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|---|---|--|
| <p><b>Form 5500</b></p> <p>Department of the Treasury<br/>Internal Revenue Service</p> <hr/> <p>Department of Labor<br/>Employee Benefits Security<br/>Administration</p> <hr/> <p>Pension Benefit Guaranty Corporation</p> | <p><b>Annual Return/Report of Employee Benefit Plan</b></p> <p>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).</p> <p>▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | <p>OMB Nos. 1210-0110<br/>1210-0089</p> <hr/> <p style="font-size: 24pt; font-weight: bold;">2023</p> <hr/> <p><b>This Form is Open to Public Inspection</b></p> |
|---|---|--|

**Part I Annual Report Identification Information**  
 For calendar plan year 2023 or fiscal plan year beginning 09/01/2023 and ending 08/31/2024

**A** This return/report is for:  a multiemployer plan  a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)

a single-employer plan  a DFE (specify) \_\_\_\_\_

**B** This return/report is:  the first return/report  the final return/report

an amended return/report  a short plan year return/report (less than 12 months)

**C** If the plan is a collectively-bargained plan, check here. . . . .

**D** Check box if filing under:  Form 5558  automatic extension  the DFVC program

special extension (enter description)

**E** If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . .

**Part II Basic Plan Information—enter all requested information**

|  |  |
|--|--|
| <p><b>1a</b> Name of plan<br/><u>INHEALTH SYSTEMS AND SERVICES EMPLOYEE STOCK OWNERSHIP PLAN</u></p>   | <p><b>1b</b> Three-digit plan number (PN) ▶ <u>001</u></p>   |
| <p><b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)<br/>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br/>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br/><u>SPINNAKER REALTY, INC.</u></p> <p><u>5076 WINTERS CHAPEL ROAD</u><br/><u>ATLANTA, GA 30360</u></p> | <p><b>1c</b> Effective date of plan<br/><u>09/01/2011</u></p> <p><b>2b</b> Employer Identification Number (EIN)<br/><u>58-1488840</u></p> <p><b>2c</b> Plan Sponsor's telephone number<br/><u>770-396-0367</u></p> <p><b>2d</b> Business code (see instructions)<br/><u>453210</u></p> |

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

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

|                  |   |            |  |
|------------------|---|------------|--|
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 06/12/2025 | SUE KAY  |
|                  | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |   |            |  |
|                  | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |   |            |  |
|                  | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |

|  |   |
|--|---|
| <b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor<br><br>SPINNAKER REALTY, INC.<br><br>5076 WINTERS CHAPEL ROAD<br>ATLANTA, GA 30360 | <b>3b</b> Administrator's EIN<br>58-1488840<br><br><b>3c</b> Administrator's telephone number<br>770-396-4994 |
|--|---|

|  |                                   |
|--|-----------------------------------|
| <b>4</b> 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:<br><b>a</b> Sponsor's name<br><b>c</b> Plan Name | <b>4b</b> EIN<br><br><b>4d</b> PN |
|--|-----------------------------------|

|   |          |     |
|---|----------|-----|
| <b>5</b> Total number of participants at the beginning of the plan year | <b>5</b> | 193 |
|---|----------|-----|

|  |              |     |
|--|--------------|-----|
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). |              |     |
| <b>a(1)</b> Total number of active participants at the beginning of the plan year .....  | <b>6a(1)</b> | 83  |
| <b>a(2)</b> Total number of active participants at the end of the plan year .....  | <b>6a(2)</b> | 79  |
| <b>b</b> Retired or separated participants receiving benefits .....  | <b>6b</b>    | 5   |
| <b>c</b> Other retired or separated participants entitled to future benefits .....   | <b>6c</b>    | 99  |
| <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....  | <b>6d</b>    | 183 |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits .....   | <b>6e</b>    | 1   |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....  | <b>6f</b>    | 184 |
| <b>g(1)</b> Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) .....   | <b>6g(1)</b> | 187 |
| <b>g(2)</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....   | <b>6g(2)</b> | 183 |
| <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested .....   | <b>6h</b>    | 6   |

|   |          |  |
|---|----------|--|
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)..... | <b>7</b> |  |
|---|----------|--|

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:  
 2I 2P 3I 2Q

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

|   |   |
|---|---|
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor |
|---|---|

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

|   |  |
|---|--|
| <p><b>a Pension Schedules</b></p> <p>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)</p> <p>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary</p> <p>(3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary</p> <p>(4) <input type="checkbox"/> <b>DCG</b> (Individual Plan Information) – Number Attached _____</p> <p>(5) <input type="checkbox"/> <b>MEP</b> (Multiple-Employer Retirement Plan Information)</p> | <p><b>b General Schedules</b></p> <p>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)</p> <p>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)</p> <p>(3) <input type="checkbox"/> <b>A</b> (Insurance Information) – Number Attached <u>  0  </u></p> <p>(4) <input type="checkbox"/> <b>C</b> (Service Provider Information)</p> <p>(5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)</p> <p>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)</p> |
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**Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)**

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**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.

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**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 2023 Form M-1 annual report. If the plan was not required to file the 2023 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 \_\_\_\_\_

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|  |  |   |
|--|--|---|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2023</b><br><br><b>This Form is Open to Public Inspection</b> |
|--|--|---|

|  |  |
|--|--|
| For calendar plan year 2023 or fiscal plan year beginning <b>09/01/2023</b> and ending <b>08/31/2024</b> |  |
| <b>A</b> Name of plan<br><b>INHEALTH SYSTEMS AND SERVICES EMPLOYEE STOCK OWNERSHIP PLAN</b>              | <b>B</b> Three-digit plan number (PN) ▶ <b>001</b>                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>SPINNAKER REALTY, INC.</b>           | <b>D</b> Employer Identification Number (EIN)<br><b>58-1488840</b> |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

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

|  |                 | (a) Beginning of Year | (b) End of Year |
|--|-----------------|-----------------------|-----------------|
| <b>Assets</b>  |                 |                       |                 |
| <b>a</b> Total noninterest-bearing cash .....  | <b>1a</b>       | 2579                  | 2579            |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                       |                 |                       |                 |
| <b>(1)</b> Employer contributions .....  | <b>1b(1)</b>    |                       |                 |
| <b>(2)</b> Participant contributions .....   | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other .....   | <b>1b(3)</b>    |                       |                 |
| <b>c</b> General investments:  |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....   | <b>1c(1)</b>    |                       |                 |
| <b>(2)</b> U.S. Government securities .....  | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                            |                 |                       |                 |
| <b>(A)</b> Preferred .....   | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other .....   | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                      |                 |                       |                 |
| <b>(A)</b> Preferred .....   | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....  | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....   | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                   | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....  | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....   | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts .....                                     | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                    | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                            | <b>1c(11)</b>   |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                  | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....        | <b>1c(13)</b>   |                       |                 |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts) ..... | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....  | <b>1c(15)</b>   |                       |                 |

| 1d Employer-related investments:                                   |       | (a) Beginning of Year | (b) End of Year |
|--|-------|-----------------------|-----------------|
| (1) Employer securities .....                                      | 1d(1) | 3286968               | 865614          |
| (2) Employer real property .....                                   | 1d(2) |                       |                 |
| e Buildings and other property used in plan operation .....        | 1e    |                       |                 |
| f Total assets (add all amounts in lines 1a through 1e) .....      | 1f    | 3289547               | 868193          |
| <b>Liabilities</b>   |       |                       |                 |
| g Benefit claims payable .....                                     | 1g    | 1828                  | 1828            |
| h Operating payables .....   | 1h    | 750                   | 750             |
| i Acquisition indebtedness .....                                   | 1i    | 7349360               | 6731209         |
| j Other liabilities .....  | 1j    |                       |                 |
| k Total liabilities (add all amounts in lines 1g through 1j) ..... | 1k    | 7351938               | 6733787         |
| <b>Net Assets</b>  |       |                       |                 |
| l Net assets (subtract line 1k from line 1f) .....                 | 1l    | -4062391              | -5865594        |

**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.

| <b>Income</b>   |          | (a) Amount | (b) Total |
|---|----------|------------|-----------|
| <b>a Contributions:</b>   |          |            |           |
| (1) Received or receivable in cash from: (A) Employers .....                                  | 2a(1)(A) | 875378     |           |
| (B) Participants .....  | 2a(1)(B) |            |           |
| (C) Others (including rollovers) .....  | 2a(1)(C) |            |           |
| (2) Noncash contributions .....   | 2a(2)    |            |           |
| (3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2) .....                   | 2a(3)    |            | 875378    |
| <b>b Earnings on investments:</b>   |          |            |           |
| (1) Interest:   |          |            |           |
| (A) Interest-bearing cash (including money market accounts and certificates of deposit) ..... | 2b(1)(A) |            |           |
| (B) U.S. Government securities .....  | 2b(1)(B) |            |           |
| (C) Corporate debt instruments .....  | 2b(1)(C) |            |           |
| (D) Loans (other than to participants) .....  | 2b(1)(D) |            |           |
| (E) Participant loans .....   | 2b(1)(E) |            |           |
| (F) Other .....   | 2b(1)(F) |            |           |
| (G) Total interest. Add lines 2b(1)(A) through (F) .....                                      | 2b(1)(G) |            | 0         |
| (2) Dividends:  |          |            |           |
| (A) Preferred stock .....   | 2b(2)(A) |            |           |
| (B) Common stock .....  | 2b(2)(B) |            |           |
| (C) Registered investment company shares (e.g. mutual funds) .....                            | 2b(2)(C) |            |           |
| (D) Total dividends. Add lines 2b(2)(A), (B), and (C) .....                                   | 2b(2)(D) |            | 0         |
| (3) Rents .....   | 2b(3)    |            |           |
| (4) Net gain (loss) on sale of assets:  |          |            |           |
| (A) Aggregate proceeds .....  | 2b(4)(A) |            |           |
| (B) Aggregate carrying amount (see instructions) .....  | 2b(4)(B) |            |           |
| (C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result .....                          | 2b(4)(C) |            |           |
| (5) Unrealized appreciation (depreciation) of assets:   |          |            |           |
| (A) Real estate .....   | 2b(5)(A) |            |           |
| (B) Other .....   | 2b(5)(B) | -2360764   |           |
| (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) .....                 | 2b(5)(C) |            |           |

|   |        | (a) Amount | (b) Total |
|---|--------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts.....                               | 2b(6)  |            |           |
| (7) Net investment gain (loss) from pooled separate accounts.....                               | 2b(7)  |            |           |
| (8) Net investment gain (loss) from master trust investment accounts.....                       | 2b(8)  |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities.....                             | 2b(9)  |            |           |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) ..... | 2b(10) |            |           |
| <b>c</b> Other income .....   | 2c     |            | 600       |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total .....        | 2d     |            | -1484786  |

**Expenses**

|   |        |       |        |
|---|--------|-------|--------|
| <b>e</b> Benefit payment and payments to provide benefits:                                  |        |       |        |
| (1) Directly to participants or beneficiaries, including direct rollovers .....             | 2e(1)  | 60589 |        |
| (2) To insurance carriers for the provision of benefits.....                                | 2e(2)  |       |        |
| (3) Other.....  | 2e(3)  |       |        |
| (4) Total benefit payments. Add lines 2e(1) through (3) .....                               | 2e(4)  |       | 60589  |
| <b>f</b> Corrective distributions (see instructions).....                                   | 2f     |       |        |
| <b>g</b> Certain deemed distributions of participant loans (see instructions) .....         | 2g     |       |        |
| <b>h</b> Interest expense .....   | 2h     |       | 257228 |
| <b>i</b> Administrative expenses:   |        |       |        |
| (1) Salaries and allowances.....  | 2i(1)  |       |        |
| (2) Contract administrator fees.....  | 2i(2)  |       |        |
| (3) Recordkeeping fees.....   | 2i(3)  |       |        |
| (4) IQPA audit fees.....  | 2i(4)  |       |        |
| (5) Investment advisory and investment management fees .....                                | 2i(5)  |       |        |
| (6) Bank or trust company trustee/custodial fees .....                                      | 2i(6)  |       |        |
| (7) Actuarial fees .....  | 2i(7)  |       |        |
| (8) Legal fees .....  | 2i(8)  |       |        |
| (9) Valuation/appraisal fees .....  | 2i(9)  |       |        |
| (10) Other trustee fees and expenses .....  | 2i(10) |       |        |
| (11) Other expenses .....   | 2i(11) | 600   |        |
| (12) Total administrative expenses. Add lines 2i(1) through (11) .....                      | 2i(12) |       | 600    |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total ..... | 2j     |       | 318417 |

**Net Income and Reconciliation**

|  |       |  |          |
|--|-------|--|----------|
| <b>k</b> Net income (loss). Subtract line 2j from line 2d..... | 2k    |  | -1803203 |
| <b>l</b> Transfers of assets:                                  |       |  |          |
| (1) To this plan .....   | 2l(1) |  |          |
| (2) From this plan .....                                       | 2l(2) |  |          |

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1)  Unmodified (2)  Qualified (3)  Disclaimer (4)  Adverse

**b** Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1)  DOL Regulation 2520.103-8 (2)  DOL Regulation 2520.103-12(d) (3)  neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: AGL CPA GROUP, LLC

(2) EIN: 47-1077462

**d** The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1)  This form is filed for a CCT, PSA, DCG or MTIA. (2)  It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

|   | Yes | No | Amount |
|---|-----|----|--------|
| <b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) .....                |     | X  |        |
| <b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)..... |     | X  |        |
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....  |     | X  |        |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....  |     | X  |        |
| <b>e</b> Was this plan covered by a fidelity bond?.....   | X   |    | 500000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....   |     | X  |        |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....  |     | X  |        |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....   |     | X  |        |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....   | X   |    |        |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.).....   |     | X  |        |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....   |     | X  |        |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....  |     | X  |        |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....   |     | X  |        |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....  |     |    |        |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?.....  Yes  No  
If "Yes," enter the amount of any plan assets that reverted to the employer this year \_\_\_\_\_.

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| <b>5b(1)</b> Name of plan(s) | <b>5b(2)</b> EIN(s) | <b>5b(3)</b> 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 \_\_\_\_\_.

|  |   |   |
|--|---|---|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Retirement Plan Information</b><br><br>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).<br><br><b>▶ File as an attachment to Form 5500.</b> | <small>OMB No. 1210-0110</small><br><br><b>2023</b><br><br><b>This Form is Open to Public Inspection.</b> |
|--|---|---|

For calendar plan year 2023 or fiscal plan year beginning 09/01/2023 and ending 08/31/2024

|  |  |            |
|--|--|------------|
| <b>A</b> Name of plan<br><u>INHEALTH SYSTEMS AND SERVICES EMPLOYEE STOCK OWNERSHIP PLAN</u>    | <b>B</b> Three-digit plan number (PN)                              | <u>001</u> |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>SPINNAKER REALTY, INC.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>58-1488840</u> |            |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

**All references to distributions relate only to payments of benefits during the plan year.**

|  |          |              |
|--|----------|--------------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....  | <b>1</b> | <u>60589</u> |
| <b>2</b> 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):<br>EIN(s): <u>58-1488840</u> <u>33-6134835</u> |          |              |
| <b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>  |          |              |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year .....   | <b>3</b> |              |

|                |   |
|----------------|---|
| <b>Part II</b> | <b>Funding Information</b> (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.) |
|----------------|---|

|   |                              |                             |                              |
|---|------------------------------|-----------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....  | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>If the plan is a defined benefit plan, go to line 8.</b>   |                              |                             |                              |
| <b>5</b> 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. <b>Date:</b> Month _____ Day _____ Year _____<br><b>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.</b> |                              |                             |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....  | <b>6a</b>                    |                             |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....  | <b>6b</b>                    |                             |                              |
| <b>c</b> 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) .....  | <b>6c</b>                    |                             |                              |
| <b>If you completed line 6c, skip lines 8 and 9.</b>  |                              |                             |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....  | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>8</b> 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? .....   | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|   |                                   |                                   |                               |                             |
|---|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> 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. .... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|---|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

|                |   |
|----------------|---|
| <b>Part IV</b> | <b>ESOPs</b> (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. |
|----------------|---|

|  |   |  |
|--|---|--|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| <b>b</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.) ..... | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....   | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

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

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

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

|  |            |  |
|--|------------|--|
| <b>a</b> The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment) ..... | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) .....   | <b>14b</b> |  |
| <b>c</b> The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....   | <b>14c</b> |  |

**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:

|   |            |  |
|---|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

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

|  |            |  |
|--|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....   | <b>16a</b> |  |
| <b>b</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 ..... | <b>16b</b> |  |

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

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

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

**19** If the total number of participants is 1,000 or more, complete lines (a) and (b):

**a** Enter the percentage of plan assets held as:  
 Public Equity: \_\_\_\_\_% Private Equity: \_\_\_\_\_% Investment-Grade Debt and Interest Rate Hedging Assets: \_\_\_\_\_%  
 High-Yield Debt: \_\_\_\_\_% Real Assets: \_\_\_\_\_% Cash or Cash Equivalents: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:  
 0-5 years  5-10 years  10-15 years  15 years or more

**20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

**a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero?  Yes  No

**b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:  
 Yes.  
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.  
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.  
 No. Other. Provide explanation.....

**Part VII IRS Compliance Questions**

**21a** Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?  Yes  No

**21b** If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).  
 Design-based safe harbor method  
 "Prior year" ADP test  
 "Current year" ADP test  
 N/A

**22** If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter \_\_\_/\_\_\_/\_\_\_\_ (MM/DD/YYYY) and the Opinion Letter serial number \_\_\_\_\_.

**INHEALTH SYSTEMS AND SERVICES  
EMPLOYEE STOCK OWNERSHIP PLAN  
EIN #58-1488840 Plan 001**

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**Financial Statements and  
Independent Auditors' Report**

**For the year ended August 31, 2024**

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## **INDEPENDENT AUDITORS' REPORT**

To the Plan Committee of the  
InHealth Systems and Services Employee Stock Ownership Plan

### **Opinion**

We have audited the accompanying financial statements of InHealth Systems and Services Employee Stock Ownership Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of August 31, 2024 and 2023, and the related statement of changes in net assets available for benefits for the year ended August 31, 2024, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of August 31, 2024, and 2023, and the changes in its net assets available for benefits for the year ended August 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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

#### **Supplemental Schedules Required by ERISA**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of the Plan 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 has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, 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 information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Duluth, Georgia  
June 11, 2025

**INHEALTH SYSTEMS AND SERVICES EMPLOYEE STOCK OWNERSHIP PLAN**  
**STATEMENTS OF NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS**  
**As of August 31, 2024 and 2023**

|   | As of August 31, 2024 |                       |                       | As of August 31, 2023 |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | Allocated             | Unallocated           | Total                 | Allocated             | Unallocated           | Total                 |
| <b>Assets</b>   |                       |                       |                       |                       |                       |                       |
| Investment in Spinnaker Realty, Inc.<br>common stock, at fair value | \$ 493,923            | \$ 371,691            | \$ 865,614            | \$ 1,749,592          | \$ 1,537,376          | \$ 3,286,968          |
| Cash and cash equivalents   | <u>2,578</u>          | <u>-</u>              | <u>2,578</u>          | <u>2,578</u>          | <u>-</u>              | <u>2,578</u>          |
| Total assets  | 496,501               | 371,691               | 868,192               | 1,752,170             | 1,537,376             | 3,289,546             |
| <b>Liabilities</b>  |                       |                       |                       |                       |                       |                       |
| Accrued expenses and benefits payable                               | 2,578                 | -                     | 2,578                 | 2,578                 | -                     | 2,578                 |
| Loan payable  | <u>-</u>              | <u>6,731,209</u>      | <u>6,731,209</u>      | <u>-</u>              | <u>7,349,360</u>      | <u>7,349,360</u>      |
| Total liabilities   | <u>2,578</u>          | <u>6,731,209</u>      | <u>6,733,787</u>      | <u>2,578</u>          | <u>7,349,360</u>      | <u>7,351,938</u>      |
| Net assets (deficit) available for benefits                         | <u>\$ 493,923</u>     | <u>\$ (6,359,518)</u> | <u>\$ (5,865,595)</u> | <u>\$ 1,749,592</u>   | <u>\$ (5,811,984)</u> | <u>\$ (4,062,392)</u> |

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

**INHEALTH SYSTEMS AND SERVICES EMPLOYEE STOCK OWNERSHIP PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS (DEFICIT)**  
**AVAILABLE FOR BENEFITS**  
**For the Year Ended August 31, 2024**

|   | <u>Allocated</u>  | <u>Unallocated</u>    | <u>Total</u>          |
|---|-------------------|-----------------------|-----------------------|
| Additions to net assets attributed to:  |                   |                       |                       |
| Contributions   |                   |                       |                       |
| Employer contributions  | \$ -              | \$ 875,379            | \$ 875,379            |
| Reimbursement to trust  | 600               | -                     | 600                   |
| Allocation of 41,188 shares of common stock of<br>Spinnaker Realty, Inc., at fair value | <u>40,776</u>     | <u>(40,776)</u>       | <u>-</u>              |
| Total additions   | 41,376            | 834,603               | 875,979               |
| Deductions from net assets attributed to:   |                   |                       |                       |
| Unrealized loss on investments  | 1,235,856         | 1,124,909             | 2,360,765             |
| Interest expense  | -                 | 257,228               | 257,228               |
| Benefits paid   | 60,589            | -                     | 60,589                |
| Administrative expenses   | <u>600</u>        | <u>-</u>              | <u>600</u>            |
| Total deductions  | <u>1,297,045</u>  | <u>1,382,137</u>      | <u>2,679,182</u>      |
| Net change in net assets available for benefits   | (1,255,669)       | (547,534)             | (1,803,203)           |
| Net assets (deficit) available for benefits:  |                   |                       |                       |
| Beginning of year   | <u>1,749,592</u>  | <u>(5,811,984)</u>    | <u>(4,062,392)</u>    |
| End of year   | <u>\$ 493,923</u> | <u>\$ (6,359,518)</u> | <u>\$ (5,865,595)</u> |

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

**INHEALTH SYSTEMS AND SERVICES EMPLOYEE STOCK OWNERSHIP PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended August 31, 2024**

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**NOTE A – DESCRIPTION OF PLAN**

The following description of the InHealth Systems and Services Employee Stock Ownership Plan (the “Plan”) is provided for general information purposes only. More complete information regarding the Plan’s provisions may be found in the Plan document.

*General* – Spinnaker Realty, Inc. (the “Company” or “InHealth”), provides durable medical equipment, medical billings, and transcription services, and provides other back-office equipment to medical practices. The Company established the Plan effective September 1, 2011 and with a fiscal year end of August 31<sup>st</sup>. The Plan is authorized to operate as a leveraged employee stock ownership plan (ESOP) and is designed to comply with section 4975 (e) (7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (the “Code”), and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). It is also intended to function as a stock bonus plan designed to comply with Code section 401(a). The Plan is administered by a Plan Committee appointed by the Company’s Board of Directors. The Company’s Board of Directors appoints the Plan’s Trustees.

The Plan purchased Company common stock using a loan from the Company (see note F) and holds the common stock in a trust established under the Plan. As the Plan makes debt payments, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the IRC.

The borrowing is collateralized by the unallocated shares of common stock and is guaranteed by the Company. The lender has no rights against shares of common stock once they are allocated to participants in accordance with the terms of the ESOP. Accordingly, the financial statements of the Plan as of August 31, 2024 and 2023, and for the year ended August 31, 2024, present separately the assets and liabilities and changes therein pertaining to

- a. the accounts of employees with vested rights in allocated common stock (allocated),
- and
- b. common stock not yet allocated to employees (unallocated).

*Eligibility* – Employees of the Company are generally eligible to participate in the Plan after attaining 21 years of age and one year of service providing they worked at least 1,000 hours during such Plan year. Participants who do not have at least 1,000 hours of service during such Plan year or are not employed on the last working day of a Plan year are not eligible for an allocation of Company contributions for such year.

*Participant accounts* – Company contributions, Plan earnings, and forfeitures of terminated participants’ nonvested accounts are allocated to individual accounts for each eligible participant on each Plan fiscal year end. Allocations are based on either participants’ covered compensation or account balances.

**INHEALTH SYSTEMS AND SERVICES EMPLOYEE STOCK OWNERSHIP PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended August 31, 2024**

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**NOTE A – DESCRIPTION OF PLAN** *(continued)*

Contributions – Company contributions to the Plan are completely discretionary. Amounts contributed are at the direction of the Company’s Board of Directors and may be in the form of cash, shares of Company stock or other property. In a plan year in which the Plan is determined to be top-heavy, a minimum employer contribution shall be made to each non-key employee’s account.

Vesting – Participants become vested gradually based on years of continuous service. Participants are vested at 20% after the first two years of service and are fully vested after six years of credited service. For employees that were employed prior to the formation of the Plan, they are credited with one year of service for each five years of service provided to the Company prior to the formation of the Plan.

Voting rights – The trustees are entitled to exercise voting rights attributable to the shares held by the Plan. Participants have certain rights to direct the trustees’ voting.

Administration of plan assets – The Plan’s assets, which consist principally of sponsor Company common shares, are held by the Trustee of the Plan. Company contributions are held and managed by the Trustee, which invests cash received, interest, and dividend income and makes distributions to participants. The Trustee also administers the payment of interest and principal on the loan.

Certain administrative functions are performed by officers or employees of the Company or its subsidiaries. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee’s fees are paid directly by the Company.

Benefits – No distributions from the Plan will be made until a participant retires, is totally and permanently disabled, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representative), reaches age 70 ½, becomes a “qualified participant”, or otherwise terminates employment with the Company. Distributions are made on a schedule as stated in the Plan documents or in a lump-sum depending on the reason for termination and the nature and the balance of the account. Distributions may be in cash or in Company stock. Stock distribution may be subject to restrictions on transfer and to rights of the Plan and the Company to repurchase the shares. Terminated participants may have certain rights to sell distributed shares to the Plan or to the Company.

**INHEALTH SYSTEMS AND SERVICES EMPLOYEE STOCK OWNERSHIP PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended August 31, 2024**

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**NOTE A – DESCRIPTION OF PLAN (continued)**

Put option – Under Federal income tax regulations, Company stock held by the Plan and its participants is not readily tradable on an established market. It is subject to trading limitations which include a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is not a market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Diversification – Diversification of investments is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company stock into other investments of their choosing. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25 percent of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent. Since the Plan does not offer investment options other than the Company stock, participants are allowed to transfer their diversification distribution to a qualified retirement account or receive the distribution in cash.

Forfeited accounts – Forfeited balances on terminated participants' non-vested accounts are allocated as forfeiture, which are then allocated to eligible participant accounts. There were 1,936 shares forfeited by participants during the year.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting – The accompanying financial statements are prepared on the accrual basis of accounting.

Estimates – The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment valuation and income recognition – The common shares of the Company are valued at fair value on the last day of the plan year. Fair value is determined by an annual independent appraisal which is a Level 3 fair value measurement.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

**INHEALTH SYSTEMS AND SERVICES EMPLOYEE STOCK OWNERSHIP PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended August 31, 2024**

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Payment of benefits – Benefits are recorded at fair value when a terminating event has occurred. Payments are made in accordance with the Plan document.

Net appreciation (depreciation) in fair value of investment – Net realized and unrealized appreciation (depreciation) is recorded in the accompanying statement of changes in net assets available for benefits as net depreciation in fair value of Company common stock.

Administrative expenses – All of the Plan’s administrative expenses are paid directly by the Company, except for certain expenses that were paid by the Plan. Expenses paid by the Plan were \$600 for the year ended August 31, 2024.

Cash – Both interest bearing and non-interest-bearing cash have maturities of three months or less.

Fair value – FASB ASC 820, *Fair Value Measurements*, defines fair value as 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. In determining fair value, the Plan uses various methods including market, income, and cost approaches. The Plan utilizes valuation techniques that maximize the use of observable inputs and minimizes the use of unobservable inputs.

As a basis for categorizing these inputs, FASB ASC 820 establishes the following hierarchy, which prioritizes the inputs used to measure fair value from market-based assumptions to entity specific assumptions. When available, the Plan measures fair value using Level 1 inputs because they are generally more reliable evidence of fair value. Level 2 inputs are used only when Level 1 inputs are not available, and Level 3 inputs are only used when Level 1 or Level 2 inputs are unavailable.

- Level 1: Inputs based on quoted market prices for identical assets or liabilities in active markets at the measurement date. The fair values of common stock, corporate bonds, mutual funds, and U.S. Government securities are based on quoted market prices.
- Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

**INHEALTH SYSTEMS AND SERVICES EMPLOYEE STOCK OWNERSHIP PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended August 31, 2024**

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Fair value *(continued)*

- Level 3: Inputs reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date. The inputs are unobservable in the market and significant to the instrument’s valuation.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at August 31, 2024 and 2023.

Company stock – Is measured using Level 3 inputs where the fair value of the Company common stock held by the Plan is valued based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparables, and fair value of Company assets and liabilities. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.

Plan management accumulates the data for the appraiser from the audited financial statements of the Company. The appraiser prepares a preliminary report which plan management, along with the ESOP trustee, reviews in detail, discusses, and approves. The results of this process are documented in minutes of the plan fiduciary.

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

The Plan utilized a weighted average valuation approach combining discounted cashflows and guideline public company methods. The Plan utilized unobservable input under the discounted cash flow method for weighted-average cost of capital of 28% and utilized a multiple of 4.9X EBITDA under the guideline public company method. The Fund also applied a 5% discount for lack of marketability. The valuation resulted in a fair value of \$0.99 per share.

**INHEALTH SYSTEMS AND SERVICES EMPLOYEE STOCK OWNERSHIP PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended August 31, 2024**

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Fair value *(continued)*

The following table sets forth by level, within the fair value hierarchy, the Plan’s assets as of August 31, 2024 and 2023:

|                             | <u>Level 3</u>      | <u>Total</u>        |
|-----------------------------|---------------------|---------------------|
| <u>August 31, 2024</u>      |                     |                     |
| Investment in Company Stock | \$ <u>865,614</u>   | \$ <u>865,614</u>   |
| <u>August 31, 2023</u>      |                     |                     |
| Investment in Company Stock | \$ <u>3,286,968</u> | \$ <u>3,286,968</u> |

The following table sets forth a summary of changes in fair value of the Plan’s level 3 assets for the year ended August 31, 2024:

|                            |    |                    |
|----------------------------|----|--------------------|
| Balance, beginning of year | \$ | 3,286,968          |
| Repurchase of shares       |    | (60,589)           |
| Unrealized loss            |    | <u>(2,360,765)</u> |
| Balance, end of year       | \$ | <u>865,614</u>     |

Subsequent events – The Plan has evaluated subsequent events through the date the financial statements were issued on June 11, 2025.

**NOTE C - TAX STATUS**

The Internal Revenue Service (“IRS”) issued an opinion letter dated August 24, 2017 stating that the Plan, as then designed, was in compliance in accordance with applicable sections of the Internal Revenue Code (“IRC”). The Plan Sponsor and the Plan’s tax counsel believe that the Plan is currently designed and operating in accordance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan’s financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. 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 2021.

**INHEALTH SYSTEMS AND SERVICES EMPLOYEE STOCK OWNERSHIP PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended August 31, 2024**

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**NOTE D - 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, all liabilities and expenses of the trust fund will be paid, and then the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the plan terms and the IRC.

**NOTE E - INVESTMENTS**

The Plan's investments, at August 31, 2024 and 2023 are presented as follows:

|   | <u>Allocated</u>    | <u>Unallocated</u>  | <u>Total</u>         |
|---|---------------------|---------------------|----------------------|
| <u>Company Stock as of August 31, 2024:</u> |                     |                     |                      |
| Number of shares                            | 498,912             | 375,445             | 874,357              |
| Cost  | <u>\$ 8,032,483</u> | <u>\$ 6,044,664</u> | <u>\$ 14,077,147</u> |
| Fair value                                  | <u>\$ 493,923</u>   | <u>\$ 371,691</u>   | <u>\$ 865,614</u>    |
| <u>Company Stock as of August 31, 2023:</u> |                     |                     |                      |
| Number of shares                            | 474,144             | 416,633             | 890,777              |
| Cost  | <u>\$ 7,633,718</u> | <u>\$ 6,707,791</u> | <u>\$ 14,341,510</u> |
| Fair value                                  | <u>\$ 1,749,592</u> | <u>\$ 1,537,376</u> | <u>\$ 3,286,968</u>  |

**NOTE F – LOAN PAYABLE**

On March 14, 2013, the owners of the Company elected to sell 100% of their ownership interest in the Company to the Plan for \$16,100,000. The shares were purchased via a note payable to the Company in the amount of \$16,100,000. The note has a 30-year term with original annual principal and interest payments of \$875,378. The note accrues interest at 3.5% and matures in May 2043.

Unallocated shares are collateral for the loan. Shares are released from collateral and allocated to participants as payments of principal and interest are made. The number of shares released in any year is the number of shares held as collateral, times the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments. This resulted in 41,188 shares being released and allocated for the plan year ended August 31, 2024.

**INHEALTH SYSTEMS AND SERVICES EMPLOYEE STOCK OWNERSHIP PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended August 31, 2024**

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**NOTE F – LOAN PAYABLE** *(continued)*

The future minimum principal payments on the loan as of August 31, 2024 are as follows:

|            |    |                  |
|------------|----|------------------|
| 2025       | \$ | 639,786          |
| 2026       |    | 662,179          |
| 2027       |    | 685,355          |
| 2028       |    | 709,342          |
| 2029       |    | 734,169          |
| Thereafter |    | <u>3,300,378</u> |
|            | \$ | <u>6,731,209</u> |

**NOTE G – PARTY-IN-INTEREST**

The Plan invests in Company common stock and has indebtedness guaranteed by the Company. These are party-in-interest and related party transactions. As described in Note A, the Plan has a number of service providers. Such parties are parties-in-interest under ERISA.

**NOTE H – RISKS AND UNCERTAINTIES**

The Plan investments consist primarily of the Company's common stock, which is exposed to various risks, such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows, and other such techniques. Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in estimates and assumptions, it is at least reasonably possible that changes in the value of the common stock will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

The future value of the stock is dependent on numerous factors including the general U.S. economy, management execution of strategic plans, and other uncertainties. These factors have a direct effect on the Company and the underlying value of the Company's stock.

**SUPPLEMENTAL SCHEDULE**

**INHEALTH SYSTEMS AND SERVICES EMPLOYEE STOCK OWNERSHIP PLAN**  
**EMPLOYER IDENTIFICATION NUMBER 58-1488840, PLAN 001**  
**SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**As of August 31, 2024**

| (a) | (b)<br>Identity of issue, borrower,<br>lessor, or similar party | (c)<br>Description of investment | (d)<br>Cost          | (e)<br>Current<br>value |
|-----|---|----------------------------------|----------------------|-------------------------|
| *   | Spinmaker Realty, Inc. D/B/A InHealth Systems                   | 874,357 shares common stock      | <u>\$ 14,077,147</u> | <u>\$ 865,614</u>       |
| *   | A party in interest as defined by ERISA                         |                                  |                      |                         |

*See independent auditors' report.*

**INHEALTH SYSTEMS AND SERVICES EMPLOYEE STOCK OWNERSHIP PLAN**  
**EMPLOYER IDENTIFICATION NUMBER 58-1488840, PLAN 001**  
**SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**As of August 31, 2024**

| (a) | (b)<br>Identity of issue, borrower,<br>lessor, or similar party | (c)<br>Description of investment | (d)<br>Cost          | (e)<br>Current<br>value |
|-----|---|----------------------------------|----------------------|-------------------------|
| *   | Spinmaker Realty, Inc. D/B/A InHealth Systems                   | 874,357 shares common stock      | <u>\$ 14,077,147</u> | <u>\$ 865,614</u>       |
| *   | A party in interest as defined by ERISA                         |                                  |                      |                         |

*See independent auditors' report.*