

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed 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-SF.	OMB Nos. 1210-0110 1210-0089 2011 This Form is Open to Public Inspection
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Part I Annual Report Identification Information			
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>			
A	This return/report is for:	<input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a multiple-employer plan (not multiemployer) <input type="checkbox"/> a one-participant plan	
B	This return/report is:	<input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report <input type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months)	
C	Check box if filing under:	<input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> DFVC program <input type="checkbox"/> special extension (enter description)	

Part II Basic Plan Information —enter all requested information			
1a	Name of plan <u>CASH BALANCE PLAN OF NORTHWEST SPINE & SPORTS PHYSICIANS, P.C.</u>	1b	Three-digit plan number (PN) <u>003</u>
		1c	Effective date of plan <u>01/01/2006</u>
2a	Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>NORTHWEST SPINE & SPORTS PHYSICIANS, P.C.</u> <u>1750 112TH AVENUE NE, SUITE D258</u> <u>BELLEVUE, WA 98004-3727</u>	2b	Employer Identification Number (EIN) <u>91-1892592</u>
		2c	Sponsor's telephone number <u>425-451-2272</u>
		2d	Business code (see instructions) <u>621111</u>
3a	Plan administrator's name and address (if same as plan sponsor, enter "Same") <u>NORTHWEST SPINE & SPORTS PHYSICIANS, P.C.</u> <u>1750 112TH AVENUE NE, SUITE D258</u> <u>BELLEVUE, WA 98004-3727</u>	3b	Administrator's EIN <u>91-1892592</u>
		3c	Administrator's telephone number <u>425-451-2272</u>
4	If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN, and the plan number from the last return/report.	4b	EIN
a	Sponsor's name	4c	PN
5a	Total number of participants at the beginning of the plan year	5a	<u>45</u>
b	Total number of participants at the end of the plan year	5b	<u>45</u>
c	Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)	5c	
6a	Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
b	Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.			

Part III Financial Information				
7	Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a	Total plan assets	7a	<u>408150</u>	<u>449507</u>
b	Total plan liabilities	7b		
c	Net plan assets (subtract line 7b from line 7a)	7c	<u>408150</u>	<u>449507</u>
8	Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a	Contributions received or receivable from:			
	(1) Employers	8a(1)	<u>63206</u>	
	(2) Participants	8a(2)		
	(3) Others (including rollovers)	8a(3)		
b	Other income (loss)	8b	<u>20202</u>	
c	Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		<u>83408</u>
d	Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	<u>38935</u>	
e	Certain deemed and/or corrective distributions (see instructions)	8e		
f	Administrative service providers (salaries, fees, commissions)	8f	<u>3116</u>	
g	Other expenses	8g		
h	Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		<u>42051</u>
i	Net income (loss) (subtract line 8h from line 8c)	8i		<u>41357</u>
j	Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics**9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1C 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:**Part V Compliance Questions**

10	During the plan year:	Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)		X	
b	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)		X	
c	Was the plan covered by a fidelity bond?	X		1000000
d	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
e	Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.)		X	
f	Has the plan failed to provide any benefit when due under the plan?		X	
g	Did the plan have any participant loans? (If "Yes," enter amount as of year end.)		X	
h	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
i	If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500)) ☒ Yes ☐ No

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? .. ☐ Yes ☒ No
(If "Yes," complete 12a or 12b, 12c, 12d, and 12e below, as applicable.)

a 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 letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year.....	12b	
c Enter the amount contributed by the employer to the plan for this plan year.....	12c	
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d	

e Will the minimum funding amount reported on line 12d be met by the funding deadline?..... ☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year **13a**

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? ☐ Yes ☒ No

c 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.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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.	09/05/2012	ANDREW J. COLE, M.D.
	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

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>CASH BALANCE PLAN OF NORTHWEST SPINE & SPORTS PHYSICIANS, P.C.</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>NORTHWEST SPINE & SPORTS PHYSICIANS, P.C.</u>	D Employer Identification Number (EIN) <u>91-1892592</u>
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	F Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>	
2 Assets:	
a Market value	2a <u>408150</u>
b Actuarial value	2b <u>408150</u>
3 Funding target/participant count breakdown:	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>0</u> <u>0</u>
b For terminated vested participants	3b <u>13</u> <u>44426</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>3664</u>
(2) Vested benefits	3c(2) <u>312176</u>
(3) Total active	3c(3) <u>32</u> <u>315840</u>
d Total	3d <u>45</u> <u>360266</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	<input type="checkbox"/>
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.23 %</u>
6 Target normal cost	6 <u>41964</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>08/27/2012</u>
Signature of actuary	Date
<u>ANTHONY L. URDAHL</u>	<u>11-05312</u>
Type or print name of actuary	Most recent enrollment number
<u>HILDI INC.</u>	<u>952-934-5554</u>
Firm name	Telephone number (including area code)
<u>11800 SINGLETREE LANE, SUITE 305</u> <u>EDEN PRAIRIE, MN 55344</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2011
v.012611

Part II Beginning of year carryover and prefunding balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	21131	
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	
9 Amount remaining (line 7 minus line 8)	21131	0
10 Interest on line 9 using prior year's actual return of <u>7.63</u> %	1612	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38 from prior year)		5758
b Interest on (a) using prior year's effective rate of <u>6.69</u> % except as otherwise provided (see instructions)		385
c Total available at beginning of current plan year to add to prefunding balance.....		6143
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	22743	0

Part III Funding percentages		
14 Funding target attainment percentage.....	14	106.97 %
15 Adjusted funding target attainment percentage.....	15	113.29 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	136.64 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
02/10/2011	6455	0	12/30/2011	30622	0
03/21/2011	2092	0	01/05/2012	3793	0
03/24/2011	1915	0			
11/01/2011	5145	0			
11/16/2011	11894	0			
12/08/2011	1290	0			
Totals ►			18(b)	63206	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	60163

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 2.94%	2nd segment: 5.82%	3rd segment: 6.46 %	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) <input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	41964	
b Excess assets, if applicable, but not greater than 31a	31b		
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	41964	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	41964	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	60163	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	18199	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected	<input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years		
b Eligible plan year(s) for which the election in line 41a was made	<input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

Schedule SB, Line 22 – Description of Weighted Average Retirement Age

All employees are assumed to retire at the age of 65.

Attachment to 2011 Form 5500 Schedule SB
Cash Balance Plan of Northwest Spine & Sports Physicians
EIN/PN: 91-1892592/003

Schedule SB, Line 26 – Schedule of Active Participant Data

Years of credited service:

	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
Attained Age	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
Under 25	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	4	0	0	0	0	0	0	0	0	4
30 to 34	1	1	1	0	0	0	0	0	0	0	3
35 to 39	1	2	1	0	0	0	0	0	0	0	4
40 to 44	1	0	3	0	0	0	0	0	0	0	4
45 to 49	0	4	1	0	0	0	0	0	0	0	5
50 to 54	1	2	1	1	0	0	0	0	0	0	5
55 to 59	0	1	0	1	0	0	0	0	0	0	2
60 to 64	0	0	2	1	0	0	0	0	0	0	3
65 to 69	1	0	1	0	0	0	0	0	0	0	2
70 & up	0	0	0	0	0	0	0	0	0	0	0
Total	5	14	10	3	0	0	0	0	0	0	32

Attachment to 2011 Form 5500 Schedule SB
Cash Balance Plan of Northwest Spine & Sports Physicians
EIN/PN: 91-1892592/003

Statement of Assumptions / Methods

Methods	
Valuation Date	January 1
Funding Method	True unit credit
Market Assets	Trustee Value plus accrued contributions
Actuarial Assets	Market Assets
Segment Rate Basis Averaging Period Look back Period PPA 3-Year Phase-in	24 month average 0 months NA
Economic Assumptions	
Segment Rates Segment 1 Segment 2 Segment 3	2.94% 5.82% 6.46%
Salary Increases	0.00%
Lump Sum Interest Rate	Same as Segment Rates
Cash Balance Crediting Rate	5.50%
Other Assumptions	
Mortality—Healthy	<i>Pre-retirement:</i> None <i>Post-retirement:</i> IRS 2011 Small Plan Combined
Disability	None
Withdrawal	None
Expenses	Assumed paid outside of Plan
Retirement Age	65
Form of Payment	Lump Sum

Attachment to 2011 Form 5500 Schedule SB
Cash Balance Plan of Northwest Spine & Sports Physicians
EIN/PN: 91-1892592/003

Summary of Plan Provisions

Effective Date	January 1, 2006
Plan Year	Calendar year
Eligibility Service	1000 hours of service in the first 12 months from date of hire or in any plan year (including years prior to Effective Date)
Vesting Service	Plan Years with at least 1000 hours of service (including years prior to Effective Date)
Participation	First day of the quarter coincident with or next following attainment of age 21 with 1 year of Eligibility Service
Vesting	Prior to 2008: 20% after 2 years increase 20% annually After 2007: 100% after 3 years of Vesting Service
Compensation	W2 wages (including salary deferrals)
Normal Retirement Date	1 st of the month coincident with or next following age 65
Benefit Allocations	Hypothetical allocations made as of December 31 based on Compensation earned during the year: <ul style="list-style-type: none">• Benefit Tier 1: 2.00% (owners on 1/1/2005)• Benefit Tier 2: 2.00% (all others)
Interest Credits	Yield on 30-year Treasuries for the month of December prior to the plan year. Credits are applied as of plan year end.
Accrued Benefit	Cash balance account value
Death Benefit	Account balance as of date of death
Forms of Retirement Benefits	Lump sum, life only, J&S annuity (50%, 75%, 100%)

Changes since Prior Valuation: None.

Schedule SB, Line 22 – Description of Weighted Average Retirement Age

All employees are assumed to retire at the age of 65.

Attachment to 2011 Form 5500 Schedule SB
Cash Balance Plan of Northwest Spine & Sports Physicians
EIN/PN: 91-1892592/003

Schedule SB, Line 26 – Schedule of Active Participant Data

Years of credited service:

	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
Attained Age	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
Under 25	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	4	0	0	0	0	0	0	0	0	4
30 to 34	1	1	1	0	0	0	0	0	0	0	3
35 to 39	1	2	1	0	0	0	0	0	0	0	4
40 to 44	1	0	3	0	0	0	0	0	0	0	4
45 to 49	0	4	1	0	0	0	0	0	0	0	5
50 to 54	1	2	1	1	0	0	0	0	0	0	5
55 to 59	0	1	0	1	0	0	0	0	0	0	2
60 to 64	0	0	2	1	0	0	0	0	0	0	3
65 to 69	1	0	1	0	0	0	0	0	0	0	2
70 & up	0	0	0	0	0	0	0	0	0	0	0
Total	5	14	10	3	0	0	0	0	0	0	32

Attachment to 2011 Form 5500 Schedule SB
Cash Balance Plan of Northwest Spine & Sports Physicians
EIN/PN: 91-1892592/003

Statement of Assumptions / Methods

Methods	
Valuation Date	January 1
Funding Method	True unit credit
Market Assets	Trustee Value plus accrued contributions
Actuarial Assets	Market Assets
Segment Rate Basis Averaging Period Look back Period PPA 3-Year Phase-in	24 month average 0 months NA
Economic Assumptions	
Segment Rates Segment 1 Segment 2 Segment 3	2.94% 5.82% 6.46%
Salary Increases	0.00%
Lump Sum Interest Rate	Same as Segment Rates
Cash Balance Crediting Rate	5.50%
Other Assumptions	
Mortality—Healthy	<i>Pre-retirement:</i> None <i>Post-retirement:</i> IRS 2011 Small Plan Combined
Disability	None
Withdrawal	None
Expenses	Assumed paid outside of Plan
Retirement Age	65
Form of Payment	Lump Sum

Attachment to 2011 Form 5500 Schedule SB
Cash Balance Plan of Northwest Spine & Sports Physicians
EIN/PN: 91-1892592/003

Summary of Plan Provisions

Effective Date	January 1, 2006
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Benefit Allocations	Hypothetical allocations made as of December 31 based on Compensation earned during the year: <ul style="list-style-type: none">• Benefit Tier 1: 2.00% (owners on 1/1/2005)• Benefit Tier 2: 2.00% (all others)
Interest Credits	Yield on 30-year Treasuries for the month of December prior to the plan year. Credits are applied as of plan year end.
Accrued Benefit	Cash balance account value
Death Benefit	Account balance as of date of death
Forms of Retirement Benefits	Lump sum, life only, J&S annuity (50%, 75%, 100%)

Changes since Prior Valuation: None.

Form 5500-SFDepartment of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Short Form Annual Return/Report of Small Employee
Benefit Plan**

This form is required to be filed 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-SF.**OMB Nos. 1210-0110
1210-0089**2011****This Form is Open to Public
Inspection****Part I Annual Report Identification Information**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

- A** This return/report is for: ☒ a single-employer plan ☐ a multiple-employer plan (not multiemployer) ☐ a one-participant plan
- 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** Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ DFVC program
☐ special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan CASH BALANCE PLAN OF NORTHWEST SPINE & SPORTS PHYSICIANS, P.C.		1b Three-digit plan number (PN) ▶ 003
		1c Effective date of plan 01/01/2006
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) NORTHWEST SPINE & SPORTS PHYSICIANS, P.C. 1750 112TH AVENUE NE, SUITE D258 BELLEVUE WA 98004-3727		2b Employer Identification Number (EIN) 91-1892592
		2c Sponsor's telephone number 425-451-2272
		2d Business code (see instructions) 621111
3a Plan administrator's name and address (if same as plan sponsor, enter "Same") NORTHWEST SPINE & SPORTS PHYSICIANS, P.C. 1750 112TH AVENUE NE, SUITE D258 BELLEVUE WA 98004-3727		3b Administrator's EIN 91-1892592
		3c Administrator's telephone number 425-451-2272
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN, and the plan number from the last return/report. a Sponsor's name		4b EIN
		4c PN
5a Total number of participants at the beginning of the plan year.....		5a 45
b Total number of participants at the end of the plan year.....		5b 45
c Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item).....		5c
6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.		

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets.....	7a	408150	449507
b Total plan liabilities.....	7b		
c Net plan assets (subtract line 7b from line 7a).....	7c	408150	449507
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers.....	8a(1)	63206	
(2) Participants.....	8a(2)		
(3) Others (including rollovers).....	8a(3)		
b Other income (loss).....	8b	20202	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b).....	8c		83408
d Benefits paid (including direct rollovers and insurance premiums to provide benefits).....	8d	38935	
e Certain deemed and/or corrective distributions (see instructions).....	8e		
f Administrative service providers (salaries, fees, commissions).....	8f	3116	
g Other expenses.....	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g).....	8h		42051
i Net income (loss) (subtract line 8h from line 8c).....	8i		41357
j Transfers to (from) the plan (see instructions).....	8j		

Part IV Plan Characteristics

9a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1C 1G

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

Part V Compliance Questions

10 During the plan year:		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)		X	
b	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)		X	
c	Was the plan covered by a fidelity bond?	X		1000000
d	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
e	Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.)		X	
f	Has the plan failed to provide any benefit when due under the plan?		X	
g	Did the plan have any participant loans? (If "Yes," enter amount as of year end.)		X	
h	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
i	If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500)) ☒ Yes ☐ No

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? .. ☐ Yes ☒ No
(If "Yes," complete 12a or 12b, 12c, 12d, and 12e below, as applicable.)

a 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 letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year..... **12b** _____

c Enter the amount contributed by the employer to the plan for this plan year..... **12c** _____

d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) **12d** _____

e Will the minimum funding amount reported on line 12d be met by the funding deadline?..... ☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year? ☐ Yes ☒ No

If "Yes," enter the amount of any plan assets that reverted to the employer this year **13a** _____

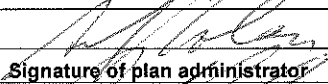

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?..... ☐ Yes ☒ No

c 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.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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		Date <u>6-30-12</u>	ANDREW J. COLE, M.D.
	Signature of plan administrator		Enter name of individual signing as plan administrator
SIGN HERE		Date	
	Signature of employer/plan sponsor		Enter name of individual signing as employer or plan sponsor

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan CASH BALANCE PLAN OF NORTHWEST SPINE & SPORTS PHYS	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF NORTHWEST SPINE & SPORTS PHYSICIANS, P.C.	D Employer Identification Number (EIN) 91-1892592	
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B F Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500		

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>			
2 Assets:			
a Market value	2a		408150
b Actuarial value	2b		408150
3 Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	0	0
b For terminated vested participants	3b	13	44426
c For active participants:			
(1) Non-vested benefits	3c(1)		3664
(2) Vested benefits	3c(2)		312176
(3) Total active	3c(3)	32	315840
d Total	3d	45	360266
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5		6.23%
6 Target normal cost	6		41964

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	 Signature of actuary	<u>08/27/2012</u> Date <u>1105312</u> Most recent enrollment number <u>952-934-5554</u> Telephone number (including area code)
Anthony L. Urdahl Type or print name of actuary		
Hildi Inc. Firm name 11800 Singletree Lane, Suite 305 Eden Prairie MN 55344 Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2011
v.012611

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	21131	
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	
9	Amount remaining (line 7 minus line 8)	21131	0
10	Interest on line 9 using prior year's actual return of <u>7.63</u> %	1612	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		5758
b	Interest on (a) using prior year's effective rate of <u>6.69</u> % except as otherwise provided (see instructions)		385
c	Total available at beginning of current plan year to add to prefunding balance		6143
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	22743	0

Part III Funding percentages			
14	Funding target attainment percentage	14	106.97%
15	Adjusted funding target attainment percentage	15	113.29%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	136.64%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
02/10/2011	6455	0			
03/21/2011	2092	0			
03/24/2011	1915	0			
11/01/2011	5145	0			
11/16/2011	11894	0			
12/08/2011	1290	0			
12/30/2011	30622	0			
01/05/2012	3793	0			
Totals ▶			18(b)	63206	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 60163
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	<input type="checkbox"/> Yes <input type="checkbox"/> No
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:			
a Segment rates:	1st segment: 2.94%	2nd segment: 5.82%	3rd segment: 6.46%
			<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code)			21b 0
22 Weighted average retirement age			22 65
23 Mortality table(s) (see instructions) <input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute			

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)		31a	41964
b Excess assets, if applicable, but not greater than 31a		31b	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..		34	41964
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)		36	41964
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37	60163
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	18199
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected		<input type="checkbox"/> 2 plus 7 years	<input type="checkbox"/> 15 years
b Eligible plan year(s) for which the election in line 41a was made		<input type="checkbox"/> 2008	<input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011
42 Amount of acceleration adjustment		42	
43 Excess installment acceleration amount to be carried over to future plan years		43	

Schedule SB, Line 22 – Description of Weighted Average Retirement Age

All employees are assumed to retire at the age of 65.

Attachment to 2011 Form 5500 Schedule SB
Cash Balance Plan of Northwest Spine & Sports Physicians
EIN/PN: 91-1892592/003

Schedule SB, Line 26 – Schedule of Active Participant Data

Years of credited service:

	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
Attained Age	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
Under 25	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	4	0	0	0	0	0	0	0	0	4
30 to 34	1	1	1	0	0	0	0	0	0	0	3
35 to 39	1	2	1	0	0	0	0	0	0	0	4
40 to 44	1	0	3	0	0	0	0	0	0	0	4
45 to 49	0	4	1	0	0	0	0	0	0	0	5
50 to 54	1	2	1	1	0	0	0	0	0	0	5
55 to 59	0	1	0	1	0	0	0	0	0	0	2
60 to 64	0	0	2	1	0	0	0	0	0	0	3
65 to 69	1	0	1	0	0	0	0	0	0	0	2
70 & up	0	0	0	0	0	0	0	0	0	0	0
Total	5	14	10	3	0	0	0	0	0	0	32

Attachment to 2011 Form 5500 Schedule SB
Cash Balance Plan of Northwest Spine & Sports Physicians
EIN/PN: 91-1892592/003

Statement of Assumptions / Methods

Methods	
Valuation Date	January 1
Funding Method	True unit credit
Market Assets	Trustee Value plus accrued contributions
Actuarial Assets	Market Assets
Segment Rate Basis Averaging Period Look back Period PPA 3-Year Phase-in	24 month average 0 months NA
Economic Assumptions	
Segment Rates Segment 1 Segment 2 Segment 3	2.94% 5.82% 6.46%
Salary Increases	0.00%
Lump Sum Interest Rate	Same as Segment Rates
Cash Balance Crediting Rate	5.50%
Other Assumptions	
Mortality—Healthy	<i>Pre-retirement:</i> None <i>Post-retirement:</i> IRS 2011 Small Plan Combined
Disability	None
Withdrawal	None
Expenses	Assumed paid outside of Plan
Retirement Age	65
Form of Payment	Lump Sum

Attachment to 2011 Form 5500 Schedule SB
Cash Balance Plan of Northwest Spine & Sports Physicians
EIN/PN: 91-1892592/003

Summary of Plan Provisions

Effective Date	January 1, 2006
Plan Year	Calendar year
Eligibility Service	1000 hours of service in the first 12 months from date of hire or in any plan year (including years prior to Effective Date)
Vesting Service	Plan Years with at least 1000 hours of service (including years prior to Effective Date)
Participation	First day of the quarter coincident with or next following attainment of age 21 with 1 year of Eligibility Service
Vesting	Prior to 2008: 20% after 2 years increase 20% annually After 2007: 100% after 3 years of Vesting Service
Compensation	W2 wages (including salary deferrals)
Normal Retirement Date	1 st of the month coincident with or next following age 65
Benefit Allocations	Hypothetical allocations made as of December 31 based on Compensation earned during the year: <ul style="list-style-type: none">• Benefit Tier 1: 2.00% (owners on 1/1/2005)• Benefit Tier 2: 2.00% (all others)
Interest Credits	Yield on 30-year Treasuries for the month of December prior to the plan year. Credits are applied as of plan year end.
Accrued Benefit	Cash balance account value
Death Benefit	Account balance as of date of death
Forms of Retirement Benefits	Lump sum, life only, J&S annuity (50%, 75%, 100%)

Changes since Prior Valuation: None.

Schedule SB, Line 22 – Description of Weighted Average Retirement Age

All employees are assumed to retire at the age of 65.

Attachment to 2011 Form 5500 Schedule SB
Cash Balance Plan of Northwest Spine & Sports Physicians
EIN/PN: 91-1892592/003

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	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
Attained Age	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
Under 25	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	4	0	0	0	0	0	0	0	0	4
30 to 34	1	1	1	0	0	0	0	0	0	0	3
35 to 39	1	2	1	0	0	0	0	0	0	0	4
40 to 44	1	0	3	0	0	0	0	0	0	0	4
45 to 49	0	4	1	0	0	0	0	0	0	0	5
50 to 54	1	2	1	1	0	0	0	0	0	0	5
55 to 59	0	1	0	1	0	0	0	0	0	0	2
60 to 64	0	0	2	1	0	0	0	0	0	0	3
65 to 69	1	0	1	0	0	0	0	0	0	0	2
70 & up	0	0	0	0	0	0	0	0	0	0	0
Total	5	14	10	3	0	0	0	0	0	0	32

Attachment to 2011 Form 5500 Schedule SB
Cash Balance Plan of Northwest Spine & Sports Physicians
EIN/PN: 91-1892592/003

Statement of Assumptions / Methods

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Segment Rate Basis Averaging Period Look back Period PPA 3-Year Phase-in	24 month average 0 months NA
Economic Assumptions	
Segment Rates Segment 1 Segment 2 Segment 3	2.94% 5.82% 6.46%
Salary Increases	0.00%
Lump Sum Interest Rate	Same as Segment Rates
Cash Balance Crediting Rate	5.50%
Other Assumptions	
Mortality—Healthy	<i>Pre-retirement:</i> None <i>Post-retirement:</i> IRS 2011 Small Plan Combined
Disability	None
Withdrawal	None
Expenses	Assumed paid outside of Plan
Retirement Age	65
Form of Payment	Lump Sum

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EIN/PN: 91-1892592/003

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Benefit Allocations	Hypothetical allocations made as of December 31 based on Compensation earned during the year: <ul style="list-style-type: none">• Benefit Tier 1: 2.00% (owners on 1/1/2005)• Benefit Tier 2: 2.00% (all others)
Interest Credits	Yield on 30-year Treasuries for the month of December prior to the plan year. Credits are applied as of plan year end.
Accrued Benefit	Cash balance account value
Death Benefit	Account balance as of date of death
Forms of Retirement Benefits	Lump sum, life only, J&S annuity (50%, 75%, 100%)

Changes since Prior Valuation: None.