

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2023 This Form is Open to Public Inspection
--	---	---

Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____ ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan CONTROLLED ENVIRONMENT SYSTEMS, LLC 401(K) PLAN
1b	Three-digit plan number (PN) ▶ 001
1c	Effective date of plan 01/01/2009
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) CONTROLLED ENVIRONMENT SYSTEMS, LLC 137 HIGH STREET MANSFIELD, MA 02048
2b	Employer Identification Number (EIN) 84-4017671
2c	Plan Sponsor's telephone number 508-339-4237
2d	Business code (see instructions) 238100

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2024	MEGAN DAVIDSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 169
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 160 6a(2) 176 6b 26 6c 0 6d 202 6e 0 6f 202 6g(1) 130 6g(2) 135 6h 7
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

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

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

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

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

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

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4)** ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5)** ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information) – Number Attached 0
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☐ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan CONTROLLED ENVIRONMENT SYSTEMS, LLC 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 CONTROLLED ENVIRONMENT SYSTEMS, LLC	D Employer Identification Number (EIN) 84-4017671

Part I

Service Provider Information (see instructions)

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

1

Information on Persons Receiving Only Eligible Indirect Compensation

- a

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

Yes

x

No
- b

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

(b)

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

(b)

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

(b)

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

(b)

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

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

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

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

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

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

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

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

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

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

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

COMMONWEALTH EQUITY SERVICES LLC

29 SAWYER RD
WALTHAM, MA 02453-3483

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	INVESTMENT ADVISOR	14909	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

JPMORGAN INVEST HOLDINGS LLC

13-2624428

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64	RECORDKEEPER	225	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan CONTROLLED ENVIRONMENT SYSTEMS, LLC 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 CONTROLLED ENVIRONMENT SYSTEMS, LLC		
		D Employer Identification Number (EIN) 84-4017671

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	111901	108244
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	5483309	7197884
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	5595210	7306128
Liabilities			
g Benefit claims payable	1g	0	0
h Operating payables	1h		
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	5595210	7306128

Part II Income and Expense Statement

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

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	277740	
(B) Participants	2a(1)(B)	614559	
(C) Others (including rollovers)	2a(1)(C)	7225	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		899524
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	7719	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		7719
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	187749	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		187749
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		795790
c Other income	2c		3160
d Total income. Add all income amounts in column (b) and enter total	2d		1893942

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	168724	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		168724
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		-834
h Interest expense	2h		0
i Administrative expenses:			
(1) Salaries and allowances	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Recordkeeping fees.....	2i(3)	225	
(4) IQPA audit fees.....	2i(4)	0	
(5) Investment advisory and investment management fees	2i(5)	14909	
(6) Bank or trust company trustee/custodial fees	2i(6)	0	
(7) Actuarial fees	2i(7)	0	
(8) Legal fees	2i(8)	0	
(9) Valuation/appraisal fees	2i(9)	0	
(10) Other trustee fees and expenses	2i(10)	0	
(11) Other expenses	2i(11)	0	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		15134
j Total expenses. Add all expense amounts in column (b) and enter total	2j		183024

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1710918
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

(1) Name: **PKF JND, P.C.**

(2) EIN: **04-3138777**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

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

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		☒	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		☒	
e Was this plan covered by a fidelity bond?	☒		25000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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

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

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation		Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.		OMB No. 1210-0110 2023 This Form is Open to Public Inspection.	
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023					
A Name of plan CONTROLLED ENVIRONMENT SYSTEMS, LLC 401(K) PLAN				B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 CONTROLLED ENVIRONMENT SYSTEMS, LLC				D Employer Identification Number (EIN) 84-4017671	
Part I Distributions					
All references to distributions relate only to payments of benefits during the plan year.					
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....				1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 84-1455663					
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.					
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year				3	
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)					
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.					
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.					
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)				6a	
b Enter the amount contributed by the employer to the plan for this plan year.....				6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)				6c	
If you completed line 6c, skip lines 8 and 9.					
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A					
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A					
Part III Amendments					
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☐ Increase ☐ Decrease ☐ Both ☐ No					
Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.					
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No					
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No					
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No					
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No					
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.				Schedule R (Form 5500) 2023 v. 230707	

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:		
a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment)	14a	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:		
a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

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

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

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

19 If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:

Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%

High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:

☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more

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

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

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

☐ Yes.

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

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

☐ No. Other. Provide explanation. _____

Part VII	IRS Compliance Questions
-----------------	---------------------------------

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

☒ Design-based safe harbor method

☐ "Prior year" ADP test

☐ "Current year" ADP test

☐ N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter 11 / 14 / 2022 (MM/DD/YYYY) and the Opinion Letter serial number Q702518A.



CONTROLLED ENVIRONMENT SYSTEMS, LLC
401(K) PLAN

I.D. # 84-4017671 PLAN No. 001

Financial Statements
and
Supplemental Schedule
for years ended
December 31, 2023 (*Audited*) and 2022 (*Compiled*)



Table of Contents

	Page
Independent Auditors' Report	1–4
Financial Statements	
Statements of Net Assets Available for Benefits	5
Statement of Changes in Net Assets Available for Benefits	6
Notes to Financial Statements	7–11
Supplemental Schedule*	
Schedule of Assets (Held at End of Year)	12

** Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act ("ERISA") of 1974 have been omitted because they are not applicable.*



PKF JND, P.C.
75 State Street
Boston, MA 02109

(617) 753 9985
info@pkfjnd.com
www.pkfjnd.com

Independent Auditors' Report

To the Plan Administrator of
Controlled Environment Systems, LLC 401(K) Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2023 Financial Statements

We have performed an audit of the accompanying financial statements of the Controlled Environment Systems, LLC 401(K) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C) audit"). The financial statements comprise the statement of net assets available for benefits (modified cash basis) as of December 31, 2023, and the related statement of changes in net assets available for benefits (modified cash basis) for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Controlled Environment Systems, LLC 401(K) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2023, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Qualified Opinion on the 2023 Financial Statements

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion on the 2023 Financial Statements section of our report, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2023 Financial Statements section:

- the amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with the modified cash basis of accounting described in Note 2.
- the information in the 2023 financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Qualified Opinion on the 2023 Financial Statements

Because of the inadequacy of accounting records for the prior years, we were unable to perform sufficient auditing procedures with respect to the participants' individual account balances accumulated from inception of the plan and therefore are unable to form an opinion regarding the balances at December 31, 2023, or the propriety of the distributions to terminated participants during the year then ended.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 2023 Financial Statements section of our report. We are required to be independent of the Controlled Environment Systems, LLC 401(K) Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified ERISA Section 103(a)(3)(C) audit opinion.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements and supplemental schedule are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the 2023 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Controlled Environment Systems, LLC 401(K) Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the 2023 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2023 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Controlled Environment Systems, LLC 401(K) Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Controlled Environment Systems, LLC 401(K) Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of the modified cash basis of accounting described in Note 2.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with the modified cash basis of accounting described in Note 2.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

2023 Supplemental Schedule Required by ERISA

The supplemental Schedule of Assets (Held at End of Year) (modified cash basis) is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion on the 2023 Financial Statements section of our report on the supplemental schedule:

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Report on Compiled 2022 Financial Statement

Plan management is responsible for the accompanying financial statement of the Controlled Environment Systems, LLC 401(K) Plan, which comprises the statement of net assets available for benefits (modified cash basis) as of December 31, 2022. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statement, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by plan management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements of the Controlled Environment Systems, LLC 401(K) Plan as of and for the year ended December 31, 2022.

PKF JND, P.C.

Boston, Massachusetts
October 11, 2024

CONTROLLED ENVIRONMENT SYSTEMS, LLC 401(K) PLAN

Statements of Net Assets Available for Benefits

	December 31	
	2023	2022
	(Audited)	(Compiled)
Assets		
Investments, at fair value	\$ 7,197,884	\$ 5,483,309
Notes receivable from participants	<u>141,667</u>	<u>145,631</u>
Net assets available for benefits	<u>\$ 7,339,551</u>	<u>\$ 5,628,940</u>

CONTROLLED ENVIRONMENT SYSTEMS, LLC 401(K) PLAN

Statement of Changes in Net Assets Available for Benefits Year Ended December 31, 2023

	<i>(Audited)</i>
Additions	
Investment income	
Net appreciation in fair value of investments	\$ 795,790
Interest and dividends	<u>187,749</u>
Total investment income	<u>983,539</u>
Interest income on notes receivable from participants	<u>8,455</u>
Contributions	
Employer	277,740
Participants	614,559
Rollovers	<u>7,225</u>
Total contributions	<u>899,524</u>
Other income	<u>3,160</u>
Total additions	<u>1,894,678</u>
Deductions	
Benefits paid to participants	168,933
Administrative expenses	<u>15,134</u>
Total deductions	<u>184,067</u>
Net change	1,710,611
Net assets available for benefits	
Beginning of year	<u>5,628,940</u>
End of year	<u>\$ 7,339,551</u>

CONTROLLED ENVIRONMENT SYSTEMS, LLC 401(K) PLAN

Notes to Financial Statements

Note 1 – Plan description

The following brief description of the Controlled Environment Systems, LLC 401(K) Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the plan documents or summary plan description for a more complete description of the Plan's provisions.

General

The Controlled Environment Systems, LLC 401(K) Plan was established by Controlled Environment Systems, LLC (the “Company”) effective January 1, 2009 for the benefit of its employees. The Plan is a defined contribution plan and is subject to the provisions of the Internal Revenue Code (“IRC”) and the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended.

Eligibility

The Plan covers all company employees except for union employees, certain nonresident aliens, part-time employees, reclassified employees, and employees who are residents of Puerto Rico. Employees are eligible to participate after three months of service provided they have reached 21 years of age. Employees are automatically enrolled in the Plan unless the employee elects otherwise. The initial deferral rate will be 4% of compensation and contributions will be invested in the appropriate Retirement Date Fund based on the employee's age. An automatic 1% increase in deferral percentage will be made annually to each participant's account unless the employee elects otherwise, and the increase will be capped at 6%.

Contributions

Each year, participants may contribute between 1% to 100% of their compensation (as defined by the Plan) on a pre-tax or after-tax Roth basis, subject to certain limitations per the IRC.

The Plan is referred to as a safe harbor “qualified automatic contribution arrangement 401(K) plan.” The Company will contribute an amount equal to 100% of a participant's contributions up to a maximum of 1% of the participant's compensation, plus 50% of the participant's contributions in excess of 1% but not in excess 6% of the participant's compensation. Participants who are 50 and older may also be eligible for catch-up contributions.

The Company may make additional nonelective discretionary contributions on behalf of eligible employees to the Plan for a plan year. Additional discretionary contributions are allocated based on the classifications of participants specified by the Company. There were no additional discretionary contributions for 2023.

The Plan allows rollover contributions from other qualified retirement savings plans.

Participant accounts

Each participant's account is credited with the participant's contributions and allocations of the Company's contributions and plan earnings and charged with transaction fees related to participant transactions. Matching contributions are allocated based on participant contributions.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon.

Employer safe harbor matching contributions are subject to a two-year graded vesting period wherein participants with one year of service are 50% vested in the safe harbor matching contributions and participants with two years of service are 100% vested. Participants with less than one year of service are 0% vested.

CONTROLLED ENVIRONMENT SYSTEMS, LLC 401(K) PLAN

Notes to Financial Statements

All other employer matching and discretionary contributions are subject to a six-year graded vesting period wherein participants become 20% vested in the employer matching and discretionary contributions after 2 years of service. Each year of service thereafter provides participants an additional 20% of vesting in the employer matching and discretionary contributions.

A service year is credited to a participant for each year in which the participant works at least 1,000 hours.

Forfeitures

Non-vested forfeited amounts are used to first offset administrative expenses of the Plan, then to reduce Company contributions.

Payment of benefits

The benefit to which a plan participant is entitled is the benefit that can be provided by the contributions and the income thereon allocated to such participant's account, subject to the Plan's vesting requirements. Upon retirement, disability, death or termination, the participant or beneficiary may receive a lump-sum amount equal to the value of the funds allocated to his/her account or a distribution in monthly, quarterly, semi-annual, annual or other installments over a fixed reasonable period of time, not exceeding the life expectancy of the participant or beneficiary, as defined by the Plan.

Notes receivable from participants

Participants of the Plan may elect to borrow from their vested account balances a minimum of \$500 up to a maximum of 50% of their vested account balance or \$50,000, whichever is lower. Maximum loan amounts must be reduced by the participant's highest outstanding loan balance in the 12-month period before the date their loan is granted. The notes are secured by the balance in the participant's account and, as of December 31, 2023, bore interest at rates ranging from 5.25% to 10.50%. Uncollectible notes receivable are charged to the participant's account. All notes must be repaid within five years, except for notes used to acquire a principal residence, which must be repaid within thirty years. The interest rate charged on notes receivable from participants is equal to the prime rate on the first business day of the month before the loan is originated plus 2%.

Note 2 – Summary of significant accounting policies

Basis of accounting

The financial statements of the Plan are prepared on the modified cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis of accounting, contributions and expenses are not recognized until received or paid, respectively.

Use of estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Investment valuation and income recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See the discussion under Fair Value Measurements for a description of valuation methodologies used for assets measured at fair value.

CONTROLLED ENVIRONMENT SYSTEMS, LLC 401(K) PLAN

Notes to Financial Statements

Purchases and sales of securities are recorded on a trade-date basis. Gain or loss on sales of investments is based on average cost. Interest income is recorded, as earned, on the accrual basis. Dividends are recorded on the ex-dividend date. The Plan presents the net appreciation or depreciation in the fair value of its investments in the Statement of Changes in Net Assets Available for Benefits which consist of the realized gains or losses and the unrealized appreciation and depreciation on those investments.

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest.

Payment of benefits

Benefits are recorded when paid.

Administrative expenses

Plan administration expenses, including recordkeeping and investment advisory services, are paid by the Plan. The Company is the plan administrator.

Note 3 – Information certified by Empower Trust Company, LLC (*unaudited*)

The following information included in the accompanying financial statements and supplemental schedule was derived from data that has been certified to as complete and accurate by Empower Trust Company, LLC:

	December 31	
	2023	2022
Investments in mutual funds	\$ 7,197,884	\$ 5,483,309
Notes receivable from participants	141,667	145,631
Net appreciation in fair value of investments	795,790	
Interest and dividend income	187,749	
Interest income on notes receivable from participants	8,455	

Note 4 – Fair value of investments

The Fair Value Measurements topic of the FASB Accounting Standards Codification (FASB ASC) establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

CONTROLLED ENVIRONMENT SYSTEMS, LLC 401(K) PLAN

Notes to Financial Statements

For the years ended December 31, 2023 and 2022, the Plan's assets measured at fair value consist of mutual funds, which are valued at the net asset value (NAV) of shares held by the Plan at year-end. The Plan's mutual funds are categorized as Level 1 within the fair value hierarchy. There have been no changes in the valuation methodologies used at December 31, 2023 and 2022.

Note 5 – Plan termination

The Plan was established with the expectation that it will continue indefinitely. The Plan may be terminated if the Company so decides; however, the Company has not expressed an intent to terminate the Plan.

Note 6 – Income tax status

The Plan has not obtained a private letter ruling or determination letter from the Internal Revenue Service stating that the plan, as designed, is in compliance with the applicable requirements of the Internal Revenue Service Code ("IRC"). However, the Plan operates under a prototype plan sponsored by Empower Retirement, LLC. The prototype plan sponsor has obtained an opinion letter dated November 14, 2022, in which the IRS stated that the prototype plan document was in compliance with applicable requirements of the IRC. Although the Plan has been amended since receiving the determination letter, the plan administrator and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the plan is qualified, and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examinations by the Federal and State tax authorities. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2023, there are no uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements.

The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2020.

Note 7 – Related party transactions

Affiliates of the trustee sponsor investments and provide recordkeeping services to the Plan. These investments and the administrative fees associated with recordkeeping services qualify as party-in-interest transactions. Notes receivables from participants are also considered party-in-interest transactions. These transactions are considered exempt from the prohibited transactions rules under ERISA.

Note 8 – Risks and uncertainties

The Plan provides for various investment options in mutual funds. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities can occur in the near term and that such changes could materially affect participant account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

CONTROLLED ENVIRONMENT SYSTEMS, LLC 401(K) PLAN

Notes to Financial Statements

Note 9 – Reconciliation of financial statements to Schedule H of Form 5500

The following is a reconciliation of notes receivable from participants per the financial statements to Schedule H of Form 5500:

Notes receivable from participants per the financial statements	\$ 141,667
Less: Notes receivable from participants recognized as deemed distributions for Form 5500 reporting	<u>(33,423)</u>
Notes receivable from participants per Schedule H of Form 5500	<u>\$ 108,244</u>

The following is a reconciliation of interest income on notes receivable from participants per the financial statements to Schedule H of Form 5500:

Interest income on notes receivable from participants per the financial statements	\$ 8,455
Less: Interest income on notes receivable from participants recognized as deemed distributions for Form 5500 reporting	<u>(736)</u>
Interest income on notes receivable from participants per Schedule H of Form 5500	<u>\$ 7,719</u>

The following is a reconciliation of benefits paid to participants per the financial statements to Schedule H of Form 5500:

Benefits paid to participants per the financial statements	\$ 168,933
Less: Change in notes receivable from participants recognized as deemed distributions for Form 5500 reporting	<u>(1,043)</u>
Benefits paid to participants per Schedule H of Form 5500	<u>\$ 167,890</u>

Note 10 – Subsequent events

The Plan has evaluated subsequent events and transactions through October 11, 2024, the date the financial statements were available to be issued, and determined that there were no subsequent events or transactions which would require recognition or disclosure in the financial statements.

CONTROLLED ENVIRONMENT SYSTEMS, LLC 401(K) PLAN

Plan No. 001 – EIN: 84-4017671
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2023

(a)	(b)	(c)	(d)	(e)
	IDENTITY OF ISSUE, BORROWER, LESSOR OR SIMILAR PARTY	DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE OF INTEREST, COLLATERAL, PAR OR MATURITY VALUE	COST	CURRENT VALUE
	American Beacon Int'l Equity Fund R5	Mutual Fund Investments	**	\$ 3,831
	American Funds Fundamental Investors R6	Mutual Fund Investments	**	3,012
	American Funds New Perspective R6	Mutual Fund Investments	**	1,876
	American Funds New World R6	Mutual Fund Investments	**	67,160
	American Funds Washington Mutual R6	Mutual Fund Investments	**	92,187
	Columbia Global Technology Growth Inst3	Mutual Fund Investments	**	44,980
	DFA International Core Equity I	Mutual Fund Investments	**	77,976
	DFA Real Estate Securities I	Mutual Fund Investments	**	26,746
	DFA US Targeted Value I	Mutual Fund Investments	**	32,455
	Discovery Smid Cap Growth R6	Mutual Fund Investments	**	9,107
	Janus Henderson Global Life Sciences I	Mutual Fund Investments	**	98,440
*	JPMorgan Large Cap Growth R6	Mutual Fund Investments	**	119,049
*	JPMorgan SmartRetirement 2020 R6	Mutual Fund Investments	**	725,339
*	JPMorgan SmartRetirement 2025 R6	Mutual Fund Investments	**	457,616
*	JPMorgan SmartRetirement 2030 R6	Mutual Fund Investments	**	1,221,781
*	JPMorgan SmartRetirement 2035 R6	Mutual Fund Investments	**	1,028,885
*	JPMorgan SmartRetirement 2040 R6	Mutual Fund Investments	**	209,066
*	JPMorgan SmartRetirement 2045 R6	Mutual Fund Investments	**	525,917
*	JPMorgan SmartRetirement 2050 R6	Mutual Fund Investments	**	434,582
*	JPMorgan SmartRetirement 2055 R6	Mutual Fund Investments	**	303,611
*	JPMorgan SmartRetirement 2060 R6	Mutual Fund Investments	**	160,152
*	JPMorgan SmartRetirement Income R6	Mutual Fund Investments	**	639,283
*	JPMorgan US Government Mmkt Instl	Mutual Fund Investments	**	45,676
	Lazard Global Listed Infrastructure Inst	Mutual Fund Investments	**	35,057
	MFS International Growth R6	Mutual Fund Investments	**	24,212
	MFS New Discovery R6	Mutual Fund Investments	**	5,594
	Pimco Income Instl	Mutual Fund Investments	**	95,086
	Vanguard 500 Index Fund – Admiral	Mutual Fund Investments	**	480,694
	Vanguard Developed Markets Index Admiral	Mutual Fund Investments	**	102,219
	Vanguard Interm-Term Bond Index Adm	Mutual Fund Investments	**	14,643
	Vanguard Mid Cap Index Adm	Mutual Fund Investments	**	35,644
	Vanguard Small Cap Index Fund – Admiral	Mutual Fund Investments	**	36,377
	Virtus Ceredex Mid-Cap Value Equity R6	Mutual Fund Investments	**	39,631
				<u>7,197,884</u>
*	Participant loans	5.25% to 10.50%	-0-	<u>141,667</u>
				<u>\$ 7,339,551</u>

* IDENTIFIES PARTY IN INTEREST AS DEFINED BY ERISA

** COST INFORMATION NOT REQUIRED FOR PARTICIPANT DIRECTED INVESTMENTS

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
IJSIYX			731,827.55	639,283.19
IJTTYX			817,112.52	725,339.09
IJNSYX			481,513.58	457,615.69
IJSMYX			1,350,424.47	1,221,780.98
ISRJYX			1,132,803.92	1,028,885.02
ISMTYX			205,317.59	209,066.06
IJSAYX			527,321.53	525,916.85
IJTSYX			448,540.20	434,582.31
IJFFYX			294,944.79	303,611.05
IJAKYX			147,293.93	160,152.00
IAAIEX			3,666.76	3,831.29
IRNPGX			1,980.69	1,876.00
IRNWGX			60,954.16	67,159.68
IDFIEX			67,574.92	77,975.90
IJFNIX			86,844.06	98,440.07
IMGRDX			25,187.74	24,212.31
IVTMGX			95,999.81	102,218.99
ICGTUX			33,931.09	44,979.76
IDFREX			31,727.55	26,745.97
IGLIFX			37,008.80	35,056.67
IDFFVX			25,665.75	32,455.39
IMNDKX			5,971.16	5,594.06
IVSMAX			32,533.12	36,377.22
ISMVZX			39,526.86	39,630.89
IVIMAX			32,510.47	35,644.10
IWFDRX			10,881.73	9,106.68
IRFNGX			2,669.02	3,012.23
IRWMGX			77,801.57	92,187.43
IJLGMX			87,985.42	119,048.60
IVFIAX			406,943.74	480,694.04
IPIMIX			97,792.60	95,086.28
IVBILX			14,914.00	14,643.29
IUGXX			32,895.31	32,895.35
			7,450,066.41	7,185,104.44
PARTICIPANT LOANS				
	VARIOUS	5.250-10.500	108,721.72	108,244.16
FORFEITURES				
			12,778.91	12,778.91

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
-------------------	---------------	---------------	----------------	---------------

LEGEND

INVESTMENT OPTION:

- IJSIYXJPMorgan SmartRetirement Income R6
- IJSYXXJPMorgan SmartRetirement 2025 R6
- ISRIYXJPMorgan SmartRetirement 2035 R6
- IJSAYXJPMorgan SmartRetirement 2045 R6
- IJFFYXJPMorgan SmartRetirement 2055 R6
- IAAIEXAmerican Beacon Int'l Equity Fund R5
- IRNWGXAmerican Funds New World R6
- IJFNIXJanus Henderson Global Life Sciences I
- IVTMGXVanguard Developed Markets Index Admiral
- IDFREXDFA Real Estate Securities I
- IDFFVXDFA US Targeted Value I
- IVSMAXVanguard Small Cap Index Fund - Admiral
- IVIMAXVanguard Mid Cap Index Adm
- IRFNGXAmerican Funds Fundamental Investors R6
- IJLGMXJPMorgan Large Cap Growth R6
- IPIMIXPIMCO Income Instl
- IUGXXJPMorgan US Government MMkt Instl

- IJTTYXJPMorgan SmartRetirement 2020 R6
- IJSMYXJPMorgan SmartRetirement 2030 R6
- ISMTYXJPMorgan SmartRetirement 2040 R6
- IJTSYXJPMorgan SmartRetirement 2050 R6
- IJAKYXJPMorgan SmartRetirement 2060 R6
- IRNPGXAmerican Funds New Perspective R6
- IDFIEXDFA International Core Equity I
- IMGRDXMFS International Growth R6
- ICGTUXColumbia Global Technology Growth Inst3
- IGLIFXLazard Global Listed Infrastructure Inst
- IMNDKXMFS New Discovery R6
- ISMVZXVirtus Ceredex Mid-Cap Value Equity R6
- IWFDRXDiscovery SMID Cap Growth R6
- IRWMGXAmerican Funds Washington Mutual R6
- IVFIAXVanguard 500 Index Fund - Admiral
- IVBILXVanguard Interm-Term Bond Index Adm

COST OF ASSETS: The original cost of the assets in each investment option as of the last day of the plan year
CURRENT VALUE: The value of all assets in each investment option as of the last day of the plan year