

AUDITED
ANNUAL FINANCIAL REPORT
For The Year Ended August 31, 2021



Texas Emergency Services Retirement System

208 E. 10th Street, 3rd Floor, Suite 309

Austin TX 78701

(800) 919-3372

www.tesrs.texas.gov

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Texas Emergency Services Retirement System



Jenny Moore, Chairman
Shirley Hays, Executive Director

P.O. Box 12577 Austin, TX 78711-2577

(800) 919-3372

www.tesrs.texas.gov

December 20, 2021

Honorable Greg Abbott, Governor
Honorable Dan Patrick, Lieutenant Governor
Honorable Dade Phelan, Speaker of the House
Honorable Glenn Hegar, Texas Comptroller
Mr. Jerry McGinty, Director, Legislative Budget Board
Ms. Lisa Collier, State Auditor
Legislative Reference Library

Dear Lady and Gentlemen:

I am pleased to submit the Audited Annual Financial Report of the Texas Emergency Services Retirement System (TESRS) for the year ending August 31, 2021, in compliance with the Texas Government Code Ann. 2101.011, and in accordance with the requirements established by the Comptroller of Public Accounts.

Weaver and Tidwell, LLP, has audited the accompanying Annual Financial Report and their opinion of the financial statements is contained in this report.

If you have any questions, please contact David Tropea, TESRS CFO, at (512) 936-3422.

Sincerely,

A handwritten signature in cursive script that reads "Shirley Hays".

Shirley Hays
Executive Director



Independent Auditor's Report

To the Board of Trustees and Executive Director of
Texas Emergency Services Retirement System

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Texas Emergency Services Retirement System (the System), as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Board of Trustees and Executive Director of
Texas Emergency Services Retirement System

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Texas Emergency Services Retirement System, as of August 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Fund Financial Statements

As discussed in Note 1, the financial statements present only the System, a fiduciary fund of the State of Texas and do not purport to, and do not, present fairly the financial position of the State of Texas as of August 31, 2021 and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Investments With Values That Are Not Readily Determined

As discussed in Notes 1 and 3, the financial statements include investments valued at approximately \$21,400,000 as of August 31, 2021, whose fair values have been estimated by management in the absence of readily determinable fair values. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, and schedule of investment returns as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Board of Trustees and Executive Director of
Texas Emergency Services Retirement System

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The information in Schedules 1 through 4 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The information in Schedules 1 through 3 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Schedules 1 through 3 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The information in Schedule 4 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Report on Summarized Comparative Information

We have previously audited the System's fiscal year 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2021 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
December 20, 2021

MANAGEMENT’S DISCUSSION AND ANALYSIS

This discussion and analysis provides an overview of the financial activities of the Texas Emergency Services Retirement System (‘TESRS’ or the ‘System’) for the year ending August 31, 2021. Please review this narrative in conjunction with the Basic Financial Statements, which begin after this discussion.

Using this Annual Financial Report

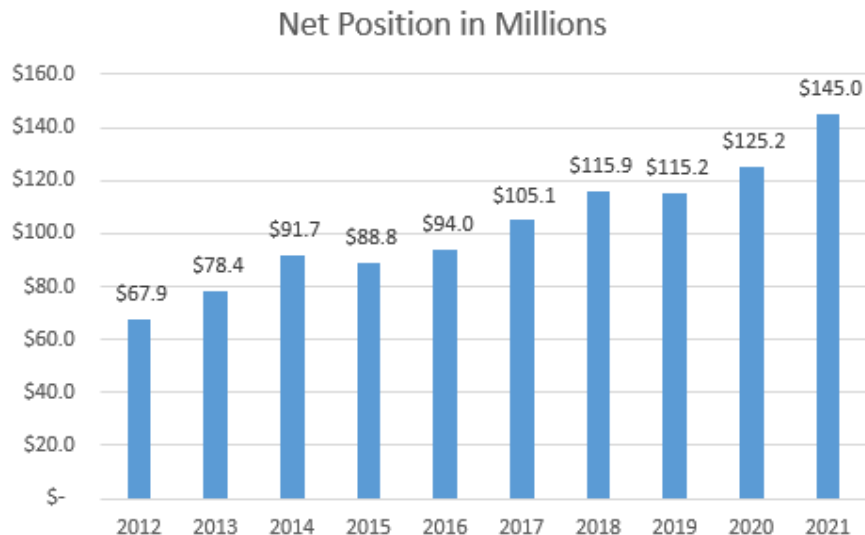
The Texas Emergency Services Retirement System administers death, disability, and pension benefits, to eligible volunteer fire and emergency services personnel and their beneficiaries from member departments statewide. At the close of fiscal year 2021, there were 239 member departments in the System.

This discussion and analysis is intended to serve as an introduction to the System’s basic financial presentation, which presents the net position held in trust for pension benefits as of August 31, 2021, and summarizes the changes. The information available in each of these sections is briefly summarized below.

- **Financial Statements** – Fund Financial statements are presented as of August 31, 2021, and reflect the resources available to pay benefits to retirees and other beneficiaries for covered plan participants, and for System administration costs.
- **Notes to the Financial Statements** – The notes to the financial statements provide information essential to a full understanding of the financial statements.
- **Required Supplementary Information** – Required supplementary information consists of a Schedule of Changes in the System’s Net Pension Liability and Related Ratios and a Schedule of Investment Returns.
- **Other Supplementary Schedules** – Other schedules include information on System investments, administrative expenses, investing expenses, and Trustees.

Statement of Plan Net Position

Net position held in trust at the end of fiscal year 2021 totaled \$145.0 million, which represents an increase of \$19.8 million over funds held at the close of fiscal year 2020.



The majority of plan assets are held as investments. The money weighted net real rate of return on investments was 18.08% as of August 31, 2021.

As part of its investment Policy, the Board of Trustees sets asset allocation targets for each of its investment strategies. Actual asset allocations are monitored by staff and reviewed by the Trustees on a regular basis. Amounts invested in funding categories are considered for rebalancing when actual allocations fall outside of the approved target ranges. At the close of fiscal year 2021, system investment details were as follows:

Summary of Net Investment Assets as of August 31, 2021				
Investment Category	Actual Amounts	Actual Allocation	Target Allocation	Allocation Range
Short Term Investments	\$1,145,389	0.8%	0.0%	0%-5%
US Market Equities-Large Cap				
Value	\$17,319,954	12.2%	10.0%	5%-20%
Growth	\$16,641,613	11.7%	10.0%	5%-20%
US Market Equities-Small/Mid Cap				
Value	\$7,034,319	5.0%	5.0%	0%-10%
Growth	\$7,301,022	5.2%	5.0%	0%-10%
International Equity-Developed Markets	\$21,473,407	15.2%	15.0%	10%-20%
International Equity-Emerging Markets	\$7,041,152	5.0%	5.0%	0%-10%
Core Fixed Income	\$30,728,949	21.7%	20.0%	15%-30%
Non-Core Fixed Income	\$12,538,583	8.9%	10.0%	0%-15%
US Core Real Estate	\$10,316,544	7.3%	10.0%	0%-15%
Multi-Asset Investments	\$10,116,473	7.1%	10.0%	0%-20%
Other				
Payables and other liabilities	-\$158,387	N/A	N/A	N/A
Receivables	\$383,702	N/A	N/A	N/A
Total Net Investment Assets as of August 31, 2021	\$141,882,720	100.0%	100.0%	

Statement of Fiduciary Net Position

The TESRS System is a pension program exclusively for volunteer fire and emergency services personnel, which is financed by local contributions (each department must have a political subdivision designated as its 'governing entity' that enters into an agreement with the System on behalf of the department), state contributions, and investment income.

Governing entities contribute a minimum of \$36 per member per month based on rosters of active participants – these payments are reflected as 'Dues' in the financial statements. Additionally, within two years of joining the System, member departments may purchase up to ten years' credit for active volunteers with service prior to a department's entry into the System. Payments made of this nature, are shown as 'Prior Service' in the financial statements. The following illustrates the changes in the fiduciary net position from fiscal years 2020 to 2021:

Description	2021	2020	Increase/ (Decrease)	% Change
Total Assets	\$145,223,044	\$125,471,301	\$19,751,743	15.7%
Total Liabilities	-\$253,431	-\$241,640	\$11,791	4.9%
Total Net Position	\$144,969,613	\$125,229,661	\$19,739,952	15.8%

Statement of Changes in Fiduciary Net Position of Pension Fund

Additions

The primary additions as of August 31, 2021 are shown below, along with those same categories in fiscal year 2020 for comparative purposes. The amount shown as Net Investment Income is comprised of net appreciation in fair value of investments, plus treasury interest, plus interest and investment income, less investing activities expenses. Additions (as well as deductions) may all be found on Exhibit IV in the Combined Statement of Changes in Fiduciary Net Position.

Description	2021	2020	Increase/ (Decrease)	% Change
Original Appropriations	\$1,329,224	\$1,329,224	\$0	0.0%
Dues	\$3,806,833	\$3,666,580	\$140,253	3.8%
Prior Service	\$6,915	\$88,660	-\$81,745	-92.2%
Net Investment Income	\$22,296,266	\$12,189,236	\$10,107,030	82.9%

Deductions

Total deductions are comprised of benefit payments and the cost of administering the system, as shown below.

Description	2021	2020	Increase/ (Decrease)	% Change
Death Benefits	\$223,673	\$190,904	\$32,769	17.2%
Retirement Benefits	\$6,623,384	\$6,102,868	\$520,516	8.5%
Disability Benefits	\$28,650	\$32,250	-\$3,600	-11.2%
Survivor Benefits	\$558,387	\$555,642	\$2,745	0.5%
Administrative Expenses	\$268,418	\$320,426	-\$52,008	-16.2%

Actuarial Status

On December 3, 2020, the Board received and accepted the August 31, 2020 actuarial valuation report from Rudd and Wisdom, Inc. that concluded that the System has an adequate contribution arrangement, assuming that:

- the state will continue to appropriate the maximum annual contribution as needed in accordance with the state law governing the System;
- the state will contribute \$675,000 each year to pay for part of the System's administrative expenses; and
- due to the funded status of the System and the expectation of continued state contributions, the actuary determined that the additional Part Two contribution from

member Departments is not necessary to ensure an adequate contribution arrangement.

The calculated August 31, 2020 amortization period needed to pay for the \$25,073,628 in unfunded actuarial accrued liabilities of the system is 19 years. The funding ratio is 83.3%.

It should be noted that without expected appropriations from the state and the expected additional contributions from participating departments, the System would have an inadequate contribution arrangement because the unfunded actuarial accrued liability (UAAL) will never be amortized, but instead will increase every year. According to state statute, the state must contribute the sum necessary to make the fund actuarially sound each year, with the caveat that the state's contribution may not exceed the amount of one-third of the total of all contributions by governing bodies in one year.

The Schedule of Changes in the System's Net Pension Liability and Related Ratios for the Last 10 fiscal Years (under Section II - Required Supplementary Information) shows a total Net Pension Liability of \$10,714,152 and a related funding ratio of 93.1% for the fiscal year ending August 31, 2021. The difference between these numbers and those reflected in the August 31, 2020 actuarial valuation is due to the valuation methodology of investment assets. The actuarial valuation utilizes a smoothing method which tends to produce less volatility than the market value method, which is required in the Annual Financial Report.

Request for Information

This financial report is designed to provide a general overview of the Texas Emergency Services Retirement System finances for those with an interest in the System. Questions concerning any of the information provided in this report should be emailed to info@tesrs.texas.gov.

AUDITED

Texas Emergency Services Retirement System
Exhibit I - Governmental Fund Balance Sheet/Statement of Net Position
August 31, 2021

	General Fund			
	Balance Sheet	Adjustments*	Statement of Net Position	
	2021		2021	2020
ASSETS				
Current Assets:				
Legislative Appropriations	\$ 131,193	\$ -	\$ 131,193	\$ 118,013
Consumable Inventories	1,995	-	1,995	1,809
Total Current Assets	\$ 133,188	\$ -	\$ 133,188	\$ 119,822
Non-Current Assets:				
Capital Assets:				
Depreciable:				
Other Capital Assets (Note 2)	\$ -	\$ -	\$ -	\$ -
Less Accumulated Depreciation (Note 2)	-	-	-	-
Total Non-Current Assets	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ 133,188	\$ -	\$ 133,188	\$ 119,822
LIABILITIES AND FUND BALANCES/NET POSITION				
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 13,282	\$ -	\$ 13,282	\$ 12,825
Payroll Payable	66,332	-	66,332	51,975
Employees' Compensable Leave (Note 4)	-	30,131	30,131	28,865
Total Current Liabilities	\$ 79,614	\$ 30,131	\$ 109,745	\$ 93,665
Non-Current Liabilities:				
Employees' Compensable Leave (Note 4)	\$ -	\$ 25,997	\$ 25,997	\$ 23,911
Total Non-Current Liabilities	\$ -	\$ 25,997	\$ 25,997	\$ 23,911
Total Liabilities	\$ 79,614	\$ 56,128	\$ 135,742	\$ 117,576
FUND BALANCES/NET POSITION				
Fund Balances (Deficits):				
Nonspendable	\$ 1,995	\$ (1,995)	\$ -	\$ -
Unassigned	51,579	(51,579)	-	-
Total Fund Balances	\$ 53,574	\$ (53,574)	\$ -	\$ -
Net Position:				
Unrestricted	\$ -	\$ (2,554)	\$ (2,554)	\$ 2,246
Total Net Position	\$ -	\$ (2,554)	\$ (2,554)	\$ 2,246
Total Liabilities and Fund Balances/Net Position	\$ 133,188	\$ -	\$ 133,188	\$ 119,822

* Adjustments represent Capital Assets and the liability for Compensable Leave, and the conversion from Fund Balance to Net Position.

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**Texas Emergency Services Retirement System
Exhibit II - Statement of Governmental Fund Revenues, Expenditures,
and Changes in Fund Balances/Statement of Activities
For the Fiscal Year Ended August 31, 2021**

	General Fund			
	Statement of Revenues, Expenditures, and Changes in Fund Balance	Adjustments*	Statement of Activities	
	2021		2021	2020
REVENUES				
Legislative Appropriations:				
Original Appropriations	\$ 682,532		\$ 682,532	\$ 716,486
Additional Appropriations	128,009		128,009	138,622
Total Revenues	<u>\$ 810,541</u>	<u>\$ -</u>	<u>\$ 810,541</u>	<u>\$ 855,108</u>
EXPENDITURES/EXPENSES				
Salaries and Wages	\$ 507,308	\$ 3,352	\$ 510,660	\$ 574,822
Payroll Related Costs	138,522		138,522	170,310
Professional Fees and Services	73,112		73,112	87,081
Travel	283		283	7,914
Materials and Supplies	27,731		27,731	35,947
Communication and Utilities	7,230		7,230	10,370
Repairs and Maintenance	13,936		13,936	8,175
Rentals & Leases			-	-
Printing and Reproduction	828		828	2,663
Other Expenditures	5,134		5,134	5,079
Total Expenditures/Expenses	<u>\$ 774,084</u>	<u>\$ 3,352</u>	<u>\$ 777,436</u>	<u>\$ 902,361</u>
Excess(Deficiency) of Revenues Over (Under) Expenditures/Expenses	<u>\$ 36,457</u>	<u>\$ (3,352)</u>	<u>\$ 33,105</u>	<u>\$ (47,253)</u>
Other Financing Sources (Uses)				
Transfers In	\$ (937)	\$ -	\$ (937)	\$ -
Total Other Financing Sources (Uses)	<u>\$ (937)</u>	<u>\$ -</u>	<u>\$ (937)</u>	<u>\$ -</u>
Excess of Revenues and Transfers In Over Expenditures and Transfers Out	<u>\$ 35,520</u>	<u>\$ (35,520)</u>		
Change in Net Position	<u>\$ 35,520</u>	<u>\$ (35,520)</u>	<u>\$ 32,168</u>	<u>\$ (47,253)</u>
Fund Balances/Net Position				
Fund Balances/Net Position--Beginning of Year	\$ 55,022		\$ 2,246	\$ 49,499
Appropriations Lapsed	(37,905)		(37,905)	-
Restatements	937		937	-
Fund Balances/Net Position--End of Year	<u>\$ 53,574</u>		<u>\$ (2,554)</u>	<u>\$ 2,246</u>

*Adjustments are associated with compensable leave and capital outlay, and the conversion from Fund Balance to Net Position.

AUDITED

**Texas Emergency Services Retirement System
Exhibit III - Statement of Fiduciary Net Position
Pension Trust Funds
August 31, 2021**

	Pension Trust	
	2021	2020
ASSETS		
Current Assets:		
Cash and Cash Equivalents:		
Cash in State Treasury (Note 3)	\$ 1,129,150	\$ 1,189,108
Short Term Investments (Note 3, Schedule 1)	1,145,389	1,120,235
Receivables:		
Retirement System Contributions	1,903,548	1,807,873
Interest and Dividends	261,229	215,297
Sale of Investments	122,473	241,921
Total Current Assets	\$ 4,561,789	\$ 4,574,434
Non-Current Assets:		
Receivables:		
Retirement System Contributions	\$ 149,239	\$ 184,267
Investments (Note 3, Schedule 1)		
Corporate Equity	81,370,902	73,945,152
US Government Obligations	18,849,638	10,928,938
Corporate Obligations	11,879,311	15,344,219
Other Investments	28,412,165	20,494,291
Total Non-Current Assets	\$ 140,661,255	\$ 120,896,867
Total Assets	\$ 145,223,044	\$ 125,471,301
LIABILITIES		
Current Liabilities:		
Payables:		
Accounts Payables	\$ 95,044	\$ 55,391
Investment Purchases Payable	158,387	185,312
Unearned Revenue	-	-
Other Payables	-	937
Total Current Liabilities	\$ 253,431	\$ 241,640
Total Liabilities	\$ 253,431	\$ 241,640
NET POSITION		
Restricted for Pensions	\$ 144,969,613	\$ 125,229,661

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Texas Emergency Services Retirement System
Exhibit IV - Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended August 31, 2021

	Pension Trust	
	2021	2020
ADDITIONS		
Contributions:		
Dues	\$ 3,794,744	\$ 3,637,783
Prior Service	6,915	88,660
Interest on Contracts to Purchase		
Prior Service	12,089	28,797
Appropriations from General Revenue	1,329,224	1,329,224
Total Contributions	<u>\$ 5,142,972</u>	<u>\$ 5,084,464</u>
Investment Income:		
Net Appreciation (Depreciation) in		
Fair Value of Investments	\$ 20,399,381	\$ 10,183,063
Treasury Interest	9,221	31,447
Interest and Investment Income	2,380,686	2,384,564
Total	<u>\$ 22,789,288</u>	<u>\$ 12,599,074</u>
Less Investing Activities Expense		
(Schedule 3)	\$ 493,022	\$ 409,838
Net Increase/Loss	<u>\$ 22,296,266</u>	<u>\$ 12,189,236</u>
Other Additions:		
Voided warrants	\$ 3,226	\$ 2,575
Total Other Additions	<u>\$ 3,226</u>	<u>\$ 2,575</u>
Total Additions	<u>\$ 27,442,464</u>	<u>\$ 17,276,275</u>
DEDUCTIONS		
Retirement System Benefits Paid:		
Death Benefits	\$ 223,673	\$ 190,904
Retirement Benefits	6,623,384	6,102,868
Disability Benefits	28,650	32,250
Survivor's Benefits	558,387	555,642
Administrative Expenses (Schedule 2)	268,418	320,426
Total Deductions	<u>\$ 7,702,512</u>	<u>\$ 7,202,090</u>
Net Increase	\$ 19,739,952	\$ 10,074,185
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year	\$ 125,229,661	\$ 115,155,476
End of Year	<u>\$ 144,969,613</u>	<u>\$ 125,229,661</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Texas Emergency Services Retirement System (TESRS) is an agency of the State of Texas and its financial records comply with state statutes and regulations. The nine-member Board of Trustees, appointed by the Governor, establishes policy for the administration of the TESRS.

TESRS, which is under the authority of Title 8, Subtitle H, Chapters 861-865 of the Texas Government Code, provides death and disability benefits to active volunteer fighters and first responders, and a pension to members with vested service, as well as to their survivor/beneficiaries. For financial reporting purposes, the State of Texas is considered the primary reporting government. TESRS' financial statements are included in the State's Comprehensive Annual Financial Report.

This report includes all activities and organizations for which TESRS exercises fiscal control and responsibility and includes all funds that comprise its legal entity. No blended or discretely presented component units have been identified as having a relationship to TESRS.

B. BASIS OF ACCOUNTING

The accounts of TESRS are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a complete set of self-balancing accounts that comprise its assets, liabilities, additions, deductions, revenues and expenses/expenditures. Separate financial statements are provided for each fund. The following fund types are used to reflect its transactions:

GOVERNMENTAL FUND TYPE

The general fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The general fund Statement of Net Position and Statement of Activities are maintained on the full accrual basis of accounting and the economic resources measurement focus.

FIDUCIARY FUND TYPES

The fiduciary fund reports assets held in a trustee or agency capacity on behalf of others. Financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Additions are recognized when earned, and deductions are recognized when the liability is incurred, regardless of the timing of related cash flows. Contributions are recognized immediately upon billing, reflecting actual participation in the member fire department during the prior six months. Benefits are recognized when due and payable in accordance with the terms of the plan.

All economic resources, including financial and capital assets, and related liabilities, both current and long-term, and the changes therein are reported in the fund's financial statements. Capital assets are depreciated.

C. BUDGETS AND BUDGETARY ACCOUNTING

The budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor.

Encumbrance accounting is employed for budgetary control purposes. Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

D. ASSETS, LIABILITIES AND FUND BALANCES/NET POSITION

ASSETS

Cash and Cash Equivalents

The category Cash and Cash Equivalents includes cash on hand, cash in state treasury, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments of TESRS are reported at fair value. The fair value of investments is based on market prices provided by the fund custodian, Bank of Texas. For investments where no readily ascertainable market value exists, management, in consultation with their investment advisors, determines the fair values for the individual investments. Two investments are held which are non-publicly traded, so no quoted market prices are available. For the Custodial Bank Short Term Investment fund, a unit or share value of \$1.00 is used, as reported by the Custodial Bank. For the Invesco Intl Growth 2 Class A Commingled Fund, the August 31 monthly statement provided by the fund manager, Invesco Trust Company, is used. This statement provides the NAV/unit and total market value of TESRS' interest in this fund.

Accounts Receivable

Accounts receivable represents contributions due to TESRS, and investment income earned but not received as of August 31, 2021.

Pursuant to Senate Bill No. 411, 65th Legislature, Regular Session (1977) - TESRS Fund, sponsors of current pension plans that elect to participate in the pension system administered by TESRS must make contributions to the pension system to fund the unfunded prior service costs applicable to their volunteer emergency service personnel. The sponsors of current pension plans have the option of funding these contributions. The time period for funding is established by board rule, and is a maximum of 10 years. However, there are some contracts still outstanding which were operating under a previous rule which set the maximum at 40 years. TESRS has entered into written contracts with these merging sponsors, establishing the terms of the funding of the buybacks and unfunded prior service costs. The contracts specify interest on the unpaid balance, which is the actuarially assumed investment rate of return at the effective date of the contract.

Accounts Receivable relating to these contracts are shown on the Statement of Fiduciary Net Position. As of August 31, 2021, the total outstanding balance of these financing arrangements was \$184,841.

Inventories

Inventories, shown on the balance sheet at cost, consist of inventories of consumable office supplies and postage at August 31, 2021. The consumption method of accounting is used to account for inventories and prepaid items that appear in the governmental fund types. The cost of these items is expensed when the items are consumed.

LIABILITIES

Payables

Accounts Payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending, as well as investment purchases executed but not yet closed.

Unearned Revenue

Unearned Revenue represents the liability that the TESRS has to pay future retirement benefits that are prepaid by local governing bodies.

Employees' Compensable Leave

Employees' Compensable Leave balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the Governmental Statement of Net Position.

FUND BALANCE / NET POSITION

The difference between fund assets and liabilities is "Net Position" on the Governmental Statement of Net Position. "Fund Balance" is the difference between fund assets and liabilities on the Governmental Fund Balance Sheet.

Nonspendable

This represents the amount of supplies inventory to be used in the next fiscal year, classified as such because this balance is not available to be spent as it is not in spendable form.

Unassigned

This classification represents fund balance that was not assigned to other funds and was not restricted, committed, or assigned to specific purposes within the general fund.

NET POSITION RESTRICTED FOR PENSIONS

This represents reserves available to fund future retirement, death, and survivor benefits.

E. INTERFUND TRANSACTIONS AND BALANCES

The TESRS has the following type of transactions between agencies:

Other Payables: Distributions returned as undeliverable that are held until the funds can be cleared.

The composition of the TESRS' interfund receivables and payables at August 31, 2021 is presented in Note 5.

NOTE 2: CAPITAL ASSETS

Summaries of changes in Capital Assets for the year ended August 31, 2021, are presented below:

Governmental Activities					
Asset Type	Balance 09/01/20	Restatements	Adjustments	Deletions	Balance 08/31/21
Other Capital Assets	0	0	0	0	0
Accumulated Depreciation	0	0	0	0	0

Pension Trust Fund					
Asset Type	Balance 09/01/20	Restatements	Adjustments	Deletions	Balance 08/31/21
Furniture & Equipment	0	0	0	0	0
Accumulated Depreciation	0	0	0	0	0

NOTE 3: DEPOSITS AND INVESTMENTS

The Texas Emergency Services Retirement System (TESRS), Texas Government Code, Section 865.008 (a) and (b) state "If a surplus exists in the fund over the amount necessary to pay benefits due for a reasonable period of time, the state board shall invest the surplus. The assets of the pension system shall be invested and reinvested in accordance with Section 67, Art XVI, Texas Constitution. A determination of whether the state board has exercised prudence with respect to an investment decision must be made, taking into consideration the investment of all assets of the trust over which the state board has management and control rather than considering the prudence of a single investment". All major sectors of the capital markets should be considered in order to diversify and minimize total investment program risk. This asset mix is determined by the TESRS Board of Trustees, and currently includes equities, fixed income, convertible bonds, short-term cash equivalents, master limited partnerships, and alternative investments. The following was TESRS Board's adopted asset allocation policy as of August 19, 2021.

Asset Allocation	Target
US Market Equities-Large Cap Value	10%
US Market Equities-Large Cap Growth	10%
US Market Equities-Small/Mid Cap Value	5%
US Market Equities-Small/Mid Cap Growth	5%
Core Fixed Income	20%
Non-Core Fixed Income	10%
International Equity-Developed Markets	15%
International Equity-Emerging Markets	5%
Cash & Equivalents	0%
US Core Real Estate	10%
Multi-Asset Investments	10%
Total	100%

The TESRS contracts with Bank of Texas for custodial services and AndCo Consulting, LLC for investment consulting services. The TESRS contracts with four money managers to manage the fixed income and equity portfolios. The money managers are Boston Partners LLC, Garcia Hamilton & Associates L.P., Richmond Capital Management, Inc., and Clearbridge Investments, LLC. The TESRS also invests with six mutual funds—Wells Fargo, Blackrock Multi-Asset, Clarkston Partners, Jackson Square Partners, Oakmark, and Pimco Diversified Income and with one Commingled Fund - Invesco International Growth Commingled Fund. TESRS also invests in the Real Estate Investment Fund Prime Property Fund, LLC.

A. DEPOSITS

The bank balance of \$1,129,150 is deposited in the State Treasury.

CUSTODIAL CREDIT RISK-DEPOSITS

The custodial credit risk for deposits is the risk that, in the event of bank failure, the government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The State Treasury invests funds in time deposits, repurchase and reverse repurchase agreements, obligations of the United States, and obligations of various federal credit organizations. The State Treasury has an arrangement with financial institutions to collateralize state deposits in excess of depository insurance. TESRS does not have a formal deposit policy for custodial credit risk.

B. INVESTMENTS

Investments measured and reported at fair value are classified according to the following hierarchy:

Level 1—Investments reflect prices quoted in active markets.

Level 2—Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3—Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

As of August 31, 2021, the fair value of investments are as presented below:

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Texas Emergency Services Retirement System

Description	Fair Value Hierarchy				Fair Value
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Net Asset Value	
U.S. Treasury Securities	12,553,964				12,553,964
U.S. Government Agency Obligations		156,528			156,528
Corporate Obligations		11,459,421			11,459,421
Corporate Asset and Mortgage Backed Securities		6,559,036			6,559,036
Equity	81,370,902				81,370,902
International Equity	7,041,152				7,041,152
International Other Commingled Funds				11,054,469	11,054,469
Other Commingled Funds	1,145,389				1,145,389
Real Estate				10,316,544	10,316,544
Total Investments	102,111,407	18,174,985	0	21,371,013	141,657,405
Reconciliation of Investments per Exhibit III					
Other Short Term Investments					1,145,389
Corporate Equity					81,370,902
U.S. Government Obligations					18,849,638
Corporate Obligations					11,879,311
Other Investments					28,412,165
Investment per Exhibit III					141,657,405

The International Other Commingled Funds listed in the Fair Value Hierarchy schedule above are not SEC-registered.

The Invesco Trust Company Institutional Retirement Trust, an Invesco Ltd company, was established pursuant to, and in conformity with, the applicable laws of the State of New York relating to common trust funds and the pertinent rules and regulations of the Comptroller of the Currency pertaining to collective investment funds, for the purpose of facilitating the collective investment and reinvestment of monies contributed by participating trusts in conformity with the requirements of the Internal Revenue Service. The preparation of the Invesco fund financial statements is in conformity with accounting principles generally accepted in the United States of America. TESRS has no unfunded commitments to Invesco. Redemptions are allowable daily, and a redemption notice period of 3-5 days is required prior to redemption.

The Prime Property Fund, LLC was established pursuant to, and in conformity with, the applicable laws of the State of New York relating to common trust funds and the pertinent rules and regulations of the Comptroller of the Currency pertaining to collective investment

funds, for the purpose of facilitating the collective investment and reinvestment of monies contributed by participating trusts in conformity with the requirements of the Internal Revenue Service. The preparation of the Prime Property Fund financial statements is in conformity with accounting principles generally accepted in the United States of America. TESRS has no unfunded commitments to Prime Property Fund. Redemptions are allowable daily, and a redemption notice period of 3-5 days is required prior to redemption.

For the year ended August 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 18.08%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

See Schedule 1 for investments that represent greater than 5% of the TESRS fiduciary net position.

CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Investment policies of TESRS require that investments in Core Fixed Income not exceed 25% (22.0% actual) of the portfolio.

TESRS' domestic fixed income is managed by Richmond Capital Management, Inc. and Garcia Hamilton & Associates L.P. 43% of these holdings are either not subject to credit risk or AAA rated, while 32% is rated A or better. Credit risk is managed through diversification and by operating within defined parameters.

Investment Type	Not Rated
U.S. Treasury Securities	\$639,771
U.S. Government Agency Obligations	\$0
Corporate Asset and Mortgage-Backed Securities	\$6,139,146
Total Not Rated	\$6,778,917

TESRS has authorized their four money managers to invest cash in Bank of Texas' Short Term Investment Fund pending completion of investment activities relating to the sale/purchase of securities. Bank of Texas' Short Term Investment Fund is not rated.

INTEREST RATE RISK

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. TESRS maintains an investment of \$30,728,949 in Core Fixed Income which is subject to Interest Rate Risk. The average portfolio duration of Richmond Capital Management, Inc. is 6.24 years, and Garcia Hamilton is 5.33 years.

Interest rate risk is managed through diversification and by operating within defined parameters. The TESRS Board of Trustees has no specific policy relating to interest rate risk.

FOREIGN CURRENCY RISK

Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the investments. TESRS' policy for managing foreign currency risk relies upon the parameters established within the investment policy.

CUSTODIAL CREDIT RISK-INVESTMENTS

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

There is no exposure to custodial credit risk for investments due to the fact that all equity securities are held by the custodian in TESRS' name. Mutual Fund and Commingled Fund investments are not subject to custodial credit risk. TESRS does not have a policy relating to custodial credit risk for investments.

NOTE 4: SUMMARY OF LONG TERM LIABILITIES

Changes in Long-Term Liabilities

During the year ended August 31, 2021, the following changes occurred in long-term liabilities:

Governmental Activities					
	Balance 09/01/20	Additions	Reductions	Balance 08/31/21	Amounts Due Within One Year
Compensable Leave	52,776	59,287	55,934	56,128	30,131
Total Governmental Activities	52,776	59,287	55,934	56,128	30,131

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from employment, provided the employee has had continuous employment with the State for six months. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in Governmental fund types. The liability for unpaid benefits is recorded in the Governmental Statement of Net Position. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NOTE 5: INTERFUND BALANCES/ACTIVITIES

The TESRS does not have any interfund balances as of August 31, 2021.

NOTE 6: EMPLOYEES' RETIREMENT PLAN

The State provides a defined benefit retirement plan for its employees. The TESRS participates in the plan administered by the Employees Retirement System of Texas (ERS). Future pension costs are the liabilities of ERS. ERS does not account for each state agency separately. Annual financial reports prepared by ERS include audited financial statements and actuarial assumptions and conclusions.

NOTE 7: DEFERRED COMPENSATION

State employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in the TEX. GOV'T. CODE ANN., sec 609.001. Two plans are available for employee's deferred compensation (457 and 401k). Both plans are administered by the Employees Retirement System.

NOTE 8: CONTINGENT LIABILITIES

Sick Leave, the accumulation of which is unlimited, is earned at the rate of eight hours per month and is paid to the employee only in the event of illness. In the event of an employee's death, a payment is made to the employee's estate for one-half of the employee's accumulated leave or 336 hours, whichever is less. TESRS' policy is to recognize the cost of any sick leave when paid. No liability is recorded since experience indicates the probability of a material effect on any given year's operations, as a result of death or abnormally high rate of illness, is minimal.

NOTE 9: CONTINUANCE SUBJECT TO REVIEW

TESRS is subject to Sunset review (but not abolishment) in 2025, and every 12 years thereafter.

NOTE 10: RISK FINANCING AND RELATED INSURANCE

TESRS is exposed to a variety of civil claims resulting from the performance of its duties. It is the TESRS' policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed.

TESRS assumes substantially all risks associated with tort claims and liability claims due to the performance of its duties. TESRS' liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience and economic factors. Because of the low statewide incident of claims, the TESRS has no fidelity dishonesty insurance coverage.

Changes in the balances of TESRS' claims liabilities during fiscal years 2020 and 2021 were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2020	0	0	0	0
2021	0	0	0	0

NOTE 11: PENSION DISCLOSURES

A. General Information about the System

1. Plan Description

The Texas Emergency Services Retirement System (TESRS) administers a cost-sharing multiple employer pension system (the System) established and administered by the State of Texas to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. Direct financial activity for the System is classified in the financial statements as pension trust funds. The System issues a stand-alone financial report that is available to the public at www.tesrs.org.

Of the nine member state board of trustees, at least five trustees must be active members of the pension system, one of whom must represent emergency medical services personnel. One trustee may be a retiree of the pension system, and three trustees must be persons who have experience in the fields of finance, securities investment, or pension administration. At August 31, 2021, there were 239 contributing fire and/or emergency services department members participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a member department.

2. Benefits Provided

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions and gave the TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by board rule. The benefit provisions include retirement benefits as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percent increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percent multiplied by six times the governing body's average monthly contribution over the member's years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually. There is no provision for automatic postretirement benefit increases.

On and off-duty death benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount or continuing monthly payments to a member's surviving spouse and dependent children.

3. Covered Membership

On August 31, 2021, the pension system membership consisted of:

Retirees and beneficiaries currently receiving benefits	3,843
Terminated members entitled to but not yet receiving benefits	1,706
Active participants	3,571

4. Funding Policy

Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of the System, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher monthly contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the System contribution that directly impacts future retiree annuities.

According to the state law governing the System, the state is required to contribute an amount necessary to make the System "actuarially sound" each year, which may not

exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

The board rule defining contributions was amended in 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the state are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percent of the Part One portion (not to exceed 15%), is to be actuarially adjusted every two years based on the most recent actuarial valuation. Based on the August 31, 2020 actuarial valuation, the Part Two contributions are not required for an adequate contribution arrangement.

Additional contributions may be made by governing bodies within two years of joining the System, to grant up to 15 years of credit for prior service per member. Prior service must have occurred before the department began participation in the System.

A small subset of participating departments have a different contribution arrangement which is being phased out over time. In this arrangement, contributions made in addition to the monthly contributions for active members, are made by local governing bodies on a pay-as-you-go basis for members who were pensioners when their respective departments merged into the System. There is no actuarial impact associated with this arrangement as the pay-as-you-go contributions made by these governing bodies are always equal to benefit payments paid by the System.

5. Contributions Required and Contributions Made

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions are set by board rule, and there is no maximum contribution rate. For the fiscal year ending August 31, 2021, total contributions of \$3,813,748 were paid into TESRS by the political subdivisions served by the member volunteer emergency services personnel. The state appropriated \$1,329,224 for the fiscal year ending August 31, 2021.

The purpose of the biennial actuarial valuation is to determine if the contribution arrangement is adequate to pay the benefits that are promised. Actuarial assumptions are disclosed in Section I(B)(1).

The most recently completed biennial actuarial valuation as of August 31, 2020 stated that TESRS has an adequate contribution arrangement for the benefit provisions recognized in the valuation based on the expected total contributions, including the expected contributions both from the governing body of each participating department and from the state. The expected contributions from the state are state appropriations equal to (1) the maximum annual contribution (one-third of all contributions to TESRS by governing bodies of participating departments in a year) as needed in accordance with state law governing TESRS and (2) approximately \$675,000 each year to pay for part of the System's administrative expenses.

B. Net Pension Liability

The System's net pension liability was measured as of August 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2020 and rolled forward to August 31, 2021

AUDITED
Texas Emergency Services Retirement System

Total pension liability	\$ 155,683,765
Plan fiduciary net position	<u>144,969,613</u>
System's net pension liability	\$ 10,714,152
Plan fiduciary net position as a percentage of the total pension liability	93.1%

1. Actuarial Assumptions

The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	N/A
Investment rate of return	7.5%, net of pension plan investment expense, including inflation

Mortality rates were based on the PubS-2010 (public safety) below-median income mortality tables for employees and for retirees, projected for mortality improvement generationally using projection scale MP-2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (currently 4.6%) and by adding expected inflation (3.0%). In addition, the final 7.5% assumption was selected by rounding down. The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

	Target Allocation	Long-Term Expected Net Real Rate of Return
Equities		
Large cap domestic	20%	5.83%
Small/mid cap domestic	10	5.94
Developed international	15	6.15
Emerging markets	5	7.25
Global infrastructure	5	6.41
Real estate	10	4.48
Multi asset income	5	3.84
Fixed income	30	1.99
Cash	<u>0</u>	0.00
Total	100%	
Weighted average		4.60%

2. Discount Rate

The discount rate used to measure the total pension liability was 7.5%. No projection of cash flows was used to determine the discount rate because the August 31, 2020 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the level dollar amortization method. Because of the 30-year amortization period with the amortization method, the pension plan’s fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

3. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the System, calculated using the discount rate of 7.5%, in comparison to what the System’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
System’s net pension liability	\$ 35,017,805	\$ 10,714,152	\$ (5,510,061)

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the System's Net Pension Liability and Related Ratios for the Last 10 Fiscal Years ¹

	Fiscal Year Ending							
	08/31/21	08/31/20	08/31/19	08/31/18	08/31/17	08/31/16	08/31/15	08/31/14
1. Total Pension Liability								
a. Service cost	1,556,329	1,865,886	1,865,886	1,593,479	1,593,479	1,694,230	1,694,230	1,827,592
b. Interest	11,120,987	10,999,272	10,552,731	9,904,123	9,468,133	8,901,986	8,470,723	8,051,287
c. Changes of benefit terms	0	2,988,966	0	2,825,337	0	722,024	0	0
d. Differences between expected and actual	0	(1,965,137)	0	(90,439)	0	64,648	0	0
e. Assumption changes	0	(67,820)	0	0	0	890,002	0	0
f. Benefit payments	(7,434,094)	(6,881,663)	(6,431,923)	(5,839,621)	(5,032,257)	(4,701,770)	(4,498,761)	(4,168,134)
g. Net Change	5,243,222	6,939,504	5,986,694	8,392,879	6,029,355	7,571,120	5,666,192	5,710,745
h. Total – Beginning	150,440,543	143,501,039	137,514,345	129,121,466	123,092,111	115,520,991	109,854,799	104,144,054
i. Total – Ending	155,683,765³	150,440,543	143,501,039³	137,514,345	\$129,121,466³	123,092,111	\$115,520,991³	109,854,799
2. Plan Fiduciary Net Position								
a. Contributions for participating departments	3,813,748	3,755,240	3,480,509	4,098,834	5,012,131	3,463,603	3,515,546	4,176,659
b. Contributions by the state	1,329,224	1,329,224	1,329,224	1,329,224	1,583,825	1,583,825	1,637,308	1,530,343
c. Net investment income	22,299,491	12,191,811	1,140,579	11,313,810	9,776,395	4,956,730	(3,292,889)	11,908,321
d. Benefit payments	(7,434,094)	(6,881,663)	(6,431,924)	(5,839,621)	(5,032,257)	(4,701,770)	(4,498,761)	(4,168,134)
e. Administrative expenses	(268,417)	(320,427)	(226,806)	(158,141)	(184,314)	(166,840)	(215,900)	(165,669)
f. Net Change	19,739,952	10,074,185	(708,418)	10,744,106	11,155,780	5,135,548	(2,854,696)	13,281,520
g. Total – Beginning	125,229,661	115,155,476	115,863,894	105,119,788	93,964,008	88,828,460	91,683,156	78,401,636
h. Total – Ending	144,969,613	125,229,661	115,155,476	115,863,894	105,119,788	93,964,008	88,828,460	91,683,156
3. System's Net Pension Liability – [Item 1(i)-2(h)]	10,714,152	25,210,882	28,345,563	21,650,451	24,001,678	29,128,103	26,692,531	18,171,643
4. Plan Fiduciary Net Position as a Percent of Pension Liability	93.1%	83.2%	80.2%	84.3%	81.4%	76.3%	76.9%	83.5%
5. Number of Active Members²	3,571	3,634	3,702	3,927	4,046	3,634	4,036	4,036
6. System's Net Pension Liability per Active Member	3,000	6,938	7,657	5,513	5,932	8,015	6,614	4,502

Notes to Schedule

1. *This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.*
2. *There is no compensation for active members, so number of active members is used instead.*
3. *Determined from the beginning of year total pension liability using the roll forward procedure allowed by GASB 67.*

Schedule of Investment Returns for the Last Ten Fiscal Years¹

Fiscal Year Ending	Annual Money-Weighted Net Real Rate of Return²
August 31, 2021	18.08%
August 31, 2020	10.74%
August 31, 2019	1.00%
August 31, 2018	10.86%
August 31, 2017	10.32%
August 31, 2016	5.57%
August 31, 2015	-3.58%
August 31, 2014	14.92%
August 31, 2013	13.84%

Notes to Schedule

- 1. This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.*
- 2. The money-weighted rate of return expresses investment performance, net of investment expenses, reflecting the timing of the contributions received and the benefits paid during the year.*

Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 1 - Pension Fund Investments
August 31, 2021 (With comparative totals for August 31, 2020)

	Fair Value As of August 31, 2021	Fair Value As of August 31, 2020
<u>MONEY MARKET MUTUAL FUND</u>		
Money Market Securities	1,145,389	1,120,235
<u>EQUITY MUTUAL/COMMINGLED FUNDS</u>		
INVESCO Intl Growth 2 Class A Commingled	11,054,469 *	9,069,582
Prime Property Fund, LLC	10,316,544 *	5,013,727
Wells Fargo Emerg Mkts Eq-R6 #4660	7,041,152 *	6,410,980
Total Equity Mutual/Commingled Funds	<u>28,412,165</u>	<u>20,494,289</u>
<u>EQUITY MUTUAL</u>		
Blackrock Multi-Asset Inc-K #1981	10,116,473 *	8,937,213
Clarkston Partners-Inst #21301	7,034,319 *	7,638,955
Jackson Square Smid/C Grwth-Is #6112	7,301,022 *	8,518,799
Oakmark Intl-Inst #2886	10,418,939 *	7,510,845
Pimco Diversified Inc-Inst #0106	12,538,583 *	10,990,143
Total Equity Mutual	<u>47,409,336</u>	<u>43,595,955</u>
<u>BOND FUNDS</u>		
AFLAC INC		269,654
AFLAC INC	7,296	7,194
AFLAC INC	10,938	11,297
ALABAMA POWER CO	47,493	48,259
ALLSTATE CORP	96,625	
ALTRIA GROUP INC	29,022	
ALTRIA GROUP INC	33,963	32,276
AMERICAN EXPRESS CO		104,973
AMERICAN EXPRESS CO	90,998	92,692
AMGEN INC	27,636	29,556
ANHEUSER-BUSCH	25,233	24,380
ANHEUSER-BUSCH	44,170	45,134
APPALACHIAN POWER CO	85,361	
APPLE INC	54,606	56,268
APPLE INC	38,339	39,565
APPLE INC	29,797	30,824
ARCHER-DANIELS-MIDLAND	79,859	81,680
AT&T INC	45,579	46,892
AT&T INC	38,851	39,509
BANK OF AMERICA CORP	181,023	185,544
BANK OF AMERICA CORP	658,932	666,051
BANK OF NOVA SCOTIA		50,523
BANK OF NY MELLON CORP		386,582
BECTON DICKINSON	45,144	43,825
BERKSHIRE HATHAWAY	37,651	39,008
BOSTON PROP LP	62,292	64,091
BRISTOL-MYERS SQUIBB CO	48,821	51,262
BROADCOM INC	81,321	
BURLINGTN NORTH SANTA FE	72,699	75,220
BURLINGTON NORTHERN SANTA FE	60,488	62,087
BURLINGTON NORTHERN SANTA FE	68,499	
CAMDEN PROPERTY TRUST	32,844	33,624

* Investment represents greater than 5% of the Fiduciary Net Position as of August 31, 2021

Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 1 - Pension Fund Investments
August 31, 2021 (With comparative totals for August 31, 2020)

	Fair Value As of August 31, 2021	Fair Value As of August 31, 2020
CAPITAL ONE FINANCIAL CO	48,395	48,985
CAPITAL ONE FINANCIAL CO	80,737	82,184
CATERPILLAR INC		93,164
CATERPILLAR INC	58,092	60,195
CHARLES SCHWAB CORP	16,578	17,287
CHARLES SCHWAB CORP	80,843	83,986
CHEVRON CORP	103,769	105,973
CHEVRON CORP		20,056
CHEVRON CORP	21,857	22,634
CHUBB CORPORATION	79,245	80,147
CINTAS CORPORATION NO. 2	61,714	62,804
CISCO SYSTEMS INC	91,963	94,470
CITIGROUP INC	60,851	62,148
CITIGROUP INC	5,079	163,807
CITIGROUP INC	32,388	32,819
CITIGROUP INC	15,987	16,322
CITIGROUP INC	743,949	650,188
CME GROUP INC	128,566	
CME GROUP INC	74,439	77,175
COMCAST CORP	54,154	55,333
COMCAST CORP		469,917
COMCAST CORP	16,685	181,852
COMM SER 2012-CR2 CL A4	60,756	61,960
COMMONWEALTH EDISON CO		71,632
CONSOLIDATED EDISON CO	73,824	62,087
CVS HEALTH CORP	24,532	57,971
CVS HEALTH CORP	56,250	58,863
DEERE & COMPANY	24,300	124,357
DIAGEO CAPITAL PLC	71,541	
DOWDUPONT INC	73,408	75,654
DUKE ENERGY PROGRESS LLC	29,543	285,057
EMERSON ELECTRIC CO	30,862	31,552
ENTERPRISE PRODUCTS OPER	37,931	36,035
ERP OPERATING LP	43,234	44,386
EXXON MOBIL CORPORATION	33,296	33,545
FEDEX CORP		82,414
FHLB FLT RT DUE 08/04/2021		829,867
FHLB FLT RT DUE 08/24/2021		529,894
FHLB FLT RT DUE 09/13/2021		529,857
FHLB FLT RT DUE 10/28/2021		466,032
FHLB FLT RT DUE 12/17/2021		1,048,499
FHLMC GOLD POOL #A93614	8,279	13,694
FHLMC GOLD POOL #A97673	8,724	13,497
FHLMC GOLD POOL #G08001	96,540	122,116
FHLMC GOLD POOL #G60134		142,201
FHLMC GOLD POOL #G61257		113,134
FHLMC GOLD POOL #Q27927	77,776	127,190
FHLMC GOLD POOL #Q30470	76,236	154,233
FHLMC GOLD POOL #Q35953	99,815	134,897
FHLMC GOLD POOL #Q38893	62,435	102,303

Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 1 - Pension Fund Investments
August 31, 2021 (With comparative totals for August 31, 2020)

	Fair Value As of August 31, 2021	Fair Value As of August 31, 2020
FHLMC GOLD POOL #Q45872		101,698
FHLMC GOLD POOL #V81680	331,294	179,926
FHLMC POOL #RB5044	433,053	
FHLMC POOL #SC0017	281,565	
FHMS SER K031 CL A2	156,528	160,304
FIFTH THIRD BANK	79,571	81,246
FISERV INC	45,856	
FISERV INC	18,384	18,860
FLORIDA POWER CORP	51,638	53,963
FMAC FLT RT DUE 08/13/2021		714,235
FNMA POOL #AL7590	175,599	262,957
FNMA POOL #AO7185	69,190	93,591
FNMA POOL #AS5090	57,137	75,468
FNMA POOL #AY8604	23,044	39,326
FNMA POOL #BC2666	43,009	66,806
FNMA POOL #BD7056		105,099
FNMA POOL #BE0468	80,261	121,596
FNMA POOL #BH2594		173,984
FNMA POOL #BM1577	91,013	143,350
FNMA POOL #BM5455		56,512
FNMA POOL #BO1345	118,539	226,088
FNMA POOL #BO5044		228,938
FNMA POOL #CA3938		166,125
FNMA POOL #FM2741	394,344	
FNMA POOL #FM3075	286,739	
FNMA POOL #FM3340	436,665	
FNMA POOL #FM4540	309,508	
FNMA POOL #FM6990	488,231	
FNMA POOL #FM7048	247,028	
FNMA POOL #FM7334	290,977	
FNMA POOL #FM8519	309,809	
FNMA POOL #MA3243	371,006	
FNMA POOL #MA3361	279,417	
FRANKLIN RESOURCES INC	19,343	
FRANKLIN RESOURCES INC	74,717	76,708
GENERAL DYNAMICS CORP	39,874	41,183
GENERAL DYNAMICS CORP		26,070
GENERAL ELECTRIC CO	50,601	
GENERAL MILLS INC	38,661	39,838
GNMA II POOL #AA1000	6,361	9,142
GNMA II POOL #MA2374	20,292	30,843
GNMA II POOL #MA3035	24,077	40,433
GNMA II POOL #MA6968	348,669	
GNMA II POOL #MA7024	117,310	
GNMA II POOL #MA7283	75,202	
GOLDMAN SACHS GROUP INC	88,459	90,352
GOLDMAN SACHS GROUP INC	61,618	62,677
GOLDMAN SACHS GROUP INC	25,546	26,836
GOLDMAN SACHS GROUP INC	458,052	366,986
GOLDMAN SACHS GROUP INC	173,651	288,113

Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 1 - Pension Fund Investments
August 31, 2021 (With comparative totals for August 31, 2020)

	Fair Value As of August 31, 2021	Fair Value As of August 31, 2020
GSMS SER 2012-GCJ9 CL A3	98,832	100,174
HALLIBURTON COMPANY		44,835
HOME DEPOT INC	67,440	
IBM CORP	23,682	24,046
ILLINOIS TOOL WORKS INC	59,126	61,132
ILLINOIS TOOL WORKS INC	90,672	93,312
JOHN DEERE CAPITAL CORP	65,713	67,588
JOHNSON & JOHNSON		49,750
JOHNSON & JOHNSON	6,729	7,105
JPMCC SER 2013-C13 CL A4	107,938	
JPMORGAN CHASE & CO		103,888
JPMORGAN CHASE & CO	66,163	68,248
JPMORGAN CHASE & CO	110,648	60,288
JPMORGAN CHASE & CO	11,053	26,885
JPMORGAN CHASE & CO	168,606	667,533
KELLOGG CO		70,734
KEYCORP	67,762	68,798
KEYCORP		102,694
KIMBERLY-CLARK CORP	23,363	24,155
KROGER CO	28,029	28,613
KROGER CO	14,825	14,618
LINCOLN NATIONAL CORP	67,358	68,070
MARKEL CORP	71,611	71,130
MCDONALD'S CORP	42,048	42,070
METLIFE INC	107,182	110,898
METLIFE INC		144,700
MONDELEZ INTERNATIONAL INC		40,763
MORGAN STANLEY	55,756	57,360
MORGAN STANLEY	100,955	111,239
MORGAN STANLEY	14,506	258,703
MORGAN STANLEY	582,395	412,428
MSC SER 2016-UB11 CL A4	106,799	
NIKE INC	16,733	61,982
NJ ST TPK AUTH TPK REV	64,744	50,596
NORFOLK SOUTHERN CORP	53,367	55,000
NORFOLK SOUTHERN CORP	62,279	63,491
NUTRIEN LTD	79,946	81,863
NUTRIEN LTD	28,822	29,841
ORACLE CORP	31,093	31,701
ORACLE CORP		492,294
ORACLE CORP	90,477	93,276
ORACLE CORP	20,854	22,240
PARKER-HANNIFIN CORP	49,361	49,195
PFIZER INC	90,060	25,146
PHILLIPS 66	71,616	74,183
PNC BANK NA	59,798	61,388
PNC FINANCIAL SERVICES	36,769	38,082
PNC FINANCIAL SERVICES	32,987	33,793
PNC FINANCIAL SERVICES		214,643
PROCTER & GAMBLE CO/THE	63,929	64,742

Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 1 - Pension Fund Investments
August 31, 2021 (With comparative totals for August 31, 2020)

	Fair Value As of August 31, 2021	Fair Value As of August 31, 2020
PRUDENTIAL FINANCIAL INC	20,803	
PRUDENTIAL FINANCIAL INC	59,388	60,353
PUBLIC SERVICE ELECTRIC	122,876	124,906
QUALCOMM INC	31,770	31,945
RAYTHEON TECH CORP	19,873	20,474
SCHLUMBERGER INVESTMENT	132,956	135,569
SHELL INTL FIN	130,156	134,100
SNAP-ON INC		21,093
SPECTRA ENERGY PARTNERS	27,644	25,934
SUNTRUST BANK	269,990	
SYSCO CORPORATION		66,380
TAMPA ELECTRIC CO	56,453	
TAMPA ELECTRIC CO	101,690	102,981
THE WALT DISNEY COMPANY		635,071
THERMO FISHER SCIENTIFIC	65,960	68,342
TORONTO-DOMINION BANK	184,991	115,733
TOSCO CORP	72,393	73,056
TRAVELERS COS INC	56,463	56,189
UNITED PARCEL SERVICE	134,311	136,477
UNITED PARCEL SERVICE	110,415	283,496
UNITED TECHNOLOGIES CORP	20,941	20,931
UPS OF AMERICA INC	35,428	37,641
US TREAS BOND @ 2.000% 02/15/2050	639,771	288,708
US TREAS BOND @ 2.500% 05/15/2046	279,230	
US TREAS BOND @ 2.750% 08/15/2047		797,821
US TREAS BOND @ 4.375% 05/15/2040	264,247	46,994
US TREAS NOTE @ 1.125% 02/15/2031	236,926	
US TREAS NOTE @ 1.250% 05/31/2028	2,503,592	
US TREAS NOTE @ 1.500% 02/15/2030	1,705,326	1,088,356
US TREAS NOTE @ 1.625% 05/15/2031	433,125	
US TREAS NOTE @ 1.750% 01/31/2023	327,350	254,570
US TREAS NOTE @ 1.750% 11/30/2021		50,989
US TREAS NOTE @ 1.875% 07/31/2026	526,915	
US TREAS NOTE @ 2.250% 08/15/2027		269,222
US TREAS NOTE @ 2.250% 11/15/2025	778,706	242,242
US TREAS NOTE @ 2.250% 11/15/2027	506,810	
US TREAS NOTE @ 2.375% 05/15/2027	2,323,721	
US TREAS NOTE @ 2.375% 05/15/2029	534,791	
US TREAS NOTE @ 2.500% 02/28/2026	955,782	
US TREAS NOTE @ 2.625% 02/15/2029	537,671	566,204
VERIZON COMMUNICATIONS	48,172	49,839
VIRGINIA ELEC & POWER CO	212,588	81,483
VISA INC	55,470	58,637
WALMART STORES INC	68,580	
WALT DISNEY COMPANY/THE	33,381	33,220
WALT DISNEY COMPANY/THE	13,941	
WALT DISNEY COMPANY/THE	37,360	39,464
WELLS FARGO & COMPANY	86,811	98,832
WELLS FARGO & COMPANY	581,114	649,226
WELLS FARGO & COMPANY	48,661	76,872

Texas Emergency Services Retirement System
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Schedule 1 - Pension Fund Investments
August 31, 2021 (With comparative totals for August 31, 2020)

	Fair Value As of August 31, 2021	Fair Value As of August 31, 2020
WELLS FARGO AND COMPANY	76,271	78,432
WESTLAKE CHEMICAL CORP	38,164	
WFRBS SER 2012-C8 CL A3	45,565	46,343
WILLIAMS PARTNERS LP	36,929	
WISC ELEC POWER	75,984	78,098
WISCONSIN POWER & LIGHT	57,580	60,139
Total Bond Funds	<u>30,728,948</u>	<u>26,273,158</u>
 EQUITY FUNDS		
ABBVIE INC	178,271	
ACTIVISION BLIZZARD INC	87,147	
ADOBE INC	610,604	569,863
ADVANCE AUTO PARTS	208,936	221,960
AFLAC INC		95,376
AKAMAI TECHNOLOGIES	167,157	320,881
ALCON INC	246,585	232,800
ALEXION PHARMACEUTICALS INC		202,169
ALIBABA GROUP HOLDING LTD	215,417	330,085
ALLEGION PLC	60,620	
ALLISON TRANSMISSION HOLDINGS	48,555	
ALPHABET INC CL A	422,517	329,165
AMAZON.COM INC	1,506,323	1,590,893
AMERICAN EXPRESS CO		204,196
AMERICAN INT'L GROUP INC	138,528	188,682
AMERISOURCEBERGEN CORP	141,275	162,234
AMETEK INC		59,816
AMGEN INC		519,306
ANHEUSER-BUSCH INBEV SPN ADR	120,663	137,816
ANTHEM INC	140,674	277,297
APPLE INC COM	819,275	915,668
APPLIED MATERIALS INC	255,125	172,726
APTIV PLC	229,198	156,394
ASML HLDINGS NY	258,242	
ATLASSIAN CORP PLC	348,707	
AUTOZONE INC	340,813	291,900
AVANTOR INC	240,781	80,394
AXALTA COATING SYSTEMS LTD	137,186	
BANK OF AMERICA CORP	324,356	369,987
BARRICK GOLD CORP		221,901
BERKSHIRE HATHAWAY INC-CL B	504,098	557,310
BEST BUY CO INC		243,780
BIOMARIN PHARMACEUTICAL INC	125,473	120,166
BOOKING HOLDINGS INC	197,772	198,687
BRISTOL-MYERS SQUIBB CO	169,290	
C.H. ROBINSON WORLDWIDE INC		164,456
CANADIAN NATL RAILWAY CO	85,752	
CANADIAN NATURAL RESOURCES	139,952	
CAPITAL ONE FINANCIAL CORP	241,984	
CARRIER GLOBAL CORP		70,655
CATERPILLAR INC	222,046	173,191

Texas Emergency Services Retirement System
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Schedule 1 - Pension Fund Investments
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	Fair Value As of August 31, 2021	Fair Value As of August 31, 2020
CENTENE CORP	173,510	
CENTERPOINT ENERGY INC	146,225	109,040
CHARTER COMMUNICATIONS INC	153,532	
CHUBB LTD	257,488	264,500
CIGNA CORP	332,502	333,278
CISCO SYSTEMS INC	457,287	359,123
CITIGROUP INC	270,957	152,644
COCA-COLA EUROPEAN PARTNERS PLC	165,483	96,891
COGNIZANT TECH SOLUTIONS-A	79,210	
COMCAST CORP-CL A		283,647
CONOCOPHILLIPS	338,566	162,093
COSTCO WHOLESALE CORP		257,268
CRH PLC - SPONSORED ADR	124,141	85,145
CUMMINS INC		120,205
CVS HEALTH CORPORATION	172,175	
DEERE & CO	285,413	224,764
DOMINION ENERGY INC	144,782	
DOVER CORP	135,478	131,698
DUPONT DE NEMOURS INC USD 0.01	282,460	193,543
EATON CORP PLC	527,135	267,094
ECOLAB INC	202,148	214,226
EDISON INTERNATIONAL		138,757
EOG RESOURCES INC	116,607	
EQUINIX INC	261,470	308,014
EVEREST RE GROUP LTD	138,013	148,554
FACEBOOK INC-A	1,370,700	1,152,569
FIDELITY NATIONAL INFO SVCS, INC	443,873	262,479
FIFTH THIRD BANCORP	123,419	42,663
FIRSTENERGY CORP		71,704
FLEETCOR TECHNOLOGIES INC	116,370	
FMC CORP		95,105
GENERAL DYNAMICS CORP	243,176	
GLAXOSMITHKLINE PLC		114,721
GOLDMAN SACHS GROUP INC	256,376	
HARLEY-DAVIDSON INC	100,525	57,387
HOLLYFRONTIER CORP	78,497	
HOME DEPOT INC	349,013	293,591
HOWMET AEROSPACE INC	162,751	67,329
HUNTINGTON BANCSHARES INC		85,565
HUNTINGTON INGALLS INDUSTRIES		79,700
ICON PLC	126,606	
IHS MARKIT LTD	327,550	243,436
INTUITIVE SURGICAL INC	179,105	
JOHNSON & JOHNSON	550,034	458,696
JPMORGAN CHASE & CO	539,991	456,666
KANSAS CITY SOUTHERN		140,353
KIMBERLY-CLARK CORP		143,404
KINROSS GOLD CORP		63,199
KLA CORPORATION	116,606	135,392
KOHL'S CORP	91,955	

Texas Emergency Services Retirement System
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Schedule 1 - Pension Fund Investments
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	Fair Value As of August 31, 2021	Fair Value As of August 31, 2020
KROGER CO		188,105
LAM RESEARCH CORP	165,721	216,603
LAS VEGAS SANDS CORP	117,815	37,221
LEAR CORP	73,093	45,800
LENNAR CORP-CL A	110,315	120,909
LKQ CORP	147,479	76,620
LOWE'S COS INC	107,654	135,046
MARATHON PETROLEUM CORP	251,660	174,002
MARSH & MCLENNAN COS		119,162
MCKESSON CORP	150,247	177,223
MEDTRONIC PLC		220,421
MERCK & CO INC/NJ		161,246
MICRON TECHNOLOGY INC	265,836	177,352
MICROSOFT CORP	926,470	1,039,468
MOHAWK INDUSTRIES INC	174,029	98,701
MONSTER BEVERAGE CORP	259,536	227,261
NETAPP INC	75,057	
NETFLIX INC	261,827	
NEWMONT CORP USD 1.6	88,667	99,709
NORTHROP GRUMMAN CORP	76,849	82,569
NORTONLIFELOCK INC	117,316	
NOVARTIS AG	141,819	243,550
NUTANIX INC	67,545	110,246
NVIDIA CORP	626,780	449,383
NXP SEMICONDUCTOR NV	411,759	286,104
ON SEMICONDUCTOR CORPORATION		20,686
ORACLE CORP	146,084	160,388
OTIS WORLDWIDE CORP	182,780	74,411
OWENS CORNING INC	93,735	158,819
PALO ALTO NETWORKS	461,040	229,095
PARSLE ENERGY INC SER A		69,230
PFIZER INC	231,732	344,531
PIONEER NATURAL RESOURCES CO	171,821	
POLARIS INC	64,551	
PPG INDUSTRIES INC		64,534
PROGRESSIVE CORP	179,867	261,835
QORVO INC	138,390	94,022
QUALCOMM INC	613,604	372,783
RAYTHEON TECHNOLOGIES CORP	234,785	203,740
RENAISSANCERE HOLDINGS LTD		70,372
ROBERT HALF INTL INC		2,288
ROYAL DUTCH SHELL PLC-ADR A		51,109
SALESFORCE.COM INC	570,331	520,762
SANOFI	128,622	
SCHLUMBERGER LTD	150,435	
SCHWAB (CHARLES) CORP	231,372	115,473
SEA LTD	233,441	
SONY GROUP CORP	188,090	
SPLUNK INC	240,006	320,222
SS&C TECHNOLOGIES HOLDINGS	126,731	123,362

Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 1 - Pension Fund Investments
August 31, 2021 (With comparative totals for August 31, 2020)

	Fair Value As of August 31, 2021	Fair Value As of August 31, 2020
TAPESTRY INC NPV	155,071	55,900
TEXAS INSTRUMENTS INC		195,314
THE WALT DISNEY CO.	285,366	264,267
THERMO FISHER SCIENTIFIC INC	453,394	440,562
TJX COMPANIES INC	110,316	110,018
T-MOBILE US INC	138,801	161,602
TRACTOR SUPPLY COMPANY	205,905	
TRUIST FINANCIAL CORP	260,650	203,209
UBER TECHNOLOGIES	244,625	195,390
UIPATH INC	100,930	
ULTA BEAUTY INC	300,940	326,677
UNION PACIFIC CORP	109,071	112,000
UNITED PARCEL SERVICE-CL B	383,435	433,593
UNITED RENTALS INC	225,343	96,669
UNITEDHEALTH GROUP INC	848,775	705,738
US FOODS HOLDING CORP	106,590	
VALERO ENERGY CORP		83,828
VERTIV HOLDINGS CO	76,594	
VISA INC-CLASS A SHARES	701,962	933,604
VISTRA CORP		73,343
VMWARE INC- CL A	64,014	207,994
WABTEC CORP	127,681	
WELLS FARGO & COMPANY	266,340	
WESTERN DIGITAL CORP		57,169
WILLIAMS-SONOMA INC		56,430
WORKDAY INC-A	218,528	
WW GRAINGER INC	273,231	255,801
WYNDHAM HOTELS & RESORTS INC		43,354
YAMANA GOLD INC		121,359
ZIMMER BIOMET HOLDINGS INC		77,203
ZOETIS INC	424,667	399,610
Total Equity Funds	<u>33,961,567</u>	<u>30,349,198</u>
TOTAL INVESTMENTS	141,657,405	121,832,835
Short Term Investments (Exhibit III)	1,145,389	1,120,235
Investments (Exhibit III)		
Equity	81,370,902	73,945,152
Bonds	30,728,949	26,273,158
Other Investments	28,412,165	20,494,290
Total	<u><u>141,657,405</u></u>	<u><u>121,832,835</u></u>

**Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 2 - Administrative Expenses for TESRS Trust Fund
For Year Ended August 31, 2021**

<u>Category</u>	<u>Expenses</u>
Professional Fees and Services:	
Accounting/Bookkeeping Services	\$ 169,060
Computer Consultant Services	50,000
Legal Services	37,316
IT Services	3,659
Education & Training Services	525
Actuary Services	-
Audit Services	-
Total Professional Fees and Services	<u>\$ 260,560</u>
Travel	\$ 3,952
Other Expense	3,903
Interest Expense	3
Materials & Supplies	-
Rentals & Leases	-
Repairs & Maintenance	-
Total Administrative Expenses (See Exhibit IV)	<u><u>\$ 268,418</u></u>

**Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 3 - Investing Activity Expenses
For Year Ended August 31, 2021**

Category	Expenses
Boston Partners	\$ 115,150
Clearbridge	90,013
Invesco Trust Company	80,070
Andco Consulting	75,000
Bank of Texas	48,501
Garcia Hamilton & Associates	43,680
Richmond Capital Management	40,608
Total Investing Activities Expenses	\$ 493,022
(See Exhibit IV)	

Total Direct and Indirect Fees and Commissions (SB 322 Compliance)

Total Direct and Indirect Fees and Commissions	\$ 783,388
Investment Services	
Custodial	\$ 48,501
Research	-
Investment Consulting	75,000
Legal	-
Total	<u>\$ 123,501</u>
Total Investment Expenses	
(Total Direct and Indirect Fees and Commissions + Investment Services)	<u>\$ 906,889</u>

**Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 4 - Board Members
August 31, 2021**

<u>Name and Address</u>	<u>Term Expires September 1,</u>
V. Jenny Moore, Chairman	2021
Pilar Rodriguez, Vice-Chairman	2021
Courtney Gibson Bechtol, Secretary	2021
Edward J. Keenan, Trustee	2023
Rodney Alan Ryalls, Trustee	2023
Stephanie Lynn Wagner, Trustee	2023
Jerry Romero, Trustee	2025
Matthew Glaves, Trustee	2025
Nathan Douglas, Trustee	2025

Texas Emergency Services Retirement System

Board of Trustees

V. Jenny Moore, Chairman

Pilar Rodriguez, Vice-Chairman

Courtney Gibson Bechtol, Secretary

Edward J. Keenan, Trustee

Rodney Alan Ryalls, Trustee

Stephanie Lynn Wagner, Trustee

Jerry Romero, Trustee

Matthew Graves, Trustee

Nathan Douglas, Trustee

Shirley Hays, Executive Director

David Tropea, Chief Financial Officer

208 E. 10th Street, 3rd Floor, Suite 309

Austin TX 78701

(800) 919-3372

www.tesrs.texas.gov