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

2020

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

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.	10/06/2021	MARK MITCHEM
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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 or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:

a Sponsor's name

c Plan Name

4b EIN

4d PN

5	Total number of participants at the beginning of the plan year	**5**	221
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)**	136
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	136
b	Retired or separated participants receiving benefits	**6b**	72
c	Other retired or separated participants entitled to future benefits	**6c**	8
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	216
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	10
f	Total. Add lines **6d** and **6e**.	**6f**	226
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 who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	2
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 2020 Form M-1 annual report. If the plan was not required to file the 2020 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

2020

This Form is Open to Public Inspection

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

▶ **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 2020

2 Assets:

a Market value	**2a**	323079617
b Actuarial value	**2b**	323079617

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	84	131145694	131145694
b For terminated vested participants	11	2284942	2284942
c For active participants	136	82218692	83984900
d Total	231	215649328	217415536

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**	5.47 %
6 Target normal cost	**6**	6490655

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	09/20/2021 Date
JAKE PRINGLE Type or print name of actuary	20-07457 Most recent enrollment number
MILLIMAN, INC. Firm name	713-658-3013 Telephone number (including area code)
1415 LOUISIANA STREET SUITE 500 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)	1853679	32392285
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)	1853679	32392285
10	Interest on line 9 using prior year's actual return of 20.02 %	371107	6484935
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		12341734
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 5.62 %		693605
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		13035339
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)	2224786	38877220

Part III Funding Percentages

14	Funding target attainment percentage	14	129.69 %
15	Adjusted funding target attainment percentage	15	148.60 %
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	112.62 %
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
10/15/2020	1182000		04/14/2021	1330000	
11/12/2020	1182000		05/13/2021	1330000	
12/14/2020	1182002		06/14/2021	1330000	
01/14/2021	1300000		07/14/2021	1330000	
02/12/2021	1360000		08/13/2021	1330000	
03/12/2021	1330000		09/14/2021	1330000	
			Totals ► 18(b)	15516002	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	14517524

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:	
3.64 %	5.21 %	5.94 %	☐ 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**	6490655
b Excess assets, if applicable, but not greater than line 31a	**31b**	6490655

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	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**	14517524

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

a Total (excess, if any, of line 37 over line 36)	**38a**	14517524
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If 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

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

2020

This Form is Open to Public Inspection.

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

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	61205305

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	212373577

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):

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

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

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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
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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
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

SCHEDULE H (Form 5500)

Department of the Treasury
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

2020

This Form is Open to Public Inspection

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	10494000	11970000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	3196	425
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2204328	3313512
(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)	236679220	273578982
(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)	73945139	95579032
(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	323325883	384441951
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j	36919	18811
k	Total liabilities (add all amounts in lines 1g through1j)	1k	36919	18811
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	323288964	384423140

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)	15516002	
	(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)		15516002
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	14073	
	(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)		14073
	(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)	1267293	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		1267293
	(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)		34975869
(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)		18294600
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		70067837
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	8933661	
(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)		8933661
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		8933661
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		61134176
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) [X] Unmodified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) [X] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [ ] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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	

			Yes	No	Amount
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	
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**			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No

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

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 Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☒ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4318354.

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

2020

This Form is Open to Public Inspection.

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

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 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 deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment)	**14a**	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**14b**	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**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):

20 **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation_____

HOUSTON PILOTS RETIREMENT PLAN AND TRUST

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

C O N T E N T S

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Schedule of Reportable Transactions 18

HARPER | PEARSON

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INDEPENDENT AUDITOR'S REPORT

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

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the financial statements of Houston Pilots Retirement Plan and Trust, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for plan benefits and accumulated plan benefits as of December 31, 2020, and the related statements of changes in net assets available for plan benefits and changes in accumulated plan benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of Houston Pilots Retirement Plan and Trust's (the Plan) financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2020, stating that the certified investment information, as described in Note B to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section –

- the amounts and disclosures in the financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States.
- the information in the financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management 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, and for 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they could influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter - Supplemental Schedules Required by ERISA

The supplemental schedules of assets (held at end of year) and reportable transactions as of and for the year ended December 31, 2020 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion –

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).



HARPER & PEARSON COMPANY, P.C.

Houston, Texas
September 23, 2021

HARPER | PEARSON

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Fax 713.622.5613

INDEPENDENT AUDITOR'S REPORT

To the Participants and Administrative Committee of
Houston Pilots Retirement Plan and Trust
Houston, Texas

We were engaged to audit the accompanying statements of net assets available for plan benefits and accumulated plan benefits of Houston Pilots Retirement Plan and Trust (the Plan), as of December 31, 2019, 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 a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 2019 financial statements based on conducting the audit 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

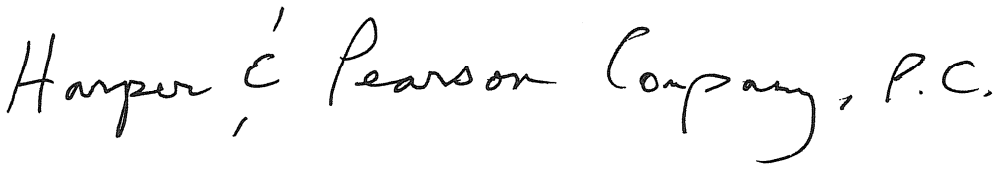
As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note B, which was certified by Wells Fargo Bank, the trustee of the Plan, except for comparing such 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 a certification from the trustee as of December 31, 2019, 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 on the 2019 financial statements. Accordingly, we do not express an opinion on the 2019 financial statements.

Report on Form and Content in Compliance With DOL Rules and Regulations for 2019 Financial Statements

The form and content of the information included in the 2019 financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted 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
September 23, 2021

HOUSTON PILOTS RETIREMENT PLAN AND TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
Investments, at fair value		
Interest-bearing cash	$ 3,313,512	$ 2,204,328
Common/collective funds	273,578,982	236,679,220
Registered investment companies	95,579,032	73,945,139
Total Investments	372,471,526	312,828,687
Employer contribution receivable	11,970,000	10,494,000
Accrued interest receivable	425	3,196
Total Assets	384,441,951	323,325,883
LIABILITIES		
Other liabilities	18,811	36,919
Total Liabilities	18,811	36,919
NET ASSETS AVAILABLE FOR PLAN BENEFITS	$ 384,423,140	$ 323,288,964

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, 2020

ADDITIONS TO NET ASSETS:	
INVESTMENT INCOME	
Interest income - interest-bearing cash	$ 14,073
Net investment gain from common/collective funds	34,975,869
Net investment gain from registered investment companies	18,294,600
Dividends on investments in registered investment companies	1,267,293
TOTAL INVESTMENT INCOME	54,551,835
Employer contributions	15,516,002
TOTAL ADDITIONS TO NET ASSETS	70,067,837
DEDUCTIONS FROM NET ASSETS:	
Benefits paid directly to participants	(8,933,661)
TOTAL DEDUCTIONS FROM NET ASSETS	(8,933,661)
NET INCREASE	61,134,176
NET ASSETS AVAILABLE FOR PLAN BENEFITS - Beginning	323,288,964
NET ASSETS AVAILABLE FOR PLAN BENEFITS - Ending	$ 384,423,140

See accompanying notes.

HOUSTON PILOTS RETIREMENT PLAN AND TRUST
STATEMENTS OF ACCUMULATED PLAN BENEFITS
DECEMBER 31, 2020 AND 2019

	2020	2019
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participants currently receiving payments	$ 124,439,734	$ 115,974,068
Terminated vested participants	893,443	1,985,729
Active participants	72,307,531	70,856,878
	197,640,708	188,816,675
Nonvested benefits	1,720,763	1,489,682
Total actuarial present value of accumulated plan benefits	$ 199,361,471	$ 190,306,357

See accompanying notes.

HOUSTON PILOTS RETIREMENT PLAN AND TRUST
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2020

Actuarial present value of accumulated plan benefits at beginning of year	$ 190,306,357
Increase (decrease) during the year attributable to:	
Benefits accumulated	5,907,277
Actuarial loss	996,945
Benefits paid	(8,933,661)
Increase for interest earned	12,084,925
Change in assumptions	(1,000,372)
	9,055,114
Actuarial present value of accumulated plan benefits at end of year	$ 199,361,471

Changes in actuarial assumptions for 2020 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). The Plan was adopted January 1, 1989 and restated January 1, 2017 to comply with the Pension Protection Act. Houston Pilots serves as the Plan Sponsor for the Plan. The Plan 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, 2020 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, 2020 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, 2020 and 2019, were: (a) life expectancy of participants (2020:Pri-2012 Employee/Retiree/Survivor/Disabled Mortality Tables for M/F and projected with Mortality Improvement Scale MP-2020); (2019:Pri-2012 Employee/Retiree/Survivor/Disabled Mortality Tables for M/F and projected with Mortality Improvement Scale MP-2019), (b) retirement age assumptions – See table below, and (c) investment return (assumed rate of return of 6.5% for 2020 and 2019). 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:

2020 and 2019			
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 March 8, 2018, that the Plan constitutes a qualified trust under Section 401(b) of the Internal Revenue Code, and the Plan is tax exempt.

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, 2020, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are from the year 2017 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 September 23, 2021, 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, 2020.

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, 2020 and 2019:

	2020	2019
Interest-bearing cash	$ 3,313,512	$ 2,204,328
Common/collective funds	273,578,982	236,679,220
Registered investment companies	95,579,032	73,945,139
	$ 372,471,526	$ 312,828,687

The 2020 investment income, as determined and certified by Wells Fargo Bank, and as adjusted for accrued interest receivable is as follows:

Interest Income:	
Interest-bearing cash	$ 14,073
Net Investment Gain:	
Common/collective funds	$ 34,975,869
Registered investment companies	$ 18,294,600
Dividend Income:	
Registered investment companies	$ 1,267,293

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 2020 and 2019.

Interest-bearing cash and registered investment companies are valued at the market 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 market value of the underlying securities within the fund.

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, 2020 and 2019:

	2020			
	Level 1	Level 2	Level 3	Total
Interest-Bearing Cash	$ 3,313,512	$ -	$ -	$ 3,313,512
Common/Collective Funds	-	273,578,982	-	273,578,982
Registered Investment Companies	95,579,032	-	-	95,579,032
Total Investments at Fair Value	$ 98,892,544	$ 273,578,982	$ -	$ 372,471,526

	2019			
	Level 1	Level 2	Level 3	Total
Interest-Bearing Cash	$ 2,204,328	$ -	$ -	$ 2,204,328
Common/Collective Funds	-	236,679,220	-	236,679,220
Registered Investment Companies	73,945,139	-	-	73,945,139
Total Investments at Fair Value	$ 76,149,467	$ 236,679,220	$ -	$ 312,828,687

There were no significant transfers in and/or out of the fair value categories during 2020 and 2019.

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.

Appendix A – Summary of Actuarial Methods

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. A 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 a plan will be adequately and systematically funded. Annual contributions are also affected by a plan's "asset valuation method" (as well as 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 and the FASB ASC Topic 960 values 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 benefits. This method is prescribed for ERISA funding requirements by the Pension Protection Act of 2006.

Asset Valuation Method

The Actuarial Value of Assets used for determining the Plan's ERISA funding requirements is equal to the Market Value of Assets. The Market Value of Assets is equal to the Fair Value of Assets as of the valuation date plus the discounted value of employer contributions made after the valuation date. These contributions are discounted to the valuation date using the Effective Interest Rate for the prior plan year. The expected investment return for a plan year is based on the lesser of the expected rate of return on plan assets (currently 6.50% per year effective January 1, 2014) or the applicable statutory interest rate for the year.

PBGC Variable-Rate Premium Method

The alternative method is used for the PBGC variable-rate premium calculation (adopted January 1, 2009).

Amortization Method

For the Plan's ERISA funding requirements, incremental Funding Shortfall amounts are amortized over a seven-year period, and the related shortfall amortization payment is determined on the first valuation date following the plan year in which it arises based on the segment rates used for ERISA minimum funding purposes on that date, as prescribed under IRC Section 430.

Changes in Actuarial Methods Since Prior Valuation

None.

Appendix B – Summary of Actuarial Assumptions

ECONOMIC ASSUMPTIONS

Interest Rates

The current funding and PBGC interest rates are as follows. The funding interest rates are prescribed under IRS regulations based on the Plan Sponsor's interest rate election. The PBGC interest rates are based on the Plan Sponsor's elected method for determining the premium funding target.

	Minimum Funding	Maximum Deductible	PBGC Premium
Segment 1 (0–5 years)	3.64%	2.77%	2.77%
Segment 2 (5–20 years)	5.21%	3.83%	3.83%
Segment 3 (20+ years)	5.94%	4.28%	4.28%
Effective Interest Rate	5.47%	4.03%	4.03%

ERISA minimum funding: 24-month average segment rates, using no lookback period, adjusted to reflect the applicable segment rate stabilization corridor.

Maximum Deductible Contribution: 24-month average segment rates, using no lookback period, but not adjusted to reflect segment rate stabilization.

PBGC premium: 24-month average segment rates, using no lookback period, but not adjusted to reflect segment rate stabilization. The alternative method (adopted January 1, 2009) is used for the PBGC variable-rate premium calculation.

FASB ASC Topic 960: 6.50% per year (adopted January 1, 2014). 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 2.20%. It is based on the Plan's investment policy, including target asset allocation, and Milliman's capital market expectations.

Asset Returns

ERISA minimum funding and Maximum Deductible Contribution: 6.50% per year (adopted January 1, 2014). It is based on the Plan's investment policy, including target asset allocation, and Milliman's capital market expectations.

Compensation Increases

5.50% per year, compounded annually.

Inflation (CPI)

2.20% per year, compounded annually. (adopted January 1, 2020). It is based on Milliman's capital market expectations.

Postretirement Benefit Increases

1.50% per year, compounded annually.

Social Security Taxable Wage Base Increases

4.00% per year, compounded annually.

Administrative Expenses

None assumed payable from plan assets.

DEMOGRAPHIC ASSUMPTIONS

Except where noted, demographic assumptions are based on the actuary's judgment and continued review of experience.

Mortality

ERISA minimum funding, Maximum Deductible Contribution, and PBGC premium: Statutory static tables for 2020 based on RP-2014 Mortality Table adjusted to base year 2006, with projections to anticipate greater future longevity using projection scale MP-2019, with separate rates for non-annuitants and annuitants.

FASB ASC Topic 960: Pri-2012 Employee/Retiree/Survivor/Disabled Mortality Tables for M/F projected forward with MP-2019.

Retirement

Annual rates of retirement are shown in the following table.

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

Termination

Annual rates of termination are taken 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.

Decrement Timing

Decrements are assumed to occur at the middle of the year, except that 100% retirement (see above) is assumed to occur at the beginning of the year.

Normal Form of Payment

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.

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.

Marital Characteristics

For participants not in pay status: 100% of participants are assumed to be married to a spouse of the opposite sex.

For participants in pay status: Actual birth dates of beneficiaries are included in the census data, where relevant.

For beneficiaries: Actual birth dates are included in the census data, where relevant.

Benefits Not Valued

All plan benefits are valued.

Special Data Adjustments

None.

Weighted Average Retirement Age

The weighted average retirement age for active participants is 61. This equals the sum, over all retirement ages, of the retirement age multiplied by the probability of retiring at that age, as shown in the following table.

(a) Possible Retirement Age "r"	(b) Assumed Rate of Retirement at Age "r"	(c) Probability of Person Age 55 Still Working at "r"	(d) (b) x (c) = Probability of Person Age 55 Retiring at "r"	(e) (a) x (d) = Component of Weighted Average Retirement Age
55	0.0500	1.0000	0.0500	2.7500
56	0.0500	0.9500	0.0475	2.6600
57	0.0500	0.9025	0.0451	2.5721
58	0.0500	0.8574	0.0429	2.4864
59	0.0500	0.8145	0.0407	2.4028
60	0.0500	0.7738	0.0387	2.3213
61	0.0500	0.7351	0.0368	2.2420
62	0.6550	0.6983	0.4574	28.3595

63	0.2000	0.2409	0.0482	3.0357
64	0.2000	0.1927	0.0385	2.4671
65	0.8500	0.1542	0.1311	8.5192
66	0.3500	0.0231	0.0081	0.5343
67	0.3500	0.0150	0.0053	0.3525
68	0.3500	0.0098	0.0034	0.2326
69	0.3500	0.0064	0.0022	0.1534
70	1.0000	0.0041	0.0041	0.2890
			Weighted Average Retirement Age:	61.37799
			Rounded to Nearest Age:	61

CHANGES IN ACTUARIAL ASSUMPTIONS SINCE PRIOR VALUATION

Interest rates for ERISA minimum funding: From 3.74%, 5.35%, and 6.11% per year to 3.64%, 5.21%, and 5.94% per year, respectively, as required by statute.

Interest rates for Maximum Deductible Contribution and PBGC Premium: From 2.55%, 3.93%, and 4.49% per year to 2.77%, 3.83%, and 4.28% per year, respectively, as required by statute.

Mortality for ERISA minimum funding, Maximum Deductible Contribution, and PBGC premium: From statutory tables for 2019 to statutory tables for 2020.

Mortality for FASB ASC Topic 960 purposes: Mortality was updated from RP-2014 Employee/Annuitant Mortality Table for M/F adjusted backward to 2006 with MP-2014 and projected forward with MP-2018 to Pri-2012 Employee/Retiree/Survivor/Disabled Mortality Tables for M/F projected forward with MP-2019.

Appendix C – Summary of Principal Plan Provisions

This summary of plan provisions is intended to only 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.

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 ($285,000 for the Plan Year beginning January 1, 2020) 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

Credited Service: A full year is credited for each employment year in which 1,000 or more hours of service are credited. No partial years of Credited Service are credited.

Effective Date: January 1, 1989; the Plan was last amended 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.

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.

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: The 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.

Deferred Retirement

Deferred 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.

Deferred 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 in the following table, 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 spouses of participants with a vested Accrued Benefit who die before commencement of payments, provided they have been married at least one year.

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. D

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.

Forms of Payment

Optional 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.

Small Lump Sum: Payable automatically if the actuarially equivalent present value of the vested Accrued Benefit is $5,000 or less.

Changes in Principal Plan Provisions Since Prior Valuation

None.

Houston Pilots Retirement Plan and Trust

EIN: 76-0289736

PN: 002

Schedule SB, line 26 - Active Participant Data

The number of active participants, summarized by attained age and years of credited service as of January 1, 2020, is shown below.

	Years of Credited Service										
Age	**0**	**1–4**	**5–9**	**10–14**	**15–19**	**20–24**	**25–29**	**30–34**	**35–39**	**40+**	**Total**
0–24	1	3	-	-	-	-	-	-	-	-	4
25–29	-	-	1	-	-	-	-	-	-	-	1
30–34	4	14	-	-	-	-	-	-	-	-	18
35–39	3	11	6	1	-	-	-	-	-	-	21
40–44	-	8	4	6	-	-	-	-	-	-	18
45–49	-	3	8	10	1	-	2	-	-	-	24
50–54	-	1	2	6	3	2	1	-	-	-	15
55–59	-	-	-	4	1	8	3	-	-	-	16
60–64	-	-	1	-	-	6	6	1	-	-	14
65–69	-	-	-	-	-	1	1	3	-	-	5
70+	-	-	-	-	-	-	-	-	-	-	-
Total	8	40	22	27	5	17	13	4	-	-	136

Houston Pilots Retirement Plan and Trust
EIN/PN: 76-0289736/002
Attachment to 2020 Form 5500
Schedule SB, Line 19 - Discounted Employer Contributions

Line 19a. - Contribution Allocated Toward Unpaid Minimum Required Contribution from Prior Plan Years

None

Line 19b. - Contributions Made To Avoid Benefit Restrictions

None

Line 19c. - Contributions Allocated Toward Minimum Required Contribution for Current Year

Date	Plan Year to Apply Contribution	Effective Interest Rate	Late Quarterly Interest Rate	Contribution Amount	Discounted Value as of 1/1/2020
10/15/2020	2020	5.47%		$ 1,182,000	$ 1,133,490
11/12/2020	2020	5.47%		1,182,000	1,128,881
12/14/2020	2020	5.47%		1,182,002	1,123,639
1/14/2021	2020	5.47%		1,300,000	1,230,242
2/12/2021	2020	5.47%		1,360,000	1,281,588
3/12/2021	2020	5.47%		1,330,000	1,248,208
4/14/2021	2020	5.47%		1,330,000	1,242,213
5/13/2021	2020	5.47%		1,330,000	1,236,967
6/14/2021	2020	5.47%		1,330,000	1,231,205
7/14/2021	2020	5.47%		1,330,000	1,225,828
8/13/2021	2020	5.47%		1,330,000	1,220,474
9/14/2021	2020	5.47%		1,330,000	1,214,789
Total				15,516,002	14,517,524

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

2020

This Form is Open to Public Inspection

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

▶ **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 2020

2 Assets:

a Market value	**2a**	323,079,617
b Actuarial value	**2b**	323,079,617

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	84	131,145,694	131,145,694
b For terminated vested participants	11	2,284,942	2,284,942
c For active participants	136	82,218,692	83,984,900
d Total	231	215,649,328	217,415,536

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**	5.47 %
6 Target normal cost	**6**	6,490,655

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

Jake Pringle
Signature of actuary

9/20/2021
Date

Jake Pringle
Type or print name of actuary

20-07457
Most recent enrollment number

Milliman, Inc.
Firm name

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

1415 Louisiana Street
Suite 500
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)	1,853,679	32,392,285
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)	1,853,679	32,392,285
10	Interest on line 9 using prior year's actual return of 20.02%	371107	6484935
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		12341734
	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 5.62%		693605
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		13035339
	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)	2,224,786	38877220

Part III Funding Percentages

14	Funding target attainment percentage	14	129.69%
15	Adjusted funding target attainment percentage	15	148.60%
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	112.62%
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
10/15/2020	1,182,000		04/14/2021	1,330,000	
11/12/2020	1,182,000		05/13/2021	1,330,000	
12/14/2020	1,182,002		06/14/2021	1,330,000	
01/14/2021	1,300,000		07/14/2021	1,330,000	
02/12/2021	1,360,000		08/13/2021	1,330,000	
03/12/2021	1,330,000		09/14/2021	1,330,000	
			Totals ► **18(b)**	15,516,002	**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	14,517,524

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:	
3.64 %	5.21 %	5.94 %	☐ 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**	6,490,655
b Excess assets, if applicable, but not greater than line 31a	**31b**	6,490,655

32 Amortization installments:

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

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	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**	14,517,524
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	14,517,524
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If 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

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)	3,276,807.500 shares - Wells Fargo Short-Term Investment Fund F	$ 3,276,808	$ 3,276,808
*	(A)	36,704.180 shares - Wells Fargo Short-Term Investment Fund S1	36,704	36,704
			3,313,512	3,313,512
		Common/Collective Funds		
*	(A)	3,347,204.311 units - Liability Driven Solution I Fund	56,270,325	61,205,304
*	(A)	8,433,450.364 units - Liability Driven Solution II Fund	183,322,489	212,373,678
			239,592,814	273,578,982
		Registered Investment Companies		
	(A)	532,878.647 shares - Dimensional Fund Advisors Emerging Markets Core Equity Fund I	10,692,388	12,932,965
	(A)	370,525.115 shares - Carillon Scout Mid Cap Fund	6,607,792	8,751,803
	(A)	306,090.187 shares - MFS International Value Fund	13,763,516	15,870,776
	(A)	175,048.988 shares - Vanguard Institutional Index Fund	48,781,199	58,023,488
			79,844,895	95,579,032
			$ 322,751,221	$ 372,471,526

* 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	$ 39,289,646	$ -	$ 39,289,646	$ -
* (A)	Wells Fargo Short-Term Investment Fund F	$ -	$ 38,181,858	$ 38,181,858	$ -
* (A)	Wells Fargo Short-Term Investment Fund S1	$ 34,631,394	$ -	$ 34,631,394	$ -
* (A)	Wells Fargo Short-Term Investment Fund S1	$ -	$ 34,630,000	$ 34,630,000	$ -
* (A)	Wells Fargo Liability Driven Solution II Fund	$ 12,792,000	$ -	$ 12,792,000	$ -
* (A)	Wells Fargo Liability Driven Solution II Fund	$ -	$ 16,000,000	$ 8,732,382	$ 7,267,618

* 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.