

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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.

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, a single-employer plan, a DFE, the first return/report, the final return/report, an amended return/report, a short plan year return/report.
B This return/report is: the first return/report, the final return/report, an amended return/report, a short plan year return/report.
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.
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: SUNNY DAYS EARLY CHILDHOOD DEVELOPMENT SERVICES, INC. 401(K) PLAN
1b Three-digit plan number (PN): 001
1c Effective date of plan: 01/01/2005
2a Plan sponsor's name, mailing address, city or town, state or province, country, and ZIP or foreign postal code.
2b Employer Identification Number (EIN): 22-3299236
2c Plan Sponsor's telephone number: 732-761-0088
2d Business code (see instructions): 611000

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.

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Includes rows for employer/plan sponsor and DFE.

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2024) v. 240311

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	463
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)	374
	6a(2)	353
	6b	0
	6c	98
	6d	451
	6e	0
	6f	451
	6g(1)	271
6g(2)	282	
6h	10	
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 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)	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

- (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 _____
- (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 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.
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For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **12/31/2024**

A Name of plan SUNNY DAYS EARLY CHILDHOOD DEVELOPMENT SERVICES, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 SUNNY DAYS EARLY CHILDHOOD DEVELOPMENT SERVICES, INC.	D Employer Identification Number (EIN) 22-3299236	

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

MATRIX TRUST COMPANY

75-3182674

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

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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)

EPIC RETIREMENT PLAN SERVICIES

16-1450952

(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?
15 38	NONE	55963	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

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

MORNINGSTAR INVESTMENT MANAGEMENT

36-4317381

(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	NONE	44140	Yes <input type="checkbox"/> No <input checked="" 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

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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.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024	
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C Plan sponsor's name as shown on line 2a of Form 5500 SUNNY DAYS EARLY CHILDHOOD DEVELOPMENT SERVICES, INC.	D Employer Identification Number (EIN) 22-3299236

Part I	Asset and Liability Statement
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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)	11900	0
(2) Participant contributions	1b(2)	40262	0
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1060777	1086724
(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)	212802	320362
(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)	19511562	22375695
(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)		
(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	20837303	23782781
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k		
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	20837303	23782781

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)	358727	
(B) Participants.....	2a(1)(B)	1109153	
(C) Others (including rollovers).....	2a(1)(C)	47826	
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1515706
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	68	
(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)	16322	
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		16390
(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)	620319	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		620319
(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)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)		
(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)		2012824
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		4165239

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	1122959	
(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)		1122959
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)	55963	
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)	40839	
(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)		96802
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1219761

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		2945478
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: **LAWSON, RESCINIO, SCHIBELL & ASSOC.**

(2) EIN: **22-3193482**

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		1000000
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>SUNNY DAYS EARLY CHILDHOOD DEVELOPMENT SERVICES, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SUNNY DAYS EARLY CHILDHOOD DEVELOPMENT SERVICES, INC.</u>	D Employer Identification Number (EIN) <u>22-3299236</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	
----------	--

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): 20-0937408

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 06 / 30 / 2020 (MM/DD/YYYY) and the Opinion Letter serial number Q703383A.

SUNNY DAYS EARLY CHILDHOOD
DEVELOPMENTAL SERVICES, INC.
401(K) PLAN
FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023
AND INDEPENDENT AUDITOR'S REPORT

SUNNY DAYS EARLY CHILDHOOD DEVELOPMENTAL SERVICES, INC. 401(K) PLAN
CONTENTS

Independent Auditor's Report

- EXHIBIT A - Statements of Net Assets Available for Plan Benefits as of December 31, 2024 and 2023
- EXHIBIT B - Statement of Changes in Net Assets Available for Plan Benefits for the years ended December 31, 2024 and 2023
- PAGES 1 - 5 - Notes to Financial Statements

SUPPLEMENTAL INFORMATION

- SCHEDULE I - Supplementary Department of Labor Schedules (Form 5500) – Schedule of Assets (Held at End of Year)



LAWSON, RESCINIO, SCHIBELL & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1806 ROUTE 35 • OAKHURST, NEW JERSEY 07755-2759 TEL (732) 531-8000 FAX (732) 531-8080

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INDEPENDENT AUDITOR'S REPORT

Plan Administrator

Sunny Days Early Childhood Developmental Services, Inc. 401(K) Plan
Manalapan, New Jersey

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the accompanying financial statements of the Sunny Days Early Childhood Developmental Services, Inc. 401(K) 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 statements of net assets available for benefits as of December 31, 2024 and 2023, and the related statement of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of Sunny Days Early Childhood Developmental Services, Inc. 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 audits 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 certifications from a qualified institution as of December 31, 2024 and 2023, and for the years then ended, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 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 accounting principles generally accepted in the United States of America.

- the information in the 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 Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Sunny Days Early Childhood Developmental Services, Inc. 401(K) Plan 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 ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 Sunny Days Early Childhood Developmental Services, Inc. 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit 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 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Sunny Days Early Childhood Developmental Services, Inc. 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 Sunny Days Early Childhood Developmental Services, Inc. 401(K) Plan's ability to continue as a going concern for a reasonable period of time.

Our audits 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 accounting principles generally accepted in the United States of America.

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 accounting principles generally accepted in the United States of America.

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.

Supplemental Schedules Required by ERISA

The supplemental schedule of assets (held at end of year) 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 audits 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 generally accepted auditing standards. 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 schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion—

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are 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 schedules 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).

Lawson, Rescinio, Schibell & Assoc., P.C.

Lawson, Rescinio, Schibell & Assoc., P.C.

Oakhurst, New Jersey
October 3, 2025

EXHIBIT A

SUNNY DAYS EARLY CHILDHOOD DEVELOPMENTAL SERVICES, INC. 401(K) PLAN
 STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Investments, at Fair Market Value Funds Held by Broadridge Matrix Trust Company	\$ 23,462,419	\$ 20,572,339
Participant Contributions Receivable	-	40,262
Employer Contributions Receivable	-	11,900
Participant Loans	<u>320,362</u>	<u>212,802</u>
TOTAL ASSETS	<u>23,782,781</u>	<u>20,837,303</u>
Excess Employer Contributions	-	-
Excess Participant Contributions	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
<u>NET ASSETS AVAILABLE FOR PLAN BENEFITS</u>	<u>\$ 23,782,781</u>	<u>\$ 20,837,303</u>

See notes to financial statements

SUNNY DAYS EARLY CHILDHOOD DEVELOPMENTAL SERVICES, INC. 401(K) PLAN
STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR PLAN BENEFITS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ADDITIONS TO NET ASSETS		
Participants' Contributions	\$ 1,109,153	\$ 1,036,050
Participants' Rollover Contributions	47,826	4,663
Employer Contributions	358,727	339,097
Dividends and Interest	620,387	271,520
Net Appreciation in Fair Value of Investments	2,012,824	2,464,570
Interest - Participant Loans	<u>16,322</u>	<u>11,040</u>
TOTAL ADDITIONS TO NET ASSETS	<u>4,165,239</u>	<u>4,126,940</u>
DEDUCTIONS FROM NET ASSETS		
Net Depreciation in Fair Value of Investments	-	-
Benefits Paid Directly to Participants	1,122,959	424,701
Fees	<u>96,802</u>	<u>82,740</u>
TOTAL DEDUCTIONS FROM NET ASSETS	<u>1,219,761</u>	<u>507,441</u>
NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR PLAN BENEFITS	2,945,478	3,619,499
NET ASSETS AVAILABLE FOR PLAN BENEFITS - BEGINNING OF YEAR	<u>20,837,303</u>	<u>17,217,804</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS - END OF YEAR	<u>\$ 23,782,781</u>	<u>\$ 20,837,303</u>

See notes to financial statements

SUNNY DAYS EARLY CHILDHOOD DEVELOPMENTAL SERVICES, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 - DESCRIPTION OF THE PLAN

The following brief description of Sunny Days Early Childhood Developmental Services, Inc. 401(K) Plan (The Plan) is provided for general information purposes only. Participants should refer to the plan specifications or the plan adoption agreement for more complete information:

- a. General - The Plan is a 401(K) Savings Plan for the employees of Sunny Days Early Childhood Developmental Services, Inc., Sunny Days Early Childhood Developmental Services of California, LLC, Sunny Days of California, Inc. and Sunny Days Sunshine Center, Inc. (The Company). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan custodian is Broadridge Matrix Trust Company. The custodian offers various investment funds (Funds). All employees are eligible to participate after one full year of service and working in excess of 1,000 hours. All compensation paid to a participant during a plan year as reflected on Form W-2 is eligible.
- b. Contributions - Each year, participants may contribute, as elective deferrals, up to the maximum allowed by the Internal Revenue Service. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. At the discretion of the Company's Board of Directors and as determined prior to the beginning of each plan year, the Company may make matching contributions. In 2024 and 2023 the matching contribution was a 50% employer contribution applied up to 5% of salary deferrals. Additional amounts may be contributed at the discretion of the Company's Board of Directors. Matching contributions of \$358,727 and \$339,097 were made by the Company in 2024 and 2023, respectively.
- c. Income Taxes - The plan obtained its latest determination letter on November 15, 2006, in which the Internal Revenue Service stated that the plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The plan has been amended since receiving the determination letter. However, the plan administrator believes that the plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Accordingly, no provision for Federal income tax is required. The Plan files a tax return in the federal jurisdiction and has no open tax years prior to 2021.
- d. Participant Accounts - Each participant's account is credited with the participant's contribution and allocations of the Company's contribution (if applicable) and Plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.
- e. Vesting - Participants are immediately vested in their contributions plus actual earnings thereon and pre 2011 Company contributions plus actual earnings thereon. Vesting in the Company's matching and discretionary contributions for years after December 31, 2010 and earnings thereon is based on a years of continuous service and vest at 20% per year beginning with the second year of service. A participant is 100% vested after six years of credited service.
- f. Participant Loans Receivable - Participant loans are permitted subject to statutory limitations under the Internal Revenue Code and Regulations. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan administrator.

SUNNY DAYS EARLY CHILDHOOD DEVELOPMENTAL SERVICES, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 - DESCRIPTION OF THE PLAN (Continued)

- g. Forfeited Accounts - During the years ended December 31, 2024 and 2023 forfeited nonvested accounts totaled \$70,787 and \$53,617, respectively. In 2024 and 2023, \$0 and \$0, respectively, of these accounts were used to reduce employer contributions.
- h. Payment of Benefits - On termination of service due to disability or retirement, or upon reaching 65 years of age; 59 and one-half effective September 1, 2017, a participant will elect to receive either a lump-sum amount or installments over their assumed life expectancy equal to the value of the participant's vested interest in his or her account. For termination of service due to death, the account value is payable in a lump-sum to the beneficiary of the decedent. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution or defer receiving payment until age 65.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

- a. Investment Valuation – Quoted market prices are used to value investments. Shares of mutual funds are valued at the net asset value of the shares held by the Plan at year-end. Participant notes receivable are valued at their outstanding balances, which approximate fair value.
- b. Payment of Benefits – Benefits are recorded when paid.
- c. Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.
- d. Basis of Accounting – The financial statements of the Plan are prepared using the accrual method of accounting.
- e. New Authoritative Accounting Pronouncements – The Plan does not anticipate the adoption of recently issued accounting pronouncements to have a significant impact on the Plan's results of operations, financial position or cash flows.

NOTE 3 - INVESTMENT MANAGEMENT, ADMINISTRATION AND RELATED PARTY TRANSACTIONS

The custodian provides investment management services to the Funds. Under the terms of the Declaration of Trust, each Fund pays a monthly fee to the custodian calculated at an annual percentage rate based on the value of the assets of the Fund on the last day of such month.

The custodian provides certain administrative and professional services to the certain Funds. For these services, each Fund pays the custodian a fee calculated at an annual percentage rate based on the closing value of each respective Fund's assets.

The Sponsor pays certain administrative expenses (professional fees and the salaries of individuals who spend part of their time administering the plan) on behalf of the Plan. There is no obligation to the Plan to repay the Sponsor.

SUNNY DAYS EARLY CHILDHOOD DEVELOPMENTAL SERVICES, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4 – INVESTMENTS

Broadridge Matrix Trust Company, as custodian of the Plan has certified that the investments as of December 31, 2024 and 2023, and changes in investments for the years ended December 31, 2024 and 2023 were complete and accurate. Investments of the Plan as of December 31, 2024 and 2023 are summarized as follows:

	<u>2024</u>	<u>2023</u>
Investments at Fair Market Value		
American Balanced Fund Class R-6	\$ 3,594,186	\$ 3,253,396
American Century Inflation Adjusted Bond Fund	85,344	84,706
Baird Aggregate Bond Fund	514,455	476,529
DFA Emerging Markets Fund	240,606	235,303
DFA US Targeted Value Fund	254,659	227,745
Harbor Capital Appreciation Fund	1,466,504	945,450
Loomis Sayles Bond Fund	120,790	91,246
MFS Value Fund	575,643	458,155
Oakmark International Fund Investor Class	228,985	257,435
Principal Global Real Estate Sec Inst	82,998	76,749
PGIM Jennison Small	130,422	110,425
2010 Target Date Strategy	4,049	3,511
2020 Target Date Strategy	595,591	547,768
2030 Target Date Strategy	2,467,196	2,540,452
2040 Target Date Strategy	1,832,850	2,812,325
2050 Target Date Strategy	928,706	751,523
2060 Target Date Strategy	64,800	31,911
Retirement Income Target	1,173,068	1,152,275
TD Bank Instl MMDA FTCIMA	1,086,724	1,060,777
Vanguard 500 Index Fund - Admiral Shares	5,300,703	3,077,606
Vanguard FTSE All World EX US Index Fund	351,985	307,497
Vanguard Mid Cap Index - Admiral Shares	1,465,112	1,288,806
Vanguard Short-Term Investment Grade Adm	170,115	141,964
Vanguard Small Cap Index - Admiral Shares	726,928	638,785
	<u> </u>	<u> </u>
Total Investments, at Fair Market Value	<u>\$ 23,462,419</u>	<u>\$ 20,572,339</u>

NOTE 5 - PLAN TERMINATION

Although it has not expressed any intent to do, the Company has the right under the Plan to terminate the Plan at any time subject to the provisions of ERISA.

SUNNY DAYS EARLY CHILDHOOD DEVELOPMENTAL SERVICES, INC. 401(K) PLAN
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 6 - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. 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 will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE 7 - FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value (level 1) or (level 3) in the accompanying statement of net assets available for benefits.

	Fair Value	
	2024	2023
Mutual Funds (Level 1)	\$ 22,375,695	\$ 19,511,562
Cash (Level 3)	1,086,724	1,060,777
	\$ 23,462,419	\$ 20,572,339

Fair value accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No level 2 inputs were available to the Plan, and Level 3 inputs were only used when Level 1 or Level 2 were not available.

Level 1 Fair Value Measurements -

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end.

Level 3 Fair Value Measurements -

The TD Bank Institutional Money Market is not actively traded, and significant other observable inputs are not available. The fair value was determined by TD Bank.

SUNNY DAYS EARLY CHILDHOOD DEVELOPMENTAL SERVICES, INC. 401(K) PLAN
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 7 - FAIR VALUE MEASUREMENTS (Continued)

The following table reconciles the beginning and ending balances of the fair value measurements using significant unobservable inputs (level 3) of the TD Bank Institutional Money Market for the years ended December 31, 2024 and 2023:

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Beginning Balance	\$ 1,060,777	\$ 1,050,731
Contributions	76,678	86,512
Earnings	21,013	21,754
Benefits Paid Directly to Participants	(37,191)	(73,406)
Fees	(4,553)	(4,814)
Transfers to/from Mutual Funds	<u>(30,000)</u>	<u>(20,000)</u>
Ending Balance	<u>\$ 1,086,724</u>	<u>\$ 1,060,777</u>

NOTE 8 – PARTICIPANT LOANS

Participant loan activity for the years ended, December 31, 2024 and 2023, was as follows:

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Participant Loans		
Beginning Balance	\$ 212,802	\$ 178,963
New Loans Issued & Interest Charged	245,837	135,711
Loan Defaults Charged as Distributions	-	-
Loan & Interest Payments	<u>(138,277)</u>	<u>(101,872)</u>
Ending Balance	<u>\$ 320,362</u>	<u>\$ 212,802</u>

NOTE 9 - SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 3, 2025, date of the independent auditor's report was available to be issued.

NOTE 10 - PLAN AMENDMENTS

The Plan was amended to continue to operate the Plan in accordance with the applicable requirements of the Internal Revenue Code. The amendment had no effect on contributions or account balances.

SUPPLEMENTAL INFORMATION

SCHEDULE I

SUNNY DAYS EARLY CHILDHOOD DEVELOPMENTAL SERVICES, INC. 401(K) PLAN
 FORM 5500 – SUPPLEMENTARY DEPARTMENT OF LABOR SCHEDULES

ID #22-3299236 PLAN #001

DECEMBER 31, 2024

Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year)

(a)	(b) - Identity of issue, borrower, lessor or similar party	(c) - Description of Investment	(d) Cost	(e) Current Value
	Broadridge Matrix Trust Company	American Balanced Fund Class R-6	\$	3,594,186
	Broadridge Matrix Trust Company	American Century Inflation Adjusted Bond Fund		85,344
	Broadridge Matrix Trust Company	Baird Aggregate Bond Fund		514,455
	Broadridge Matrix Trust Company	DFA Emerging Markets Fund		240,606
	Broadridge Matrix Trust Company	DFA US Targeted Value Fund		254,659
	Broadridge Matrix Trust Company	Harbor Capital Appreciation Fund		1,466,504
	Broadridge Matrix Trust Company	Loomis Sayles Bond Fund		120,790
	Broadridge Matrix Trust Company	MFS Value Fund		575,643
	Broadridge Matrix Trust Company	Oakmark International Fund Investor Class		228,985
	Broadridge Matrix Trust Company	Principal Global Real Estate Sec Inst		82,998
	Broadridge Matrix Trust Company	PGIM Jennison Small		130,422
	Broadridge Matrix Trust Company	2010 Target Date Strategy		4,049
	Broadridge Matrix Trust Company	2020 Target Date Strategy		595,591
	Broadridge Matrix Trust Company	2030 Target Date Strategy		2,467,196
	Broadridge Matrix Trust Company	2040 Target Date Strategy		1,832,850
	Broadridge Matrix Trust Company	2050 Target Date Strategy		928,706
	Broadridge Matrix Trust Company	2060 Target Date Strategy		64,800
	Broadridge Matrix Trust Company	Retirement Income Target		1,173,068
	Broadridge Matrix Trust Company	TD Bank Instl MMDA FTCIMA		1,086,724
	Broadridge Matrix Trust Company	Vanguard 500 Index Fund - Admiral Shares		5,300,703
	Broadridge Matrix Trust Company	Vanguard FTSE All World EX US Index Fund		351,985
	Broadridge Matrix Trust Company	Vanguard Mid Cap Index - Admiral Shares		1,465,112
	Broadridge Matrix Trust Company	Vanguard Short-Term Investment Grade Adm		170,115
	Broadridge Matrix Trust Company	Vanguard Small Cap Index - Admiral Shares		726,928
	Participant Loans	Varies	-	320,362

N/A - Column (d) is not applicable since investments are participant directed.

SCHEDULE I

SUNNY DAYS EARLY CHILDHOOD DEVELOPMENTAL SERVICES, INC. 401(K) PLAN
 FORM 5500 – SUPPLEMENTARY DEPARTMENT OF LABOR SCHEDULES

ID #22-3299236 PLAN #001

DECEMBER 31, 2024

Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year)

(a)	(b) - Identity of issue, borrower, lessor or similar party	(c) - Description of Investment	(d) Cost	(e) Current Value
	Broadridge Matrix Trust Company	American Balanced Fund Class R-6	N/A	\$ 3,594,186
	Broadridge Matrix Trust Company	American Century Inflation Adjusted Bond Fund	N/A	85,344
	Broadridge Matrix Trust Company	Baird Aggregate Bond Fund	N/A	514,455
	Broadridge Matrix Trust Company	DFA Emerging Markets Fund	N/A	240,606
	Broadridge Matrix Trust Company	DFA US Targeted Value Fund	N/A	254,659
	Broadridge Matrix Trust Company	Harbor Capital Appreciation Fund	N/A	1,466,504
	Broadridge Matrix Trust Company	Loomis Sayles Bond Fund	N/A	120,790
	Broadridge Matrix Trust Company	MFS Value Fund	N/A	575,643
	Broadridge Matrix Trust Company	Oakmark International Fund Investor Class	N/A	228,985
	Broadridge Matrix Trust Company	Principal Global Real Estate Sec Inst	N/A	82,998
	Broadridge Matrix Trust Company	PGIM Jennison Small	N/A	130,422
	Broadridge Matrix Trust Company	2010 Target Date Strategy	N/A	4,049
	Broadridge Matrix Trust Company	2020 Target Date Strategy	N/A	595,591
	Broadridge Matrix Trust Company	2030 Target Date Strategy	N/A	2,467,196
	Broadridge Matrix Trust Company	2040 Target Date Strategy	N/A	1,832,850
	Broadridge Matrix Trust Company	2050 Target Date Strategy	N/A	928,706
	Broadridge Matrix Trust Company	2060 Target Date Strategy	N/A	64,800
	Broadridge Matrix Trust Company	Retirement Income Target	N/A	1,173,068
	Broadridge Matrix Trust Company	TD Bank Instl MMDA FTCIMA	N/A	1,086,724
	Broadridge Matrix Trust Company	Vanguard 500 Index Fund - Admiral Shares	N/A	5,300,703
	Broadridge Matrix Trust Company	Vanguard FTSE All World EX US Index Fund	N/A	351,985
	Broadridge Matrix Trust Company	Vanguard Mid Cap Index - Admiral Shares	N/A	1,465,112
	Broadridge Matrix Trust Company	Vanguard Short-Term Investment Grade Adm	N/A	170,115
	Broadridge Matrix Trust Company	Vanguard Small Cap Index - Admiral Shares	N/A	726,928
	Participant Loans	Varies	-	320,362

N/A - Column (d) is not applicable since investments are participant directed.