

# Texas Emergency Services Retirement System

Report on Pension Information  
August 31, 2020

# C O N T E N T S

Page

Independent Auditor's Report .....	1
Schedule of Participating Department Allocations.....	3
Schedule of Collective Pension Amounts .....	8
Notes to Schedule of Participating Department Allocations and Schedule of Collective Pension Amounts .....	9



## 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, 2020, 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, 2020, 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.

Weaver and Tidwell, L.L.P.  
1601 South MoPac Expressway, Suite D250 | Austin, Texas 78746  
Main: 512.609.1900

CPAs AND ADVISORS | [WEAVER.COM](http://WEAVER.COM)

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, 2020, 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, 2020, and our report thereon, dated December 18, 2020, 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 5, 2021

# Texas Emergency Services Retirement System

## Schedule of Participating Department Allocations

### As of and for the Year Ended August 31, 2020

Contributing Entity	2020 Contributions	Contributing Entity Allocation Percentage
Alamo Volunteer Fire Department	\$ 5,688	0.122%
Alpine Volunteer Fire Department	5,508	0.118%
Alvarado Volunteer Fire Department	1,296	0.028%
Alvin Volunteer Fire Department	109,005	2.338%
Andrews Volunteer Fire Department	15,840	0.340%
Angleton Volunteer Fire Department	30,900	0.663%
Baird Volunteer Fire Department	6,800	0.146%
Ballinger Fire Department	13,545	0.290%
Bastrop County ESD # 1	18,500	0.397%
BASTROP COUNTY ESD#2	2,160	0.046%
Bexar County ESD#5 Fire and Rescue	1,080	0.023%
Brady Volunteer Fire Department	3,240	0.069%
Brazoria City EDS#3	2,400	0.051%
Brazoria County ESD#3	1,800	0.039%
Brazoria Volunteer Fire Department	8,400	0.180%
Bremont Fire Department	4,902	0.105%
Brenham Fire Department	57,540	1.234%
Bridge City Fire & Rescue	16,200	0.347%
Bridgeport Volunteer Fire Department	7,344	0.158%
Brownfield Fire Department	3,276	0.070%
BUFFALO VFD	6,084	0.130%
Burkburnett Fire Department	11,925	0.256%
Burnet County ESD#4	4,200	0.090%
Burnet Fire Department	6,660	0.143%
Cactus Volunteer Fire Department	6,948	0.149%
Cameron Volunteer Fire Department	8,640	0.185%
Canadian Volunteer Fire Department	31,200	0.669%
Canyon Fire Department	50,650	1.086%
Carthage Volunteer Fire Department	11,520	0.247%
Center Volunteer Fire Department	12,900	0.277%
Clarksville Volunteer Fire Department	8,100	0.174%
Claude Volunteer Fire and Ambulance Department	3,888	0.083%
Clute Volunteer Fire Department	27,985	0.600%
Columbus Fire Department	31,040	0.666%
Crockett Volunteer Fire Department	4,308	0.092%
Crosbyton Volunteer Fire Department	6,048	0.130%
Cuero Volunteer Fire Department	15,400	0.330%
Daingerfield Volunteer Fire Department	6,984	0.150%
Dalhart Volunteer Fire Department	13,788	0.296%
Dallas County Fire and Rescue	2,160	0.046%
Dayton Volunteer Fire Department	12,528	0.269%
Deer Park Volunteer Fire Department	96,228	2.064%
Denver City Volunteer Fire Department	16,992	0.364%
Diboll Volunteer Fire Department	5,184	0.111%
Dickinson Volunteer Fire Department	32,502	0.697%

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, 2020

Contributing Entity	2020 Contributions	Contributing Entity Allocation Percentage
Dimmitt Fire Department	\$ 9,684	0.208%
Donna Volunteer Fire Department	10,728	0.230%
Dumas Volunteer Fire Department	2,592	0.056%
Eagle Lake Volunteer Fire Department	19,906	0.427%
Edcouch Volunteer Fire Department	6,408	0.137%
Edgecliff Volunteer Fire Department	2,160	0.046%
Edinburg Volunteer Fire Department	46,835	1.004%
El Campo Volunteer Fire Department	43,985	0.943%
El Paso County Emergency District #1	33,018	0.708%
El Paso County Emergency District #2	69,768	1.496%
Electra Volunteer Fire Department	7,056	0.151%
Fairfield Volunteer Fire Department	3,456	0.074%
Farmersville Volunteer Fire Department	6,876	0.147%
Ferris Fire Department	2,592	0.056%
Flatonia Volunteer Fire Department	47,600	1.021%
Forney Volunteer Fire Department	4,788	0.103%
Fort Stockton Volunteer Fire Department	12,672	0.272%
Fredericksburg Fire Department	27,280	0.585%
Freeport Volunteer Fire Department	864	0.019%
Freer Volunteer Fire Department	9,504	0.204%
Friendswood Volunteer Fire Department	85,944	1.843%
Giddings Volunteer Fire Department	8,352	0.179%
Gilmer Volunteer Fire Department	7,520	0.161%
Gonzales Fire Department	8,640	0.185%
Grand Saline Volunteer Fire Department	7,452	0.160%
Grandbury Volunteer Fire Department	68,110	1.461%
Grandview Volunteer Fire Department	2,412	0.052%
Greenwood Rural VFD	4,896	0.105%
Groesbeck Volunteer Fire Department	8,244	0.177%
Groves Volunteer Fire Department	4,716	0.101%
Gun Barrel City Fire Department	1,872	0.040%
Hallettsville Volunteer Fire Department	22,700	0.487%
Hamlin Volunteer Fire Department	5,040	0.108%
Harris County Emergency Services District No. 80	22,605	0.485%
Harris County ESD No 46	47,300	1.014%
Haskell Volunteer Fire Department	8,600	0.184%
Hawkins Volunteer Fire Department	216	0.005%
Hays County ESD#6	24,450	0.524%
Hearne Volunteer Fire Department	19,800	0.425%
Hereford Fire Department	18,620	0.399%
Huntsville Fire Department	12,312	0.264%
Iowa Park Volunteer Fire Department	21,200	0.455%
Iraan Volunteer Fire Department & EMS	756	0.016%
Jasper Volunteer Fire Department	15,600	0.335%
Jeff Davis County Emergency Services District #1	12,312	0.264%

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, 2020

Contributing Entity	2020 Contributions	Contributing Entity Allocation Percentage
Jefferson Volunteer Fire Department	\$ 8,964	0.192%
Kermit Volunteer Fire Department	16,780	0.360%
Kingsville Volunteer Fire Department	3,456	0.074%
La Grange Volunteer Fire Department	25,350	0.544%
Lake Jackson Volunteer Fire Department	44,675	0.958%
Lamesa Volunteer Fire Department	45,600	0.978%
LaPorte Fire Department	62,235	1.335%
League City Volunteer Fire Department	178,616	3.831%
Levelland Fire Department	9,504	0.204%
Lindale Volunteer Fire Department	19,944	0.428%
Linn-San Manuel VFD	5,112	0.110%
Littlefield Volunteer Fire Department	6,408	0.137%
Llano Volunteer Fire Department	13,612	0.292%
Lockhart Volunteer Fire Department	432	0.009%
Louise Volunteer Fire Department	17,600	0.377%
Lucas Volunteer Fire Department	7,056	0.151%
Madisonville Volunteer Fire Department	11,448	0.246%
MARFA VOLUNTEER FIRE DEPARTMENT	20,063	0.430%
Mathis Volunteer Fire Department	5,184	0.111%
Mercedes Volunteer Fire Department	1,944	0.042%
Merkel Volunteer Fire Department	2,160	0.046%
Mineola Volunteer Fire Department	8,280	0.178%
Mineral Wells Volunteer Fire Department	7,164	0.154%
Mission Volunteer Fire Department	5,184	0.111%
Mont Belvieu Fire Department	30,400	0.652%
Morton Volunteer Fire Department	5,220	0.112%
Moulton Fire Department	9,756	0.209%
Mount Vernon Volunteer Fire Department	6,048	0.130%
Muleshoe Volunteer Fire Department	7,344	0.158%
Nixon Volunteer Fire Department	7,975	0.171%
Northeast Gaines County ESD#1	12,700	0.272%
Odem Volunteer Fire Department	5,652	0.121%
Old Ocean Volunteer Fire Department	8,500	0.182%
Orange County ESD #1	1,080	0.023%
Ovilla Fire Department	3,708	0.080%
Palacios Volunteer Fire Department	15,150	0.325%
Pasadena Fire Department	223,755	4.799%
Pearland Volunteer Fire Department	1,440	0.031%
Pearsall Volunteer Fire Department	50,940	1.092%
Pecos Volunteer Fire Department	10,116	0.217%
Perryton Fire Department	18,480	0.396%
Pharr Volunteer Fire Department	44,080	0.945%
Port Aransas Volunteer Fire Department	9,072	0.195%
Princeton Volunteer Fire Department	6,624	0.142%
Quanah Volunteer Fire Department	11,124	0.239%

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, 2020

Contributing Entity	2020 Contributions	Contributing Entity Allocation Percentage
Quitman Volunteer Fire Department	\$ 7,200	0.154%
Randall County ESU	15,120	0.324%
Randall County Volunteer Fire Deptment	37,584	0.806%
Raymondville Volunteer Fire Department	15,660	0.336%
Reno Volunteer Fire Department	7,992	0.171%
Richwood Volunteer Fire Department	11,220	0.241%
River Oaks Fire Department	684	0.015%
Roby Volunteer Fire Department	3,060	0.066%
Rockwall Volunteer Fire Department	1,500	0.032%
Rosenberg Fire Department	1,206	0.026%
Rotan Volunteer Fire Department	4,968	0.107%
San Augustine Volunteer Fire Department	10,368	0.222%
San Juan Volunteer Fire Department	9,600	0.206%
San Saba Volunteer Fire Department	6,912	0.148%
Sanger Volunteer Fire Department	1,728	0.037%
Santa Fe Volunteer Fire Department	73,375	1.574%
Schulenburg Volunteer Fire Department	49,433	1.060%
Seabrook Volunteer Fire Department	45,591	0.978%
Sealy Volunteer Fire Department	1,692	0.036%
Seguin Fire Department	1,296	0.028%
Seminole Volunteer Fire Department	23,520	0.504%
Seymour Volunteer Fire Department	12,516	0.268%
Shiner Volunteer Fire Department	18,720	0.401%
Sinton Volunteer Fire Department	11,232	0.241%
Slaton Volunteer Fire Department	9,288	0.199%
Snyder Volunteer Fire Department	4,320	0.093%
Sonora Volunteer Fire Department	11,336	0.243%
South Houston Volunteer Fire Department	12,960	0.278%
Spearman Volunteer Fire Department	2,736	0.059%
Spring Fire Department	94,400	2.025%
Spur Volunteer Fire Department	9,468	0.203%
Sunray Volunteer Fire Department	5,148	0.110%
Sweeny Fire and Rescue	10,080	0.216%
Tahoka Volunteer Fire Department	8,568	0.184%
Teague Fire Department	10,728	0.230%
Terrell Volunteer Fire Department	13,100	0.281%
Travis County ESD #6	2,016	0.043%
Trinity Volunteer Fire Department	8,172	0.175%
UPTON COUNTY ESD #2	6,516	0.140%
Uvalde Volunteer Fire Department	46,200	0.991%
Waller Harris ESD 200	20,160	0.432%
Weimar Volunteer Fire Department	16,164	0.347%
Wellington Volunteer Fire Department	8,172	0.175%
West Columbia Volunteer Fire Department	12,040	0.258%
Wharton Fire Department	13,090	0.281%

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, 2020

Contributing Entity	2020 Contributions	Contributing Entity Allocation Percentage
Wild Peach Volunteer Fire Department	\$ 10,050	0.216%
Windcrest Fire Department	10,548	0.226%
Wolfforth Volunteer Fire & EMS	11,952	0.256%
Woodville Volunteer Fire Department	10,035	0.215%
Yoakum Volunteer Fire Department	7,740	0.166%
Yorktown Volunteer Fire Department	13,752	0.295%
State of Texas' 2020 Contribution	1,329,224	28.507%
<b>Total</b>	<b>\$ 4,662,802</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, 2020

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	Total Deferred Outflows of Resources Excluding Participating Department Specific Amounts*	Differences Between Expected and Actual Experience	Changes of Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Total Deferred Inflows of Resources Excluding Participating Department Specific Amounts*	Plan Pension Expense

\* 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, 2020 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, 2020 is shown in the following table:

Service cost	\$	1,865,886
Interest		10,999,273
Projected earnings on pension plan investments		(8,797,085)
Amortization of differences between projected and actual earnings on plan investments		118,722
Amortization of changes of assumptions		(26,596)
Amortization of differences between expected and actual experience		320,426
Pension plan administrative expense		2,988,966
		6,670,863
	\$	6,670,863

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
2021	\$ (1,072,682)
2022	(220,320)
2023	866,836
2024	(678,945)
	\$ (1,105,111)
	(1,105,111)

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, 2020 and August 31, 2021 is equal to the collective pension expense multiplied by the participating department's allocation percentage for the System's fiscal year ended August 31, 2020 as shown in the schedule of participating department allocations.