Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2016

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
HOUSTON PILOTS RETIREMENT PLAN AND TRUST

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/1989

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
HOUSTON PILOTS

203 DEERWOOD GLEN DR.
DEER PARK, TX 77536

2b Employer Identification Number (EIN) 76-0289736

2c Plan Sponsor's telephone number 713-645-9620

2d Business code (see instructions) 488300

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2017	MARK MITCHEM
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2017	MARK MITCHEM
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address (include room or suite number)

Preparer's telephone number

3a Plan administrator's name and address [X] Same as Plan Sponsor	**3b** Administrator's EIN	
	3c Administrator's telephone number	
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	
5 Total number of participants at the beginning of the plan year	**5**	195
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	132
a(2) Total number of active participants at the end of the plan year	**6a(2)**	135
b Retired or separated participants receiving benefits	**6b**	54
c Other retired or separated participants entitled to future benefits	**6c**	20
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	209
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	7
f Total. Add lines **6d** and **6e**.	**6f**	216
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	1
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1A 3B 3H

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

9a Plan funding arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

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

a Pension Schedules

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [X] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] **A** (Insurance Information)
- **(4)** [ ] **C** (Service Provider Information)
- **(5)** [X] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

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

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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
HOUSTON PILOTS RETIREMENT PLAN AND TRUST

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
HOUSTON PILOTS

D Employer Identification Number (EIN)
76-0289736

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [X] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2016

2 Assets:

a Market value	**2a**	216013936
b Actuarial value	**2b**	216013936

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	57	69229014	69229014
b For terminated vested participants	26	6858757	6858757
c For active participants	132	85154814	86708017
d Total	215	161242585	162795788

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

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**	6.17 %
6 Target normal cost	**6**	5085672

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 — Date: 10/09/2017

JAKE PRINGLE — Type or print name of actuary

17-07457 — Most recent enrollment number

MILLIMAN, INC. — Firm name

713-658-3013 — Telephone number (including area code)

500 DALLAS STREET
SUITE 2550
HOUSTON, TX 77002

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 [ ]

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)	1630945	28500083
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)	1630945	28500083
10	Interest on line 9 using prior year's actual return of -2.10%	-34250	-598502
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		10432951
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.36%		663536
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
	c Total available at beginning of current plan year to add to prefunding balance		11096487
	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)	1596695	27901581

Part III Funding Percentages

14	Funding target attainment percentage	14	114.57%
15	Adjusted funding target attainment percentage	15	132.69%
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	125.32%
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
10/13/2016	460000		12/29/2016	460000	
10/28/2016	460000		01/12/2017	510000	
11/14/2016	460000		01/30/2017	450000	
11/29/2016	460000		02/14/2017	450000	
12/09/2016	97852		02/27/2017	450000	
12/14/2016	460000		03/15/2017	450000	
			Totals ► 18(b)	11017852	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	10222521

20 Quarterly contributions and liquidity shortfalls:

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

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ 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 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)		
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)		
10	Interest on line 9 using prior year's actual return of _____%		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of _____%		
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
	c Total available at beginning of current plan year to add to prefunding balance		
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)		

Part III Funding Percentages

14	Funding target attainment percentage	14	%
15	Adjusted funding target attainment percentage	15	%
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	%
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
03/31/2017	450000		06/29/2017	450000	
04/13/2017	450000		07/13/2017	450000	
04/27/2017	450000		07/28/2017	450000	
05/12/2017	450000		08/14/2017	450000	
05/30/2017	450000		08/30/2017	450000	
06/15/2017	450000		09/14/2017	900000	
			Totals ► **18(b)**		**18(c)**

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**	
b Contributions made to avoid restrictions adjusted to valuation date	**19b**	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	**19c**	

20 Quarterly contributions and liquidity shortfalls:

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

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ 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:	2nd segment:	3rd segment:	
4.43%	5.91%	6.65%	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	0
22 Weighted average retirement age	**22**	61

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ 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		☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment		☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment		☒ Yes ☐ 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**	5085672
b Excess assets, if applicable, but not greater than line 31a	**31b**	5085672

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment		

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**	0

	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**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	10222521
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	10222521
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 ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2016

This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
HOUSTON PILOTS RETIREMENT PLAN AND TRUST

B Three-digit plan number (PN) ▶ 002

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
HOUSTON PILOTS

D Employer Identification Number (EIN)
76-0289736

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: LIABILITY DRIVEN SOLUTION I FUND

b Name of sponsor of entity listed in (a): WELLS FARGO

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
30-6225619-001	C	39188103

a Name of MTIA, CCT, PSA, or 103-12 IE: LIABILITY DRIVEN SOLUTION II FUND

b Name of sponsor of entity listed in (a): WELLS FARGO

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
80-6049172-001	C	131916529

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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b Name of plan sponsor	**c** EIN-PN

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b Name of plan sponsor	**c** EIN-PN

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b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
HOUSTON PILOTS RETIREMENT PLAN AND TRUST

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
HOUSTON PILOTS

D Employer Identification Number (EIN)
76-0289736

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	8280000	8160000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	323	989
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2294939	1442476
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)	156824036	171104631
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	48880984	56836692
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	**1d(1)**		
	(2) Employer real property	**1d(2)**		
e	Buildings and other property used in plan operation	**1e**		
f	Total assets (add all amounts in lines 1a through 1e)	**1f**	216280282	237544788
	Liabilities			
g	Benefit claims payable	**1g**		
h	Operating payables	**1h**		
i	Acquisition indebtedness	**1i**		
j	Other liabilities	**1j**	71844	77290
k	Total liabilities (add all amounts in lines 1g through1j)	**1k**	71844	77290
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	**1l**	216208438	237467498

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	**2a(1)(A)**	11017852	
	(B) Participants	**2a(1)(B)**		
	(C) Others (including rollovers)	**2a(1)(C)**		
	(2) Noncash contributions	**2a(2)**		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	**2a(3)**		11017852
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	**2b(1)(A)**	9037	
	(B) U.S. Government securities	**2b(1)(B)**		
	(C) Corporate debt instruments	**2b(1)(C)**		
	(D) Loans (other than to participants)	**2b(1)(D)**		
	(E) Participant loans	**2b(1)(E)**		
	(F) Other	**2b(1)(F)**		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	**2b(1)(G)**		9037
	(2) Dividends: **(A)** Preferred stock	**2b(2)(A)**		
	(B) Common stock	**2b(2)(B)**		
	(C) Registered investment company shares (e.g. mutual funds)	**2b(2)(C)**	1036748	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	**2b(2)(D)**		1036748
	(3) Rents	**2b(3)**		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	**2b(4)(A)**		
	(B) Aggregate carrying amount (see instructions)	**2b(4)(B)**		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	**2b(4)(C)**		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	**2b(5)(A)**		
	(B) Other	**2b(5)(B)**		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	**2b(5)(C)**		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		10035997
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		4678960
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		26778594
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	5519534	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		5519534
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		5519534
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		21259060
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

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

(1) Name: HARPER & PEARSON COMPANY, P.C. **(2)** EIN: 74-1695589

d The opinion of an independent qualified public accountant is **not attached** because:

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

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

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? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	4n			
o	Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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

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

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4001820 . (See instructions.)

Part V Trust Information

6a Name of trust	**6b** Trust's EIN

6c Name of trustee or custodian	**6d** Trustee's or custodian's telephone number

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2016

This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
HOUSTON PILOTS RETIREMENT PLAN AND TRUST

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
HOUSTON PILOTS

D Employer Identification Number (EIN)
76-0289736

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 41-3257133

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 0

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

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

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

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

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

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

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No

22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter _____/_____/_____ and the serial number _____.

22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter _____/_____/_____.

HOUSTON PILOTS RETIREMENT PLAN AND TRUST

FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

C O N T E N T S

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Schedule of Reportable Transactions 15

INDEPENDENT AUDITOR'S REPORT

To the Participants and Administrator
Houston Pilots Retirement Plan and Trust
Houston, Texas

We were engaged to audit the accompanying financial statements of Houston Pilots Retirement Plan and Trust (the Plan), which comprise the statements of net assets available for plan benefits and accumulated plan benefits as of December 31, 2016 and 2015 and the related statements of changes in net assets available for plan benefits and changes in accumulated plan benefits for the year ended December 31, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note B, which was certified by Wells Fargo Bank, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of December 31, 2016 and 2015, and for the year ended December 31, 2016, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

One Riverway · Suite 1900 · Houston, Texas 77056-1973 · 713.622.2310 · 713.622.5613 fax
harperpearson.com

Other Matter

The supplemental schedules of assets (held at end of year) and reportable transactions as of or for the year ended December 31, 2016 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with generally accepted auditing standards in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Harper & Pearson Company, P.C.

Houston, Texas
October 11, 2017

HOUSTON PILOTS RETIREMENT PLAN AND TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
Investments, at fair value		
Interest-bearing cash	$ 1,442,476	$ 2,294,939
Common/collective funds	171,104,631	156,824,036
Registered investment companies	56,836,692	48,880,984
Total Investments	229,383,799	207,999,959
Employer contribution receivable	8,160,000	8,280,000
Accrued income	989	323
Total Assets	237,544,788	216,280,282
LIABILITIES		
Other liabilities	77,290	71,844
Total Liabilities	77,290	71,844
NET ASSETS AVAILABLE FOR PLAN BENEFITS	$ 237,467,498	$ 216,208,438

See accompanying notes.

HOUSTON PILOTS RETIREMENT PLAN AND TRUST
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2016

ADDITIONS TO NET ASSETS:	
INVESTMENT INCOME	
Interest income - interest-bearing cash	$ 9,037
Net investment gain from common/collective funds	10,041,443
Net investment gain from registered investment companies	4,673,514
Dividends on investments in registered investment companies	1,036,748
TOTAL INVESTMENT INCOME	15,760,742
Employer contributions	11,017,852
TOTAL ADDITIONS TO NET ASSETS	26,778,594
DEDUCTIONS FROM NET ASSETS:	
Benefits paid directly to participants	(5,519,534)
TOTAL DEDUCTIONS FROM NET ASSETS	(5,519,534)
NET INCREASE	21,259,060
NET ASSETS AVAILABLE FOR PLAN BENEFITS - Beginning	216,208,438
NET ASSETS AVAILABLE FOR PLAN BENEFITS - Ending	$ 237,467,498

See accompanying notes.

HOUSTON PILOTS RETIREMENT PLAN AND TRUST
STATEMENTS OF ACCUMULATED PLAN BENEFITS
DECEMBER 31, 2016 AND 2015

	2016	2015
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participants currently receiving payments	$ 79,230,053	$ 69,020,139
Terminated vested participants	6,744,786	6,607,713
Active participants	79,838,662	85,473,486
	165,813,501	161,101,338
Nonvested benefits	2,698,793	1,487,018
Total actuarial present value of accumulated plan benefits	$ 168,512,294	$ 162,588,356

See accompanying notes.

HOUSTON PILOTS RETIREMENT PLAN AND TRUST
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2016

Actuarial present value of accumulated plan benefits at beginning of year	$ 162,588,356
Increase (decrease) during the year attributable to:	
Benefits accumulated	1,667,293
Benefits paid	(5,519,534)
Increase for interest earned	10,391,682
Change in assumptions	(615,503)
	5,923,938
Actuarial present value of accumulated plan benefits at end of year	$ 168,512,294

Changes in actuarial assumptions for 2016 are the result of updating the mortality projection period.

See accompanying notes.

NOTE A BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Plan - The Plan is a defined benefit retirement plan of Houston Pilots (HP). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 and all subsequent rulings issued by the Department of Labor.

Eligibility - Employees of HP and its participating members are eligible to participate beginning each January 1 which coincides with or next following the attainment of age 20-1/2.

Credited and Vesting Service - Vesting percentage is 100% upon completion of three years of service and 0% for less than three years of service. Vesting service is computed using an elapsed time method.

Contributions - Contributions to the Plan are made by HP. Contributions by employees are not currently permitted. The contributions are actuarially determined in an amount sufficient to satisfy the minimum funding standards of the Employee Retirement Income Security Act of 1974 (ERISA) and the Full Funding Limitation (FFL) of the Internal Revenue Service. The FFL is equal to the amount necessary to fully fund the Plan. The Plan year ended December 31, 2016 required no minimum contribution.

Although it has not expressed any intention to do so, HP has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles in the United States (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and the actuarial present value of accumulated plan benefits and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income, expenses and the changes in the actuarial present value of accumulated plan benefits during the reporting period. Actual results could differ from those estimates.

Basis of Accounting and Valuation of Investments - The accompanying financial statements are prepared on the accrual basis of accounting. Purchases and sales of investments are recorded on trade date basis and dividend and interest income are recognized when earned. Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In accordance with the policy of stating investments at fair value, net investment gain or loss is included in the carrying value of related investments in the statements of net assets available for plan benefits and the changes in the net investment gain or loss are reflected in the statement of changes in net assets available for plan benefits.

Administration - The Plan is administered by four members of HP elected by members of the Plan. Substantially all expenses for the year ended December 31, 2016 were paid by HP.

NOTE A BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Actuarial Present Value of Accumulated Plan Benefits - Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' final average monthly compensation. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by Milliman USA, actuary for the Plan, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment. In accordance with the Pension Protection Act of 2006 (PPA), the actuarial cost method used in the valuation of this Plan is known as the unit credit cost method. Under this cost method a projected retirement benefit at assumed retirement age is computed for each participant using one year's future pay increases. The Target Normal Cost for each participant is computed as the present value of the pro-rata portion of the participant's projected benefit which is accrued or earned during the plan year being valued. The Target Normal Cost for the plan is the total of the individually computed Target Normal Costs for all participants including the costs for any death or disability benefits under the Plan.

The significant actuarial assumptions used in the valuations to determine the present value of accumulated plan benefits, as of December 31, 2016 and 2015, were: (a) life expectancy of participants (2016:RP-2014 Mortality Table adjusted backwards to 2006 with Mortality Improvement Scale MP-2014 and projected with Mortality Improvement Scale MP-2016; 2015:RP-2014 Mortality Table adjusted backwards to 2006 with Mortality Improvement Scale MP-2014 and projected with Mortality Improvement Scale MP-2015, (b) retirement age assumptions – See table below, and (c) investment return (assumed rate of return of 6.5% for 2016 and 2015). The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Retirement Age Rate Assumptions:

2016 and 2015			
Age	Retirement Rates	Age	Retirement Rates
55	5%	63	20%
56	5%	64	20%
57	5%	65	85%
58	5%	66	35%
59	5%	67	35%
60	5%	68	35%
61	5%	69	35%
62	65.5%	70	100%

NOTE A BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Payments of Benefits - Benefit payments to participants are recorded upon distribution.

Federal Income Tax - The Internal Revenue Service informed the Plan Administrator, by letter dated April 25, 2012, that the Plan constitutes a qualified trust under Section 401(b) of the Internal Revenue Code, and the Plan is tax exempt. The Plan has been amended since the determination letter was obtained. However, the Plan Administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Accordingly, the Plan Administrator believes the Plan was qualified and the related trust was tax-exempt as of December 31, 2016 and 2015.

The Plan believes that all significant tax positions utilized by the Plan will more likely than not be sustained upon examination. As of December 31, 2016, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are from the year 2013 forward (with limited exceptions). Tax penalties and interest, if any, would be accrued as incurred and would be classified as tax expense in the statement of changes in net assets available for plan benefits.

Subsequent Events - The Plan has evaluated subsequent events through October 11, 2017, the date the financial statements were available to be issued. No subsequent events occurred which require adjustment or disclosure to the financial statements at December 31, 2016.

NOTE B INVESTMENTS AND CERTIFIED INFORMATION

All investments are recorded at fair value as determined and certified by the trustee, Wells Fargo Bank. The following table summarizes the investments of the Plan as of December 31, 2016 and 2015:

	2016	2015
Interest-bearing cash	$ 1,442,476	$ 2,294,939
Common/collective funds	171,104,631	156,824,036
Registered investment companies	56,836,692	48,880,984
	$ 229,383,799	$ 207,999,959

The 2016 investment income as determined and certified by Wells Fargo Bank, and as adjusted for accrued interest receivable at December 31, 2016 is as follows:

Interest Income:	
Interest-bearing cash	$ 9,037
Net Investment Gain:	
Common/collective funds	$ 10,041,443
Registered investment companies	$ 4,673,514
Dividend Income:	
Registered investment companies	$ 1,036,748

NOTE B INVESTMENTS AND CERTIFIED INFORMATION (CONTINUED)

Wells Fargo Bank has also certified the information contained in the supplemental schedules of assets (held at end of year) and reportable transactions.

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedules.

NOTE C FAIR VALUE DISCLOSURES

GAAP provides a framework for measuring fair value using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value based upon whether the inputs to those valuation techniques are observable or unobservable. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments and the lowest priority to unobservable inputs. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. The financial instrument's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. These inputs are summarized in the three broad levels listed below:

Level 1 – Unadjusted quoted prices for identical financial instruments in active markets that the Plan has the ability to access.

Level 2 – Other significant observable inputs (including quoted prices in active and inactive markets for similar financial instruments), or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the financial instruments.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the financial instruments. The fair value of Level 3 financial instruments is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Following is a description of the valuation techniques used for investments measured at fair value. There have been no changes in the techniques used during 2016 and 2015.

Interest-bearing cash and registered investment companies are valued at the net asset value of shares held by the Plan at year end.

Common/collective funds are valued at fair value by each fund's trustee based on the fair value of the underlying securities within the fund, which represent the net asset value of shares held by the Plan at year end.

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

NOTE C FAIR VALUE DISCLOSURES (CONTINUED)

The fair values of investments are categorized as follows at December 31, 2016 and 2015:

	2016			
	Level 1	Level 2	Level 3	Total
Interest-Bearing Cash	$ 1,442,476	$ -	$ -	$ 1,442,476
Common/Collective Funds	-	171,104,631	-	171,104,631
Registered Investment Companies	56,836,692	-	-	56,836,692
Total Investments at Fair Value	$ 58,279,168	$ 171,104,631	$ -	$ 229,383,799

	2015			
	Level 1	Level 2	Level 3	Total
Interest-Bearing Cash	$ 2,294,939	$ -	$ -	$ 2,294,939
Common/Collective Funds	-	156,824,036	-	156,824,036
Registered Investment Companies	48,880,984	-	-	48,880,984
Total Investments at Fair Value	$ 51,175,923	$ 156,824,036	$ -	$ 207,999,959

There were no significant transfers in and/or out of the fair value categories during 2016 and 2015.

NOTE D PRIORITIES UPON TERMINATION OF THE PLAN

In the event the Plan terminates, the net assets of the Plan will be allocated generally to provide the following benefits in the order indicated:

1. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.
2. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) up to applicable limitations as discussed below.
3. All other nonforfeitable benefits under the Plan.
4. All other benefits under the Plan.

NOTE D PRIORITIES UPON TERMINATION OF THE PLAN (CONTINUED)

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. The ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Benefit improvements attributable to certain Plan amendments may not be fully guaranteed even though total benefit entitlements fall below the aforementioned ceilings. Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations, and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

NOTE E PARTY-IN-INTEREST

The Plan invests in various investments offered by Wells Fargo Bank. These investments are considered party-in-interest transactions because Wells Fargo Bank serves as trustee of the Plan. The Plan Administrator has approved of these investment options.

NOTE F RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE FOR FORM 5500

The financial statements classify certain investment income as common/collective funds and interest bearing cash income, whereas the Form 5500 classifies the same income as registered investment companies' income.

Houston Pilots Retirement Plan and Trust
EIN: 76-0289736
PN: 002
Schedule SB, line 22 - Description of Weighted Average Retirement Age

Age (a)	Rate of Retirement (b)	Probability of Retirement at age X (c)	(a*b*prior age c)
55	0.05	0.950	2.750
56	0.05	0.903	2.660
57	0.05	0.857	2.572
58	0.05	0.815	2.486
59	0.05	0.774	2.403
60	0.05	0.735	2.321
61	0.05	0.698	2.242
62	0.655	0.241	28.359
63	0.2	0.193	3.036
64	0.2	0.154	2.467
65	0.85	0.023	8.519
66	0.35	0.015	0.534
67	0.35	0.010	0.353
68	0.35	0.006	0.233
69	0.35	0.004	0.153
70	1	0.000	0.289
Average Retirement Age:			61.378

Appendix A

Summary of Actuarial Assumptions and Methods

Plan Sponsor

Houston Pilots

EIN/PN

76-0289736/002

The ultimate cost of a pension plan is the excess of actual benefits and administrative expenses paid over actual net investment return on plan assets during the plan's existence until the last payment has been made to the last participant. The plan's "actuarial cost method" determines the expected incidence of actuarial costs by allocating portions of the ultimate cost to each plan year. The cost method is thus a budgeting tool to help ensure that the plan will be adequately and systematically funded. There are several commonly-used cost methods which differ in how much of the ultimate cost is assigned to each prior and future year. Therefore, the pattern of annual contributions varies with the choice of cost method. Annual contributions are also affected by the "asset valuation method" (as well as the plan provisions, actuarial assumptions, and actual plan demographic and investment experience each year).

Actuarial Cost Method

The actuarial cost method used for determining the plan's ERISA funding requirements is the unit credit method. Under this method, an accrued benefit is determined at each active participant's assumed retirement age based on compensation and service at both the beginning and the end of the current year. The plan's normal cost is the sum of the present value of the excess of each active participant's accrued benefit at the end of the current year over that at the beginning of the current year. The plan's accrued liability is the sum of (a) the present value of each active participant's accrued benefit at the beginning of the current year plus (b) the present value of each inactive participant's future benefits.

Asset Valuation Method

The Actuarial Value of Assets used for determining the plan's ERISA funding requirements is equal to the Fair Market Value of Assets. The Fair Market Value of Assets is equal to the market value of assets plus discounted employer contributions receivable for the prior plan year. The employer contributions are discounted back to the valuation date using the effective interest rate.

Changes in Actuarial Methods since Prior Valuation

None.

Interest Rates

- **For minimum funding purposes:** Segment rates (based on statutory rates in effect at the beginning of plan year, limited by HATFA Segment Rate Stabilization) of 4.43% per year for first 5 years, 5.91% per year for next 15 years, and 6.65% per year thereafter. The equivalent effective interest rate is 6.17% per year.
- **For maximum deductible purposes:** Segment rates (based on statutory rates in effect at the beginning of plan year, not limited by MAP-21 Segment Rate Stabilization) of 1.41% per year for the first 5 years, 3.96% per year for the next 15 years, and 4.97% per year thereafter. The equivalent Effective Interest Rate is 4.38% per year.
- **For FASB ASC Topic 960 purposes:** 6.50% per year (adopted January 1, 2016). This is the assumed rate of return for the Plan's entire portfolio of assets, net of investment expenses and including assumed inflation rate of 2.30%. It is based on the Plan's investment policy, including target asset allocation, and Milliman's capital market expectations.

Compensation Increases

5.5% per year, compounded annually

Future Social Security Wage Base Increases

4.0% per year, compounded annually

Cost of Living Adjustment

1.5% per year, compounded annually

Mortality

- **For minimum funding and maximum deductible purposes:** Statutory static tables for 2016 based on RP-2000 Mortality Table projected to anticipate greater future longevity, with separate rates for non-annuitants and annuitants.
- **For FASB ASC Topic 960 purposes:** RP-2014 Mortality Table adjusted backwards to 2006 with Mortality Improvement Scale MP-2014 and projected with Mortality Improvement Scale MP-2015, with employee rates before termination and healthy annuitant rates after termination (adopted December 31, 2015). As a generational table, it reflects mortality improvements both before and after the measurement date.

Withdrawal

Rates are taken from Table T-3 from the Actuary's Pension Handbook. Selective rates are as follows:

Age	Rate
20	6.58%
25	5.27
30	4.84
35	4.48
40	3.85
45	3.23

50	1.53
55	0.34

Disability

Table q.75i as published in Advanced Pension Tables, Harry Sarason

Retirement

Retirement rates are as follows:

Age	Rate
55 – 61	5.0%
62	65.5
63 – 64	20.0
65	85.0
66 – 69	35.0
70+	100.0

Form of Payment

- 100% Joint and Survivor Annuity if married
- Lifetime Pension, 20 Years if single

Marital Characteristics

- **For participants not in pay status:** 100% of male and female participants are assumed to be married, with spouses the same age as participants.
- **For participants in pay status**: Actual birth dates of spouses are included in the census data, where relevant.

Expenses

None assumed.

Benefits Not Valued

All benefits are valued.

Special Data Adjustments

None

Changes in Actuarial Assumptions since Prior Valuation

- **Interest rates for ERISA minimum funding**: From 4.72%, 6.11%, and 6.81% per year to 4.43%, 5.91%, and 6.65% per year, respectively, as required by statute.
- **Interest rates for Maximum Deductible Contribution and PBGC premium interest rates**: From 1.22%, 4.11%, and 5.20% per year to 1.41%, 3.96%, and 4.97% per year, respectively, as required by statute.

- **Interest rate for FASB ASC Topic 960**: Effective January 1, 2016, the FASB ASC Topic 960 interest rate was changed from 7.00% to 6.50% per year. The interest rate was changed to reflect anticipated future asset experience.
- **Mortality for ERISA minimum funding, Maximum Deductible Contribution, and PBGC premium**: From statutory tables for 2015 to statutory tables for 2016.
- **Mortality for FASB ASC Topic 960 purposes**: Effective January 1, 2016, mortality was updated from the RP-2000 Mortality Table with Scale AA on a generational basis to the RP-2014 Mortality Table adjusted backwards to 2006 with Mortality Improvement Scale MP-2014 and projected with Mortality Improvement Scale MP-2015, with employee rates before termination and healthy annuitant rates after termination.

Appendix B

Summary of Principal Plan Provisions

Plan Sponsor

Houston Pilots

EIN/PN

76-0289736/002

This summary of plan provisions is intended only to describe the essential features of the plan. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself.

Definitions

Accrued Benefit: Determined under the Fractional Rule, the Accrued Benefit is equal to that amount which is in the same proportion to the Participant's Normal Retirement Benefit as the Participant's Years of Accrual Service completed as of the date of determination bear to the total Years of Accrual Service the Participant would complete if he were to continue to participate until his Normal Retirement Date.

For any Plan Year in which this Plan is determined to be Top-Heavy, a Participant will be entitled to a monthly benefit equal to the greater of the Accrued Benefit which is described above or a monthly benefit payable in the form of a straight life annuity commencing at Normal Retirement Date equal to the product of such Participant's average monthly compensation (the average rate of total compensation paid during the 5 consecutive years in which the Participant had the highest total compensation) multiplied by the lesser of (1) 2% for each Year of Benefit Service performed during a Plan Year in which the Plan is determined to be Top-Heavy, or (2) 20%.

Actuarially Equivalent: Equality in value such that the present value of the amount under any form of payment is essentially the same as the present value of the amount under the normal form of annuity payment for single participants. Actuarially Equivalent factors are based on the applicable mortality table specified in IRS Notice 2008-85 for the Plan Year of distribution and the statutory three-tier segment interest rates in effect for the second month prior to the Plan Year of distribution.

Average Monthly Compensation: Determined by dividing the total Compensation he received during the 5 consecutive Compensation Periods (during the last 10 years of employment) for which his Compensation was highest by the number of months during such period for which he received Compensation. No fractional Compensation Periods will be taken into account.

A Participant’s Excess Average Monthly Compensation is that portion, if any, of his Average Monthly Compensation which is in excess of his monthly Integration Level.

Compensation: That compensation which is treated as FICA wages without regard to the Social Security taxable wage base.

Compensation also includes any amounts which are treated as salary reduction contributions and used to purchase non-taxable benefits under Section 125 or 401(k) of the Internal Revenue Code.

Compensation in excess of 90% of a Participant's Earned Income shall be disregarded with respect to Compensation Periods a Participant is a Self-employed Individual. Compensation in excess of 90% of a Participating Employer's Earned Income shall be disregarded with respect to Compensation Periods a Participant is an Employee of the Participating Employer. Compensation in excess of $98,100, indexed at the rate of 5.5% per year before and after 1987, shall be disregarded.

In accordance with Internal Revenue Code Section 401(a)(17), annual Compensation in excess of the inflation-adjusted limit ($265,000 for the Plan Year beginning January 1, 2016) is disregarded. For purposes of applying this compensation limit, a family member of a Highly Compensated Employee is subject to the single aggregate compensation limit imposed on the Highly Compensated Employee if the family member is either the Employee's spouse or is a lineal descendant who has not attained the age of 19 by the end of the Plan Year.

The Compensation Period is the 12 month period which begins each January 1 and ends each December 31.

Effective Date: January 1, 1989. The Plan was restated effective January 1, 2012.

Eligible Employee Classification: A classification of Employees, the members of which are eligible to participate in the Plan. The Plan covers all employee classifications except Leased Employees.

Fiscal Year: The taxable year of the Employer. The Fiscal Year of the Employer is the 12 month period beginning January 1 and ending December 31.

Integration Level: Equal to monthly Average Social Security Wage Base. Average Social Security Wage Base means the average (without indexing) of the social security taxable wage bases in effect for each calendar year during the 35-year period ending with the calendar year in which the Participant attains (or will attain) social security retirement age (as defined in Code Section 415(b)). In determining a Participant's Average Social Security Wage Base, the taxable wage base for the current and any subsequent Plan Year will be assumed to be equal to the taxable wage base in effect as of the first day of the Plan Year for which the determination is being made.

Limitation Year: 12 month period beginning January 1 and ending December 31.

One Year Break-in-Service: Occurs in any 365-day period following a Participant's Date of Termination in which an Employee does not complete at least one Hour of Service.

Plan Sponsor: The Plan Sponsor is the Houston Pilots. The Plan Administrator is the Houston Pilots Administrative Committee.

Plan Year: 12 month period beginning January 1 and ending December 31.

Trustee: Wells Fargo Bank.

Year of Service

For Eligibility Purposes: Elapsed Time Method. All of an Employee's Years of Service are taken into account in determining his eligibility to participate.

For Benefit Purposes: Elapsed Time Method. All of a Participant's Years of Service are taken into account in determining his monthly benefit except:

- Service credited prior to January 1, 1973;
- Service for which the Employee was not entitled to receive Compensation; and
- Service while the Employee was not in an Eligible Employee Classification.

For Accrual Purposes: Elapsed Time Method. All of a Participant's Years of Service are taken into account in determining his monthly benefit except:

- Service credited prior to January 1, 1973;
- Service for which the Employee was not entitled to receive Compensation; and
- Service while the Employee was not in an Eligible Employee Classification.

For Vesting Purposes: Elapsed Time Method. All of a Participant's Years of Vesting Service are taken into account in determining his Vested Percentage.

Eligibility for Participation

An Employee will become a participant in the Plan on the January 1st which coincides with or next follows the attainment of age 20 and 1/2.

Normal Retirement

Normal Retirement Date: The first day of the month coincident with or next following the attainment of age 65.

Normal Retirement Benefit: Monthly pension benefit commencing on the Normal Retirement Date payable in the Normal Benefit Form in an amount equal to 2% of Average Monthly Compensation plus 0.625% of Excess Average Monthly Compensation, each multiplied by Years of Benefit Service not to exceed 35 years.

Normal Benefit Form:

(1) Single Participant: Lifetime Pension with 20 Years Certain. This pension benefit is payable for the lifetime of the Participant with payments guaranteed for a minimum of 20 years.

(2) Married Participant: Joint & 100% Survivor Pension with a monthly pension benefit payable for the joint lifetime of the Participant and the Participant's Joint Annuitant.

Early Retirement

Early Retirement Date: The first day of the month so elected by the Participant which coincides with or next follows the date upon which the Participant satisfies the following requirements:

(1) Attainment of age 55; and

(2) Completion of 10 Years of Vesting Service.

Early Retirement Benefit: The Actuarial Equivalent of the Participant's Accrued Benefit determined as of his Early Retirement Date. Notwithstanding the foregoing, if the Participant's attained age plus his completed years of Vesting Service is equal to or greater than 75, his Early Retirement Benefit is equal to his Accrued Benefit determined as of his Early Retirement Date reduced by 1/180th for each of the first 60 months and by 1/360th for each of the next 60 months by which his commencement date precedes his Normal Retirement Date.

Alternate Early Retirement Date and Benefit: A Participant's Alternate Early Retirement Date is the first day of the month so elected by the Participant which coincides with or next follows the date upon which a non-pilot Participant attains the age of 55 and has completed 10 Years of Vesting Service or a pilot Participant has attained the age of 55 and completed 20 Years of Vesting Service. A Participant's Alternate Early Retirement Benefit is equal to the Participant's Accrued Benefit, determined as of his Alternate Early Retirement Date.

Late Retirement

Late Retirement Date: The first day of the month coincident with or next following the date a Participant retires and requests the commencement of his Late Retirement Benefit after he has continued in the employ of the Employer beyond his Normal Retirement Date.

Late Retirement Benefit: Equal to an amount which is based on the Normal Retirement Benefit formula using the Participant’s Years of Service and Compensation through his Late Retirement Date.

Termination

Termination Date: The date of termination of service other than for reasons of retirement, disability, or death.

Termination Benefit: The Accrued Benefit multiplied by the Vested Percentage below, payable at the Normal Retirement Date.

Years of Vesting Service	Vested Percentage
Less than 3	0%
3 or more	100

Preretirement Death

Preretirement Death Benefit Eligibility: Surviving spouse of participants with a vested Accrued Benefit who die before commencement of payments.

Preretirement Death Benefit: In the event of the death of a Participant prior to the date that he begins to receive a monthly pension benefit under the Plan, the Participant's Surviving Spouse, if any, will be entitled to receive a monthly pension benefit equal to 100% of the monthly pension benefit which would have been payable had the Participant retired on the day before his death and elected a Joint and 100% Contingent Survivor Pension. A Joint and 100% Contingent Pension provides a monthly pension benefit payable for the lifetime of the Participant and, upon the Participant's death, if the Participant's Spouse survives the Participant, a monthly pension benefit will continue for the remaining lifetime of the Surviving Spouse equal to 100% of the monthly pension benefit which was payable during the joint lifetime of the Participant and the Participant's Surviving Spouse.

In the event of the death of an active employee, the Participant's designated Beneficiary will be entitled to receive a death benefit equal to 50 times the Participant's Expected Retirement Benefit, if greater than the Qualified Survivor Annuity described above.

Cost of Living Adjustment

Accrued Benefits for Retired Participants, Disabled Participants, Vested Terminated Participants who are receiving payments, and Qualifying Survivor Annuities for Surviving Spouses, shall be increased or decreased as the case may be, in accordance with and subject to the following rules, with respect to monthly payments due after each Adjustment Date. The increase or decrease shall equal the product of the Adjustment Rate, and the Accrued Benefit in the case of a retired or disabled participant, or the Qualified Survivor Annuity, in the case of a Surviving Spouse. The adjustment shall be based on the Accrued Benefit or Qualified Survivor Annuity, as adjusted under applicable Plan rules for optional forms of payment and Annuity Commencement Dates preceding normal retirement age. The increase or decrease shall be multiplied by a fraction. The fraction shall be one if the Annuity Commencement Date of the recipient precedes the Adjustment Date by three or more years, and the age of the recipient on the Adjustment Date is 65 or more. If the Annuity Commencement Date of the recipient precedes the Adjustment Date by less than three years prior to the Adjustment Date, or the recipient is under age 65 on the Adjustment Date, the numerator of the fraction shall be the number of complete months from the later of the recipient's Annuity Commencement Date, or the date the recipient attained age 62, to the Adjustment Date. The denominator shall be 36. The age of the surviving spouse shall be deemed to be the age the deceased participant would have been.

Following the death of a Participant, monthly payments to a Surviving Spouse or designated beneficiary shall be increased or decreased as the case may be. The increase or decrease shall equal the product of the Adjustment Rate, and the monthly payment to the recipient. The increase or decrease shall be multiplied by a fraction. The fraction shall be one if the Annuity Commencement Date of the recipient precedes the Adjustment Date by three or more years, and the age of the recipient on the Adjustment Date is 65 or more. If the Annuity Commencement Date of the recipient precedes the Adjustment Date by less than three years prior to the Adjustment Date, or the recipient is under age 65 on the Adjustment Date, the numerator of the fraction shall be the number of complete months from the later of the recipient's Annuity Commencement Date, or the date the recipient attained age 62, to the Adjustment Date. The denominator shall be 36. Annuity Commencement Date for a recipient shall be deemed to be the age the deceased Participant would have been.

The Adjustment Date shall be January 1, 1994, and every third January 1 thereafter. The increase or decrease described above shall apply to monthly payments of the Accrued Benefit or the Qualified Survivor Annuity made after the Adjustment Date. The cumulative effect of all increases or decreases shall not reduce the Accrued Benefit or Qualified Survivor Annuity as the case may be, as adjusted for all prior increases or decreases, to an amount less than the Accrued Benefit or Qualified Survivor Annuity on the recipient's Annuity Commencement Date, as adjusted for form and time of payment.

The Adjustment Rate for any Adjustment Date shall be the smallest of:

a) (1+.375*CP1)(1+.375*CP2)(1+.375*CP3)-1, and

b) (1+.375*AMP1)(1+.375*AMP2)(1+.375*AMP3)-1,

Where:

a) CP1, CP2, and CP3, mean the percentage increase or decrease in Consumer Price Index (disregarding any increase in excess of 8%) for the second, third, and fourth calendar years preceding such Adjustment Date; and

b) AMP1, AMP2, and AMP3, mean the percentage increase or decrease in Average Man Pay for the second, third, and fourth calendar years preceding such Adjustment Date. Average Man Pay for a calendar year means the average for the current and four preceding years of the average rate per day times 365 plus the annual average transportation rate per day times 182.5.

Optional Benefit Forms

Optional Benefit Forms: Equal to the Actuarial Equivalent of the Normal Benefit Form and may be in an amount more than or less than that provided by the Normal Benefit Form depending on the option selected. Such distribution may be in one or more of the following forms:

- Lifetime Pension – monthly pension benefit payable for the lifetime of the Participant.
- Joint & 50% Contingent Survivor Pension - monthly pension benefit payable for the lifetime of the Participant; reduces to 50% of the original amount upon the death of the Participant.
- Single Lump Sum if the present value is less than $5,000.

Changes in Plan Provisions since Prior Valuation

None

Exhibit 2

Summary of Active Participants by Age and Service

Number of Participants by Age and Service Groups

	Years of Credited Service										
Age	**<1**	**1-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40&Up**	**Total**
0-24	-	2	-	-	-	-	-	-	-	-	2
25-29	1	1	-	-	-	-	-	-	-	-	2
30-34	4	1	3	-	-	-	-	-	-	-	8
35-39	2	3	6	1	-	-	-	-	-	-	12
40-44	1	7	8	5	-	1	-	-	-	-	22
45-49	2	5	5	3	3	2	-	-	-	-	20
50-54	-	1	4	2	7	4	-	-	-	-	18
55-59	-	-	1	-	8	10	1	2	1	-	23
60-64	-	1	-	1	4	8	6	1	1	-	22
65-69	-	-	1	-	-	-	2	-	-	-	3
70&Up	-	-	-	-	-	-	-	-	-	-	-
Total	10	21	28	12	22	25	9	3	2	-	132

Average Compensation by Age and Service Groups

	Years of Credited Service										
Age	**<1**	**1-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40&Up**	**Average**
0-24	-	*	-	-	-	-	-	-	-	-	*
25-29	*	*	-	-	-	-	-	-	-	-	*
30-34	*	*	*	-	-	-	-	-	-	-	*
35-39	*	*	*	*	-	-	-	-	-	-	*
40-44	*	*	*	*	-	*	-	-	-	-	223,963
45-49	*	*	*	*	*	*	-	-	-	-	181,814
50-54	-	*	*	*	*	*	-	-	-	-	*
55-59	-	-	*	-	*	*	*	*	*	-	225,873
60-64	-	*	-	*	*	*	*	*	*	-	230,997
65-69	-	-	*	-	-	-	*	-	-	-	*
70&Up	-	-	-	-	-	-	-	-	-	-	-
Average	*	173,519	192,762	*	231,032	231,169	*	*	*	-	198,897

* If there are fewer than 20 participants in a cell, the average compensation is not reported.

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

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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
Houston Pilots Retirement Plan and Trust

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
Houston Pilots

D Employer Identification Number (EIN)
76-0289736

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [X] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2016

2 Assets:

a Market value	**2a**	216,013,936
b Actuarial value	**2b**	216,013,936

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	57	69,229,014	69,229,014
b For terminated vested participants	26	6,858,757	6,858,757
c For active participants	132	85,154,814	86,708,017
d Total	215	161,242,585	162,795,788

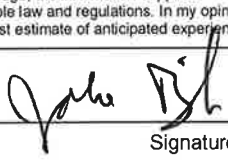
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

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**	6.17 %
6 Target normal cost	**6**	5,085,672

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

10/09/2017
Date

Jake Pringle
Type or print name of actuary

17-07457
Most recent enrollment number

Milliman, Inc.
Firm name

(713) 658-3013
Telephone number (including area code)

500 Dallas Street
Suite 2550
Houston TX 77002
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 [ ]

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)	1,630,945	28,500,083
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)	1,630,945	28,500,083
10	Interest on line 9 using prior year's actual return of -2.10%	-34250	-598502
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		10432951
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.36 %		663536
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
	c Total available at beginning of current plan year to add to prefunding balance		11096487
	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)	1,596,695	27901581

Part III Funding Percentages

14	Funding target attainment percentage	14	114.57%
15	Adjusted funding target attainment percentage	15	132.69%
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	125.32%
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
10/13/2016	460,000		12/29/2016	460,000	
10/28/2016	460,000		01/12/2017	510,000	
11/14/2016	460,000		01/30/2017	450,000	
11/29/2016	460,000		02/14/2017	450,000	
12/09/2016	97,852		02/27/2017	450,000	
12/14/2016	460,000		03/15/2017	450,000	
			Totals ► 18(b)	11,017,852	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	10,222,521

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [ ] Yes [X] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [ ] Yes [ ] 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:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
4.43 %	5.91 %	6.65 %	

b Applicable month (enter code) — **21b**: 0

22 Weighted average retirement age — **22**: 61

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ 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. ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ 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**: 5,085,672

b Excess assets, if applicable, but not greater than line 31a — **31b**: 5,085,672

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment		

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**: 0

	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**: 0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) — **37**: 10,222,521

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36) — **38a**: 10,222,521

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 ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment — **42**:

43 Excess installment acceleration amount to be carried over to future plan years — **43**:

Continuation of 2016 Form 5500
Schedule SB, line 18 - Contributions Made to the Plan for the Plan Year

Plan Name Houston Pilots Retirement Plan and Trust **EIN:** 76-0289736
Plan Sponsor's Name Houston Pilots **PN:** 002

(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
03/31/2017	450,000				
04/13/2017	450,000				
04/27/2017	450,000				
05/12/2017	450,000				
05/30/2017	450,000				
06/15/2017	450,000				
06/29/2017	450,000				
07/13/2017	450,000				
07/28/2017	450,000				
08/14/2017	450,000				
08/30/2017	450,000				
09/14/2017	900,000				

Exhibit 5

Employer Contributions for Prior Plan Year

The employer contributions for the prior plan year ending December 31, 2016 were paid or are payable on the dates and in the amounts shown below. The prior plan year's Effective Interest Rate of 6.17% per year is used to discount contributions back to January 1, 2016. Contributions (or portions of contributions) made after the due date for a quarterly required contribution are penalized an additional 5% per year during the late period. Contributions made solely to avoid the application of benefit restrictions cannot be considered in determining excess contributions.

Date	Contribution Amount	Discounted Value as of 1/1/2016 without Penalty	Penalty Amount	Discounted Value as of 1/1/2016 with Penalty
October 13, 2016	$460,000	$438,975	$0	$438,975
October 28, 2016	460,000	437,899	0	437,899
November 14, 2016	460,000	436,683	0	436,683
November 29, 2016	460,000	435,613	0	435,613
December 9, 2016	97,852	92,513	0	92,513
December 14, 2016	460,000	434,545	0	434,545
December 29, 2016	460,000	433,480	0	433,480
January 12, 2017	510,000	479,496	0	479,496
January 30, 2017	450,000	421,837	0	421,837
February 14, 2017	450,000	420,800	0	420,800
February 27, 2017	450,000	419,904	0	419,904
March 15, 2017	450,000	418,804	0	418,804
March 31, 2017	450,000	417,706	0	417,706
April 13, 2017	450,000	416,816	0	416,816
April 27, 2017	450,000	415,860	0	415,860
May 12, 2017	450,000	414,838	0	414,838
May 30, 2017	450,000	413,615	0	413,615
June 15, 2017	450,000	412,531	0	412,531
June 29, 2017	450,000	411,585	0	411,585
July 13, 2017	450,000	410,641	0	410,641
July 28, 2017	450,000	409,631	0	409,631
August 14, 2017	450,000	408,491	0	408,491
August 30, 2017	450,000	407,420	0	407,420
September 14, 2017	900,000	812,838	0	812,838
Total	11,017,852	10,222,521	0	10,222,521

Plan Number 002 EIN 76-0289736

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
		Interest Bearing Cash		
*	(A)	1,442,095.750 shares - Wells Fargo Short-Term Investment Fund F	$ 1,442,096	$ 1,442,096
*	(A)	380.15 shares - Wells Fargo Short-Term Investment Fund N	380	380
			1,442,476	1,442,476
		Common/Collective Funds		
*	(A)	2,763,520.522 units - Liability Driven Solution I Fund	37,173,084	39,188,103
*	(A)	7,751,815.984 units - Liability Driven Solution II Fund	123,890,952	131,916,528
			161,064,036	171,104,631
		Registered Investment Companies		
	(A)	416,342.680 shares - Dimensional Fund Advisors Emerging Markets Core Equity Fund I	6,558,556	7,227,709
	(A)	259,266.947 shares - Lord Abbett Value Opportunity Fund	4,359,330	5,221,636
	(A)	270,075.591 shares - MFS International Value Fund	8,692,668	9,452,646
	(A)	171,391.361 shares - Vanguard Institutional Index Fund	31,993,648	34,934,701
			51,604,202	56,836,692
			$ 214,110,714	$ 229,383,799

* Party-in-interest
(A) Transactions with Wells Fargo Bank

Plan Number 002 EIN 76-0289736

(a) Identity of Party Involved	(b) Description of Asset (Includes Interest Rate in Case of a Loan)	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(i) Net Gain or (Loss)
	SERIES TRANSACTIONS				
* (A)	Wells Fargo Short-Term Investment Fund F	$ 8,899,980	$ -	$ 8,899,980	$ -
* (A)	Wells Fargo Short-Term Investment Fund F	$ -	$ 9,752,646	$ 9,752,646	$ -
* (A)	Wells Fargo Short-Term Investment Fund N	$ 7,920,459	$ -	$ 7,920,459	$ -
* (A)	Wells Fargo Short-Term Investment Fund N	$ -	$ 7,920,262	$ 7,920,262	$ -

* Party-in-interest transaction.
(1) Item (e) is not applicable.
(2) There were no expenses incurred in connection with any of the reported transactions; therefore item (f) is not applicable.
(3) All items were executed at current value; therefore, item (h) is not included.
(A) Wells Fargo Bank

A reportable transaction is any purchase or sale of an investment security which individually or in a series of transactions exceeds 5% of net assets available for plan benefits at the beginning of the plan year.