

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 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</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 KINETIC PHYSICAL THERAPY AND WELLNESS 401(K) PLAN 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) KINETIC PHYSICAL THERAPY AND WELLNESS, INC 1540 EAST ARLINGTON BLVD GREENVILLE, NC 27858	1b Three-digit plan number (PN) ▶	001	
	1c Effective date of plan	01/01/2015	
	2b Employer Identification Number (EIN)	27-2760356	
	2c Plan Sponsor's telephone number	252-364-2806	
	2d Business code (see instructions)	621340	

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2023	C. DAVID EDWARDS
	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 (2022)
v. 220413

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		5 153
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6a(1) 142 6a(2) 189 6b 0 6c 0 6d 189 6e 0 6f 189 6g 113 6h 0
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 2T 2A 2E 3D 2G 2J 2K 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) ☐ 0 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 2022 Form M-1 annual report. If the plan was not required to file the 2022 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
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

A Name of plan KINETIC PHYSICAL THERAPY AND WELLNESS 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 KINETIC PHYSICAL THERAPY AND WELLNESS, INC	D Employer Identification Number (EIN) 27-2760356

Part I

Service Provider Information (see instructions)

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

1

Information on Persons Receiving Only Eligible Indirect Compensation

- a

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

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

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

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)

BARROW, PARRIS & DAVENPORT, P.A.

20-3919567

(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/AUDITOR	11750	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(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	RECORDKEEPER	5761	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
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.	
BAIRD AGGR BOND INST - US BANCORP 39-0281260	0.02%	
(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.	
BLKRK COMMDTY STR IS - BNY MELLON 301 BELLEVUE PARKWAY WILMINGTON, DE 19809	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>KINETIC PHYSICAL THERAPY AND WELLNESS 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KINETIC PHYSICAL THERAPY AND WELLNESS, INC</u>	D Employer Identification Number (EIN) <u>27-2760356</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	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....		1b(1) 0	0
(2) Participant contributions.....		1b(2) 0	0
(3) Other.....		1b(3) 0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....		1c(1) 438832	26455
(2) U.S. Government securities		1c(2) 0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred		1c(3)(A) 0	0
(B) All other		1c(3)(B) 0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred		1c(4)(A) 0	0
(B) Common.....		1c(4)(B) 0	0
(5) Partnership/joint venture interests		1c(5) 0	0
(6) Real estate (other than employer real property)		1c(6) 0	0
(7) Loans (other than to participants).....		1c(7) 0	0
(8) Participant loans.....		1c(8) 1049	1922
(9) Value of interest in common/collective trusts.....		1c(9) 0	0
(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) 2607255	3231491
(14) Value of funds held in insurance company general account (unallocated contracts).....		1c(14) 0	0
(15) Other		1c(15) 0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	3047136	3259868

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	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	3047136	3259868
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	196197	
(B) Participants	2a(1)(B)	425144	
(C) Others (including rollovers)	2a(1)(C)	77801	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		699142
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2022	
(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)	43	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		2065
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	63620	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		63620
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-326669
c Other income	2c		1665
d Total income. Add all income amounts in column (b) and enter total	2d		439823
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	206387	
(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)		206387
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
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)	14	
(4) Other	2i(4)	20690	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		20704
j Total expenses. Add all expense amounts in column (b) and enter total	2j		227091
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		212732
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: **BARROW, PARRIS AND DAVENPORT, PA CP**

(2) EIN: **20-3919567**

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	

	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		400000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	X		
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.	X		
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 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan KINETIC PHYSICAL THERAPY AND WELLNESS 401(K) PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 KINETIC PHYSICAL THERAPY AND WELLNESS, INC		D Employer Identification Number (EIN) 27-2760356
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 45-0404698 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) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

14	Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:		
	a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....	14a	
	b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
	c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year.....	15a	
	b The corresponding number for the second preceding plan year.....	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐		

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

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

For the Years Ended December 31, 2022 and 2021

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

For the Years Ended December 31, 2022 and 2021

**Prepared By
BARROW, PARRIS & DAVENPORT, P.A.
Certified Public Accountants
Kinston, North Carolina**

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FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee of
Kinetic Physical Therapy & Wellness 401(k) Plan
1540 East Arlington Blvd.
Greenville, North Carolina

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

We have performed an audit of the financial statements of Kinetic Physical Therapy & Wellness 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statements of changes in net assets available for benefits for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

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

Management has obtained a certification from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note C to the financial statements, is complete and accurate.

Opinion

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

- the amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying 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 Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Kinetic Physical Therapy & Wellness 401(k) Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Kinetic Physical Therapy & Wellness 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 Kinetic Physical Therapy & Wellness 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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

Other Matters - Supplemental Schedules Required by ERISA

The supplemental schedules of Assets Held (At Year End) 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion -

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

Barrow, Parris & Davenport, P.A.

BARROW, PARRIS & DAVENPORT, P.A.
Kinston, NC

October 6, 2023

FINANCIAL STATEMENTS

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2022 and 2021

<u>Assets</u>	<u>2022</u>	<u>2021</u>
Investments, at Fair Value: (Notes C and D)		
Fidelity Management Trust Company:		
Mutual Funds	\$3,231,491	\$2,607,255
Interest Bearing Cash	26,455	438,832
<i>Total Investments</i>	<u>\$3,257,946</u>	<u>\$3,046,087</u>
Receivables:		
Employer Contributions	\$10,825	\$7,053
Participant Contributions	32,426	
Notes Receivable from Participants	1,922	1,024
<i>Total Receivables</i>	<u>\$45,173</u>	<u>\$8,077</u>
TOTAL ASSETS	<u>\$3,303,119</u>	<u>\$3,054,164</u>
<u>Liabilities</u>		
Payables:		
Excess Employer Contribution Payable		\$1,475
Excess Employee Contribution Payable		10,141
<i>Total Payables</i>	<u>\$0</u>	<u>\$11,616</u>
TOTAL LIABILITIES	<u>\$0</u>	<u>\$11,616</u>
Net Assets Available for Benefits	<u>\$3,303,119</u>	<u>\$3,042,548</u>

See accompanying notes to the financial statements.

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years ended December 31, 2022 and 2021

	2022	2021
Additions to Net Assets Attributed To:		
Investment Income (Loss):		
Net Appreciation (Depreciation) in Fair Value of Investments (see note D)	(\$324,979)	\$303,632
Interest and Dividends	65,642	55,114
Total Investment Income (Loss)	(\$259,337)	\$358,746
Interest Income on Notes Receivable From Participants	\$43	\$34
Contributions:		
Participants	\$457,220	\$379,915
Employer (see note A)	201,794	184,723
Total Contributions	\$659,014	\$564,638
Other Additions:		
Rollovers	\$77,801	
Total Other Additions	\$77,801	\$0
TOTAL ADDITIONS	\$477,521	\$923,418
Deductions from Net Assets Attributed To:		
Benefits Paid to Participants	\$196,246	\$79,952
Corrective Distributions		20,081
Administrative Expenses	20,704	11,249
TOTAL DEDUCTIONS	\$216,950	\$111,282
NET INCREASE	\$260,571	\$812,136
Net Assets Available for Benefits:		
Beginning of Year	3,042,548	2,230,412
End of Year	\$3,303,119	\$3,042,548

See accompanying notes to the financial statements.

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

A. DESCRIPTION OF PLAN

The following description of the Kinetic Physical Therapy & Wellness (Company) 401(k) Plan (Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

1. *General.* The Plan is a defined contribution plan covering all employees of the Company who have completed three months of service and are age 21 or older for employee deferrals and twelve months of service and are age 21 or older for employer match. The Plan is subject to the provisions of ERISA.

In December 2022, Securing a Strong Retirement Act (SECURE 2.0) was passed into law. The provisions of SECURE 2.0 continue the themes and reforms that began with the 2019 SECURE Act. Most of the provisions will become effective in 2024 and forward, therefore, there is no current impact to the Plan.

2. *Contributions.* Each year, participants may contribute a percentage of pretax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. Prior to 2021, the Company contributed 100 percent of the first 3 percent of base compensation that a participant contributes to the Plan and 50 percent of the next 2 percent of base compensation that a participant contributes to the Plan. Effective January 1, 2021, the Company contributes 100 percent of the first 4 percent of base compensation that a participant contributes to the Plan. Contributions are subject to certain IRS limitations.
3. *Participant Accounts.* Each participant's account is credited with the participant's contribution and Company matching contributions, as well as allocations of Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.
4. *Vesting.* Participants are vested immediately in their safe harbor contribution and rollover contributions plus actual earnings thereon. Vesting in the Company's matching contribution portion of their accounts is based on years of continuous service. A participant is 100% vested after six (6) years of credited service. A participant shall also be fully vested if any of the following is reached; 1) attainment of early retirement, 2) death, or 3) disability.

<u>Years of Service</u>	<u>Percentage</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

5. *Notes Receivable from Participants.* Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their account balance. The loans are secured by the balance in the participant's account, and bear reasonable interest rates, which are commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest are paid semi-monthly through payroll deductions.
6. *Payment of Benefits.* On termination of service due to death, disability or retirement, a participant may elect to receive either a lump sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a specified period of time. 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.

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

7. *Investment Options.* Upon enrollment in the Plan, a participant may direct employee and employer contributions in any of the investment options offered under the Plan. Participants may change their investment options at any time after plan entry.
8. *Forfeited Accounts.* At December 31, 2022 and 2021, forfeited nonvested accounts totaled \$15,343 and \$11,037 respectively. These accounts may be used to pay administrative expenses first, then reduce future employer contributions.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Accounting.* The financial statements of the Plan are prepared on the accrual basis of accounting.
2. *Use of Estimates.* The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.
3. *Investment Valuation and Income Recognition.* Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note D for discussion of fair value measurements.

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

4. *Notes Receivable from Participants.* Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred.
5. *Excess Employer Contribution Payable.* Accounts payable to employer for contributions in excess of allowable Plan provisions are recorded as a liability.
6. *Excess Employee Contribution Payable.* Accounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability.
7. *Payment of Benefits.* Benefits are recorded when paid.
8. *Administrative Expenses.* Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

C. CERTIFIED INVESTMENTS

Certain information related to investments disclosed in the accompanying financial statements and ERISA-required supplemental schedules, including investments held at December 31, 2022 and 2021, and net appreciation/depreciation in fair value of investments and interest and dividends for the year ended December 31, 2022 and 2021, was obtained by management and agreed to or derived from information certified as complete and accurate by Fidelity Management Trust Company

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KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

D. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 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 include; (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2022 and 2021.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022 and 2021.

Assets at Fair Value as of December 31, 2022

	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments:				
Interest Bearing Cash	\$26,455			\$26,455
Mutual Funds	3,231,491			3,231,491
Total Investments at Fair Value	\$3,257,946	\$0	\$0	\$3,257,946

Assets at Fair Value as of December 31, 2021

	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments:				
Interest Bearing Cash	\$438,832			\$438,832
Mutual Funds	2,607,255			2,607,255
Total Investments at Fair Value	\$3,046,087	\$0	\$0	\$3,046,087

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

E. PARTY-IN-INTEREST

Ascensus Trust Company is a custodian as defined by the Plan and, therefore this transaction qualifies as a party-in-interest transaction. Fees paid by the Plan to Ascensus Trust Company for investment management services amounted to \$80 and \$11,249, respectively, for the years ended December 31, 2022 and 2021.

Fidelity Management Trust Company is a custodian as defined by the Plan and, therefore this transaction qualifies as a party-in-interest transaction. Fees paid by the Plan to Fidelity Management Trust Company for investment management services amounted to \$20,624 and \$0, respectively, for the years ended December 31, 2022 and 2021.

The Plan also holds notes receivable from participants. As a result, these notes receivable and all related transactions were with a party-in-interest. All of these transactions are exempt from being prohibited transactions by ERISA.

F. PLAN TERMINATION

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

G. TAX STATUS

The trust established under the Plan to hold the Plan's assets is intended to qualify pursuant to the Internal Revenue Code and, accordingly, the Trust's net investment income is exempt from income taxes. The trust utilizes a prototype Plan, administered by Fidelity Management Trust Company, and has obtained a favorable tax determination letter from the Internal Revenue Service dated June 30, 2020. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and therefore, believe that the Plan is qualified, and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2019. The Plan sponsor believes that the Plan has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

H. 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 statements of net assets available for benefits.

I. COSTS ABSORBED BY THE PLAN SPONSOR

Administrative costs absorbed by the Company totaled \$15,534 and \$11,500, respectively, for the years ended December 31, 2022 and 2021.

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
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For the Years Ended December 31, 2022 and 2021

J. ROLLOVER CONTRIBUTIONS

As noted in Note A(2), participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover contributions). An aggregate of \$77,801 and \$0 was rolled into the Plan during the years ended December 31, 2022 and 2021, respectively, and are included in rollovers on the statements of changes in net assets available for benefits.

K. SUBSEQUENT EVENTS

Subsequent events were evaluated through October 6, 2023, the date the financial statements were available to be issued.

Effective January 1, 2023, the Plan adopted a 401(k) safe harbor matching employer contribution of 100% of the first 4% of eligible participants' compensation contributed to the plan.

L. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of employer contributions receivable per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Employer Contributions Receivable per Financial Statements	\$10,825	\$7,053
Less: Employer Contributions Receivable (Current Year)	(10,825)	
Less: Employer Contributions Receivable Corrections 2020		(7,053)
Employer Contributions Receivable per Form 5500	<u>\$0</u>	<u>\$0</u>

The following is a reconciliation of participant contributions receivable per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Participant Contributions Receivable per Financial Statements	\$32,426	
Less: Participant Contributions Receivable (Current Year)	(32,426)	
Participant Contributions Receivable per Form 5500	<u>\$0</u>	<u>\$0</u>

The following is a reconciliation of participant loans per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Participant Loans per Financial Statements		\$1,024
Add: Accrued Interest		25
Participant Loans per Form 5500	<u>\$0</u>	<u>\$1,049</u>

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

The following is a reconciliation of the liabilities per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Liabilities per Financial Statements		\$11,616
Less: Excess Employer Contributions Payable		(1,475)
Less: Excess Employee Contributions Payable		(10,141)
Other Liabilities per Form 5500	<u>\$0</u>	<u>\$0</u>

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Net Assets Available for Benefits per Financial Statements	\$3,303,119	\$3,042,548
Add: Accrued Participant Loan Interest		25
Add: Excess Employer Contributions Payable		1,475
Add: Excess Employee Contributions Payable		10,141
Add: Participant Contributions Receivable (Current Year)	(32,426)	
Less: Employer Contributions Receivable Corrections		(7,053)
Less: Employer Contributions Receivable (Current Year)	(10,825)	
Net Assets Available for Benefits per Form 5500	<u>\$3,270,693</u>	<u>\$3,054,189</u>

The following is a reconciliation of contributions received or receivable in cash from employers per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Contributions Received or Receivable in Cash from Employers per Financial Statements	\$201,794	\$184,723
Add: Employer Contributions Receivable Corrections	5,578	10,823
Less: Employer Contributions Receivable (Current Year)	(10,825)	
Less: Reclassification of Roth Deferral to Employer Contributions	(350)	
Contributions Received or Receivable in Cash from Employers per Form 5500	<u>\$196,197</u>	<u>\$195,546</u>

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
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For the Years Ended December 31, 2022 and 2021

The following is a reconciliation of contributions received from participants per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Participant Contributions Received per Financial Statements	\$457,220	
Add: Reclassification of Roth Deferral To Employer Contributions	350	
Less: Participant Contributions Receivable (Current Year)	<u>(32,426)</u>	
Participant Contributions per Form 5500	<u>\$457,570</u>	<u>\$0</u>

The following is a reconciliation of interest and dividends per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Interest and Dividends per Financial Statements		\$55,114
Less: Accrued Interest		<u>(26)</u>
Interest and Dividends per Form 5500	<u>\$0</u>	<u>\$55,088</u>

The following is a reconciliation of interest earnings on participant loans per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Interest Earnings on Participant Loans per Financial Statements		\$34
Add: Accrued Interest (Current Year)		25
Less: Accrued Interest (Prior Year)		<u>(13)</u>
Interest Earnings on Participant Loans per Form 5500	<u>\$0</u>	<u>\$46</u>

The following is a reconciliation of the net appreciation (depreciation) in fair value of investments per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Net Appreciation (Depreciation) in Fair Value of Investments per Financial Statements	(\$324,979)	\$303,632
Less: Other Income	(1,665)	
Less: Miscellaneous Adjustment	<u>(25)</u>	
Net Appreciation (Depreciation) in Fair Value of Investments per Form 5500	<u>(\$326,669)</u>	<u>\$303,632</u>

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
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For the Years Ended December 31, 2022 and 2021

The following is a reconciliation of other income per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Other Income per Financial Statements	\$0	
Add: Other Income Combined with Investment Income for Financial Statement Presentation	<u>1,665</u>	
Other Income per Form 5500	<u>\$1,665</u>	<u>\$0</u>

The following is a reconciliation of benefits paid to participants per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Benefits Paid to Participants per Financial Statements	\$196,246	\$79,952
Add: Corrective Distributions (Prior Year)	10,141	
Less: Forfeitures		<u>(26)</u>
Benefit Payments and Payments to Provide Benefits Directly to Participants or Beneficiaries, Including Direct Rollovers per Form 5500	<u>\$206,387</u>	<u>\$79,926</u>

The following is a reconciliation of corrective distributions per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Corrective Distributions per Financial Statements		\$20,081
Less: Excess Employee Contributions Payable		<u>(10,141)</u>
Corrective Distributions per Form 5500	<u>\$0</u>	<u>\$9,940</u>

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KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Net Increase in Net Assets Available for Benefits per Financial Statements	\$260,571	\$812,136
Add: Employer Contributions Receivable Corrections		10,823
Add: Accrued Participant Loan Interest (Current Year)		25
Add: Excess Employee Contributions Payable		10,141
Add: Employer Contributions Receivable Corrections	5,578	
Less: Accrued Participant Loan Interest (Prior Year)		(13)
Less: Corrective Distributions (Prior Year)	(10,141)	
Less: Employer Contributions Receivable (Current Year)	(10,825)	
Less: Participant Contributions Receivable (Current Year)	(32,426)	
Less: Miscellaneous Adjustment	<u>(25)</u>	
Net Increase in Net Assets Available for Benefits per Form 5500	<u>\$212,732</u>	<u>\$833,112</u>

SUPPLEMENTARY INFORMATION

SCHEDULE 1

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD (AT YEAR END)
For the Year Ended December 31, 2022

For the plan year beginning 01/01/2022 and ending 12/31/2022				
Name of plan KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN				
Employer Identification Number			Three-digit plan number	001
(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
	PIMCO INCOME INST	931 shares	9,529	9,631
	WM BLAIR SMDCP GR R6	952 shares	24,071	24,729
	COL DIVIDEND INC 13	1,737 shares	50,624	51,240
	BAIRD AGGR BOND INST	9,123 shares	87,219	87,576
	MFS VALUE R6	813 shares	38,343	38,598
	BLKRK COMMDTY STR IS	696 shares	6,668	6,544
	AS SPL MID CAP VAL R6	1,437 shares	65,073	63,832
	JHANCOCK BOND R6	12 shares	167	164
	MFS INTL DIVRSN R6	2,856 shares	57,000	57,800
	JPM LG CAP GROWTH R6	167 shares	848	7,837
	FID 500 INDEX	2,673 shares	366,693	355,843
	FID MID CAP IDX	1,415 shares	35,757	36,671
	FID SM CAP IDX	1,383 shares	30,005	30,005
	FID INTL INDEX	1,530 shares	59,590	63,008
	FID FDM IDX INC IPR	297 shares	3,345	3,251
	FID FDM IDX 2015 1PR	4,357 shares	57,579	56,427
	FID FDM IDX 2020 1PR	18 shares	266	256
	FID FDM IDX 2025 1PR	2,364 shares	38,161	37,608
	FID FDM IDX 2030 1PR	2,652 shares	44,788	44,557
	FID FDM IDX 2035 1PR	1,373 shares	25,522	25,702
	FID FDM IDX 2040 1PR	7,022 shares	131,023	133,131
	FID FDM IDX 2045 1PR	18,627 shares	364,697	366,769
	FID FDM IDX 2050 1PR	31,055 shares	602,950	612,397
	FID FDM IDX 2055 1PR	49,970 shares	751,073	762,319
	FID FDM IDX 2060 1PR	13,997 shares	192,638	192,314
	FID LG CAP GR IDX	7,413 shares	152,194	154,347
	FID GOVT MMKT K6	26,455 shares	26,455	26,455
	FID SM CAP VAL IDX	283 shares	6,055	6,064
	FID FDM IDX 2065 IPR	258 shares	2,937	2,871
*	Participant Loans	7.25%		1,922
	Total		3,231,270	3,259,868

Note: * = Party-in-Interest

SCHEDULE 2

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD (AT YEAR END)
For the Year Ended December 31, 2021

For the plan year beginning 01/01/2021 and ending 12/31/2021				
Name of plan KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN				
Employer Identification Number			Three-digit plan number	001
(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
	Vanguard Federal Money Market Inv	438,832 shares	438,832	438,832
	MFS Growth R3	871 shares	143,369	155,953
	Columbia Balanced A	7 shares	322	353
	MFS Mid Cap Value R3	2,196 shares	55,360	68,908
	MFS Mid Cap Growth R3	3,238 shares	79,351	99,447
	Hartford Core Equity R4	7,313 shares	342,489	374,170
	JPMorgan Equity Income A	472 shares	11,185	11,035
	Western Asset Core Bond A	378 shares	4,987	4,953
	Columbia Contrarian Core A	514 shares	17,708	16,963
	Delaware Emerging Markets A	459 shares	10,930	11,114
	Franklin Small Cap Growth A	852 shares	24,241	19,420
	Fidelity Advisor Total Bond A	1,099 shares	12,182	12,175
	American Century Real Estate A	22 shares	702	765
	Allspring Small Company Value A	114 shares	4,005	4,205
	JPMorgan SmartRetirement 2020 A	4,628 shares	83,170	79,184
	JPMorgan SmartRetirement 2025 A	1,333 shares	25,044	24,631
	JPMorgan SmartRetirement 2030 A	1,552 shares	31,426	31,435
	JPMorgan SmartRetirement 2035 A	4,612 shares	102,337	97,041
	JPMorgan SmartRetirement 2040 A	8,114 shares	189,054	185,496
	JPMorgan SmartRetirement 2045 A	3,215 shares	70,181	73,725
	JPMorgan SmartRetirement 2050 A	16,793 shares	364,505	387,763
	JPMorgan SmartRetirement 2055 A	22,897 shares	565,082	633,812
	JPMorgan SmartRetirement Income A	974 shares	16,264	16,089
	(CL) JPMorgan SmartRetirement 2060 A	8,194 shares	170,573	185,912
	MFS International Diversification R3	1,017 shares	25,155	25,002
	Nationwide Inflation-Protected Secs A	16 shares	173	175
	Hartford International Opportunities R4	931 shares	21,667	18,502
	BlackRock Advantage Small Cap Core Inv A	3,765 shares	74,415	69,027
*	Participant Loans	5.25% - 5.75%		1,024
	Total		2,884,709	3,047,111

Note: * = Party-in-Interest

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

For the Years Ended December 31, 2022 and 2021

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

For the Years Ended December 31, 2022 and 2021

**Prepared By
BARROW, PARRIS & DAVENPORT, P.A.
Certified Public Accountants
Kinston, North Carolina**

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FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee of
Kinetic Physical Therapy & Wellness 401(k) Plan
1540 East Arlington Blvd.
Greenville, North Carolina

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

We have performed an audit of the financial statements of Kinetic Physical Therapy & Wellness 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statements of changes in net assets available for benefits for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

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

Management has obtained a certification from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note C to the financial statements, is complete and accurate.

Opinion

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

- the amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying 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 Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Kinetic Physical Therapy & Wellness 401(k) Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Kinetic Physical Therapy & Wellness 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 Kinetic Physical Therapy & Wellness 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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

Other Matters - Supplemental Schedules Required by ERISA

The supplemental schedules of Assets Held (At Year End) 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion -

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

Barrow, Parris & Davenport, P.A.

BARROW, PARRIS & DAVENPORT, P.A.
Kinston, NC

October 6, 2023

FINANCIAL STATEMENTS

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2022 and 2021

<u>Assets</u>	<u>2022</u>	<u>2021</u>
Investments, at Fair Value: (Notes C and D)		
Fidelity Management Trust Company:		
Mutual Funds	\$3,231,491	\$2,607,255
Interest Bearing Cash	26,455	438,832
<i>Total Investments</i>	<u>\$3,257,946</u>	<u>\$3,046,087</u>
Receivables:		
Employer Contributions	\$10,825	\$7,053
Participant Contributions	32,426	
Notes Receivable from Participants	1,922	1,024
<i>Total Receivables</i>	<u>\$45,173</u>	<u>\$8,077</u>
TOTAL ASSETS	<u>\$3,303,119</u>	<u>\$3,054,164</u>
<u>Liabilities</u>		
Payables:		
Excess Employer Contribution Payable		\$1,475
Excess Employee Contribution Payable		10,141
<i>Total Payables</i>	<u>\$0</u>	<u>\$11,616</u>
TOTAL LIABILITIES	<u>\$0</u>	<u>\$11,616</u>
Net Assets Available for Benefits	<u>\$3,303,119</u>	<u>\$3,042,548</u>

See accompanying notes to the financial statements.

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years ended December 31, 2022 and 2021

	2022	2021
Additions to Net Assets Attributed To:		
Investment Income (Loss):		
Net Appreciation (Depreciation) in Fair Value of Investments (see note D)	(\$324,979)	\$303,632
Interest and Dividends	65,642	55,114
Total Investment Income (Loss)	(\$259,337)	\$358,746
Interest Income on Notes Receivable From Participants	\$43	\$34
Contributions:		
Participants	\$457,220	\$379,915
Employer (see note A)	201,794	184,723
Total Contributions	\$659,014	\$564,638
Other Additions:		
Rollovers	\$77,801	
Total Other Additions	\$77,801	\$0
TOTAL ADDITIONS	\$477,521	\$923,418
Deductions from Net Assets Attributed To:		
Benefits Paid to Participants	\$196,246	\$79,952
Corrective Distributions		20,081
Administrative Expenses	20,704	11,249
TOTAL DEDUCTIONS	\$216,950	\$111,282
NET INCREASE	\$260,571	\$812,136
Net Assets Available for Benefits:		
Beginning of Year	3,042,548	2,230,412
End of Year	\$3,303,119	\$3,042,548

See accompanying notes to the financial statements.

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

A. DESCRIPTION OF PLAN

The following description of the Kinetic Physical Therapy & Wellness (Company) 401(k) Plan (Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

1. *General.* The Plan is a defined contribution plan covering all employees of the Company who have completed three months of service and are age 21 or older for employee deferrals and twelve months of service and are age 21 or older for employer match. The Plan is subject to the provisions of ERISA.

In December 2022, Securing a Strong Retirement Act (SECURE 2.0) was passed into law. The provisions of SECURE 2.0 continue the themes and reforms that began with the 2019 SECURE Act. Most of the provisions will become effective in 2024 and forward, therefore, there is no current impact to the Plan.

2. *Contributions.* Each year, participants may contribute a percentage of pretax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. Prior to 2021, the Company contributed 100 percent of the first 3 percent of base compensation that a participant contributes to the Plan and 50 percent of the next 2 percent of base compensation that a participant contributes to the Plan. Effective January 1, 2021, the Company contributes 100 percent of the first 4 percent of base compensation that a participant contributes to the Plan. Contributions are subject to certain IRS limitations.
3. *Participant Accounts.* Each participant's account is credited with the participant's contribution and Company matching contributions, as well as allocations of Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.
4. *Vesting.* Participants are vested immediately in their safe harbor contribution and rollover contributions plus actual earnings thereon. Vesting in the Company's matching contribution portion of their accounts is based on years of continuous service. A participant is 100% vested after six (6) years of credited service. A participant shall also be fully vested if any of the following is reached; 1) attainment of early retirement, 2) death, or 3) disability.

<u>Years of Service</u>	<u>Percentage</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

5. *Notes Receivable from Participants.* Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their account balance. The loans are secured by the balance in the participant's account, and bear reasonable interest rates, which are commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest are paid semi-monthly through payroll deductions.
6. *Payment of Benefits.* On termination of service due to death, disability or retirement, a participant may elect to receive either a lump sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a specified period of time. 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.

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

7. *Investment Options.* Upon enrollment in the Plan, a participant may direct employee and employer contributions in any of the investment options offered under the Plan. Participants may change their investment options at any time after plan entry.
8. *Forfeited Accounts.* At December 31, 2022 and 2021, forfeited nonvested accounts totaled \$15,343 and \$11,037 respectively. These accounts may be used to pay administrative expenses first, then reduce future employer contributions.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Accounting.* The financial statements of the Plan are prepared on the accrual basis of accounting.
2. *Use of Estimates.* The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.
3. *Investment Valuation and Income Recognition.* Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note D for discussion of fair value measurements.

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

4. *Notes Receivable from Participants.* Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred.
5. *Excess Employer Contribution Payable.* Accounts payable to employer for contributions in excess of allowable Plan provisions are recorded as a liability.
6. *Excess Employee Contribution Payable.* Accounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability.
7. *Payment of Benefits.* Benefits are recorded when paid.
8. *Administrative Expenses.* Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

C. CERTIFIED INVESTMENTS

Certain information related to investments disclosed in the accompanying financial statements and ERISA-required supplemental schedules, including investments held at December 31, 2022 and 2021, and net appreciation/depreciation in fair value of investments and interest and dividends for the year ended December 31, 2022 and 2021, was obtained by management and agreed to or derived from information certified as complete and accurate by Fidelity Management Trust Company

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KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

D. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 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 include; (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2022 and 2021.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022 and 2021.

Assets at Fair Value as of December 31, 2022

	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments:				
Interest Bearing Cash	\$26,455			\$26,455
Mutual Funds	3,231,491			3,231,491
Total Investments at Fair Value	\$3,257,946	\$0	\$0	\$3,257,946

Assets at Fair Value as of December 31, 2021

	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments:				
Interest Bearing Cash	\$438,832			\$438,832
Mutual Funds	2,607,255			2,607,255
Total Investments at Fair Value	\$3,046,087	\$0	\$0	\$3,046,087

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

E. PARTY-IN-INTEREST

Ascensus Trust Company is a custodian as defined by the Plan and, therefore this transaction qualifies as a party-in-interest transaction. Fees paid by the Plan to Ascensus Trust Company for investment management services amounted to \$80 and \$11,249, respectively, for the years ended December 31, 2022 and 2021.

Fidelity Management Trust Company is a custodian as defined by the Plan and, therefore this transaction qualifies as a party-in-interest transaction. Fees paid by the Plan to Fidelity Management Trust Company for investment management services amounted to \$20,624 and \$0, respectively, for the years ended December 31, 2022 and 2021.

The Plan also holds notes receivable from participants. As a result, these notes receivable and all related transactions were with a party-in-interest. All of these transactions are exempt from being prohibited transactions by ERISA.

F. PLAN TERMINATION

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

G. TAX STATUS

The trust established under the Plan to hold the Plan's assets is intended to qualify pursuant to the Internal Revenue Code and, accordingly, the Trust's net investment income is exempt from income taxes. The trust utilizes a prototype Plan, administered by Fidelity Management Trust Company, and has obtained a favorable tax determination letter from the Internal Revenue Service dated June 30, 2020. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and therefore, believe that the Plan is qualified, and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2019. The Plan sponsor believes that the Plan has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

H. 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 statements of net assets available for benefits.

I. COSTS ABSORBED BY THE PLAN SPONSOR

Administrative costs absorbed by the Company totaled \$15,534 and \$11,500, respectively, for the years ended December 31, 2022 and 2021.

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

J. ROLLOVER CONTRIBUTIONS

As noted in Note A(2), participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover contributions). An aggregate of \$77,801 and \$0 was rolled into the Plan during the years ended December 31, 2022 and 2021, respectively, and are included in rollovers on the statements of changes in net assets available for benefits.

K. SUBSEQUENT EVENTS

Subsequent events were evaluated through October 6, 2023, the date the financial statements were available to be issued.

Effective January 1, 2023, the Plan adopted a 401(k) safe harbor matching employer contribution of 100% of the first 4% of eligible participants' compensation contributed to the plan.

L. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of employer contributions receivable per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Employer Contributions Receivable per Financial Statements	\$10,825	\$7,053
Less: Employer Contributions Receivable (Current Year)	(10,825)	
Less: Employer Contributions Receivable Corrections 2020		(7,053)
Employer Contributions Receivable per Form 5500	<u>\$0</u>	<u>\$0</u>

The following is a reconciliation of participant contributions receivable per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Participant Contributions Receivable per Financial Statements	\$32,426	
Less: Participant Contributions Receivable (Current Year)	(32,426)	
Participant Contributions Receivable per Form 5500	<u>\$0</u>	<u>\$0</u>

The following is a reconciliation of participant loans per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Participant Loans per Financial Statements		\$1,024
Add: Accrued Interest		25
Participant Loans per Form 5500	<u>\$0</u>	<u>\$1,049</u>

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

The following is a reconciliation of the liabilities per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Liabilities per Financial Statements		\$11,616
Less: Excess Employer Contributions Payable		(1,475)
Less: Excess Employee Contributions Payable		(10,141)
Other Liabilities per Form 5500	<u>\$0</u>	<u>\$0</u>

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Net Assets Available for Benefits per Financial Statements	\$3,303,119	\$3,042,548
Add: Accrued Participant Loan Interest		25
Add: Excess Employer Contributions Payable		1,475
Add: Excess Employee Contributions Payable		10,141
Add: Participant Contributions Receivable (Current Year)	(32,426)	
Less: Employer Contributions Receivable Corrections		(7,053)
Less: Employer Contributions Receivable (Current Year)	(10,825)	
Net Assets Available for Benefits per Form 5500	<u>\$3,270,693</u>	<u>\$3,054,189</u>

The following is a reconciliation of contributions received or receivable in cash from employers per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Contributions Received or Receivable in Cash from Employers per Financial Statements	\$201,794	\$184,723
Add: Employer Contributions Receivable Corrections	5,578	10,823
Less: Employer Contributions Receivable (Current Year)	(10,825)	
Less: Reclassification of Roth Deferral to Employer Contributions	(350)	
Contributions Received or Receivable in Cash from Employers per Form 5500	<u>\$196,197</u>	<u>\$195,546</u>

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

The following is a reconciliation of contributions received from participants per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Participant Contributions Received per Financial Statements	\$457,220	
Add: Reclassification of Roth Deferral To Employer Contributions	350	
Less: Participant Contributions Receivable (Current Year)	(32,426)	
Participant Contributions per Form 5500	<u>\$457,570</u>	<u>\$0</u>

The following is a reconciliation of interest and dividends per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Interest and Dividends per Financial Statements		\$55,114
Less: Accrued Interest		(26)
Interest and Dividends per Form 5500	<u>\$0</u>	<u>\$55,088</u>

The following is a reconciliation of interest earnings on participant loans per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Interest Earnings on Participant Loans per Financial Statements		\$34
Add: Accrued Interest (Current Year)		25
Less: Accrued Interest (Prior Year)		(13)
Interest Earnings on Participant Loans per Form 5500	<u>\$0</u>	<u>\$46</u>

The following is a reconciliation of the net appreciation (depreciation) in fair value of investments per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Net Appreciation (Depreciation) in Fair Value of Investments per Financial Statements	(\$324,979)	\$303,632
Less: Other Income	(1,665)	
Less: Miscellaneous Adjustment	(25)	
Net Appreciation (Depreciation) in Fair Value of Investments per Form 5500	<u>(\$326,669)</u>	<u>\$303,632</u>

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

The following is a reconciliation of other income per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Other Income per Financial Statements	\$0	
Add: Other Income Combined with Investment Income for Financial Statement Presentation	<u>1,665</u>	
Other Income per Form 5500	<u>\$1,665</u>	<u>\$0</u>

The following is a reconciliation of benefits paid to participants per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Benefits Paid to Participants per Financial Statements	\$196,246	\$79,952
Add: Corrective Distributions (Prior Year)	10,141	
Less: Forfeitures		<u>(26)</u>
Benefit Payments and Payments to Provide Benefits Directly to Participants or Beneficiaries, Including Direct Rollovers per Form 5500	<u>\$206,387</u>	<u>\$79,926</u>

The following is a reconciliation of corrective distributions per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Corrective Distributions per Financial Statements		\$20,081
Less: Excess Employee Contributions Payable		<u>(10,141)</u>
Corrective Distributions per Form 5500	<u>\$0</u>	<u>\$9,940</u>

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KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements at December 31, 2022 and 2021 to the Form 5500:

	<u>2022</u>	<u>2021</u>
Net Increase in Net Assets Available for Benefits per Financial Statements	\$260,571	\$812,136
Add: Employer Contributions Receivable Corrections		10,823
Add: Accrued Participant Loan Interest (Current Year)		25
Add: Excess Employee Contributions Payable		10,141
Add: Employer Contributions Receivable Corrections	5,578	
Less: Accrued Participant Loan Interest (Prior Year)		(13)
Less: Corrective Distributions (Prior Year)	(10,141)	
Less: Employer Contributions Receivable (Current Year)	(10,825)	
Less: Participant Contributions Receivable (Current Year)	(32,426)	
Less: Miscellaneous Adjustment	<u>(25)</u>	
Net Increase in Net Assets Available for Benefits per Form 5500	<u>\$212,732</u>	<u>\$833,112</u>

SUPPLEMENTARY INFORMATION

SCHEDULE 1

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD (AT YEAR END)
For the Year Ended December 31, 2022

For the plan year beginning 01/01/2022 and ending 12/31/2022				
Name of plan KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN				
Employer Identification Number			Three-digit plan number	001
(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
	PIMCO INCOME INST	931 shares	9,529	9,631
	WM BLAIR SMDCP GR R6	952 shares	24,071	24,729
	COL DIVIDEND INC 13	1,737 shares	50,624	51,240
	BAIRD AGGR BOND INST	9,123 shares	87,219	87,576
	MFS VALUE R6	813 shares	38,343	38,598
	BLKRK COMMDTY STR IS	696 shares	6,668	6,544
	AS SPL MID CAP VAL R6	1,437 shares	65,073	63,832
	JHANCOCK BOND R6	12 shares	167	164
	MFS INTL DIVRSN R6	2,856 shares	57,000	57,800
	JPM LG CAP GROWTH R6	167 shares	848	7,837
	FID 500 INDEX	2,673 shares	366,693	355,843
	FID MID CAP IDX	1,415 shares	35,757	36,671
	FID SM CAP IDX	1,383 shares	30,005	30,005
	FID INTL INDEX	1,530 shares	59,590	63,008
	FID FDM IDX INC IPR	297 shares	3,345	3,251
	FID FDM IDX 2015 1PR	4,357 shares	57,579	56,427
	FID FDM IDX 2020 1PR	18 shares	266	256
	FID FDM IDX 2025 1PR	2,364 shares	38,161	37,608
	FID FDM IDX 2030 1PR	2,652 shares	44,788	44,557
	FID FDM IDX 2035 1PR	1,373 shares	25,522	25,702
	FID FDM IDX 2040 1PR	7,022 shares	131,023	133,131
	FID FDM IDX 2045 1PR	18,627 shares	364,697	366,769
	FID FDM IDX 2050 1PR	31,055 shares	602,950	612,397
	FID FDM IDX 2055 1PR	49,970 shares	751,073	762,319
	FID FDM IDX 2060 1PR	13,997 shares	192,638	192,314
	FID LG CAP GR IDX	7,413 shares	152,194	154,347
	FID GOVT MMKT K6	26,455 shares	26,455	26,455
	FID SM CAP VAL IDX	283 shares	6,055	6,064
	FID FDM IDX 2065 IPR	258 shares	2,937	2,871
*	Participant Loans	7.25%		1,922
	Total		3,231,270	3,259,868

Note: * = Party-in-Interest

SCHEDULE 2

KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD (AT YEAR END)
For the Year Ended December 31, 2021

For the plan year beginning 01/01/2021 and ending 12/31/2021				
Name of plan KINETIC PHYSICAL THERAPY & WELLNESS 401(k) PLAN				
Employer Identification Number			Three-digit plan number	001
(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
	Vanguard Federal Money Market Inv	438,832 shares	438,832	438,832
	MFS Growth R3	871 shares	143,369	155,953
	Columbia Balanced A	7 shares	322	353
	MFS Mid Cap Value R3	2,196 shares	55,360	68,908
	MFS Mid Cap Growth R3	3,238 shares	79,351	99,447
	Hartford Core Equity R4	7,313 shares	342,489	374,170
	JPMorgan Equity Income A	472 shares	11,185	11,035
	Western Asset Core Bond A	378 shares	4,987	4,953
	Columbia Contrarian Core A	514 shares	17,708	16,963
	Delaware Emerging Markets A	459 shares	10,930	11,114
	Franklin Small Cap Growth A	852 shares	24,241	19,420
	Fidelity Advisor Total Bond A	1,099 shares	12,182	12,175
	American Century Real Estate A	22 shares	702	765
	Allspring Small Company Value A	114 shares	4,005	4,205
	JPMorgan SmartRetirement 2020 A	4,628 shares	83,170	79,184
	JPMorgan SmartRetirement 2025 A	1,333 shares	25,044	24,631
	JPMorgan SmartRetirement 2030 A	1,552 shares	31,426	31,435
	JPMorgan SmartRetirement 2035 A	4,612 shares	102,337	97,041
	JPMorgan SmartRetirement 2040 A	8,114 shares	189,054	185,496
	JPMorgan SmartRetirement 2045 A	3,215 shares	70,181	73,725
	JPMorgan SmartRetirement 2050 A	16,793 shares	364,505	387,763
	JPMorgan SmartRetirement 2055 A	22,897 shares	565,082	633,812
	JPMorgan SmartRetirement Income A	974 shares	16,264	16,089
	(CL) JPMorgan SmartRetirement 2060 A	8,194 shares	170,573	185,912
	MFS International Diversification R3	1,017 shares	25,155	25,002
	Nationwide Inflation-Protected Secs A	16 shares	173	175
	Hartford International Opportunities R4	931 shares	21,667	18,502
	BlackRock Advantage Small Cap Core Inv A	3,765 shares	74,415	69,027
*	Participant Loans	5.25% - 5.75%		1,024
	Total		2,884,709	3,047,111

Note: * = Party-in-Interest