, any power conferred upon him herein shall be exercised and the terms and conditions of any instrument, certificate or document which may be executed by him pursuant to this instrument.

This Power of Attorney shall not be affected by the disability of the undersigned nor by the lapse of time.

The validity, terms and enforcement of this Power of Attorney shall be governed by those laws of the State of Delaware that apply to instruments negotiated, executed, delivered and performed solely within the State of Delaware.

This Power of Attorney may be executed in any number of counterparts, each of which shall have the same effect as if it were the original instrument and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, I have executed this Power of Attorney this 5th day of December, 2019.

/s/ Harvey C. Eads, Jr.
Witness

/s/ Danforth E. Leitner
Danforth E. Leitner, Director

/s/ Stephen. L. Appel
Witness

State of Florida
County of Brevard

The foregoing instrument was acknowledged before me this 5th day of December, 2019 by Danforth E. Leitner, Director of The Goldfield Corporation, a Delaware corporation. He is personally known to me.

/s/ Melissa A. Munson
Notary Public Melissa A. Munson

Imprint of Notary Stamp of Melissa A. Munson

POWER OF ATTORNEY

The undersigned who is a director or officer of The Goldfield Corporation, a Delaware corporation (the "Company");

Does hereby constitute and appoint John H. Sottile and Stephen R. Wherry to be his agent and attorney-in-fact;

Each with the power to act fully hereunder without the other and with full power of substitution to act in the name and on behalf of the undersigned;

To sign and file with the Securities and Exchange Commission the Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2019, and any amendments or supplements to such Annual Report; and

To execute and deliver any instruments, certificates or other documents which they shall deem necessary or proper in connection with the filing of such Annual Report, and generally to act for and in the name of the undersigned with respect to such filings as fully as could the undersigned if then personally present and acting.

Each agent named above is hereby empowered to determine in his discretion the times when, the purposes for, and the names in which, any power conferred upon him herein shall be exercised and the terms and conditions of any instrument, certificate or document which may be executed by him pursuant to this instrument.

This Power of Attorney shall not be affected by the disability of the undersigned nor by the lapse of time.

The validity, terms and enforcement of this Power of Attorney shall be governed by those laws of the State of Delaware that apply to instruments negotiated, executed, delivered and performed solely within the State of Delaware.

This Power of Attorney may be executed in any number of counterparts, each of which shall have the same effect as if it were the original instrument and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, I have executed this Power of Attorney this 5th day of December, 2019.

/s/ Stephen R. Wherry
Witness

/s/ Stephen. L. Appel
Stephen. L. Appel, Director

/s/ Harvey C. Eads, Jr.
Witness

State of Florida
County of Brevard

The foregoing instrument was acknowledged before me this 5th day of December, 2019 by Stephen. L. Appel, Director of The Goldfield Corporation, a Delaware corporation. He is personally known to me.

/s/ Melissa A. Munson
Notary Public Melissa A. Munson

Imprint of Notary Stamp of Melissa A. Munson

POWER OF ATTORNEY

The undersigned who is a director or officer of The Goldfield Corporation, a Delaware corporation (the "Company");

Does hereby constitute and appoint Stephen R. Wherry to be his agent and attorney-in-fact;

Each with the power to act fully hereunder without the other and with full power of substitution to act in the name and on behalf of the undersigned;

To sign and file with the Securities and Exchange Commission the Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2019, and any amendments or supplements to such Annual Report; and

To execute and deliver any instruments, certificates or other documents which they shall deem necessary or proper in connection with the filing of such Annual Report, and generally to act for and in the name of the undersigned with respect to such filings as fully as could the undersigned if then personally present and acting.

Each agent named above is hereby empowered to determine in his discretion the times when, the purposes for, and the names in which, any power conferred upon him herein shall be exercised and the terms and conditions of any instrument, certificate or document which may be executed by him pursuant to this instrument.

This Power of Attorney shall not be affected by the disability of the undersigned nor by the lapse of time.

The validity, terms and enforcement of this Power of Attorney shall be governed by those laws of the State of Delaware that apply to instruments negotiated, executed, delivered and performed solely within the State of Delaware.

This Power of Attorney may be executed in any number of counterparts, each of which shall have the same effect as if it were the original instrument and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, I have executed this Power of Attorney this 5th day of December, 2019.

/s/ Harvey C. Eads, Jr.	/s/ John H. Sottile
Witness	John H. Sottile, Director

/s/ Danforth E. Leitner
Witness

State of Florida
County of Brevard

The foregoing instrument was acknowledged before me this 5th day of December, 2019 by John H. Sottile, Director of The Goldfield Corporation, a Delaware corporation. He is personally known to me.

/s/ Melissa A. Munson
Notary Public Melissa A. Munson

Imprint of Notary Stamp of Melissa A. Munson

POWER OF ATTORNEY

The undersigned who is a director or officer of The Goldfield Corporation, a Delaware corporation (the "Company");

Does hereby constitute and appoint John H. Sottile to be his agent and attorney-in-fact;

Each with the power to act fully hereunder without the other and with full power of substitution to act in the name and on behalf of the undersigned;

To sign and file with the Securities and Exchange Commission the Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2019, and any amendments or supplements to such Annual Report; and

To execute and deliver any instruments, certificates or other documents which they shall deem necessary or proper in connection with the filing of such Annual Report, and generally to act for and in the name of the undersigned with respect to such filings as fully as could the undersigned if then personally present and acting.

Each agent named above is hereby empowered to determine in his discretion the times when, the purposes for, and the names in which, any power conferred upon him herein shall be exercised and the terms and conditions of any instrument, certificate or document which may be executed by him pursuant to this instrument.

This Power of Attorney shall not be affected by the disability of the undersigned nor by the lapse of time.

The validity, terms and enforcement of this Power of Attorney shall be governed by those laws of the State of Delaware that apply to instruments negotiated, executed, delivered and performed solely within the State of Delaware.

This Power of Attorney may be executed in any number of counterparts, each of which shall have the same effect as if it were the original instrument and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, I have executed this Power of Attorney this 5th day of December, 2019.

/s/ Stephen. L. Appel
Witness

/s/ Stephen R. Wherry
Stephen R. Wherry, Senior Vice President

/s/ Danforth E. Leitner
Witness

State of Florida
County of Brevard

The foregoing instrument was acknowledged before me this 5th day of December, 2019 by Stephen R. Wherry, Senior Vice President of The Goldfield Corporation, a Delaware corporation. He is personally known to me.

/s/ Melissa A. Munson
Notary Public Melissa A. Munson

Imprint of Notary Stamp of Melissa A. Munson

Exhibit 31-1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002 15 U.S.C. SECTION 7241

I, John H. Sottile, certify that:

1. I have reviewed this annual report on Form 10-K of The Goldfield Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ JOHN H. SOTTILE
John H. Sottile
Chairman of the Board, President
and Chief Executive Officer (Principal Executive Officer)
March 11, 2020

Exhibit 31-2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002 15 U.S.C. SECTION 7241

I, Stephen R. Wherry, certify that:

1. I have reviewed this annual report on Form 10-K of The Goldfield Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ STEPHEN R. WHERRY
Stephen R. Wherry
Senior Vice President, Chief Financial Officer,
Treasurer and Assistant Secretary (Principal Financial and Accounting Officer)
March 11, 2020

Exhibit 32-1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
18 U.S.C. SECTION 1350

In connection with the Annual Report of The Goldfield Corporation (the "Company") on Form 10-K for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John H. Sottile, Chairman of the Board, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to The Goldfield Corporation and will be retained by The Goldfield Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ JOHN H. SOTTILE
John H. Sottile
Chairman of the Board, President
and Chief Executive Officer (Principal
Executive Officer)
March 11, 2020

Exhibit 32-2

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
18 U.S.C. SECTION 1350**

In connection with the Annual Report of The Goldfield Corporation (the “Company”) on Form 10-K for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Stephen R. Wherry, Senior Vice President, Treasurer, Assistant Secretary and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to The Goldfield Corporation and will be retained by The Goldfield Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ STEPHEN R. WHERRY
Stephen R. Wherry
Senior Vice President, Chief Financial Officer,
Treasurer and Assistant Secretary (Principal Financial and Accounting Officer)
March 11, 2020