

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 <div style="border: 1px solid black; padding: 5px; text-align: center; font-weight: bold; font-size: 1.2em;">2012</div> This Form is Open to Public Inspection
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Part I Annual Report Identification Information			
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</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 checked="" 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>NORTHWEST ORTHOPAEDIC ASSOCIATES DEFINED BENEFIT PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>002</u>
		1c	Effective date of plan <u>01/01/2009</u>
2a	Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>PROLIANCE SURGEONS, INC., P.S.</u> <u>875 SWIFT BOULEVARD</u> <u>RICHLAND, WA 99352-3592</u>	2b	Employer Identification Number (EIN) <u>91-1606533</u>
		2c	Sponsor's telephone number <u>509-946-1654</u>
		2d	Business code (see instructions) <u>621111</u>
3a	Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address <u>PROLIANCE SURGEONS, INC., P.S.</u> <u>875 SWIFT BOULEVARD</u> <u>RICHLAND, WA 99352-3592</u>	3b	Administrator's EIN <u>91-1606533</u>
		3c	Administrator's telephone number <u>509-946-1654</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. a Sponsor's name <u>NORTHWEST ORTHOPAEDIC ASSOCIATES</u>	4b	EIN <u>91-1107815</u>
		4c	PN <u>004</u>
5a	Total number of participants at the beginning of the plan year	5a	<u>30</u>
b	Total number of participants at the end of the plan year	5b	<u>0</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	

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.	10/15/2013	JOHN W. STAEHELI
	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
Preparer's name (including firm name, if applicable) and address; include room or suite number (optional) JODI CALHOUN RANDALL & HURLEY, INC. 601 W RIVERSIDE, SUITE 1600 SPOKANE, WA 99201			Preparer's telephone number (optional) <u>509-838-5500</u>

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	702947	0
b Total plan liabilities	7b	0	0
c Net plan assets (subtract line 7b from line 7a)	7c	702947	0
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	166432	
(2) Participants	8a(2)		
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b	95586	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		262018
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	960291	
e Certain deemed and/or corrective distributions (see instructions)	8e		
f Administrative service providers (salaries, fees, commissions)	8f	4674	
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		964965
i Net income (loss) (subtract line 8h from line 8c)	8i		-702947
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:
1A 1D 1G 1H 1I 3B 3D
- 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)	10a	X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b	X	
c Was the plan covered by a fidelity bond?	10c	X	300000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d	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.)	10e	X	
f Has the plan failed to provide any benefit when due under the plan?	10f	X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g	X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h		
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	10i		

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) and line 11a below)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
11a Enter the amount from Schedule SB line 39	11a 0
12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? ..	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(If "Yes," complete line 12a or lines 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?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If "Yes," enter the amount of any plan assets that reverted to the employer this year	13a 0
b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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)

Part VIII Trust Information (optional)

14a Name of trust	14b Trust's EIN

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 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **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>NORTHWEST ORTHOPAEDIC ASSOCIATES DEFINED BENEFIT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>PROLIANCE SURGEONS, INC., P.S.</u>	D Employer Identification Number (EIN) <u>91-1606533</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>12</u> Day <u>31</u> Year <u>2012</u>	
2 Assets:	
a Market value	2a <u>793610</u>
b Actuarial value	2b <u>793610</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>0</u>
b For terminated vested participants.....	3b <u>0</u>
c For active participants:	
(1) Non-vested benefits.....	3c(1) <u>0</u>
(2) Vested benefits.....	3c(2) <u>926250</u>
(3) Total active	3c(3) <u>30</u>
d Total	3d <u>30</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>4.90 %</u>
6 Target normal cost.....	6 <u>0</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>10/07/2013</u>
Signature of actuary		Date
<u>MARC M. MCCALL</u>		<u>11-06948</u>
Type or print name of actuary		Most recent enrollment number
<u>RANDALL & HURLEY, INC.</u>		<u>509-838-5500</u>
Firm name		Telephone number (including area code)
<u>601 W. RIVERSIDE, SUITE 1600</u> <u>SPOKANE, WA 99201</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) 2012
v. 120126

Part II Beginning of Year Carryover Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>14.01</u> %	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		240
b	Interest on (a) using prior year's effective interest rate of <u>5.59</u> % except as otherwise provided (see instructions)		0
c	Total available at beginning of current plan year to add to prefunding balance		240
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)	0	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	85.67 %
15	Adjusted funding target attainment percentage	15	103.68 %
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	73.73 %
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
12/21/2012	166432	0			
Totals ►			18(b)	166432	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	166329
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
c If line 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: 1.69%	2nd segment: 4.53%	3rd segment: 5.60%	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code).....				21b 1
22 Weighted average retirement age				22 62
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 subject to 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	0	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	132640	23637	
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	23637	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			
36 Additional cash requirement (line 34 minus line 35)	36	23637	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	166329	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	142692	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
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 an election was made to use PRA 2010 funding relief for this plan:			
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 26 - Schedule of Active Participant Data

YEARS OF CREDITED SERVICE

Attained Age	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	
	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45 to 49	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50 to 54	0	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55 to 59	0	0	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70 & Up	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Name of plan: Northwest Orthopaedic Associates Defined Benefit Plan
Plan sponsor's name: Proliance Surgeons, Inc., P.S.

Plan number: 002
EIN: 91-1606533

NORTHWEST ORTHOPAEDIC ASSOCIATES DEFINED BENEFIT PLAN
EIN: 91-1606533
PLAN NUMBER: 002
SCHEDULE SB, PART V – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS

ECONOMIC ASSUMPTIONS

	December 31, 2011	December 31, 2012
Interest rates:		
1st Segmented Interest Rate (0-5 years)	2.01%	1.69%
2nd Segmented Interest Rate (5-20 years)	5.16%	4.53%
3rd Segmented Interest Rate (20+ years)	6.28%	5.60%
Effective Interest Rate	5.59%	4.90%
Traditional funding	7.00%	7.00%
FAS 35 liability	7.00%	7.00%
Salary scale:		
ERISA funding	0.00%	0.00%
Maximum compensation limit	\$245,000	\$250,000
Maximum benefit limit	\$195,000	\$200,000
Expenses	\$0	\$0

ACTUARIAL METHODS

Minimum and maximum contributions	
Actuarial value of assets	Market value of assets
Plan Year	January 1 to December 31
Measurement date	December 31
Traditional funding methods	
Normal cost and accrued liability	Individual Aggregate Cost Method

NORTHWEST ORTHOPAEDIC ASSOCIATES DEFINED BENEFIT PLAN

EIN: 91-1606533

PLAN NUMBER: 002

SCHEDULE SB, PART V – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS

DEMOGRAPHIC ASSUMPTIONS

Mortality - Funding (Post PPA)	
Post-retirement	2012 Optional Small Plans Male/Female
Pre-retirement	None
Mortality - 417(e) (Post PPA)	
Post-retirement	2012 Applicable Mortality Table
Pre-retirement	None
Mortality - Traditional (Pre PPA)	
Post-retirement	1994 GAR Mortality Table
Pre-retirement	None
Probability of Lump Sum	95%
Termination	None
Disability	None
Retirement Age	Age 62

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**2012****This Form is Open to Public
Inspection****Part I Annual Report Identification Information**

For calendar plan year 2012 or fiscal plan year beginning	01/01/2012	and ending	12/31/2012
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 checked="" 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)		

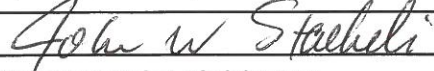
Part II Basic Plan Information—enter all requested information

1a Name of plan Northwest Orthopaedic Associates Defined Benefit Plan	1b Three-digit plan number (PN) ▶ 002
	1c Effective date of plan 01/01/2009
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) Proliance Surgeons, Inc., P.S. 875 Swift Boulevard Richland WA 99352-3592	2b Employer Identification Number (EIN) 91-1606533
	2c Sponsor's telephone number 509-946-1654
	2d Business code (see instructions) 621111
3a Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address Proliance Surgeons, Inc., P.S. 875 Swift Boulevard Richland WA 99352-3592	3b Administrator's EIN 91-1606533
	3c Administrator's telephone number 509-946-1654
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 Northwest Orthopaedic Associates	4b EIN 91-1107815
	4c PN 004
5a Total number of participants at the beginning of the plan year	5a 30
b Total number of participants at the end of the plan year	5b 0
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 line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.

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			John W. Staeheli
	Signature of plan administrator	Date 10-14-13	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
Preparer's name (including firm name, if applicable) and address; include room or suite number (optional) Jodi Calhoun Randall & Hurley, Inc. 601 W Riverside, Suite 1600 Spokane WA 99201			Preparer's telephone number (optional) 509-838-5500

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	702947	0
b Total plan liabilities	7b	0	0
c Net plan assets (subtract line 7b from line 7a)	7c	702947	0
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	166432	
(2) Participants	8a(2)		
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b	95586	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		262018
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	960291	
e Certain deemed and/or corrective distributions (see instructions)	8e		
f Administrative service providers (salaries, fees, commissions)	8f	4674	
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		964965
i Net income (loss) (subtract line 8h from line 8c)	8i		-702947
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:
1A 1D 1G 1H 1I 3B 3D
- 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)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c	X		300000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		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.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h			
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	10i			

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) and line 11a below)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
11a Enter the amount from Schedule SB line 39	11a	0
12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? ..		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(If "Yes," complete line 12a or lines 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	

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 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

► **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 Northwest Orthopaedic Associates Defined Benefit Plan	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Proliance Surgeons, Inc., P.S.	D Employer Identification Number (EIN) 91-1606533	

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B **F** Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>12</u> Day <u>31</u> Year <u>2012</u>			
2 Assets:			
a Market value	2a		793610
b Actuarial value	2b		793610
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	0	0
c For active participants:			
(1) Non-vested benefits	3c(1)		0
(2) Vested benefits	3c(2)		926250
(3) Total active.....	3c(3)	30	926250
d Total.....	3d	30	926250
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		4.90%
6 Target normal cost	6		0

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	Marc McCall Signature of actuary	10/07/2013 Date
	Marc M. McCall Type or print name of actuary	1106948 Most recent enrollment number
	Randall & Hurley, Inc. Firm name	509-838-5500 Telephone number (including area code)
	601 W. Riverside, Suite 1600 Spokane WA 99201 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) 2012
v. 120126

Part II Beginning of Year Carryover Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>14.01%</u>	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		240
	b Interest on (a) using prior year's effective interest rate of <u>5.59%</u> except as otherwise provided (see instructions)		0
	c Total available at beginning of current plan year to add to prefunding balance		240
	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)	0	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	85.67%
15	Adjusted funding target attainment percentage	15	103.68%
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	73.73%
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
12/21/2012	166432	0			
Totals ▶			18(b)	166432	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 166329
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	<input checked="" type="checkbox"/> Yes <input 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 checked="" 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: 1.69%	2nd segment: 4.53%	3rd segment: 5.60%	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code).....				21b 1
22 Weighted average retirement age				22 62
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 subject to 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	0	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	132640	23637	
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	23637	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			
36 Additional cash requirement (line 34 minus line 35).....	36	23637	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	166329	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	142692	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
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 an election was made to use PRA 2010 funding relief for this plan:			
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		

NORTHWEST ORTHOPAEDIC ASSOCIATES DEFINED BENEFIT PLAN

EIN: 91-1606533

PLAN NUMBER: 002

SCHEDULE SB, LINE 22 – DESCRIPTION OF WEIGHTED AVERAGE RETIREMENT AGE

<u>Age</u>	<u>Rate of Retirement</u>
62	100%

The weighted average retirement age is the Normal Retirement Age as specified by the Plan.

NORTHWEST ORTHOPAEDIC ASSOCIATES DEFINED BENEFIT PLAN
EIN: 91-1606533
PLAN NUMBER: 002
SCHEDULE SB, LINE 19 – DISCOUNTED EMPLOYER CONTRIBUTIONS

Effective Int. Rate, Current Year:	4.90%	
Quarterly Interest Penalty:	5.00%	
PV Determination Date (Val Date):	12/31/2012	
Quarterly Due Date #1:	4/15/2012	
Quarterly Due Date #2:	7/15/2012	
Quarterly Due Date #3:	10/15/2012	
Quarterly Due Date #4:	1/15/2013	
Quarterly Contribution Amount:	5,318.00	
Minimum Req. Contrib:	23,637.00	
	Date	12/21/2012
Total Contribution	Total	166,431.87
4/15/2012 Quarterly		
Amount Applied	5,318.00	5,318.00
Present Value	5,158.08	5,158.08
7/15/2012 Quarterly		
Amount Applied	5,318.00	5,318.00
Present Value	5,218.01	5,218.01
10/15/2012 Quarterly		
Amount Applied	5,318.00	5,318.00
Present Value	5,279.32	5,279.32
1/15/2013 Quarterly		
Amount Applied	5,318.00	5,318.00
Present Value	5,324.91	5,324.91
Remaining		
Amount Applied	145,159.87	145,159.87
Present Value	145,348.58	145,348.58
Total Amount Applied	166,431.87	166,431.87
Total Present Value	166,328.90	166,328.90

NORTHWEST ORTHOPAEDIC ASSOCIATES DEFINED BENEFIT PLAN

EIN: 91-1606533

PLAN NUMBER: 002

SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS

BACKGROUND

Effective Date	January 1, 2009
Latest Amendment Date	January 15, 2012
Plan Year	January 1 to December 31

DEFINITIONS

Eligibility Service	Each Plan year in which 1,000 hours are completed while an employee.
Benefit Service	Each Plan year in which 1,000 hours are completed while a participant.
Vesting Service	Each Plan year in which 1,000 hours are completed while an employee.
Average Monthly Compensation	Average of all plan years of compensation (career average).
Normal Retirement Age	First day of the month coincident with or following age 62.

ELIGIBILITY PROVISIONS

Eligibility for Participation	All employees become eligible to participate in the Plan on the January 1st or July 1st coincident or following the completion of one year of Eligibility Service and the attainment of age 21.
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NORTHWEST ORTHOPAEDIC ASSOCIATES DEFINED BENEFIT PLAN
EIN: 91-1606533
PLAN NUMBER: 002
SCHEDULE SB, PART V – SUMMARY OF PLAN PROVISIONS

BENEFITS

Normal Retirement	0.5% of Average Monthly Compensation for each year of Benefit Service. The monthly Normal Retirement benefit for each year of Benefit Service for John Staeheli shall be 7.57%; for Gordon Hsieh shall be 7.18%; and for Lynn Scovazzo shall be 3.02%. The above amounts are offset by the actuarial value of the corresponding employer account balances in the 401(k) plan (i.e., floor-offset plan). Benefits were frozen effective January 15, 2012.															
Death, Disability, and Termination	Normal Retirement benefit accrued to date.															
Normal Form of Benefit	Single Life Annuity															
Vesting Percent	<table><tr><th><u>Years of Vesting Service</u></th><th><u>Vested Percentage</u></th></tr><tr><td>Less than 2</td><td>0%</td></tr><tr><td>2</td><td>20%</td></tr><tr><td>3</td><td>40%</td></tr><tr><td>4</td><td>60%</td></tr><tr><td>5</td><td>80%</td></tr><tr><td>6 +</td><td>100%</td></tr></table>	<u>Years of Vesting Service</u>	<u>Vested Percentage</u>	Less than 2	0%	2	20%	3	40%	4	60%	5	80%	6 +	100%	
<u>Years of Vesting Service</u>	<u>Vested Percentage</u>															
Less than 2	0%															
2	20%															
3	40%															
4	60%															
5	80%															
6 +	100%															

PLAN PROVISION CHANGES

Changes in Plan Provisions	Benefits were frozen effective January 15, 2012.
Plan Provisions Effective After Valuation Date	No Plan provisions effective after the valuation date were recognized in the actuarial valuation.

PLAN TRUSTEE(S)

Plan Trustee(s)	John W. Staeheli Gordon H. Hsieh Lynn Scovazzo
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NORTHWEST ORTHOPAEDIC ASSOCIATES DEFINED BENEFIT PLAN**EIN: 91-1606533****PLAN NUMBER: 002****SCHEDULE SB, LINE 32 – SCHEDULE OF AMORTIZATION BASES****SHORTFALL AMORTIZATION BASE AND INSTALLMENTS**

Valuation Year	Years Left	Original Base	Intallment Amount	Present Value at 12/31/2012
2012	7	5,778	902	5,778
2011	6	133,393	21,094	118,925
2010	5	10,063	1,641	7,937
2009	4	0	0	0
2008	3	0	0	0
2007	2	0	0	0
2006	1	0	0	0
			23,637	132,640