

**Administrator of the  
Sample DB Plan**

**Certification of Adjusted Funding Target Attainment Percentage (AFTAP) for the 2009 Plan Year**

The Pension Protection Act of 2006 (PPA) and Section 436 of the Internal Revenue Code require the calculation of a funding ratio called the Adjusted Funding Target Attainment Percentage (AFTAP) in order to determine whether the Plan is subject to new restrictions on plan amendments, lump sum distributions and benefit accruals.

**Determination of AFTAP as of **December 31, 2008****

|    |  |             |
|----|--|-------------|
| 1. | Funding Target plus Target Normal Cost   | \$3,270,073 |
| 2. | a. Market Value of Assets  | \$2,500,000 |
|    | b. Discounted Receivable Contributions, Received by AFTAP Certification date using <b>6.46%</b>                          | 590,406     |
|    | c. Carryover Balance   | 0           |
|    | d. Carryover Balance Voluntary Reduction   | 0           |
|    | e. Carryover Balance Deemed Reduction to Avoid Restrictions  | 0           |
|    | f. Remaining Carryover Balance   | 0           |
|    | g. Prefunding Balance  | 0           |
|    | h. Prefunding Balance Voluntary Reduction  | 0           |
|    | i. Prefunding Balance Deemed Reduction to Avoid Restrictions   | 0           |
|    | j. Remaining Prefunding Balance  | 0           |
| 3. | Funding Target Attainment Percentage (FTAP Exempt)<br>(equals items (2a + 2b) divided by item 1)                         | 94.51%      |
| 4. | Adjustment for Annuity Purchases for NHCE's during the last 2 years  | \$0         |
| 5. | Adjusted Funding Target Attainment Percentage (AFTAP)<br>(equals items (2a + 2b - 2f - 2j + 4) divided by items (1 + 4)) | 94.51%      |

If FTAP Exempt (Item 3) is greater than or equal to 100% then AFTAP (Item 5) is equal to FTAP Exempt adjusted for Annuity Purchase for NHCE's (Item 4)

\_\_\_\_\_  
Signature of Certifying Enrolled Actuary

\_\_\_\_\_  
Date

\_\_\_\_\_  
Enrollment Number

To the best of my knowledge, the information supplied in this certification is complete and accurate. I have relied on the asset, census, and plan provision information that has been provided by the Plan's third party administrator and/or Plan Administrator. Until final AFTAP regulations are issued, this certification represents a good faith interpretation of the law.



## Sample DB Plan

### Assumptions Used for Determination of 2009 AFTAP as of **December 31, 2008**

Funding Method: As prescribed in IRC Section 430  
Age - Eligibility age at last birthday and other ages at last birthday

Retrospective Compensation - Highest 3 consecutive years of participation

Form of Payment - Assumed form of payment for funding is lump sum equivalent of normal form. Funding Target is the greater of the present value of accrued benefit computed using funding segment rates and 417(e) Applicable Mortality Table or lump sum at the assumed retirement date of accrued benefit using plan actuarial equivalence discounted using appropriate segment rate. Lump sum on plan actuarial equivalence rates will not exceed 415 maximum allowable distribution, which is the lesser amount computed using a) 5.5% interest and the Applicable Mortality Table or b) plan actuarial equivalence interest and mortality

Interest Rates - Segment rates for the Valuation Date as permitted under IRC 430(h)(2)(C)

| Segment # | Years  | Rate % |
|-----------|--------|--------|
| Segment 1 | 0 - 5  | 5.25   |
| Segment 2 | 6 - 20 | 6.38   |
| Segment 3 | > 20   | 6.68   |

Pre-Retirement - Mortality Table - None  
Turnover/Disability - None  
Salary Scale - None  
Expense Load - None  
Ancillary Ben Load - None

Post-Retirement - Mortality Table - 08A - 2008 Funding Target - Annuitant - IRC 430(h)(3)(A)  
Cost of Living - None  
Lump Sum - G94 - 1994 Group Annuity Reserving Proj 2002 (unisex)  
or  
08E - 2008 Applicable Mortality Table for 417(e) (unisex)



# Contribution Deposited/Due

## Sample DB Plan For the plan year 1/1/2008 through 12/31/2008 Valuation Date: 12/31/2008

|  | Date            | Amount           | Adjusted<br>Contribution | Adjusted<br>Prior Year<br>Contribution | Adjusted<br>Quarterly | Effective<br>Rate | Penalty<br>Rate |
|--|-----------------|------------------|--------------------------|--|-----------------------|-------------------|-----------------|
| <b>Deposited Contribution</b>            | <b>4/4/2009</b> | <b>\$100,000</b> |                          |  |                       |                   |                 |
| <b>Deposited Contribution</b>            | <b>4/4/2009</b> | <b>\$100,000</b> |                          |  |                       |                   |                 |
| <b>Deposited Contribution</b>            | <b>4/4/2009</b> | <b>\$100,000</b> |                          |  |                       |                   |                 |
| <b>Deposited Contribution</b>            | <b>4/4/2009</b> | <b>\$100,000</b> |                          |  |                       |                   |                 |
| <b>Deposited Contribution</b>            | <b>4/4/2009</b> | <b>\$100,000</b> |                          |  |                       |                   |                 |
| <b>Deposited Contribution</b>            | <b>4/4/2009</b> | <b>\$100,000</b> |                          |  |                       |                   |                 |
| Applied to Quarterly Contribution        | 4/15/2008       | 87,421           | 82,285                   | 0                                      | 87,421                | 6.46              | 11.46           |
| Applied to Quarterly Contribution        | 7/15/2008       | 12,579           | 11,976                   | 0                                      | 12,579                | 6.46              | 11.46           |
| Applied to Quarterly Contribution        | 7/15/2008       | 74,842           | 71,254                   | 0                                      | 74,842                | 6.46              | 11.46           |
| Applied to Quarterly Contribution        | 10/15/2008      | 25,158           | 24,230                   | 0                                      | 25,158                | 6.46              | 11.46           |
| Applied to Quarterly Contribution        | 10/15/2008      | 62,263           | 59,966                   | 0                                      | 62,263                | 6.46              | 11.46           |
| Applied to Additional Contribution       | 12/31/2008      | 95,788           | 94,256                   | 0                                      | 0                     | 6.46              | 0               |
| Applied to Additional Contribution       | 12/31/2008      | 100,000          | 98,401                   | 0                                      | 0                     | 6.46              | 0               |
| Applied to MRC                           | 12/31/2008      | 50,316           | 49,511                   | 0                                      | 0                     | 6.46              | 0               |
| Applied to MRC                           | 12/31/2008      | 4,212            | 4,145                    | 0                                      | 0                     | 6.46              | 0               |
| Applied to Quarterly Contribution        | 1/15/2009       | 37,737           | 36,766                   | 0                                      | 37,737                | 6.46              | 11.46           |
| Applied to Quarterly Contribution        | 1/15/2009       | 49,684           | 48,406                   | 0                                      | 49,684                | 6.46              | 11.46           |
| <b>Totals for Deposited Contribution</b> |                 | <b>\$600,000</b> | <b>\$581,196</b>         | <b>\$0</b>                             | <b>\$349,684</b>      |                   |                 |

### A. Reconciliation of Unpaid Minimum Required Contribution for Prior Years

|  |     |
|--|-----|
| 1. Unpaid Minimum Required Contribution for Prior Years            | 0   |
| 2. Discounted Contributions Applied to Unpaid MRC from Prior Years | 0   |
| 3. Remaining Amount of Unpaid MRC from Prior Years (A1-A2)         | \$0 |

### B. Contribution for Current Year

|  |           |
|--|-----------|
| 1. Target Normal Cost (adjusted for excess assets)                     | 358,514   |
| 2. Shortfall Amortization Installment                                  | 30,025    |
| 3. Waiver Amortization Installment                                     | 0         |
| 4. Less Waiver   | 0         |
| 5. Minimum Required Contribution (MRC) at Valuation Date (B1+B2+B3-B4) | \$388,539 |
| 6. Contributions Applied to MRC Adjusted to Valuation Date             | 581,196   |
| 7. Carryover Balance (COB) Used to Offset MRC                          | 0         |
| 8. Prefunding Balance (PFB) Used to Offset MRC                         | 0         |
| 9. Unpaid MRC for Current Year (B5-B6-B7-B8, not less than zero)       | \$0       |

### C. Additional Contribution Due

|   |            |
|---|------------|
| 1. Proposed Deposit Date  | 09/15/2009 |
| 2. Additional Deposit Required if Paid on Proposed Deposit Date | \$0        |

### D. Excess Contribution

|  |           |
|--|-----------|
| 1. Contributions Applied to MRC Adjusted to Valuation Date                             | 581,196   |
| 2. Minimum Required Contribution at Valuation Date                                     | 388,539   |
| 3. Excess Contribution for Possible Addition to Next Year's Prefunding Balance (D1-D2) | \$192,657 |



**Contribution Deposited/Due**

**Sample DB Plan**  
**For the plan year 1/1/2008 through 12/31/2008**  
**Valuation Date: 12/31/2008**

**E. Carryover and Prefunding Balances at Valuation Date**

|   |            |
|---|------------|
| 1. Unpaid MRC for Current Year (B9)   | 0          |
| 2. Remaining Carryover Balance  | 0          |
| 3. Remaining Prefunding Balance   | 0          |
| 4. Minimum Remaining Contribution with Balances Applied (E1-E2-E3)  | <u>\$0</u> |
| 5. Prior Year Funding Percentage ((Assets reduced by PFB)/FT)<br>Note: Balances may not be used when Prior Year Funding Percentage is less than 80% | .00%       |
| 6. Balance Used at Beginning of Year (Sch SB line 8 next year)  | \$0        |

**F. Maximum Contribution**

|   |                    |
|---|--------------------|
| 1. Maximum Contribution (IRC 404(o))          | 2,294,384          |
| 2. Deposited Contributions                    | 600,000            |
| 3. Contributions to Avoid Restrictions        | 0                  |
| 4. Maximum Additional Contribution (F1-F2-F3) | <u>\$1,694,384</u> |



# Contribution Requirements

## Sample DB Plan For the plan year 1/1/2008 through 12/31/2008 Valuation Date: 12/31/2008

### A. Minimum Contribution

|  |         |
|--|---------|
| 1. Minimum Required Contribution (MRC) at Valuation Date                     | 388,539 |
| 2. Carryover Balance at Valuation Date                                       | 0       |
| 3. Prefunding Balance at Valuation Date                                      | 0       |
| 4. Minimum Contribution with Balances Applied (A1-A2-A3, not less than zero) | 388,539 |

Note: Balances may not be used when Prior Year Funding Percentage is less than 80%

B. Maximum Contribution 2,294,384

### C. Other Possible Contribution Amounts (cannot contribute less than Minimum or more than Maximum)

|   |           |
|---|-----------|
| 1. Contribution to Meet Termination Liability | 1,603,198 |
| 2. Level Funding Contribution                 | 1,972,332 |

### D. Funding Target Attainment Percentages (FTAP)

|   |        |
|---|--------|
| 1. Prior Year Funding Percentage ((Assets reduced by PFB)/FT) | 0.00%  |
| 2. Funding Percentage ((Assets reduced by PFB)/FT)            | 85.86% |
| 3. FTAP Exempt  | 94.51% |
| 4. AFTAP  | 94.51% |

### E. Unpaid Minimum Required Contributions for Prior Years

| Unpaid Prior Year Contributions |        | Unpaid Prior Year Quarterly Contributions |        |
|---------------------------------|--------|---|--------|
| Due Date                        | Amount | Due Date                                  | Amount |
| N/A                             | N/A    | N/A                                       | N/A    |

F. Quarterly Contribution Requirement. IRC Section 430(j) requires accelerated quarterly contributions if there is a funding shortfall in the prior plan year. Failure to contribute the amount required by the due dates will result in additional late interest charges, thereby increasing the minimum required contribution for the year. The late interest is measured from the due date of the quarterly contribution to the date of the actual contribution. The amount of the quarterly payment is one fourth of the lesser of the prior year MRC or 90% of the current year MRC.

|                            |         | Quarterly Contribution |        |
|----------------------------|---------|------------------------|--------|
|                            |         | Due Date               | Amount |
| a. Prior Plan Year MRC     | 375,982 |                        |        |
| b. Current Plan Year MRC   | 388,539 | 04/15/2008             | 87,421 |
| c. Required Annual Payment | 349,685 | 07/15/2008             | 87,421 |
|                            |         | 10/15/2008             | 87,421 |
|                            |         | 01/15/2009             | 87,421 |

G. Full Payment is the single payment that will satisfy the MRC, any Quarterly Contributions, and any Unpaid Minimum Required Contributions and Quarterly Contributions for prior years. It includes interest from the valuation date to the date of payment. Contribution may be reduced by any Prefunding or Carryover Balance Used.

| Due Date   | Amount  | Due Date  | Amount  |
|------------|---------|-----------|---------|
| 12/31/2008 | 394,016 | 8/1/2009  | 417,408 |
| 2/1/2009   | 397,372 | 9/1/2009  | 420,861 |
| 3/1/2009   | 400,458 | 9/15/2009 | 422,422 |
| 4/1/2009   | 403,880 |           |         |
| 5/1/2009   | 407,199 |           |         |
| 6/1/2009   | 410,632 |           |         |
| 7/1/2009   | 413,961 |           |         |

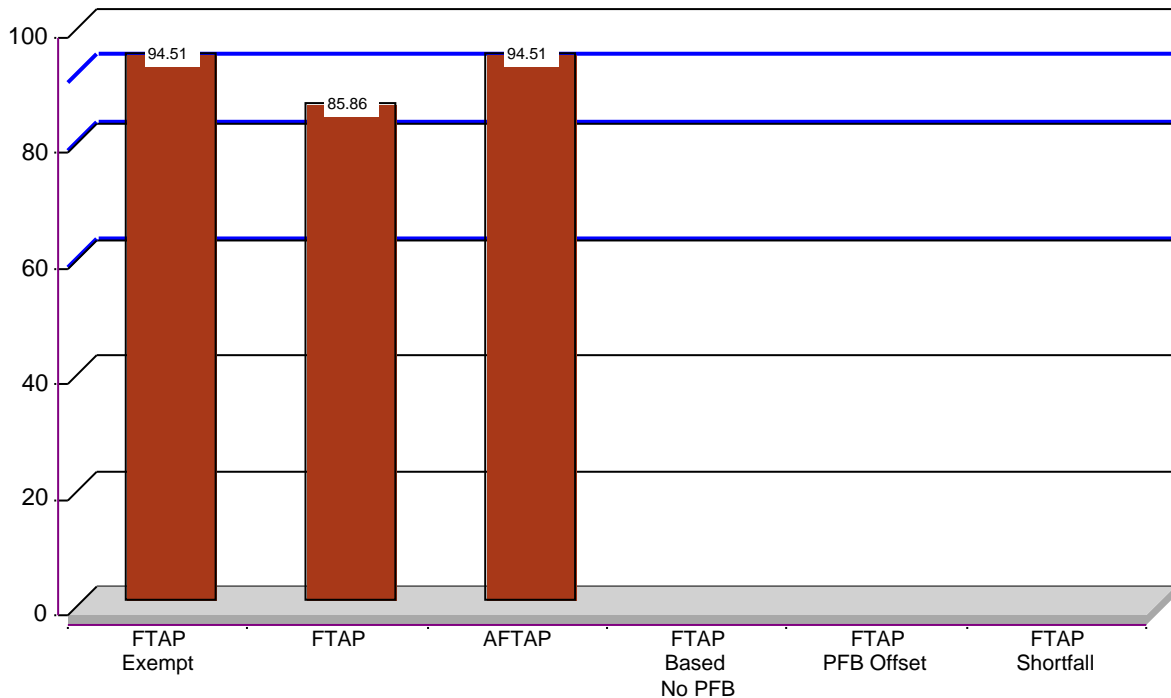


# Funding Target Attainment Percentages (FTAP)

## Sample DB Plan For the plan year 1/1/2008 through 12/31/2008

### FTAP Summary

|   |           |
|---|-----------|
| Actuarial Value of Assets (AVA)         | 2,500,000 |
| Market Value of Assets (MVA)            | 2,500,000 |
| Funding Target (FT)                     | 2,911,559 |
| Carryover Balance (COB)                 | 0         |
| Prefunding Balance (PFB)                | 0         |
| 2 Year NHCE Annuity Purchase (NHCE2Yrs) | 0         |



|                            |          |  |
|----------------------------|----------|--|
| FTAP Exempt                | = 94.51% | (=> 92% 2008: no benefit restrictions)   |
| $\{AVA/FT\}$               |          |  |
| FTAP                       | = 85.86% | (On schedule Shortfall Base notice to participants)  |
| $\{(AVA - COB - PFB)/FT\}$ |          |  |
| AFTAP (adjusted)           | = 94.51% | $((AVA-COB-PFB+NHCEAP)/(FT+NHCEAP)$ Do not reduce AVA by COB + PFB if fully funded (see FTAP Exempt). If less than 80%, restrictions apply to the plan |
|                            |          |  |
|                            |          |  |
|                            |          |  |



**Funding Election Form 430(f/h)****Sample DB Plan  
/002  
For the plan year 1/1/2008 through 12/31/2008**

The Pension Protection Act of 2006 ("PPA") established new funding requirements for all defined benefit plans. Effective for plan years beginning after 2007, the plan's actuary must use interest rates and mortality tables as prescribed by the IRS in valuing a plan's assets and liabilities. Some of these changes require you, the plan sponsor, to elect the assumptions that you want applied to your valuation. Because the election is used to generate your actuarial valuation and funding ratio, we ask that you review the following options to determine those assumptions best suited to use for your plan.

**1. Applicable Month (Sch SB line 21b)**

Use the month containing the valuation date

Use  1st,  2nd,  3rd, or  4th month preceding the month which includes the valuation date

**2. Interest Rates (Sch SB line 21a)**

Use funding segment rates as specified in Code Section 430(h)(2)(B) and (C)

Use the bond rates full yield curve as specified in Code Section 430(h)(2)(D)

**3. Transition Rule (applies only to plans existing before 2008)**

Use Transition Funding Segment Rates (A blend of segment rates and composite corporate bond rates)

**Use Funding Segment Rules** (Note: once an election is made it cannot be changed without IRS consent)

**4. Plan Assets (Sch SB line 2b)**

Use fair market value of assets

Use average value of assets

**5. Voluntary Reduction of Carryover and Prefunding Balance (Sch SB line 12)**

Do not reduce carryover/prefunding balance

Reduce carryover/prefunding balance by \$0

**6. Apply Reduction to Minimum Required Contribution (Sch SB line 35)**

a.  Do not use carryover balance to reduce the minimum required contribution

Use \$0 of the carryover balance and apply it to the minimum required contribution

b.  Do not use prefunding balance to reduce the minimum required contribution

Use \$0 of the prefunding balance and apply it to the minimum required contribution

**7. Increase Prefunding Balance (Sch SB line 38)**

Do not increase prefunding balance

Increase prefunding balance by \$0

\_\_\_\_\_  
Plan Sponsor Signature

\_\_\_\_\_  
Date



**PBGC Premium Funding Target**

**Sample DB Plan**  
**For the plan year 1/1/2008 through 12/31/2008**  
 Valuation Date: 12/31/2008

## PBGC Segment Rates:

| 1st  | 2nd  | 3rd  |
|------|------|------|
| 4.93 | 6.13 | 6.69 |

|   | BOY<br>Accrued<br>Benefit | BOY<br>Vest<br>Pct | BOY Vested<br>Accrued<br>Benefit | Premium<br>Funding<br>Target |
|---|---------------------------|--------------------|----------------------------------|------------------------------|
| 1 Sam Wiggins   | 10,791.67                 | 100                | 10,791.67                        | 1,003,166                    |
| 2 Sally Jahr  | 2,888.90                  | 100                | 2,888.90                         | 145,455                      |
| 3 John Spears   | 1,777.78                  | 80                 | 1,422.22                         | 51,368                       |
| 4 Susie Smith -- new participant                                | 0.00                      | 40                 | 0.00                             | 0                            |
| 5 Taylor Bluffton   | 1,638.90                  | 100                | 1,638.90                         | 26,939                       |
| 6 Janie Beach   | 783.33                    | 60                 | 470.00                           | 10,489                       |
| 8 Bob Lewis   | 1,066.68                  | 60                 | 640.01                           | 15,515                       |
| 9 Todd Lund   | 383.34                    | 40                 | 153.34                           | 1,602                        |
| 11 Pat Williams -- active late retiree                          | 8,399.53                  | 100                | 8,399.53                         | 1,050,314                    |
| 13 Kyle Johnson -- retired 12/1/2008 no BIS - receiving payment | 3,850.00                  | 100                | 3,850.00                         | 481,421                      |
| 14 John Doe -- terminated 12/30/2008 no BIS - not yet paid      | 3,402.78                  | 100                | 3,402.78                         | 142,195                      |
| <b>Totals:</b>  | <b>\$34,982.91</b>        |                    | <b>\$33,657.35</b>               | <b>\$2,928,464</b>           |





# Present Value of Accrued Benefits

## Sample DB Plan For the plan year 1/1/2008 through 12/31/2008

|   | Accrued Benefit    | PVAB Based on<br>Plan Assumptions | PVAB Based on<br>417(e)<br>Assumptions | PVAB Based on<br>IRC Section 415 | Greater of Plan or<br>417(e)<br>Assumptions as<br>Limited by 415 | Vested<br>Percent | PVVAB              |
|---|--------------------|-----------------------------------|--|----------------------------------|--|-------------------|--------------------|
| 1 Sam Wiggins   | 12,333.33          | 1,154,459                         | 1,409,773                              | 1,551,514                        | 1,409,773  | 100               | 1,409,773          |
| 2 Sally Jahr  | 3,466.67           | 175,366                           | 243,508                                | 681,396                          | 243,508  | 100               | 243,508            |
| 3 John Spears   | 2,222.22           | 88,510                            | 127,984                                | 478,699                          | 127,984  | 100               | 127,984            |
| 4 Susie Smith -- new participant                                | 333.33             | 3,224                             | 5,997                                  | 28,942                           | 5,997  | 60                | 3,598              |
| 5 Taylor Bluffton   | 1,966.67           | 38,516                            | 63,254                                 | 315,543                          | 63,254   | 100               | 63,254             |
| 6 Janie Beach   | 1,133.33           | 28,099                            | 44,239                                 | 256,772                          | 44,239   | 80                | 35,391             |
| 8 Bob Lewis   | 1,511.11           | 42,163                            | 64,983                                 | 283,707                          | 64,983   | 80                | 51,986             |
| 9 Todd Lund   | 800.00             | 10,377                            | 18,335                                 | 111,302                          | 18,335   | 60                | 11,001             |
| 11 Pat Williams -- active late retiree                          | 8,844.45           | 1,126,270                         | 1,253,897                              | 1,407,837                        | 1,253,897  | 100               | 1,253,897          |
| 13 Kyle Johnson -- retired 12/1/2008 no BIS - receiving payment | 4,400.00           | 573,711                           | 623,797                                | 700,381                          | 623,797  | 100               | 623,797            |
| 14 John Doe -- terminated 12/30/2008 no BIS - not yet paid      | 3,888.89           | 174,515                           | 247,431                                | 836,785                          | 247,431  | 100               | 247,431            |
| <b>Totals:</b>  | <b>\$40,900.00</b> | <b>\$3,415,210</b>                | <b>\$4,103,198</b>                     | <b>\$6,652,878</b>               | <b>\$4,103,198</b>   |                   | <b>\$4,071,620</b> |

Disclaimer: The PVVABs shown on this report should not be used for distribution purposes.



# Schedule of Post Retirement Participants

## Sample DB Plan For the plan year 1/1/2008 through 12/31/2008

| Gender                 | DOB        | Date of<br>Normal Ret  | Date of<br>Assumed Ret | NRA | AA | ARA | Acc Ben<br>@ Ret | Acc Ben<br>Prior Year | Acc Ben<br>@ BOY | Act Equiv<br>Inc for Year | Acc Ben<br>@ EOY |
|------------------------|------------|------------------------|------------------------|-----|----|-----|------------------|-----------------------|------------------|---------------------------|------------------|
| <b>Not Paid (late)</b> |            |                        |                        |     |    |     |                  |                       |                  |                           |                  |
| 11 Pat                 | Williams   | -- active late retiree |                        |     |    |     |                  |                       |                  |                           |                  |
| M                      | 11/19/1942 | 12/01/2007             | 01/01/2009             | 65  | 66 | 66  | 7,738.92         | 7,738.92              | 8,399.53         | 660.61                    | 8,844.45         |

**Key:**

- AA - Attained Age
- ARA - Assumed Retirement Age
- NRA - Normal Retirement Age



# Schedule of Retired or Separated Participants

## Sample DB Plan For the plan year 1/1/2008 through 12/31/2008

| Gender  | Date of Birth | Date of Retirement | RA | AA | Beneficiary DOB | Form of Payment | Vest Pct | Present Value of Benefits |                  |               | Funding Target |
|---|---------------|--------------------|----|----|-----------------|-----------------|----------|---------------------------|------------------|---------------|----------------|
|   |               |                    |    |    |                 |                 |          | Vested Accrued Benefit    | Vested Plan PVAB | Vested 417(e) |                |
| 13 Kyle Johnson -- retired 12/1/2008 no BIS - receiving payment |               |                    |    |    |                 |                 |          |                           |                  |               |                |
| M   | 3/23/1942     | 4/1/2007           | 65 | 66 |                 | Life            | 100      | 4,400.00                  | 573,711          | 623,797       | 473,718        |
| 14 John Doe -- terminated 12/30/2008 no BIS - not yet paid      |               |                    |    |    |                 |                 |          |                           |                  |               |                |
| M   | 7/5/1960      | 8/1/2025           | 65 | 48 |                 | Life            | 100      | 3,888.89                  | 174,515          | 247,431       | 140,751        |
| Subtotal:   |               |                    |    |    |                 |                 |          | 8,288.89                  | 748,226          | 871,228       | 614,469        |
| Totals:   |               |                    |    |    |                 |                 |          | \$8,288.89                | \$748,226.00     | \$871,228.00  | \$614,469.00   |



# Valuation Results

## Sample DB Plan For the plan year 1/1/2008 through 12/31/2008 Valuation Date: 12/31/2008

1st Segment Rate

5.25%

2nd Segment Rate

6.38%

3rd Segment Rate

6.68%

Effective Interest Rate:

6.46%

Prior Year Actual Rate of Return: 5.00%

Prior Year Effective Interest Rate: 6.11%

**A. Valuation Results**

|                                     |           |
|-------------------------------------|-----------|
| 1) Funding Target                   | 2,911,559 |
| 2) Target Normal Cost               | 358,514   |
| 3) Assets                           | 2,500,000 |
| 4) Undeducted Contributions         | 0         |
| 5) Funding Target as if At-Risk     | 2,936,146 |
| 6) Target Normal Cost as if At-Risk | 360,886   |

**B. Carryover and Prefunding Balances****a. Carryover****b. Prefunding**

|  |   |   |
|--|---|---|
| 1) Prior Year Balance                                    | 0 | 0 |
| 2) Balance Used to Offset Prior Year Funding Requirement | 0 | 0 |
| 3) Amount Remaining (B1-B2)                              | 0 | 0 |
| 4) Interest Using Prior Year Actual Rate of Return       | 0 | 0 |
| 5) Prior Year Excess Contribution                        | 0 | 0 |
| 6) Interest at Prior Year Effective Rate                 | 0 | 0 |
| 7) Total Available to Add to Prefunding Balance (B5+B6)  | 0 | 0 |
| 8) Portion of B7 to Add to Prefunding Balance            | 0 | 0 |
| 9) Reduction in Balance Due to Voluntary Election        | 0 | 0 |
| 10) Reduction in Balance Due to Deemed Election          | 0 | 0 |
| 11) Balance for Current Year (B3+B4+B8-B9-B10)           | 0 | 0 |
| 12) Balance Adjusted to Valuation Date                   | 0 | 0 |

**C. Funding Shortfall and Shortfall Amortization Charge****Early Deemed Amortization of Shortfall**

|   |           |
|---|-----------|
| 1) Funding Target (A1)  | 2,911,559 |
| 2) Assets (A3)  | 2,500,000 |
| 3) Carryover Balance (B12a)                                   | 0         |
| 4) Prefunding Balance (B12b)                                  | 0         |
| 5) Applicable Assets (IRC 430(f)(4)(B)(i) (C2-C3-C4))         | 2,500,000 |
| 6) Funding Shortfall (IRC 430(c)(4) (C1-C5, not less than 0)) | 411,559   |

(if C6 is zero, all bases deemed to be fully amortized)



# Valuation Results

## Sample DB Plan For the plan year 1/1/2008 through 12/31/2008 Valuation Date: 12/31/2008

### C. Funding Shortfall and Shortfall Amortization Charge (cont'd)

#### Exemption from New Shortfall Amortization Base

|   |           |
|---|-----------|
| 7) Funding Target (A1)  | 2,911,559 |
| 8) Applicable Percentage (IRC 430(c)(5)(B)(ii))   | 92%       |
| 9) Reduced Funding Target (C7*C8)   | 2,678,634 |
| 10) Assets (A3)   | 2,500,000 |
| 11) Prefunding Balance (B11b if IRC 430(f)(3) election made)  | 0         |
| 12) Applicable Assets (IRC 430(f)(4)(A) (C10-C11))  | 2,500,000 |
| 13) Funding Shortfall (IRC 430(c)(5) (C9-C12, not less than 0))<br>(if C13 is zero, exempt from new shortfall base) | 178,634   |

#### Funding Shortfall

|  |           |
|--|-----------|
| 14) Reduced Funding Target (C9)                                  | 2,678,634 |
| 15) Applicable Assets (IRC 430(f)(4)(B)(i) (C5))                 | 2,500,000 |
| 16) Funding Shortfall (IRC 430(c)(3) (C14-C15, not less than 0)) | 178,634   |
| 17) Shortfall Amortization Charge (C25a)                         | 30,025    |

#### Prior Year Amortization Installments

|                              | <u>a. Shortfall</u> | <u>b. 412(c) Waiver</u> |
|------------------------------|---------------------|-------------------------|
| 18) Current Year             | 178,634             | 0                       |
| 19) PV Prior Yrs Amort       | 0                   |                         |
| 20) PV Prior Yrs Waiver      | 0                   |                         |
| 21) Amortization Base        | 178,634             | 0                       |
| 22) Amortization Factor      | 5.94945             | 4.25946                 |
| 23) Amortization Installment | 30,025              | 0                       |
| 24) Prior Yr Installments    | 0                   | 0                       |
| 25) Amortization Charge      | 30,025              | 0                       |

(Waiver Installment applies next year)

### D. Minimum Required Contribution

|  |         |
|--|---------|
| 1) Target Normal Cost (A2)                             | 358,514 |
| 2) Funding Surplus ((C5-A1) not less than 0)           | 0       |
| 3) Reduced Target Normal Cost (D1-D2, not less than 0) | 358,514 |
| 4) Shortfall Amortization Charge (C17)                 | 30,025  |
| 5) Waiver Amortization Charge                          | 0       |
| 6) Minimum Contribution (D3+D4+D5)                     | 388,539 |

### E. Maximum Contribution

|   |           |
|---|-----------|
| 1) Funding Target (A1)                                | 2,911,559 |
| 2) Target Normal Cost (A2)                            | 358,514   |
| 3) 50% of the Funding Target (A1)                     | 1,455,780 |
| 4) Increase in Funding Target Due to Salary Increases | 68,531    |
| 5) Cushion Amount (E3+E4)                             | 1,524,311 |
| 6) Total (E1+E2+E5)                                   | 4,794,384 |
| 7) Funding Target as if At-Risk (A5)                  | 2,936,146 |
| 8) Target Normal Cost as if At-Risk (A6)              | 360,886   |
| 9) Total (E7+E8)                                      | 3,297,032 |
| 10) Greater of E6 and E9                              | 4,794,384 |
| 11) Assets (A3)                                       | 2,500,000 |
| 12) Undeducted Contributions (A4)                     | 0         |
| 13) Maximum Contribution (IRC 404(o) (E10-(E11-E12))) | 2,294,384 |



# Schedule SB (Form 5500)

## Sample DB Plan

/ 002

For the plan year 1/1/2008 through 12/31/2008

**Basic Information**

- 1. Valuation date: 12/31/2008
- 2. Assets:
  - a. Market value 2,500,000
  - b. Actuarial value 2,500,000
- 3. Funding target/participant count breakdown
 

|  | 1. Number of Participants | 2. Funding Target |
|--|---------------------------|-------------------|
| a. Retired participants and beneficiaries receiving payments | 1                         | 473,718           |
| b. Terminated vested participants                            | 1                         | 140,751           |
| c. Active participants                                       |                           |                   |
| i. Non-vested benefits                                       |                           | 10,305            |
| ii. Vested benefits  |                           | 2,286,785         |
| iii. Total active  | 9                         | 2,297,090         |
| d. Total   | 11                        | 2,911,559         |
- 4. At-risk
  - a. Funding target disregarding prescribed at-risk assumptions
  - b. Funding target reflecting at-risk assumptions, but disregarding transition rule (at-risk <5 cons yrs) and loading factor
- 5. Effective interest rate 6.46%
- 6. Target normal cost 358,514

**Beginning of year carryover and prefunding balances**

- |   | a. Carryover Balance | b. Prefunding Balance |
|---|----------------------|-----------------------|
| 7. Balance at beginning of prior year                   | 0                    | 0                     |
| 8. Offset to prior years funding requirement            | 0                    | 0                     |
| 9. Amount remaining (7-8)                               | 0                    | 0                     |
| 10. Int on 9 using prior years actual return of 5.00%   | 0                    | 0                     |
| 11. Prior years excess contributions                    |                      |                       |
| a. Excess contributions (line 38 from prior year)       |                      | 0                     |
| b. Int on (a) using prior years effective rate of 6.11% |                      | 0                     |
| c. Total available at beginning of current plan year    |                      | 0                     |
| d. Portion of (c) added to prefunding balance           |                      | 0                     |
| 12. Voluntary or Deemed Reduction                       | 0                    | 0                     |
| 13. Balance at beginning of current year (9+10+11d-12)  | 0                    | 0                     |

**Funding percentages**

- 14. FTAP 85.86%
- 15. AFTAP 94.51%
- 16. Prior years funding percentage 0.00%
- 17. Percentage of funding target (<70%)

**Contributions and liquidity shortfalls**

- 18. Contributions made to plan \$600,000.00



**Schedule SB (Form 5500)**

**Sample DB Plan**  
**/ 002**  
**For the plan year 1/1/2008 through 12/31/2008**

|  |         |
|--|---------|
| 19. Discounted employer contributions        |         |
| a. Contributions to minimum from prior years | 0       |
| b. Contributions to avoid restrictions       | 0       |
| c. Contributions to minimum for current year | 581,196 |

**Assumptions used determine funding target and target normal cost**

Discounted rates:

|                  |      |      |      |
|------------------|------|------|------|
| a. Segment rates | 1st  | 2nd  | 3rd  |
|                  | 5.25 | 6.38 | 6.68 |

|                                      |  |    |
|--------------------------------------|--|----|
| b. Applicable month - Valuation date |  | 0  |
| 22. Weighted average retirement age  |  | 65 |
| 23. Mortality table                  | <input type="checkbox"/> Prescribed -- combined <input type="checkbox"/> Prescribed -- separate <input checked="" type="checkbox"/> Substitute |    |

**Reconciliation of unpaid required contributions for prior years**

|   |   |
|---|---|
| 28. Unpaid minimum required contributions | 0 |
| 29. Discounted employer contributions     | 0 |
| 30. Remaining amount (28-29)              | 0 |

**Minimum required contribution for current year**

|                        |         |
|------------------------|---------|
| 31. Target normal cost | 358,514 |
|------------------------|---------|

32. Amortization installments:

- a. Net shortfall  
b. Waiver

| Outstanding Balance | Installment |
|---------------------|-------------|
| 178,634             | 30,025      |
| 0                   | 0           |

|  |         |
|--|---------|
| 34. Total funding requirement (31+32a+32b) | 388,539 |
|--|---------|

35. Balances to offset funding requirement

| a. Carryover<br>Balance | b. Prefunding<br>Balance | c. Total<br>Balance |
|-------------------------|--------------------------|---------------------|
| 0                       | 0                        | 0                   |

|  |         |
|--|---------|
| 36. Additional cash requirement (34-35)                    | 388,539 |
| 37. Contributions to minimum for current year (19c)        | 581,196 |
| 38. Excess contribution for current year                   | 192,657 |
| 39. Unpaid minimum required contributions for current year | 0       |
| 40. Unpaid minimum required contributions for all years    | 0       |



## Schedule SB, line 19 - Discounted Employer Contributions

### Sample DB Plan / 002

For the plan year 1/1/2008 through 12/31/2008

Valuation Date: 12/31/2008

|  | Date            | Amount           | Adjusted<br>Contribution | Adjusted<br>Prior Year<br>Contribution | Adjusted<br>Quarterly | Effective<br>Rate | Penalty<br>Rate |
|--|-----------------|------------------|--------------------------|--|-----------------------|-------------------|-----------------|
| <b>Deposited Contribution</b>            | <b>4/4/2009</b> | <b>\$100,000</b> |                          |  |                       |                   |                 |
| <b>Deposited Contribution</b>            | <b>4/4/2009</b> | <b>\$100,000</b> |                          |  |                       |                   |                 |
| <b>Deposited Contribution</b>            | <b>4/4/2009</b> | <b>\$100,000</b> |                          |  |                       |                   |                 |
| <b>Deposited Contribution</b>            | <b>4/4/2009</b> | <b>\$100,000</b> |                          |  |                       |                   |                 |
| <b>Deposited Contribution</b>            | <b>4/4/2009</b> | <b>\$100,000</b> |                          |  |                       |                   |                 |
| <b>Deposited Contribution</b>            | <b>4/4/2009</b> | <b>\$100,000</b> |                          |  |                       |                   |                 |
| Applied to Quarterly Contribution        | 4/15/2008       | 87,421           | 82,285                   | 0                                      | 87,421                | 6.46              | 11.46           |
| Applied to Quarterly Contribution        | 7/15/2008       | 12,579           | 11,976                   | 0                                      | 12,579                | 6.46              | 11.46           |
| Applied to Quarterly Contribution        | 7/15/2008       | 74,842           | 71,254                   | 0                                      | 74,842                | 6.46              | 11.46           |
| Applied to Quarterly Contribution        | 10/15/2008      | 25,158           | 24,230                   | 0                                      | 25,158                | 6.46              | 11.46           |
| Applied to Quarterly Contribution        | 10/15/2008      | 62,263           | 59,966                   | 0                                      | 62,263                | 6.46              | 11.46           |
| Applied to Additional Contribution       | 12/31/2008      | 95,788           | 94,256                   | 0                                      | 0                     | 6.46              | 0               |
| Applied to Additional Contribution       | 12/31/2008      | 100,000          | 98,401                   | 0                                      | 0                     | 6.46              | 0               |
| Applied to MRC                           | 12/31/2008      | 50,316           | 49,511                   | 0                                      | 0                     | 6.46              | 0               |
| Applied to MRC                           | 12/31/2008      | 4,212            | 4,145                    | 0                                      | 0                     | 6.46              | 0               |
| Applied to Quarterly Contribution        | 1/15/2009       | 37,737           | 36,766                   | 0                                      | 37,737                | 6.46              | 11.46           |
| Applied to Quarterly Contribution        | 1/15/2009       | 49,684           | 48,406                   | 0                                      | 49,684                | 6.46              | 11.46           |
| <b>Totals for Deposited Contribution</b> |                 | <b>\$600,000</b> | <b>\$581,196</b>         | <b>\$0</b>                             | <b>\$349,684</b>      |                   |                 |





**Schedule SB, line 26 -  
Schedule of Active Participant Data**  
Sample DB Plan  
/002  
txtPlanDate

\_\_\_\_\_  
Years of Credited Service

Under 1

Attained  
Age

- 
- 
- Under 25
  - 25 to 29
  - 30 to 34
  - 35 to 39
  - 40 to 44
  - 45 to 49
  - 50 to 54
  - 55 to 59
  - 60 to 64
  - 65 to 69
  - 70 & up



**Schedule SB, line 32 -**  
**Schedule of Amortization Bases**  
**Sample DB Plan**  
**/ 002**  
**For the plan year 1/1/2008 through 12/31/2008**

| Date Base Established | Original Base Amount | Type of Base | Amortization Installment | Years Remaining Amortization Period | Present Value of Remaining Installments |
|-----------------------|----------------------|--------------|--------------------------|-------------------------------------|---|
| 12/31/2008            | 178,634              | Shortfall    | 30,025                   | 7                                   | 178,634                                 |
| 12/31/2008            | 254,713              | Shortfall    | 42,813                   | 7                                   | 254,713                                 |
| Totals:               |                      |              | \$72,838                 |                                     | \$433,347                               |

