

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

FORM 10-K

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

For the fiscal year ended December 31, 2015

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 000-55159

CES Synergies, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

460839941

(I.R.S. Employer
Identification No.)

39646 Fig Street

P.O. Box 1299

Crystal Springs, FL 33524

(Address of principal executive offices, including zip code)

813-783-1688

(Registrant's telephone number, including area code)

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

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value \$0.001 per share

Indicate by check mark whether 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

(Do not check if smaller reporting company)

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

As of June 30, 2015, the aggregate market value of the issued and outstanding common stock held by non-affiliates of the registrant, based upon the last sales price of our common stock of \$0.78, was approximately \$5,702,190. For purposes of the above statement only, all directors, executive officers and 10% shareholders are assumed to be affiliates. This determination of executive officer and affiliate status is not necessarily a conclusive determination for any other purpose.

Number of shares of the registrant's common stock outstanding as of March 30, 2016, was 46,890,500.

Documents incorporated by reference:

None.

FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

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FORWARD-LOOKING STATEMENTS

Statements in this Annual Report on Form 10-K may be “forward-looking statements.” Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions or any other statements relating to our future activities or other future events or conditions. These statements are based on current expectations, estimates and projections about our business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may, and are likely to, differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those described above under Item 1A, “Risk Factors,” and under Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Annual Report on Form 10-K and in other documents which we file with the Securities and Exchange Commission. In addition, such statements could be affected by risks and uncertainties related to our ability to raise any financing which we may require for our operations, competition, government regulations and requirements, pricing and development difficulties, our ability to make acquisitions and successfully integrate those acquisitions with our business, as well as general industry and market conditions and growth rates, and general economic conditions. Any forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this Annual Report on Form 10-K, except as required under applicable securities laws.

PART I

ITEM 1. BUSINESS

Background

CES Synergies, Inc. (unless otherwise indicated, together with its consolidated subsidiaries, the “Company”) is a Nevada corporation formed on April 26, 2010. The Company is the parent company of Cross Environmental Services, Inc. (“CES”) which was incorporated in 1988 in the state of Florida. The Company acquired CES in a reverse merger transaction that closed on November 1, 2013, and CES is deemed the accounting acquirer under accounting rules. The Company is an asbestos and lead abatement contracting firm specializing in the removal of asbestos and lead from buildings and other structures, and demolition of structures. The Company’s services include removal of asbestos and lead, construction, installation, and repair of ceilings and insulation systems and demolition. Most jobs are located within the state of Florida, but the Company accepts and performs jobs throughout the southeastern United States.

References in this Annual Report on Form 10-K to “we,” “us,” “our” and similar words refer to the Company and its wholly-owned subsidiaries (including CES), unless the context indicates otherwise.

Business Summary

Since its formation in 1988, CES has been providing asbestos abatement, demolition, and mold remediation services to city, state, and federal agencies. Additional customers of CES include general contractors, developers, project owners, and industrial and commercial clients. Much of our work has been founded on the removal of hazardous materials from structures ranging from residences to commercial and industrial applications, including secure defense contractor facilities, colleges, hospitals, and mid-rise and high-rise buildings and residential structures. Additionally, our experience working on federal projects, such as the Department of Interior, Bureau of Land Management Promiscuous Dump Clean Up, U.S. Fish and Wildlife Service Midway Atoll Asbestos and Lead Paint Cleanup, and Department of Defense Military Housing Privatization Initiative, gives us the expertise to provide the submittals and mandated government compliance documents for any size federal project.

Background

Since its formation in 1988, Cross Environmental Services, Inc. (“CES”), a wholly-owned subsidiary of the Company, has been providing asbestos abatement, demolition, and mold remediation services to city, state, and federal agencies. Our customers include general contractors, developers, project owners, and industrial and commercial clients. Much of our work has been founded on the removal of hazardous materials from structures ranging from residences to commercial and industrial applications, including secure defense contractor facilities, colleges, hospitals, and mid-rise and high-rise buildings and residential structures. Additionally, our experience working on federal projects, such as the Department of Interior, Bureau of Land Management Promiscuous Dump Clean Up, U.S. Fish and Wildlife Service Midway Atoll Asbestos and Lead Paint Cleanup, and Department of Defense Military Housing Privatization Initiative, gives us the expertise to provide the submittals and mandated government compliance documents for any size federal project.

CES removes regulated and hazardous materials from industrial, commercial and residential spaces. Specifically, we have developed a niche market for our services that was facilitated by the Environmental Protection Agency’s National Emission Standards for Hazardous Air Pollutants, or NESHAP, regulations. Under these regulations, if a building or structure is altered, modified or renovated in any way, an environmental survey of the building must be completed and regulated hazardous materials (asbestos) must be removed prior to the alteration or renovation. We provide such services to our clients.

We also provide services related to the asbestos removal process including interior demolition, lead-based paint removal, mold abatement, and full-scale structural demolition. We are also adept at materials handling and we have participated in emergency response activities for multiple hurricanes, including Katrina, Rita, Gene, Francis, Ivan, and many others. We have been able to develop niche markets by maintaining a high level of technical competence coupled with prudent management and an energetic staff. We are willing to go to remote or extreme places to complete projects. Examples of locations at which we perform this type of work include Midway Atoll, Curacao, Guatemala, and remote Bahamian Islands. We also developed niches providing services in connection with various set-asides under federal law, including Service Connected Disabled Veteran Owned Small Business, Economically Disadvantaged Woman Owned Business, HUBZone, Veteran Owned, and Total Small Business. We have strategic alliances relating to all of such set-asides and have utilized these alliances to generate projects.

We have an established operating infrastructure, with numerous long-term contracts, blanket purchase orders, and ongoing relationships with a robust customer base.

Our management and employees are very experienced and expert in their trades. We have nine project managers who have over 100 combined years of experience. All are skilled in project set-up, permitting, submittals, scheduling, and project close-out.

In addition to the tools made available to our project managers, we have a highly skilled staff of field personnel. We have multiple field superintendents and supervisors who have fifteen to twenty years' experience. Many of these people have been with CES since its inception. Our field supervisory staff has, in the aggregate, over 200 man-years of experience. We believe that almost as important as the project personnel and related experience, is having modern late model equipment to work with. We have an extensive late model fleet of service trucks, box trucks, vans, excavators, loaders, dump trucks, semi tractors, and roll off trucks that can be deployed to any project. In addition to the large rolling stock and excavators, we have an extensive inventory of specialty equipment designed to provide demolition and abatement services inside a structure. This equipment includes but is not limited to skid steer loaders equipped with exhaust scrubbers, mini excavators equipped with hydraulic hammers, automated tile removing machines, airless sprayers, and various handheld power tools designed for material removal.

Customers

Our target market includes commercial, industrial, federal, state and municipal entities. Given the strict requirements for control of infectious dust and other engineered controls in healthcare facilities (active hospitals), our targets include open and active facilities that have stringent control components similar to and including healthcare facilities. Additional examples of prospective clients include the Department of Transportation, due to the importance of infrastructure improvement, and the ongoing need for roadway construction and related bridge construction.

Presented below is a broad cross-section of recent customers segregated by customer classification:

Federal Agencies:

- NASA
- Bureau of Land Management
- Smithsonian Institution
- Department of the Air Force
- Department of the Navy
- Department of the Interior
- National Park Service
- Space Command
- U.S. Army Corps of Engineers
- Department of Interior
- National Park Service

Industrial:

- CEMEX
- Florida Citrus Industry
- JBT Foods
- Martin Marietta
- Exilis
- Publix Super Markets

Commercial:

- Jones Lang LaSalle
- Ajax Contracting
- Hensel Phelps
- Whitesel-Green
- J2 Enterprises

State, County, Municipal:

- Florida Department of Transportation
- Multiple Municipalities
- University of South Florida
- Sarasota County Schools
- Orange County Schools

In 2015, Renu Asset Recovery, the general contractor for the DTE Energy power plant project in Michigan, and Barton Malow Co., the general contractor for the a large demolition project in Daytona Beach, Florida, accounted for 23% and 7% of revenue, respectively. In 2014, Renu Asset Recovery and the Florida Department of Transportation (FDOT) accounted for 13.9% and 15.2% of revenue, respectively.

Services Strategy

We offer services in the environmental contracting arena. Our core business includes hazardous material removal (lead and asbestos), interior demolition, full scale demolition, and mold remediation. Historically, our customers have come to us either through a low bid environment or through direct negotiations.

We believe set-aside government contracting is an additional growth opportunity for us. We have participated in this sector of the federal market by teaming with firms that have the various set-aside designations. Additionally, we created our own Service Connected Disabled Veteran Owned Small Business in an effort to capture a portion of the federal market that had been previously off-limits to CES. Success to date with this firm has been limited to two current contracts.

Effects of Seasonality and Economic Uncertainty

We may be subject to seasonal fluctuations and construction cycles at educational institutions, where large projects are typically carried out during summer months when their facilities are unoccupied. Government customers, many of which have fiscal years that do not coincide with ours, typically follow annual procurement cycles and appropriate funds on a fiscal-year basis even though contract performance may take more than one year. Further, government contracting cycles can be affected by the timing of, and delays in, the legislative process related to government programs and incentives that help drive demand for energy efficiency and renewable energy projects. As a result, our revenue and operating income in the third quarter are typically higher, and our revenue and operating income in the first quarter are typically lower, than in other quarters of the year. As a result of such fluctuations, we may occasionally experience declines in revenue or earnings as compared to the immediately preceding quarter, and comparisons of our operating results on a period-to-period basis may not be meaningful.

To manage uncertainties created by business seasonality, we have implemented business processes to give us flexibility to manage overhead and job costs. Those processes allow us to determine when it is most cost effective to use Company-owned assets or to contract out aspects of a project. For example, when the Company was awarded a sizeable post-Hurricane Katrina demolition contract in Louisiana, the processes led it to develop relationships with local subcontractors under Company management and supervision to perform the demolition work rather than moving Company heavy equipment and personnel to Louisiana, thereby preserving margins on the contract.

During the recession that started in 2008, the number of projects available to the Company in Florida fell. To allow the Company to maintain cash reserves necessary to execute the Louisiana contract, management agreed to a 10% reduction in salaries, and did so for a full year, until finances righted themselves in late 2009. No field supervisors or workers were laid off during this period. CES retained its skilled workforce, allowing the contracts in Louisiana to return a 41% gross profit.

Backlog and Awarded Projects

Our sales cycle begins with the initial contact with the customer and ends, when successful, with a signed contract, also referred to as fully-contracted backlog. Historically, our sales cycle typically has averaged 30 days. Awarded backlog is created when a potential customer awards a project to us following a request for proposal. Once a project is awarded but not yet contracted, we typically conduct a detailed review to determine the scope of the project. At this point, we also determine the sub-contractor, and what equipment will be used. Historically, awarded projects typically have taken 45 days to result in a signed contract and thus convert to fully-contracted backlog. This process may take longer, however, depending upon the size and complexity of the project. Further, at times in the past we have experienced periods during which the portion of the sales cycle for converting awarded project to signed contracts has lengthened. Recently, we have been experiencing an unusually sustained lengthening of conversion times. Continued U.S. federal fiscal uncertainty not only has contributed to a lengthening of our sales cycle for U.S. federal projects, but also has adversely affected both municipal and commercial customers across most geographic regions. We have observed among our existing and prospective customer base increased scrutiny of decisions about spending and about incurring debt to finance projects. For example, we have observed increased use of outside consultants and advisors, as well as adoption of additional approval steps, by many of our customers, which has resulted in a lengthening of the sales cycle. We expect this trend to continue in 2016. After the customer agrees to the terms of the contract and the contract is executed, the project moves to fully-contracted backlog. The contracts reflected in our fully-contracted backlog typically have a construction period of 30-45 days and we typically expect to recognize revenue for such contracts over the same period. Fully-contracted backlog begins converting into revenue generated from backlog on a percentage-of-completion basis once construction has commenced.

Facilities and Assets

In addition to the contract acquisition approach defined above, we anticipate expansion of services, facilities, and assets to increase profitability. Specifically, we plan to expand our sales footprint into additional areas outside of the state of Florida, and focus on maintaining our core business lines in additional markets.

Business Model

We intend to continue to operate in 2016 with a reduced overhead and a focus on profitability. We will continue to prepare sealed bids for municipal, county, state, and federal projects. We will still respond to invitations to bid from private and public entities. All of the systems and processes are in place to facilitate these ongoing procurement procedures. We plan to expand our systems to seek projects in a larger geographic area and for a larger customer base. We plan to expand our systems to seek projects in a larger geographic area and for a larger customer base.

Competition

Companies that compete with us both locally and on a national level include but are not limited to Cross Construction Services, Lang Environmental, and Northstar. We believe we have several competitive advantages. We have multiple employees that have been with us since or close to our inception. Our staff is very experienced and efficient. We make it a point to keep our key employees on staff and we keep them current with ongoing training. We believe our work force is one of the most experienced and well-trained in the industry. Our management staff possesses over 100 years of combined experience. We believe we have an edge over our competitors in terms of experience and technical ability.

We specifically target projects with robust requirements in tough locations because we have the experience and resources available to see them to fruition. Additionally, these projects are more profitable. We believe in long-term relationships and work to facilitate them with our customers. We believe that our ability to complete complex projects and to service our customers on a long term basis through difficult economic times gives us a strategic advantage over some of our competitors.

Government Regulations

We are subject to an extensive and frequently changing statutory and regulatory framework of federal, state, and local environmental, health, safety, and transportation authorities, which imposes significant compliance burdens and risks upon us. We believe we are in substantial compliance with all material federal, state, and local laws governing our material business operations. Nevertheless, amendments to existing statutes and regulations, adoption of new statutes and regulations and our expansion into other jurisdictions and types of operations could result not only in the additional risk of noncompliance, but also in an increase in regulatory burdens that could cause related increases in costs and expenses.

The federal regulations of most importance to us are governed by the Occupational Safety and Health Administration, the Mine Safety and Health Administration, the Department of Transportation, and the Environmental Protection Agency. We are also significantly impacted by environmental regulations governed by state environmental protection agencies. We believe we are substantially in compliance with all material regulations. We conduct training programs and inspections on a regular basis. In addition, our brokers and insurance carriers also conduct inspections.

Permits and Licenses

Many states license such areas of our operations as asbestos abatement and general contracting. In such states, employees and supervisors are required to receive training from EPA-approved and state-certified organizations and pass required tests. We are currently licensed to perform our services in approximately 12 states. We also operate in certain states that do not have special asbestos abatement or general contracting license requirements; however, these states have adopted regulations regarding worker safety with which we must comply.

Employees

As of the date of the filing of this Annual Report on Form 10-K, we have 143 employees, all of whom work full time.

ITEM 1A. RISK FACTORS

An investment in the Company's common stock involves a high degree of risk. In determining whether to purchase the Company's common stock, an investor should carefully consider all of the material risks described below, together with the other information contained in this Annual Report on Form 10-K, before making a decision to purchase the Company's securities. An investor should only purchase the Company's securities if he or she can afford to suffer the loss of his or her entire investment.

Risks Related to our Business

Our substantial level of indebtedness could adversely affect our financial condition and ability to fulfill our obligations.

As of December 31, 2015, the Company had \$6,073,414 in notes payable and \$2,959,599 in accounts payable and accrued expenses. Our level of indebtedness may adversely affect our ability to obtain additional financing for working capital, capital expenditures, acquisitions and other general corporate purposes and may make us more vulnerable to an economic downturn than our competitors with less debt.

Our business and results of operations would be adversely affected if we are unable to secure reasonably priced insurance that is required for our operations.

Because our business sometimes involves the handling and disposal of hazardous materials, we are required to maintain insurance coverage that can be expensive. Our ability to continue conducting business could be adversely affected if we should become unable to secure sufficient insurance coverage, surety bonds and financial assurances at reasonable cost to meet our business and regulatory requirements. The availability of insurance could be affected by factors outside of our control as well as the insurers' or sureties' assessment of our risk.

The environmental services industry in which we participate is subject to significant economic and business risks.

Our future operating results may be affected by such factors as our ability to win new business and remain competitive in the face of price competition from competitors who are often larger and better capitalized than us; maintain and/or build market share in an industry that has experienced downsizing and consolidation; reduce costs without negatively impacting operations; minimize downtime and disruptions of operations; and weather economic downturns or recessionary conditions.

A significant portion of our business is derived as a result of events and circumstances over which we have no control.

Certain services that we provide are impacted by events such as increasingly stringent environmental regulations, and seasonal fluctuations due to weather and budgetary cycles influencing the timing of customers' spending for remedial activities. We do not control such factors and, as a result, our revenue and income can vary significantly from quarter to quarter and from year to year. Prior financial performance for certain periods may not be a reliable indicator of future performance for comparable periods in subsequent years.

Because our quarterly and annual operating results are difficult to predict and may fluctuate, the market price for our stock may be volatile.

Our operating results have fluctuated significantly in the past and may continue to fluctuate significantly in the future. Fluctuations in operating results may result in volatility of the price of our common stock. These quarterly and annual fluctuations may result from a number of factors, including:

- the size of new contracts and when we are able to recognize the related revenue;
- our rate of progress under our contracts;
- the timing of customer and market acceptance of our product and service offerings;
- budgeting cycles of our customers;
- the mix of products and services sold;
- changes in demand for our products and services;
- level and timing of expenses for product development and sales, general and administrative expenses;
- competition;
- changes in our strategy; and
- general economic conditions.

Personnel costs are a significant component of our budgeted expense levels and, therefore, our expenses are, to a degree, variable based upon our expectations regarding future revenue. Our revenue is difficult to forecast because the market for our products and services is rapidly changing, and our sales cycle and the size and timing of significant contracts varies substantially among customers. Accordingly, we may be unable to adjust spending in a timely manner to compensate for any unexpected shortfall in revenue. Any significant shortfall from anticipated levels of demand for our products and services could adversely affect our business, financial condition, results of operations and cash flows.

Based on these factors, we believe our future quarterly and annual operating results may vary significantly from quarter to quarter and year to year. As a result, quarter-to-quarter and year-to-year comparisons of operating results are not necessarily meaningful nor do they indicate what our future performance will be. Furthermore, we believe that in future reporting periods if our operating results fall below the expectations of public market analysts or investors, it is possible that the market price of our common stock could decline.

Our business depends largely on our ability to attract and retain talented employees.

Our ability to manage future expansion, if any, effectively will require us to attract, train, motivate and manage new employees successfully, to integrate new management and employees into our overall operations and to continue to improve our operations, financial and management systems. We may not be able to retain personnel or to hire additional personnel on a timely basis, if at all. Because of the complexity and training required in certain of our services, a significant time lag exists between the hiring date of technical and sales personnel and the time when they become fully productive. Our failure to retain personnel or to hire qualified personnel on a timely basis could adversely affect our business by impacting our ability to service certain customers and to secure new contracts.

We are subject to extensive environmental regulations that may increase our costs and potential liabilities.

The operations of all companies in the environmental services industry are subject to federal, state, and local environmental requirements. Although increasing environmental regulation often presents new business opportunities for us, it also results in increased operating and compliance costs. Efforts to conduct our operations in compliance with all applicable laws and regulations, including environmental rules and regulations, require programs to promote compliance, such as training employees and customers, purchasing health and safety equipment, and in some cases hiring outside consultants. Even with these programs, we and other companies in the environmental services industry are faced with governmental enforcement proceedings, which can result in fines or other sanctions and require expenditures for remedial work. Certain of these laws impose strict and, under certain circumstances, joint and several liability for cleanup of releases of regulated materials, and also liability for related natural resource damages.

At some time in the future we may be required to pay fines or penalties due to regulatory enforcement proceedings and such fines or penalties could have a negative impact on our earnings. Additionally, regulatory authorities have the power to suspend or revoke permits or licenses needed for our operations, which may affect our customers' willingness to do business with us and/or our ability to conduct business. This, in turn, would impact our revenue and profitability. To date, we have never had any of our operating permits revoked, suspended or non-renewed involuntarily, although it is possible that any of these events could occur in the future.

Changes in environmental regulations or entry into related businesses may require us to make significant capital expenditures.

Changes in environmental regulations or our entry into new businesses can require us to make significant capital expenditures. Periodically the government revises rules and regulations regarding the handling and disposal of hazardous substances that requires us and other companies in the environmental services industry to invest in new equipment, training or other areas in order to remain in compliance. Additionally, future environmental regulations and acquisitions could cause us to make significant additional capital expenditures and adversely affect our results of operations and cash flows.

If our internal growth objectives prove to be inaccurate, our results of operations could be adversely affected.

While we believe that increasing environmental regulations and our growing product and services portfolio provide us with ample growth opportunities, it is possible that we will not be able to achieve our internal growth objectives due to potentialities such as a lack of growth capital, intense competition, regulatory issues, loss of permits and licenses, and other factors. Likewise, while we may also seek to grow through acquisition, it is possible that we will be unable to grow this way due to lack of adequate financing, lack of viable acquisition candidates, competition for such acquisitions and other factors. To the extent that our growth objectives prove to be significantly different than actual results, our results of operations could be adversely affected.

We do business in a highly competitive industry and compete with companies that have substantially more resources than we do.

The environmental services industry is highly competitive. Several of the companies with which we compete are larger, offer more services and products, have better access to growth capital, have larger sales and marketing departments and larger workforces and other advantages that may make it difficult for us to win new business when in competition with them.

We may need significant additional capital, which we may be unable to obtain.

We may need to obtain additional financing over time to fund operations. Management cannot predict the extent to which we will require additional financing, and can provide no assurance that additional financing will be available on favorable terms or at all. The rights of the holders of any debt or equity that may be issued in the future could be senior to the rights of shareholders, and any future issuance of equity could result in the dilution of shareholders' proportionate equity interests in the Company. Failure to obtain financing or obtaining financing on unattractive terms could have a material adverse effect on our business, prospects, results of operations and financial condition.

We are dependent on the continued services and performance of our senior management, the loss of any of whom could adversely affect our business, operating results and financial condition.

Our future performance depends on the continued services and continuing contributions of our senior management to execute our business plan, and to identify and pursue new opportunities. The loss of services of senior management, particularly Clyde A. Biston, CES's founder and our Chief Executive Officer, could significantly delay or prevent the achievement of our strategic objectives. The loss of the services of senior management for any reason could adversely affect our business, prospects, financial condition and results of operations.

A significant portion of our revenue is dependent upon a small number of customers and the loss of any one of these customers would negatively impact our revenues and our results of operations.

We derived approximately 42.7% of our revenues from two customers in 2015 (revenue for one of those customers was earned under 13 separate contracts). If any of our major customers were to terminate or materially reduce their business relationships with us, our operating results would be materially harmed.

Risks Related to the Company's Common Stock

There is not an active liquid trading market for the Company's common stock.

The Company files reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and its common stock is quoted on the OTC Bulletin Board. However, there is no regular active trading market in the Company's common stock, and we cannot give an assurance that an active trading market will develop. If an active market for the Company's common stock develops, there is a significant risk that the Company's stock price may fluctuate dramatically in the future in response to any of the following factors, some of which are beyond our control:

- variations in our quarterly operating results;
- announcements that our revenue or income are below analysts' expectations;
- general economic slowdowns;
- sales of large blocks of the Company's common stock;
- announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments; and
- fluctuations in stock market prices and volumes.

The Company has not paid dividends in the past and does not expect to pay dividends in the foreseeable future. Any return on investment may be limited to the value of the Company's common stock.

No cash dividends have been paid on the Company's common stock. We expect that any income received from operations will be devoted to our future operations and growth. The Company does not expect to pay cash dividends in the near future. Payment of dividends would depend upon our profitability at the time, cash available for those dividends, and other factors as the Company's board of directors may consider relevant. If the Company does not pay dividends, the Company's common stock may be less valuable because a return on an investor's investment will only occur if the Company's stock price appreciates.

Our management controls the majority of our outstanding voting securities.

Our officers and directors control the majority of our voting securities. Therefore, our management will control the outcome of all corporate actions and decisions for an indefinite period of time including election of directors, amendment of charter documents and approval of mergers and other significant corporate transactions.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

We are headquartered in Crystal Springs, Florida, where we currently occupy 6,000 square feet of office space as well as 6,000 square feet for a mechanic shop and a 12,000 square foot warehouse. The facilities are owned by our President, Clyde A. Biston. Between June and October 2013, the Company was allowed to use the facilities rent-free. As of November 1, 2013, the Company entered into a lease agreement with Mr. Biston for rental of the facilities at an annual rent of \$180,000 (\$15,000 on a monthly basis). On June 1, 2015 Mr. Biston reduced the rent on the Crystal Springs facilities to an annual rent of \$90,000 (\$7,500 on a monthly basis). Rental expense incurred in 2015 under these lease agreements was \$135,000. The Company also pays the property taxes for use of the facilities, and has paid monthly rent of \$15,000 since November 1, 2013, and \$7,500 monthly since June 1, 2015.

We also lease satellite offices in Davie and Ft. Walton Beach, Florida as well as Chalmette, Louisiana from third parties. Our monthly rent for these facilities in 2015 was \$4,980, \$2,380 and \$750 respectively. We believe our facilities are adequate for their intended purposes and have capacities adequate for our current and anticipated needs.

ITEM 3. LEGAL PROCEEDINGS

As of December 31, 2015, we were not part of any material legal proceedings.

However, a suit was filed against us in district court of Michigan on or about March 16, 2016 by SiteTech, Inc. ("SiteTech"). In this suit, SiteTech alleges negligence by CES for failing to remove asbestos-containing materials in a timely manner allegedly resulting in damages in excess of \$75,000.00. CES plans to vigorously contest the allegations made by SiteTech in this suit.

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

The Company's common stock is quoted on the OTC Bulletin Board under the symbol "CESX." There was minimal reported trading in the Company's common stock during the Company's fiscal years ended December 31, 2015 and 2014, and there has been limited reported trading to date in the Company's common stock.

The following table shows the high and low bid prices for the Company's common stock for the quarterly periods indicated. No bid information is available for the year ended December 31, 2014.

Quarter Ended	Price	
	High	Low
March 31, 2015	\$ 1.07	\$ 0.40
June 30, 2015	\$ 1.06	\$ 0.70
September 30, 2015	\$ 1.14	\$ 0.06
December 31, 2015	\$ 0.78	\$ 0.19

As of March 30, 2016, there were approximately 44 holders of record of the Company's common stock.

Dividends

The Company has never declared or paid any cash dividends on its common stock. The Company currently intends to retain future earnings, if any, to finance the expansion of its business. As a result, the Company does not anticipate paying any cash dividends in the foreseeable future.

Securities Authorized for Issuance Under Equity Compensation Plans

None.

Sales of Unregistered Securities

On March 12, 2014 and November 6, 2014, the Company issued 24,000 shares of common stock valued at \$ 1.35 per share, and 44,000 shares of common stock valued at \$0.001 per share, respectively, to a consultant for services rendered.

The Company issued the following to Type A Partners in stock purchases: (i) 75,000 shares of common stock valued at \$2.00 per share on April 22, 2014, (ii) 37,500 shares of common stock valued at \$2.00 per share on May 6, 2014, and (iii) 30,000 shares of common stock valued at \$0.60 on June 23, 2015.

On June 5, 2014, the Company issued 25,000 shares of common stock valued at \$0.001 per shares to a consultant for services rendered.

On May 20, 2015, the Company issued 100,000 shares of common stock, valued at \$0.001 per share, to a consultant in exchange for services rendered.

On September 10, 2015, the Company issued 20,000 shares of common stock valued at \$0.001 per share to a board member, Luisa Ingargiola, in accordance with Ms. Ingargiola's board contract.

In issuing these shares, the Company relied upon the exemption from registration provided by Section 4(a)(2) under the Securities Act for transactions not involving a public offering.

Issuer Purchases of Equity Securities

None.

ITEM 6. SELECTED FINANCIAL DATA

Not Applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and other parts of this Annual Report on Form 10-K contain forward-looking statements. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Forward-looking statements can also be identified by words such as "future," "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "will," "would," "could," "can," "may," and similar terms. Forward-looking statements are not guarantees of future performance and the Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in Part I, Item 1A of this Annual Report on Form 10-K under the heading "Risk Factors." The following discussion should be read in conjunction with the consolidated financial statements and notes thereto included in Part II, Item 8 of this Annual Report on Form 10-K. All information presented herein is based on the Company's fiscal calendar. Unless otherwise stated, references to particular years, quarters, months or periods refer to the Company's fiscal years ended in December and the associated quarters, months and periods of those fiscal years. The Company assumes no obligation to revise or update any forward-looking statements for any reason, except as required by law.

Overview and Highlights

The Company provides asbestos abatement and removal, demolition, and mold remediation services primarily in the USA. The services we provide include the removal of asbestos, lead and other hazardous materials from structures ranging from residences to commercial and industrial applications, including secure defense contractor facilities, colleges, hospitals, and mid-rise and high-rise buildings and residential structures. The Company provides demolition and wrecking services, including the removal of storage tanks; mechanical insulation; duct/mold and indoor air quality services; land clearing; and on-site crushing and recycling. In the public sector, our customers include city, state, and federal agencies. Our private-sector customers include general contractors, developers, project owners, and industrial and commercial clients.

We report results under ASC 280, Segment Reporting, for three segments: remediation, demolition and insulation. Remediation derives its income from mold remediation and abatement services for a broad range of environments. Demolition offers full scale commercial demolition and wrecking down to interior and selective demolition and strip down services. Insulation derives its revenue from re-insulation and insulation of new and remodeling projects. After careful analysis of our operations following the business slowdown in 2011, management made the decision to scale down the less profitable demolition division and refocus efforts on more profitable businesses in asbestos, mold, and lead remediation, and interior demolition. We will continue to provide demolition services where they are a natural spinoff of our other work. The decision created an excess of machinery and heavy equipment that was not being used, which we sold in 2012.

Service Contracts

For our asbestos abatement, demolition, and mold remediation contracts, we typically agree to provide all labor, supervision, material and equipment required to perform hazardous material abatement and disposal work as required. Our interior demolition and certain exterior demolition contracts do not contain "hazardous material abatement" provisions. In the absence of such provisions, the Company is not contractually responsible for the elimination or reduction of polluting or hazardous substances such as asbestos, lead paint, polychlorinated biphenyls (PCB) in building materials, mold, fluorescent and high intensity discharge (HID) lamps, mercury, PCB ballasts, lead-acid battery electrolytes, fluorocarbons, equipment coolant, hydraulic fluids, and petroleum products. Our demolition contracts generally require us to provide all labor, supervision, material and equipment required for demolition and clearance on specified properties.

We operate primarily through a bid submission and award process to various public and government entities. Bids specify terms and conditions of contracting. We do not write our contracts. Our customers dictate contract language, payment terms, and in most cases the timing of and forms used for billing. When we bid on a project, we agree to these terms which are included in the bid specifications. Since the inception of CES in 1988, we have not been required to make any penalty payments to our customers or incurred post-contractual costs under contractual commitments. Many of our equipment supply, local design, and installation subcontracts contain provisions that enable us to seek recourse against our vendors or subcontractors if there is a deficiency in their commitments.

Payments to us by the federal government are based on the services provided and the products installed, calculated in accordance with federal regulatory guidelines and the specific contract's terms.

To mitigate contractual performance risks, we have created and invested in processes and systems to ensure that our project managers bid in compliance with project specifications, perform site inspections, and participate in pre-bid meetings. Our bidding process takes into account a specified list of variables, which we have developed and fine-tuned over 25 years of doing business, to ensure that we achieve our performance and financial goals for each contract. Project managers are trained in our bidding process, and bids greater than \$200,000 are reviewed and approved by a senior management team before submission.

Tracking of job costs to manage financial risk is paramount at CES. Through a Company-developed cost accounting system, jobs are tracked not only by phase (i.e., type of work) but also according to fifteen separate job cost codes that the Company has identified as essential for effective project management. These cost codes are mapped to our bidding system, thereby allowing us to track the financial performance of all contract phases and to ensure that potential cost overruns can be identified and mitigated.

Job costing is fully integrated between all modules of our accounting system, which include accounts payable, accounts receivable, payroll, and inventory. Direct job costs include: labor (not drivers), driver labor, materials, subcontractors, labor service, job site costs (e.g., permits and rental equipment), dump fees (landfill), travel expenses, temporary lodgings, jobsite fuel, bonding costs, inspection fees (Department of Environmental Protection, etc.), testing/lab fees, workers' compensation (by workers' compensation classification), and indirect costs (which include costs indirectly incurred such as vehicle insurance, repairs and maintenance, fuel and oil).

We review job costs twice each month while contracts are in progress, and calculate and review final job cost at the completion of each job. Problems are reviewed at weekly meetings. Project managers regularly check on their jobs to monitor progress and man-hours. This process has now been enhanced with the addition of a cloud based project management system that has been implemented throughout all Company locations.

To maintain control of contract bids and implementation, senior management holds weekly reviews with project managers, covering job bidding, job awards, upcoming bids and contracts, etc. Regular accounts receivable and collections reviews are also held as part of the management process.

Financial Operations Overview

Revenue

We derive revenue from the provision of asbestos abatement, demolition, and mold remediation services to city, state, and federal agencies. We also sell services to general contractors, developers, project owners, and industrial and commercial clients. Much of our work has been founded on the removal of hazardous materials from structures ranging from residences to commercial and industrial applications.

While in any particular quarter a single customer may account for more than ten percent of revenue, for the year ended December 31, 2015, the Renu Asset Recovery, the general contractor for the DTE Energy power plant project in Michigan, and the FDOT, accounted for 23.1% and 19.6% of our total revenue, respectively. For the year ended December 31, 2014, the Renu Asset Recovery, the general contractor for the DTE Energy power plant project in Michigan, and the FDOT, accounted for 13.9% and 15.2% of our total revenue, respectively.

Direct Expenses and Gross Margin

Direct expenses include the cost of labor, materials, equipment, subcontracting and outside engineering that are required for the execution our contracts, as well as preconstruction costs, sales incentives, associated travel, inventory obsolescence charges, and amortization of intangible assets related to customer contracts. A majority of our contracts have fixed price terms; however, in some cases we negotiate protections, such as a cost-plus structure, to mitigate the risk of rising prices for materials, services and equipment.

Gross margin, which is gross profit as a percent of revenue, is affected by a number of factors, including the type of services performed and the geographic region in which the sale is made. Geographic location impacts the cost of disposal, lodging, and fuel. We sometimes find ourselves bidding against local contractors. In these instances, we may be willing to accept a lower profit margin in order to establish ourselves with a new client, or in a new geographic location.

Rising fuel costs affect us in several ways. Fuel in our trucks and equipment has an immediate cost impact. Increases in petroleum prices increase the costs for remediation due because petroleum products are used to make all poly, bags, etc. that we use for contaminated materials containment.

In addition, gross margin frequently varies across the period of a project. Our expected gross margin on, and expected revenue for, a project are based on budgeted costs. From time to time, a portion of the contingencies reflected in budgeted costs are not incurred due to strong execution performance. In that case, and generally at project completion, we recognize revenue for which there is no further corresponding direct expense. As a result, gross margin tends to be back-loaded for projects with strong execution performance; this explains the gross margin improvement that occurs from time to time at project closeout. We refer to this gross margin improvement at the time of project completion as a project closeout.

Operating Expenses

Operating expenses consist of salaries and benefits, project development costs, and general, administrative and other expenses.

Salaries and benefits. Salaries and benefits consist primarily of expenses for personnel not directly engaged in specific revenue generating activity. These expenses include the time of executive management, legal, finance, accounting, human resources, information technology and other staff not utilized in a particular project. We employ a comprehensive time card system which creates a contemporaneous record of the actual time by employees on project activity.

Project development costs. Project development costs consist primarily of sales, engineering, legal, finance and third-party expenses directly related to the development of a specific customer opportunity. This also includes associated travel and marketing expenses.

General, administrative and other expenses. These expenses consist primarily of rents and occupancy, professional services, insurance, unallocated travel expenses, telecommunications, and office expenses. Professional services consist principally of recruiting costs, external legal, audit, tax and other consulting services.

Other expenses, net. Other expenses, net consists primarily of interest income on cash balances, interest expense on borrowings, and gains and losses on the disposal of surplus assets. Interest expense will vary periodically depending on prevailing short-term interest rates.

Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles ("GAAP") and the Company's discussion and analysis of its financial condition and operating results require the Company's management to make judgments, assumptions, and estimates that affect the amounts reported in its consolidated financial statements and accompanying notes. Note 1, "Summary of Significant Accounting Policies" of the Notes to Consolidated Financial Statements in Part II, Item 8 of this Annual Report on Form 10-K describes the significant accounting policies and methods used in the preparation of the Company's consolidated financial statements. Management bases its estimates on historical experience and on various other assumptions it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

We have identified the policies below as critical to our business operations and the understanding of our results of operations. The Company's senior management has reviewed these critical accounting policies and related disclosures with the Company's Board of Directors. The impact and any associated risks related to these policies on our business operations are discussed throughout this section where such policies affect our reported and expected financial results. Our preparation of financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial statements, and the reported amounts of revenues and expenses during the reporting period. There can be no assurance that actual results will not differ from those estimates and such differences may be material.

Cash and Cash Equivalents

We consider all highly liquid debt instruments and other short-term investments with maturity of three months or less to be cash equivalents.

Contracts Receivable

Contracts receivable are stated at the amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade contracts receivable. Management has determined that an allowance of \$201,000 for doubtful accounts at December 31, 2015 and December 31, 2014 was required.

Contracts receivable will generally be due within 30 to 45 days and collateral is not required.

Cost and Estimated Earnings in Excess of Billings on Uncompleted Contracts

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.

Recoverability of Long-Lived Assets

We review the recoverability of long-lived assets on a periodic basis whenever events and changes in circumstances have occurred which may indicate a possible impairment. The assessment for potential impairment is based primarily on our ability to recover the carrying value of our long-lived assets from expected future cash flows from our operations on an undiscounted basis. If such assets are determined to be impaired, the impairment recognized is the amount by which the carrying value of the assets exceeds the fair value of the assets. Fixed assets to be disposed of by sale are carried at the lower of the then current carrying value or fair value less estimated costs to sell.

Fair Value of Financial Instruments

The carrying amount reported in the balance sheets for cash and cash equivalents, contracts receivable, accounts payable, and accrued expenses approximate fair value because of the immediate or short-term maturity of these financial instruments. We do not utilize derivative instruments.

Revenue and Cost Recognition

The Company recognizes revenues from fixed-price and modified fixed-price construction contracts on the percentage-of-completion method, measured by the percentage of cost incurred to date to estimated total cost for each contract. This method is used because management considers total cost to be the best available measure of progress on the contracts.

Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs, and depreciation. Selling, general, and administrative costs are charged to expenses as incurred.

Provisions for estimated losses on uncompleted contracts, if any, 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.

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.

Contract retentions are included in contract receivables.

Net Earnings (Loss) Per Share of Common Stock

The basic net earnings (loss) per common share is computed by dividing the net earnings (loss) by the weighted average number of common shares outstanding. Diluted net earnings (loss) per share gives effect to all dilutive potential common shares outstanding during the period using the "as if converted" basis.

Uncertainty in Income Taxes

Management considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential changes that management believes are more likely than not to occur upon examination by tax authorities. Management has not identified any uncertain tax positions in filed income tax returns that require recognition or disclosure. The Company's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

We follow ASC 740-10, Accounting for Uncertainty in Income Taxes ("ASC 740-10"). This interpretation requires recognition and measurement of uncertain income tax positions using a "more-likely-than-not" approach. ASC 740-10 is effective for fiscal years beginning after December 15, 2006. Management has adopted ASC 740-10 and evaluates our tax positions on an annual basis.

Prior to November 1, 2013, CES had elected by unanimous consent of its shareholders to be taxed under the provisions of subchapter S of the Internal Revenue Code. Under those provisions, CES did not pay federal or state corporate income taxes on its taxable income. Instead, the shareholders of CES were liable for individual federal income taxes on their respective shares of CES's taxable income. Since the closing of the Merger on November 1, 2013, the Company is responsible for paying corporate income tax.

Advertising (in thousands, except percentages)

Advertising costs are expensed when incurred. Advertising costs for 2015 and 2014 were \$25 and \$8, respectively. Historically, the Company has not relied on advertising and marketing to generate business. We recently hired a marketing/sales manager to expand our marketing activities.

Results of Operations (in thousands, except percentages)

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Net sales decreased on an aggregate basis among all segments, 10%, or \$2,118, during the year ended December 31, 2015 compared to the year ended December 31, 2014. Revenues in the Demolition segment decreased by \$1,134, or 11%, during the year ended December 31, 2015 compared to the year ended December 31, 2014. Revenues in the Remediation segment decreased by \$956, or 10%, during the year ended December 31, 2015 compared to the year ended December 31, 2014. The Insulation segment experienced an \$83 decrease in revenue, or 15%, during the year ended December 31, 2015 compared to the year ended December 31, 2014.

The decrease in Demolition segment revenues was primarily attributable to the near completion of the larger St. Bernard Parish projects in Louisiana, and the completion of two major contracts in Florida. At December 31, 2015, 35 Demolition segment contracts valued in excess of \$4.6 million were in progress. Remediation segment sales decreased in 2015, primarily because of the lower revenues from remediation contracts in Florida and with the DTE Power Plant in Michigan. The decline in Insulation segment revenue was due primarily to lower maintenance spending by a large supermarket chain in the southeastern United States.

Revenues were more heavily concentrated in Florida in 2015 as a result of new contract wins in the state, including demolition contracts at Florida State University in Tallahassee (valued at \$882), Jacksonville Naval Air Station (valued at \$1,624) and with the FDOT (valued at \$3,139), and remediation/demolition contracts continuing at the Daytona Speedway (valued at \$1,147), Forts Benning and Stewart in Georgia (valued at \$887) the Federal Courthouse in Jacksonville (valued at \$376), Hill Middle School (valued at \$367), and the continuation of the DTE Power Plant in Marysville, Michigan (valued at \$3,554). The Daytona Speedway contract will also have had a significant scrap revenue stream that will cover provided a portion of our funding of startup costs for the contract.

Management plans to address the 2015 decline in revenues with a plan of operations for 2016 that includes an expansion of regional presence through organic growth and acquisitions (should funding become available), expansion into additional states to broaden the Company's geographic footprint, growth of government business through state and federal IDIQ opportunities, the acquisition of complementary businesses targeted to enhance the geographic footprint, and a focus on increasing revenues and margins in our core business lines.

Sales Data

The following table shows net sales by operating segment and net sales by service during the years ended December 31, 2015 and 2014 (in thousands, except percentages):

	2015	Change	2014
Net Sales by Operating Segment:			
Remediation	\$ 9,021	(10)%	\$ 9,977
Demolition	9,237	(11)%	10,370
Insulation	470	(15)%	553
Total net sales	<u>\$ 18,728</u>	<u>(10)%</u>	<u>\$ 20,900</u>

Segment Operating Performance (in thousands, except percentages)

The Company manages its business on a functional basis. Accordingly, the Company has determined its reportable operating segments, which are generally based on the types of services it provides, to be Remediation, Demolition and Insulation. Remediation derives its income from mold remediation and abatement services for a broad range of environments. Demolition offers full scale commercial demolition and wrecking. Insulation derives its revenue from re-insulation and insulation of new and remodeling projects.

Further information regarding the Company's operating segments may be found in Note 16, "Segment Information."

Remediation

Remediation services are comprised of asbestos abatement, lead removal, mold remediation, indoor air quality/duct cleaning, removal of contaminated soil, animal waste removal, manual selective and complete interior demolition including removal of floor covering, and adhesive removal. These services are primarily performed for commercial, retail, governmental, industrial, and military customers, as well as public and private schools.

The following table presents Remediation segment net sales information for the years ended December 31, 2015 and 2014 (in thousands, except percentages):

	2015	Change	2014
Net sales	\$ 9,021	\$ (956)	\$ 9,977
Percentage of total net sales	48%	-%	48%

The decrease in Remediation segment net sales during the year ended December 31, 2015 was caused by typical business fluctuations. Volatility in revenues arises because contracts are of a short duration (typically a month or less). Remediation is usually the first activity performed in a contract and therefore the first part to be completed. In larger projects it is not unusual to perform work in stages over the course of several months. The average size and number of projects in the segment in 2015 were greater than in 2014. The Company has no control over the amount of work available to bid from year to year. It is the nature of the Remediation business to have these highs and lows.

Demolition

Demolition services are comprised of partial, phased and complete demolition of commercial, retail, private, governmental, industrial, and military sites, as well as public and private schools. Demolition activities include building separations, concrete breaking and saw-cutting, using the Company's own man-lifts, bobcats, roll-off containers and roll-off trucks for hauling and disposal of construction debris. The Company focuses on asbestos, mold and lead remediation and interior demolition. The Company also provides full-scale commercial demolition and wrecking, as well as underground and above ground storage tank removal, and full-scale site clearing including underground pipe removal and installation.

Hurricanes and natural disasters are the biggest factor in the creation of large scale demolition opportunities for the Company. As a result, this segment's source of the majority of its work is unpredictable. Demolition contracts range widely in price from \$30 to \$20,000. Demolition contracts last anywhere from two weeks (to demolish a one-story masonry commercial building such as a home improvement store) to two years or more to demolish concrete slabs left by a hurricane such as Katrina.

The following table presents Demolition segment net sales information for the years ended December 31, 2015 and 2014 (in thousands, except percentages):

	2015	Change	2014
Net sales	\$ 9,237	\$ (1,134)	\$ 10,370
Percentage of total net sales	49%	(1)%	50%

The decrease in net sales for the Demolition segment during the year ended December 31, 2015 was caused primarily by the lower number of demolition contracts put out for bids in 2015 compared to 2014. The Company saw more renovation opportunities than demolition projects year over year. During 2015, however, the Company did win 63 demolition contracts in Florida valued at \$4,929 that commenced, compared to 77 contracts valued at \$2,880 in 2014. Two of these 2015 contracts are worth \$1,324. At the end of 2015, the Company had total Demolition segment contracts valued at \$3,960 in backlog, including 30 contracts in Florida.

Insulation

Our Insulation segment derives its revenue from re-insulation and insulation of new and remodeling projects. The segment typically does not experience large changes in revenues year over year. The amount of sales is typically driven by the amount of remodeling or maintenance work required by a large supermarket chain, with which the Company has an ongoing service contract.

The following table presents Insulation segment net sales information for the years ended December 31, 2015 and 2014 (in thousands, except percentages):

	2015	Change	2014
Net sales	\$ 470	\$ (83)	\$ 554
Percentage of total net sales	3%	-%	3%

The decrease in the Insulation segment net sales between the years ended December 31, 2015 and 2014 was caused primarily by a reduction in work provided by the aforementioned supermarket chain.

Gross Margin

Gross margin for the years ended December 31, 2015 and 2014 are as follows (in thousands, except gross margin percentages). Differences between net sales and cost of sales in the table below, on one hand, and the Company's Consolidated Statement of Operations, on the other, are caused by an adjustment to sales and billing that takes place within consolidated reports rather than within the applicable segments.

	2015	2014
Net sales	\$ 18,728	\$ 20,846
Cost of sales	15,168	16,142
Gross margin	\$ 3,560	\$ 4,704
Gross margin percentage	19%	23%

The gross margin percentage in the year ended December 31, 2015 was 19% compared to 23% in the year ended December 31, 2014. The decrease in year-over-year cost of sales was caused by increased use of materials, increased job site and other indirect costs, and increases in dump fees and fuel costs. Gross margin percentage decreased by four percentage points. A large portion of our increase in jobs costs as well as the decline in gross margin is due to some of our larger jobs not returning the gross profit we anticipated. We encountered some unforeseen complications to our work plan that resulted in higher costs. We have been unsuccessful in obtaining an approved change order for this work.

In general, gross margins and margins on services will remain under pressure due to a variety of factors, including continued industry-wide pricing pressures and increased competition. In response to competitive pressures, the Company may have to take service pricing actions, which could adversely affect gross margins. Gross margins could also be affected by the Company's ability to manage costs effectively and to stimulate demand for certain of its products. To counteract the pressure on margins, the Company is working to improve its budget management processes for contracts, in particular to improve its ability to track and charge for change orders as they occur. We are also encountering fewer bidders qualified to bid these types of jobs. The Company may also decline to bid on contracts where gross margins fall below acceptable levels.

Operating Expenses

Operating expenses for the years ended December 31, 2015 and 2014 are as follows (in thousands, except for percentages):

	2015	Change	2014
General and administrative	\$ 5,153	\$ 132	\$ 5,021
Percentage of total net sales	28%	4%	24%

General and Administrative ("G&A") Expense

The growth in G&A expense during the year ended December 31, 2015 was caused by a number of factors, including increases in compensation costs (increased by \$119 over 2014), due mainly to a \$120 increase in salaries paid to sales employees, reflecting the hiring of new sales employees at the end of 2014; higher group health insurance costs, which rose due by 38% or \$153 due to higher employee participation; a \$35 increase in bank service charges and loan costs, reflecting the costs incurred on debt; advertising costs, which increased by \$18 or 235%, reflecting an increase in advertising to win new business; other insurance costs, which increased by 200% or \$25; and higher education/training costs, which were up by \$16 or 28% due to the large amount of work on military bases, which requires badges, background checks, and specific health and worker certifications that are charged to education.

These increases were offset by lower professional fees, which decreased by \$78 or 32%, due to reduced expenses associated with being a publicly traded company; lower business license costs, down by \$57 or 38%; a reduction of 10% or \$38 in rent expenses caused by a 50% reduction in the rent of our Crystal Springs location, owned by our president Clyde A. Biston; a reduction in shop labor of \$36 or 8%, due to the outsourcing of major repair work rather than performing it in-house; and a reduction in salaries paid to officers (\$32 or 9%), due to the resignation of an officer.

Other Income and Expense

Other income and expense for the years ended December 31, 2015 and 2014 are as follows (in thousands, except percentages):

	2015	Change	2014
Other income/(expense)	\$ (7)	\$ (162)	\$ 155
Interest expense	(183)	77	(260)
Total other income/(expense), net	\$ (190)	(85)	(105)

The year-over-year decrease in other income during the year ended December 31, 2015 was due primarily to a state-mandated insurance refund that was made in 2014. There was no refund in the corresponding period in 2015.

The year-over-year decrease in interest expense during the year ended December 31, 2015 was due primarily to the restructuring of the Company's bank line of credit at the end of 2014.

Provision for Income Taxes

Prior to November 1, 2013, CES elected to be taxed under the provisions of subchapter S of the Internal Revenue Code. Under those provisions, during and prior to 2013, CES did not pay federal or state corporate income taxes on its taxable income. Instead, its shareholders were liable for individual federal income taxes on their respective shares of CES's taxable income. Therefore, no provision or liability for federal income taxes was included in our financial statements prior to 2013.

Provision for income taxes and effective tax rates for the years ended December 31, 2015 and 2014 was as follows (dollars in thousands):

	December 31, 2015	December 31, 2014
Provision for income taxes	\$ -	\$ -
Effective tax rate	0%	-

The Company's effective tax rate for the year ended December 31, 2015 was nil because of the loss in 2015 and the losses carried forward from prior periods. The Company has net operating loss carryforwards of \$2,025,295 available at December 31, 2015 and has recorded a deferred tax asset of \$718,980 reflecting the benefit of the loss carryforwards. These deferred tax assets will expire in years 2034 through 2035.

Liquidity and Capital Resources (in thousands, except percentages)

The Company believes its existing balances of cash, cash equivalents and marketable securities will be sufficient to satisfy its working capital needs, capital asset purchases, outstanding commitments, and other liquidity requirements associated with its existing operations over the next 12 months. The Company will seek, however, to raise up to \$5,000 in additional capital in 2016 to support its 2016 plan of operations. There can be no assurance that the Company will be able to raise such additional capital on terms that are acceptable to the Company or at all.

The Company's cash, cash equivalents and marketable securities were generally held in bank accounts.

The following table presents selected financial information and statistics as of December 31, 2015 and December 31, 2014 (dollars in thousands):

	December 31, 2015	December 31, 2014
Cash, cash equivalents and marketable securities	\$ 230	\$ 149
Property, plant and equipment, net	\$ 1,998	\$ 2,117
Long-term debt	\$ 3,865	\$ 3,337
Working capital	\$ 284	\$ 1,314

The following table presents selected financial information and statistics about the Company's sources and uses of cash during the first nine months of 2015 and 2014 (dollars in thousands):

	Year Ended December 31	
	2015	2014
Cash generated by/ (used in) operating activities	\$ 89	\$ (365)
Cash generated by/ (used in) investing activities	\$ (417)	\$ (535)
Cash generated by/ (used in) financing activities	\$ 408	\$ 799

During the year ended December 31, 2015, the cash generated by operating activities of \$89 was a result of \$(1,064) of net loss, offset by non-cash adjustments to net loss of \$536 and a net change in operating assets and liabilities of \$617. The Company used \$(417) of cash for investing activities in 2015 to purchase property and equipment. There were no disposals of equipment in 2015. The \$408 of cash generated by financing activities during 2015 came from capital contributions of \$18 and new borrowing of \$1,127, which included \$535 from the chairman of board of directors of the Company, Clyde A. Biston, offset by \$(736) of loan repayments. No distributions were paid in 2015.

During 2014, cash used in operating activities of \$(365) was a result of \$160 of net income, non-cash adjustments to net income of \$578 and a net change in operating assets and liabilities of \$(1,104). Cash used in investing activities of \$(534) during 2014 consisted of the purchase of property and equipment. Cash generated in financing activities during 2014 consisted primarily of new borrowings of \$5,160 and capital contributions \$(320), offset by repayment of debt \$(4,681). There were no distributions in 2014.

Long-Term Debt

To date the Company has financed its operations through internally generated revenue from operations, the sale of common stock, the issuance of notes, borrowings from banks, and loans from shareholders. The following debt was outstanding at December 31, 2015:

- (i) Demand loan from shareholder, Clyde Biston, bearing annual interest at 4.25%. At December 31, 2015, \$254 was outstanding under the loan. \$273 was outstanding under the loan at December 31, 2014.
- (ii) Demand loan from shareholder, Clyde Biston, bearing annual interest at 4.75%. At December 31, 2015, \$158 was outstanding under the loan. \$nil was outstanding under the loan at December 31, 2014.
- (iii) Demand loan from shareholder, Clyde Biston, bearing annual interest at 4.75%. At December 31, 2015, \$175 was outstanding under the loan. \$nil was outstanding under the loan at December 31, 2014.
- (iv) Demand loan from shareholder, Clyde Biston, bearing annual interest at 4.75%. At December 31, 2015, \$175 was outstanding under the loan. \$nil was outstanding under the loan at December 31, 2014.
- (v) A line of credit from Centennial Bank, Dade City, Florida, bearing variable interest of 1.25% over prime, secured by land, improvements, and accounts receivable. The line of credit was obtained on April 30, 2015, and matures April 30, 2020. At December 31, 2015 and 2014, \$1,750 was outstanding under the line.
- (vi) Installment loan from shareholder, Clyde Biston, bearing annual interest at 6.15%. The loan is repayable in monthly payments of \$23,994. At December 31, 2015, \$2,656 was outstanding under the loan. \$2,721 was outstanding under the loan at December 31, 2014.
- (vii) Various installment loans, with interest rates ranging from 0% to 9.5%, secured by equipment and property. At December 31, 2015, \$904 was outstanding under these loans. In 2015, the Company repaid \$65 of principal under these loans. At December 31, 2014, \$938 was outstanding under these loans.

At December 31, 2015, a total of \$6,073 was outstanding under all loans and the line of credit. \$2,208 of that amount is due and payable in the 12 months following that date.

Dividend Program

As a privately-owned company prior to November 1, 2013, CES was owned by Clyde Biston. Mr. Biston elected to receive part of his compensation in 2013 the form of distributions paid to himself as the sole shareholder. No distributions were paid in 2014 or 2015 by the Company or CES.

The Company does not expect to pay any dividends or make any distributions to shareholders in 2016.

Further details about compensation paid to Mr. Biston can be found under Item 10, "Directors, Executive Officers and Corporate Governance" below.

Off-Balance Sheet Arrangements and Contractual Obligations

The Company has not entered into any transactions with unconsolidated entities whereby the Company has financial guarantees, subordinated retained interests, derivative instruments, or other contingent arrangements that expose the Company to material continuing risks, contingent liabilities, or any other obligation under a variable interest in an unconsolidated entity that provides financing, liquidity, market risk, or credit risk support to the Company.

Lease Commitments (dollars in thousands)

The Company is headquartered in Crystal Springs, Florida, where it occupies 6,000 square feet of office space as well as 6,000 square feet for a mechanic shop and a 12,000 square foot warehouse. The facilities are owned by the Company's President, Clyde A. Biston. Between June and October 2013, the Company was allowed to use the facilities rent-free. As of November 1, 2013, the Company entered into a lease agreement with Mr. Biston for rental of the facilities at an annual cost of \$180 (\$15 per month). As of June 1, 2015, the rent for the Crystal Springs facilities was reduced to an annual cost of \$90 (\$7.5 per month).

The Company also leases satellite offices in Davie and Ft. Walton Beach, Florida as well as Chalmette, Louisiana. Monthly rent for these facilities is \$4.98, \$2.38, and \$.75 respectively.

Leases are for terms ranging from month-to-month to one year to 48 months. As of December 31, 2015, the Company's total future minimum lease payments under non-cancelable operating leases were \$ 15.25 per month, or \$183 in the aggregate for the full term of all such leases, all of which are leases for office, warehouse and mechanic space.

Other Obligations

In addition to the contractual obligations mentioned above, the Company had outstanding commitments to lease copiers totaling \$46 in the aggregate for the full term of all such leases as of December 31, 2015.

Indemnification

The Company generally does not indemnify its customers against legal claims arising from services it provides. The Company has not been required to make any significant payments resulting from such services.

The Company has entered into indemnification agreements with its directors and executive officers. Under these agreements, the Company has agreed to indemnify such individuals to the fullest extent permitted by law against liabilities that arise by reason of their status as directors or officers and to advance expenses incurred by such individuals in connection with related legal proceedings. It is not possible to determine the maximum potential amount of payments the Company could be required to make under these agreements due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each claim. However, the Company maintains directors and officers liability insurance coverage to reduce its exposure to such obligations, and payments made under these agreements historically have not been material.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS

Scrudato & Co., PA
7 Valley View Drive
Califon, New Jersey 07830
908-534-0008

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
CES Synergies, Inc.

We have audited the accompanying balance sheet of CES Synergies, Inc. and its subsidiaries (“the Company”) as of December 31, 2015 and 2014, and the related statements of operations, stockholders’ equity, and cash flows for the years ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal controls over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of CES Synergies, Inc. and its subsidiaries as of December 31, 2015 and 2014, and the results of its operations, stockholders’ equity, and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

/s/ Scrudato & Co., PA
Califon, New Jersey
March 30, 2016

CONSOLIDATED BALANCE SHEET

	<u>December 31,</u> 2015	<u>December 31,</u> 2014
ASSETS		
Current assets		
Cash	\$ 229,882	\$ 149,455
Advances to employees	13,770	14,006
Contracts receivable (net of allow. for bad debt)	4,599,131	6,365,274
Inventory	133,715	152,772
Deferred tax asset- current	86,098	-
Cost and estimated earnings in excess of billings on uncompleted contracts	690,553	229,437
Total current assets	\$ 5,753,149	\$ 6,910,944
Property and equipment, net	1,998,158	2,117,217
Goodwill	1,446,855	1,446,855
Deferred tax asset- non-current	632,882	-
Other assets	4,731	6,531
TOTAL ASSETS	<u>\$ 9,835,775</u>	<u>\$ 10,481,547</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 2,911,780	\$ 2,570,259
Accrued payroll	47,819	82,391
Billings in excess of costs and estimated earnings on uncompleted contracts	301,398	598,645
Notes payable	1,750,300	1,750,300
Current portion long-term debt		
Related party	-	-
Non-related party	457,950	595,757
Total current liabilities	5,469,247	5,597,352
Long-term debt, net of current portion		
Related party	3,419,098	2,808,605
Non-related party	446,066	528,561
Total long-term liabilities	3,865,164	3,337,166
Stockholders' equity		
Common stock, authorized: \$0.001 par value, 250,000,000 shares, at December 31, 2015; issued: 46,880,500 shares, at December 31, 2015; 46,730,500 shares, at December 31, 2014	46,881	46,730
Additional paid in capital	1,299,018	1,281,048
Retained earnings	(844,535)	219,251
Total stockholders' equity	501,364	1,547,029
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 9,835,775</u>	<u>\$ 10,481,547</u>

See accompanying Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENT OF OPERATIONS

	Years ended December 31,	
	2015	2014
Revenues	\$ 18,728,148	\$ 20,846,119
Cost of sales	15,167,887	16,142,507
Gross profit	3,560,261	4,703,612
General & administrative expenses	5,152,941	5,020,556
Net operating profit/(loss)	(1,592,680)	(316,944)
Other expenses, net	(190,086)	(104,728)
Net profit/(loss) before income taxes	\$ (1,782,766)	\$ (421,672)
Income taxes	718,980	(81,339)
Net profit/(loss) after income taxes	\$ (1,063,786)	(503,011)
Earnings per share		
Basic and diluted	\$ (0.023)	\$ (0.011)
Shares used in computing earnings per share		
Basic and diluted	46,843,514	46,730,500
Cash distributions declared per common share	\$ -	\$ -

See accompanying Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock		Treasury Stock		Additional paid in Capital	Accumulated surplus	Total
	Shares	Amount	Shares	Amount			
Balance at December 31, 2011	160	160	80	(129,356)	1,130,424	2,560,467	3,561,695
Distributions	-	-	-	-	-	(1,136,877)	(1,136,877)
Net income for the year ended December 31, 2012	-	-	-	-	-	389,083	389,083
Balance at December 31, 2012	160	160	80	(129,356)	1,130,424	1,812,673	2,813,901
Distributions	-	-	-	-	-	(929,663)	(929,663)
Adjustments to common stock and additional paid-in capital	39,524,840	39,365	-	-	(39,365)	-	-
Issuance of common stock for employment and services	7,000,000	7,000	-	-	-	-	7,000
Net income/(loss) for the year ended December 31, 2013	-	-	-	-	-	(160,744)	(160,744)
Balance at December 31, 2013	46,525,000	\$ 46,525	80	\$ (129,356)	\$1,091,058	\$ 722,262	\$ 1,730,490
Adjustments to common stock and additional paid-in capital	-	-	(80)	129,356	(129,356)	-	-
Issuance of common stock for employment and services	93,000	93	-	-	94,457	-	94,550
Issuance of common stock (sold)	112,500	112	-	-	224,888	-	225,000
Net income/(loss) for the year ended December 31, 2014	-	-	-	-	-	(503,011)	(503,011)
Balance at December 31, 2014	46,730,500	\$ 46,730	-	\$ -	\$1,281,048	\$ 219,251	\$ 1,547,029
Issuance of common stock (sold)	30,000	30	-	-	17,970	-	18,000
Issuance of common stock for employment and services	120,000	121	-	-	-	-	121
Net income/(loss) for the year ended December 31, 2015	-	-	-	-	-	(1,063,786)	(1,063,786)
Balance at December 31, 2015	46,880,500	\$ 46,881	-	\$ -	\$1,299,018	\$ (844,535)	\$ 501,364

See accompanying Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

	Years ended December 31,	
	2015	2014
Cash flows from operating activities		
Net income (loss) from continuing operations	\$ (1,063,786)	\$ (503,011)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	535,620	578,427
(Gain) Loss on Asset Disposal	-	(400)
(Increase) decrease in contracts receivable	1,766,143	(2,399,565)
(Increase) decrease in inventory	19,057	1,218
(Increase) decrease in other assets	(716,944)	29,191
(Increase) decrease in estimated earnings in excess of billings	(461,116)	580,111
Increase (decrease) in accounts payable and accrued expenses	306,949	1,268,585
Increase (decrease) in billings in excess of costs and estimated earnings	(297,247)	80,033
Net cash provided by (used in) operating activities	<u>88,676</u>	<u>(365,411)</u>
Cash flows from investing activities		
Purchase property and equipment	(416,561)	(534,826)
Proceeds from disposal of equipment	-	400
Net cash provided by (used in) investing activities	<u>(416,561)</u>	<u>(534,426)</u>
Cash flows from financing activities		
Payments on notes payable	(736,371)	(4,681,071)
Net proceeds from borrowings	1,126,562	5,160,454
Adjustments to common stock and additional paid-in capital	18,121	319,550
Net cash provided by (used in) financing activities	<u>408,312</u>	<u>798,933</u>
Net increase (decrease) in cash	80,427	(100,904)
Cash, beginning of period	149,455	250,359
Cash, end of period	<u>\$ 229,882</u>	<u>\$ 149,455</u>

See accompanying Notes to Consolidated Financial Statements

NOTE 1 - Company Background

CES Synergies, Inc. (the "Company") is a Nevada corporation formed on April 26, 2010. The Company is the parent company of Cross Environmental Services, Inc. ("CES") which was incorporated in 1988 in the state of Florida. The Company acquired CES in a reverse merger transaction that closed on November 1, 2014, and CES is deemed the accounting acquirer under accounting rules (see Note 14). The Company is an asbestos and lead abatement contracting firm specializing in the removal of asbestos and lead from buildings and other structures, and demolition of structures. The Company's services include removal of asbestos and lead, construction, installation, and repair of ceilings and insulation systems and demolition. Most of the Company's jobs are located within the state of Florida, but the Company accepts and performs jobs throughout the southeastern United States.

NOTE 2 - Summary of Significant Accounting Policies

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements.

The Company follows the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and has adopted a year-end of December 31.

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

Management further acknowledges that it is solely responsible for adopting sound accounting practices consistently applied, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented.

Basis of Presentation

The Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries. These include the accounts of CES, and its wholly owned subsidiaries, Cross Demolition, Inc., Cross Insulation, Inc., Cross Remediation, Inc., Cross FRP, Inc., Triple J Trucking, Inc., and Tenpoint Trucking, Inc. All significant intercompany account balances, transactions, profits and losses have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, 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.

Fair Value of Financial Instruments

For certain financial instruments, including accounts receivable, accounts payable, accrued expenses, interest payable, advances payable and notes payable, the carrying amounts approximate fair value due to their relatively short maturities.

The Company has adopted ASC 820-10, "*Fair Value Measurements and Disclosures*." ASC 820-10 defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company did not identify any non-recurring assets and liabilities that are required to be presented in the balance sheets at fair value in accordance with ASC 815.

In February 2007, the FASB issued ASC 825-10 "*Financial Instruments*." ASC 825-10 permits entities to choose to measure many financial assets and financial liabilities at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings. ASC 825-10 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007.

The carrying amounts of cash and current liabilities approximate fair value due to the short maturity of these items. These fair value estimates are subjective in nature and involve uncertainties and matters of significant judgment, and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The Company does not hold or issue financial instruments for trading purposes, nor does it utilize derivative instruments in the management of foreign exchange, commodity price, or interest rate market risks.

Revenue and Cost Recognition

The Company follows ASC 605-35 "*Revenue Recognition: Construction type contracts*" and recognizes revenues from fixed-price and modified fixed-price construction contracts on the percentage-of-completion method, measured by the percentage of cost incurred to date to estimated total cost for each contract. This method is used because management considers total cost to be the best available measure of progress on the contracts.

Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs, and depreciation. Selling, general, and administrative costs are charged to expenses as incurred. Provisions for estimated losses on uncompleted contracts, if any, 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.

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.

Contract retentions are included in contracts receivable.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers cash and cash equivalents to be all highly liquid deposits with maturities of three months or less. Cash equivalents are carried at cost, which approximates market value.

Concentrations of Credit Risk

The Company maintains cash balances at Centennial Bank located in Central Florida. The cash accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2015 and 2014, the Company's uninsured cash balances for those accounts were \$0.

Special Purpose Entities

The Company does not have any off-balance sheet financing activities.

Contracts Receivable

Contracts receivable are recorded when invoices are issued and presented in the balance sheet net of the allowance for doubtful accounts. Contract receivables are written off when they are determined to be uncollectible. The allowance for doubtful accounts is estimated based on the Company's historical average percentage of bad debts in relation to its revenue.

Inventory, Net

Inventories consist primarily of job materials and supplies and are priced at the lower of cost (first-in, first-out) or market.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Expenditures for major additions and improvements are capitalized. As property and equipment are sold or retired, the applicable cost and accumulated depreciation are removed from the accounts and any resulting gain or loss thereon is recognized as operating expenses.

Depreciation is calculated using the straight-line method over the estimated useful lives or, in the case of leasehold improvements, the term of the related lease, including renewal periods, if shorter. Estimated useful lives are as follows:

Equipment	3-10 years
-----------	------------

The Company reviews property, plant and equipment and all amortizable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Recoverability is based on estimated undiscounted cash flows. Measurement of the impairment loss, if any, is based on the difference between the carrying value and fair value.

Impairment of Long-Lived Assets and Amortizable Intangible Assets

The Company follows ASC 360-10, "*Property, Plant, and Equipment*," which established a "*primary asset*" approach to determine the cash flow estimation period for a group of assets and liabilities that represents the unit of accounting for a long-lived asset to be held and used. Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell. Through December 31, 2015, the Company had not experienced impairment losses on its long-lived assets.

Intangible Assets - Goodwill

Cost of investment in purchased company assets (Simpson & Associates, Inc.) in excess of the underlying fair value of net assets at date of acquisition (March 2001) is recorded as goodwill on the balance sheet. The amount of \$1,396,855 was acquired in 2001 and an additional \$50,000 was reclassified as goodwill in 2002. Goodwill is not amortized, but instead is assessed for impairment at least annually and upon the occurrence of certain triggering events or substantive changes in circumstances that indicate that the fair value of goodwill may be impaired. Measurement of the impairment loss, if any, is based on the difference between the carrying value and fair value of the reporting unit. The goodwill impairment test follows a two-step process. In the first step, the fair value of a reporting unit is compared to its carrying value. If the carrying value of a reporting unit exceeds its fair value, the second step of the impairment test is performed for purposes of measuring the impairment. In the second step, the fair value of the reporting unit is allocated to all of the assets and liabilities of the reporting unit to determine an implied goodwill value. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of goodwill, an impairment loss will be recognized in an amount equal to that excess. There were no material impairments to the carrying value of long-lived assets and intangible assets subject to amortization during the years ended December 31, 2015 and 2014.

Business Segments

ASC 280, "*Segment Reporting*" requires use of the "*management approach*" model for segment reporting. The management approach model is based on the way a company's management organizes segments within the company for making operating decisions and assessing performance. The Company determined it has three operating segments as of December 31, 2015 and December 31, 2014.

Income Taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends. Deferred tax would be recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. No deferred tax is recognized since the difference in carrying amount is not significant.

Net Income (Loss) Per Share

The Company computes net income (loss) per share in accordance with ASC 260-10, "*Earnings Per Share*." The basic net income (loss) per common share is computed by dividing the net income (loss) by the weighted average number of common shares outstanding. Diluted net income (loss) per share gives effect to all dilutive potential common shares outstanding during the period using the "*as if converted*" basis. For the years ended December 31, 2015 and 2014, there were no potential dilutive securities.

Common Stock

The Company currently has only one class of common stock. Each share of common stock is entitled to one vote. The authorized number of shares of common stock of the Company at December 31, 2015 was 250,000,000 and at December 31, 2014 was 75,000,000 shares, in each case with a nominal par value per share of \$0.001. Authorized shares that have been issued and fully paid amounted to 46,880,500 common shares at December 31, 2015 compared to 46,525,000 common shares at December 31, 2014.

Comprehensive Income

Comprehensive income represents net income plus the change in equity of a business enterprise resulting from transactions and circumstances from non-owner sources. The Company's comprehensive income was equal to net income for the periods ended December 31, 2015 and 2014.

NOTE 3 - Recent Accounting Pronouncements

No. 2012-02, July 2012, Intangibles-Goodwill and Other (Topic 350): In accordance with the amendments in this update, an entity has the option first to assess qualitative factors to determine whether the existence of events and circumstances indicates that it is more likely than not that the indefinite-lived intangible asset is impaired. If, after assessing the totality of events and circumstances, an entity concludes that it is not more likely than not that the indefinite-lived intangible asset is impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the indefinite-lived intangible asset and perform the quantitative impairment test by comparing the fair value with the carrying amount in accordance with Subtopic 350-30.

No. 2012-06, October 2012, Business Combinations (Topic 805): When a reporting entity recognizes an indemnification asset (in accordance with Subtopic 805-20) as a result of a government-assisted acquisition of a financial institution and subsequently a change in the cash flows expected to be collected on the indemnification asset occurs (as a result of a change in cash flows expected to be collected on the assets subject to indemnification), the reporting entity should subsequently account for the change in the measurement of the indemnification asset on the same basis as the change in the assets subject to indemnification. Any amortization of changes in value should be limited to the contractual term of the indemnification agreement (that is, the lesser of the term of the indemnification agreement and the remaining life of the indemnified assets).

No. 2014-01, January 2014, Balance Sheet (Topic 210): The amendments in this Update affect entities that have derivatives accounted for in accordance with Topic 815, including bifurcated embedded derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions that are either offset in accordance with Section 210-20-45 or Section 815-10-45 or subject to an enforceable master netting arrangement or similar agreement. Entities with other types of financial assets and financial liabilities subject to a master netting arrangement or similar agreement also are affected because these amendments make them no longer subject to the disclosure requirements in Update 2011-11.

NOTE 4 - Contracts Receivable

Contracts Receivable consist of at:

	December 31, 2015	December 31, 2014
Billed		
Completed Contracts	\$ 2,766,670	\$ 4,146,946
Contracts in Progress	1,368,742	1,652,910
Retained	663,596	766,418
Allowance for Bad Debts	(199,877)	(201,000)
Total	<u>\$ 4,599,131</u>	<u>\$ 6,365,274</u>

NOTE 5 - Property, Plant and Equipment

Property, plant and equipment and related accumulated depreciation consist of the following:

	December 31, 2015	December 31, 2014
Machinery and Equipment	\$ 4,137,045	\$ 3,847,408
Office Furniture and Equipment	172,636	172,635
Transportation and Earth Moving Equipment	8,844,666	8,717,743
Leasehold Improvements	30,189	30,189
Property, Plant and Equipment Gross	13,184,536	12,767,975
Less: Accumulated Depreciation	(11,186,378)	(10,650,758)
Property, Plant and Equipment Net	<u>\$ 1,998,158</u>	<u>\$ 2,117,217</u>

Depreciation expense for the twelve months ended December 31, 2015 and 2014 was \$535,620 and \$578,427, respectively.

NOTE 6 - Costs and Estimated Earnings on Contracts**For the year ended December 31, 2015:**

	<u>Revenues Earned</u>	<u>Cost of Revenues</u>	<u>Gross Profit</u>
Revenue on completed contracts	\$ 14,800,227	\$ 12,573,012	\$ 2,227,215
Revenue on uncompleted contracts	3,927,920	2,594,875	1,333,045
Total for 12 months ended 12/31/15	<u>\$ 18,728,147</u>	<u>\$ 15,167,887</u>	<u>\$ 3,560,260</u>
			As of
			<u>Dec 31, 2015:</u>
Costs incurred on uncompleted contracts			2,739,744
Estimated earnings on uncompleted contracts			1,374,893
Revenues earned on uncompleted contracts			4,114,637
Billings to date			<u>3,725,485</u>
Total Net Amount			<u>\$ 389,152</u>
Amount shown as cost and estimated earnings in excess of billings on uncompleted contracts			\$ 690,550
Amount shown as billings in excess of costs and estimated earnings on uncompleted contracts			<u>(301,398)</u>
Total Net Amount			<u>\$ 389,152</u>

For the year ended December 31, 2014:

	<u>Revenues Earned</u>	<u>Cost of Revenues</u>	<u>Gross Profit</u>
Revenue on completed contracts	\$ 14,877,686	\$ 12,028,147	\$ 2,849,539
Revenue on uncompleted contracts	5,968,434	4,114,360	1,854,074
Total for 12 months ended 12/31/14	<u>\$ 20,846,120</u>	<u>\$ 16,142,507</u>	<u>\$ 4,703,613</u>
			As of
			<u>Dec 31, 2014:</u>
Costs incurred on uncompleted contracts			4,482,275
Estimated earnings on uncompleted contracts			1,941,493
Revenues earned on uncompleted contracts			6,423,768
Billings to date			6,792,976
Total Net Amount			<u>\$ (369,208)</u>
Amount shown as cost and estimated earnings in excess of billings on uncompleted contracts			\$ 229,437
Amount shown as billings in excess of costs and estimated earnings on uncompleted contracts			<u>(598,645)</u>
Total Net Amount			<u>\$ (369,208)</u>

NOTE 7 - Long-Term Debt

Long-term debt consists of the following at December 31, 2015 and 2014:

	<u>12/31/2015</u>	<u>12/31/2014</u>
Demand loan from Shareholder, Clyde Biston, payable in monthly payments of \$4,632 deferred until January 2017, interest rate of 4.25%.	\$ 254,203	\$ 273,273
Demand Loan from Shareholder, Clyde Biston, quarterly payments of \$1,908 deferred until Jan. 2017; interest rate of 4.75%	158,092	-
Demand Loan from Shareholder, Clyde Biston, quarterly payments of \$9,922 deferred until Jan. 2017; interest rate of 4.75%	175,000	-
Demand Loan from Shareholder, Clyde Biston, quarterly payments of \$9,881 deferred until Jan. 2017; interest rate of 4.75%	175,000	-
Line of credit, Centennial Bank, Dade City, FL variable interest of 1.25% over prime, current rate 3.25%, secured by land, improvements, and accounts receivable. Line of credit matures April 30, 2016	1,750,300	1,750,300
Installment loan from shareholder, Clyde Biston. Payable in monthly payments of \$23,994, interest rate of 6.15%. Deferred until January 2017	2,656,803	2,721,450
Various installment loans payable in monthly payments, interest rates ranging from 0% to 9.5%, secured by various equipment, vehicles, and property	<u>904,016</u>	<u>938,200</u>
Total	6,073,414	5,683,223
Less: Current portion	<u>(2,208,250)</u>	<u>(2,346,057)</u>
Long-term debt, less current portion	<u>\$ 3,865,164</u>	<u>\$ 3,337,166</u>

NOTE 8 - Commitments and Contingencies

Principal payments on long-term debt are due as follows:

Year ending December 31,	
2016	\$ 2,208,250
2017	510,013
2018	351,543
2019	328,541
2020+	<u>2,675,067</u>
	<u>\$ 6,073,414</u>

Contingencies

None.

NOTE 9 - Earnings per Share

	<u>12/31/2015</u>	<u>12/31/2014</u>
Net Income/ (Loss)	\$ (1,063,786)	\$ (503,011)
Weighted-average common shares outstanding		
Basic:	46,942,227	46,730,500
Weighted-average common stock		
Equivalents	-	-
Stock Options	-	-
Warrants	-	-
Convertible Notes	-	-
Weighted-average common shares outstanding		
Diluted	<u>46,942,227</u>	<u>46,730,500</u>
Earnings/(loss) per common shares outstanding		
Basic and Diluted	\$ (0.023)	\$ (0.011)

NOTE 10 - Operating Lease Agreements

In the past, the Company rented certain equipment/office space under month to month operating lease agreements. Lease expenses incurred as of December 31, 2015 and 2014 under such agreements were \$340,965, and \$378,485, respectively.

NOTE 11 - Related Party Transactions

For the purposes of these financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties. Our President and Chief Executive Officer owns a majority of our shares, meaning he can exert significant influence over corporate decisions and strategy. Related party transactions for the period include the following:

Leased Facilities

The Company operates primarily out of facilities owned by the majority shareholder of the Company. Beginning in June 1995, the Company was allowed to use the facilities rent-free. As of November 1, 2013, the Company entered into a lease agreement with the shareholder for rental of the facilities. As of June 1, 2015 the shareholder reduced the rent payable on the Crystal Springs facility by 50%. Rental expenses incurred for the 12 months ended December 31, 2015 under the lease agreement for the shareholder-owned facilities were \$135.

NOTE 12 - 401K Salary Deferral Plan

The Company has established a deferred benefit plan for office and managerial staff with one year or more of service. The plan allows employees to contribute through salary withholding. The Company may match the contribution up to 3% of the gross wages of the employee. Amounts contributed by the Company for the twelve months ended December 31, 2015 and 2014 are \$0 and \$0, respectively.

NOTE 13 - Income Tax Provisions

Management of the Company considers the likelihood of changes by tax authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities. Management has not identified any uncertain tax positions in filed income tax returns that require recognition or disclosure in the accompanying financial statements. The Company's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

For financial reporting purposes, income before income taxes includes the following components:

	<u>2015</u>	<u>2014</u>
United States	\$ (1,063,786)	\$ (503,011)
Foreign	-	-
Total	<u>\$ (1,063,786)</u>	<u>\$ (503,011)</u>

The expense(benefit) for income taxes consists of:

Current:	2015	2014
Federal	\$ (607,589)	\$ 69,025
State	(111,391)	12,314
Foreign	-	-
Total	<u>\$ (718,980)</u>	<u>\$ 81,339</u>
Deferred and other:		
Federal	\$ -	\$ -
State	-	-
Foreign	-	-
Total tax expense	<u>\$ (718,980)</u>	<u>\$ 81,339</u>

The Company has net operating loss carryforwards of \$2,025,295 available at December 31, 2015 and has recorded a deferred tax asset of \$718,980 reflecting the benefit of the loss carryforwards. Such deferred tax assets will expire in years 2034 through 2035.

NOTE 14 - Reverse Acquisition

On November 1, 2013, CES entered into an Agreement and Plan of Merger (the "Merger Agreement"), with CES Acquisitions, Inc. ("Subsidiary"), and CES Synergies, Inc., a shell company that traded on the OTC bulletin board. Pursuant to the Merger Agreement, the Subsidiary merged into CES, such that CES became a wholly-owned subsidiary of the Company (the "Merger"); and the Company issued 35,000,000 shares of the Company's common stock to the shareholders of CES (the "Acquisition Shares"), representing approximately 75.2% of the Company's aggregate issued and outstanding common stock following the closing of the Merger Agreement. The share exchange is being accounted for as a recapitalization, and not as a business combination under the scope of FASB ASC Topic 805. CES is the acquirer for accounting purposes and CES Synergies, Inc., is the acquired company. Accordingly, CES's subchapter S corporate status was terminated on November 1, 2013.

NOTE 15 - Subsequent Events

The Company has performed an evaluation of subsequent events through March 30, 2016, the date the accompanying financial statements were issued, and did not identify any material subsequent transactions that require disclosure.

NOTE 16 - Segment Information

The accounting standards for reporting information about operating segments define operating segments as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker is the Chief Executive Officer. The Company is organized by line of business. While the Chief Executive Officer evaluates results in a number of different ways, the line of business management structure is the primary basis for which the allocation of resources and financial results are assessed. Under the aforementioned criteria, the Company operates in three operating and reporting segments: remediation, demolition and insulation.

Remediation is one segment of the Company that derives its income from mold remediation and abatement services for a broad range of environments. Demolition offers full scale commercial demolition and wrecking down to interior and selective demolition and strip down services. Our third segment, Insulation, derives its revenue from re-insulation and insulation of new and remodeling projects.

The information provided below is obtained from internal information that is provided to the Company's chief operating decision maker for the purpose of corporate management. The Company uses operating income (loss) to measure segment performance as recorded below:

	Years ended December 31,	
	2015	2014
Remediation Segment		
Revenue	\$ 9,020,978	\$ 9,976,891
Cost of Revenues	8,142,979	7,073,954
Gross Profit	<u>877,999</u>	<u>2,902,937</u>
General & Administrative Expense	2,469,926	2,710,398
Other (Income)/Expense	<u>7,434</u>	<u>7,308</u>
Net Income (Loss) from Segment	<u>\$ (1,599,261)</u>	<u>\$ 185,231</u>

	Years ended December 31,	
	<u>2015</u>	<u>2014</u>
Demolition Segment		
Revenue	\$ 9,236,717	\$ 10,370,300
Cost of Revenues	<u>6,921,317</u>	<u>8,749,506</u>
Gross Profit	2,315,400	1,620,794
General & Administrative Expense	1,706,876	2,213,444
Other (Income)/Expense	<u>32,470</u>	<u>16,248</u>
Net Income (Loss) from Segment	<u>\$ 576,054</u>	<u>\$ (608,898)</u>

	Years ended December 31,	
	<u>2015</u>	<u>2014</u>
Insulation Segment		
Revenue	\$ 470,453	\$ 553,389
Cost of Revenues	<u>369,003</u>	<u>463,973</u>
Gross Profit	101,450	89,416
General & Administrative Expense	141,799	169,630
Other (Income)/Expense	<u>130</u>	<u>(870)</u>
Net Income from Segment	<u>\$ (40,479)</u>	<u>\$ (79,344)</u>

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

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive and financial officers, as appropriate to allow timely decisions regarding required disclosure.

As of the end of the period covered by this Annual Report on Form 10-K, we conducted an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act). Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective as of the end of the period covered by this Annual Report on Form 10-K to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and also are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting of the Company. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all 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 and procedures may deteriorate.

Management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our internal control over financial reporting as of December 31, 2015 based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that, as of December 31, 2015, our internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

This Annual Report on Form 10-K does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report is not subject to attestation by the Company's independent registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this Annual Report on Form 10-K.

Changes in Internal Controls

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or 15d-15 under the Exchange Act that occurred during the year ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, OFFICERS AND CORPORATE GOVERNANCE

Below are the names and certain information regarding the Company's executive officers and directors. Directors serve until the next annual meeting of shareholders or until their successors are elected and qualified. Officers serve at the discretion of the Board of Directors.

Name	Position
Clyde A. Biston	President, Chairman of the Board of Directors
John Tostanoski	Chief Executive Officer, Director
Sharon Rosenbauer	Chief Financial Officer, Treasurer, Vice President
James Smith	Vice President
Luisa Ingargiola	Director
Jeff Chartier	Director
Earl Young	Director

Clyde A. Biston, age 66, is the founder and has been Chief Executive Officer of CES since 1988 and was the Chairman of the Board of Directors and the Chief Executive Officer of the Company from September 10, 2014 to April 7, 2015. On April 7, 2015, Mr. Biston became President of the Company, when John Tostanoski was appointed Chief Executive Officer. Mr. Biston has served as Chairman of the Board of Directors since the Company's inception and President since May 20, 2015. Mr. Biston has over 40 years' experience in the general construction and asbestos abatement industry. Prior to entering the abatement profession, he operated a building contractor business. In the nine years prior to the formation of CES, Mr. Biston personally supervised the removal of more than 2 million square feet of asbestos containing materials on projects in Florida and Georgia, as well as many large-scale demolition and remediation projects. Mr. Biston's experience as founder of CES qualifies him to serve on the Company's Board of Directors.

John Tostanoski, age 62, has been with CES since 2003 (as its General Manager of South Florida Operations) and has been a director of the Company since November 1, 2014. Mr. Tostanoski served as President of the Company from November 1, 2014 until April 7, 2015, when he was appointed Chief Executive Officer. Mr. Tostanoski has over forty years of contracting and consulting experience in the environmental industry, including project management, analytical testing, contamination assessment and remediation, asbestos and lead assessment and remediation, indoor air quality, expert testimony and regulatory intervention. His responsibilities have included all aspects of administrative, financial, marketing, personnel, and quality oversight. Mr. Tostanoski has also served as a principal environmental consultant to several Fortune 500 companies, developing baseline and compliance monitoring programs, establishing hazardous waste management plans, indoor air quality surveys and monitoring, large scale asbestos surveys and abatements, industrial waste permitting and pretreatment design. Mr. Tostanoski received his BS in Environmental Sciences from Florida International University. Mr. Tostanoski's contracting and consulting experience qualify him to serve on the Company's Board of Directors.

Sharon Rosenbauer, age 65, has been with CES since 1992 and has been the Chief Financial Officer, Treasurer, and Vice President of the Company since November 1, 2014. She started at CES as its sole bookkeeper, and has been CES's Vice President since 2009 and Treasurer since 1998. Prior to joining CES, Ms. Rosenbauer worked as an auditor for both the Hilton and Holiday Inn Corporations. Ms. Rosenbauer was also employed with Gladieu Corporation as the Price Administrator and Contract Negotiator with her primary focus in cost-accounting.

James Smith, age 57, has been with CES since 1995 (as its Head Project Manager), has been the Vice President of the Company since November 1, 2014, and has over 20 years of experience in the supervision of asbestos abatement projects throughout the United States and over 15 years of experience in commercial general construction. Mr. Smith has experience as an operations manager, supervisor, and estimator of construction, abatement, remediation, and selective demolition projects throughout the United States and abroad.

Luisa Ingargiola, age 47, has been the Chief Financial Officer of MagneGas Corporation (formerly 4307, Inc.) since May 4, 2007 and serves as its Chief Accounting Officer and served as its Secretary. Ms. Ingargiola is responsible for all financial controls, SEC and FINRA compliance and reporting; ensuring regulatory compliance with EPA, OSHA, DOT and Homeland Security requirements; managing all investor outreach programs; and conducting all capital raises. She served as Treasurer of MagneGas Corporation. In 1992, she joined MetLife Insurance Company and served as its Budget and Expense Manager. Ms. Ingargiola worked for Boston Capital Partners as an Investment Advisor in its Limited Partnership Division. She has been a Director of FTE Networks, Inc. since February 15, 2016. Ms. Ingargiola has been a Director of MagneGas Corporation since May 4, 2007 and CES Synergies Inc. since April 2015. She serves as a Board Director at The JBF Foundation Worldwide. She has been a Director of COPsync, Inc. since January 23, 2016. She served as an Independent Non-Executive Director of CBD Energy Limited (BlueNRGY Group Limited) from August 05, 2014 to October 23, 2014. Ms. Ingargiola graduated in 1989 from Boston University with a Bachelor Degree in Business Administration and a concentration in Finance. She holds an MHA with a concentration in Business from the University of South Florida. She holds a Master's Degree in Business Administration from the University of South Florida in 1996.

Jeff Chartier, age 51, has over 30 years of experience in the financial industry and has been a director of the Company since November 1, 2014. His Wall Street career began in 1981 as a floor runner at Prudential-Bache Securities on the commodities exchange. By 1996, he was Vice President at Morgan Stanley and won the Morgan Stanley Dean Witter National Sales Directors Award along with numerous other awards for sales and customer service excellence. In 2002, Mr. Chartier started his own firm, Chartier Financial, offering full service retail brokerage products to his clients. Mr. Chartier then resigned from the industry as a broker in 2009 to become President of Green EnviroTech Holdings Corp. Since resigning from Green EnviroTech Holdings Corp. in February 2011, Mr. Chartier has formed a consulting firm to assist and consult with private companies looking to enter the public marketplace. Mr. Chartier's financial and business executive knowledge and experience qualify him to serve on the Company's Board of Directors.

Earl Young, age, 67, worked in commercial banking and finance for 42 years. Mr. Young's primary focus was small business and over the final 15 years of his career, executive management. Most recently, from 2007 to 2014, Mr. Young was involved in the start-up of Florida Traditions Bank, a community bank in Dade City, Florida. He served as Executive Vice President/Senior Lender and member of the bank's Board of Directors. During his tenure, the bank grew to nine offices across Central Florida and \$350,000,000 in assets. The bank was sold in July 2014. Mr. Young is currently a member of the Presidential Search Committee for Pasco Hernando Community College, serves as an Investment Oversight Committee member for the Pasco County School Board, and is a Governor-appointed Advisory Board member for the Florida Small Business Development Center.

Board Leadership Structure and Role in Risk Oversight

Our Board of Directors is primarily responsible for overseeing our risk management processes. The Board of Directors receives and reviews periodic reports from management, auditors, legal counsel, and others, as considered appropriate regarding our Company's assessment of risks. The Board of Directors focuses on the most significant risks facing our Company and our Company's general risk management strategy, and also ensures that risks undertaken by our Company are consistent with the appetite for risk of the Board of Directors. While the Board of Directors oversees our Company's risk management, management is responsible for day-to-day risk management processes. We believe this division of responsibilities is the most effective approach for addressing the risks facing our Company and that our board leadership structure supports this approach.

Code of Ethics

We have adopted a Code of Ethics that applies to our principal executive officer, principal financial officer and principal accounting officer. The text of our Code of Ethics is available on our website at www.cessynergies.com.

Nominating Committee

We have not adopted any procedures by which security holders may recommend nominees to our Board of Directors.

Audit Committee

The entire Board of Directors acts as the Audit Committee and the Board of Directors has no separate committees.

Section 16(a) Beneficial Ownership Reporting Compliance

Under Section 16(a) of the Exchange Act, our directors and certain of our officers, and persons holding more than 10 percent of our common stock are required to file forms reporting their beneficial ownership of our common stock and subsequent changes in that ownership with the United States Securities and Exchange Commission.

Based solely upon a review of Forms 3, 4, and 5, and amendments thereto, if any, furnished to us, we believe that as of December 31, 2015, our directors, officers, and 10% beneficial owners complied on a timely basis with all Section 16(a) filing requirements with the exception of our directors, officers, and 10% beneficial owners listed in the table below:

<u>Name</u>	<u>Number of Late Reports</u>	<u>Number and Description of Transactions Not Reported on a Timely Basis</u>
Luisa Ingargiola	2	An initial statement of beneficial ownership of securities was not filed on a timely basis; 1 transaction was not reported on a timely basis following the acquisition of shares in the year ended December 31, 2015.
Earl Young	1	An initial statement of beneficial ownership of securities was not filed on a timely basis.
Jeff Chartier	1	1 transaction was not reported on a timely basis following the disposition of shares in the year ended December 31, 2015.

ITEM 11. EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

The following summary compensation table sets forth information concerning compensation for services rendered in all capacities during 2015 and 2014 awarded to, earned by or paid to the Company's President and Chairman. No other officer of the Company received compensation in excess of \$100,000 for the Company's last two completed fiscal years.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation* (\$)	Totals (\$)
Clyde A. Biston									
President, Chairman,	2015	\$ 318,409 ⁽¹⁾	-	-	-	-	- \$	-	\$ 318,409
Director	2014	\$ 350,000	-	-	-	-	- \$	-	\$ 350,000

(1) From January 1, 2015 to August 15, 2015, Mr. Biston's annual salary was set at \$350,000. From August 15, 2015 to December 31, 2015, his annual salary was reduced to \$250,000. No other executive received more than \$100,000 in annual compensation in 2014 or 2015.

Outstanding Equity Awards at Fiscal Year-End

There were no outstanding equity awards to our named executive officers as of December 31, 2015.

Summary Director Compensation Table

The following table shows information regarding the compensation earned or paid during 2015 to Non-Employee Directors who served on the Board during the year. The compensation paid to Mr. Biston is shown under "Executive Compensation" and the related explanatory tables. Mr. Biston and Mr. Tostanoski did not receive any compensation for their service as members of the Board.

Name and Principal Position	Year	Fees Paid or Earned in Cash (\$)*	Stock Awards (\$)	Option Awards (\$)	Non-equity incentive plan compensation	Non-qualified incentive plan compensation	All Other Compensation (\$)	Total (\$)
Luisa Ingargiola, Director	2015	\$ 20 ⁽¹⁾	\$ 20 ⁽¹⁾	—	—	—	—	\$ 40

* dollars in thousands

(1) For services as a director in 2015, Ms. Ingargiola received \$20,000 in cash compensation and 20,000 shares of common stock valued at \$0.001 per share. The stock was recorded at \$20.

Director Compensation

The Company and Ms. Ingargiola entered into an offer letter, dated March 1, 2015 and executed by Ms. Ingargiola on April 9, 2015, setting forth the terms under which Ms. Ingargiola serves as a director of the Company (the "Ingargiola Offer Letter"). Pursuant to the Ingargiola Offer Letter, in consideration for serving on the Board, the Company agreed to grant Ms. Ingargiola restricted stock units in the amount of 10,000 shares of common stock quarterly, plus an additional \$10,000 quarterly, payable in arrears. Despite the terminology used in the Ingargiola Offer Letter, the compensation paid to Ms. Ingargiola in shares is paid through direct share issuances.

The foregoing description of the Ingargiola Offer Letter is qualified in its entirety by reference to the provisions of the Ingargiola Offer Letter filed as Exhibit 10.12 to this Annual Report, which is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information, as of March 30, 2016 with respect to the beneficial ownership of the Company's outstanding common stock by (i) any holder of more than five (5%) percent; (ii) each of the Company's named executive officers and directors; and (iii) the Company's directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission. Unless otherwise indicated in the table, the persons and entities named in the table have sole voting and sole investment power with respect to the shares set forth opposite the shareholder's name. Unless otherwise noted, the address of each principal shareholder is c/o CES Synergies, Inc., 39646 Fig Street, P.O. Box 1299, Crystal Springs, FL 33524.

Name:	Number of Shares beneficially owned	Percentage of class beneficially owned*
Clyde A. Biston	31,350,000	66.9%
John Tostanoski	1,925,000	4.1%
Sharon Rosenbauer	1,925,000	4.1%
James Smith	1,925,000	4.1%
Luisa Ingargiola	30,000	0.1%
Jeff Chartier	-	-%
Earl Young	-	-%
All Executive Officers and Directors as a Group (seven total)	37,155,000	79.3%
5% Shareholder:		
Stephanie Lee (1)	2,472,000	5.3%

* The percentage of class beneficially owned is based on 46,890,500 shares of common stock issued and outstanding as of March 30, 2016.

(1) Ms. Lee is the sole owner of Strategic Capital Markets and Type A Partners and as such is the beneficial owner of the shares of Company common stock held by such entities. The number of shares beneficially owned by Ms. Lee includes 1,825,000 shares owned through Strategic Capital Markets, 530,000 shares owned through Type A Partners and 117,000 owned by Ms. Lee directly.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Certain Relationships and Related Transactions

Prior to October 31, 2015, we operated out of two separate facilities owned by Clyde A. Biston, our President and Chairman of the Board. The Crystal Springs facility consists of office space, a mechanic shop and a warehouse space. The other facility was located in Zephyrhills, Florida. Between June and October 2013, the Company was allowed to use these two facilities rent-free. As of November 1, 2013, the Company entered into lease agreements with Mr. Biston for rental of the facilities for an aggregate annual rent of \$235,320 (\$180,000 per year with respect to the Crystal Springs facilities prior to June 1, 2015 and \$90,000 thereafter, and \$55,320 per year with respect to the Zephyrhills facilities), all of which is paid to Mr. Biston directly. The lease agreement for the Zephyrhills facility was terminated at the end of April 2015. The lease for the Crystal Springs facility was renewed for an additional 48 month term. The Company also pays the property taxes for use of the facilities.

In April 2014, our wholly-owned subsidiary, CES, issued an adjustable rate note in the principal amount of \$2,800,000 (the "Note") to Mr. Biston. The Note bears interest at an initial rate of 6.15% per year, subject to adjustment on May 25, 2019 and every 60 days thereafter to a rate equal to 4.5% plus the five-year Swap Rate. Interest and principal on the Note is due in 180 monthly installments of \$23,994, which commenced on May 25, 2015, with the final payment due on or before April 25, 2029. The parties agreed on December 30, 2015 to defer loan payments until January 1, 2017. At December 31, 2015, \$2,656,803 was outstanding under the Note. During the year ended December 31, 2015, we paid \$64,647 in principal and 79,318 in interest under this Note.

In September, 2014, we entered into a promissory note with Mr. Biston pursuant to which Mr. Biston provided us with a loan in the aggregate amount of \$250,000. In May 2015 an additional amount of \$25,000 was loaned to us and added to this note. Interest on the loan accrues at a rate of 4.25% per annum, and we are obligated to make monthly principal and interest payments to Mr. Biston in the amount of \$4,632. The parties agreed on December 30, 2015 to defer loan payments until January 1, 2017. At December 31, 2014, \$273,273 was outstanding under the loan, and at December 31, 2015, \$254,203 was outstanding under the loan. During the year ended December 31, 2014, we paid \$94,857 in principal and \$178,416 in interest under this loan. During the year ended December 31, 2015, we paid \$7,504 in principal and \$1,761 in interest under this loan.

In July, 2015, we entered into a promissory note with Mr. Biston pursuant to which Mr. Biston provided us with a loan in the aggregate amount of \$160,000. Interest on the loan accrues at a rate of 4.75% per annum, and we are obligated to make quarterly principal and interest payments to Mr. Biston in the amount of \$1,908. At December 31, 2014, \$0 was outstanding under the loan, and at December 31, 2015, \$158,092 was outstanding under the loan. During the year ended December 31, 2015, we paid \$1,908 in principal and \$0 in interest under this loan.

In August, 2015, we entered into a promissory note with Mr. Biston pursuant to which Mr. Biston provided us with a loan in the aggregate amount of \$175,000. Interest on the loan accrues at a rate of 4.75% per annum, and we are obligated to make quarterly principal and interest payments to Mr. Biston in the amount of \$9,881. At December 31, 2014, \$0 was outstanding under the loan, and at December 31, 2015, \$175,000 was outstanding under the loan. During the year ended December 31, 2015, we paid \$0 in principal and \$1,907 in interest under this loan.

In November, 2015, we entered into a promissory note with Mr. Biston pursuant to which Mr. Biston provided us with a loan in the aggregate amount of \$175,000. Interest on the loan accrues at a rate of 4.75% per annum, and we are obligated to make quarterly principal and interest payments to Mr. Biston in the amount of \$9,922. At December 31, 2014, \$0 was outstanding under the loan, and at December 31, 2015, \$175,000 was outstanding under the loan. During the year ended December 31, 2015, we paid \$0 in principal and \$0 in interest under this loan.

On December 30, 2015, CES and Mr. Biston agreed that Mr. Biston would defer principal and interest payments due under notes held by Mr. Biston, as described above. On March 1, 2016, Mr. Biston and CES, signed a Loan Deferral Agreement to confirm this understanding. Under this agreement, Mr. Biston agreed to defer, through December 31, 2016, principal and interest payments due under the notes. Mr. Biston, however, did not forgive the repayment of any of the principal or interest payments due under the notes and the principal amounts were not reduced in any manner.

Director Independence

Two of our Directors, Ms. Ingargiola and Mr. Young, are “independent” as that term is defined under the NASDAQ Marketplace Rules.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following is a summary of fees for professional services rendered by John Scrudato CPA (“Scrudato”), our registered independent public accounting firm, for the year ended December 31, 2015:

Description of services	Fiscal Year Ended	
	December 31, 2015	December 31, 2014
Audit fees	\$ 22,738	\$ 28,068
Audit - related fees	-	-
Tax fees	-	-
All other fees	-	-

Audit fees. Audit fees represent fees for professional services performed by Scrudato & Co., PA for the audit of our annual financial statements and the review of our quarterly financial statements, as well as services that are normally provided in connection with statutory and regulatory filings or engagements.

Audit-related fees. Audit-related fees represent fees for assurance and related services performed by Scrudato & Co., PA that are reasonably related to the performance of the audit or review of our financial statements.

Tax Fees. Scrudato & Co., PA did not perform any tax compliance services in 2015 or 2014.

All other fees. Scrudato & Co., PA did not receive any other fees for 2015 or 2014.

ITEM 15. EXHIBITS

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated November 1, 2013, among the Company, CES Acquisitions, Inc. and Cross Environmental Services, Inc. (filed as exhibit to 8-K filed on November 4, 2013 and incorporated herein by reference)
3.1	Articles of Incorporation (filed as exhibit to S-1 filed on August 31, 2012 and incorporated herein by reference)
3.2	Articles of Merger (filed as exhibit to 8-K filed on November 4, 2013 and incorporated herein by reference)
3.3	By-laws (filed as exhibit to S-1 filed on August 31, 2012 and incorporated herein by reference)
3.4	Amendment to By-laws (filed as exhibit to 8-K filed on September 16, 2013 and incorporated herein by reference)
3.5	Certificate of Amendment to Articles of Incorporation (filed as exhibit to 8-K filed on March 13, 2014 and incorporated herein by reference)
3.6	Certificate of Correction (filed as exhibit to 8-K filed on March 13, 2014 and incorporated herein by reference)
10.1	Promissory Note, dated December 27, 2012, by CES in favor of Florida Traditions Bank (filed as exhibit to 8-K filed on November 4, 2013 and incorporated herein by reference)
10.2	Executive Employment Agreement, dated March 7, 2014, between the Company and James Everett (filed as exhibit to 10-K filed on March 28, 2014 and incorporated herein by reference)
10.3	Executive Employment Agreement, dated March 7, 2014, between the Company and Sharon Rosenbauer (filed as exhibit to 8-K filed on November 4, 2013 and incorporated herein by reference)
10.4	Executive Employment Agreement, dated March 7, 2014, between the Company and James Smith (filed as exhibit to 8-K filed on November 4, 2013 and incorporated herein by reference)
10.5	Executive Employment Agreement, dated March 7, 2014, between the Company and John Tostanoski (filed as exhibit to 8-K filed on November 4, 2013 and incorporated herein by reference)
10.6	Adjustable Rate Note, dated April 25, 2014, by CES in favor of Clyde A. Biston (filed as exhibit to 8-K filed on April 29, 2014 and incorporated herein by reference)
10.7	Promissory Note, dated April 30, 2014, by CES in favor of Florida Traditions Bank, in the aggregate principal amount of \$1,750,000.
10.8	Promissory Note, dated July 10, 2015, by CES in favor of Clyde A. Biston (filed as exhibit to 8-K filed on July 14, 2015 and incorporated herein by reference)
10.9	Promissory Note, dated August 28, 2015, by CES in favor of Clyde A. Biston (filed as exhibit to 8-K filed on August 31, 2015 and incorporated herein by reference)
10.10	Promissory Note, dated November 2, 2015, by CES in favor of Clyde A. Biston (filed as exhibit to 10-Q filed on November 13, 2015 and incorporated herein by reference)
10.11	Loan Deferral Agreement, dated March 1, 2016, by and between CES and Clyde A. Biston (filed as exhibit to 8-K filed on March 4, 2016)
10.12	Offer Letter between the Company and Luisa Ingargiola, dated March 1, 2015 and executed by Ms. Ingargiola on April 9, 2015
21	Subsidiaries of the Company: Cross Environmental Services, Inc., Cross Demolition, Inc., Cross Insulation, Inc., Cross Remediation, Inc., Cross FRP, Inc., Triple J Trucking, Inc., and Tenpoint Trucking, Inc. (Florida corporations) (filed as exhibit to Form 10-K filed on March 28, 2014 and incorporated herein by reference).
31.1	Certification of principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of principal executive officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of principal financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
EX-101.INS	XBRL INSTANCE DOCUMENT
EX-101.SCH	XBRL TAXONOMY EXTENSION SCHEMA DOCUMENT
EX-101.CAL	XBRL TAXONOMY EXTENSION CALCULATION LINKBASE
EX-101.DEF	XBRL TAXONOMY EXTENSION DEFINITION LINKBASE
EX-101.LAB	XBRL TAXONOMY EXTENSION LABELS LINKBASE
EX-101.PRE	XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE

* Indicates management contract or compensatory plan or arrangement.

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.

CES SYNERGIES, INC.

Dated: March 30, 2016

By: /s/ John Tostanoski
Name: John Tostanoski
Title: Chief Executive Officer
(principal executive officer)

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 and on the dates indicated.

<u>SIGNATURE</u>	<u>TITLE</u>	<u>DATE</u>
<u>/s/ Clyde A. Biston</u> Clyde A. Biston	President, Chairman	March 30, 2016
<u>/s/ Sharon Rosenbauer</u> Sharon Rosenbauer	Chief Financial Officer (principal financial and accounting officer)	March 30, 2016
<u>/s/ John Tostanoski</u> John Tostanoski	Chief Executive Officer, Director (principal executive officer)	March 30, 2016
<u>/s/ Luisa Ingargiola</u> Luisa Ingargiola	Director	March 30, 2016
<u>/s/ Jeff Chartier</u> Jeff Chartier	Director	March 30, 2016
<u>/s/ Earl Young</u> Earl Young	Director	March 30, 2016

COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,750,000.00	06-04-2015	06-04-2016	133008	60	***	***	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Grantor: Cross Environmental Services, Inc.
PO Box 1299
Crystal Springs, FL 33524

Lender: CENTENNIAL BANK
Zephyrhills
37741 Eiland Boulevard
Zephyrhills, FL 33542

THIS COMMERCIAL SECURITY AGREEMENT dated June 4, 2015, is made and executed between Cross Environmental Services, Inc. ("Grantor") and CENTENNIAL BANK ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the Indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the Indebtedness and performance of all other obligations under the Note and this Agreement:

Lien on All chattels, accounts, equipment and inventory as evidenced in UCC #200807794684 recorded 03/05/2008

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (A) All accessions, attachments, accessories, replacements of and additions to any of the collateral described herein, whether added now or later.
- (B) All products and produce of any of the property described in this Collateral section.
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

CROSS-COLLATERALIZATION. In addition to the Note, this Agreement secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

FUTURE ADVANCES. In addition to the Note, this Agreement secures all future advances made by Lender to Grantor regardless of whether the advances are made a) pursuant to a commitment or b) for the same purposes.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the Indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COMMERCIAL SECURITY AGREEMENT

Loan No: 133008

(Continued)

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GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender. **This is a continuing Security Agreement and will continue in effect even though all or any part of the Indebtedness is paid in full and even though for a period of time Grantor may not be indebted to Lender.**

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management of the Corporation Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its certificate or articles of incorporation and bylaws do not prohibit any term or condition of this Agreement.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

Location of the Collateral. Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral at Grantor's address shown above or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

Removal of the Collateral. Except in the ordinary course of Grantor's business, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

Transactions Involving Collateral. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

Title. Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Repairs and Maintenance. Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order,

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of any guarantor's or Grantor's property or ability to perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

COMMERCIAL SECURITY AGREEMENT

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(Continued)

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Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the Florida Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. In the event of a suit being instituted to foreclose this Agreement, Lender shall be entitled to apply at any time pending such foreclosure suit to the court having jurisdiction thereof for the appointment of a receiver of any or all of the Collateral, and of all rents, incomes, profits, issues and revenues thereof, from whatsoever source. The parties agree that the court shall forthwith appoint such receiver with the usual powers and duties of receivers in like cases. Such appointment shall be made by the court as a matter of strict right to Lender and without notice to Grantor, and without reference to the adequacy or inadequacy of the value of the Collateral, or to Grantor's solvency or any other party defendant to such suit. Grantor hereby specifically waives the right to object to the appointment of a receiver and agrees that such appointment shall be made as an admitted equity and as a matter of absolute right to Lender, and consents to the appointment of any officer or employee of Lender as receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the rents from the Collateral and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Collateral exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

COMMERCIAL SECURITY AGREEMENT

Loan No: 133008

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Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

COMMERCIAL SECURITY AGREEMENT

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GRANTOR:

CROSS ENVIRONMENTAL SERVICES, INC.

By: /s/ Clyde A Biston

Clyde A Biston,
President of Cross Environmental Services, Inc.



March 1, 2015

Ms. Luisa Ingargiola

150 Rainville Rd
Tarpon Springs, FL 34689

Re: **Offer to Join the Board of Directors of CES Synergies, Inc.**

Dear Luisa:

I am pleased to extend you an offer to join the Board of Directors (the “**Board**”) of CES Synergies, Inc. (“**CES Synergies**”). Your appointment to the Board is subject to the approval of CES Synergies’ Board of Directors and the following outlines certain of your responsibilities as a member of the Board, which responsibilities will commence at the Board meeting held in April 1, 2015, or as soon thereafter as Board of Director approval is obtained:

- **Generally:** You shall have all responsibilities of a Director of the Company imposed by Nevada or applicable law, the Certificate of Incorporation, as may be amended from time to time, and Bylaws, as may be amended from time to time, of CES Synergies. These responsibilities shall include, but shall not be limited to, the following:
- **Attendance:** Use best efforts to attend scheduled meetings of the Board;
- **Act as a Fiduciary:** Represent the stockholders and the interests of CES Synergies as a fiduciary;
- **Participation:** Participate as a full voting member of the Board in setting overall objectives, approving plans and programs of operation, formulating general policies, offering advice and counsel, serving on Board Committees, and reviewing management performance; and

As a member of the Board, you agree to execute an acknowledgement in the form attached hereto. In addition, upon your joining the Board, CES Synergies will enter into a customary indemnification agreement with you.

In consideration for your joining the Board, the Company will grant to you a Restricted Stock Unit (“RSU”) in the amount of 10,000 shares of Common Stock of CES Synergies, Inc., quarterly. The Company will also grant an additional cash compensation of \$10,000 per quarter, paid in arrears.

I trust that this offer is satisfactory to you and look forward to you joining the Company as a member of the Board. Please indicate your acceptance of this offer by signing below and returning one copy of this offer to me by April 1, 2015. By signing below you acknowledge that you have read this agreement and fully understand the nature and effect of it and the terms contained herein and that the said terms are fair and reasonable and correctly set out your understanding and intention.

Luisa, I look forward to having you on board with CES Synergies and trust your relationship with CES Synergies will be challenging and exciting.

Yours very truly,

Chief Executive Officer
CES Synergies, Inc.

I, Luisa Ingargiola, accept the offer as stated above.

Signature: /s/ Luisa Ingargiola

Date: April 9, 2015

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, John Tostanoski, certify that:

1. I have reviewed this Annual Report on Form 10-K of CES Synergies, Inc.;

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(s) 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 the 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(s) 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.

Dated: March 30, 2016

By: /s/ John Tostanoski
John Tostanoski
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Sharon Rosenbauer, certify that:

1. I have reviewed this Annual Report on Form 10-K of CES Synergies, Inc.;

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(s) 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 the 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(s) 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.

Dated: March 30, 2016

By: /s/ Sharon Rosenbauer
Sharon Rosenbauer
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of CES Synergies, Inc. (the “Company”) on Form 10-K for the period ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, John Tostanoski, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 30, 2016

By: /s/ John Tostanoski
John Tostanoski
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of CES Synergies, Inc. (the "Company") on Form 10-K for the period ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sharon Rosenbauer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 30, 2016

By: /s/ Sharon Rosenbauer
Sharon Rosenbauer
Chief Financial Officer
(Principal Financial Officer)