

# Texas Emergency Services Retirement System

Report on Pension Information  
August 31, 2021

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## Independent Auditor's Report

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

We have audited the accompanying schedule of participating department allocations of Texas Emergency Services Retirement System (the System) as of and for the year ended August 31, 2021, and the related notes. We have also audited the columns titled Net Pension Liability, Total Deferred Outflows of Resources Excluding Participating Department Specific Amounts, Total Deferred Inflows of Resources Excluding Participating Department Specific Amounts, and Plan Pension Expense (specified column totals) included in the accompanying schedule of collective pension amounts of the System as of and for the year ended August 31, 2021, and the related notes.

### Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these schedules 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 these schedules that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on the schedule of participating department allocations and the specified column totals included in the accompanying schedule of collective pension amounts based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of participating department allocations and specified columns included in the accompanying schedule of collective pension amounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of participating department allocations and specified column totals included in the accompanying schedule of collective pension amounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of participating department allocations and the specified column totals included in the accompanying schedule of collective pension amounts, 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 schedule of participating department allocations and the specified column totals included in the accompanying schedule of collective pension amounts 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 schedule of participating department allocations and the specified column totals included in the accompanying schedule of collective pension amounts.

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

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

### **Opinion**

In our opinion, the schedules referred to above presents fairly, in all material respects, the schedule of participating department allocations and the columns titled Net Pension Liability, Total Deferred Outflows of Resources Excluding Participating Department Specific Amounts, Total Deferred Inflows of Resources Excluding Participating Department Specific Amounts, and Plan Pension Expense included in the accompanying schedule of collective pension amounts of Texas Emergency Services Retirement System as of and for the year ended August 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the System as of and for the year ended August 31, 2021, and our report thereon, dated December 20, 2021, expressed an unmodified opinion on those financial statements.

### **Restriction on Use**

Our report is intended solely for the information and use of the System's management, board of trustees and executive director, participating departments and their auditors, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
February 8, 2022

# Texas Emergency Services Retirement System

## Schedule of Participating Department Allocations

### As of and for the Year Ended August 31, 2021

Contributing Entity	2021 Contributions	Contributing Entity Allocation Percentage
Alamo Volunteer Fire Department	\$ 2,592	0.054%
Alpine Volunteer Fire Department	4,320	0.090%
Alvarado Volunteer Fire Department	3,312	0.069%
Alvin Volunteer Fire Department	103,075	2.147%
Andrews Volunteer Fire Department	15,228	0.317%
Angleton Volunteer Fire Department	32,950	0.686%
Austin County Emergency Services District #2	1,728	0.036%
Baird Volunteer Fire Department	5,400	0.112%
Ballinger Fire Department	14,535	0.303%
Bastrop County ESD # 1	15,950	0.332%
BASTROP COUNTY ESD#2	1,944	0.040%
Bexar County ESD#5 Fire and Rescue	864	0.018%
Brady Volunteer Fire Department	7,128	0.148%
Brazoria County ESD#3	3,600	0.075%
Brazoria Volunteer Fire Department	9,360	0.195%
Bremond Fire Department	1,806	0.038%
Bremont Fire Department	2,322	0.048%
Brenham Fire Department	46,760	0.974%
Bridge City Fire & Rescue	14,472	0.301%
Bridgeport Volunteer Fire Department	9,144	0.190%
Brownfield Fire Department	3,456	0.072%
BUFFALO VFD	5,616	0.117%
Burkburnett Fire Department	10,035	0.209%
Burnet County ESD#4	5,700	0.119%
Burnet Fire Department	2,592	0.054%
Burnet Volunteer Fire Department	3,744	0.078%
Cactus Volunteer Fire Department	5,220	0.109%
Cameron Volunteer Fire Department	8,712	0.181%
Canadian Volunteer Fire Department	31,200	0.650%
Canyon Fire Department	45,150	0.940%
Carthage Volunteer Fire Department	12,276	0.256%
Center Volunteer Fire Department	11,160	0.232%
Clarksville Volunteer Fire Department	4,536	0.094%
Claude Volunteer Fire and Ambulance Department	12,816	0.267%
Clute Volunteer Fire Department	28,130	0.586%
Columbus Fire Department	35,320	0.736%
Crockett Volunteer Fire Department	3,888	0.081%
Crosbyton Volunteer Fire Department	5,616	0.117%
Cuero Volunteer Fire Department	14,514	0.302%
Daingerfield Volunteer Fire Department	9,216	0.192%
Dalhart Volunteer Fire Department	11,592	0.241%
Dallas County Fire and Rescue	1,728	0.036%
Dayton Volunteer Fire Department	18,828	0.392%
Deer Park Volunteer Fire Department	98,076	2.043%
Denver City Volunteer Fire Department	22,416	0.467%

The Notes to Schedule of Participating Department Allocations and Schedule of Collective Pension Amounts are an integral part of this statement.

**Texas Emergency Services Retirement System**  
Schedule of Participating Department Allocations – Continued  
As of and for the Year Ended August 31, 2021

Contributing Entity	2021 Contributions	Contributing Entity Allocation Percentage
Diboll Volunteer Fire Department	\$ 4,644	0.097%
Dickinson Volunteer Fire Department	30,418	0.634%
Dimmitt Fire Department	10,500	0.219%
Donna Volunteer Fire Department	8,208	0.171%
Dumas Volunteer Fire Department	2,556	0.053%
Eagle Lake Volunteer Fire Department	21,756	0.453%
Edcouch Volunteer Fire Department	6,480	0.135%
Edgecliff Volunteer Fire Department	2,160	0.045%
Edinburg Volunteer Fire Department	49,880	1.039%
El Campo Volunteer Fire Department	40,605	0.846%
El Paso County Emergency District #1	43,056	0.897%
El Paso County Emergency District #2	64,824	1.350%
Electra Volunteer Fire Department	9,036	0.188%
Fairfield Volunteer Fire Department	4,320	0.090%
Farmersville Volunteer Fire Department	9,648	0.201%
Ferris Fire Department	1,260	0.026%
Flatonia Volunteer Fire Department	44,600	0.929%
Forney Volunteer Fire Department	2,844	0.059%
Fort Stockton Volunteer Fire Department	13,968	0.291%
Fredericksburg Fire Department	26,080	0.543%
Freeport Volunteer Fire Department	864	0.018%
Freer Volunteer Fire Department	9,288	0.193%
Friendswood Volunteer Fire Department	89,280	1.860%
Giddings Volunteer Fire Department	8,820	0.184%
Gilmer Volunteer Fire Department	4,800	0.100%
Gonzales County Emergency Services District #1	3,240	0.067%
Gonzales Fire Department	8,640	0.180%
Grand Saline Volunteer Fire Department	10,368	0.216%
Grandbury Volunteer Fire Department	77,140	1.607%
Grandview Volunteer Fire Department	2,592	0.054%
Greenwood Rural VFD	6,156	0.128%
Groesbeck Volunteer Fire Department	6,912	0.144%
Groves Volunteer Fire Department	4,500	0.094%
Gun Barrel City Fire Department	2,196	0.046%
Hallettsville Volunteer Fire Department	22,750	0.474%
Hamlin Volunteer Fire Department	17,346	0.361%
Harris County Emergency Services District No. 80	22,440	0.467%
Harris County ESD No 46	41,100	0.856%
Haskell Volunteer Fire Department	6,850	0.143%
Hays County ESD#6	21,300	0.444%
Hearne Volunteer Fire Department	14,400	0.300%
Hereford Fire Department	17,010	0.354%
Huntsville Fire Department	11,088	0.231%
Iowa Park Volunteer Fire Department	18,000	0.375%
Iraan Volunteer Fire Department & EMS	720	0.015%

The Notes to Schedule of Participating Department Allocations and Schedule of Collective Pension Amounts are an integral part of this statement.

**Texas Emergency Services Retirement System**  
Schedule of Participating Department Allocations – Continued  
As of and for the Year Ended August 31, 2021

Contributing Entity	2021 Contributions	Contributing Entity Allocation Percentage
Jasper Volunteer Fire Department	\$ 25,775	0.537%
Jeff Davis County Emergency Services District #1	12,240	0.255%
Jefferson Volunteer Fire Department	8,460	0.176%
Kermit Volunteer Fire Department	17,050	0.355%
Kingsville Volunteer Fire Department	3,456	0.072%
La Grange Volunteer Fire Department	26,175	0.545%
Lake Jackson Volunteer Fire Department	48,825	1.017%
Lamesa Volunteer Fire Department	45,200	0.941%
LaPorte Fire Department	69,140	1.440%
League City Volunteer Fire Department	295,280	6.150%
Levelland Fire Department	7,776	0.162%
Lindale Volunteer Fire Department	18,648	0.388%
Linn-San Manuel VFD	5,940	0.124%
Littlefield Volunteer Fire Department	7,452	0.155%
Llano Volunteer Fire Department	16,398	0.342%
Lockhart Volunteer Fire Department	432	0.009%
Louise Volunteer Fire Department	17,700	0.369%
Lucas Volunteer Fire Department	1,584	0.033%
Madisonville Volunteer Fire Department	10,656	0.222%
MARFA VOLUNTEER FIRE DEPARTMENT	17,875	0.372%
Mathis Volunteer Fire Department	3,456	0.072%
Mercedes Volunteer Fire Department	1,728	0.036%
Merkel Volunteer Fire Department	2,160	0.045%
Mineola Volunteer Fire Department	8,496	0.177%
Mineral Wells Volunteer Fire Department	3,744	0.078%
Mission Volunteer Fire Department	4,608	0.096%
Mont Belvieu Fire Department	44,500	0.927%
Morton Volunteer Fire Department	4,752	0.099%
Moulton Fire Department	8,928	0.186%
Mount Vernon Volunteer Fire Department	4,932	0.103%
Muleshoe Volunteer Fire Department	6,768	0.141%
Nixon Volunteer Fire Department	9,240	0.192%
Northeast Gaines County ESD#1	13,100	0.273%
Odem Volunteer Fire Department	5,652	0.118%
Old Ocean Volunteer Fire Department	13,800	0.287%
Orange County ESD #1	576	0.012%
Ovilla Fire Department	2,880	0.060%
Palacios Volunteer Fire Department	11,625	0.242%
Pasadena Fire Department	241,546	5.031%
Pearland Volunteer Fire Department	1,080	0.024%
Pearsall Volunteer Fire Department	51,300	1.068%
Pecos Volunteer Fire Department	9,612	0.200%
Perryton Fire Department	16,200	0.337%
Pharr Volunteer Fire Department	48,430	1.009%
Port Aransas Volunteer Fire Department	8,928	0.186%

The Notes to Schedule of Participating Department Allocations and Schedule of Collective Pension Amounts are an integral part of this statement.

**Texas Emergency Services Retirement System**  
Schedule of Participating Department Allocations – Continued  
As of and for the Year Ended August 31, 2021

Contributing Entity	2021 Contributions	Contributing Entity Allocation Percentage
Princeton Volunteer Fire Department	\$ 5,436	0.113%
Quanah Volunteer Fire Department	11,160	0.232%
Quitman Volunteer Fire Department	6,516	0.136%
Randall County ESU	13,776	0.287%
Randall County Volunteer Fire Deptment	31,824	0.663%
Raymondville Volunteer Fire Department	16,320	0.340%
Reno Volunteer Fire Department	7,344	0.153%
Richwood Volunteer Fire Department	11,880	0.247%
Roby Volunteer Fire Department	3,672	0.076%
Rockwall Volunteer Fire Department	1,500	0.031%
Rosenberg Fire Department	465	0.010%
Rotan Volunteer Fire Department	8,690	0.181%
San Augustine Volunteer Fire Department	9,000	0.187%
San Juan Volunteer Fire Department	9,600	0.200%
San Saba Volunteer Fire Department	7,128	0.148%
Sanger Volunteer Fire Department	1,620	0.034%
Santa Fe Volunteer Fire Department	65,325	1.361%
Schulenburg Volunteer Fire Department	34,480	0.718%
Seabrook Volunteer Fire Department	18,788	0.391%
Seguin Fire Department	1,296	0.027%
Seminole Volunteer Fire Department	27,280	0.568%
Seymour Volunteer Fire Department	12,516	0.261%
Shiner Volunteer Fire Department	18,108	0.377%
Sinton Volunteer Fire Department	14,860	0.310%
Slaton Volunteer Fire Department	9,648	0.201%
Snyder Volunteer Fire Department	5,328	0.111%
Sonora Volunteer Fire Department	11,544	0.240%
South Houston Volunteer Fire Department	12,960	0.270%
Spearman Volunteer Fire Department	1,296	0.027%
Spring Fire Department	74,600	1.554%
Spur Volunteer Fire Department	7,740	0.161%
Sunray Volunteer Fire Department	4,572	0.095%
Sweeny Fire and Rescue	23,520	0.490%
Tahoka Volunteer Fire Department	8,640	0.180%
Teague Fire Department	8,928	0.186%
Terrell Volunteer Fire Department	10,150	0.211%
Travis County ESD #6	1,848	0.038%
Trinity Volunteer Fire Department	8,676	0.181%
UPTON COUNTY ESD #2	6,516	0.136%
Uvalde Volunteer Fire Department	45,240	0.942%
Waller Harris ESD 200	16,632	0.346%
Weimar Volunteer Fire Department	16,092	0.335%
Wellington Volunteer Fire Department	7,992	0.166%
West Columbia Volunteer Fire Department	14,560	0.303%
Wharton Fire Department	22,500	0.469%

The Notes to Schedule of Participating Department Allocations and Schedule of Collective Pension Amounts are an integral part of this statement.



**Texas Emergency Services Retirement System**  
 Schedule of Participating Department Allocations – Continued  
 As of and for the Year Ended August 31, 2021

Contributing Entity	2021 Contributions	Contributing Entity Allocation Percentage
Wild Peach Volunteer Fire Department	\$ 17,900	0.373%
Williamson County ESD #1	24,500	0.510%
Windcrest Fire Department	8,316	0.173%
Wolfforth Volunteer Fire & EMS	12,024	0.250%
Woodville Volunteer Fire Department	14,265	0.297%
Yoakum Volunteer Fire Department	7,632	0.159%
Yorktown Volunteer Fire Department	12,996	0.271%
State of Texas' 2021 Contribution	1,329,224	27.685%
<b>Total</b>	<b>\$ 4,801,195</b>	<b>100.00%</b>

The Notes to Schedule of Participating Department Allocations and Schedule of Collective Pension Amounts are an integral part of this statement.

**Texas Emergency Services Retirement System**  
 Schedule of Collective Pension Amounts  
 As of and for the Year Ended August 31, 2021

Deferred Outflows of Resources					Deferred Inflows of Resources				
Net Pension Liability	Differences Between Expected and Actual Experience	Changes of Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		Differences Between Expected and Actual Experience	Changes of Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		Plan Pension Expense
			Total Deferred Outflows of Resources Excluding Participating Department Specific Amounts*	Total Deferred Inflows of Resources Excluding Participating Department Specific Amounts*					
\$ 10,714,152	\$ -	\$ -	\$ -	\$ -	\$ 423,853	\$ 14,628	\$ 10,032,872	\$ 10,471,353	\$ 12,484

\* Participating department specific amounts that are excluded from this schedule are the changes in proportion and differences between participating department contributions and proportionate share of contributions as defined in paragraphs .54 and .55 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

The Notes to Schedule of Participating Department Allocations and Schedule of Collective Pension Amounts are an integral part of this statement.

# **Texas Emergency Services Retirement System**

## Notes to Schedule of Participating Department Allocations and Schedule of Collective Pension Amounts

### **Note 1. Background and Reporting Entity**

The Texas Emergency Services Retirement System (the System) 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 Texas Emergency Services Retirement System.

The System was created as a standalone agency by the 83rd Legislature via the passage of SB 220, effective September 1, 2013, to assume the functions of the abolished Office of the Fire Fighters' Pension Commissioner. While the agency is new, the System has been in existence since 1977. The System, 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 fire 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. The System's financial statements are included in the State's Comprehensive Annual Financial Report. The System issues a publicly available Annual Financial Report, which includes financial statements, notes, and required supplementary information, which can be obtained at [www.tesrs.org](http://www.tesrs.org). The separately issued actuarial valuations which may be of interest are also available at the same link.

Information that is available in the annual financial report is not repeated in the allocation schedules and related notes.

The preparation of the schedules of participating department allocations and collective pension amounts in conformity with accounting principles generally accepted in the United States of America requires management to make significant estimates and assumptions that affect the reported amounts during the reporting period. Actual results could differ from those estimates.

### **Note 2. Schedule of Participating Department Allocations**

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.

Participating department contributions for the fiscal year ended August 31, 2021 were used for purposes of preparing the allocation schedule. Adjustments were made in the following circumstances, with the treatment detailed below for material items:

- For newly participating departments, lump sum contributions were eliminated and contributions were annualized
- MTES contributions for legacy departments were eliminated
- Prior service buybacks were eliminated
- Interest on contributions and administrative penalties were eliminated
- 13<sup>th</sup> checks, which are passed directly through to the participants, were eliminated

# Texas Emergency Services Retirement System

## Notes to Schedule of Participating Department Allocations and Schedule of Collective Pension Amounts

### Note 3. Schedule of Collective Pension Amounts

The System has prepared the Schedule of Collective Pension Amounts. The collective pension expense based on the System's fiscal year ended August 31, 2021 is shown in the following table:

Service cost	\$	1,556,329
Interest		11,120,987
Projected earnings on pension plan investments		(9,250,839)
Amortization of differences between projected and actual earnings on plan investments		(2,878,995)
Amortization of changes of assumptions		(26,596)
Amortization of differences between expected and actual experience		(776,820)
Pension plan administrative expense		268,418
		268,418
	\$	12,484

Amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized in pension expense in future years as follows:

Fiscal Year Ended August 31,	Net Deferred Outflows Minus Deferred Inflows
2022	\$ (2,830,051)
2023	(1,742,895)
2024	(3,288,676)
2025	(2,609,731)
	(10,471,353)
	\$ (10,471,353)

Each participating department will need to calculate two additional types of deferred outflows of resources and deferred inflows of resources, which are participating department specific amounts. These amounts relate to differences between actual contributions made by a participating department and their proportionate share of total contributions calculated based on the allocation percentage.

The participating department's proportionate share of the collective pension expense for its fiscal year ended between September 1, 2021 and August 31, 2022 is equal to the collective pension expense multiplied by the participating department's allocation percentage for the System's fiscal year ended August 31, 2021 as shown in the schedule of participating department allocations.