

AUDITED
ANNUAL FINANCIAL REPORT
For The Year Ended August 31, 2020



Texas Emergency Services Retirement System

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TABLE OF CONTENTS

LETTER OF TRANSMITTAL

FINANCIAL SECTION:

Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Exhibit I – Governmental Fund Balance Sheet/Statement of Net Position....	8
Exhibit II – Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities.....	9
Exhibit III – Statement of Fiduciary Net Position	10
Exhibit IV – Statement of Changes in Fiduciary Net Position.....	11
Notes to the Financial Statements:	
Note 1 – Summary of Significant Accounting Policies.....	12
Note 2 – Capital Assets.....	15
Note 3 – Deposits and Investments	15
Note 4 – Summary of Long Term Liabilities	19
Note 5 – Interfund Balances/Activities.....	19
Note 6 – Employees' Retirement Plan	19
Note 7 – Deferred Compensation.....	20
Note 8 – Contingent Liabilities.....	20
Note 9 – Continuance Subject to Review.....	20
Note 10 – Risk Financing and Related Insurance	20
Note 11 – Pension Disclosures	21

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the System's Net Pension Liability and Related Ratios.....	25
Schedule of Investment Returns	26

OTHER SUPPLEMENTARY SCHEDULES

Schedule 1 – Pension Fund Investments.....	27
Schedule 2 – Administrative Expenses for TESRS Trust Fund	37
Schedule 3 – Investing Activity Expenses.....	38
Schedule 4 – Board Members.....	39

Texas Emergency Services Retirement System



Jenny Moore, Chairman
Kevin Deiters, Executive Director

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

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www.tesrs.texas.gov

December 18, 2020

Honorable Greg Abbott, Governor
Honorable Dan Patrick, Lieutenant Governor
Honorable Dennis Bonnen, Speaker of the House
Honorable Glenn Hegar, Texas Comptroller
Mr. Jerry McGinty, Director, Legislative Budget Board
Ms. Lisa Collier, First Assistant State Auditor

Dear Lady and Gentlemen:

I am pleased to submit the Audited Annual Financial Report of the Texas Emergency Services Retirement System for the year ending August 31, 2020, 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, L.L.P. 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 L. Wayne Oberhoff, CFO at (512) 936-3422.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin B. Deiters".

Kevin B. Deiters
Executive Director



Independent Auditor's Report

To the Board of Trustees and Executive Director
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, 2020, 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.

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, 2020, 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, 2020 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 \$14,083,000 as of August 31, 2020, 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.

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 Board of Trustees and Executive Director
Texas Emergency Services Retirement System

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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 20, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2019, 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 18, 2020 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 18, 2020

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, 2020. Please review this narrative in conjunction with the Basic Financial Statements, which begin after this discussion.

Using this Annual Financial Report

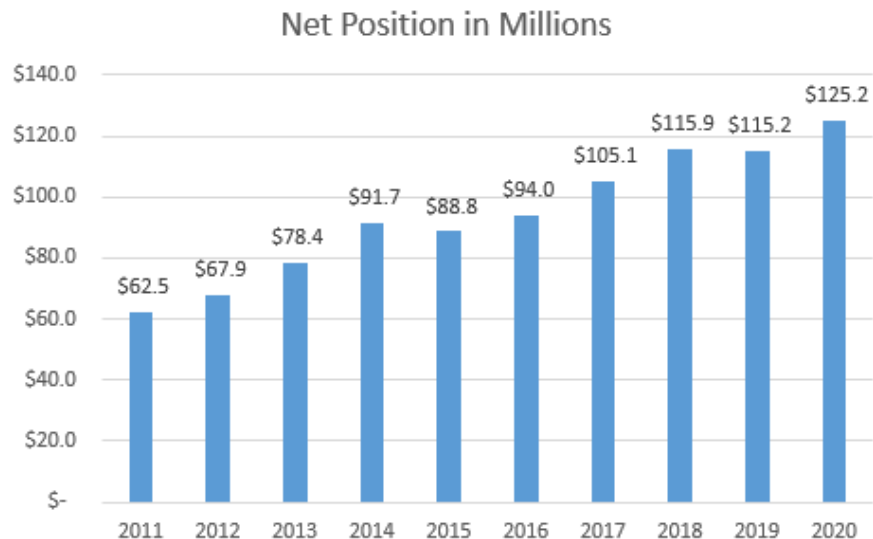
The Texas Emergency Services Retirement System administers death, disability, and pension benefits, to eligible volunteer fire and emergency services personnel and their beneficiaries from member departments statewide. At the close of fiscal year 2020, there were 238 member departments in the System.

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, 2020, 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, 2020, 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 2020 totaled \$125.2 million, which represents an increase of \$10 million over funds held at the close of fiscal year 2019.



The majority of plan assets are held as investments. The money weighted net real rate of return on investments was 10.74% as of August 31, 2020.

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 2020, system investment details were as follows:

Summary of Assets as of August 31, 2020				
Investment Category	Actual Amounts	Actual Allocation	Target Allocation	Allocation Range
Cash and equivalents	\$1,189,108	1.0%	0.0%	0%-5%
Short Term Investments	\$1,120,235	0.9%	0.0%	0.0%
US Market Equities-Large Cap				
Value	\$13,996,667	11.4%	10.0%	5%-20%
Growth	\$16,352,530	13.3%	10.0%	5%-20%
US Market Equities-Small/Mid Cap				
Value	\$7,638,955	6.2%	5.0%	0%-10%
Growth	\$8,518,799	6.9%	5.0%	0%-10%
International Equity-Developed Markets				
	\$16,580,427	13.5%	15.0%	10%-20%
International Equity-Emerging Markets				
	\$6,410,980	5.2%	5.0%	0%-10%
Core Fixed Income	\$26,273,158	21.4%	20.0%	15%-25%
Non-Core Fixed Income	\$0	0.0%	10.0%	0%-15%
US Core Real Estate	\$5,013,727	4.1%	10.0%	0%-15%
Multi-Asset Investments	\$8,937,213	7.3%	5.0%	0%-10%
Global Infrastructure	\$10,990,143	8.9%	5.0%	0%-10%
Other				
Payables and other liabilities	-\$241,639	N/A	N/A	N/A
Receivables	\$2,449,359	N/A	N/A	N/A
Total assets as of August 31, 2020	\$125,229,661	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 irrevocable 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 2019 to 2020:

Description	2020	2019	Increase/ (Decrease)	% Change
Total Assets	\$125,471,301	\$115,256,937	\$10,214,364	8.9%
Total Liabilities	-\$241,640	-\$101,461	\$140,179	138.2%
Total Net Position	\$125,229,661	\$115,155,476	\$10,074,185	8.7%

Statement of Changes in Fiduciary Net Position of Pension Fund

Additions

The primary additions as of August 31, 2020 are shown below, along with those same categories in fiscal year 2019 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	2020	2019	Increase/ (Decrease)	% Change
Original Appropriations	\$1,329,224	\$1,329,224	\$0	0.0%
Dues	\$3,666,580	\$3,476,063	\$190,517	5.5%
Prior Service	\$88,660	\$4,446	\$84,214	1894.2%
Net Investment Income	\$12,189,236	\$1,136,801	\$11,052,435	972.2%

Deductions

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

Description	2020	2019	Increase/ (Decrease)	% Change
Death Benefits	\$190,904	\$226,682	-\$35,778	-15.8%
Retirement Benefits	\$6,102,868	\$5,645,189	\$457,679	8.1%
Disability Benefits	\$32,250	\$27,050	\$5,200	19.2%
Survivor Benefits	\$555,642	\$533,003	\$22,639	4.2%
Administrative Expenses	\$320,426	\$226,806	\$93,620	41.3%

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 \$25,210,882 and a related funding ratio of 83.2% for the fiscal year ending August 31, 2020. The difference between these numbers and those reflected in the August 31, 2019 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.

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Texas Emergency Services Retirement System
Exhibit I - Governmental Fund Balance Sheet/Statement of Net Position
August 31, 2020

	General Fund			
	Balance Sheet 2020	Adjustments*	Statement of Net Position 2020	2019
ASSETS				
Current Assets:				
Legislative Appropriations	\$ 118,013	\$ -	\$ 118,013	\$ 91,638
Consumable Inventories	1,809	-	1,809	2,251
Total Current Assets	119,822	-	119,822	93,889
Non-Current Assets:				
Capital Assets:				
Depreciable:				
Other Capital Assets (Note 2)	-	-	-	-
Less Accumulated Depreciation (Note 2)	-	-	-	-
Total Non-Current Assets	-	-	-	-
Total Assets	\$ 119,822	\$ -	\$ 119,822	\$ 93,889
LIABILITIES AND FUND BALANCES/NET POSITION				
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 12,825	\$ -	\$ 12,825	\$ -
Payroll Payable	51,975	-	51,975	-
Employees' Compensable Leave (Note 4)	-	28,865	28,865	28,734
Total Current Liabilities	64,800	28,865	93,665	28,734
Non-Current Liabilities:				
Employees' Compensable Leave (Note 4)	-	23,911	23,911	15,656
Total Non-Current Liabilities	-	23,911	23,911	15,656
Total Liabilities	\$ 64,800	\$ 52,776	\$ 117,576	\$ 44,390
FUND BALANCES/NET POSITION				
Fund Balances (Deficits):				
Nonspendable	\$ 1,809	\$ (1,809)	\$ -	\$ -
Unassigned	53,213	(53,213)	-	-
Total Fund Balances	55,022	(55,022)	-	-
Net Position:				
Unrestricted	-	2,246	2,246	49,499
Total Net Position	-	2,246	2,246	49,499
Total Liabilities and Fund Balances/Net Position	\$ 119,822	\$ -	\$ 119,822	\$ 93,889

* 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, 2020**

	General Fund			
	Statement of Revenues, Expenditures, and Changes in Fund Balance 2020	Adjustments*	Statement of Activities	
			2020	2019
REVENUES				
Legislative Appropriations:				
Original Appropriations	\$ 716,486		\$ 716,486	\$ 716,486
Additional Appropriations	138,622		138,622	141,666
Total Revenues	<u>855,108</u>	<u>-</u>	<u>855,108</u>	<u>858,152</u>
EXPENDITURES/EXPENSES				
Salaries and Wages	\$ 566,436	\$ 8,386	\$ 574,822	\$ 457,440
Payroll Related Costs	170,310		170,310	158,105
Professional Fees and Services	87,081		87,081	90,756
Travel	7,914		7,914	16,406
Materials and Supplies	35,947		35,947	18,306
Communication and Utilities	10,370		10,370	9,038
Repairs and Maintenance	8,175		8,175	13,455
Rentals & Leases	-		-	200
Printing and Reproduction	2,663		2,663	1,389
Other Expenditures	5,079		5,079	3,520
Total Expenditures/Expenses	<u>\$ 893,975</u>	<u>\$ 8,386</u>	<u>\$ 902,361</u>	<u>\$ 768,615</u>
Excess(Deficiency) of Revenues Over (Under) Expenditures/Expenses	<u>(38,867)</u>	<u>(8,386)</u>	<u>(47,253)</u>	<u>89,537</u>
Excess of Revenues and Transfers In Over Expenditures and Transfers Out	(38,867)	38,867		
Change in Net Position	(38,867)	38,867	(47,253)	89,537
Fund Balances/Net Position				
Fund Balances/Net Position--Beginning of Year	93,889		49,499	(39,996)
Appropriations Lapsed	-		-	(42)
Restatements	-		-	-
Fund Balances/Net Position--End of Year	<u>\$ 55,022</u>		<u>\$ 2,246</u>	<u>\$ 49,499</u>

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

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Texas Emergency Services Retirement System
Exhibit III - Statement of Fiduciary Net Position
Pension Trust Funds
August 31, 2020

	Pension Trust	
	2020	2019
ASSETS		
Current Assets:		
Cash and Cash Equivalents:		
Cash in State Treasury (Note 3)	\$ 1,189,108	\$ 818,318
Short Term Investments (Note 3, Schedule 1)	1,120,235	2,184,256
Receivables:		
Retirement System Contributions	1,807,873	1,673,650
Interest and Dividends	215,297	225,153
Sale of Investments	241,921	1,675
Total Current Assets	<u>4,574,434</u>	<u>4,903,052</u>
Non-Current Assets:		
Receivables:		
Retirement System Contributions	184,267	137,773
Investments (Note 3, Schedule 1)		
Corporate Equity	73,945,152	66,957,688
US Government Obligations	10,928,938	9,466,736
Corporate Obligations	15,344,219	15,447,918
Other Investments	20,494,291	18,343,769
Total Non-Current Assets	<u>120,896,867</u>	<u>110,353,884</u>
Total Assets	<u>\$ 125,471,301</u>	<u>\$ 115,256,936</u>
LIABILITIES		
Current Liabilities:		
Payables:		
Accounts Payables	\$ 55,391	\$ 78,094
Investment Purchases Payable	185,312	23,366
Unearned Revenue	-	-
Other Payables	937	-
Total Current Liabilities	<u>241,640</u>	<u>101,460</u>
Total Liabilities	<u>\$ 241,640</u>	<u>\$ 101,460</u>
NET POSITION		
Restricted for Pensions	<u>\$ 125,229,661</u>	<u>\$ 115,155,476</u>

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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, 2020

	Pension Trust	
	2020	2019
ADDITIONS		
Contributions:		
Dues	\$ 3,637,783	\$ 3,466,658
Prior Service	88,660	4,446
Interest on Contracts to Purchase		
Prior Service	28,797	9,405
Appropriations from General Revenue	1,329,224	1,329,224
Total Contributions	<u>5,084,464</u>	<u>4,809,733</u>
Investment Income:		
Net Appreciation (Depreciation) in		
Fair Value of Investments	10,183,063	(918,356)
Treasury Interest	31,447	29,030
Interest and Investment Income	2,384,564	2,472,199
Total	<u>12,599,074</u>	<u>1,582,873</u>
Less Investing Activities Expense		
(Schedule 3)	409,838	446,072
Net Increase/Loss	<u>12,189,236</u>	<u>1,136,801</u>
Other Additions:		
Voided checks	2,575	3,778
Total Other Additions	<u>2,575</u>	<u>3,778</u>
Total Additions	<u>\$ 17,276,275</u>	<u>\$ 5,950,312</u>
DEDUCTIONS		
Retirement System Benefits Paid:		
Death Benefits	\$ 190,904	\$ 226,682
Retirement Benefits	6,102,868	5,645,189
Disability Benefits	32,250	27,050
Survivor's Benefits	555,642	533,003
Administrative Expenses (Schedule 2)	320,426	226,806
Total Deductions	<u>\$ 7,202,090</u>	<u>\$ 6,658,730</u>
Net Increase	10,074,185	(708,418)
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year	115,155,476	115,863,894
End of Year	<u>\$ 125,229,661</u>	<u>\$ 115,155,476</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 quarter. 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, 2020.

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, 2020, the total outstanding balance of these financing arrangements was \$221,895.

Inventories

Inventories, shown on the balance sheet at cost, consist of inventories of consumable office supplies and postage at August 31, 2020. 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, 2020 is presented in Note 5.

NOTE 2: CAPITAL ASSETS

Summaries of changes in Capital Assets for the year ended August 31, 2020, are presented below:

Governmental Activities					
Asset Type	Balance 09/01/19	Restatements	Adjustments	Deletions	Balance 08/31/20
Other Capital Assets	\$0				\$0
Accumulated Depreciation	\$0				\$0

Pension Trust Fund					
Asset Type	Balance 09/01/19	Restatements	Adjustments	Deletions	Balance 08/31/20
Furniture & Equipment	\$0				\$0
Accumulated Depreciation	\$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 March 10, 2020.

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%
Global Infrastructure	5%
US Core Real Estate	10%
Multi-Asset Investments	5%
Total	100%

The TESRS contracts with Bank of Texas for custodial services and AndCo Consulting, LLC for investment consulting services. The TESRS contracts with five money managers to manage the fixed income and equity portfolios. The money managers are Boston Partners LLC, Harvest Fund Advisors LLC, Garcia Hamilton & Associates L.P., Richmond Capital Management, Inc., and Clearbridge Investments, LLC. The TESRS also invests with five mutual funds—Wells Fargo, Blackrock Multi-Asset, Clarkston Partners, Jackson Square Partners, and Oakmark and with one Commingled Fund - Invesco International Growth Commingled Fund. TESRS also invests in the Real Estate Investment Fund Prime Property Fund, LLC. In Fiscal Year 2020, TESRS began investing in the Mutual Fund Pimco Diversified Income.

A. DEPOSITS

The bank balance of \$1,189,108 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.

AUDITED
Texas Emergency Services Retirement System

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, 2020, the fair value of investments are as presented below:

Description	Fair Value Hierarchy				(Fair Value)
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Net Asset Value	
U.S. Treasury Securities	3,605,105				3,605,105
U.S. Government Agency Obligations		4,278,688			4,278,688
Corporate Obligations		15,135,743			15,135,743
Corporate Asset and Mortgage Backed Securities		3,253,623			3,253,623
Equity	73,945,151				73,945,151
International Equity	6,410,980				6,410,980
International Other Commingled Funds				9,069,582	9,069,582
Other Commingled Funds	1,120,235				1,120,235
Real Estate				5,013,728	5,013,728
Total Investments	85,081,471	22,668,054	0	14,083,310	121,832,835
Reconciliation of Investments per Exhibit VI					
Other Short Term Investments					1,120,235
Corporate Equity					73,945,152
U.S. Government Obligations					10,928,938
Corporate Obligations					15,344,219
Other Investments					20,494,291
Investment per Exhibit VI					121,832,835

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, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 10.74%. 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. 28% of these holdings are either not subject to credit risk, or AAA rated, while 64% 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	\$288,708
U.S. Government Agency Obligations	\$714,235
Corporate Asset and Mortgage-Backed Securities	\$3,045,146
Total Not Rated	\$4,048,089

TESRS has authorized their five 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 \$26,273,157 in Core Fixed Income which is subject to Interest Rate Risk. The average portfolio duration of Richmond Capital Management, Inc. is 5.95 years, and Garcia Hamilton is 4.89 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, 2020, the following changes occurred in long-term liabilities:

Governmental Activities	Balance 09/01/19	Additions	Reductions	Balance 08/31/20	Amounts Due Within One Year
Compensable Leave	\$44,390	\$35,107	\$26,721	\$52,776	\$28,865
Total Governmental Activities	\$44,390	\$35,107	\$26,721	\$52,776	\$28,865

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 interfund balance on August 31, 2020 is held in Other Payables for \$937. This balance represents distributions to payees' accounts that are returned as undeliverable. The funds are held as a payable until cleared.

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 2019 and 2020 were as follows:

	Beginning of Fiscal Year Liability	Current Year Clams and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2019	\$ -0-	\$ -0-	\$ -0-	\$ -0-
2020	\$ -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, 2020, there were 238 fire and/or emergency services member departments 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, 2020, the pension system membership consisted of:

Retirees and beneficiaries currently receiving benefits	3,837
Terminated members entitled to but not yet receiving benefits	1,787
Active participants	3,634

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, 2020, total contributions of \$3,755,240 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, 2020.

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 (onethird 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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2020.

Total pension liability	\$ 150,440,543
Plan fiduciary net position	<u>125,229,661</u>
System's net pension liability	\$ 25,210,882
Plan fiduciary net position as a percentage of the total pension liability	83.2%

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:

AUDITED
Texas Emergency Services Retirement System

	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	\$ 48,573,075	\$ 25,210,882	\$ 8,978,976

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						
	08/31/20	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	1,865,886	1,865,886	1,593,479	1,593,479	1,694,230	1,694,230	1,827,592
b. Interest	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	2,988,966	0	2,825,337	0	722,024	0	0
d. Differences between expected and actual	(1,965,137)	0	(90,439)	0	64,648	0	0
e. Assumption changes	(67,820)	0	0	0	890,002	0	0
f. Benefit payments	(6,881,663)	(6,431,923)	(5,839,621)	(5,032,257)	(4,701,770)	(4,498,761)	(4,168,134)
g. Net Change	6,939,504	5,986,694	8,392,879	6,029,355	7,571,120	5,666,192	5,710,745
h. Total – Beginning	143,501,039	137,514,345	129,121,466	123,092,111	115,520,991	109,854,799	104,144,054
i. Total – Ending	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	3,755,240	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	1,583,825	1,583,825	1,637,308	1,530,343
c. Net investment income	12,191,811	1,140,579	11,313,810	9,776,395	4,956,730	(3,292,889)	11,908,321
d. Benefit payments	(6,881,663)	(6,431,924)	(5,839,621)	(5,032,257)	(4,701,770)	(4,498,761)	(4,168,134)
e. Administrative expenses	(320,427)	(226,806)	(158,141)	(184,314)	(166,840)	(215,900)	(165,669)
f. Net Change	10,074,185	(708,418)	10,744,106	11,155,780	5,135,548	(2,854,696)	13,281,520
g. Total – Beginning	115,155,476	115,863,894	105,119,788	93,964,008	88,828,460	91,683,156	78,401,636
h. Total – Ending	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)]	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	83.2%	80.2%	84.3%	81.4%	76.3%	76.9%	83.5%
5. Number of Active Members²	3,634	3,702	3,927	4,046	3,634	4,036	4,036
6. System's Net Pension Liability per Active Member	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, 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, 2020 (With Comparative totals for August 31, 2019)

	Market Value As of August 31, 2020	Market Value As of August 31, 2019
MONEY MARKET MUTUAL FUND		
Money Market Securities	1,120,235	2,184,256
EQUITY MUTUAL/COMMINGLED FUNDS		
INVESCO Intl Growth 2 Class A Commingled	9,069,582 *	8,094,814
Prime Property Fund, LLC	5,013,728	5,130,394
Wells Fargo Emerg Mkts Eq-R6 #4660	6,410,981 *	5,118,562
Total Equity Mutual/Commingled Funds	20,494,291	18,343,769
EQUITY MUTUAL		
Blackrock Multi-Asset Inc-K #1981	8,937,213 *	5,804,196
Clarkston Partners-Inst #21301	7,638,955 *	7,786,612
Jackson Square Smid/C Grwth-Is #6112	8,518,799 *	7,900,366
Oakmark Intl-Inst #2886	7,510,845 *	7,664,374
Pimco Diversified Inc-Inst #0106	10,990,143 *	
Total Equity Mutual	43,595,956	29,155,547
BOND FUNDS		
AFLAC INC	269,654	
AFLAC INC	7,194	
AFLAC INC	11,297	26,721
ALABAMA POWER CO	48,259	46,613
ALTRIA GROUP INC	32,276	33,674
AMERICAN EXPRESS CO	104,973	101,933
AMERICAN EXPRESS CO	92,692	
AMERICAN EXPRESS CREDIT		287,326
AMERICAN EXPRESS CREDIT		70,033
AMGEN INC	29,556	25,512
ANHEUSER-BUSCH	24,380	23,779
ANHEUSER-BUSCH	45,134	42,941
APACHE CORP		25,284
APPLE INC	56,268	28,520
APPLE INC	39,565	37,469
APPLE INC	30,824	271,944
ARCHER-DANIELS-MIDLAND	81,680	76,895
AT&T INC		51,302
AT&T INC	46,892	44,011
AT&T INC	39,509	37,079
AVALONBAY COMMUNITIES		106,600
BANK OF AMERICA CORP	185,544	
BANK OF AMERICA CORP	666,051	460,428
BANK OF NOVA SCOTIA	50,523	50,021
BANK OF NY MELLON CORP	386,582	386,696
BANK OF NY MELLON CORP		96,046
BB&T CORPORATION		200,142
BECTON DICKINSON	43,825	44,086
BERKSHIRE HATHAWAY	39,008	144,920
BLACKROCK INC		130,979
BOSTON PROP LP	64,091	63,291
BRISTOL-MYERS SQUIBB CO	51,262	45,814

Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 1 - Pension Fund Investments
August 31, 2020 (With Comparative totals for August 31, 2019)

	Market Value As of August 31, 2020	Market Value As of August 31, 2019
BURLINGTN NORTH SANTA FE	75,220	
BURLINGTON NORTHERN SANTA FE	62,087	61,620
CAMDEN PROPERTY TRUST	33,624	63,499
CAPITAL ONE FINANCIAL CO	48,985	
CAPITAL ONE FINANCIAL CO	82,184	79,451
CATERPILLAR INC	93,164	59,314
CATERPILLAR INC	60,195	91,740
CHARLES SCHWAB CORP	17,287	117,389
CHARLES SCHWAB CORP	83,986	79,190
CHEVRON CORP	105,973	20,119
CHEVRON CORP	20,056	
CHEVRON CORP	22,634	
CHUBB CORPORATION	80,147	77,527
CINTAS CORPORATION NO. 2	62,804	
CISCO SYSTEMS INC	94,470	93,047
CITIGROUP INC	62,148	31,839
CITIGROUP INC	163,807	163,539
CITIGROUP INC	32,819	157,916
CITIGROUP INC	16,322	121,060
CITIGROUP INC	650,188	261,672
CME GROUP INC	77,175	
COMCAST CORP	55,333	52,114
COMCAST CORP	469,917	255,357
COMCAST CORP	181,852	181,143
COMM SER 2012-CR2 CL A4	61,960	61,781
COMMONWEALTH EDISON CO	71,632	71,573
CONSOLIDATED EDISON CO	62,087	60,439
CVS HEALTH CORP	57,971	56,969
CVS HEALTH CORP	58,863	
DEERE & COMPANY	124,357	122,252
DOWDUPONT INC	75,654	72,158
DUKE ENERGY PROGRESS LLC	285,057	
EMERSON ELECTRIC CO	31,552	135,409
ENTERPRISE PRODUCTS OPER	36,035	35,910
ERP OPERATING LP	44,386	41,888
EXXON MOBIL CORPORATION	33,545	16,698
FEDEX CORP	82,414	78,549
FHLB FLT RT DUE 01/04/2021		349,612
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	
FHLB FLT RT DUE 12/18/2020		139,919
FHLMC GOLD POOL # G30891		291,064
FHLMC GOLD POOL #A93614	13,694	18,199
FHLMC GOLD POOL #A97673	13,497	16,330
FHLMC GOLD POOL #G08001	122,116	146,075
FHLMC GOLD POOL #G60134	142,201	175,480

Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 1 - Pension Fund Investments
August 31, 2020 (With Comparative totals for August 31, 2019)

	Market Value As of August 31, 2020	Market Value As of August 31, 2019
FHLMC GOLD POOL #G61257	113,134	144,302
FHLMC GOLD POOL #Q27927	127,190	157,765
FHLMC GOLD POOL #Q30470	154,233	238,003
FHLMC GOLD POOL #Q35953	134,897	167,901
FHLMC GOLD POOL #Q38893	102,303	144,239
FHLMC GOLD POOL #Q45872	101,698	136,483
FHLMC GOLD POOL #V81680	179,926	227,873
FHMS SER K031 CL A2	160,304	157,375
FIFTH THIRD BANK	81,246	391,642
FISERV INC	18,860	
FLORIDA POWER CORP	53,963	52,569
FMAC FLT RT DUE 08/13/2021	714,235	
FNMA POOL #AL7590	262,957	312,561
FNMA POOL #AO7185	93,591	107,924
FNMA POOL #AS5090	75,468	91,421
FNMA POOL #AY8604	39,326	50,629
FNMA POOL #BC2666	66,806	90,734
FNMA POOL #BD7056	105,099	124,540
FNMA POOL #BE0468	121,596	138,059
FNMA POOL #BH2594	173,984	245,189
FNMA POOL #BM1577	143,350	177,663
FNMA POOL #BM5455	56,512	104,951
FNMA POOL #BO1345	226,088	
FNMA POOL #BO5044	228,938	244,740
FNMA POOL #CA3938	166,125	188,277
FRANKLIN RESOURCES INC	76,708	72,453
GENERAL DYNAMICS CORP	41,183	39,455
GENERAL DYNAMICS CORP	26,070	
GENERAL MILLS INC	39,838	37,958
GNMA II POOL #AA1000	9,142	11,806
GNMA II POOL #MA2374	30,843	39,522
GNMA II POOL #MA3035	40,433	54,351
GOLDMAN SACHS GROUP INC	90,352	118,301
GOLDMAN SACHS GROUP INC	62,677	313,189
GOLDMAN SACHS GROUP INC	26,836	27,075
GOLDMAN SACHS GROUP INC	366,986	241,749
GOLDMAN SACHS GROUP INC	288,113	90,167
GSMS SER 2012-GCJ9 CL A3	100,174	101,416
HALLIBURTON COMPANY	44,835	47,075
IBM CORP	24,046	22,558
IBM CORP		486,377
ILLINOIS TOOL WORKS INC	61,132	89,989
ILLINOIS TOOL WORKS INC	93,312	
INTEL CORP		357,464
JOHN DEERE CAPITAL CORP	67,588	64,544
JOHNSON & JOHNSON	49,750	6,609
JOHNSON & JOHNSON	7,105	
JP MORGAN CHASE & CO	103,888	104,343
JPMORGAN CHASE & CO	68,248	61,471

Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 1 - Pension Fund Investments
August 31, 2020 (With Comparative totals for August 31, 2019)

	Market Value As of August 31, 2020	Market Value As of August 31, 2019
JPMORGAN CHASE & CO	60,288	65,162
JPMORGAN CHASE & CO	26,885	487,114
JPMORGAN CHASE & CO	667,533	
KELLOGG CO	70,734	71,609
KEYCORP	68,798	104,480
KEYCORP	102,694	
KIMBERLY-CLARK CORP	24,155	
KRAFT HEINZ FOODS CO		151,793
KRAFT HEINZ FOODS CO		29,499
KROGER CO	28,613	
KROGER CO	14,618	
LINCOLN NATIONAL CORP	68,070	64,472
LOCKHEED MARTIN CORP		97,561
MARKEL CORP	71,130	100,310
MARKEL CORPORATION		68,271
MCDONALD'S CORP	42,070	39,930
METLIFE INC	110,898	104,269
METLIFE INC	144,700	
MONDELEZ INTERNATIONAL INC	40,763	39,307
MORGAN STANLEY	57,360	197,225
MORGAN STANLEY	111,239	107,292
MORGAN STANLEY	258,703	361,276
MORGAN STANLEY	412,428	
NIKE INC	61,982	
NJ ST TPK AUTH TPK REV	50,596	
NORFOLK SOUTHERN CORP	55,000	43,845
NORFOLK SOUTHERN CORP	63,491	32,066
NUTRIEN LTD	81,863	78,900
NUTRIEN LTD	29,841	
OCCIDENTAL PETROLEUM		85,213
ORACLE CORP	31,701	88,859
ORACLE CORP	492,294	30,449
ORACLE CORP	93,276	
ORACLE CORP	22,240	
PARKER-HANNIFIN CORP	49,195	48,043
PEPSICO INC		220,904
PFIZER INC	25,146	23,862
PHILLIPS 66	74,183	73,985
PNC BANK NA	61,388	58,105
PNC FINANCIAL SERVICES	38,082	
PNC FINANCIAL SERVICES	33,793	
PNC FINANCIAL SERVICES	214,643	
PROCTER & GAMBLE CO/THE	64,742	
PROGRESSIVE CORP		73,850
PROLOGIS LP		71,360
PRUDENTIAL FINANCIAL INC	60,353	101,383
PUBLIC SERVICE ELECTRIC	124,906	120,233
QUALCOMM INC	31,945	66,225
QUALCOMM INC		240,365

Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 1 - Pension Fund Investments
August 31, 2020 (With Comparative totals for August 31, 2019)

	Market Value As of August 31, 2020	Market Value As of August 31, 2019
RAYTHEON TECH CORP	20,474	
ROYAL BANK OF CANADA		59,938
SCHLUMBERGER INVESTMENT	135,569	132,131
SHELL INTL FIN	134,100	127,553
SNAP-ON INC	21,093	
SPECTRA ENERGY PARTNERS	25,934	25,436
STRYKER CORP		130,996
SUNTRUST BANK		50,598
SYSCO CORPORATION	66,380	70,896
TAMPA ELECTRIC CO	102,981	100,992
THE WALT DISNEY COMPANY	635,071	39,593
THERMO FISHER SCIENTIFIC	68,342	64,717
TORONTO-DOMINION BANK	115,733	115,756
TOSCO CORP	73,056	73,541
TRAVELERS COS INC	56,189	
UNITED PARCEL SERVICE	136,477	475,341
UNITED PARCEL SERVICE	283,496	132,245
UNITED TECHNOLOGIES CORP	20,931	20,249
UPS OF AMERICA INC	37,641	
US BANK NA CINCINNATI		550,501
US TREAS BOND @ 2.000% 02/15/2050	288,708	
US TREAS BOND @ 2.500% 05/15/2046		1,489,517
US TREAS BOND @ 2.750% 08/15/2047	797,821	806,306
US TREAS BOND @ 2.875% 08/15/2045		647,100
US TREAS BOND @ 4.375% 05/15/2040	46,994	
US TREAS BOND @ 4.750% 02/15/2037		65,790
US TREAS BOND @ 6.250% 05/15/2030		880,092
US TREAS NOTE @ 1.500% 02/15/2030	1,088,356	
US TREAS NOTE @ 1.750% 01/31/2023	254,570	
US TREAS NOTE @ 1.750% 11/30/2021	50,989	
US TREAS NOTE @ 2.000% 01/31/2020		410,098
US TREAS NOTE @ 2.250% 08/15/2027	269,222	
US TREAS NOTE @ 2.250% 11/15/2025	242,242	
US TREAS NOTE @ 2.250% 11/15/2027		301,929
US TREAS NOTE @ 2.625% 02/15/2029	566,203	
US TREAS NOTE @ 2.875% 08/15/2028		128,187
US TREAS NOTE FLT RT 04/30/2021		244,728
VERIZON COMMUNICATIONS	49,839	46,316
VIRGINIA ELEC & POWER CO	81,483	78,788
VISA INC	58,637	
WALT DISNEY COMPANY/THE	33,220	
WALT DISNEY COMPANY/THE	39,464	371,439
WELLS FARGO & COMPANY	98,832	77,946
WELLS FARGO & COMPANY	649,226	303,495
WELLS FARGO & COMPANY	76,872	96,602
WELLS FARGO AND COMPANY	78,432	
WELLS FARGO CO		243,667
WFRBS SER 2012-C8 CL A3	46,343	46,166
WISC ELEC POWER	78,098	

Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 1 - Pension Fund Investments
August 31, 2020 (With Comparative totals for August 31, 2019)

	Market Value As of August 31, 2020	Market Value As of August 31, 2019
WISCONSIN POWER & LIGHT	60,139	58,182
Total Bond Funds	<u>26,273,157</u>	<u>24,914,655</u>
EQUITY FUNDS		
ADOBE INC	569,863	492,202
ADVANCE AUTO PARTS	221,960	260,726
AFLAC INC	95,376	
AKAMAI TECHNOLOGIES	320,881	381,476
ALCON INC	232,800	
ALEXION PHARMACEUTICALS INC	202,169	243,839
ALIBABA GROUP HOLDING LTD	330,085	302,802
ALLSTATE CORP		259,354
ALPHABET INC CL A	329,165	573,835
ALPHABET INC CL C		521,576
ALTICE USA INC		107,607
AMAZON.COM INC	1,590,893	1,074,655
AMERICAN EXPRESS CO	204,196	297,314
AMERICAN INT'L GROUP INC	188,682	357,359
AMERISOURCEBERGEN CORP	162,234	
AMETEK INC	59,816	
AMGEN INC	519,306	
ANHEUSER-BUSCH INBEV SPN ADR	137,816	356,265
ANTERO MIDSTREAM PARTNERS LP		73,837
ANTERO RESOURCES MIDSTREAM MGMT LLC		17,089
ANTHEM INC	277,297	239,814
AON PLC		130,355
APERGY CORP		35,541
APPLE INC COM	915,668	387,004
APPLIED MATERIALS INC	172,726	
APTIV PLC	156,394	
ARCHROCK INC		36,403
AUTOZONE INC	291,900	211,524
AVANTOR INC	80,394	
BANK OF AMERICA CORP	369,987	620,598
BARRICK GOLD CORP	221,901	295,293
BB&T CORPORATION		104,449
BERKSHIRE HATHAWAY INC-CL B	557,310	760,347
BEST BUY CO INC	243,780	64,032
BIOGEN INC		119,324
BIOMARIN PHARMACEUTICAL INC	120,166	174,139
BLACKROCK INC		245,085
BOOKING HOLDINGS INC	198,687	357,887
BUCKEYE PARTNERS LP		171,382
C.H. ROBINSON WORLDWIDE INC	164,456	233,530
CARRIER GLOBAL CORP	70,655	
CATERPILLAR INC	173,191	134,470
CENTERPOINT ENERGY INC	109,040	
CHENIERE ENERGY INC		155,007
CHEVRON CORP		332,794

Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 1 - Pension Fund Investments
August 31, 2020 (With Comparative totals for August 31, 2019)

	Market Value As of August 31, 2020	Market Value As of August 31, 2019
CHIPOTLE MEXICAN GRILL - CL A		293,447
CHUBB LTD	264,500	370,384
CIGNA CORP	333,278	341,198
CIMAREX ENERGY CO		94,501
CISCO SYSTEMS INC	359,123	271,638
CITIGROUP INC	152,644	362,355
COCA-COLA EUROPEAN PARTNERS PLC	96,891	
COMCAST CORP-CL A	283,647	893,388
CONOCOPHILLIPS	162,093	185,970
COSTCO WHOLESALE CORP	257,268	324,236
CRESTWOOD EQUITY PARTNERS LP		55,352
CRH PLC - SPONSORED ADR	85,145	131,891
CUMMINS INC	120,205	
CVS HEALTH CORPORATION		199,818
DCP MIDSTREAM LP		71,521
DEERE & CO	224,764	
DELTA AIR LINES INC		201,121
DISCOVER FINANCIAL SERVICE		106,520
DOVER CORP	131,698	161,983
DUPONT DE NEMOURS INC USD 0.01	193,543	188,981
EATON CORP PLC	267,094	216,330
ECOLAB INC	214,226	358,360
EDISON INTERNATIONAL	138,757	195,490
ENABLE MIDSTREAM PARTNERS LP		46,103
ENBRIDGE ENERGY PARTNERS LP		150,771
ENERGY TRANSFER, L.P.		652,069
ENTERPRISE PRODUCTS PARTNERS LP		646,835
EQM MIDSTREAM PARTNERS L P		21,189
EQUINIX INC	308,014	322,642
EQUITRANS MIDSTREAM CORP		25,550
EQUITY RESIDENTIAL REIT		120,359
ESSEX PROPERTY TRUST INC REIT		102,161
EVEREST RE GROUP LTD	148,554	160,634
FACEBOOK INC-A	1,152,569	883,418
FIDELITY NATIONAL INFO SVCS, INC	262,479	198,881
FIFTH THIRD BANCORP	42,663	
FIRSTENERGY CORP	71,704	
FMC CORP	95,105	137,696
FOX CORP		184,558
GLAXOSMITHKLINE PLC	114,721	
GRUBHUB INC		144,196
HARLEY-DAVIDSON INC	57,387	
HOME DEPOT INC	293,591	369,214
HONEYWELL INTERNATIONAL INC		381,918
HOWMET AEROSPACE INC	67,329	
HUMANA INC		88,928
HUNTINGTON BANCSHARES INC	85,565	
HUNTINGTON INGALLS INDUSTRIES	79,700	
IHS MARKIT LTD	243,436	300,231

Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 1 - Pension Fund Investments
August 31, 2020 (With Comparative totals for August 31, 2019)

	Market Value As of August 31, 2020	Market Value As of August 31, 2019
JOHNSON & JOHNSON	458,696	725,619
JPMORGAN CHASE & CO	456,666	487,009
KANSAS CITY SOUTHERN	140,353	194,613
KIMBERLY-CLARK CORP	143,404	
KINDER MORGAN INC/DELAWARE		161,957
KINROSS GOLD CORP	63,199	
KLA CORPORATION	135,392	139,618
KROGER CO	188,105	
LAM RESEARCH CORP	216,603	69,889
LAS VEGAS SANDS CORP	37,221	180,499
LEAR CORP	45,800	
LENNAR CORP-CL A	120,909	93,840
LIBERTY GLOBAL-C		121,902
LINDE PLC		281,476
LKQ CORP	76,620	
LOWE'S COS INC	135,046	96,604
MAGELLAN MIDSTREAM PARTNERS LP		135,494
MARATHON PETROLEUM CORP	174,002	148,417
MARSH & MCLENNAN COS	119,162	
MCCORMICK & CO-NON VTG SHRS		182,252
MCKESSON CORP	177,223	163,988
MEDTRONIC PLC	220,421	359,489
MERCK & CO INC/NJ	161,246	
MICRON TECHNOLOGY INC	177,352	
MICROSOFT CORP	1,039,468	961,298
MOHAWK INDUSTRIES INC	98,701	
MONDELEZ INTL INC		250,312
MONSTER BEVERAGE CORP	227,261	
MOSAIC CO		103,572
MPLX LP		340,362
NEWMONT CORP USD 1.6	99,709	
NGL ENERGY PARTNERS LP		18,373
NGL ENERGY PARTNERS LP		183,530
NOBLE MIDSTREAM PARTNERS LP		18,783
NORTHROP GRUMMAN CORP	82,569	
NOVARTIS AG	243,550	
NOVO-NORDISK A/S-SPONS ADR		63,783
NUSTAR ENERGY LP		137,922
NUTANIX INC	110,246	119,939
NVIDIA CORP	449,383	194,312
NXP SEMICONDUCTOR NV	286,104	189,163
ON SEMICONDUCTOR CORPORATION	20,686	
ONEOK INC		87,888
ORACLE CORP	160,388	586,924
OTIS WORLDWIDE CORP	74,411	
OWENS CORNING INC	158,819	122,005
PALO ALTO NETWORKS	229,095	260,634
PARSLE ENERGY INC SER A	69,230	
PEMBINA PIPELINE CORP		52,658

Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 1 - Pension Fund Investments
August 31, 2020 (With Comparative totals for August 31, 2019)

	Market Value As of August 31, 2020	Market Value As of August 31, 2019
PFIZER INC	344,531	314,795
PHILLIPS 66 PARTNERS LP		15,666
PIONEER NATURAL RESOURCES CO		274,363
PLAINS ALL AMER PIPELINE LP		390,840
PPG INDUSTRIES INC	64,534	
PROCTOR & GAMBLE CO		454,109
PROGRESSIVE CORP	261,835	
QORVO INC	94,022	
QUALCOMM INC	372,783	384,962
QUEST DIAGNOSTICS		204,945
RAYTHEON TECHNOLOGIES CORP	203,740	
RENAISSANCERE HOLDINGS LTD	70,372	
ROBERT HALF INTL INC	2,288	
ROYAL DUTCH SHELL PLC-ADR A	51,109	188,039
SALESFORCE.COM INC	520,762	
SCHWAB (CHARLES) CORP	115,473	339,187
SOUTHWEST AIRLINES CO		129,911
SPLUNK INC	320,222	246,004
SS&C TECHNOLOGIES HOLDINGS	123,362	
SUNTRUST BANKS INC		105,674
TAPESTRY INC NPV	55,900	
TARGA RESOURCES CORP		188,294
TC ENERGY CORP		54,366
TEXAS INSTRUMENTS INC	195,314	309,870
THE TRAVELERS COMPANIES INC		190,607
THE WALT DISNEY CO.	264,267	461,743
THERMO FISHER SCIENTIFIC INC	440,562	444,082
TJX COMPANIES INC	110,018	
T-MOBILE US INC	161,602	
TOLL BROTHERS INC		75,999
TRUIST FINANCIAL CORP	203,209	
TYSON FOODS INC-CL A		144,119
UBER TECHNOLOGIES	195,390	196,397
ULTA BEAUTY INC	326,677	
UNION PACIFIC CORP	112,000	195,000
UNITED PARCEL SERVICE-CL B	433,593	707,332
UNITED RENTALS INC	96,669	
UNITED TECHNOLOGIES CORP		363,500
UNITEDHEALTH GROUP INC	705,738	760,032
VALERO ENERGY CORP	83,828	200,245
VERIZON COMMUNICATIONS INC		417,996
VISA INC-CLASS A SHARES	933,604	852,385
VISTRA CORP	73,343	
VMWARE INC- CL A	207,994	181,043
WELLS FARGO & COMPANY		356,121
WESTERN DIGITAL CORP	57,169	
WESTERN MIDSTREAM PARTNERS LP		64,996
WILLIAMS COS INC		225,026
WILLIAMS-SONOMA INC	56,430	

Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 1 - Pension Fund Investments
August 31, 2020 (With Comparative totals for August 31, 2019)

	Market Value As of August 31, 2020	Market Value As of August 31, 2019
WW GRAINGER INC	255,801	306,488
WYNDHAM HOTELS & RESORTS INC	43,354	39,563
WYNDHAM WORLDWIDE CORP		79,103
YAMANA GOLD INC	121,359	
ZIMMER BIOMET HOLDINGS INC	77,202	138,365
ZOETIS INC	399,610	476,098
Total Equity Funds	<u>30,349,196</u>	<u>37,802,141</u>
TOTAL INVESTMENTS	121,832,835	112,400,368
Short Term Investments (Exhibit III)	1,120,235	2,184,256
Investments (Exhibit III)		
Equity	73,945,152	66,957,688
Bonds	26,273,157	24,914,655
Other Investments	20,494,291	18,343,769
Total	<u><u>121,832,835</u></u>	<u><u>112,400,368</u></u>

* Investment represents greater than 5% of the Fiduciary Net Position as of August 31, 2020.

**Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 2 - Administrative Expenses for TESRS Trust Fund
For Year Ended August 31, 2020**

<u>Category</u>	<u>Expenses</u>
Professional Fees and Services:	
Legal Services	\$ 93,062
Actuary Services	67,615
Computer Consultant Services	62,500
Accounting/Bookkeeping Services	36,600
Audit Services	29,500
Education & Training Services	2,550
Total Professional Fees and Services	<u>291,827</u>
Travel	17,002
Materials & Supplies	5,447
Other Expense	5,041
Rentals & Leases	675
Repairs & Maintenance	424
Interest Expense	10
Total Administrative Expenses (See Exhibit IV)	<u><u>\$ 320,426</u></u>

Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 3 - Investing Activity Expenses
For Year Ended August 31, 2020

<u>Category</u>	<u>Expenses</u>
Clearbridge	\$ 97,771
Boston Partners	84,745
Andco Consulting	75,000
Invesco Trust Company	45,243
Bank of Texas	30,840
Garcia Hamilton & Associates	27,137
Richmond Capital Management	26,997
Harvest Fund Advisors	22,105
Total Investing Activities Expenses	<u>\$ 409,838</u>
(See Exhibit IV)	

**Texas Emergency Services Retirement System
Other Supplementary Schedules
Schedule 4 - Board Members
August 31, 2020**

<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

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