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

Form 8-K/A

(Amendment No. 1)

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): September 27, 2019 (July 15, 2019)

MYR GROUP INC.
(Exact name of registrant as specified in its charter)

Delaware	**1-08325**	**36-3158643**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1701 Golf Road, Suite 3-1012 **Rolling Meadows, IL**	**60008**
(Address of Principal Executive Offices)	(ZIP Code)

Registrant’s telephone number, including area code: **(847) 290-1891**

None
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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, $0.01 par value	MYRG	The Nasdaq Stock Market, LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Explanatory Note

Pursuant to the requirements of the Securities Exchange Act of 1934, MYR Group Inc. (the "Company") is filing this Current Report on Form 8-K/A to amend its Current Report on Form 8-K filed on July 15, 2019 to provide the required financial information relating to its acquisition of substantially all the assets of CSI Electrical Contractors, Inc., an electrical contracting firm based in California.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

(1) The audited financial statements of CSI Electrical Contractors, Inc. as of and for the years ended December 31, 2018 and 2017, and the related notes to such audited financial statements, are filed as Exhibit 99.1 hereto.

(2) The unaudited interim financial statements of CSI Electrical Contractors, Inc. as of June 30, 2019 and for the six months ended June 30, 2019 and June 30, 2018, and the related notes to such unaudited interim financial statements, are filed as Exhibit 99.2 hereto.

(b) Pro Forma Financial Information.

The unaudited pro forma financial information of the Company as of and for the six months ended June 30, 2019 and for the year ended December 31, 2018 and the notes related thereto, are filed as Exhibit 99.3 hereto.

(d) Exhibits.

23.1	Consent of Meadows & Fries LLP, Independent Auditors of CSI Electrical Contractors, Inc.
99.1	Audited Financial Statements of CSI Electrical Contractors, Inc. as of and for the years ended December 31, 2018 and 2017 and the related notes to such audited financial statements.
99.2	Unaudited Interim Financial Statements of CSI Electrical Contractors, Inc. as of June 30, 2019, and for the six months ended June 30, 2019 and June 30, 2018, and the related notes to such unaudited interim financial statements.
99.3	Unaudited Pro Forma Combined Financial Statements as of and for the six months ended June 30, 2019 and for the year ended December 31, 2018, and the notes related thereto.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MYR GROUP INC.

Dated: September 27, 2019

By: /s/ BETTY R. JOHNSON
Name: Betty R. Johnson
Title: Senior Vice President, Chief Financial Officer and Treasurer

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statements on Form S-8 (Nos 333-217559, 333-196110, 333-174152, and 333-156501) of MYR Group Inc. of our report dated March 1, 2019 relating to the financial statements of CSI Electrical Contractors, Inc. as of and for the years ended December 31, 2018 and 2017, which appears in this Current Report on Form 8-K/A dated September 27, 2019.

/s/ Meadows & Fries, LLP
Santa Ana, CA
September 27, 2019

Exhibit 99.1

CSI ELECTRICAL CONTRACTORS, INC.
YEARS ENDED DECEMBER 31, 2018 AND 2017

CSI ELECTRICAL CONTRACTORS, INC.
YEARS ENDED DECEMBER 31, 2018 AND 2017

CONTENTS

MEADOWS & FRIES, LLP
CERTIFIED PUBLIC ACCOUNTANTS
2677 N. MAIN ST., SUITE 540
SANTA ANA. CALIFORNIA 92705
TELEPHONE (714) 568-5245
FAX (714) 285-9483
smeadows@meadowsfries.com

STEVEN E. MEADOWS
JOHN R. FRIES

MEMBERS. AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

To the Management of CSI Electrical Contractors, Inc.
Santa Fe Springs, California

Report on the Financial Statements

We have audited the accompanying financial statements of CSI Electrical Contractors, Inc., a California corporation, which comprise the balance sheet as of December 31, 2018 and 2017, and the related statements of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CSI Electrical Contractors, Inc., as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the Unites States of America.

/s/ Meadows & Fries, LLP

March 1, 2019

CSI ELECTRICAL CONTRACTORS, INC.
BALANCE SHEET – DECEMBER 31, 2018 AND 2017

	December 31, 2018	December 31, 2017
ASSETS		
Current assets :		
Cash and cash equivalents	$ 4,726,531	$ 4,684,370
Contract receivable (notes 1 and 2)	92,978,576	74,759,201
Costs and estimated earnings in excess of billings on uncompleted contracts (note 3)	10,996,076	7,171,358
Officer advance	-	39,735
Prepaid charges and other assets	601,790	742,351
Cash value of life insurance	1,524,695	1,835,166
Total Current Assets	110,827,668	89,232,181
Property and equipment, net of accumulated depreciation (note 4)	3,249,848	3,459,810
Other assets :		
Note receivable (note 5)	75,526	74,745
Other	103,454	86,950
Total Other Assets	178,980	161,695
	$ 114,256,496	$ 92,853,686

The accompanying notes are an integral part of these financial statement

CSI ELECTRICAL CONTRACTORS, INC.
BALANCE SHEET – DECEMBER 31, 2018 AND 2017 (Continued)

	December 31,			
LIABILITIES AND STOCKHOLDER'S EQUITY		**2018**		**2017**
Current liabilities :				
Current maturities of long term debt (note 8)	$	830,768	$	765,610
Bank lines of credit (note 7)		7,977,715		15,692,792
Accounts payable		33,505,716		18,331,847
Billings in excess of costs and estimated earnings on uncompleted contracts (note 3)		26,642,648		23,161,576
Accrued salaries and benefits		6,011,143		4,699,445
Compensated absences		988,376		825,753
Accrued union benefits		4,789,916		3,049,321
Franchise tax payable		-		42,957
Other accruals		30,402		-
Total Current Liabilities		80,776,684		66,569,301
Longs-term debt, less current maturities (note 8)		1,395,014		1,084,976
Stockholders' equity :				
Common stock, 8,000 and 8,615 shares issued and outstanding, respectively		8,000		38,500
Retained earnings		32,076,798		25,160,909
Total Stockholders' Equity		32,084,798		25,199,409
	$	114,256,496	$	92,853,686

The accompanying notes are an integral part of these financial statement

CSI ELECTRICAL CONTRACTORS, INC.
STATEMENT OF INCOME AND RETAINED EARNINGS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	Year ended December 31,			
	2018		**2017**	
Contract revenues earned	$ 302,475,710	100.0%	$ 233,043,845	100.0%
Cost of revenues earned	244,065,835	80.7	186,199,065	79.9
Gross profit	58,409,875	19.3	46,844,780	20.1
Indirect expenses	12,369,675	4.1	9,068,661	3.9
Selling, general and administrative expense	32,207,791	10.6	28,353,110	12.2
Income from operations	13,832,409	4.6	9,423,009	4.0
Other income and (expense):				
Other income	15	0.0	61	0.0
Gain on the sale of assets and disposition of equipment	11,302	0.0	1,214	0.0
Interest income	538	0.0	3,065	0.0
Interest expense	(384,582)	(0.1)	(462,662)	(0.2)
Total other income	(372,727)	(0.1)	(458,322)	(0.2)
Income before state income taxes	13,459,682	4.4	8,964,687	3.8
Provision for state income taxes	13,294	0.0	118,358	0.1
Net income	13,446,388	4.4%	8,846,329	3.8%
Beginning retained earnings	25,160,909		20,443,496	
Shareholder distributions (note 9)	(4,719,841)		(4,128,916)	
Common stock repurchase	(1,810,658)		-	
Ending retained earnings	$ 32,076,798		$ 25,160,909	

The accompanying notes are an integral part of these financial statement

CSI ELECTRICAL CONTRACTORS, INC.
STATEMENT OF CASH FLOW
YEARS ENDED DECEMBER 31, 2018 AND 2017

	Year ended December 31, 2018	2017
Cash flows from operating activities :		
Net income	$ 13,446,388	$ 8,846,329
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	867,332	759,052
Decrease (increase) in:		
Contracts receivable	(18,219,375)	(21,348,557)
Costs and estimated earnings in excess of billings	(3,824,718)	1,679,567
Supplies inventory	-	125,839
Prepaid charges and other assets	140,561	(466,448)
Increase (decrease) in:		
Bank overdraft	-	(1,097,133)
Accounts payable	15,173,869	445,559
Billings in excess of costs and estimated earnings	3,481,072	9,882,681
Accrued salaries and benefits	1,311,698	806,208
Compensated absences	162,623	49,353
Accrued union benefits	1,740,595	89,574
Other accruals	30,402	(608,624)
Franchise tax payable	(42,957)	-
Net cash provided by operating activities	14,267,490	(836,600)
Cash flows from investing activities :		
Shareholder distributions	(4,719,841)	(4,128,916)
Decrease (increase) in cash value of life insurance	310,471	(243,177)
Acquisition of property and equipment	(788,999)	(1,341,939)
Disposition of property and equipment, net	131,629	(73,703)
Net cash used by investing activities	(5,066,740)	(5,787,735)
Cash flows from financing activities :		
Increase in notes receivable	(781)	(7,565)
Increase in other assets	(16,504)	-
Decrease (increase) in officer advances	39,735	(39,735)
Increase (decrease) in bank line of credit	$ (7,715,077)	$ 12,028,741

The accompanying notes are an integral part of these financial statement

CSI ELECTRICAL CONTRACTORS, INC.
STATEMENT OF CASH FLOW (Continued)
YEARS ENDED DECEMBER 31, 2018 AND 2017

	Year ended December 31,	
	2018	**2017**
Cash flows from financing activities (continued) :		
Balance forward	(7,692,627)	11,981,441
Common stock repurchase	(1,841,158)	-
Proceeds from the issuance of long-term debt	1,489,049	-
Capital lease proceeds	-	32,687
Repayments of long-term debt	(1,113,853)	(770,783)
Net cash used by financing activities	(9,158,589)	11,243,345
Net increase in cash and cash equivalents	42,161	4,619,010
Cash at beginning of year	4,684,370	65,360
Cash at end of year	$ 4,726,531	$ 4,684,370
Supplementary cash flow disclosures:		
Interest paid	$ 387,458	$ 440,257
State income taxes paid	$ 78,927	$ 35,843

The accompanying notes are an integral part of these financial statement

1. Nature of Operations and Significant Accounting Policies

Nature of operations:

CSI Electrical Contractors, Inc., is an electrical subcontracting company. Work is performed under fixed price and cost-plus fee contracts. The length of the Company's contracts varies but is typically less than one year, therefore assets and liabilities are classified as current and noncurrent.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue and cost recognition:

Revenues from fixed-price construction contracts are recognized on the percentage-of-completion method, measured by the percentage of direct costs incurred to date to the estimated total direct costs for each contract. Management considers this the best available measure of progress on these contracts. Revenues from cost-plus-fee contacts are recognized on the basis of costs incurred during the period plus the fee earned, measured by the cost-to-cost method.

Contract costs include all direct material and labor costs. Indirect costs are costs related to contract performance such as indirect labor, union benefits, equipment, supplies, tools and repairs. Selling, 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, and estimated profitability may result in revisions to costs and income, which are recognized in the period in which the revisions are determined. Changes in estimated job profitability resulting from job performance, job conditions, contract penalty provisions, claims, change orders, and settlements are accounted for as changes in estimates in the current period.

1. Nature of Operations and Significant Accounting Policies (Continued)

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

Contracts receivable:

Contracts receivables are based on contracted prices. The Company provides an allowance for doubtful collections which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Normal contract receivables are due 30 days after the issuance of the invoice. Contract retentions are due 30 days after completion of the project and acceptance by the owner. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

Property and equipment:

Property and equipment are recorded at cost and are being depreciated over their estimated useful lives ranging from 3 to 7 years, by use of the straight-line and declining balance methods.

Income taxes:

As of January 1, 2008 the Company elected to be taxed as an S-Corporation. California franchise tax is computed at 1.5% of estimated taxable income, less current year research credits of $160,973 and refunds of $45,957 relating to under accrual of 2017 credits.

2. Contracts Receivable

	December 31,	
	2018	**2017**
Contracts receivable		
Billed:		
Completed contracts	$ 4,610,721	$ 5,244,503
Contracts in progress	69,841,370	58,604,764
Retainage	18,526,485	10,909,934
	92,978,576	74,759,201
Less: Allowances for doubtful collections	-	-
	92,978,576	74,759,201

3. Costs and Estimated Earnings on Uncompleted Contracts

	December 31, 2018	December 31, 2017
Costs incurred on uncompleted contracts	$ 307,564,228	$ 299,734,420
Estimated earnings	51,281,012	56,139,802
	358,845,240	355,874,222
Less: billings to date	374,491,812	371,864,440
	$ (15,646,572)	$ (15,990,218)
Included in the accompanying balance sheet under the following captions:		
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 10,996,076	$ 7,171,358
Billings in excess of costs and estimated earnings on uncompleted contracts	(26,642,648)	(23,161,576)
	$ (15,646,572)	$ (15,990,218)

4. Property and Equipment

	December 31, 2018	December 31, 2017
Assets		
Leasehold improvements	$ 3,263,190	$ 3,137,558
Furniture and fixtures	1,313,987	1,224,919
Computer equipment	2,618,490	2,468,461
Machinery and equipment	1,957,507	1,784,289
Transportation equipment	524,496	559,077
	9,677,670	9,174,304
Less accumulated depreciation	(6,427,822)	(5,714,494)
Net property and equipment	$ 3,249,848	$ 3,459,810

5. Note Receivable

Notes receivable consist of short-term advances to a Company officer and an entity unrelated to the Company.

6. Related-Party Transactions

On October 9, 2002 the Company entered into an agreement to lease it's corporate office facility from a California limited liability company, of which the Company's president has a majority interest. The term of the agreement is 21 years with a single 5 year renewal option. The lease provides monthly payments of $32,400 for the first 36 months, $34,500 for the next 60 months and $36,180 for the remaining term. On April 2, 2018 the Company entered into a lease amendment providing for monthly payments of $42,120 commencing May 1, 2018 and continuing for the remaining lease term. Lease expense under this agreement totaled $487,620 and $434,160 for the years ended December 31, 2018 and 2017, respectively.

7. Bank Lines of Credit

On November 20, 2018 and August 19, 2016 the Company negotiated a $28,000,000 and $18,000,000, respectively, revolving line of credit with MUFG Bank. The line is secured by the assets of the corporation, require payment of interest only and is scheduled to mature on April 30, 2019. The interest rate is variable based on 2.35 percentage points above the Bank's LIBOR rate.

The agreement includes various financial covenants, including a minimum net worth, debt to equity and current ratios, and company profitability. The agreements also place restrictions on shareholder loan repayments.

At December 31, 2018 and 2017, $7,977,715 and $15,692,792, respectively, was advanced on the line. The Company was in compliance with all loan covenants.

Additionally, on October 3, 2018 MUFG Union Bank has issued a Standby Letter of Credit in the amount of $1,490,000 and $950,000 in 2017 in favor of Zurich American Insurance Company relating to the Company's high deductible workers compensation plan.

8. Long-Term Debt

Long-term debt at December 31, 2018 and 2017, consists of the following:

	December 31,	
	2018	**2017**
Capital lease, payable to Toyota Commercial Finance in 60 monthly installments of $610.67, including interest at a rate of 4.59% per annum. $1.00 bargain purchase at lease end.	$ 23,971	$ 30,508
Commercial loan payable to MUFG Union bank. Maximum principal $1,000,000, payable in 48 equal installments beginning on July 31, 2016, plus interest payable monthly, at 2.75 percentage points above the bank's LIBOR rate. Loan matures June 30, 2020.	355,500	612,250
Auto loan payable in 72 monthly installments of $2,370, including interest at a rate of .99%, through February 2024.	126,401	-
Auto loan payable to JP Morgan Chase Bank, payable in monthly installments of $1,817 including interest at a rate of 2.34% per annum, through April 2021, respectively.	-	65,986

8. Long-Term Debt (Continued)

	December 31, 2018	December 31, 2017
Software lease installment agreement, payable to Everbank Commercial Finance, Inc., payable in quarterly installments of $7,567, including interest at 7.17% through September 2018	-	21,074
Note payable to Union Bank, payable in monthly installments of interest only, at a rate of 2.6% above the Bank's Adjusted Treasury Rate, beginning March 31, 2013. 60 equal principal reduction payments began on August 31, 2013	-	183,333
Note payable to former shareholder and officer for the repurchase of 7.14% of Company common stock, payable beginning on September 17, 2018 in 60 monthly installments of $30,547, including interest at 5% per annum.	1,079,837	-
Note payable to former shareholder and officer for the repurchase of 12.5% of Company common stock, payable beginning on December 31, 2016 in five annual installments of $344,234, including interest at 5% per annum.	640,073	937,435
	2,225,782	1,850,586
Less current maturity	(830,768)	(765,610)
	$ 1,395,014	$ 1,084,976

Maturities of long-term debt are as follows:

		As of December 31, 2018
Year ended December 31,		
	2019	$ 830,768
	2020	740,405
	2021	307,217
	2022	318,849
	2023	24,465
	Thereafter	4,078
		$ 2,225,782

9. Shareholder Distributions

As part of the decision to elect S-Corporation status for income tax reporting, it is the Company's policy to distribute cash to each shareholder, in part, as reimbursement for the individual income tax liability resulting from the pass through of the Company's taxable income.

For the year ended December 31, 2018 a total of $4,719,841 has been distributed. Of this amount $1,440,105 reimbursed the shareholders for their 2017 individual income tax liability and $3,240,003 reimbursed shareholders for 2018 federal and state safe-harbor installments of individual income taxes.

For the year ended December 31, 2017 $4,128,916 has been distributed representing the four safe harbor installments of 2017 federal income taxes and the full amount of 2017 California income taxes estimated to be due.

10. Operating lease Agreements

The Company rents vehicles, equipment and satellite office facilities under various operating leases. Total rent expense under all operating leases was approximately $2,056,400 and $1,824,900 for the year ended December 31, 2018 and 2017, respectively.

Minimum rents due under the leases are as follows:

		As of December 31, 2018
Twelve months ended December 31,		
2019	$	2,129,820
2020		1,514,336
2021		1,133,866
2022		431,088
2023		169,350
	$	5,378,460

11. Backlog

The following schedule summarizes changes in backlog on contracts for the years ended December 31, 2018 and 2017. Backlog represents the amount of revenue the Company expects to realize from work preformed on uncompleted contracts in progress at year end and from contractual agreements on which work has not yet begun.

Backlog balance at December 31, 2016	$	97,016,576
Contract adjustments		56,943,443
New contracts during the period		213,564,227
		367,524,246
Less contract revenue earned during the period		(233,043,845)
Backlog balance at December 31, 2017	$	134,480,401
Contract adjustments		79,995,607
New contracts during the period		308,336,729
		522,812,737
Less contract revenue earned during the period		(302,915,352)
Backlog balance at December 31, 2018	$	219,897,385

12. Contingent Liability

On October 21, 2013 a former employee filed a case claiming to be the representative of a class of all non-exempt electricians employed by the Company over the last four years. The case involves seven causes of action, one of which has been dismissed. The Company estimates there are 400 persons in the class. In June, 2017 the Superior Court of California, County of Los Angeles issued an order denying class certification on two of the claims.

The plaintiff appealed that ruling and in September 2018, the Court of Appeals affirmed the trial court's ruling. A status conference is scheduled for June 2019 at which time the remainder of the plaintiff's claims will be discussed.

12. Contingent Liability (Continued)

Company counsel has indicated it is not possible to predict a range of potential loss in the event a class is certified and a violation of the Labor Code is found. Counsel is confident however that a motion for summary judgment could be granted eliminating any potential Company liability.

In July 2017 a wage and hour class action was brought in Fresno County Superior Court alleging seven causes of action including Failure to Pay Wages. An initial Case Management Conference has been set for April 5, 2019. Company Counsel has advised that the Company will vigorously defend this case and cannot predict a potential outcome until the court has ruled on whether the case can proceed on a class action basis.

In July, 2018 a third-tier subcontractor filed a case alleging breach of contract. The Company has filed a cross complaint against their subcontractor demanding indemnification per the subcontract. The case is currently scheduled for mediation. A trial date is set for December 2019.

The Company has been served with several Notices to Cure relating to delays in construction from an ongoing project. Assessment of liquidated damages has been threatened. The Company has responded to the Notices and is preparing its own claim for damages related to breach of contract. Company counsel has indicated it is too early to assess potential damages.

13. Surety Bonds

The Company, as a condition for entering into some of it's construction contracts, had outstanding surety bonds approximating $66,581,028 and $7,951,802 as of December 31, 2018 and 2017, respectively. The bonds are collateralized by the personal guarantee of the shareholder and his spouse.

14. Profit Sharing Plan

The Company has a defined contribution 401(k) profit sharing plan covering all full-time employees who have met certain requirements as to length of service, age, and who are not members of a collective bargaining unit. The plan assets are held by a life insurance company as trustee. The Company contributes to each participant's account a matching contribution equal to 50% of the participant's deferred salary that does not exceed 6% of compensation, once the participant has obtained one year of service. Additionally, the Company makes an annual discretionary contribution to the plan.

For the year ended December 31, 2018 and 2017 the Company declared $390,772 and $299,451 in matching and $1,191,628 and $728,160 in discretionary plan contributions, respectively.

15. Common Stock Repurchase

On June 30, 2016 the Company repurchased 12.5% of it's common stock from a former officer and shareholder for a total purchase price of $1,696,338. The amount is payable $169,634 on June 30, 2016, with the balance payable in five annual installments, payable on December 31, of $344,234, including interest at a rate of 5% per annum. The note is secured by a stock pledge agreement. At December 31, 2018 and 2017, $640,073 and $937,435, respectively, was due on the note.

The Repurchase Agreement also provides for a contingent liability for open litigation claims against the Company in the amount of $3,000,000 to cover fees, settlements and liabilities from January 1, 2016 until resolved. Upon final resolution 12.5% of any positive balance will be due and payable and will increase the promissory note.

On August 17, 2018 the Company agreed to repurchase 7.14% of it's common stock from a retiring officer and shareholder for a total purchase price of $1,841,158, with an effective date of January 2. 2018. The amount is payable $167,203 on July 1, 2018 with the balance payable in 60 monthly installments of $30,547 beginning on September 1, 2018, including interest at a rate of 5% per annum. At December 31, 2018 $1,079,837 was due on the note.

16. Subsequent Events

Upon evaluation, the Company notes that there were no material subsequent events between the date of the financial statements and the date that the financial statements were issued or available to be issued.

17. Multiemployer Defined Benefit Plan

The Company contributes to multiemployer defined benefit pension plans under the terms of bargaining agreements that cover its union represented employees. The risk of participating in these multiemployer plans are different from single-employer plans in the following aspects:

a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating members.

c. If Entity A chooses to stop participating in some of its multiemployer plans, Entity A may be required to pay those plan an amount based on the unfunded status of the plan, referred to as a withdrawal penalty.

The Company's participation in these plans for the annual period ended December 31, 2018 and 2017 is outlined in the table below. The Pension Protection Act (PPA) zone status is based on information that Company received from the plan and is certified by the plan's actuary. The FIP/RP column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

Pension Fund	EIN Plan Number	2018 PPA Zone Status	2018 FIP/RP Status	2017 PPA Zone Status	2017 FIP/RP Status	2018	2017	2016	2015	Surcharge Imposed	Expiration Date of Agreement
IBEW NECA So Calif	95-6392774 001	Critical	Adopted 4/26/2018	Critical	Adopted Dec 2013	$24,563,904	$26,782,569	$18,857,108	$18,218,852	No	Various through May 31, 2020
IBEW 639/413 Central CA	95-6209008 001	Green	None	Green	None	90,298	993,061	588,078	97,909	No	May 31, 2019
IBEW 428 Kern County	95-6123049 001	Green	None	Green	None	1,541,072	986,806	4,879,819	719,769	No	Nov 30, 2020
IBEW 569 San Diego	95-6101801 001	Green	None	Green	None	303,552	157,202	65,447	100,403	No	May 31, 2020
IBEW 952 Ventura Cnty	95-6397996 001	Endangered	Adopted 5/18/2018	Critical	Adopted Sep -10	93,468	203,780	523,510	984,555	Yes	Sept 30, 2020
IBEW 9 So Calif	43-6159056 001	Green	None	Green	None	702,366	421,118	501,873	364,669	No	Nov 30, 2019
IBEW 100 Fresno Cnty	94-6216336 001	Green	None	Green	None	964,493	2,069,739	2,293,437	1,728,039	No	May 31, 2021
IBEW 595 Stockton CA	N/A 001	Green	None	Green	None	723,863	1,581,192	1,106,123	28,211	No	May 31, 2019
IBEW 332 San Jose	N/A 001	Green	None	Green	None	5,447,325	2,452,320	2,409,988	2,066,076	No	May 31, 2021
IBEW 6 San Francisco	94-6062674 001	Green	None	Green	None	44,302	-	101,601	173,928	No	May 31, 2022
IBEW 340 Sacramento	94-2773478 001	N/A	None	N/A	None	-	-	-	573,894	No	May 31, 2021

CSI ELECTRICAL CONTRACTORS, INC.

INTERIM FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2019 AND 2018

(UNAUDITED)

CSI ELECTRICAL CONTRACTORS, INC.

SIX MONTHS ENDED JUNE 30, 2019 AND 2018

CONTENTS

CSI ELECTRICAL CONTRACTORS, INC.

BALANCE SHEET

ASSETS	**June 30, 2019** (unaudited)	**December 31, 2018**
Current assets :		
Cash and cash equivalents	$ 2,801,642	$ 4,726,531
Contract receivable (notes 1 and 2)	93,338,567	92,978,576
Costs and estimated earnings in excess of billings on uncompleted contracts (note 3)	11,690,188	10,996,076
Prepaid charges and other assets	421,460	601,790
Cash value of life insurance	1,624,241	1,524,695
Total Current Assets	109,876,098	110,827,668
Property and equipment, net of accumulated depreciation (note 4)	3,029,273	3,249,848
Other assets :		
Note receivable (note 5)	95,097	75,526
Other	148,977	103,454
Total Other Assets	244,074	178,980
	$ 113,149,445	$ 114,256,496

The accompanying notes are an integral part of these financial statement

CSI ELECTRICAL CONTRACTORS, INC.

BALANCE SHEET – (Continued)

LIABILITIES AND STOCKHOLDER'S EQUITY	June 30, 2019 (unaudited)	December 31, 2018
Current liabilities :		
Current maturities of long term debt (note 8)	31,002	$ 830,768
Bank lines of credit (note 7)	16,510,000	7,977,715
Accounts payable	21,376,099	33,505,716
Billings in excess of costs and estimated earnings on uncompleted contracts (note 3)	26,896,611	26,642,648
Accrued salaries and benefits	9,574,717	6,011,143
Compensated absences	1,291,264	988,376
Accrued union benefits	3,449,040	4,789,916
Other accruals	422,238	30,402
Total Current Liabilities	79,550,971	80,776,684
Longs-term debt, less current maturities (note 8)	103,869	1,395,014
Stockholders' equity :		
Common stock, 8,000 shares issued and outstanding	8,000	8,000
Retained earnings	33,486,605	32,076,798
Total Stockholders' Equity	33,494,605	32,084,798
	$ 113,149,445	$ 114,256,496

The accompanying notes are an integral part of these financial statement

CSI ELECTRICAL CONTRACTORS, INC.

UNAUDITED STATEMENT OF INCOME AND RETAINED EARNINGS

	Six months ended June 30,			
	2019		2018	
Contract revenues earned	$ 158,679,160	100.0%	$ 117,270,608	100.0%
Cost of revenues earned	121,607,690	76.6	91,479,448	78.0
Gross profit	37,071,470	23.4	25,791,160	22.0
Indirect expenses	7,164,744	4.5	5,113,642	4.4
Selling, general and administrative expense	20,923,125	13.2	13,405,916	11.4
Income from operations	8,983,601	5.7	7,271,602	6.2
Other income and (expense):				
Other income	30	0.0	16	0.0
Loss on the sale of assets	(230,624)	(0.2)	-	0.0
Interest income	-	0.0	538	0.0
Interest expense	(134,762)	(0.1)	(100,003)	(0.1)
Total other expense	(365,356)	(0.3)	(99,449)	(0.1)
Income before state income taxes	8,618,245	5.4	7,172,153	6.1
Provision for state income taxes	18,059	0.0	85,500	0.1
Net income	8,600,186	5.4%	7,086,653	6.0%
Beginning retained earnings	32,076,798		25,160,909	
Shareholder distributions (note 9)	(7,190,379)		(3,119,381)	
Ending retained earnings	$ 33,486,605		$ 29,128,181	

The accompanying notes are an integral part of these financial statement

CSI ELECTRICAL CONTRACTORS, INC.

UNAUDITED STATEMENT OF CASH FLOW

	Six months ended June 30, 2019	Six months ended June 30, 2018
Cash flows from operating activities :		
Net income	$ 8,600,186	$ 7,086,653
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	422,835	454,555
Loss on sale of property and equipment	230,624	-
Decrease (increase) in:		
Contracts receivable	(359,991)	15,911,115
Costs and estimated earnings in excess of billings	(694,112)	(1,006,133)
Prepaid charges and other assets	180,330	352,534
Increase (decrease) in:		
Accounts payable	(12,129,617)	(1,808,530)
Billings in excess of costs and estimated earnings	253,963	(8,488,915)
Accrued salaries and benefits	3,563,574	(15,344)
Compensated absences	302,888	42,829
Accrued union benefits	(1,340,876)	(350,699)
Other accruals	391,836	(424,720)
Franchise tax payable	-	(15,936)
Net cash (used) provided by operating activities	(578,360)	11,737,409
Cash flows from investing activities :		
Shareholder distributions	(7,190,379)	(3,119,381)
Increase in cash value of life insurance	(99,546)	(59,554)
Acquisition of property and equipment	(441,684)	(376,002)
Proceeds from disposition of property and equipment	8,800	-
Net cash used by investing activities	(7,722,809)	(3,554,937)
Cash flows from financing activities :		
Increase in notes receivable	(19,571)	(19,038)
Other financing activities	(45,523)	(16,504)
Decrease in officer advances	-	39,735
Borrowings (repayments) under bank line of credit	8,532,285	(12,679,357)
Repayments of long-term debt, net	(2,090,911)	(107,335)
Net cash provided (used) by financing activities	6,376,280	(12,782,499)
Net decrease in cash and cash equivalents	(1,924,889)	(4,600,027)
Cash at beginning of year	4,726,531	4,684,370
Cash at end of period	$ 2,801,642	$ 84,343
Supplementary cash flow disclosures:		
Interest paid	$ 134,762	$ 100,103
State income taxes paid	$ 4,995	$ 76,936

The accompanying notes are an integral part of these financial statement

CSI ELECTRICAL CONTRACTORS, INC.

UNAUDITED NOTES TO FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2019 AND 2018

Explanatory Note

The results of operations for CSI Electrical Contractors, Inc. (California) as of and for the six months ended June 30, 2019 and 2018 are set forth below. These results were derived from the unaudited results of CSI Electrical Contractors, Inc. (California) and have been included herein for informational purposes.

1. Nature of Operations and Significant Accounting Policies

Nature of operations:

CSI Electrical Contractors, Inc., (the "Company") is an electrical subcontracting company. Work is performed under fixed price and cost-plus fee contracts. The length of the Company's contracts varies but is typically less than one year, therefore assets and liabilities are classified as current and noncurrent.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue and cost recognition:

Revenues from fixed-price construction contracts are recognized on the percentage-of-completion method, measured by the percentage of direct costs incurred to date to the estimated total direct costs for each contract. Management considers this the best available measure of progress on these contracts. Revenues from cost-plus-fee contacts are recognized on the basis of costs incurred during the period plus the fee earned, measured by the cost-to-cost method.

Contract costs include all direct material and labor costs. Indirect costs are costs related to contract performance such as indirect labor, union benefits, equipment, supplies, tools and repairs. Selling, 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, and estimated

1. Nature of Operations and Significant Accounting Policies (Continued)

profitability may result in revisions to costs and income, which are recognized in the period in which the revisions are determined. Changes in estimated job profitability resulting from job performance, job conditions, contract penalty provisions, claims, change orders, and settlements are accounted for as changes in estimates in the current period.

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

Contracts receivable:

Contracts receivables are based on contracted prices. The Company provides an allowance for doubtful collections which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Normal contract receivables are due 30 days after the issuance of the invoice. Contract retentions are due 30 days after completion of the project and acceptance by the owner. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

Property and equipment:

Property and equipment are recorded at cost and are being depreciated over their estimated useful lives ranging from 3 to 7 years, by use of the straight-line and declining balance methods.

Income taxes:

As of January 1, 2008 the Company elected to be taxed as an S-Corporation. California franchise tax is computed at 1.5% of estimated taxable income, less anticipated research, enterprise zone, and other State of California tax credits.

2. Contracts Receivable

	June 30, 2019	December 31, 2018
Contracts receivable		
Billed:		
Completed contracts	$ 3,057,749	$ 4,610,721
Contracts in progress	65,391,128	69,841,370
Retainage	24,943,643	18,526,485
	93,392,520	92,978,576
Less: Allowances for doubtful collections	(53,953)	-
	93,338,567	92,978,576

3. Costs and Estimated Earnings on Uncompleted Contracts

	June 30, 2019	December 31, 2018
Costs incurred on uncompleted contracts	$ 370,070,141	$ 307,564,228
Estimated earnings	75,996,313	51,281,012
	446,066,454	358,845,240
Less: billings to date	461,272,877	374,491,812
	$ (15,206,423)	$ (15,646,572)
Included in the accompanying balance sheet under the following captions:		
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 11,690,188	$ 10,996,076
Billings in excess of costs and estimated earnings on uncompleted contracts	$ (26,896,611)	(26,642,648)
	$ (15,206,423)	$ (15,646,572)

4. Property and Equipment

	June 30, 2019	December 31, 2018
Assets		
Leasehold improvements	$ 3,398,800	$ 3,263,190
Furniture and fixtures	1,313,987	1,313,987
Computer equipment	2,534,195	2,618,490
Machinery and equipment	1,977,331	1,957,507
Transportation equipment	428,559	524,496
	9,652,872	9,677,670
Less accumulated depreciation	(6,623,599)	(6,427,822)
Net property and equipment	$ 3,029,273	$ 3,249,848

5. Note Receivable

Notes receivable consist of short-term advances to a Company officer and an entity unrelated to the Company.

6. Related-Party Transactions
On October 9, 2002 the Company entered into an agreement to lease its corporate office facility from a California limited liability company, of which the Company's president has a majority interest. The term of the agreement was 21 years with a single five-year renewal option. The lease provides monthly payments of $32,400 for the first 36 months, $34,500 for the next 60 months and $36,180 for the remaining term. On April 2, 2018 the Company entered into a lease amendment providing for monthly payments of $42,120 commencing May 1, 2018 and continuing for the remaining lease term. Lease expense under this agreement totaled $252,720 and $234,900 for the six months ended June 30, 2019 and 2018, respectively.

7. Bank Lines of Credit
On November 20, 2018 and August 19, 2016, the Company negotiated a $28,000,000 and $18,000,000, respectively, revolving line of credit with MUFG Bank. The line is secured by the assets of the corporation, require payment of interest only and was scheduled to mature on April 30, 2019. An amendment was signed extending the terms through October 31, 2019 in the amount of $18,000,000. The interest rate is variable based on 2.35 percentage points above the Bank's LIBOR rate.

The agreement includes various financial covenants, including a minimum net worth, debt to equity and current ratios, and company profitability. The agreements also place restrictions on shareholder loan repayments.

At June 30, 2019 and December 31, 2018, $16,510,000 and $7,977,715, respectively, was advanced on the line. The Company was in compliance with all loan covenants. Additionally, on October 3, 2018 MUFG Union Bank has issued a Standby Letter of Credit in the amount of $1,490,000 and $950,000 in 2017 in favor of Zurich American Insurance Company relating to the Company’s high deductible workers compensation plan.

8. Long-Term Debt

Long-term debt at June 30, 2019 and December 31, 2018, consists of the following:

	June 30, 2019	December 31, 2018
Capital lease, payable to Toyota Commercial Finance in 60 monthly installments of $610.67, including interest at a rate of 4.59% per annum. $1.00 bargain purchase at lease end.	$ 20,702	$ 23,971
Commercial loan payable to MUFG Union bank. Maximum principal $1,000,000, payable in 48 equal installments beginning on July 31, 2016, plus interest payable monthly, at 2.75 percentage points above the bank's LIBOR rate. Loan matures June 30, 2020.	-	355,500
Auto loan payable in 72 monthly installments of $2,370, including interest at a rate of .99%, through February 2024.	114,169	126,401
Note payable to former shareholder and officer for the repurchase of 7.14% of Company common stock, payable beginning on September 17, 2018 in 60 monthly installments of $30,547, including interest at 5% per annum.	-	1,079,837
Note payable to former shareholder and officer for the repurchase of 12.5% of Company common stock, payable beginning on December 31, 2016 in five annual installments of $344,234, including interest at 5% per annum.	-	640,073
	134,871	2,225,782
Less current maturity	(31,002)	(830,768)
	$ 103,869	$ 1,395,014

Maturities of long-term debt are as follows:

	As of June 30, 2019
Remainder of 2019	$ 15,501
2020	31,002
2021	31,002
2022	28,824
2023	24,465
Thereafter	4,077
	$ 134,871

9. Shareholder Distributions

As part of the decision to elect S-Corporation status for income tax reporting, it is the Company's policy to distribute cash to each shareholder, in part, as reimbursement for the individual income tax liability resulting from the pass through of the Company's taxable income.

For the six months ended June 30, 2019 a total of $7,190,379 has been distributed. A majority of these distributions were to reimburse the shareholders for their 2018 individual income tax liability and 2019 federal and state safe-harbor installments of individual income taxes.

For the six months ended June 30, 2018 a total of $3,119,381 has been distributed. A majority of these distributions were to reimburse the shareholders for their 2017 individual income tax liability and 2018 federal and state safe-harbor installments of individual income taxes.

10. Operating lease Agreements

The Company rents vehicles, equipment and satellite office facilities under various operating leases. Total rent expense under all operating leases was approximately $1,385,033 and $779,771 for the six months ended June 30, 2019 and 2018, respectively.

Minimum rents due under the leases are as follows:

	As of June 30, 2019	
Remainder of 2019	$	1,484,415
2020		2,766,174
2021		2,513,696
2022		1,983,047
2023		1,501,578
	$	10,248,910

11. Backlog
The following schedule summarizes changes in backlog on contracts for the six months ended June 30, 2019. Backlog represents the amount of revenue the Company expects to realize from work performed on uncompleted contracts in progress at year end and from contractual agreements on which work has not yet begun.

Backlog balance at December 31, 2018	$ 219,897,385
Contract adjustments	65,030,261
New contracts during the period	78,341,537
	363,269,183
Less contract revenue earned during the period	(158,679,161)
Backlog balance at June 30, 2019	$ 204,590,022

12. Contingent Liability
In July 2017 a wage and hour class action was brought in Fresno County Superior Court alleging seven causes of action including Failure to Pay Wages. Mediation has been set for October 2, 2019. Company counsel has advised that the Company will vigorously defend this case and cannot predict a potential outcome until the court has ruled on whether the case can proceed on a class action basis.

The Company has been served with several Notices to Cure relating to delays in construction from an ongoing project. Assessment of liquidated damages has been threatened. The Company has responded to the Notices and is preparing its own claim for damages related to breach of contract. Company counsel has indicated it is too early to assess potential damages.

In August 2019, CSI was served with a complaint in California state court from an electrical contractor alleging, unfair competition, intentional interference with prospective economic advantage, misappropriation of trade secrets and conspiracy.

No contingent liability has been recorded as of June 30, 2019 and 2018.

13. Surety Bonds
The Company, as a condition for entering into some of it's construction contracts, had outstanding surety bonds approximating $50,911,119 and $17,849,159 as of June 30, 2019 and 2018, respectively. The bonds are collateralized by the personal guarantee of the shareholder and his spouse.

14. Profit Sharing Plan

The Company has a defined contribution 401(k) profit sharing plan covering all full-time employees who have met certain requirements as to length of service, age, and who are not members of a collective bargaining unit. The plan assets are held by a life insurance company as trustee. The Company contributes to each participant's account a matching contribution equal to 50% of the participant's deferred salary that does not exceed 6% of compensation, once the participant has obtained one year of service. Additionally, the Company makes an annual discretionary contribution to the plan.

For the six months ended June 30, 2019 and 2018 the Company declared $239,741 and $138,604 in matching and $550,000 and $275,230 in discretionary plan contributions, respectively.

15. Subsequent Events

On July 15, 2019, substantially all of the Company’s assets and liabilities were acquired by MYR Group, Inc., a holding company of specialty electrical construction service providers. The total consideration received was approximately $79.7 million, subject to working capital and net asset adjustments. Additionally, there could also be contingent payments based on the successful achievement of certain performance targets and continued employment of certain key executives of the Company.

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

On July 15, 2019, MYR Group Inc. ("MYR"), a holding company of leading specialty contractors serving the electric utility infrastructure, commercial and industrial construction markets in the United States and western Canada, completed the acquisition of substantially all the assets (the "Acquisition") of CSI Electrical Contractors, Inc. ("CSI"), an electrical contracting firm based in California. The total consideration paid was approximately $79.7 million, subject to working capital and net asset adjustments, entirely funded through borrowings under MYR's credit facility. Additionally, there could be contingent payments based on the achievement of certain performance targets and continued employment of certain key executives of CSI. The costs associated with these contingent payments will be recognized as compensation expense in the consolidated statements of operations and comprehensive income as earned over the period achievement becomes probable. The purchase agreement also included contingent consideration provisions for margin guarantee adjustments based upon contract performance subsequent to the acquisition. The contracts were valued at fair value at the acquisition date, resulting in no margin guarantee estimate or adjustments for fair value. Changes in contract estimates, such as modified costs to complete or change order recognition, will result in changes to these margin guarantee estimates.

The following unaudited pro forma combined financial statements are based on the Company's historical consolidated financial statements and the historical financial statements of CSI, as adjusted, to give effect to the Acquisition. The unaudited pro forma combined balance sheet gives effect to the Acquisition as if it had occurred on June 30, 2019, and the unaudited pro forma combined statement of income for the six months ended June 30, 2019, and the year ended December 31, 2018 gives effect to the Acquisition as if it had occurred on January 1, 2018.

The Acquisition will be accounted for as a business combination using the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") Topic 805, *Business Combinations* pursuant to which the total purchase price of the Acquisition will be allocated to the net assets acquired based upon their estimated fair values of the date of the completion of the Acquisition.

The unaudited pro forma combined financial statements have been presented for illustrative purposes only and are not intended to represent or be indicative of what the combined company's financial position or results of operations actually would have been had the Acquisition been completed as of the dates indicated. The unaudited pro forma combined financial statements do not purport to project the future financial position or operating results of CSI or the combined company. The future financial position and results of operations of CSI may differ, perhaps significantly, from the pro forma amounts reflected herein due to a variety of factors, including access to additional information, changes in value not currently identified and changes in operating results following the dates of the pro forma financial information. The adjustments included in these unaudited pro forma combined financial statements are preliminary and may be revised. There can be no assurance that any revisions to estimates will not result in material changes to the information presented.

The pro forma adjustments are based upon information and assumptions available at the time of the filing of the Current Report on Form 8-K/A to which these unaudited pro forma combined financial statements are filed as Exhibit 99.3 (the "Current Report"). The pro forma combined financial statements are derived from and should be read in conjunction with (i) MYR's consolidated financial statements and related footnotes for the year ended December 31, 2018, (ii) MYR's unaudited consolidated financial statements for the three and six months ended June 30, 2019, and (iii) the financial statements of CSI, which are filed as Exhibits 99.1 and 99.2 to the Current Report.

UNAUDITED PRO FORMA COMBINED BALANCE SHEET

(In thousands)	June 30, 2019				
	MYR Group, Inc.	CSI Electrical Contractors, Inc (1)	Pro Forma Adjustments		MYR Group Pro Forma
	(unaudited)	(unaudited)	(unaudited)		(unaudited)
ASSETS					
Current assets:					
Cash and cash equivalents	$ 4,355	$ 2,802	$ (2,802)	(a)	$ 4,355
Accounts receivable, net of allowances	313,455	68,395	(8,816)	(a)	373,034
Contract assets	174,805	36,634	2,336	(a)	213,775
Current portion of receivable for insurance claims in excess of deductibles	10,083	—	—		10,083
Cash value of life insurance	—	1,624	(1,624)	(a)	—
Other current assets	10,681	421	(167)	(a)	10,935
Total current assets	513,379	109,876	(11,073)		612,182
Property and equipment, net of accumulated depreciation	168,972	3,029	4,935	(a), (b)	176,936
Operating lease right-of-use assets	14,130	—	9,287	(c)	23,417
Goodwill	56,596	—	8,963	(d)	65,559
Intangible assets, net of accumulated amortization	31,818	—	26,000	(e)	57,818
Receivable for insurance claims in excess of deductibles	17,094	—	—		17,094
Investment in joint ventures	2,222	—	—		2,222
Other assets	2,484	244	(95)	(a)	2,633
Total assets	$ 806,695	$ 113,149	$ 38,017		$ 957,861
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Current portion of long-term debt	$ 6,856	$ 31	$ (31)	(a)	$ 6,856
Current portion of operating lease obligations	3,817	—	2,702	(c)	6,519
Current portion of finance lease obligations	1,135	—	—		1,135
Banks lines of credit	—	16,510	(16,510)	(a)	—
Accounts payable	166,350	21,376	8,157	(a)	195,883
Contract liabilities	53,581	26,897	(7,963)	(a)	72,515
Current portion of accrued self-insurance	19,692	—	—		19,692
Accrued salaries and benefits	—	9,575	2,929	(a)	12,504
Other current liabilities	52,669	5,162	(4,799)	(a)	53,032
Total current liabilities	304,100	79,551	(15,515)		368,136
Deferred income tax liabilities	17,359	—	—		17,359
Long-term debt	99,623	104	79,636	(a), (f)	179,363
Accrued self-insurance	33,664	—	—		33,664
Operating lease obligations, net of current maturities	10,456	—	6,585	(c)	17,041
Finance lease obligations, net of current maturities	923	—	—		923
Other liabilities	1,633	—	805	(g)	2,438
Total liabilities	467,758	79,655	71,511		618,924
Commitments and contingencies					
Stockholders' equity:					
Preferred stock	—	—	—		—
Common stock	166	8	(8)	(h)	166
Additional paid-in capital	150,177	—	—		150,177
Accumulated other comprehensive loss	(393)	—	—		(393)
Retained earnings	189,089	33,486	(33,486)	(h)	189,089
Total stockholders equity attributable to MYR Group, Inc.	339,039	33,494	(33,494)		339,039
Noncontrolling interest	(102)	—	—		(102)
Total stockholders' equity	338,937	33,494	(33,494)		338,937
Total liabilities and stockholders' equity	$ 806,695	$ 113,149	$ 38,017		$ 957,861

(1) Certain items have been reclassified to conform with MYR's classifications, most notably $24.9 million of retainage was reclassed from accounts receivable, net of allowances to contract assets.

See Note 3–Preliminary Pro Forma Reclassifications and Adjustments for further information related to reclassifications and adjustments presented above.

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

(in thousands, except per share data)	MYR Group, Inc. (unaudited)	CSI Electrical Contractors, Inc (unaudited)	Pro Forma Reclassifications (unaudited)		Pro Forma Adjustments (unaudited)		MYR Group Pro Forma (unaudited)
	Six months ended June 30, 2019						
Contract revenues	$ 916,870	$ 158,679	$ —		$ —		$ 1,075,549
Contract costs	830,831	121,608	7,165	(i)	750	(k)	960,354
Gross profit	86,039	37,071	(7,165)		(750)		115,195
Indirect expenses	—	7,165	(7,165)	(i)	—		—
Selling, general and administrative expenses	66,931	20,923	—		2,155	(m)	90,009
Amortization of intangible assets	1,469	—	—		571	(n)	2,040
(Gain) loss on sale of property and equipment	(1,397)	—	230	(j)	—		(1,167)
Income from operations	19,036	8,983	(230)		(3,476)		24,313
Other income (expense):							
Loss on the sale of assets	—	(230)	230	(j)	—		—
Interest expense	(2,373)	(135)	—		(1,263)	(o)	(3,771)
Other income, net	1,328	—	—		—		1,328
Income before income tax expense	17,991	8,618	—		(4,739)		21,870
Income tax expense	5,013	18	—		1,067	(p)	6,098
Net income	12,978	8,600	—		(5,806)		15,772
Less: net loss attributable to noncontrolling interests	(1,582)	—	—		—		(1,582)
Net income attributable to MYR Group, Inc	$ 14,560	$ 8,600	$ —		$ (5,806)		$ 17,354
Income per common share attributable to MYR Group Inc.:							
—Basic	$ 0.88						$ 1.05
—Diluted	$ 0.87						$ 1.04
Weighted average number of common shares and potential common shares outstanding:							
—Basic	16,557						16,557
—Diluted	16,682						16,682
Net income	$ 12,978	$ 8,600	$ —		$ (5,806)		$ 15,772
Other comprehensive loss:							
Foreign currency translation adjustment	(200)	—	—		—		(200)
Other comprehensive loss	(200)	—	—		—		(200)
Total comprehensive income	$ 12,778	$ 8,600	$ —		$ (5,806)		$ 15,572
Less: net loss attributable to noncontrolling interests	(1,582)	—	—		—		(1,582)
Total comprehensive income attributable to MYR Group Inc.	$ 14,360	$ 8,600	$ —		$ (5,806)		$ 17,154

See Note 3–Preliminary Pro Forma Reclassifications and Adjustments for further information related to the reclassifications and adjustments presented above.

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

(in thousands, except per share data)	Year ended December 31, 2018 MYR Group, Inc.	CSI Electrical Contractors, Inc	Pro Forma Reclassifications (unaudited)		Pro Forma Adjustments (unaudited)		MYR Group Pro Forma (unaudited)
Contract revenues	$ 1,531,169	$ 302,476	$ —		$ —		$ 1,833,645
Contract costs	1,364,109	244,066	12,370	(i)	1,500	(k)	1,622,045
Gross profit	167,060	58,410	(12,370)		(1,500)		211,600
Indirect expense	—	12,370	(12,370)	(i)	—		—
Selling, general and administrative expenses	118,737	32,208	—		3,618	(l), (m)	154,563
Amortization of intangible assets	1,843	—	—		4,542	(n)	6,385
Gain on sale of property and equipment	(3,832)	—	(11)	(j)	—		(3,843)
Income from operations	50,312	13,832	11		(9,660)		54,495
Other income (expense):							
Gain on the sale of assets	—	11	(11)	(j)	—		—
Interest income	24	1	—		—		25
Interest expense	(3,652)	(385)	—		(2,068)	(o)	(6,105)
Other expense, net	(3,616)	—	—		—		(3,616)
Income before income tax expense	43,068	13,459	—		(11,728)		44,799
Income tax expense	11,774	13	—		471	(p)	12,258
Net income	31,294	13,446	—		(12,199)		32,541
Less: net income attributable to noncontrolling interests	207	—	—		—		207
Net income attributable to MYR Group, Inc	$ 31,087	$ 13,446	$ —		$ (12,199)		$ 32,334
Income per common share attributable to MYR Group Inc.:							
—Basic	$ 1.89						$ 1.97
—Diluted	$ 1.87						$ 1.95
Weighted average number of common shares and potential common shares outstanding:							
—Basic	16,441						16,441
—Diluted	16,585						16,585
Net income	$ 31,294	$ 13,446	$ —		$ (12,199)		$ 32,541
Other comprehensive income:							
Foreign currency translation adjustment	106	—	—		—		106
Other comprehensive income	106	—	—		—		106
Total comprehensive income	$ 31,400	$ 13,446	$ —		$ (12,199)		$ 32,647
Less: net income attributable to noncontrolling interests	207	—	—		—		207
Total comprehensive income attributable to MYR Group Inc	$ 31,193	$ 13,446	$ —		$ (12,199)		$ 32,440

See Note 3–Preliminary Pro Forma Reclassifications and Adjustments for further information related to the reclassifications and adjustments presented above.

Notes to Unaudited Pro Forma Combined Financial Statements

1. Basis of Presentation

The unaudited pro forma combined financial statements ("Pro Forma") have been prepared in connection with the Acquisition, and are intended to reflect the impact of the Acquisition on MYR's consolidated financial statements and present the pro forma combined financial position and result of the operations of MYR after giving effect to the Acquisition. The Pro Forma have been prepared for illustrative purposes only and to give effect to the Acquisition pursuant to the assumptions described in notes to the Pro Forma. The unaudited pro forma combined balance sheet as of June 30, 2019 gives effect to the Acquisition as if it had occurred on June 30, 2019. The unaudited pro forma combined statements of operations for the six months ended June 30, 2019 and the year ended December 31, 2018 give effect to the Acquisition as if it had occurred as of January 1, 2018.

The Acquisition has been accounted for as a business combination, under the acquisition method of accounting, which results in acquired assets and assumed liabilities being measured at their estimated fair values as of July 15, 2019, the acquisition date. As of the acquisition date, goodwill is measured as the excess of consideration transferred, which is also generally measured at fair value of the net acquisition date fair values of the assets acquired and liabilities assumed.

The Pro Forma are based on a preliminary purchase price allocation, provided for illustrative purposes only, and do not purport to represent what the combined company's financial results would have been had the Acquisition occurred on the dates indicated. The Pro Forma do not purport to project the future financial position or operating results of CSI, or the combined companies. The future financial position and results of operations of CSI may differ, perhaps significantly, from the Pro Forma amounts reflected herein due to a variety of factors, including access to additional information, changes in value not currently identified and changes in operating results following the dates of the pro forma financial information. The adjustments included in the Pro Forma are preliminary and may be revised. There can be no assurance that any revisions to estimates will not result in material changes to the information presented.

2. Estimated Preliminary Purchase Price Allocation

This preliminary purchase price allocation has been used to prepare pro forma adjustments in the Pro Forma. The final purchase price allocation will be determined when MYR has completed the detailed valuations and its related calculations. The final allocation could differ materially from the preliminary allocation used in the pro forma adjustments. The final allocation may include changes in allocations to intangible assets and goodwill, and other changes to assets and liabilities.

Total consideration paid may include a portion subject to potential net asset adjustments which are expected to be finalized in 2020. The Company's preliminary estimate of these net asset adjustments is approximately $0.8 million as of the July 15, 2019 closing date, which would increase the total consideration to be paid.

MYR has developed preliminary estimates of the fair value of the assets acquired and liabilities assumed for the purposes of allocating the purchase price. Further adjustments are expected to the allocation as third party valuations of identifiable intangible assets, including backlog, customer relationships, trade name and off-market component, are determined, and as net asset adjustments are finalized. MYR expects that approximately $26.0 million of the purchase price over the net amount of the fair values to be assigned to assets acquired and liabilities assumed will be allocated to identifiable intangible assets.

The following is the summary of the assets acquired and the liabilities assumed by MYR in the Acquisition, reconciled to the purchase price transferred net of our preliminary estimated net asset adjustments (in thousands):

Consideration paid	$	79,720
Preliminary estimated net asset adjustments		805
Total consideration, net of net asset adjustments	$	80,525
Accounts receivable, net	$	59,579
Contract assets		38,970
Other current assets		254
Property and equipment		7,964
Operating lease right-of-use assets		9,287
Intangible assets		26,000
Other long term assets		149
Accounts payable		(29,533)
Contract liabilities		(18,934)
Current portion of operating lease obligations		(2,702)
Other current liabilities		(4,776)
Operating lease obligations, net of current maturities		(6,585)
Long-term debt		(20)
Accrued salaries and benefits		(8,091)
Net identifiable assets		71,562
Goodwill	$	8,963

3. Preliminary Pro Forma Reclassifications and Adjustments

The pro forma reclassifications and adjustments have been prepared to illustrate the estimated effect of the Acquisition and certain other adjustments. The historical consolidated financial statements have been adjusted in the Pro Forma, as detailed below, to give effect to pro forma events that are: (i) directly attributable to the Acquisition, (ii) factually supportable, and (iii) with respect to the statements of operations, expected to have a continuing impact on the combined results. The Pro Forma do not reflect the non-recurring cost of any integration activities or benefits from the Acquisition including potential synergies that may be generated in future periods. Additionally, the pro forma combined income tax expense does not necessarily reflect the amounts that would have resulted had MYR and CSI recorded consolidated income tax provisions during the periods presented.

Balance Sheet Adjustments

(a) To adjust for assets and liabilities not acquired in the Acquisition and certain net asset adjustments based on the purchase price allocation as of the Acquisition date as shown in Note 2.

(b) To record the estimated step-up in fair value of the property and equipment acquired in the Acquisition.

(c) To record the preliminary right of use lease assets and lease liabilities acquired as part of the Acquisition.

(d) To record the preliminary estimate of goodwill, which represents the excess of the purchase price over the preliminary fair value of CSI's identifiable assets acquired and liabilities assumed as shown in Note 2.

(e) To record the preliminary fair value of intangible assets acquired in the Acquisition.

(f) To record the incremental borrowing of $79.7 million on MYR's credit facility to finance the Acquisition.

(g) To record preliminary estimated net asset adjustments due to CSI from MYR.

(h) To eliminate CSI's historical equity balance.

Statements of Operations Reclassifications

(i) Indirect expenses have been reclassified as contract costs to conform to MYR's presentations of these items.

(j) (Gain) Loss on sale of property and equipment has been reclassified as income from operations to conform to MYR's presentation of these items.

Statements of Operations Adjustments

(k) To record additional depreciation associated with the estimated step-up in fair value of the property and equipment acquired in the Acquisition.

(l) To record transaction costs associated with the Acquisition.

(m) To record estimated compensation expense related to contingent payments associated with the achievement of certain performance targets and continued employment of certain key executives of CSI.

(n) To record the estimated amortization related to the acquired intangible assets discussed in Note 2.

(o) To remove interest expense recorded by CSI and to record additional interest expense related to the incremental borrowings of $79.7 million on MYR's credit facility with an interest rate of 3.51% for the six months ended June 30, 2019 and 3.08% for the year ended December 31, 2018.

(p) To reflect the income tax effect of pro forma adjustments at the statutory tax rate.

Cautionary Statement Concerning Forward-Looking Statements

Statements in this exhibit 99.3 contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), which represent our beliefs and assumptions concerning future events. When used in this document and in documents incorporated by reference, forward-looking statements include, without limitation, statements regarding financial forecasts or projections, and our expectations, beliefs, intentions or future strategies that are signified by the words "anticipate," "believe," "estimate," "expect," "intend," "may," "objective," "outlook," "plan," "project," "likely," "unlikely," "possible," "potential," "should" or other words that convey the uncertainty of future events or outcomes. The forward-looking statements speak only as of the date of this Current Report on Form 8-K/A. We disclaim any obligation to update these statements (unless required by securities laws), and we caution you not to rely on them unduly. We have based these forward-looking statements on our current assumptions about future events. While we consider these assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict, and many of which are beyond our control. These and other important factors, including those discussed under the caption "Forward-Looking Statements" and in Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2018, and in any risk factors or cautionary statements contained in our other filings with the Securities and Exchange Commission, may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements.