

| WWH Enterprises | | | | | | |
|---|----------------------------|-----------------------|---------------------|--|---------------------|--------------------|
| The Pension Plan Work Sheet | | | | | | |
| 2005 | | | | | | |
| Debits positive; credits negative | | | | | | |
| Settlement Rate | 10.0% | | | | | |
| Expected return on plan assets | 7.5% | | | | | |
| Market Related Value of Plan Assets | \$ 1,070,000 | | | | | |
| | | | | | | |
| | <u>Memorandum Accounts</u> | | | <u>Comprehensive Income Categories</u> | | |
| | <u>Periodic</u> | | <u>Fair</u> | <u>Holding</u> | <u>Unrecognized</u> | <u>Unamortized</u> |
| | <u>Pension</u> | <u>Projected</u> | <u>Value of</u> | <u>Column</u> | <u>Gains</u> | <u>Prior</u> |
| | <u>Expense</u> | <u>Benefit</u> | <u>Plan</u> | <u>for</u> | <u>and</u> | <u>Service</u> |
| | <u>Items</u> | <u>Obligation</u> | <u>Assets</u> | <u>Cash</u> | <u>Losses</u> | <u>Costs</u> |
| Beginning Balance | | \$ (1,120,000) | \$ 1,140,000 | | | |
| Actuarial change | | | | | | |
| Plan amendment | | | | | | |
| Service cost | \$ 95,000 | \$ (95,000) | | | | |
| Interest cost | \$ 112,000 | \$ (112,000) | | | | |
| Actual return | \$ (50,000) | | \$ 50,000 | | | |
| Unexpected gain or loss | \$ (30,250) | | | | \$ 30,250 | |
| Contributions | | | \$ 140,000 | \$ (140,000) | | |
| Benefits paid | | \$ 80,000 | \$ (80,000) | | | |
| Amortization of Prior Service Costs | | | | | | |
| Corridor Amortization | | | | | | |
| Ending Balance | <u>\$ 126,750</u> | <u>\$ (1,247,000)</u> | <u>\$ 1,250,000</u> | | <u>\$ 30,250</u> | <u>\$ -</u> |
| | | | | | | |
| Entry to comprehensive income | | | | | | <u>\$ 30,250</u> |
| | | | | | | |
| Calculation of unexpected (gain) or loss | | | | | | |
| Expected return on plan assets | \$ 80,250 | | | | | |
| Actual return on plan assets | \$ 50,000 | | | | | |
| Unexpected (gain) or loss | <u>\$ 30,250</u> | | | | | |

| | Formal Accounts | | | | |
|--------------------------------------|-----------------|--------------|---------------|-------------|--|
| | Annual | Pension | | | |
| | Pension | Asset/ | Comprehensive | | |
| | Expense | Liability | Income | Cash | |
| Beginning balance | | \$ 20,000 | | | |
| Summary journal entries: | | | | | |
| Annual pension cost accrual | \$ 126,750 | \$ (126,750) | | | |
| Annual pension contribution | | \$ 140,000 | | \$(140,000) | |
| Minimum liability adjustment | | \$ (30,250) | \$ 30,250 | | |
| Ending balance | \$ 126,750 | \$ 3,000 | \$ 30,250 | | |
| Check: PBO less fair value of assets | | \$ 3,000 | | | |