

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of 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										
1a Name of plan	<u>SAN BERNARDINO MEDICAL ORTHOPAEDIC GROUP, INC. DBA ARROWHEAD ORTHOPAEDICS 401K PROFIT SHARING PLAN</u>										
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>SAN BERNARDINO MEDICAL ORTHOPAEDIC GROUP, INC.</u> <u>ARROWHEAD ORTHOPAEDICS</u> <u>1801 ORANGE TREE LANE, SUITE 240</u> <u>SUITE 240</u> <u>REDLANDS, CA 92374</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">1b Three-digit plan number (PN) ▶</td> <td><u>001</u></td> </tr> <tr> <td>1c Effective date of plan</td> <td><u>01/01/1990</u></td> </tr> <tr> <td>2b Employer Identification Number (EIN)</td> <td><u>33-0376200</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number</td> <td><u>909-557-1603</u></td> </tr> <tr> <td>2d Business code (see instructions)</td> <td><u>621111</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan	<u>01/01/1990</u>	2b Employer Identification Number (EIN)	<u>33-0376200</u>	2c Plan Sponsor's telephone number	<u>909-557-1603</u>	2d Business code (see instructions)	<u>621111</u>
1b Three-digit plan number (PN) ▶	<u>001</u>										
1c Effective date of plan	<u>01/01/1990</u>										
2b Employer Identification Number (EIN)	<u>33-0376200</u>										
2c Plan Sponsor's telephone number	<u>909-557-1603</u>										
2d Business code (see instructions)	<u>621111</u>										

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2022	NABIL RAZZOUK
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2021)
v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name <u>SAN BERNARDINO MEDICAL ORTHOPAEDIC GROUP, INC. DBA ARROWHEAD ORTHOPEDI</u> c Plan Name <u>SAN BERNARDINO MEDICAL ORTHOPAEDIC GROUP, INC. DBA ARROWHEAD ORTHOPAEDICS 401K PROFIT SHARING PLAN</u>		4b EIN <u>33-0376200</u> 4d PN <u>001</u>
5 Total number of participants at the beginning of the plan year		5 <u>505</u>
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.....		6a(1) <u>292</u>
a(2) Total number of active participants at the end of the plan year		6a(2) <u>250</u>
b Retired or separated participants receiving benefits.....		6b <u>6</u>
c Other retired or separated participants entitled to future benefits		6c <u>205</u>
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d <u>461</u>
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e <u>1</u>
f Total. Add lines 6d and 6e		6f <u>462</u>
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g <u>446</u>
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h <u>11</u>
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: <u>2A 2E 2F 2G 2J 2R 2T 3D 3F</u>		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (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 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan SAN BERNARDINO MEDICAL ORTHOPAEDIC GROUP, INC. DBA ARROWHEAD ORTHOPAEDICS 401K PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 SAN BERNARDINO MEDICAL ORTHOPAEDIC GROUP, INC.	D Employer Identification Number (EIN) 33-0376200	

Part I	Service Provider Information (see instructions)
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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	
NATIONWIDE	ONE NATIONWIDE PLAZA ONE NATIONWIDE PLAZA COLUMBUS, OH 43215

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
LPL FINANCIAL, LLC	P.O. BOX 502533 P.O. BOX 502533 SAN DIEGO, CA 92150-2533

(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)

NEWPORT GROUP, INC.

27-2037969

(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?
13 64	RECORDKEEPER	23002	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

KWB WEALTH

1782 ORANGE TREE LANE
REDLANDS, CA 92374

(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?
50 27	ADVISORY	16983	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>		
A Name of plan <u>SAN BERNARDINO MEDICAL ORTHOPAEDIC GROUP, INC. DBA ARROWHEAD ORTHOPAEDICS 401K PROFIT SHARING 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>SAN BERNARDINO MEDICAL ORTHOPAEDIC GROUP, INC.</u>	D Employer Identification Number (EIN) <u>33-0376200</u>	

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.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	0	22421
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1252209	1290236
(2) Participant contributions.....	1b(2)	54368	0
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	87367	91817
(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)	413995	359338
(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)	23458198	28696747
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)	0	52061

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(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	25266137 30512620
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	0 0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	25266137 30512620

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.

		(a) Amount	(b) Total
Income			
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	1290236
	(B) Participants	2a(1)(B)	950869
	(C) Others (including rollovers).....	2a(1)(C)	220385
(2)	Noncash contributions.....	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	2461490
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	2208
	(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)	23817
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	26025
(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)	2934753
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	2934753
(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)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	0

		(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)		497516
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		5919784
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	507412	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)	28252	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		535664
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		35320
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)	62332	
(2) Contract administrator fees.....	2i(2)	23002	
(3) Investment advisory and management fees.....	2i(3)	16983	
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		102317
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		673301
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		5246483
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: **ROGERS ANDERSON MALODY & SCOTT, CPA**

(2) EIN: **95-2662063**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, 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.

During the plan year:

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.).....

	Yes	No	Amount
4a	X		21758

	Yes	No	Amount
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.)			
4b		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.)			
4c		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.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		500000
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	
4f		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?			
4g		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?			
4h		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		
4i	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.)			
4j		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?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m	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.			
4n	X		
5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☒ No If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.			
5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)			
5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)	
5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.			

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
---	---	--

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan <u>SAN BERNARDINO MEDICAL ORTHOPAEDIC GROUP, INC. DBA ARROWHEAD ORTHOPAEDICS 401K PROFIT SHARING 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>SAN BERNARDINO MEDICAL ORTHOPAEDIC GROUP, INC.</u>	D Employer Identification Number (EIN) <u>33-0376200</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	<u>0</u>
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): <u>75-3182674</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

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

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2021
v. 201209

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

- 14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year

15b

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

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

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

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

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

- 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 _____

*San Bernardino Medical
Orthopaedic Group, Inc.
Profit Sharing Plan*

**Financial Statements
and
Supplemental Schedules
with Independent Auditors' Report**

December 31, 2021 and 2020

San Bernardino Medical Orthopaedic Group, Inc.
Profit Sharing Plan

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

Independent Auditor's Report

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Proud Member of
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To the Retirement Committee of the
San Bernardino Medical Orthopaedic Group, Inc.

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed an audit of the financial statements of the San Bernardino Medical Orthopaedic Group, Inc. Profit Sharing Plan (Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements (2021 Financial Statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from Newport Trust Company as of December 31, 2021 and for the period from June 1, 2021 to December 31, 2021 and Nationwide Trust Company as of December 31, 2021 and for the period from January 1, 2021 to May 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section

- the amounts and disclosures in the accompanying 2021 financial statements, 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 accompanying 2021 financial statements 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 on the 2021 Financial Statements

We conducted our audit 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 2021 Financial Statements section of our report. We are required to be independent of the 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 2021 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 the Plan's ability to continue as a going concern for one year after the date of the financial statements are 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 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the 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 the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 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.

Other Matters

2021 Supplemental Schedules Required by ERISA

The supplemental Schedule of Delinquent Participants Contributions for December 31, 2021 and Schedule of Assets (Held at End of Year), are presented for purposes of additional analysis and are not a required part of the financial statements but are 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 schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules 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).

Auditor's Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated October 14, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 14, 2022

San Bernardino Medical Orthopaedic Group, Inc.
Profit Sharing Plan

Statements of Net Assets Available for Benefits
December 31, 2021 and 2020

	2021	2020
Assets		
Investments at fair value		
Mutual funds	\$ 28,696,747	\$ 23,458,198
Self-Directed Brokerage funds	52,061	-
Investments at contract value		
Guaranteed investment account	91,817	87,367
Cash	22,421	-
Receivables		
Employer contribution	1,290,236	1,252,209
Notes receivable from participants	359,338	413,995
Participants contribution	-	54,368
Total assets	<u>30,512,620</u>	<u>25,266,137</u>
Net assets available for benefits	<u><u>\$ 30,512,620</u></u>	<u><u>\$ 25,266,137</u></u>

The accompanying notes are an integral part of these financial statements.

San Bernardino Medical Orthopaedic Group, Inc.
Profit Sharing Plan

Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2021

Additions to Net Assets Attributed to:

Contributions:

Employer	\$ 1,290,236
Participants	950,869
Rollovers and other	<u>220,385</u>

Total contributions	<u>2,461,490</u>
---------------------	------------------

Investment Income:

Interest-bearing cash	2,208
Dividend Income	2,934,753
Net appreciation in fair value of investments	<u>497,516</u>

Total investment income	<u>3,434,477</u>
-------------------------	------------------

Interest income on notes receivable from participants	<u>23,817</u>
---	---------------

Other income (expense)	<u>-</u>
------------------------	----------

Total additions	<u>5,919,784</u>
-----------------	------------------

Deductions from Net Assets Attributed to:

Benefits paid to participants	(507,412)
Administrative expenses	(102,317)
Deemed distributions of participant loans	(35,320)
Other	<u>(28,252)</u>

Total deductions	<u>(673,301)</u>
------------------	------------------

Net increase	5,246,483
--------------	-----------

Net assets available for benefits

Beginning of year	<u>25,266,137</u>
-------------------	-------------------

End of year	<u><u>\$ 30,512,620</u></u>
-------------	-----------------------------

The accompanying notes are an integral part of these financial statements.

San Bernardino Medical Orthopaedic Group, Inc.
Profit Sharing Plan

Notes to Financial Statements
December 31, 2021 and 2020

1. Description of Plan

The following description of the San Bernardino Medical Orthopaedic Group, Inc. Profit Sharing Plan (Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan providing benefits to all employees of San Bernardino Medical Orthopaedic Group, Inc. (the Company) who have been employed at least one year, have a minimum of 1,000 service hours, and are age twenty-one.

Contributions

Under the provisions of the Plan, each active participant may enter into a salary deferral agreement with the Company, up to the maximum allowable amount as determined yearly by the Internal Revenue Service. Participants may also contribute amounts representing distributions from other qualified benefit or contribution plans.

The Company provides a safe-harbor non-elective contribution equal to three percent of each eligible employee's compensation. The Company may also elect to make a profit-sharing contribution at the discretion of the Board of Directors. For the year ended December 31, 2021, the Company elected to make profit-sharing contribution of three percent of each eligible employee's compensation.

Participant Accounts

An account is maintained for each participant. The participant's account is credited with the participant's contribution, the Company's safe-harbor non-elective contribution and profit-sharing contribution, and the participant's share of Plan earnings and losses.

Vesting

Participants are immediately vested in their contributions plus earnings thereon and the Company's safe-harbor non-elective contributions. Vesting in the Company's discretionary profit-sharing contribution plus earnings thereon is based on years of continuous service. After one year of service, a participant becomes 33.33 percent vested. Each service year thereafter will increase the participant's vesting by 33.33 percent, with 100 percent vesting after three years of service. For vesting purposes, 1,000 hours is a person's year of service.

Investment Option

Each participant directs their own contributions and the Company's contributions to their accounts in any number of investment options offered by the Plan. The investment options are comprised of various mutual funds and a guaranteed investment account.

San Bernardino Medical Orthopaedic Group, Inc.
Profit Sharing Plan

Notes to Financial Statements
December 31, 2021 and 2020

1. Description of Plan (continued)

Notes Receivable from Participants

Participants may borrow from their accounts up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. The loans are secured by the vested balance in the participant's account and bear interest at a rate of 5.25 to 7.50 percent, which is commensurate with local prevailing rates as determined periodically by the Plan Administrator. Principal and interest are repaid ratably through payroll deductions. Any outstanding loan balance will become due and payable in its entirety upon occurrence of a distributable event.

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in their account, or monthly installments for the duration of the lesser of the available account balance or the participant's life expectancy. Participants who terminate employment shall receive the value of the vested interest in their account as lump-sum distributions.

Forfeited Accounts

At December 31, 2021 and 2020, forfeited non-vested accounts totaled \$8,741 and \$5,148 respectively. These funds are available to reduce future Company contributions. During the year ended December 31, 2021, the Company's contributions were reduced by \$5,148 from forfeited non-vested accounts.

2. Summary of Significant Accounting Policies

Plan management determines the accounting principles to be used in the preparation of financial statements. A description of the significant accounting policies employed in the preparation of these financial statements follows:

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Administrator determines the Plan's valuation policies utilizing information provided by the Plan Trustees. See Note 4 for fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation and depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as investments held during the year.

San Bernardino Medical Orthopaedic Group, Inc.
Profit Sharing Plan

Notes to Financial Statements
December 31, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balances plus any accrued but unpaid interest. Delinquent notes receivable are reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administrator of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Fees related to the recordkeeping administration of the Plan are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation or depreciation of fair value of investments.

Use of Estimates

The preparation of these financial statements requires Plan management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of net assets available for benefits, net appreciation or depreciation in fair value of investments, as well as disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding reduction to contributions. There were no excess contributions payable as of December 31, 2021 and 2020.

Subsequent Events

Plan management has considered events occurring after December 31, 2021 through October 14, 2022, the date the financial statements were available to be issued.

San Bernardino Medical Orthopaedic Group, Inc.
Profit Sharing Plan

Notes to Financial Statements
December 31, 2021 and 2020

3. Investments Certified by Trustee

At December 31, 2021 and 2020, the Plan's investments were held and administered by Newport Trust Company (Newport), and Nationwide Trust Company (Nationwide) the Trustees of the Plan, respectively. and. All investment information disclosed in the accompanying financial statements and supplemental schedule of assets held for investment purposes at December 31, 2021 was obtained or derived from information supplied to the Plan Administrator and certified as complete and accurate by Newport.

The following is a summary of the Plan's financial information that is included in the financial statements based on information certified by the Trustee as complete and accurate in accordance with 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA).

	2021	2020
Investments at fair value:		
Mutual funds	\$ 28,696,747	\$ 23,458,198
Self-Directed Brokerage Account	52,061	-
Investments at contract value:		
Guaranteed investment account	91,817	87,367
 Total investments	 <u>\$ 28,840,625</u>	 <u>\$ 23,545,565</u>
 Investment Income:		
Dividend income	\$ 2,934,753	\$ 680,731
Net appreciation/(depreciation) in fair value of investments	497,516	3,010,306
Other interest	2,208	21
 Total investment income	 <u>\$ 3,434,477</u>	 <u>\$ 3,691,058</u>

San Bernardino Medical Orthopaedic Group, Inc.
Profit Sharing Plan

Notes to Financial Statements
December 31, 2021 and 2020

4. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the Accounting Standards Codification Topic 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the valuation methodologies used at December 31, 2021 and 2020.

Mutual funds: Valued at the daily closing price as reported by the fund, which represents the net asset value (NAV) of shares held by the Plan at year end.

Self-Directed Brokerage Account: Accounts primarily consists of mutual funds and common stocks that are valued on the basis of readily determinable market prices.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Plan management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

San Bernardino Medical Orthopaedic Group, Inc.
Profit Sharing Plan

Notes to Financial Statements
December 31, 2021 and 2020

4. Fair Value Measurements (continued)

The following table sets forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2021 and 2020:

	Assets at fair value as of December 31, 2021			Total
	Level 1	Level 2	Level 3	
Mutual funds	\$ 28,696,747	\$ -	\$ -	\$ 28,696,747
Self-Directed Brokerage Account	52,061	-	-	52,061
Total investments at fair value	<u>\$ 28,748,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,748,808</u>

	Assets at fair value as of December 31, 2020			Total
	Level 1	Level 2	Level 3	
Mutual funds	\$ 23,458,198	\$ -	\$ -	\$ 23,458,198
Total investments at fair value	<u>\$ 23,458,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,458,198</u>

5. Fully Benefit-Responsive Investment Contract

The Plan holds an investment contract that meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value represents contributions made under each contract, plus earnings, less participant withdrawals, and administrative expenses.

The Plan invests in the Vanguard's Federal Money Market Fund, in which fully benefit-responsive investment contract value is the relevant measurement attributable for that portion of the net assets available for benefits attributable to the guaranteed investment account. Since fair value approximates contract value, there is no adjustment reflected in these financial statements.

Contract value, as reported to the Plan by Newport, represents contributions made under contract, plus earnings, less participant withdrawals and administrative expenses. Participants may direct the withdrawal or transfer of all or portion of their investments at contract value. The investment contract issuer is contractually obligated to repay the principal and a specific interest rate that is guaranteed to the Plan. There are no reserves against the contract value for credit risk of the contract issuer or otherwise.

San Bernardino Medical Orthopaedic Group, Inc.
Profit Sharing Plan

Notes to Financial Statements
December 31, 2021 and 2020

5. Fully Benefit-Responsive Investment Contract (continued)

The Plan's guaranteed investment account options specify certain conditions under which distributions from the contract would be payable at amounts below contract value. Such circumstances include a Plan termination, a Plan merger, premature contract termination initiated by the Employer, and certain other Employer initiated events that result in distributions exceeding a set amount. Concurrently, management believes it is improbable that an event will occur which would cause the Plan to transact contract distributions at less than contract value.

The crediting interest rate of the contract is based on prevailing market conditions. The interest crediting rate is reset at least quarterly. Average yields for the year ended December 31, 2021 were as 0.17%.

6. Related-Party and Party-in-Interest Transactions

The Plan invests in shares of mutual funds managed by Newport. Newport acts as Trustee for only those investments as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions which are exempt from the prohibited transaction rules. Fees incurred by the Plan for investment management services are included as a reduction of the return earned on each investment, as the fees are paid through revenue sharing, rather than paid as a direct payment. As described in Note 2, the Company made a direct payment to the third party administrator of \$23,002 for maintaining services related to the Plan, which was not covered by revenue sharing. The Company directly pays any other fees related to the Plan's operations.

7. Notes Receivable from Participants

The following table represents the activity in the notes receivable from participants for the year ended December 31, 2021 and 2020:

	2021	2020
Beginning of year	\$ 413,995	\$ 375,939
New loans	134,076	208,180
Interest earned	23,817	24,883
Loan repayments	(182,530)	(193,217)
Loan discharges	(30,020)	(1,790)
End of year	<u>\$ 359,338</u>	<u>\$ 413,995</u>

San Bernardino Medical Orthopaedic Group, Inc.
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Notes to Financial Statements
December 31, 2021 and 2020

8. Tax Status

The Plan adopted a Prototype 401(k) Plan, which received a favorable opinion letter from the Internal Revenue Service on March 31, 2008, stating 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 opinion letter. However, the Plan Trustee and Plan management believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

9. 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 the amounts reported in the statement of net assets available for benefits.

10. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their Company profit-sharing contributions.

Supplemental Schedules

San Bernardino Medical Orthopaedic Group, Inc.
Profit Sharing Plan

EIN: 33-0376200

Plan Number: 001

Schedule H, Line 4a-Schedule of Delinquent Participant Contributions

December 31, 2021

Participant Contributions Transferred Late to Plan		Total That Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program (VFCP) and Prohibited Transaction Exemption 2002-51
Check Here: If Late Participant Loan Repayments are Included	x	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
\$ 6,266	x	\$ -	\$ 6,266	\$ -	-
21,758	x	-	21,758	-	-

San Bernardino Medical Orthopaedic Group, Inc.
Profit Sharing Plan

EIN: 33-0376200

Plan Number: 001

Schedule H, Line 4i-Schedule of Assets (Held at End of Year)

December 31, 2021

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost**	(e) Current value
	AMERICAN FUNDS NEW WORLD R6	Mutual Fund		\$ 227,712
	BLACKROCK TECHNOLOGY OPPORTUNITIES-INSTL	Mutual Fund		9,226
	FIDELITY 500 INDEX	Mutual Fund		6,740,306
	FIDELITY EMERGING MARKETS INDEX	Mutual Fund		938,895
	FIDELITY INTERNATIONAL INDEX	Mutual Fund		1,501,507
	FIDELITY MID CAP INDEX	Mutual Fund		7,478
	FRANKLIN SMALL CAP VALUE FUND CLASS R6	Mutual Fund		339,062
	HARBOR DISRUPTIVE INNOVATION FUND	Mutual Fund		2,753,611
	JPMORGAN INTERNATIONAL EQUITY FUND CLR6	Mutual Fund		283,839
	JPMORGAN SMALL CAP GROWTH FUND CLASS R6	Mutual Fund		758,472
	MADISON MID CAP R6	Mutual Fund		2,397
	MFS GROWTH R6	Mutual Fund		1,500,893
	MFS VALUE R6	Mutual Fund		360,076
	NEUBERGER BERMAN STRATEGIC INCOME FND	Mutual Fund		759,504
	PGIM TOTAL RETURN BOND - R6	Mutual Fund		378,847
	PRINCIPAL REAL ESTATE SECURITIES FUND CL	Mutual Fund		4,519
	VANGUARD GROWTH INDEX ADM	Mutual Fund		319,445
	VANGUARD SMALL CAP GROWTH INDEX ADMIRAL	Mutual Fund		1,515,495
	VANGUARD SMALL CAP VALUE INDEX ADMIRAL	Mutual Fund		1,524
	VANGUARD TARGET RETIREMENT 2020 INV	Mutual Fund		360,948
	VANGUARD TARGET RETIREMENT 2025 INV	Mutual Fund		943,196
	VANGUARD TARGET RETIREMENT 2030 INV	Mutual Fund		1,376,419
	VANGUARD TARGET RETIREMENT 2035 INV	Mutual Fund		1,398,020
	VANGUARD TARGET RETIREMENT 2040 INV	Mutual Fund		2,088,914
	VANGUARD TARGET RETIREMENT 2045 INV	Mutual Fund		852,956
	VANGUARD TARGET RETIREMENT 2050 INV	Mutual Fund		1,404,600
	VANGUARD TARGET RETIREMENT 2055 INV	Mutual Fund		934,934
	VANGUARD TARGET RETIREMENT 2060 INV	Mutual Fund		594,940
	VANGUARD TARGET RETIREMENT 2065 INV	Mutual Fund		61,449
	VANGUARD TARGET RETIREMENT INCOME INV	Mutual Fund		221,146
	VANGUARD VALUE INDEX ADM	Mutual Fund		56,416
	VANGUARD FEDERAL MONEY MARKET INV	Guaranteed Investment Contract		91,817
	Self-Directed Brokerage	Self-Directed Brokerage		52,061
*	Participants Notes Receivable	5.25% - 7.50%		359,338
	Cash			22,421
				<u>\$ 29,222,384</u>

* A party-in-interest as defined by ERISA

** Cost omitted for participant-directed investments

Form 5500 annual return/Report of Employee Benefit Plan
Schedule H Line 4i – Schedule of Assets (Held at End of Year)

See Supplemental Schedule attached with IQPA Opinion and Financial Statements.