

<p>Form 5500</p> <p>Department of the Treasury Internal Revenue Service</p> <hr/> <p>Department of Labor Employee Benefits Security Administration</p> <hr/> <p>Pension Benefit Guaranty Corporation</p>	<p>Annual Return/Report of Employee Benefit Plan</p> <p>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).</p> <p>▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	<p>OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="font-size: 24pt; font-weight: bold;">2024</p> <hr/> <p>This Form is Open to Public Inspection</p>
---	---	--

Part I Annual Report Identification Information
 For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

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) _____

B This return/report is: 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

<p>1a Name of plan <u>BURWOOD GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u></p>	<p>1b Three-digit plan number (PN) ▶ <u>002</u></p>
<p>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) <u>BURWOOD GROUP, INC.</u></p> <p><u>1515 W 22ND ST</u> <u>SUITE 200 WEST</u> <u>OAK BROOK, IL 60523</u></p>	<p>1c Effective date of plan <u>01/01/2010</u></p> <p>2b Employer Identification Number (EIN) <u>36-4180073</u></p> <p>2c Plan Sponsor's telephone number <u>312-327-4600</u></p> <p>2d Business code (see instructions) <u>541512</u></p>

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.	07/14/2025	MARK THEOHAROUS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/14/2025	MARK THEOHAROUS
	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 <input checked="" type="checkbox"/> 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	240
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)	166
	6a(2)	150
	6b	16
	6c	89
	6d	255
	6e	0
	6f	255
	6g(1)	240
6g(2)	255	
6h	14	
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:
2I 2O 3I

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

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> 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	b General Schedules
(1) <input checked="" type="checkbox"/> R (Retirement Plan Information)	(1) <input checked="" type="checkbox"/> H (Financial Information)
(2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) <input type="checkbox"/> I (Financial Information – Small Plan)
(3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) <input type="checkbox"/> A (Insurance Information) – Number Attached _____
(4) <input type="checkbox"/> DCG (Individual Plan Information) – Number Attached <u>0</u>	(4) <input checked="" type="checkbox"/> C (Service Provider Information)
(5) <input type="checkbox"/> MEP (Multiple-Employer Retirement Plan Information)	(5) <input type="checkbox"/> D (DFE/Participating Plan Information)
	(6) <input type="checkbox"/> 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 2024 Form M-1 annual report. If the plan was not required to file the 2024 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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
--	--	---

For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **12/31/2024**

A Name of plan BURWOOD GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 BURWOOD GROUP, INC.	D Employer Identification Number (EIN) 36-4180073	

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 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)

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 2024 This Form is Open to Public Inspection
--	--	---

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024	
A Name of plan BURWOOD GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 BURWOOD GROUP, INC.	D Employer Identification Number (EIN) 36-4180073

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.

		(a) Beginning of Year	(b) End of Year
Assets			
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	36790	
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	6340625	3774688
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	6377415	3774688
Liabilities			
g Benefit claims payable.....	1g	36790	
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	36790	0
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	6340625	3774688

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)	153487	
(B) Participants.....	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		153487
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)	-2565937	
(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)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		-2412450

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	153487	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		153487
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses.....	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		153487

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-2565937
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: **FORVIS MAZARS**

(2) EIN: **13-1459550**

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.)		X	
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.)		X	
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.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		2000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
--	---	---

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan <u>BURWOOD GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BURWOOD GROUP, INC.</u>	D Employer Identification Number (EIN) <u>36-4180073</u>	

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): 42-0127290

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

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

3	
---	--

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a	
b Enter the amount contributed by the employer to the plan for this plan year	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

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

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

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

Part III	Amendments
-----------------	-------------------

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (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: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> 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. <input type="checkbox"/> 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 ___/___/____ (MM/DD/YYYY) and the Opinion Letter serial number _____.



Burwood Group, Inc.

Independent Auditor's Report, Financial Statements and Supplementary Information

December 31, 2024 and 2023

Burwood Group, Inc.
Contents
December 31, 2024 and 2023

Independent Auditor's Report..... **1**

Consolidated Financial Statements

 Balance Sheets 3

 Statements of Operations..... 4

 Statements of Stockholders' Equity (Deficit) 5

 Statements of Cash Flows 6

 Notes to Financial Statements 8

Supplementary Information

Independent Auditor's Report on Supplementary Information **18**

 Schedules of Operating Expenses 19

Independent Auditor's Report

Board of Directors
Burwood Group, Inc.
Chicago, Illinois

Report on Financial Statements

Opinion

We have audited the financial statements of Burwood Group, Inc., which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, stockholders' equity (deficit) and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Burwood Group, Inc. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Burwood Group, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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 Burwood Group, Inc.'s ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's 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 GAAS 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 GAAS, 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 Burwood Group, Inc.'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 Burwood Group, Inc.'s ability to continue as a going concern for a reasonable period of time.

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.

Forvis Mazars, LLP

Chicago, Illinois
April 29, 2025

Burwood Group, Inc.
Balance Sheets
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets		
Cash	\$ 147,860	\$ 1,110,385
Restricted cash	80,804	130,602
Receivables, net of allowance for credit losses		
Accounts receivable	13,586,416	17,674,536
Unbilled	1,981,099	3,386,769
Other receivables	73,898	512,294
Refundable income taxes	12,902	37,803
Prepaid expenses and other current assets	<u>3,105,623</u>	<u>1,091,373</u>
Total Current Assets	18,988,602	23,943,762
Property and Equipment, Net	49,189	91,567
Deferred Tax Assets	1,837,835	722,163
Right-of-Use Assets - Operating Leases	1,108,122	1,067,850
Other Deposits	<u>12,452</u>	<u>15,452</u>
Total Assets	<u>\$ 21,996,200</u>	<u>\$ 25,840,794</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Current portion of operating lease liabilities	\$ 241,907	\$ 176,292
Accounts payable	7,068,248	6,809,493
Revolving credit facilities	2,941,388	4,740,579
Deferred revenue	1,533,947	2,521,626
Accrued and other current liabilities	<u>3,327,874</u>	<u>3,251,932</u>
Total Current Liabilities	<u>15,113,364</u>	<u>17,499,922</u>
Long-Term Liabilities		
Subordinated debt, stockholder loans	7,956,285	6,106,285
Operating lease liabilities	<u>968,761</u>	<u>929,915</u>
Total Long-Term Liabilities	<u>8,925,046</u>	<u>7,036,200</u>
Total Liabilities	24,038,410	24,536,122
Stockholders' Equity (Deficit)	<u>(2,042,210)</u>	<u>1,304,672</u>
Total Liabilities and Stockholders' Equity (Deficit)	<u>\$ 21,996,200</u>	<u>\$ 25,840,794</u>

Burwood Group, Inc.
Statements of Operations
Year Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Net Revenue		
Product sales	\$ 50,966,407	\$ 74,673,928
Training and service revenue	24,765,581	28,347,876
Managed services revenue	6,355,677	6,879,674
Reimbursable expense revenue	320,978	248,797
Cloud consumption revenue	9,346,604	7,508,110
Other revenue	114,285	410,152
Total Net Revenue	91,869,532	118,068,537
Cost of Revenue	75,805,820	97,594,738
Gross Profit	16,063,712	20,473,799
Operating Expenses	20,061,734	20,488,053
Operating Loss	(3,998,022)	(14,254)
Other Expense		
Interest expense	(435,548)	(320,685)
Loss Before Income Taxes	(4,433,570)	(334,939)
Income Tax Benefit	(1,086,688)	(190,349)
Net Loss	<u>\$ (3,346,882)</u>	<u>\$ (144,590)</u>

Burwood Group, Inc.
Statements of Stockholders' Equity (Deficit)
Years Ended December 31, 2024 and 2023

	<u>Common Stock</u>	<u>Treasury Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
Balance, January 1, 2023	\$ 1,250	\$ (34,399)	\$ 660,422	\$ 821,989	\$ 1,449,262
Net loss	-	-	-	(144,590)	(144,590)
Balance, December 31, 2023	1,250	(34,399)	660,422	677,399	1,304,672
Net loss	-	-	-	(3,346,882)	(3,346,882)
Balance, December 31, 2024	<u>\$ 1,250</u>	<u>\$ (34,399)</u>	<u>\$ 660,422</u>	<u>\$ (2,669,483)</u>	<u>\$ (2,042,210)</u>

Burwood Group, Inc.
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Activities		
Net loss	\$ (3,346,882)	\$ (144,590)
Items not requiring (providing) cash		
Noncash operating lease expense	254,109	260,943
Depreciation	42,378	101,205
Deferred income tax benefit	(1,115,672)	(218,499)
Changes in operating assets and liabilities		
Accounts receivable and other receivables	4,526,516	5,965,405
Unbilled receivables	1,405,670	699,591
Other contract assets	-	353,760
Refundable and accrued income taxes	24,901	145,704
Prepaid expenses and other assets	(2,011,250)	347,172
Accounts payable	258,755	(2,074,132)
Accrued and other current liabilities	75,942	(1,688,120)
Deferred revenue	(987,679)	(1,488,198)
Operating lease liabilities	(189,920)	(222,863)
Net Cash Provided by (Used in) Operating Activities	<u>(1,063,132)</u>	<u>2,037,378</u>
Financing Activities		
Proceeds from subordinated debt	1,850,000	565,000
Net repayments on revolving credit facility	(1,799,191)	(4,756,326)
Net Cash Provided by (Used in) Financing Activities	<u>50,809</u>	<u>(4,191,326)</u>
Decrease in Cash and Restricted Cash	(1,012,323)	(2,153,948)
Cash and Restricted Cash, Beginning of Year	<u>1,240,987</u>	<u>3,394,935</u>
Cash and Restricted Cash, End of Year	<u>\$ 228,664</u>	<u>\$ 1,240,987</u>

Burwood Group, Inc.
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Supplemental Cash Flows Information		
Cash paid during the year for		
Interest	\$ 435,548	\$ 320,685
Taxes, net of refunds	4,082	(117,554)
ROU assets obtained in exchange for new operating lease liability	294,381	1,018,568
Reconciliation of Cash and Restricted Cash to the Balance Sheet		
Cash	147,860	1,110,385
Restricted cash	80,804	130,602
	<u>\$ 228,664</u>	<u>\$ 1,240,987</u>

Note 1. Nature of Business

Burwood Group, Inc. (Company) provides IT infrastructure solutions, business-aligned services, and end-to-end solutions to organizations whose success depends on information technology. The Company offers consulting, implementation and project management expertise primarily in the areas of computer networking and communications. This includes systems design and deployment, security assessment, implementation and remediation, network management systems development and advanced IP telephony design and implementation. The Company provides services primarily to customers throughout the mid-western United States.

Burwood Group, Inc., an Illinois corporation, was founded in 1997.

Note 2. Summary of Significant Accounting Policies

Revenue and Cost Recognition

Revenue is recognized when control of the promised goods or services is transferred to the Company's customers in an amount that reflects the consideration that it expects to be entitled to in exchange for those goods or services. The amount and timing of revenue recognition varies based on the nature of the goods or services provided and the terms and conditions of the customer contract. See Note 4 for additional information about the Company's revenue.

Restricted Cash

The restricted cash balance represents the portion of a money market account pledged as collateral for a letter of credit issued in connection with the Oakbrook lease agreement (see Note 11).

Accounts Receivable

Accounts receivable are stated at the amount of consideration from customers of which the Company has an unconditional right to receive. The Company provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions adjusted for current conditions and reasonable and supportable forecasts. The Company had an allowance for credit losses of \$30,713 and \$145,574 at December 31, 2024 and 2023, respectively.

Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Accounts past due more than 120 days are considered delinquent. Delinquent accounts receivable invoices do not accrue interest. The Company continually monitors each customer's creditworthiness individually and recognizes allowances for amounts that are no longer estimated to be collectible. Past due invoices are written off based on individual credit evaluation and specific circumstances of the customer.

During the years ended December 31, 2024 and 2023, credit loss expense related to doubtful accounts receivable, where collectibility is not reasonably assured, was \$86,581 and \$0 respectively.

Other Accounts Receivable

Other accounts receivable consists of volume purchase rebates that the Company accrues based on its annual total purchases volume with one of its vendors.

Unbilled Receivables

Unbilled receivables consist of product and service revenues completed but not billed to the customers at the reporting date. Unbilled receivables are transferred to receivables when the rights become unconditional.

Property and Equipment

Property and equipment are recorded at cost. The straight-line method is used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives. Expenditures for major renewals and improvements that increase the value or extend the useful life of the asset are capitalized. Costs of maintenance and repairs are charged to expense when incurred.

Long-Lived Asset Impairment

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2024 and 2023.

Self-Insurance

The Company has elected to self-insure certain costs related to an employee welfare benefit plan. Costs resulting from noninsured losses are charged to income when incurred. The Company has purchased insurance that limits its annual aggregate exposure to \$75,000 per person.

Income Taxes

The Company accounts for income taxes in accordance with income tax accounting guidance Accounting Standards Codification (ASC) 740, Income Taxes. The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized.

Tax positions are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term more likely than not means a likelihood of more than 50%; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances and information available at the reporting date and is subject to management's judgment.

Treasury Stock

Treasury stock is shown at cost and consists of stock repurchased from stockholders in 2010, in anticipation of contributing these shares to the Company's ESOP as discussed in Notes 9 and 10. Treasury shares are released at their average cost.

Advertising Expenses

Advertising expenses are charged to expense during the year in which they are incurred. Advertising expense for 2024 and 2023, was \$116,167 and \$117,253, respectively.

Taxes Collected From Customers and Remitted to Governmental Authorities

Taxes collected from customers and remitted to governmental authorities are presented in the accompanying statements of operations on a net basis (excluded from revenues).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 3. Revenue From Contracts With Customers

Performance Obligations

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring distinct goods or providing services to customers. The Company's revenue consists substantially of hardware sales, third party software sales, software support and other professional services. The Company recognizes revenue when performance obligations under the terms of contracts with its customers are satisfied, which occurs when control passes to a customer to enable them to direct the use of and obtain benefit from the products and services. This typically occurs when a customer obtains legal title, obtains the risks and rewards of ownership, has received the goods according to the shipping and delivery terms. Customary terms require payment within 30 days, and for certain customers, deposits may be required in advance of shipment or performance of service.

The satisfaction of the Company's performance obligations for product sales which includes hardware and third-party software licenses is based upon transfer of control of the products to a customer, which results in sales being recognized upon shipment or providing the customer with access to the software. A customer is considered to have control once they are able to direct the use and receive substantially all of the benefits of these products.

The satisfaction of the Company's performance obligations for software support and professional service is satisfied over time as the customer receives and consumes the benefits provided by the Company's performance. Certain software support amounts are recognized monthly over the duration of the support agreement, which is typically one year.

The satisfaction of the Company's performance obligations for managed services and professional service is satisfied over time as the customer receives and consumes the benefits provided by the Company's performance. Certain managed service amounts are billed and recognized on a month-to-month basis by the Company.

The Company does generally not reserve for returns, post-invoice sales discounts or other variable consideration items as they are immaterial to the Company's financial statements.

Burwood Group, Inc.
Notes to Financial Statements
December 31, 2024 and 2023

Disaggregation of Revenue

The following table presents the Company's revenues disaggregated by the timing of such revenue recognized during the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Timing of revenue recognition		
Hardware and software sales - recognized at a point in time	\$ 50,966,407	\$ 74,673,928
Support and professional services - over a period of time	<u>40,903,125</u>	<u>43,394,609</u>
Total	<u>\$ 91,869,532</u>	<u>\$ 118,068,537</u>

The Company has determined that the nature, amount, timing and uncertainty of revenues and cash flows could experience volatility due to the actions of customers who represent concentrations as disclosed in Note 13. Additionally, the nature, amount, timing, and uncertainty of the Company's revenues and cash flows could be impacted by changes to the mix of sales in the Company's major products and service lines, as well as changes in vendor relationships and agreements.

Contract Balances

The following table provides information about the Company's accounts receivable, unbilled receivables, and contract liabilities from contracts with customers:

	<u>2024</u>	<u>2023</u>
Accounts receivable, beginning of year	\$ 17,674,536	\$ 23,912,930
Accounts receivable, end of year	13,586,416	17,674,536
Unbilled receivables, beginning of year	3,386,769	4,086,360
Unbilled receivables, end of year	1,981,099	3,386,769
Other receivables, beginning of year	512,294	239,305
Other receivables, end of year	73,898	512,294
Deferred revenue, beginning of year	2,521,626	4,009,824
Deferred revenue, end of year	1,533,947	2,521,626

Accounting Policies and Practical Expedients Elected

The Company elected to use the portfolio approach practical expedient to evaluate contracts with customers.

For shipping and handling activities, the Company is applying an accounting policy election, which allows an entity to account for shipping and handling activities as fulfillment activities rather than a promised good or service when the activities are performed, even if those activities are performed after the control of the good has been transferred to the customer. Therefore, the Company expenses shipping and handling costs at the time revenue is recognized. The Company classifies shipping and handling expenses in cost of revenue in the statements of operations.

Burwood Group, Inc.
Notes to Financial Statements
December 31, 2024 and 2023

The Company is also applying an accounting policy election, which allows an entity to exclude from revenue any amounts collected from customers on behalf of third parties, such as sales taxes and other similar taxes we collect concurrent with revenue-producing activities. Therefore, revenue is presented net of sales taxes and similar revenue-based taxes.

For incremental costs of obtaining a contract, the Company elected a practical expedient, which permits an entity to recognize incremental costs to obtain a contract as an expense when incurred if the amortization period is less than one year. This election had an immaterial effect on our financial statements.

For significant financing components, the Company elected a practical expedient, which allows an entity to recognize the promised amount of consideration without adjusting for the time value of money if the contract has a duration of one year or less, or if the reason the contract extended beyond one year is because the timing of delivery of the product is at the customer's discretion. As the Company's contracts are typically less than one year in length and do not have significant financing components, revenue is not presented on a present value basis.

The Company also elected to use the right to invoice practical expedient. This practical expedient allows an entity to recognize revenue in the amount of consideration to which the entity has the right to invoice when the amount that the entity has the right to invoice corresponds directly to the value transferred to the customer.

Note 4. Allowance for Credit Losses

The following tables present the balance in the allowance for credit losses based on portfolio segment and impairment method as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Allowance for credit losses		
Balance at January 1	\$ 145,574	\$ 145,574
Provision charged to expense	86,581	-
Losses charged off	(201,442)	-
Recoveries	-	-
	<u> </u>	<u> </u>
Balance at December 31	<u>\$ 30,713</u>	<u>\$ 145,574</u>

The entire ending balance was evaluated individually for impairment as of December 31, 2024 and 2023.

Note 5. Property and Equipment

Property and equipment are summarized as follows:

	<u>2024</u>	<u>2023</u>	<u>Depreciable Life</u>
Furniture and fixtures	\$ 203,525	\$ 203,525	5-7 years
Computer equipment and software	1,653,389	1,653,389	3-5 years
Total cost	1,856,914	1,856,914	
Accumulated depreciation	<u>1,807,725</u>	<u>1,765,347</u>	
Net property and equipment	<u>\$ 49,189</u>	<u>\$ 91,567</u>	

For the years ended December 31, 2024 and 2023, depreciation and amortization expense totaled \$42,378 and \$101,205, respectively.

Note 6. Line of Credit

In connection with project revenue and equipment purchases from suppliers, the Company executed a credit agreement with a lender that allows for total borrowings of up to \$10,000,000 in 2024 and \$20,000,000 in 2023, subject to certain borrowing base calculations and free cash flow covenant as defined within the agreement. The credit agreement expires October 2025. The credit agreement is collateralized by the first broad lien filing on all assets of the Company. During 2024 and 2023, interest is charged on the outstanding borrowings under the revolving line of credit at Prime rate minus 0.75% (effectively 6.75% and 7.75% at December 31, 2024 and 2023, respectively). As of December 31, 2024 and 2023, \$2,941,388 and \$4,740,579, respectively, was outstanding under this line of credit.

In connection with the line of credit, the Company is required, among other things, to maintain compliance with certain covenants. There was noncompliance with a certain covenant during 2024, and a waiver dated April 24, 2025, was obtained from the bank.

While the line of credit is due within one year of the issuance date of these consolidated financial statements, the Company utilizes the financing for long-term operating purposes and does not expect to have liquid funds available to repay the balance upon maturity. Management's intention is to renew the line of credit with the current lender on comparable terms at or near the maturity date and management believes it is probable such renewal would be successful.

Note 7. Income Taxes

The provision for income taxes at December 31, 2024 and 2023, consists of the following:

	<u>2024</u>	<u>2023</u>
Current income tax expense	\$ 28,983	\$ 28,150
Deferred income tax benefit	<u>(1,115,671)</u>	<u>(218,499)</u>
	<u>\$ (1,086,688)</u>	<u>\$ (190,349)</u>

A reconciliation of the income tax benefit at the federal statutory rate to the Company's actual income tax benefit is shown below:

	<u>2024</u>	<u>2023</u>
Income tax benefit at federal statutory rate	\$ (931,050)	\$ (70,337)
Effect of nondeductible expenses and non-taxable income	21,906	(77,330)
State income tax benefit, net of federal tax effect	(127,848)	(16,664)
Other	<u>(49,696)</u>	<u>(26,018)</u>
	<u>\$ (1,086,688)</u>	<u>\$ (190,349)</u>

Components of the net deferred tax asset are as follows:

	<u>2024</u>	<u>2023</u>
Deferred tax assets	\$ 1,850,846	\$ 746,531
Deferred tax liabilities	<u>(13,011)</u>	<u>(24,368)</u>
Net deferred tax assets	<u>\$ 1,837,835</u>	<u>\$ 722,163</u>

Deferred taxes are primarily related to differences between the timing of depreciation deduction under accounting principles generally accepted in the United States of America (GAAP) compared to the income tax return, along with net operating loss carryforwards, and interest expense limitations. No valuation allowance was recorded as of December 31, 2024 and 2023. The Company has certain unused state operating loss carryforwards of approximately \$1,629,000 which expire between 2034 and 2044, and certain federal and state operating loss carryforwards of approximately \$1,882,000 and \$61,000 that do not expire.

Note 8. Long-Term Debt

The Company has two subordinated notes payable to stockholders totaling \$7,956,285 and \$6,106,285, respectively, at December 31, 2024 and 2023. Interest is payable monthly at rates of 4% and 8%, with total interest expense amounting to \$351,154 and \$233,577 for 2024 and 2023, respectively. There are no required principal payments, and there are no established maturity dates. The debt is fully payable within 120 days of demand but subordinated to the revolving credit facility in Note 6 and is reflected as long-term on the balance sheets.

Note 9. Capital Stock

Common stock consists of 1,000,000 authorized shares of \$0.01 par value stock. As of December 31, 2024 and 2023, there were 125,010 shares issued and 123,001 shares outstanding.

During 2010, the Company purchased 31,250 shares from the stockholders of the Company in anticipation of contributing these shares to the Company's ESOP discussed in Note 10 of which 31,250 have been contributed as of December 31, 2024 and 2023.

Note 10. Employee Stock Ownership Plan

The Company sponsors an employee stock ownership plan (ESOP) that covers all U.S. employees who are defined as persons over the age of 21 and have attained at least 1,000 hours of service during the applicable plan year. At the discretion of the Company's Board of Directors, the Company can elect to make an annual contribution to the ESOP not to exceed 5% of the outstanding common stock from the shares currently held in treasury.

The Company did not contribute shares to the ESOP in 2024 and 2023. As shares are contributed by the Company, the Company reports compensation expense equal to the current market price of the shares contributed to the ESOP. Accordingly, there was no ESOP compensation expense in 2024 and 2023. The current share prices of \$121 and \$203 for 2024 and 2023, respectively, are determined by a valuation specialist.

As of both December 31, 2024 and 2023, the ESOP owned 31,250 shares of the Company's 125,010 shares of common stock issued.

The Company has a contingent commitment to repurchase the allocated shares from the plan participants when they retire or terminate employment. The fair value of the shares subject to the repurchase obligation was approximately \$121 and \$203 per share at December 31, 2024 and 2023, respectively, as determined by a valuation specialist.

Note 11. Operating Leases

Accounting Policies

The Company determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the balance sheet. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Company determines lease classification as operating or finance at the lease commencement date.

The Company combines lease and nonlease components, such as common area and other maintenance costs, in calculating the ROU assets and lease liabilities for its office and storage space.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Company has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

Burwood Group, Inc.
Notes to Financial Statements
December 31, 2024 and 2023

The lease term may include options to extend or to terminate the lease that the Company is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Company has elected not to record leases with an initial term of 12 months or less on the balance sheet. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Nature of Leases

The Company has entered into the following lease arrangements:

Operating Leases

The Company leases office and storage space under leases that expire in various years through 2031. The leases generally require the Company to pay all executory costs (property taxes, maintenance and insurance). Lease payments have an escalating fee schedule, which range from a 1.6% to 4.8% increase each year. Termination of the leases is generally prohibited unless there is a violation under the lease agreement. One of the leases contains a five-year renewal option that can be exercised by the Company. The Company is not reasonably certain it will renew this lease. Therefore, the renewal period is not included in the ROU asset and lease liability amounts.

The Company has no material related-party leases.

The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Quantitative Disclosures

The lease cost and other required information for the year ended December 31, 2024 and 2023, are:

	<u>2024</u>	<u>2023</u>
Lease cost		
Operating lease costs	\$ 251,533	\$ 268,601
Variable lease costs	-	158,669
	<u>\$ 251,533</u>	<u>\$ 427,270</u>
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 176,483	\$ 230,521
Right-of-use assets obtained in exchange for new operating lease liabilities	294,381	1,018,568
Weighted average remaining lease term		
Operating leases	6.262 years	6.88 years
Weighted average discount rate		
Operating leases	4.84%	4.46%

Burwood Group, Inc.
Notes to Financial Statements
December 31, 2024 and 2023

Future minimum lease payments and reconciliation to the balance sheet at December 31, 2024, are as follows:

Year Ending December 31,	Amount
2025	\$ 241,907
2026	231,926
2027	238,981
2028	240,491
2029	184,219
Thereafter	<u>254,349</u>
Total future undiscounted lease payments	1,391,873
Less interest	<u>(181,205)</u>
Lease liabilities	<u>\$ 1,210,668</u>

During 2023, the Company entered into a new lease in Oak Brook, IL with an initial security deposit of \$75,000. In November 2023, an irrevocable letter of credit replaced the security deposit to secure its obligation to pay rent. At December 31, 2024 and 2023, this is the only active letter of credit in the amount of \$75,000.

Note 12. Retirement Plans

The Company sponsors a 401(k) plan for substantially all employees. The plan provides for the Company to make a discretionary matching contribution. Contributions to the plan totaled \$554,203 and \$558,339 for the years ended December 31, 2024 and 2023, respectively.

Note 13. Concentrations of Credit Risk and Major Customers

The Company extends trade credit to its customers on terms that are generally practiced in the industry. One major customer accounted for approximately 12% and \$14,212,300 of sales for the years ended December 31, 2023. The receivable balance for this customer amounted to \$649,584 as of December 31, 2023.

Note 14. General Litigation

The Company is subject to claims and lawsuits that arose primarily in the ordinary course of business. It is the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, results of operations and cash flows of the Company. Events could occur that would change this estimate materially in the near term.

Note 15. Subsequent Events

Subsequent events have been evaluated through April 29, 2025, which is the date the financial statements were available to be issued.

Supplementary Information

Independent Auditor's Report on Supplementary Information

Board of Directors
Burwood Group, Inc.
Chicago, Illinois

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Company's basic financial statements. The schedules of operating expenses listed in the table of contents are presented for purposes of additional analysis and are not a required part of the Company's basic financial statements. 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 basic financial statements.

The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Forvis Mazars, LLP

Chicago, Illinois
April 29, 2025

Burwood Group, Inc.
Schedules of Operating Expenses
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Advertising	\$ 116,167	\$ 117,253
Bank charges	5,561	4,450
Credit loss expense	86,581	-
Commissions	3,426,049	3,351,853
Computer supplies	127,983	179,122
Consulting	405,829	160,007
Contributions	134,500	78,950
Depreciation expense	42,378	101,205
Software subscriptions	1,124,848	1,075,585
Dues and subscriptions	258,073	218,374
Employee benefits	857,132	835,470
Employee education	74,434	53,897
Insurance - general	191,118	216,271
Licenses	1,331	10,142
Meeting expense	42,664	55,799
Meals and entertainment	168,023	288,534
Miscellaneous expense	118,462	83,797
Penalties	-	10,094
Postage	40,554	30,902
Professional fees	502,221	653,684
Profit sharing	188,350	177,970
Recruiting	60,870	228,167
Rent - building	251,533	427,269
Salaries and wages	10,296,081	10,459,033
Parking	10,369	13,431
Per diem	22,050	17,413
Supplies	36,105	48,875
Taxes - payroll	791,455	768,982
Telephone and telecommunications	199,469	270,921
Printing and copying	1,110	315
Travel expenses	285,507	334,074
Payroll processing	76,655	72,708
Utilities	24,145	40,587
Vehicle lease	63,133	72,082
Local travel	30,994	30,837
	<u>\$ 20,061,734</u>	<u>\$ 20,488,053</u>