WEINGARTEN REALTY INVESTORS /TX/
Form 11-K
June 20, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE,
SAVINGS AND SIMILAR PLANS
PURSUANT TO SECTION 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)
x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2017

OR

¨ TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from [__________________] to [________________]

Commission file number 1-9876

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:
Savings and Investment Plan
for Employees of Weingarten Realty Investors

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:
WEINGARTEN REALTY INVESTORS
2600 Citadel Plaza Drive
Houston, Texas 77008

Financial Statements and Exhibit Index

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Administrator and Plan Participants of the
Savings and Investment Plan for
Employees of Weingarten Realty Investors
Houston, Texas

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of the Savings and Investment Plan for Employees of Weingarten Realty Investors (the “Plan”) as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2017 and 2016, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of Plan’s management. Our responsibility is to express an opinion on the Plan's financial statements based on our audits. We are a public accounting firm registered with the Public Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Supplemental Information

The accompanying supplemental Schedule of Assets (held at end of year) as of December 31, 2017 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is the responsibility of the Plan’s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as whole.

/s/ Calvetti Ferguson
We have served as the Plan's auditor since 2006.
Houston, Texas
June 20, 2018

SAVINGS AND INVESTMENT PLAN FOR
EMPLOYEES OF WEINGARTEN REALTY INVESTORS
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2017 and 2016

	2017	2016
ASSETS		
Participant-directed investments, at fair value (Note 3):		
Mutual funds	$60,460,101	$49,149,863
Common collective trust fund	10,273,484	11,431,046
Common stock fund	4,688,427	5,087,791
Money market fund	—	75,564
Total participant-directed investments, at fair value	75,422,012	65,744,264
Receivables:		
Notes receivable from participants, net	975,328	688,723
Due from brokers	80,156	104,436
Employer contribution	23,464	58,445
Total receivables	1,078,948	851,604
Cash	400	258
Total assets	76,501,360	66,596,126
LIABILITIES		
Due to brokers	80,156	180,000
Total liabilities	80,156	180,000
Net assets available for benefits	$76,421,204	$66,416,126

The accompanying notes are an integral part of these financial statements.

SAVINGS AND INVESTMENT PLAN FOR
EMPLOYEES OF WEINGARTEN REALTY INVESTORS
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2017 and 2016

	2017	2016
Additions:		
Interest on notes receivable from participants	$33,842	$28,954
Investment income:		
Interest/dividend income:		
Mutual funds	2,856,742	1,789,013
Common stock fund	324,328	208,691
Other investment loss	(2,587)	(5,362)
Net appreciation in fair value of investments	7,661,186	2,451,302
Total investment income	10,839,669	4,443,644
Contributions:		
Participants	2,883,663	2,827,750
Employer	772,774	893,988
Participant rollovers	269,844	73,711
Total contributions	3,926,281	3,795,449
Total additions	14,799,792	8,268,047
Deductions:		
Benefits paid to participants	4,788,356	4,500,533
Administrative expenses	6,358	14,935
Total deductions	4,794,714	4,515,468
Net increase	10,005,078	3,752,579
Net assets available for benefits, beginning of year	66,416,126	62,663,547
Net assets available for benefits, end of year	$76,421,204	$66,416,126

The accompanying notes are an integral part of these financial statements.

SAVINGS AND INVESTMENT PLAN FOR
EMPLOYEES OF WEINGARTEN REALTY INVESTORS
NOTES TO FINANCIAL STATEMENTS

1. PLAN DESCRIPTION

The following description of the Savings and Investment Plan for Employees of Weingarten Realty Investors (the “Plan”) provides only general information. Effective January 1, 2015, the Plan adopted a new non-standardized adoption agreement in connection with a prototype defined contribution plan and trust, sponsored by Merrill Lynch, Pierce, Fenner & Smith (“Merrill Lynch”). The Plan provides retirement and related benefits for employees of Weingarten Realty Investors (“WRI”) and its wholly-owned subsidiary, Weingarten Realty Management Company (“WRMC”), (collectively, the “Company”). Participants should refer to the Plan agreement or Summary Plan Description for a more complete description of the Plan’s provisions.

General

The Plan is a voluntary defined contribution plan covering all eligible employees of the Company. Michael Townsell (Senior Vice President/Human Resources at WRI) is the plan administrator. All employees are eligible to participate in the Plan upon their hire date with the exception of those individuals as defined in the Plan agreement, including those classified as a leased employee, a temporary employee, an independent contractor or a non-resident alien with no United States earned income. To be eligible to participate in the Plan, an employee must have completed at least one hour of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Contributions

Participants may elect to contribute pre-tax or post-tax annual compensation up to the maximum amount allowed by the Internal Revenue Service (“IRS”) of their annual compensation, subject to certain limitations, with the contributions and earnings thereon being nontaxable until withdrawn from the Plan. Participants can rollover balances from certain individual retirement accounts and qualified plans of former employers. Participants age 50 and older, in accordance with IRS regulations, are eligible to contribute an additional $6,000 as a “catch-up” contribution in excess of the maximum 401(k) contributions of $18,000 for each calendar year ended December 31, 2017 and 2016. Participants may change their percentage contribution election at any time and may elect to participate in an automatic increase feature of the Plan. The Company matches up to 50% of the first 6% of the participant’s compensation for each plan year (limited to the maximum amount allowed by the IRS). The match is invested in various investment options as directed by the participant.

The Company may also make discretionary contributions which are subject to the approval of the Board of Trustees. Discretionary contributions are allocated to the individual participant based on the ratio of the participant’s compensation to the total compensation of all participants during the year. No discretionary contributions were made during the year ended December 31, 2017 and 2016. Discretionary contributions are invested in various investment options as directed by the participant.

Participants’ Accounts

Each participant’s account is credited with the participant’s and the Company’s contributions and an allocation of net plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. Participants may direct the investment of their account balances into various investment options offered by the Plan. Currently, the Plan offers 19 funds as investment options for participants.

Vesting

Participants are immediately vested in their pre-tax or post-tax deferred contributions and any income or loss thereon. Company contributions vest 20% each year, and participants become 100% vested in Company contributions after five years of service.

Notes Receivable from Participants

Participants may borrow up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. The minimum loan amount is $1,000. The loans are secured by the balance in the participant's account and bear interest, which are commensurable with local prevailing rates as determined at a fixed-rate based on prime plus 1% at the time of issuance. The loans are repaid ratably through semi-monthly payroll deductions over a period of five years or less, unless the loan is to purchase a principal residence in which case the repayment period shall not exceed 30 years. Principal and interest are credited to the participant's account. Upon a participant's termination or retirement, any outstanding loan balance is treated as a distribution to the participant if repayment is not made by the participant within 90 days of separation, or if an ongoing repayment arrangement has not been made with the Plan. Notes receivable from participants are reported net of the unpaid principal balance plus any accrued but unpaid interest.

Payment of Benefits

Upon termination of service due to death, disability, retirement or separation, a participant may elect to receive either a lump-sum distribution or installment payments under various options. Withdrawals from the Plan may also be made upon circumstances of financial hardship, in accordance with provisions specified in the Plan.

Forfeitures

All Company contributions credited to a participant's account, but not vested, are forfeited by the participant. Forfeitures of Company contributions credited to a participant's account are applied to reduce subsequent Company contributions or the Plan's administrative costs. During the year ended December 31, 2017 and 2016, forfeitures in the amounts of $170,326 and $28,627, respectively, were used to reduce the Company's contributions. Unused forfeited non-vested amounts totaled $70,357 and $10,239 at December 31, 2017 and 2016, respectively.

Plan Amendment

The Company has the right to amend the Plan at any time. However, no amendment can reduce the amount of any participant's account or the participant's vested percentage of that account.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared under the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Investment Valuation and Income Recognition

Investments are stated at fair value as defined below:

- Mutual Funds and Common Stock Fund

These assets are valued based on publicly quoted market prices.

- Money Market Fund

The money market fund is valued at cost plus accrued interest, which approximates fair value.

Common Collective Trust Fund

The Plan has invested in the Wells Fargo Stable Value Return Fund C. The value of this investment is based on the underlying unit value reported by Wells Fargo Stable Return Fund G, which consists of underlying fully benefit-responsive investment contracts ("FBRIC") as defined by GAAP. The net asset value is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported net asset value. If the Plan initiates a full redemption of the collective trust, the issuer reserves the right to require 12 months' notification in order to ensure that securities liquidations will be carried out in an orderly business manner. Participant transactions (purchases and sales) may occur daily, and there are no significant restrictions on participant redemptions or any unfunded commitments.

Purchase and sales of securities are recorded on a trade-date basis. Realized gains and losses are recorded in net (depreciation) appreciation in fair value in the Statements of Changes in Net Assets Available for Benefits. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Due to/from Brokers

Due to/from brokers for investment securities purchased/sold include amounts payable or receivable to/from clearing organizations relating to investment security transactions to be settled.

Payment of Benefits

Benefits are recorded when paid.

Risks and Uncertainty

The Plan invests in various investment securities. Such investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Administrative Expenses

Certain administrative expenses of the Plan are paid directly by the Company or directly by the Plan and participants. Investment related expenses are included in net (depreciation) appreciation of fair value of investments.

Newly Issued Accounting Pronouncements

Recent accounting pronouncements issued by the Financial Accounting Standards Board or other authoritative standards groups with future effective dates are either not applicable or are not expected to be significant to the Plan’s financial statements.

3. FAIR VALUE MEASUREMENTS

In accordance with GAAP, the Plan classifies its investments within the fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity’s own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan has the ability to access. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Plan's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2017 and 2016, aggregated by the level in the fair value hierarchy in which those measurements fall, are as follows:

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at December 31, 2017
Investments:				
Mutual Funds	$60,460,101			$60,460,101
Common Stock Fund - Weingarten Realty Investors	4,688,427			4,688,427
Total Assets in the Fair Value Hierarchy	65,148,528	—	—	65,148,528
Investments Measured at Net Asset Value (1)				10,273,484
Investments at Fair Value	$65,148,528	$ —	$ —	$75,422,012

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at December 31, 2016
Investments:				
Mutual Funds	$49,149,863			$49,149,863
Common Stock Fund - Weingarten Realty Investors	5,087,791			5,087,791
Money Market Fund	75,564			75,564
Total Assets in the Fair Value Hierarchy	54,313,218	—	—	54,313,218
Investments Measured at Net Asset Value (1)				11,431,046
Investments at Fair Value	$54,313,218	$ —	$ —	$65,744,264

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(1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented on the Statements of Net Assets Available for Benefits.

4. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA. In the event of plan termination, participants' accounts will become fully vested in their employer contributions and will be distributed in accordance with Plan provisions.

5. INCOME TAX STATUS

The Plan operates under non-standardized adoption agreement in connection with a prototype defined contribution plan and trust, sponsored by Merrill Lynch. This prototype plan document received a favorable determination letter, dated March 31, 2014, from the IRS, which states that the Plan qualifies under Section 401 (a) of the Internal Revenue Code ("IRC") and, therefore, has made no provision for federal income taxes under the provisions of Section 501 (a). The plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable provisions of the IRC.

GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2014.

6. PARTY-IN-INTEREST TRANSACTIONS

The Plan assets were managed by Merrill Lynch. Merrill Lynch was the custodian as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the daily operational services of the Plan amounted to $6,358 and $14,935 for the year ended December 31, 2017 and 2016, respectively. At December 31, 2017 and 2016, the Plan held 142,635 and 142,157 shares of the Company in the common stock fund with a fair value of $4,688,427 and $5,087,791, respectively. Also, the Company engaged SWBC Investment Company to monitor and provide recommendations for the Plan's investment fund offerings. For the year ended December 31, 2017 and 2016, the Company recorded expenses of $65,009 and $57,982, respectively.

7. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through June 20, 2018, which is the date the financial statements were issued. Effective February 1, 2018, an amendment to the Plan was executed, which limits contributions for a highly compensated employee up to 20% of annual compensation.

SAVINGS AND INVESTMENT PLAN FOR
EMPLOYEES OF WEINGARTEN REALTY INVESTORS
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2017

Form 5500, Schedule H, Line 4i
EIN: 74-1464203
Plan: 002

(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
	Common Collective Trust Fund: Wells Fargo	Wells Fargo Stable Return Fund C (at net asset value)	(i)	$10,273,484
	Mutual Funds:			
	iShares (formerly Blackrock Funds)	iShares S&P 500 Index Fund	(i)	9,692,250
	T. Rowe Price	T. Rowe Price Blue Chip Growth Fund	(i)	7,567,006
	Dodge & Cox	Dodge & Cox Stock Fund	(i)	5,931,640
	MFS Funds	MFS Value Fund	(i)	5,677,507
	American Funds	American Euro Pacific Growth Fund	(i)	5,365,569
	Dodge & Cox	Dodge & Cox Income Fund	(i)	4,540,442
	Carillon	Carillon Eagle Mid Cap Growth Fund	(i)	3,850,340
	J. P. Morgan	JPMorgan Mid Cap Value Fund	(i)	3,717,733
	Alger	Alger Capital Appreciation Institutional Fund	(i)	2,752,159
	Mainstay Investments	Mainstay Large Cap Growth Fund	(i)	2,695,940
	Goldman Sachs	Goldman Sachs Small Cap Value Fund	(i)	2,517,024
	Hartford Funds	Hartford International Opportunities Fund	(i)	2,077,563
	Voya	Voya SmallCap Opportunities Fund	(i)	1,864,869
	J. P. Morgan	JPMorgan Government Bond Fund	(i)	707,823
	iShares (formerly Blackrock Funds)	iShares Russell Mid-Cap Index Fund K	(i)	632,795
	American Funds	American Balanced Fund	(i)	516,201
	iShares (formerly Blackrock Funds)	iShares Russell 2000 Small-Cap Index Fund	(i)	353,240
	Total Mutual Funds			60,460,101
*	Weingarten Realty Investors	Weingarten Realty Investors Stock	(i)	4,688,427
*	Participant Loans	Due semi-monthly, bearing interest at 4.25% to 5.25% and maturity dates through 2047	-0-	975,328
	Cash		(i)	400
	Total		(i)	$76,397,740

* A party in interest as defined by ERISA.
(i) Historical costs of participant-directed investments are not a required disclosure.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

SAVINGS AND INVESTMENT
PLAN FOR
EMPLOYEES OF WEINGARTEN
REALTY INVESTORS

Date:	June 20, 2018	By:	/s/ Andrew M. Alexander
			Andrew M. Alexander
			President/Chief Executive Officer

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EXHIBIT INDEX

Exhibit Number	Description
23.1	Consent of Calvetti Ferguson

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