

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>HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1996</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>01/01/1996</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>01/01/1996</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>HIGH DESERT MEDICAL CORPORATION</u> <u>43839 15TH STREET WEST</u> <u>LANCASTER, CA 93534</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>95-3930862</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>661-726-3906</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>621498</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>95-3930862</u>	2c Plan Sponsor's telephone number <u>661-726-3906</u>	2d Business code (see instructions) <u>621498</u>	
2b Employer Identification Number (EIN) <u>95-3930862</u>					
2c Plan Sponsor's telephone number <u>661-726-3906</u>					
2d Business code (see instructions) <u>621498</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.	12/22/2022	LINDRA FRANDINATA
	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 c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	4881
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)	4226
a(2) Total number of active participants at the end of the plan year		6a(2)	4010
b Retired or separated participants receiving benefits.....		6b	21
c Other retired or separated participants entitled to future benefits		6c	695
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	4726
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	7
f Total. Add lines 6d and 6e		6f	4733
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	3099
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	129
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: 2F 2G 2J 2K 2R 2T 3D			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		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 HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(K) PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 HIGH DESERT MEDICAL CORPORATION	D Employer Identification Number (EIN) 95-3930862	

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
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
37 60 64 65 71	RECORDKEEPER	313068	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

SAGEVIEW ADVISORY GROUP LLC

33-0818667

(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	ADVISOR	121809	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

HKG, LLP

95-4552788

(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?
10	ACCOUNTANT/A UDITOR	12345	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ 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 ☐

(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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
AQR LARGE CAP DEFENSIVE STYLE CL N 1 GREENWICH PLAZA GREENWICH, CT 06830	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
COMMERCE BOND 922 WALNUT ST 4TH FLOOR KANSAS CITY, MO 64106	\$12.00	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
FRANKLIN GOLD AND PRECIOUS METALS 100 FOUNTAIN PARKWAY ST. PETERSBURG, FL 33716	\$16.00	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
PFG AMERICAN FUNDS GROWTH STRAT CL 777 108TH AVE NE STE 2100 BELLEVUE, WA 98004	0.40%

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
PFG AMERICAN FDS CONS INC STRAT CL 777 108TH AVE NE STE 2100 BELLEVUE, WA 98004	0.40%

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
PGIM JENNISON GROWTH CL Z 655 BROAD STREET NEWARK, NJ 07102	0.10%

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
T ROWE PRICE DIVERSDMID CAP GROWTH 4515 PAINTERS MILL RD OWINGS MILLS, MD 21117	0.15%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
T ROWE PRICE QM US SML CAP GRWTH E 4515 PAINTERS MILL RD OWINGS MILLS, MD 21117	0.15%	
(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 D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan 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.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan <u>HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>HIGH DESERT MEDICAL CORPORATION</u>	D Employer Identification Number (EIN) <u>95-3930862</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PUTN LG CP VAL TR IA</u>		
b Name of sponsor of entity listed in (a): <u>PUTNAM FIDUCIARY TRUST COMPANY</u>		
c EIN-PN <u>82-3639536-275</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1517824</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MFS MID CAP GROWTH 2</u>		
b Name of sponsor of entity listed in (a): <u>MFS HERITAGE TRUST COMPANY</u>		
c EIN-PN <u>57-1187281-022</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2863140</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PUTNAM STABLE VALUE</u>		
b Name of sponsor of entity listed in (a): <u>PUTNAM FIDUCIARY TRUST COMPANY</u>		
c EIN-PN <u>04-3159710-202</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>6628165</u>
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

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>HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HIGH DESERT MEDICAL CORPORATION</u>	D Employer Identification Number (EIN) <u>95-3930862</u>	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	0	300
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	724546	719441
(2) Participant contributions.....	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	859944	1459295
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	2142961	3008889
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	1434049	1929935
(9) Value of interest in common/collective trusts.....	1c(9)	10189364	11009129
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts.....	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	160219261	183687627
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other.....	1c(15)	25870	0

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities.....	1d(1) 0	0
(2)	Employer real property.....	1d(2) 0	0
e	Buildings and other property used in plan operation	1e 0	0
f	Total assets (add all amounts in lines 1a through 1e)	1f 175595995	201814616
Liabilities			
g	Benefit claims payable	1g 0	0
h	Operating payables	1h 0	0
i	Acquisition indebtedness.....	1i 0	0
j	Other liabilities.....	1j 0	3
k	Total liabilities (add all amounts in lines 1g through 1j)	1k 0	3
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l 175595995	201814613

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) 721802	
	(B) Participants	2a(1)(B) 16683135	
	(C) Others (including rollovers).....	2a(1)(C) 1587171	
(2)	Noncash contributions.....	2a(2) 0	18992108
(3)	Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	2a(3)	
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A) 126	
	(B) U.S. Government securities	2b(1)(B) 0	
	(C) Corporate debt instruments	2b(1)(C) 0	
	(D) Loans (other than to participants)	2b(1)(D) 0	
	(E) Participant loans.....	2b(1)(E) 75681	
	(F) Other	2b(1)(F) 0	
	(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)	75807
(2)	Dividends: (A) Preferred stock.....	2b(2)(A) 0	
	(B) Common stock	2b(2)(B) 16766	
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C) 4813740	
	(D) Total dividends. Add lines 2b(2)(A), (B), and (C)	2b(2)(D)	4830506
(3)	Rents	2b(3)	0
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A) 8837722	
	(B) Aggregate carrying amount (see instructions).....	2b(4)(B) 8565401	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A) 0	
	(B) Other	2b(5)(B) -53053	
	(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)		790534
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		17095906
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		42004129
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	14768038	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other.....	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		14768038
f Corrective distributions (see instructions).....	2f		531506
g Certain deemed distributions of participant loans (see instructions).....	2g		38995
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	0	
(4) Other.....	2i(4)	446972	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		446972
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		15785511
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		26218618
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan.....	2l(2)		0

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: **HKG, LLP**

(2) EIN: **95-4552788**

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		721555

	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?	X		2511
4l	X		2511
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.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(K) PLAN	B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 HIGH DESERT MEDICAL CORPORATION	D Employer Identification Number (EIN) 95-3930862

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): 04-6568107		
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 _____

**HERITAGE MEDICAL GROUP
RETIREMENT SAVINGS 401(k) PLAN**

Financial Statements

December 31, 2021 and 2020

(With Independent Auditors' Report Thereon)

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* All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

INDEPENDENT AUDITORS' REPORT

Plan Administrator
Heritage Medical Group Retirement Savings 401(k) Plan
Lancaster, California

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

We have performed an audit of the accompanying financial statements of Heritage Medical Group Retirement Savings 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). 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 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 a certification from Fidelity Management Trust Company, a qualified institution as of and for the year ended December 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 Auditors' 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 Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of Heritage Medical Group Retirement Savings 401(k) Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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,

INDEPENDENT AUDITORS' REPORT (continued)

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 Heritage Medical Group Retirement Savings 401(k) Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditors' Responsibilities for the Audit of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Heritage Medical Group Retirement Savings 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 Heritage Medical Group Retirement Savings 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

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

INDEPENDENT AUDITORS' REPORT
(continued)

Other Matters

2021 Supplemental Schedules Required by ERISA

The supplemental schedules, Schedule H, Line 4(a) – Schedule of Delinquent Participant Contributions and Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) as of December 31, 2021 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 generally accepted auditing standards. 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, is 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 schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditors' Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of Heritage Medical Group Retirement Savings 401(k) 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 12, 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.

HRG, LLP

Pasadena, California
December 20, 2022

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Investments at fair value		
Interest bearing cash	\$ 1,459,295	\$ 859,944
Self directed brokerage account	6,619,983	5,216,049
Mutual funds	180,076,533	157,172,043
Common/collective trusts	11,009,129	10,189,364
	<u>199,164,940</u>	<u>173,437,400</u>
Total investments at fair value		
Receivables		
Notes receivable from participants	1,929,935	1,434,049
Employer contribution	719,441	724,546
	<u>2,649,376</u>	<u>2,158,595</u>
Total receivables		
Non interest bearing cash	<u>300</u>	<u>-</u>
Total assets	<u>201,814,616</u>	<u>175,595,995</u>
Liabilities		
Other liabilities	3	-
Excess contributions payable	318,176	459,781
	<u>318,179</u>	<u>459,781</u>
Total liabilities		
Net assets available for benefits	<u><u>\$ 201,496,437</u></u>	<u><u>\$ 175,136,214</u></u>

The accompanying notes are an integral part of these statements.

**HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED 31, 2021**

Additions to net assets attributed to

Investment income	
Dividend income	\$ 4,830,506
Net appreciation in fair value of common/collective trusts	790,534
Net appreciation in fair value of investments	<u>17,315,173</u>
Total investment income	<u>22,936,213</u>
Interest on interest bearing cash	<u>126</u>
Interest on notes receivable from participants	<u>75,681</u>
Contributions	
Employer	721,802
Participants	16,683,135
Rollover	<u>1,587,171</u>
Total contributions	<u>18,992,108</u>
Total additions	<u>42,004,128</u>

Deductions from net assets attributed to

Benefits paid to participants	14,768,038
Corrective distributions	389,900
Deemed Distributions	38,995
Administrative expenses	<u>446,972</u>
Total deductions	<u>15,643,905</u>
Net increase	26,360,223
Net assets available for benefits - beginning of year	<u>175,136,214</u>
Net assets available for benefits - end of year	<u><u>\$ 201,496,437</u></u>

The accompanying notes are an integral part of this statement.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. DESCRIPTION OF THE PLAN

The following description of the Heritage Medical Group (the “Employer” or “Plan Sponsor”) Retirement Savings 401(k) Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more comprehensive description of the Plan’s provisions.

General

The Plan’s Sponsor is a controlled group of corporations (the “Companies”) with a defined contribution plan covering all full-time employees who have been employed as of the entrance date. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

The Plan’s controlled group consists of the following Companies:

- ADOC Acquisition Company, A Medical Group, Inc.
- Arizona Health Advantage
- Bakersfield Family Medical Group, Inc.
- Coastal Communities Physician Network, Inc.
- Desert Medical Group, Inc. dba Desert Oasis Health Care
- Family Hospice Care, LLC
- Geniq, Inc.
- Heritage Medical Research Institute
- Heritage New York Medical, P.C.
- Heritage Provider Network, Inc.
- Kaya Hospice Inc
- Lakeside Medical Organization, A Medical Group, Inc.
- Physicians’ Plaza Corporation
- Premier Behavioral Health Center, Inc.
- Quality Care Surgery Center, LLC
- Regal Medical Group
- Sun Eun Enterprises, Inc.
- VVIPA Medical Group, Inc.

Contributions

Each year, participants may contribute up to 100 percent of their pretax annual compensation, subject to Internal Revenue Code dollar limits, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make additional catch-up contributions. Participants may also contribute (rollover) amounts representing pre-tax distributions from other qualified defined benefit or defined contribution plans. All contributions to the plan, including any matching funds by the Companies, are invested at the direction of the participants. The Companies’ matching contribution is 25 percent of the participant’s pretax contributions, up to 1 percent of the participant’s eligible compensation. A participant who defers 4 or more percent shall receive the greater of 1 percent of eligible compensation or \$360. Highly compensated employees are not eligible for the matching contributions. Matching contributions shall be made only to participants who have completed 1,000 hours of service and employed on the last day of the plan year.

Participant Accounts

Each participant directed account is credited or charged with his or her contributions and allocations of the Companies’ contributions, investment earnings or losses and trustee quarterly account and special transaction charges. Allocations are based on participant earnings, account balances, or account activity. The benefit to which a participant is entitled is the benefit that can be provided from their vested account.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

1. DESCRIPTION OF THE PLAN (continued)

The CARES Act

On March 27, 2020, the President signed the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") into law. The CARES Act included provisions for eligible defined contribution plans, including availability of qualified coronavirus-related distributions, delay of repayments for existing plan loans, and other relief provisions. These CARES Act provisions were optional and employers were permitted to choose whether, and to what extent, to provide the coronavirus-related distribution and/or loan provisions of the CARES Act. The Plan provided access to the new CARES Act distribution and loan deferral options to participants as soon as administratively feasible, in accordance with Internal Revenue Services ("IRS") guidance and other applicable requirements.

Vesting

Participants are vested immediately in their contributions adjusted by investment earnings or losses thereon. The Companies' contributions are vested based on years of credited service. There is a graded vesting schedule whereby a participant is 100 percent vested after six years of credited service (20% per year from the completion of two years of service). Upon retirement age, death, disablement or termination of the Plan by the Companies, a participant becomes fully vested.

Investment Options

Participants direct the investment of all contributions into various investment options offered by the Plan. The participants may change their investment option at any time.

Withdrawals

The Internal Revenue Service (IRS) places certain restrictions on withdrawals in order to retain the special tax-saving benefits associated with the Plan. The Plan allows withdrawals at retirement, disability, and separation of service or upon death, as defined by the Plan. Other withdrawals are available only in cases of immediate and heavy financial hardship subject to IRS regulations.

Payments of Benefits

On termination of service due to death, permanent disability or 59 ½ retirement age, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments, or partial payments. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. The Plan also allows in-service hardship withdrawals before retirement age for qualifying circumstances, subject to the limitations of ERISA.

Forfeitures

Forfeitures are based on the nonvested portion of the Companies' contribution upon employee termination. Forfeited amounts are being used to reduce employer contributions or to offset Plan expenses. Forfeitures were used to reduce employer contributions by \$52,639 and Plan expenses by \$21,982 in 2021. The balance of unallocated forfeitures available to offset future Plan expenses and employer contributions amounted to \$109,161 and \$70,924 at December 31, 2021 and 2020, respectively.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, income is recognized when earned, and expenses are recorded when incurred.

Notes Receivable from Participants

Loan receivables from participants are reported at their unpaid principal balances plus any accrued but unpaid interest. Delinquent loan receivables from participants are reclassified as distributions based upon the terms of the plan agreement.

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (See Note 5)

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 includes the plan's gains and losses on investments bought and sold as well as held at the end of the year.

The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net appreciation in the fair value of its investments, which consists of the realized and unrealized gains on those investments.

Administrative Expenses

Investment transaction expenses are offset against the related investment income. Other administrative and non-investment expenses of the Plan are either paid by the Plan Sponsor, which is a party-in-interest, or through the Plan expense account. Expenses paid by the Plan Sponsor, which are not reflected in the accompanying financial statements, constitute exempt party-in-interest transactions under ERISA. Expenses paid through the Plan expense account are included in Administrative expenses in the Statement of Changes in Net Assets Available for Benefits.

The Companies elected to pay almost all administrative expenses including general trustee costs. Participants were charged only with trustee quarterly account and special transaction charges.

Payments of Benefits

Benefit payments to participants are recorded when paid. At December 31, 2021 and 2020, there were no unpaid benefits.

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 reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

3. INFORMATION PREPARED AND CERTIFIED BY THE TRUSTEE (UNAUDITED)

Fidelity Trust Management Company ("Fidelity"), the Trustee, has certified that the following information included in the financial statements as of December 31, 2021 and 2020, respectively, is complete and accurate:

- a. Investments as included on the Statements of Net Assets Available for Benefits.

Fidelity has certified that the following information included in the financial statements for the year ended December 31, 2021 is complete and accurate:

- a. All information pertaining to investment income and investment expenses on the Statement of Changes in Net Assets Available for Benefits.

4. INVESTMENTS

During the year ended December 31, 2021, the Plan's investments and Common/collective trusts (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$ 18,105,707.

The Plan earned interest of \$126 and dividends of \$4,830,506 for the year ended December 31, 2021.

5. FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying Statement of Net Assets Available for Benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan 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.

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC), *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under FASB ASC, *Fair Value Measurements* are described as follows:

- 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 are observable other than level 1 prices, such as quoted prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 -** Inputs to the valuation measurement are unobservable, supported by the little or no market data, and are significant to the fair value of the assets and liabilities.

The asset 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.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

5. FAIR VALUE MEASUREMENTS (continued)

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

Money market fund and mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

Common / collective trusts: A stable value fund that is composed primarily of fully benefit- responsive investment contracts that are valued at the NAV, an estimate of fair value. The unit value is calculated by dividing the fund's value on the valuation date by the number of units outstanding. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported net asset value. Participant transactions (purchases and sales) may occur daily.

Self-directed brokerage account: Accounts primarily consist of mutual funds and common stocks.

Common stocks: These investments are publicly traded, and their fair values are based on the closing price reported on an active market where the individual securities are traded. These investments are generally classified within level 1 of the valuation hierarchy.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuations 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.

Fair value of assets measured on a recurring basis at December 31, 2021:

	2021			
	Level 1	Level 2	Level 3	Total
Interest bearing cash	\$ 1,459,295	\$ -	\$ -	\$ 1,459,295
Self directed				
brokerage account	3,008,886	3,611,094	-	6,619,980
Mutual funds	-	180,076,533	-	180,076,533
	<u>\$ 4,468,181</u>	<u>\$ 183,687,627</u>	<u>\$ -</u>	188,155,808
Common/collective trusts (1)				<u>11,009,129</u>
				<u>\$ 199,164,937</u>

(1) The fair value of each common collective trust fund has been estimated using the net asset value of the investment as a practical expedient.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

5. FAIR VALUE MEASUREMENTS (continued)

Fair value of assets measured on a recurring basis at December 31, 2020:

	2020			
	Level 1	Level 2	Level 3	Total
Interest bearing cash	\$ 859,944	\$ -	\$ -	\$ 859,944
Self directed				
brokerage account	2,168,831	3,047,218	-	5,216,049
Mutual funds	-	157,172,043	-	157,172,043
	<u>\$ 3,028,775</u>	<u>\$ 160,219,261</u>	<u>\$ -</u>	163,248,036
Common/collective trusts (1)				<u>10,189,364</u>
				<u>\$ 173,437,400</u>

(1) The fair value of each common collective trust fund has been estimated using the net asset value of the investment as a practical expedient.

As of December 31, 2021 and 2020, the plan had no assets measured at fair value on a non-recurring basis and no liabilities measured at fair value on a recurring or non-recurring basis.

6. NOTES RECEIVABLE FROM PARTICIPANTS

Loans to participants are permitted up to the lesser of one-half from a participant's vested interest (not including earnings on salary deferred contributions) or \$50,000. Only 1 loan per participant can be outstanding at any time. The notes receivable are secured by the vested balance in the participant's account and bear interest at a rate commensurate with the prevailing rate charged by commercial lenders. This is determined by the plan administrator for loans of similar duration, repayment terms and security (typically the banking industry's prime rate). Generally, borrowers repay principal and interest over five years or less. If the note receivable is for the purchase of a principal residence, the administrator may permit a longer payment term. Principal and interest are paid ratably through recurring payroll deductions. Currently, the interest rate is 4.25%.

7. PLAN TERMINATION

Although it has not expressed any intent to do so, the Companies have 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 will become 100 percent vested in their employer contributions.

8. PLAN AMENDMENT

There were no significant amendments to the Plan during 2021.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

9. PARTY-IN-INTEREST TRANSACTIONS

A party-in-interest is defined under Department of Labor regulations as any fiduciary (including, but not limited to, any administrator, officer, trustee or custodian), counsel or employee of the Plan, any party rendering services to the Plan, the employer and certain others. The independent auditor of the plan's financial statements is a service provider to the plan and a party-in-interest. Certain plan investments are managed by Fidelity Management Trust Company or affiliates thereof. Fidelity Management Trust Company is the Trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Notes receivable from participants also reflect party-in-interest transactions. Certain administrative functions are performed by officers or employees of the Plan Sponsor. No such officer or employee received compensation from the Plan.

10. TAX STATUS

FMR LLC received its latest Opinion Letter for Non-Standardized Pre-Approved Profit Sharing Plan with CODA and related adoption agreements on June 30, 2020, 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 opinion letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Department of Labor. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

As of December 31, 2021, the Plan had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

11. 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.

In March 2020, the World Health Organization declared Coronavirus COVID-19, a global pandemic. This contagious disease outbreak and any related adverse public health developments may adversely affect workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Plan to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Plan's business or results of operations at this time.

12. CONCENTRATION OF MARKET AND CREDIT RISK

The Plan's exposure to credit loss in the event of nonperformance of investments is limited to the carrying value of such instruments. The Plan's concentration of credit risk and market risk is dictated by the Plan's provisions as well as those of ERISA and the participants' investment preferences.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

13. PROHIBITED TRANSACTIONS

During 2013, 2015, 2017, and 2020, the plan sponsor became aware that they inadvertently failed to deposit \$304,987, \$342,547, \$73,591, and \$430, representing contributions, respectively, within the required time frame as stated by ERISA. These deferrals and loan repayments were deposited beyond the earliest expected date on which the assets could be segregated from the employer's assets. The Department of Labor (DOL) considers late deposits to be prohibited transactions. The plan sponsor is required to file Form 5330 and the pay the excise tax relating to the prohibited transactions from the plan sponsor's assets and not from the assets of the Plan, in addition to calculating the lost earnings on these deferrals. The 2013, 2015, 2017, and 2020 contributions currently have not been corrected by the Plan.

14. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

	December 31,	
	2021	2020
Net assets available for benefits per form 5500	\$201,814,613	\$175,595,995
Excess contributions not recorded on Form 5500	(318,176)	(459,781)
Net assets available for benefits per financial statements	<u>\$201,496,437</u>	<u>\$175,136,214</u>
		Year Ended December 31, 2021
Net increase in net assets available for benefits per Form 5500		\$ 26,218,618
2020 excess contributions recorded on Form 5500		459,781
2021 excess contributions not recorded on Form 5500		<u>(318,176)</u>
Net increase in net assets available for benefits per financial statements		<u>\$ 26,360,223</u>

15. SUBSEQUENT EVENTS

The Plan committee has evaluated subsequent events through December 20, 2022, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
SCHEDULE H LINE 4(a) - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
December 31, 2021

Attachment to Schedule H, Line 4(a)
Schedule of Delinquent Participant Contributions

Plan Name: *Heritage Medical Group Retirement Savings 401(k) Plan*
EIN: *95-3930862*
Plan Number: *002*

Participant Contributions Transferred Late to Plan	Total that Constitutes Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002- 51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	

Year End Date:

December 31, 2013

Participant deferrals	\$ 304,987	\$ -	\$ -	\$ -
Participant loan repayments	-	-	-	-
	\$ 304,987	\$ -	\$ -	\$ -

December 31, 2015

Participant deferrals	\$ 342,547	\$ -	\$ -	\$ -
Participant loan repayments	-	-	-	-
	\$ 342,547	\$ -	\$ -	\$ -

December 31, 2017

Participant deferrals	\$ 73,591	\$ -	\$ -	\$ -
Participant loan repayments	-	-	-	-
	\$ 73,591	\$ -	\$ -	\$ -

December 31, 2020

Participant deferrals	\$ 430	\$ -	\$ -	\$ -
Participant loan repayments	-	-	-	-
	\$ 430	\$ -	\$ -	\$ -
	\$ 721,555	\$ -	\$ -	\$ -

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2021

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

Plan Name: *Heritage Medical Group Retirement Savings 401(k) Plan*
EIN: *95-3930862*
Plan Number: *002*

(a)	(b) Identity of issue, borrower or similar party	(c) Description of Investment	(e) Current value
*	AM CENT MD CP VAL R6	Mutual Fund	\$ 480,607
*	BLKRK INFL PRO BD K	Mutual Fund	178,278
*	BROKERAGELINK & INTEREST BEARING CASH	Mutual Funds, Non-Interest Bearing Cash	8,079,578
*	DFA ITM GVT FXINC I	Mutual Fund	1,360,867
*	DFA US TARGET VAL I	Mutual Fund	852,922
*	FDM IDX INC PRM	Mutual Fund	1,787,711
*	FID CONTRAFUND K6	Mutual Fund	8,307,138
*	FID FDM IDX 2005 PRM	Mutual Fund	25,957
*	FID FDM IDX 2010 PRM	Mutual Fund	13,648
*	FID FDM IDX 2015 PRM	Mutual Fund	5,257,624
*	FID FDM IDX 2020 PRM	Mutual Fund	15,474,579
*	FID FDM IDX 2025 PRM	Mutual Fund	20,969,609
*	FID FDM IDX 2030 PRM	Mutual Fund	30,457,054
*	FID FDM IDX 2035 PRM	Mutual Fund	19,237,106
*	FID FDM IDX 2040 PRM	Mutual Fund	15,209,575
*	FID FDM IDX 2045 PRM	Mutual Fund	10,636,534
*	FID FDM IDX 2050 PRM	Mutual Fund	10,848,707
*	FID FDM IDX 2055 PRM	Mutual Fund	5,622,246
*	FID FDM IDX 2060 PRM	Mutual Fund	1,141,837
*	FID FDM IDX 2065 PRM	Mutual Fund	233,699
*	HTFD INTL OPPS R6	Mutual Fund	843,135
*	J H TRITON N	Mutual Fund	2,039,135
*	METWEST TOT RTN BD P	Mutual Fund	1,550,895
*	MFS MID CAP GROWTH 2	Common/Collective Trust	2,863,140
*	PUTN LG CP VAL TR IA	Common/Collective Trust	1,517,824
*	PUTNAM STABLE VALUE	Common/Collective Trust	6,628,165
*	TRP HEALTH SCI I	Mutual Fund	5,752,199
*	VAN REAL EST IDX ADM	Mutual Fund	770,095
*	VANG MIDCAP IDX ADM	Mutual Fund	2,600,348
*	VANG SM CAP IDX ADM	Mutual Fund	1,930,601
*	VANG TOT BD MKT ADM	Mutual Fund	1,948,922
*	VANG TOT INTL STK AD	Mutual Fund	2,291,967
*	VANGUARD INST INDEX	Mutual Fund	12,253,538
			199,165,240
*	Notes receivable from participants	Interest rate - 4.25%	1,929,935
			<u>\$ 201,095,175</u>

* *Party-in-interest*

**HERITAGE MEDICAL GROUP
RETIREMENT SAVINGS 401(k) PLAN**

Financial Statements

December 31, 2021 and 2020

(With Independent Auditors' Report Thereon)

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* All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

INDEPENDENT AUDITORS' REPORT

Plan Administrator
Heritage Medical Group Retirement Savings 401(k) Plan
Lancaster, California

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

We have performed an audit of the accompanying financial statements of Heritage Medical Group Retirement Savings 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). 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 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 a certification from Fidelity Management Trust Company, a qualified institution as of and for the year ended December 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 Auditors' 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 Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of Heritage Medical Group Retirement Savings 401(k) Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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,

INDEPENDENT AUDITORS' REPORT **(continued)**

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 Heritage Medical Group Retirement Savings 401(k) Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditors' Responsibilities for the Audit of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Heritage Medical Group Retirement Savings 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 Heritage Medical Group Retirement Savings 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

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

INDEPENDENT AUDITORS' REPORT
(continued)

Other Matters

2021 Supplemental Schedules Required by ERISA

The supplemental schedules, Schedule H, Line 4(a) – Schedule of Delinquent Participant Contributions and Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) as of December 31, 2021 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 generally accepted auditing standards. 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, is 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 schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditors' Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of Heritage Medical Group Retirement Savings 401(k) 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 12, 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.

HRG, LLP

Pasadena, California
December 20, 2022

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Investments at fair value		
Interest bearing cash	\$ 1,459,295	\$ 859,944
Self directed brokerage account	6,619,983	5,216,049
Mutual funds	180,076,533	157,172,043
Common/collective trusts	11,009,129	10,189,364
	<u>199,164,940</u>	<u>173,437,400</u>
Total investments at fair value		
Receivables		
Notes receivable from participants	1,929,935	1,434,049
Employer contribution	719,441	724,546
	<u>2,649,376</u>	<u>2,158,595</u>
Total receivables		
Non interest bearing cash	<u>300</u>	<u>-</u>
Total assets	<u>201,814,616</u>	<u>175,595,995</u>
Liabilities		
Other liabilities	3	-
Excess contributions payable	318,176	459,781
	<u>318,179</u>	<u>459,781</u>
Total liabilities		
Net assets available for benefits	<u><u>\$ 201,496,437</u></u>	<u><u>\$ 175,136,214</u></u>

The accompanying notes are an integral part of these statements.

**HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED 31, 2021**

Additions to net assets attributed to

Investment income	
Dividend income	\$ 4,830,506
Net appreciation in fair value of common/collective trusts	790,534
Net appreciation in fair value of investments	<u>17,315,173</u>
Total investment income	<u>22,936,213</u>
Interest on interest bearing cash	<u>126</u>
Interest on notes receivable from participants	<u>75,681</u>
Contributions	
Employer	721,802
Participants	16,683,135
Rollover	<u>1,587,171</u>
Total contributions	<u>18,992,108</u>
Total additions	<u>42,004,128</u>

Deductions from net assets attributed to

Benefits paid to participants	14,768,038
Corrective distributions	389,900
Deemed Distributions	38,995
Administrative expenses	<u>446,972</u>
Total deductions	<u>15,643,905</u>
Net increase	26,360,223
Net assets available for benefits - beginning of year	<u>175,136,214</u>
Net assets available for benefits - end of year	<u><u>\$ 201,496,437</u></u>

The accompanying notes are an integral part of this statement.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. DESCRIPTION OF THE PLAN

The following description of the Heritage Medical Group (the “Employer” or “Plan Sponsor”) Retirement Savings 401(k) Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more comprehensive description of the Plan’s provisions.

General

The Plan’s Sponsor is a controlled group of corporations (the “Companies”) with a defined contribution plan covering all full-time employees who have been employed as of the entrance date. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

The Plan’s controlled group consists of the following Companies:

- ADOC Acquisition Company, A Medical Group, Inc.
- Arizona Health Advantage
- Bakersfield Family Medical Group, Inc.
- Coastal Communities Physician Network, Inc.
- Desert Medical Group, Inc. dba Desert Oasis Health Care
- Family Hospice Care, LLC
- Geniq, Inc.
- Heritage Medical Research Institute
- Heritage New York Medical, P.C.
- Heritage Provider Network, Inc.
- Kaya Hospice Inc
- Lakeside Medical Organization, A Medical Group, Inc.
- Physicians’ Plaza Corporation
- Premier Behavioral Health Center, Inc.
- Quality Care Surgery Center, LLC
- Regal Medical Group
- Sun Eun Enterprises, Inc.
- VVIPA Medical Group, Inc.

Contributions

Each year, participants may contribute up to 100 percent of their pretax annual compensation, subject to Internal Revenue Code dollar limits, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make additional catch-up contributions. Participants may also contribute (rollover) amounts representing pre-tax distributions from other qualified defined benefit or defined contribution plans. All contributions to the plan, including any matching funds by the Companies, are invested at the direction of the participants. The Companies’ matching contribution is 25 percent of the participant’s pretax contributions, up to 1 percent of the participant’s eligible compensation. A participant who defers 4 or more percent shall receive the greater of 1 percent of eligible compensation or \$360. Highly compensated employees are not eligible for the matching contributions. Matching contributions shall be made only to participants who have completed 1,000 hours of service and employed on the last day of the plan year.

Participant Accounts

Each participant directed account is credited or charged with his or her contributions and allocations of the Companies’ contributions, investment earnings or losses and trustee quarterly account and special transaction charges. Allocations are based on participant earnings, account balances, or account activity. The benefit to which a participant is entitled is the benefit that can be provided from their vested account.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

1. DESCRIPTION OF THE PLAN (continued)

The CARES Act

On March 27, 2020, the President signed the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") into law. The CARES Act included provisions for eligible defined contribution plans, including availability of qualified coronavirus-related distributions, delay of repayments for existing plan loans, and other relief provisions. These CARES Act provisions were optional and employers were permitted to choose whether, and to what extent, to provide the coronavirus-related distribution and/or loan provisions of the CARES Act. The Plan provided access to the new CARES Act distribution and loan deferral options to participants as soon as administratively feasible, in accordance with Internal Revenue Services ("IRS") guidance and other applicable requirements.

Vesting

Participants are vested immediately in their contributions adjusted by investment earnings or losses thereon. The Companies' contributions are vested based on years of credited service. There is a graded vesting schedule whereby a participant is 100 percent vested after six years of credited service (20% per year from the completion of two years of service). Upon retirement age, death, disablement or termination of the Plan by the Companies, a participant becomes fully vested.

Investment Options

Participants direct the investment of all contributions into various investment options offered by the Plan. The participants may change their investment option at any time.

Withdrawals

The Internal Revenue Service (IRS) places certain restrictions on withdrawals in order to retain the special tax-saving benefits associated with the Plan. The Plan allows withdrawals at retirement, disability, and separation of service or upon death, as defined by the Plan. Other withdrawals are available only in cases of immediate and heavy financial hardship subject to IRS regulations.

Payments of Benefits

On termination of service due to death, permanent disability or 59 ½ retirement age, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments, or partial payments. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. The Plan also allows in-service hardship withdrawals before retirement age for qualifying circumstances, subject to the limitations of ERISA.

Forfeitures

Forfeitures are based on the nonvested portion of the Companies' contribution upon employee termination. Forfeited amounts are being used to reduce employer contributions or to offset Plan expenses. Forfeitures were used to reduce employer contributions by \$52,639 and Plan expenses by \$21,982 in 2021. The balance of unallocated forfeitures available to offset future Plan expenses and employer contributions amounted to \$109,161 and \$70,924 at December 31, 2021 and 2020, respectively.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, income is recognized when earned, and expenses are recorded when incurred.

Notes Receivable from Participants

Loan receivables from participants are reported at their unpaid principal balances plus any accrued but unpaid interest. Delinquent loan receivables from participants are reclassified as distributions based upon the terms of the plan agreement.

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (See Note 5)

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 includes the plan's gains and losses on investments bought and sold as well as held at the end of the year.

The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net appreciation in the fair value of its investments, which consists of the realized and unrealized gains on those investments.

Administrative Expenses

Investment transaction expenses are offset against the related investment income. Other administrative and non-investment expenses of the Plan are either paid by the Plan Sponsor, which is a party-in-interest, or through the Plan expense account. Expenses paid by the Plan Sponsor, which are not reflected in the accompanying financial statements, constitute exempt party-in-interest transactions under ERISA. Expenses paid through the Plan expense account are included in Administrative expenses in the Statement of Changes in Net Assets Available for Benefits.

The Companies elected to pay almost all administrative expenses including general trustee costs. Participants were charged only with trustee quarterly account and special transaction charges.

Payments of Benefits

Benefit payments to participants are recorded when paid. At December 31, 2021 and 2020, there were no unpaid benefits.

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 reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

3. INFORMATION PREPARED AND CERTIFIED BY THE TRUSTEE (UNAUDITED)

Fidelity Trust Management Company ("Fidelity"), the Trustee, has certified that the following information included in the financial statements as of December 31, 2021 and 2020, respectively, is complete and accurate:

- a. Investments as included on the Statements of Net Assets Available for Benefits.

Fidelity has certified that the following information included in the financial statements for the year ended December 31, 2021 is complete and accurate:

- a. All information pertaining to investment income and investment expenses on the Statement of Changes in Net Assets Available for Benefits.

4. INVESTMENTS

During the year ended December 31, 2021, the Plan's investments and Common/collective trusts (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$ 18,105,707.

The Plan earned interest of \$126 and dividends of \$4,830,506 for the year ended December 31, 2021.

5. FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying Statement of Net Assets Available for Benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan 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.

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC), *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under FASB ASC, *Fair Value Measurements* are described as follows:

- 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 are observable other than level 1 prices, such as quoted prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 -** Inputs to the valuation measurement are unobservable, supported by the little or no market data, and are significant to the fair value of the assets and liabilities.

The asset 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.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

5. FAIR VALUE MEASUREMENTS (continued)

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

Money market fund and mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

Common / collective trusts: A stable value fund that is composed primarily of fully benefit- responsive investment contracts that are valued at the NAV, an estimate of fair value. The unit value is calculated by dividing the fund's value on the valuation date by the number of units outstanding. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported net asset value. Participant transactions (purchases and sales) may occur daily.

Self-directed brokerage account: Accounts primarily consist of mutual funds and common stocks.

Common stocks: These investments are publicly traded, and their fair values are based on the closing price reported on an active market where the individual securities are traded. These investments are generally classified within level 1 of the valuation hierarchy.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuations 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.

Fair value of assets measured on a recurring basis at December 31, 2021:

	2021			
	Level 1	Level 2	Level 3	Total
Interest bearing cash	\$ 1,459,295	\$ -	\$ -	\$ 1,459,295
Self directed				
brokerage account	3,008,886	3,611,094	-	6,619,980
Mutual funds	-	180,076,533	-	180,076,533
	<u>\$ 4,468,181</u>	<u>\$ 183,687,627</u>	<u>\$ -</u>	188,155,808
Common/collective trusts (1)				<u>11,009,129</u>
				<u>\$ 199,164,937</u>

(1) The fair value of each common collective trust fund has been estimated using the net asset value of the investment as a practical expedient.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

5. FAIR VALUE MEASUREMENTS (continued)

Fair value of assets measured on a recurring basis at December 31, 2020:

	2020			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest bearing cash	\$ 859,944	\$ -	\$ -	\$ 859,944
Self directed				
brokerage account	2,168,831	3,047,218	-	5,216,049
Mutual funds	-	157,172,043	-	157,172,043
	<u>\$ 3,028,775</u>	<u>\$ 160,219,261</u>	<u>\$ -</u>	163,248,036
Common/collective trusts (1)				<u>10,189,364</u>
				<u>\$ 173,437,400</u>

(1) The fair value of each common collective trust fund has been estimated using the net asset value of the investment as a practical expedient.

As of December 31, 2021 and 2020, the plan had no assets measured at fair value on a non-recurring basis and no liabilities measured at fair value on a recurring or non-recurring basis.

6. NOTES RECEIVABLE FROM PARTICIPANTS

Loans to participants are permitted up to the lesser of one-half from a participant's vested interest (not including earnings on salary deferred contributions) or \$50,000. Only 1 loan per participant can be outstanding at any time. The notes receivable are secured by the vested balance in the participant's account and bear interest at a rate commensurate with the prevailing rate charged by commercial lenders. This is determined by the plan administrator for loans of similar duration, repayment terms and security (typically the banking industry's prime rate). Generally, borrowers repay principal and interest over five years or less. If the note receivable is for the purchase of a principal residence, the administrator may permit a longer payment term. Principal and interest are paid ratably through recurring payroll deductions. Currently, the interest rate is 4.25%.

7. PLAN TERMINATION

Although it has not expressed any intent to do so, the Companies have 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 will become 100 percent vested in their employer contributions.

8. PLAN AMENDMENT

There were no significant amendments to the Plan during 2021.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

9. PARTY-IN-INTEREST TRANSACTIONS

A party-in-interest is defined under Department of Labor regulations as any fiduciary (including, but not limited to, any administrator, officer, trustee or custodian), counsel or employee of the Plan, any party rendering services to the Plan, the employer and certain others. The independent auditor of the plan's financial statements is a service provider to the plan and a party-in-interest. Certain plan investments are managed by Fidelity Management Trust Company or affiliates thereof. Fidelity Management Trust Company is the Trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Notes receivable from participants also reflect party-in-interest transactions. Certain administrative functions are performed by officers or employees of the Plan Sponsor. No such officer or employee received compensation from the Plan.

10. TAX STATUS

FMR LLC received its latest Opinion Letter for Non-Standardized Pre-Approved Profit Sharing Plan with CODA and related adoption agreements on June 30, 2020, 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 opinion letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Department of Labor. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

As of December 31, 2021, the Plan had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

11. 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.

In March 2020, the World Health Organization declared Coronavirus COVID-19, a global pandemic. This contagious disease outbreak and any related adverse public health developments may adversely affect workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Plan to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Plan's business or results of operations at this time.

12. CONCENTRATION OF MARKET AND CREDIT RISK

The Plan's exposure to credit loss in the event of nonperformance of investments is limited to the carrying value of such instruments. The Plan's concentration of credit risk and market risk is dictated by the Plan's provisions as well as those of ERISA and the participants' investment preferences.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

13. PROHIBITED TRANSACTIONS

During 2013, 2015, 2017, and 2020, the plan sponsor became aware that they inadvertently failed to deposit \$304,987, \$342,547, \$73,591, and \$430, representing contributions, respectively, within the required time frame as stated by ERISA. These deferrals and loan repayments were deposited beyond the earliest expected date on which the assets could be segregated from the employer's assets. The Department of Labor (DOL) considers late deposits to be prohibited transactions. The plan sponsor is required to file Form 5330 and the pay the excise tax relating to the prohibited transactions from the plan sponsor's assets and not from the assets of the Plan, in addition to calculating the lost earnings on these deferrals. The 2013, 2015, 2017, and 2020 contributions currently have not been corrected by the Plan.

14. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

	December 31,	
	2021	2020
Net assets available for benefits per form 5500	\$201,814,613	\$175,595,995
Excess contributions not recorded on Form 5500	(318,176)	(459,781)
Net assets available for benefits per financial statements	<u>\$201,496,437</u>	<u>\$175,136,214</u>
		Year Ended December 31, 2021
Net increase in net assets available for benefits per Form 5500		\$ 26,218,618
2020 excess contributions recorded on Form 5500		459,781
2021 excess contributions not recorded on Form 5500		<u>(318,176)</u>
Net increase in net assets available for benefits per financial statements		<u>\$ 26,360,223</u>

15. SUBSEQUENT EVENTS

The Plan committee has evaluated subsequent events through December 20, 2022, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
SCHEDULE H LINE 4(a) - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
December 31, 2021

Attachment to Schedule H, Line 4(a)
Schedule of Delinquent Participant Contributions

Plan Name: *Heritage Medical Group Retirement Savings 401(k) Plan*
EIN: *95-3930862*
Plan Number: *002*

Participant Contributions Transferred Late to Plan	Total that Constitutes Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002- 51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	

Year End Date:

December 31, 2013

Participant deferrals	\$ 304,987	\$ -	\$ -	\$ -
Participant loan repayments	-	-	-	-
	\$ 304,987	\$ -	\$ -	\$ -

December 31, 2015

Participant deferrals	\$ 342,547	\$ -	\$ -	\$ -
Participant loan repayments	-	-	-	-
	\$ 342,547	\$ -	\$ -	\$ -

December 31, 2017

Participant deferrals	\$ 73,591	\$ -	\$ -	\$ -
Participant loan repayments	-	-	-	-
	\$ 73,591	\$ -	\$ -	\$ -

December 31, 2020

Participant deferrals	\$ 430	\$ -	\$ -	\$ -
Participant loan repayments	-	-	-	-
	\$ 430	\$ -	\$ -	\$ -
	\$ 721,555	\$ -	\$ -	\$ -

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2021

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

Plan Name: *Heritage Medical Group Retirement Savings 401(k) Plan*
EIN: *95-3930862*
Plan Number: *002*

(a)	(b) Identity of issue, borrower or similar party	(c) Description of Investment	(e) Current value
*	AM CENT MD CP VAL R6	Mutual Fund	\$ 480,607
*	BLKRK INFL PRO BD K	Mutual Fund	178,278
*	BROKERAGELINK & INTEREST BEARING CASH	Mutual Funds, Non-Interest Bearing Cash	8,079,578
*	DFA ITM GVT FXINC I	Mutual Fund	1,360,867
*	DFA US TARGET VAL I	Mutual Fund	852,922
*	FDM IDX INC PRM	Mutual Fund	1,787,711
*	FID CONTRAFUND K6	Mutual Fund	8,307,138
*	FID FDM IDX 2005 PRM	Mutual Fund	25,957
*	FID FDM IDX 2010 PRM	Mutual Fund	13,648
*	FID FDM IDX 2015 PRM	Mutual Fund	5,257,624
*	FID FDM IDX 2020 PRM	Mutual Fund	15,474,579
*	FID FDM IDX 2025 PRM	Mutual Fund	20,969,609
*	FID FDM IDX 2030 PRM	Mutual Fund	30,457,054
*	FID FDM IDX 2035 PRM	Mutual Fund	19,237,106
*	FID FDM IDX 2040 PRM	Mutual Fund	15,209,575
*	FID FDM IDX 2045 PRM	Mutual Fund	10,636,534
*	FID FDM IDX 2050 PRM	Mutual Fund	10,848,707
*	FID FDM IDX 2055 PRM	Mutual Fund	5,622,246
*	FID FDM IDX 2060 PRM	Mutual Fund	1,141,837
*	FID FDM IDX 2065 PRM	Mutual Fund	233,699
*	HTFD INTL OPPS R6	Mutual Fund	843,135
*	J H TRITON N	Mutual Fund	2,039,135
*	METWEST TOT RTN BD P	Mutual Fund	1,550,895
*	MFS MID CAP GROWTH 2	Common/Collective Trust	2,863,140
*	PUTN LG CP VAL TR IA	Common/Collective Trust	1,517,824
*	PUTNAM STABLE VALUE	Common/Collective Trust	6,628,165
*	TRP HEALTH SCI I	Mutual Fund	5,752,199
*	VAN REAL EST IDX ADM	Mutual Fund	770,095
*	VANG MIDCAP IDX ADM	Mutual Fund	2,600,348
*	VANG SM CAP IDX ADM	Mutual Fund	1,930,601
*	VANG TOT BD MKT ADM	Mutual Fund	1,948,922
*	VANG TOT INTL STK AD	Mutual Fund	2,291,967
*	VANGUARD INST INDEX	Mutual Fund	12,253,538
			199,165,240
*	Notes receivable from participants	Interest rate - 4.25%	1,929,935
			<u>\$ 201,095,175</u>

* *Party-in-interest*

**HERITAGE MEDICAL GROUP
RETIREMENT SAVINGS 401(k) PLAN**

Financial Statements

December 31, 2021 and 2020

(With Independent Auditors' Report Thereon)

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* All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

INDEPENDENT AUDITORS' REPORT

Plan Administrator
Heritage Medical Group Retirement Savings 401(k) Plan
Lancaster, California

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

We have performed an audit of the accompanying financial statements of Heritage Medical Group Retirement Savings 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). 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 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 a certification from Fidelity Management Trust Company, a qualified institution as of and for the year ended December 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 Auditors' 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 Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of Heritage Medical Group Retirement Savings 401(k) Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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,

INDEPENDENT AUDITORS' REPORT **(continued)**

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 Heritage Medical Group Retirement Savings 401(k) Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Auditors' Responsibilities for the Audit of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Heritage Medical Group Retirement Savings 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 Heritage Medical Group Retirement Savings 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

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

INDEPENDENT AUDITORS' REPORT
(continued)

Other Matters

2021 Supplemental Schedules Required by ERISA

The supplemental schedules, Schedule H, Line 4(a) – Schedule of Delinquent Participant Contributions and Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) as of December 31, 2021 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 generally accepted auditing standards. 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, is 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 schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditors' Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of Heritage Medical Group Retirement Savings 401(k) 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 12, 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.

HRG, LLP

Pasadena, California
December 20, 2022

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Investments at fair value		
Interest bearing cash	\$ 1,459,295	\$ 859,944
Self directed brokerage account	6,619,983	5,216,049
Mutual funds	180,076,533	157,172,043
Common/collective trusts	11,009,129	10,189,364
	<u>199,164,940</u>	<u>173,437,400</u>
Total investments at fair value		
Receivables		
Notes receivable from participants	1,929,935	1,434,049
Employer contribution	719,441	724,546
	<u>2,649,376</u>	<u>2,158,595</u>
Total receivables		
Non interest bearing cash	<u>300</u>	<u>-</u>
Total assets	<u>201,814,616</u>	<u>175,595,995</u>
Liabilities		
Other liabilities	3	-
Excess contributions payable	318,176	459,781
	<u>318,179</u>	<u>459,781</u>
Total liabilities		
Net assets available for benefits	<u><u>\$ 201,496,437</u></u>	<u><u>\$ 175,136,214</u></u>

The accompanying notes are an integral part of these statements.

**HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED 31, 2021**

Additions to net assets attributed to

Investment income	
Dividend income	\$ 4,830,506
Net appreciation in fair value of common/collective trusts	790,534
Net appreciation in fair value of investments	<u>17,315,173</u>
Total investment income	<u>22,936,213</u>
Interest on interest bearing cash	<u>126</u>
Interest on notes receivable from participants	<u>75,681</u>
Contributions	
Employer	721,802
Participants	16,683,135
Rollover	<u>1,587,171</u>
Total contributions	<u>18,992,108</u>
Total additions	<u>42,004,128</u>

Deductions from net assets attributed to

Benefits paid to participants	14,768,038
Corrective distributions	389,900
Deemed Distributions	38,995
Administrative expenses	<u>446,972</u>
Total deductions	<u>15,643,905</u>
Net increase	26,360,223
Net assets available for benefits - beginning of year	<u>175,136,214</u>
Net assets available for benefits - end of year	<u><u>\$ 201,496,437</u></u>

The accompanying notes are an integral part of this statement.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. DESCRIPTION OF THE PLAN

The following description of the Heritage Medical Group (the “Employer” or “Plan Sponsor”) Retirement Savings 401(k) Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more comprehensive description of the Plan’s provisions.

General

The Plan’s Sponsor is a controlled group of corporations (the “Companies”) with a defined contribution plan covering all full-time employees who have been employed as of the entrance date. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

The Plan’s controlled group consists of the following Companies:

- ADOC Acquisition Company, A Medical Group, Inc.
- Arizona Health Advantage
- Bakersfield Family Medical Group, Inc.
- Coastal Communities Physician Network, Inc.
- Desert Medical Group, Inc. dba Desert Oasis Health Care
- Family Hospice Care, LLC
- Geniq, Inc.
- Heritage Medical Research Institute
- Heritage New York Medical, P.C.
- Heritage Provider Network, Inc.
- Kaya Hospice Inc
- Lakeside Medical Organization, A Medical Group, Inc.
- Physicians’ Plaza Corporation
- Premier Behavioral Health Center, Inc.
- Quality Care Surgery Center, LLC
- Regal Medical Group
- Sun Eun Enterprises, Inc.
- VVIPA Medical Group, Inc.

Contributions

Each year, participants may contribute up to 100 percent of their pretax annual compensation, subject to Internal Revenue Code dollar limits, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make additional catch-up contributions. Participants may also contribute (rollover) amounts representing pre-tax distributions from other qualified defined benefit or defined contribution plans. All contributions to the plan, including any matching funds by the Companies, are invested at the direction of the participants. The Companies’ matching contribution is 25 percent of the participant’s pretax contributions, up to 1 percent of the participant’s eligible compensation. A participant who defers 4 or more percent shall receive the greater of 1 percent of eligible compensation or \$360. Highly compensated employees are not eligible for the matching contributions. Matching contributions shall be made only to participants who have completed 1,000 hours of service and employed on the last day of the plan year.

Participant Accounts

Each participant directed account is credited or charged with his or her contributions and allocations of the Companies’ contributions, investment earnings or losses and trustee quarterly account and special transaction charges. Allocations are based on participant earnings, account balances, or account activity. The benefit to which a participant is entitled is the benefit that can be provided from their vested account.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

1. DESCRIPTION OF THE PLAN (continued)

The CARES Act

On March 27, 2020, the President signed the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") into law. The CARES Act included provisions for eligible defined contribution plans, including availability of qualified coronavirus-related distributions, delay of repayments for existing plan loans, and other relief provisions. These CARES Act provisions were optional and employers were permitted to choose whether, and to what extent, to provide the coronavirus-related distribution and/or loan provisions of the CARES Act. The Plan provided access to the new CARES Act distribution and loan deferral options to participants as soon as administratively feasible, in accordance with Internal Revenue Services ("IRS") guidance and other applicable requirements.

Vesting

Participants are vested immediately in their contributions adjusted by investment earnings or losses thereon. The Companies' contributions are vested based on years of credited service. There is a graded vesting schedule whereby a participant is 100 percent vested after six years of credited service (20% per year from the completion of two years of service). Upon retirement age, death, disablement or termination of the Plan by the Companies, a participant becomes fully vested.

Investment Options

Participants direct the investment of all contributions into various investment options offered by the Plan. The participants may change their investment option at any time.

Withdrawals

The Internal Revenue Service (IRS) places certain restrictions on withdrawals in order to retain the special tax-saving benefits associated with the Plan. The Plan allows withdrawals at retirement, disability, and separation of service or upon death, as defined by the Plan. Other withdrawals are available only in cases of immediate and heavy financial hardship subject to IRS regulations.

Payments of Benefits

On termination of service due to death, permanent disability or 59 ½ retirement age, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments, or partial payments. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. The Plan also allows in-service hardship withdrawals before retirement age for qualifying circumstances, subject to the limitations of ERISA.

Forfeitures

Forfeitures are based on the nonvested portion of the Companies' contribution upon employee termination. Forfeited amounts are being used to reduce employer contributions or to offset Plan expenses. Forfeitures were used to reduce employer contributions by \$52,639 and Plan expenses by \$21,982 in 2021. The balance of unallocated forfeitures available to offset future Plan expenses and employer contributions amounted to \$109,161 and \$70,924 at December 31, 2021 and 2020, respectively.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, income is recognized when earned, and expenses are recorded when incurred.

Notes Receivable from Participants

Loan receivables from participants are reported at their unpaid principal balances plus any accrued but unpaid interest. Delinquent loan receivables from participants are reclassified as distributions based upon the terms of the plan agreement.

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (See Note 5)

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 includes the plan's gains and losses on investments bought and sold as well as held at the end of the year.

The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net appreciation in the fair value of its investments, which consists of the realized and unrealized gains on those investments.

Administrative Expenses

Investment transaction expenses are offset against the related investment income. Other administrative and non-investment expenses of the Plan are either paid by the Plan Sponsor, which is a party-in-interest, or through the Plan expense account. Expenses paid by the Plan Sponsor, which are not reflected in the accompanying financial statements, constitute exempt party-in-interest transactions under ERISA. Expenses paid through the Plan expense account are included in Administrative expenses in the Statement of Changes in Net Assets Available for Benefits.

The Companies elected to pay almost all administrative expenses including general trustee costs. Participants were charged only with trustee quarterly account and special transaction charges.

Payments of Benefits

Benefit payments to participants are recorded when paid. At December 31, 2021 and 2020, there were no unpaid benefits.

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 reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

3. INFORMATION PREPARED AND CERTIFIED BY THE TRUSTEE (UNAUDITED)

Fidelity Trust Management Company ("Fidelity"), the Trustee, has certified that the following information included in the financial statements as of December 31, 2021 and 2020, respectively, is complete and accurate:

- a. Investments as included on the Statements of Net Assets Available for Benefits.

Fidelity has certified that the following information included in the financial statements for the year ended December 31, 2021 is complete and accurate:

- a. All information pertaining to investment income and investment expenses on the Statement of Changes in Net Assets Available for Benefits.

4. INVESTMENTS

During the year ended December 31, 2021, the Plan's investments and Common/collective trusts (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$ 18,105,707.

The Plan earned interest of \$126 and dividends of \$4,830,506 for the year ended December 31, 2021.

5. FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying Statement of Net Assets Available for Benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan 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.

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC), *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under FASB ASC, *Fair Value Measurements* are described as follows:

- 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 are observable other than level 1 prices, such as quoted prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 -** Inputs to the valuation measurement are unobservable, supported by the little or no market data, and are significant to the fair value of the assets and liabilities.

The asset 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.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

5. FAIR VALUE MEASUREMENTS (continued)

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

Money market fund and mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

Common / collective trusts: A stable value fund that is composed primarily of fully benefit- responsive investment contracts that are valued at the NAV, an estimate of fair value. The unit value is calculated by dividing the fund's value on the valuation date by the number of units outstanding. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported net asset value. Participant transactions (purchases and sales) may occur daily.

Self-directed brokerage account: Accounts primarily consist of mutual funds and common stocks.

Common stocks: These investments are publicly traded, and their fair values are based on the closing price reported on an active market where the individual securities are traded. These investments are generally classified within level 1 of the valuation hierarchy.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuations 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.

Fair value of assets measured on a recurring basis at December 31, 2021:

	2021			
	Level 1	Level 2	Level 3	Total
Interest bearing cash	\$ 1,459,295	\$ -	\$ -	\$ 1,459,295
Self directed				
brokerage account	3,008,886	3,611,094	-	6,619,980
Mutual funds	-	180,076,533	-	180,076,533
	<u>\$ 4,468,181</u>	<u>\$ 183,687,627</u>	<u>\$ -</u>	188,155,808
Common/collective trusts (1)				<u>11,009,129</u>
				<u>\$ 199,164,937</u>

(1) The fair value of each common collective trust fund has been estimated using the net asset value of the investment as a practical expedient.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

5. FAIR VALUE MEASUREMENTS (continued)

Fair value of assets measured on a recurring basis at December 31, 2020:

	2020			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest bearing cash	\$ 859,944	\$ -	\$ -	\$ 859,944
Self directed				
brokerage account	2,168,831	3,047,218	-	5,216,049
Mutual funds	-	157,172,043	-	157,172,043
	<u>\$ 3,028,775</u>	<u>\$ 160,219,261</u>	<u>\$ -</u>	163,248,036
Common/collective trusts (1)				<u>10,189,364</u>
				<u>\$ 173,437,400</u>

(1) The fair value of each common collective trust fund has been estimated using the net asset value of the investment as a practical expedient.

As of December 31, 2021 and 2020, the plan had no assets measured at fair value on a non-recurring basis and no liabilities measured at fair value on a recurring or non-recurring basis.

6. NOTES RECEIVABLE FROM PARTICIPANTS

Loans to participants are permitted up to the lesser of one-half from a participant's vested interest (not including earnings on salary deferred contributions) or \$50,000. Only 1 loan per participant can be outstanding at any time. The notes receivable are secured by the vested balance in the participant's account and bear interest at a rate commensurate with the prevailing rate charged by commercial lenders. This is determined by the plan administrator for loans of similar duration, repayment terms and security (typically the banking industry's prime rate). Generally, borrowers repay principal and interest over five years or less. If the note receivable is for the purchase of a principal residence, the administrator may permit a longer payment term. Principal and interest are paid ratably through recurring payroll deductions. Currently, the interest rate is 4.25%.

7. PLAN TERMINATION

Although it has not expressed any intent to do so, the Companies have 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 will become 100 percent vested in their employer contributions.

8. PLAN AMENDMENT

There were no significant amendments to the Plan during 2021.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

9. PARTY-IN-INTEREST TRANSACTIONS

A party-in-interest is defined under Department of Labor regulations as any fiduciary (including, but not limited to, any administrator, officer, trustee or custodian), counsel or employee of the Plan, any party rendering services to the Plan, the employer and certain others. The independent auditor of the plan's financial statements is a service provider to the plan and a party-in-interest. Certain plan investments are managed by Fidelity Management Trust Company or affiliates thereof. Fidelity Management Trust Company is the Trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Notes receivable from participants also reflect party-in-interest transactions. Certain administrative functions are performed by officers or employees of the Plan Sponsor. No such officer or employee received compensation from the Plan.

10. TAX STATUS

FMR LLC received its latest Opinion Letter for Non-Standardized Pre-Approved Profit Sharing Plan with CODA and related adoption agreements on June 30, 2020, 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 opinion letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Department of Labor. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

As of December 31, 2021, the Plan had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

11. 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.

In March 2020, the World Health Organization declared Coronavirus COVID-19, a global pandemic. This contagious disease outbreak and any related adverse public health developments may adversely affect workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Plan to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Plan's business or results of operations at this time.

12. CONCENTRATION OF MARKET AND CREDIT RISK

The Plan's exposure to credit loss in the event of nonperformance of investments is limited to the carrying value of such instruments. The Plan's concentration of credit risk and market risk is dictated by the Plan's provisions as well as those of ERISA and the participants' investment preferences.

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(continued)

13. PROHIBITED TRANSACTIONS

During 2013, 2015, 2017, and 2020, the plan sponsor became aware that they inadvertently failed to deposit \$304,987, \$342,547, \$73,591, and \$430, representing contributions, respectively, within the required time frame as stated by ERISA. These deferrals and loan repayments were deposited beyond the earliest expected date on which the assets could be segregated from the employer's assets. The Department of Labor (DOL) considers late deposits to be prohibited transactions. The plan sponsor is required to file Form 5330 and the pay the excise tax relating to the prohibited transactions from the plan sponsor's assets and not from the assets of the Plan, in addition to calculating the lost earnings on these deferrals. The 2013, 2015, 2017, and 2020 contributions currently have not been corrected by the Plan.

14. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

	December 31,	
	2021	2020
Net assets available for benefits per form 5500	\$201,814,613	\$175,595,995
Excess contributions not recorded on Form 5500	(318,176)	(459,781)
Net assets available for benefits per financial statements	<u>\$201,496,437</u>	<u>\$175,136,214</u>
		Year Ended December 31, 2021
Net increase in net assets available for benefits per Form 5500		\$ 26,218,618
2020 excess contributions recorded on Form 5500		459,781
2021 excess contributions not recorded on Form 5500		<u>(318,176)</u>
Net increase in net assets available for benefits per financial statements		<u>\$ 26,360,223</u>

15. SUBSEQUENT EVENTS

The Plan committee has evaluated subsequent events through December 20, 2022, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
SCHEDULE H LINE 4(a) - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
December 31, 2021

Attachment to Schedule H, Line 4(a)
Schedule of Delinquent Participant Contributions

Plan Name: *Heritage Medical Group Retirement Savings 401(k) Plan*
EIN: *95-3930862*
Plan Number: *002*

Participant Contributions Transferred Late to Plan	Total that Constitutes Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002- 51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	

Year End Date:

December 31, 2013

Participant deferrals	\$ 304,987	\$ -	\$ -	\$ -
Participant loan repayments	-	-	-	-
	\$ 304,987	\$ -	\$ -	\$ -

December 31, 2015

Participant deferrals	\$ 342,547	\$ -	\$ -	\$ -
Participant loan repayments	-	-	-	-
	\$ 342,547	\$ -	\$ -	\$ -

December 31, 2017

Participant deferrals	\$ 73,591	\$ -	\$ -	\$ -
Participant loan repayments	-	-	-	-
	\$ 73,591	\$ -	\$ -	\$ -

December 31, 2020

Participant deferrals	\$ 430	\$ -	\$ -	\$ -
Participant loan repayments	-	-	-	-
	\$ 430	\$ -	\$ -	\$ -
	\$ 721,555	\$ -	\$ -	\$ -

HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2021

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

Plan Name: *Heritage Medical Group Retirement Savings 401(k) Plan*
EIN: *95-3930862*
Plan Number: *002*

(a)	(b) Identity of issue, borrower or similar party	(c) Description of Investment	(e) Current value
*	AM CENT MD CP VAL R6	Mutual Fund	\$ 480,607
*	BLK RK INFL PRO BD K	Mutual Fund	178,278
*	BROKERAGELINK & INTEREST BEARING CASH	Mutual Funds, Non-Interest Bearing Cash	8,079,578
*	DFA ITM GVT FXINC I	Mutual Fund	1,360,867
*	DFA US TARGET VAL I	Mutual Fund	852,922
*	FDM IDX INC PRM	Mutual Fund	1,787,711
*	FID CONTRAFUND K6	Mutual Fund	8,307,138
*	FID FDM IDX 2005 PRM	Mutual Fund	25,957
*	FID FDM IDX 2010 PRM	Mutual Fund	13,648
*	FID FDM IDX 2015 PRM	Mutual Fund	5,257,624
*	FID FDM IDX 2020 PRM	Mutual Fund	15,474,579
*	FID FDM IDX 2025 PRM	Mutual Fund	20,969,609
*	FID FDM IDX 2030 PRM	Mutual Fund	30,457,054
*	FID FDM IDX 2035 PRM	Mutual Fund	19,237,106
*	FID FDM IDX 2040 PRM	Mutual Fund	15,209,575
*	FID FDM IDX 2045 PRM	Mutual Fund	10,636,534
*	FID FDM IDX 2050 PRM	Mutual Fund	10,848,707
*	FID FDM IDX 2055 PRM	Mutual Fund	5,622,246
*	FID FDM IDX 2060 PRM	Mutual Fund	1,141,837
*	FID FDM IDX 2065 PRM	Mutual Fund	233,699
*	HTFD INTL OPPS R6	Mutual Fund	843,135
*	J H TRITON N	Mutual Fund	2,039,135
*	METWEST TOT RTN BD P	Mutual Fund	1,550,895
*	MFS MID CAP GROWTH 2	Common/Collective Trust	2,863,140
*	PUTN LG CP VAL TR IA	Common/Collective Trust	1,517,824
*	PUTNAM STABLE VALUE	Common/Collective Trust	6,628,165
*	TRP HEALTH SCI I	Mutual Fund	5,752,199
*	VAN REAL EST IDX ADM	Mutual Fund	770,095
*	VANG MIDCAP IDX ADM	Mutual Fund	2,600,348
*	VANG SM CAP IDX ADM	Mutual Fund	1,930,601
*	VANG TOT BD MKT ADM	Mutual Fund	1,948,922
*	VANG TOT INTL STK AD	Mutual Fund	2,291,967
*	VANGUARD INST INDEX	Mutual Fund	12,253,538
			199,165,240
*	Notes receivable from participants	Interest rate - 4.25%	1,929,935
			<u>\$ 201,095,175</u>

* *Party-in-interest*