

**UNAUDITED**  
**ANNUAL FINANCIAL REPORT**  
For The Year Ended August 31, 2023



*Texas Emergency Services*  
*Retirement System*

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(800) 919-3372  
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# Texas Emergency Services Retirement System



Pilar Rodriguez, Chairman  
Jessica OBrien, Acting Executive Director

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(800) 919-3372

[www.tesrs.texas.gov](http://www.tesrs.texas.gov)

November 20, 2023

Honorable Greg Abbott, Governor  
Honorable Glenn Hegar, Texas Comptroller  
Jerry McGinty, Director, Legislative Budget Board  
Lisa Collier, State Auditor

Ladies and Gentlemen:

We are pleased to submit the annual financial report of the Texas Emergency Services Retirement System for the year ended August 31, 2023, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in **Governmental Accounting Standards Board (GASB) 34**, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the state auditor as part of the audit of the State of Texas *Annual Comprehensive Financial Report (ACFR)*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

A separate audit and opinion will be expressed on the financial statements contained in this report.

If you have questions or need additional information, please contact Jessica O'Brien, Acting Executive Director, at (512) 936-3474 or [jessica.obrien@tesrs.texas.gov](mailto:jessica.obrien@tesrs.texas.gov).

Sincerely,

A handwritten signature in cursive script that reads "Jessica O'Brien".

Jessica OBrien, Acting Executive Director

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**Texas Emergency Services Retirement System (326)**  
**Exhibit I - Combined Balance Sheet/Statement of Net Position - Governmental Funds**  
**August 31, 2023**

	General Funds (Ex A-1)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
<b>ASSETS AND DEFERRED OUTFLOWS</b>					
Current Assets:					
Cash in State Treasury	\$ -	\$ -	\$ -	\$ -	\$ -
Legislative Appropriations	196,564.56	196,564.56	-	-	196,564.56
Accounts Receivable	-	-	-	-	-
Consumable Inventories	6,407.52	6,407.52	-	-	6,407.52
Other Current Assets	-	-	-	-	-
Total Current Assets	<u>\$ 202,972.08</u>	<u>\$ 202,972.08</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,972.08</u>
Non-Current Assets:					
Capital Assets (Note 2):	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciable:					
Other Capital Assets, Net	-	-	-	-	-
Other Non-Current Assets	-	-	-	-	-
Total Non-Current Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Assets and Deferred Outflows:	<u>\$ 202,972.08</u>	<u>\$ 202,972.08</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,972.08</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
Liabilities					
Current Liabilities:					
Payables from:					
Accounts	\$ 4,274.89	\$ 4,274.89	\$ -	\$ -	\$ 4,274.89
Payroll	61,057.29	61,057.29	-	-	61,057.29
Due To Other Funds (Note 12)	-	-	-	-	-
Employees' Compensable Leave (Note 5)	-	-	-	66,478.96	66,478.96
Total Current Liabilities	<u>\$ 65,332.18</u>	<u>\$ 65,332.18</u>	<u>\$ -</u>	<u>\$ 66,478.96</u>	<u>\$ 131,811.14</u>
Non-Current Liabilities					
Employees' Compensable Leave (Note 5)	\$ -	\$ -	\$ -	\$ 8,442.89	\$ 8,442.89
Total Non-Current Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,442.89</u>	<u>\$ 8,442.89</u>
Total Liabilities and Deferred Inflows:	<u>\$ 65,332.18</u>	<u>\$ 65,332.18</u>	<u>\$ -</u>	<u>\$ 74,921.85</u>	<u>\$ 140,254.03</u>
<b>Fund Financial Statement</b>					
Fund Balances (Deficits):					
Nonspendable	\$ 6,407.52	\$ 6,407.52	\$ -	\$ -	\$ 6,407.52
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	131,232.38	131,232.38	-	-	131,232.38
Total Fund Balances	<u>\$ 137,639.90</u>	<u>\$ 137,639.90</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,639.90</u>
Total Liabilities, Deferred Inflows and Fund Balances:	<u>\$ 202,972.08</u>	<u>\$ 202,972.08</u>	<u>\$ -</u>	<u>\$ 74,921.85</u>	<u>\$ 277,893.93</u>
Government-Wide Statement of Net Position					
Net Position					
Net Investment in Capital Assets			\$ -	\$ -	\$ -
Restricted For					
Debt Service			-	-	-
Capital Projects			-	-	-
Other			-	-	-
Funds Held as Permanent Investments:					
Expendable			-	-	-
Non-Expendable			-	-	-
Other			-	-	-
Unrestricted			-	(74,921.85)	(74,921.85)
Total Net Position			<u>\$ -</u>	<u>\$ (74,921.85)</u>	<u>\$ 62,718.05</u>

The accompanying notes to the financial statements are an integral part of this statement.

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**Texas Emergency Services Retirement System (326)**  
**Exhibit II - Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances/Statement of Activities - Governmental Funds**  
**For the Fiscal Year Ended August 31, 2023**

	General Funds (Ex A-2)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
<b>REVENUES</b>					
Legislative Appropriations					
Original Appropriations (GR)	\$ 680,661.00	\$ 680,661.00	\$ -	\$ -	\$ 680,661.00
Additional Appropriations (GR)	126,149.81	126,149.81	-	-	126,149.81
Other (PR - Seminar Fees)	-	-	-	-	-
Other (GR)	-	-	-	-	-
Total Revenues	<u>\$ 806,810.81</u>	<u>\$ 806,810.81</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 806,810.81</u>
<b>EXPENDITURES</b>					
Salaries and Wages	\$ 428,073.31	\$ 428,073.31	\$ -	\$ 33,009.54	\$ 461,082.85
Payroll Related Costs	131,782.79	131,782.79	-	-	131,782.79
Professional Fees and Services	47,951.92	47,951.92	-	-	47,951.92
Travel	6,711.12	6,711.12	-	-	6,711.12
Materials and Supplies	31,764.78	31,764.78	-	-	31,764.78
Communication and Utilities	6,493.07	6,493.07	-	-	6,493.07
Repairs and Maintenance	8,999.89	8,999.89	-	-	8,999.89
Rentals and Leases	-	-	-	-	-
Printing and Reproduction	1,439.29	1,439.29	-	-	1,439.29
Judgments and Settlements	-	-	-	-	-
Other Expenditures	11,703.15	11,703.15	-	-	11,703.15
Capital Outlay	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
Total Expenditures/Expenses	<u>\$ 674,919.32</u>	<u>\$ 674,919.32</u>	<u>\$ -</u>	<u>\$ 33,009.54</u>	<u>\$ 707,928.86</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 131,891.49</u>	<u>\$ 131,891.49</u>	<u>\$ -</u>	<u>\$ (33,009.54)</u>	<u>\$ 98,881.95</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	\$ (28,177.44)	\$ (28,177.44)	\$ -	\$ -	\$ (28,177.44)
Total Other Financing Sources (Uses)	<u>\$ (28,177.44)</u>	<u>\$ (28,177.44)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,177.44)</u>
<b>SPECIAL ITEMS</b>					
	-	-	-	-	-
	-	-	-	-	-
<b>EXTRAORDINARY ITEMS</b>					
	-	-	-	-	-
	-	-	-	-	-
Net Change in Fund Balances/Net Position	<u>\$ 103,714.05</u>	<u>\$ 103,714.05</u>	<u>\$ -</u>	<u>\$ (33,009.54)</u>	<u>\$ 70,704.51</u>
<b>Fund Financial Statement - Fund Balances</b>					
Fund Balances - Beginning	\$ 58,779.27	\$ 58,779.27			\$ 58,779.27
Restatements	-	-			-
Fund Balances - September 1, 2022, as Restated	<u>\$ 58,779.27</u>	<u>\$ 58,779.27</u>			<u>\$ 58,779.27</u>
Appropriations Lapsed	24,853.42	24,853.42			24,853.42
Fund Balances, August 31, 2023	<u>\$ 137,639.90</u>	<u>\$ 137,639.90</u>	<u>\$ -</u>	<u>\$ (33,009.54)</u>	<u>\$ 104,630.36</u>
<b>Government-Wide Statement of Net Position</b>					
Net Position/Net Change in Net Position			-	(33,009.54)	
Net Position, Beginning			\$ -	\$ (41,912.31)	\$ (41,912.31)
Restatements			-	-	-
Net Position, September 1, 2022, as Restated			<u>\$ -</u>	<u>\$ (41,912.31)</u>	<u>\$ (41,912.31)</u>
Net Position as of August 31, 2023			<u>\$ -</u>	<u>\$ (74,921.85)</u>	<u>\$ 62,718.05</u>

The accompanying notes to the financial statements are an integral part of this statement.

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**Texas Emergency Services Retirement System (326)**  
**Exhibit VI - Combined Statement of Fiduciary Net Position**  
**August 31, 2023**

	<b>Pension and Other Employee Benefit Trust Funds (Exhibit G-1)</b>	<b>Totals</b>	
<b>ASSETS</b>			
Cash and Cash Equivalents			
Cash in State Treasury	\$ 778,615.37	\$ 778,615.37	
Short Term Investments (Note 3)			
Other Short Term Investments	5,913,476.72	5,913,476.72	
Investments (Note 3)			
Corporate Equity	64,898,532.64	64,898,532.64	
US Government Obligations	16,984,261.18	16,984,261.18	
Corporate Obligations	9,340,495.33	9,340,495.33	
Other Investments	27,545,451.31	27,545,451.31	
Receivables from:			
Retirement System Contributions Receivable	1,821,902.30	1,821,902.30	
Interest and Dividends	244,351.93	244,351.93	
Sale of Investments	-	-	
Other	-	-	
Due From Other Funds (Note 12)	-	-	
Properties, at Cost, net of Accumulated Depreciation	-	-	
<b>Total Assets</b>	<b>\$ 127,527,086.78</b>	<b>\$ 127,527,086.78</b>	
<b>LIABILITIES</b>			
Payables from:			
Accounts Payable	\$ 80,541.53	\$ 80,541.53	
Investment Payable	6,972.61	6,972.61	
Unearned Revenue	-	-	
Payroll	-	-	
Retirement Benefits	-	-	
Due To Other Funds (Note 12)	-	-	
Funds Held for Others	-	-	
Claims and Judgments	-	-	
Employees' Compensable Leave (Note 5)	-	-	
Capital Lease Obligations (Note 7)	-	-	
<b>Total Liabilities</b>	<b>\$ 87,514.14</b>	<b>\$ 87,514.14</b>	
<b>NET Position</b>			
Held in Trust For:			
Pension and Other Employee Benefits	\$ 127,439,572.64	\$ 127,439,572.64	
<b>Total Liabilities and Net Position</b>	<b>\$ 127,527,086.78</b>	<b>\$ 127,527,086.78</b>	

The accompanying notes to the financial statements are an integral part of this statement.

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**Texas Emergency Services Retirement System (326)**  
**Exhibit VII - Combined Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended August 31, 2023**

	<b>Pension and Other Employee Benefit Trust Funds (Exhibit G-2)</b>	<b>Totals</b>
<b>Additions</b>		
Contributions:		
Original Appropriations (GR)	\$ 1,262,763.00	\$ 1,262,763.00
Dues	3,726,157.94	3,726,157.94
Default--Voided warrant	15,046.37	15,046.37
Prior Service	10,288.03	10,288.03
Total Contributions	\$ 5,014,255.34	\$ 5,014,255.34
Investment Income		
From Investing Activities:		
Net Appreciation (Depreciation) in Fair Value of Investments	\$ 4,097,421.24	\$ 4,097,421.24
Treasury Interest	69,564.83	69,564.83
Interest and Investment Income	3,158,594.38	3,158,594.38
Total Investing Income (Loss)	\$ 7,325,580.45	\$ 7,325,580.45
Less Investing Activities Expense	416,883.23	416,883.23
Net Income from Investing Activities	\$ 6,908,697.22	\$ 6,908,697.22
Total Net Investment Income (Loss)	\$ 6,908,697.22	\$ 6,908,697.22
Other Additions		
Voided warrants	\$ 28,177.44	\$ 28,177.44
Total Other Additions	\$ 28,177.44	\$ 28,177.44
Total Additions	\$ 11,951,130.00	\$ 11,951,130.00
<b>Deductions</b>		
Retirement System Benefits Paid:		
Death Benefits	\$ 308,546.21	\$ 308,546.21
Retirement Benefits	7,550,872.94	7,550,872.94
Disability Benefits	26,400.00	26,400.00
Survivor's Benefits	645,500.23	645,500.23
Salaries and Wages	8,436.14	8,436.14
Payroll Related Costs	-	-
Professional Fees and Services	290,761.19	290,761.19
Travel	20,380.96	20,380.96
Materials & Supplies	160.43	160.43
Communications & Utilities	-	-
Repairs & Maintenance	2,685.05	2,685.05
Rentals & Leases	69.32	69.32
Printing and Reproduction	-	-
Depreciation Expense	-	-
Interest Expense	167.12	167.12
Other Expense	2,087.34	2,087.34
Transfer Out	-	-
Total Deductions	\$ 8,856,066.93	\$ 8,856,066.93
Net Increase (Decrease)	\$ 3,095,063.07	\$ 3,095,063.07
Net Position - Beginning	\$ 124,344,509.57	\$ 124,344,509.57
Restatements	-	-
Net Position, September 1, 2022, as Restated	\$ 124,344,509.57	\$ 124,344,509.57
Net Position, August 31, 2023	\$ 127,439,572.64	\$ 127,439,572.64

The accompanying notes to the financial statements are an integral part of this statement.

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## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. 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. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements for State Agencies.

The TESRS was created as a standalone agency by the 83<sup>rd</sup> Legislature via the passage of Senate Bill (SB) 220, effective September 1, 2013, to assume the related functions of the abolished Office of the Fire Fighters' Pension Commissioner (agency 325). 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 firefighters and first responders, and a pension to members with vested service, as well as to their survivor/beneficiaries.

No blended or discretely presented component units have been identified as having a relationship to the TESRS.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

#### B. FUND STRUCTURE

The accompanying financial statements of the TESRS are presented on the basis of funds each of which is considered a separate accounting entity.

##### GOVERNMENTAL FUND TYPE

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##### General Revenue Fund

The General Revenue Fund is used to account for all financial resources of the state except those required to be accounted for in another fund.

##### FIDUCIARY FUND TYPES

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##### Fiduciary Fund

Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. When assets are held under the terms of a formal trust agreement, either a pension trust fund, or a private purpose trust fund is used.

The TESRS Fund is used to account for the accumulation of resources for pension benefit payments to qualified volunteer firefighters and emergency responders and their beneficiaries. Administrative expenses totaling \$324,747.55 were funded out of the TESRS Fund.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. BASIS OF ACCOUNTING**

The basis of accounting determines when revenues and expenses/expenditures are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types that build the fund financial statements are accounted for using the modified accrual method basis of accounting. Under the modified accrual method, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year end. The State of Texas considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for Fund Financial Statements prepared on the modified basis of accrual. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Governmental adjustment fund types that will build the government-wide financial statements are accounted for using the full accrual method of accounting. This includes capital assets, accumulated depreciation, unpaid Employee Compensable Leave, the unmatured debt service (principal and interest) on general long-term liabilities, long-term capital leases, long-term claims and judgments and full accrual revenues and expenses. The activity will be recognized in these fund types.

Pension Trust Funds are accounted for on the accrual basis of accounting. Revenues, including contributions, are recognized when earned and expenses are recognized when the liability is incurred. Benefit expenses are recognized when the benefit is earned and refunds are recognized when processed.

**D. BUDGETS AND BUDGETARY ACCOUNTING**

The budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor (the General Appropriations Act).

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

**E. ASSETS, LIABILITIES AND FUND BALANCES/NET ASSETS**

**ASSETS**

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Investments

Investments of the Plan are reported at fair value, with certain exceptions in accordance with GASB Statement No. 72 Fair Value Measurement and Application. 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.

Accounts Receivable

Accounts receivable represents contributions due to the TESRS Funds, investment income earned but not received as of August 31, 2023, and investment trades initiated before August 31, 2023 with settlement dates after August 31, 2023.

In addition, included in this category are receivables relating to the financing of prior service contracts. Pursuant to SB No. 411, 65<sup>th</sup> Legislature, Regular Session (1977), pension plans that elect to participate in the pension system administered by the 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 these plans have the option of financing these contributions with TESRS. The time period for financing is established by board rule at 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.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The 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.

**INVENTORIES AND PREPAID ITEMS**

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Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally utilizing the last-in, first-out method. The consumption method of accounting is used to account for inventories and prepaid items that appear in the governmental and proprietary fund types. The cost of these items is expensed when the items are consumed.

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost or, if not purchased, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets such as works of art and historical treasures are not depreciated. Road and highway infrastructure is reported on the modified basis. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

All capital assets acquired by proprietary funds or trust funds are reported at cost or estimated historical cost, if actual historical cost is not available. Donated assets are reported at fair value on the acquisition date. Depreciation is charged to operations over the estimated useful life of each asset, using the straight-line method.

**LIABILITIES**

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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 unpaid retirement obligations of the TESRS Fund.

Unearned Revenue

Unearned Revenue represents the liability that the TESRS has to pay future retirement benefits that were prepaid.

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 statement of net position.

**FUND BALANCE / NET POSITION**

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"Fund Balance" is the difference between assets plus deferred outflow of resources and liabilities plus deferred inflows of resources on the governmental fund statements. "Net position" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the government-wide and fiduciary fund statements. Fund Balances for governmental funds are classified as nonspendable, restricted, committed, assigned or unassigned.

Nonspendable fund balance includes amounts not available to be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. The balance in this category as of August 31, 2023 is \$6,407.52, representing the amount of supplies to be used in the next fiscal year.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Restricted fund balance includes those resources that have constraints placed on their use through external parties or by law through constitutional provisions.

Committed fund balance can be used only for specific purposes pursuant to constraints imposed by a formal action of the Texas Legislature, the state's highest level of decision making authority.

Assigned fund balance includes amounts constrained by the state's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (1) the Texas Legislature or (2) a body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned fund balance is the residual classification for the General fund. 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. The balance at August 31, 2023 was \$131,232.38.

**TESRS NET POSITION HELD IN TRUST FOR PENSION BENEFITS**

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**TESRS Reserves**

This represents reserves available to fund future retirement, death, and survivor benefits. The balance in this reserve is sufficient to meet the statutory requirements of the TESRS Fund. The balance at August 31, 2023 was \$127,439,572.64.

**F. INTERFUND TRANSACTIONS AND BALANCES**

The TESRS has the following type of transactions between agencies:

Due to other funds: Represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

The composition of the TESRS' interfund receivables and payables at August 31, 2023 is presented in Note 12.

**NOTE 2: CAPITAL ASSETS**

A summary of changes in General Fixed Assets for the year ended August 31, 2023, is presented below.

	<b>PRIMARY GOVERNMENT</b>					
	<b>Balance 09/01/22</b>	<b>Adjust- ments</b>	<b>Restate- ments</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 08/31/23</b>
<b>Governmental</b>						
<b>Activities:</b>						
Depreciable Assets						
Furniture and Equipment	\$0		\$0			\$0
Other Assets	\$0		\$0			\$0
<hr/>						
Total depreciable assets						
at historical cost:	\$0		\$0			\$0
Less accumulated depreciation for:						
Furniture and Equipment	\$0		\$0			
Other Assets	\$0		\$0			\$0
<hr/>						
Total accumulated depreciation	\$0		\$0			\$0
Depreciable assets, net	\$0		\$0			\$0
<hr/>						
<b>Governmental activities</b>						
<b>Capital assets, net:</b>	<b>\$0</b>		<b>\$0</b>			<b>\$0</b>

	<b>PRIMARY GOVERNMENT</b>					
	<b>Balance 09/01/22</b>	<b>Adjust ments</b>	<b>Restate- ments</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 08/31/23</b>
<b>Fiduciary</b>						
<b>Activities</b>						
Depreciable Assets						
Furniture and Equipment	\$0		\$0			\$0
<hr/>						
Total depreciable assets	\$0		\$0			\$0
at historical cost:						
Less accumulated depreciation for:						
Furniture and Equipment	\$0		\$0			\$0
<hr/>						
Total accumulated depreciation	\$0		\$0			\$0
Depreciable assets, net	\$0		\$0			\$0
<hr/>						
<b>Fiduciary activities</b>						
<b>Capital assets, net:</b>	<b>\$0</b>		<b>\$0</b>			<b>\$0</b>

**NOTE 3: DEPOSITS, INVESTMENTS, & REPURCHASE AGREEMENTS**

Title 8, Government Code Subtitle H. Texas Emergency Services Retirement System Section 865.008 states 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, Article 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. The Board's investment objectives are to achieve an annualized investment return that equals or exceeds the actuarial investment return assumption of the System.

The TESRS contracts with Bank of Texas for custodial services and AndCo Consulting, LLC for investment consulting services. The TESRS contracts with three money managers to manage the fixed income and equity portfolios. The money managers are Boston Partners LLC, Garcia Hamilton & Associates L.P., and Richmond Capital Management, Inc. The TESRS also invests with seven mutual funds—Allspring Emerging Markets, IFM Global Infrastructure, Clarkston Partners, Alger Capital, Jackson Square Partners, Oakmark, and Pimco Diversified Income and with one Commingled Fund - Invesco International Growth Commingled Fund. TESRS also invests in the Real Estate Investment Fund Prime Property Fund, LLC.

**NOTE 3: DEPOSITS, INVESTMENTS, & REPURCHASE AGREEMENTS (CONTINUED)**

INVESTMENTS

As of August 31, 2023, the fair value of investments are as presented below:

**Fiduciary Funds**

Description	Fair Value Hierarchy				Fair Value
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Net Asset Value	
U.S. Treasury Securities	6,767,614				6,767,614
U.S. Government Agency Obligations		298,393			298,393
Corporate Obligations		8,508,023			8,508,023
Corporate Asset and Mortgage Backed Securities		10,750,727			10,750,727
Equity	64,898,533				64,898,533
International Equity	4,644,329				4,644,329
International Other Commingled Funds				9,762,748	9,762,748
Other Commingled Funds	5,913,477				5,913,477
Real Estate				13,138,375	13,138,375
<b>Total Investments</b>	<b>82,223,952</b>	<b>19,557,142</b>	<b>0</b>	<b>22,901,123</b>	<b>124,682,217</b>
Reconciliation of Investments per Exhibit VI					
Other Short Term Investments					5,913,477
Corporate Equity					64,898,533
U.S. Government Obligations					16,984,261
Corporate Obligations					9,340,495
Other Investments					27,545,451
<b>Investment per Exhibit VI</b>					<b>124,682,217</b>

**NOTE 3: DEPOSITS, INVESTMENTS, & REPURCHASE AGREEMENTS (CONTINUED)**

**A. CREDIT RISK**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investment policies of the System require that investments in Core Fixed Income not exceed 25% (21% actual) of the portfolio.

TESRS' domestic fixed income is managed by Richmond Capital Management, Inc. and Garcia Hamilton & Associates L.P. 29% of these holdings are either not subject to credit risk or AAA rated, while 28% is rated A or better. Credit risk is managed through diversification and by operating within defined parameters.

Fund Type	GAAP Fund	Investment Type	Not Rated
Pension and Other Employee Benefit Trust	976	Core Fixed Income	\$6,767,614.43

All investments are registered and held in the name of the TESRS or in the name of the Agency's custodian, which was established through a custodial agreement.

The Agency has contracted with Bank of Texas, to serve as a custodian of the Agency's securities. The Agency has authorized their three money managers to invest cash in money market funds pending completion of an investment settlement.

**NOTE 4: SHORT-TERM DEBT**

Not Applicable

**NOTE 5: SUMMARY OF LONG TERM LIABILITIES**

**Changes in Long-Term Liabilities**

During the year ended August 31, 2023, the following changes occurred in long-term liabilities.

Governmental Activities	Balance 9/1/2022	Additions	Reductions	Balance 8/31/2023	Amounts Due Within One Year
Compensable Leave	\$ 41,912.31	\$ 83,214.88	\$ 50,205.34	\$ 74,921.85	\$ 66,478.96
<b>Total Governmental Activities</b>	<b>\$ 41,912.31</b>	<b>\$ 83,214.88</b>	<b>\$ 50,205.34</b>	<b>\$ 74,921.85</b>	<b>\$ 66,478.96</b>

**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. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Position. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

**NOTE 6: BONDED INDEBTEDNESS**

Not Applicable

**NOTE 7: DERIVATIVES**

Not Applicable



**NOTE 8: LEASES**

Not Applicable

**NOTE 9: PENSION PLANS**

See note 23

**NOTE 10: DEFERRED COMPENSATION**

Not Applicable

**NOTE 11: POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

Not Applicable

**NOTE 12: INTERFUND BALANCES/ACTIVITIES**

As explained in Note 1 on Interfund Transactions and Balances there are transactions between funds. At year-end amounts to be received or paid are reported as:

Interfund Receivables or Interfund Payables (Note 12 presentation required)

Due From Other Agencies or Due to Other Agencies

Due From Other Funds or Due To Other Funds

Transfers In or Transfers Out (Note 8 presentation required)

Legislative Transfers In or Legislative Transfers Out (Note 12 presentation required)

Individual balances and activity at August 31, 2023, follows:

<b>Current Portion</b>	<b>Current Interfund Receivable</b>	<b>Current Interfund Payable</b>
General Revenue (01)	\$0	\$0
TESRS (976)	\$0	\$0
<b>Non-Current Portion</b>	<b>Non-Current Interfund Receivable</b>	<b>Non-Current Interfund Payable</b>
General Revenue (01)	\$0	\$0
TESRS (976)	\$0	\$0
	<b>Due From Other Funds</b>	<b>Due To Other Funds</b>
Agy 326, Fd 1, D23 Fd 0001	\$0	\$0
Agy 326, Fd 976, D23 Fd 976 TESRS	\$0	\$0
<b>Total Due From/To Other Funds</b>	<b>\$0</b>	<b>\$0</b>

**NOTE 13: CONTINUANCE SUBJECT TO REVIEW**

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

**NOTE 14: ADJUSTMENTS TO FUND BALANCE/NET ASSETS**

Not Applicable

**NOTE 15: CONTINGENCIES AND COMMITMENTS**

Not Applicable

**NOTE 16: SUBSEQUENT EVENTS**

Not Applicable

**NOTE 17: RISK MANAGEMENT**

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

The TESRS assumes substantially all risks associated with tort claims and liability claims due to the performance of its duties.

The 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 does not hold fidelity dishonesty insurance coverage. Changes in the balances of the TESRS' claims liabilities during fiscal 2022 and 2023 were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims	Balance at Fiscal Year-End
2022	\$ -0-	\$ -0-	\$ -0-	\$ -0-
2023	\$ -0-	\$ -0-	\$ -0-	\$ -0-

**NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS**

Not Applicable

**NOTE 19: THE FINANCIAL REPORTING ENTITY**

Not Applicable

**NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Not Applicable

**NOTE 21: NOT APPLICABLE TO THE AFR**

Not Applicable

**NOTE 22: DONOR RESTRICTED ENDOWMENTS**

Not Applicable

**NOTE 23: PENSION DISCLOSURES**

The Pension Disclosures note and Required Supplementary Information will be submitted as a part of the Audited AFR after the actuarial schedules have been completed.

## OTHER SUPPLEMENTARY INFORMATION

### Schedule 1 - Pension Fund Investments August 31, 2023 (With comparative totals for August 31, 2022)

	Fair Value As of August 31, 2023	Fair Value As of August 31, 2022
<b>MONEY MARKET MUTUAL FUND</b>		
Money Market Securities	5,913,477 *	2,808,666
<b>EQUITY MUTUAL/COMMINGLED FUNDS</b>		
Allspring Emerg Mkts EQ-R6 #4660	4,644,329	4,513,873
INVESCO Intl Growth 2 Class A Commingled	9,762,748 *	8,623,483
Prime Property Fund, LLC	13,138,375 *	14,721,488
Total Equity Mutual/Commingled Funds	27,545,451	27,858,845
<b>EQUITY MUTUAL</b>		
Alger Cap Apprec Inst-Y #0405	14,133,156 *	11,959,172
Blackrock Multi-Asset Inc-K #1981		4,793,619
Clarkston Partners-Inst #21301	6,909,514 *	6,890,768
IFM Global Infrastructure US LP	5,748,986 *	5,338,263
Jackson Square Smid/C Grwth-Is #6112	4,094,889	3,787,194
Oakmark Intl-Inst #2886	9,348,293 *	7,412,642
PIMCO Diversified Inc-Inst #0106	11,162,614 *	10,683,493
Total Equity Mutual	51,397,451	50,865,152
<b>BOND FUNDS</b>		
AFLAC INC		9,968
AFLAC INC	5,269	5,482
ALABAMA POWER CO	62,102	35,769
ALLSTATE CORP	76,679	79,471
ALTRIA GROUP INC	24,223	24,209
ALTRIA GROUP INC	25,766	26,398
AMAZON.COM INC	82,815	86,270
AMAZON.COM INC	22,498	23,459
AMERICAN EXPRESS CO	82,515	83,412
AMERICAN EXPRESS CO	33,630	
AMGEN INC	15,942	17,411
AMGEN INC	19,607	20,995
ANHEUSER-BUSCH	18,605	18,987
AON CORP/AON GLOBAL HOLD	48,812	
APPALACHIAN POWER CO	62,582	65,845
ARCHER-DANIELS-MIDLAND	70,404	71,324
AT&T INC	38,552	39,619
AT&T INC	31,520	32,612
AT&T INC	13,180	14,490
BANK OF AMERICA CORP	156,324	157,509
BANK OF AMERICA CORP	257,793	609,882
BANK OF AMERICA CORP	20,556	21,005
BANK OF AMERICA CORP	56,071	56,792
BELL CANADA	21,514	23,678
BERKSHIRE HATHAWAY		25,882
BERKSHIRE HATHAWAY		28,267
BRISTOL-MYERS SQUIBB CO	36,037	37,613
BRISTOL-MYERS SQUIBB CO	52,064	
BROADCOM INC	67,508	68,776
BURLINGTN NORTH SANTA FE	54,420	57,489
BURLINGTON NORTHERN SANTA FE	53,568	57,640

**OTHER SUPPLEMENTARY INFORMATION**

**Schedule 1 - Pension Fund Investments  
August 31, 2023 (With comparative totals for August 31, 2022)**

	<u>Fair Value As of August 31, 2023</u>	<u>Fair Value As of August 31, 2022</u>
CAMDEN PROPERTY TRUST	26,962	27,482
CAMPBELL SOUP CO	29,372	
CAPITAL ONE FINANCIAL CO	43,706	44,128
CAPITAL ONE FINANCIAL CO	73,810	74,555
CAPITAL ONE FINANCIAL CO	34,328	35,203
CAPITAL ONE FINANCIAL CO	33,246	
CATERPILLAR INC	48,498	49,931
CHARLES SCHWAB CORP		14,078
CHARLES SCHWAB CORP	80,096	68,884
CHEVRON CORP	90,661	92,444
CHEVRON CORP	19,338	19,696
CHUBB CORPORATION	60,134	64,052
CINTAS CORPORATION NO. 2	52,795	54,198
CITIGROUP INC	26,358	27,183
CITIGROUP INC	14,722	14,701
CITIGROUP INC	30,430	31,460
CITIGROUP INC	253,259	495,736
CITIGROUP INC		117,725
CME GROUP INC	62,570	63,808
COMCAST CORP	39,488	42,159
COMCAST CORP	13,679	214,721
COMCAST CORP	35,269	
CONSOLIDATED EDISON CO	53,046	56,058
CVS HEALTH CORP	16,790	18,067
CVS HEALTH CORP	13,157	14,442
DEERE & COMPANY	17,574	18,677
DIAGEO CAPITAL PLC	52,791	55,406
DOWDUPONT INC	63,638	65,469
DUKE ENERGY PROGRESS LLC	21,103	22,938
EMERSON ELECTRIC CO	26,587	26,922
ENTERPRISE PRODUCTS OPER	27,530	28,621
EOG RESOURCES INC	18,725	19,952
EQUITABLE HOLDINGS INC	73,803	77,427
ERP OPERATING LP	35,603	36,274
FEDEX CORP	31,883	33,689
FHLMC @ 2.000% DUE 10/07/2042	352,675	
FHLMC GOLD POOL #G08001	52,504	63,202
FHLMC GOLD POOL #Q27927	49,358	58,269
FHLMC GOLD POOL #Q30470	32,345	38,927
FHLMC GOLD POOL #Q35953	53,329	63,062
FHLMC GOLD POOL #Q38893	34,689	39,711
FHLMC GOLD POOL #V81680	211,243	250,456
FHLMC POOL # RA3055	323,944	
FHLMC POOL # SB0623	124,196	
FHLMC POOL # SD1658	302,903	
FHLMC POOL # SD8200	299,431	
FHLMC POOL # SD8255	300,799	
FHLMC POOL #QF0691	350,415	
FHLMC POOL #RA6910	199,138	
FHLMC POOL #RA6996	283,382	332,007
FHLMC POOL #RB5044	224,166	266,548

**OTHER SUPPLEMENTARY INFORMATION**

**Schedule 1 - Pension Fund Investments  
August 31, 2023 (With comparative totals for August 31, 2022)**

	<u>Fair Value As of August 31, 2023</u>	<u>Fair Value As of August 31, 2022</u>
FHLMC POOL #SC0314	247,906	
FHLMC POOL #SD8214	360,538	406,806
FHLMC POOL #SD8265	239,614	
FHMS SER K031 CL A2		149,308
FIFTH THIRD BANK	67,045	69,092
FISERV INC	38,166	38,784
FISERV INC	12,261	13,020
FLORIDA POWER & LIGHT CO	157,533	164,933
FLORIDA POWER CORP	37,669	40,383
FNMA POOL # FM7740	243,777	277,572
FNMA POOL # FS2994	355,562	
FNMA POOL # MA4571	231,977	
FNMA POOL # MA4623	297,233	
FNMA POOL #AL7590		123,358
FNMA POOL #AO7185	39,200	48,474
FNMA POOL #AS5090	30,107	39,087
FNMA POOL #AY8604		14,995
FNMA POOL #BC2666		28,608
FNMA POOL #BE0468	47,367	56,115
FNMA POOL #BM1577		60,331
FNMA POOL #BO1345	55,542	68,680
FNMA POOL #BQ7729	375,643	
FNMA POOL #BV5578	359,131	
FNMA POOL #CB2610	269,349	306,783
FNMA POOL #CB3175	178,874	
FNMA POOL #FM3075		173,000
FNMA POOL #FM4540	156,856	186,642
FNMA POOL #FM6990		293,711
FNMA POOL #FM7048	127,900	151,585
FNMA POOL #FM7334	146,715	175,092
FNMA POOL #FM8519	157,242	186,065
FNMA POOL #FM9286	360,313	403,635
FNMA POOL #FS0348	233,466	268,941
FNMA POOL #FS0350	285,292	328,540
FNMA POOL #FS1376	307,332	367,508
FNMA POOL #FS1507	486,062	
FNMA POOL #FS1858	124,862	143,211
FNMA POOL #MA4783	367,105	
FNMA POOL #MA4804	240,148	
FRANKLIN RESOURCES INC	15,679	15,840
FRANKLIN RESOURCES INC	67,180	67,824
GENERAL DYNAMICS CORP	33,416	34,470
GENERAL MILLS INC	34,115	34,887
GENUINE PARTS CO	28,529	29,042
GNMA II POOL # 786656	333,497	
GNMA II POOL #AA1000	2,333	3,834
GNMA II POOL #MA2374	11,284	13,314
GNMA II POOL #MA6968	183,169	229,859
GNMA II POOL #MA7024	58,644	72,205
GNMA II POOL #MA7283	43,675	53,936
GNR SER 2021-38 CL AE	64,417	

**OTHER SUPPLEMENTARY INFORMATION**

**Schedule 1 - Pension Fund Investments**

**August 31, 2023 (With comparative totals for August 31, 2022)**

	<u>Fair Value As of August 31, 2023</u>	<u>Fair Value As of August 31, 2022</u>
GOLDMAN SACHS GROUP INC	75,928	77,507
GOLDMAN SACHS GROUP INC	97,158	243,298
GOLDMAN SACHS GROUP INC		382,468
GSMS SER 2012-GCJ9 CL A3		80,357
HOME DEPOT INC	47,198	50,178
IBM CORP	530,466	542,685
IBM CORP	16,468	17,237
ILLINOIS TOOL WORKS INC		84,843
INTEL CORP	36,050	39,034
JOHN DEERE CAPITAL CORP	58,427	59,602
JOHNSON & JOHNSON	4,931	5,181
JPMCC SER 2013-C13 CL A4		101,914
JPMORGAN CHASE & CO	58,306	59,543
JPMORGAN CHASE & CO	41,485	41,640
JPMORGAN CHASE & CO	167,164	324,754
JPMORGAN CHASE & CO	90,011	
KEYCORP	55,919	58,416
KIMBERLY-CLARK CORP	63,141	66,494
KRAFT HEINZ FOODS CO	39,891	
KROGER CO	18,637	20,834
KROGER CO	10,943	11,532
LINCOLN NATIONAL CORP	48,787	57,317
MAGELLAN MIDSTREAM PARTN	65,384	66,483
MARKEL CORP	58,154	59,095
MCDONALD'S CORP	30,467	32,071
MCDONALD'S CORP	15,654	
MCKESSON CORP	49,615	
METLIFE INC	96,478	98,273
METLIFE INC	131,244	201,684
METLIFE INC	32,001	35,414
MORGAN STANLEY	48,125	49,437
MORGAN STANLEY	46,377	47,193
MORGAN STANLEY	34,605	35,316
MORGAN STANLEY	89,714	89,133
MSC SER 2015-UBS8 CL A3	233,976	
MSC SER 2016-UB11 CL A4	90,987	93,411
NIKE INC		12,716
NJ ST TPK AUTH TPK REV	47,769	50,543
NORFOLK SOUTHERN CORP	49,612	49,945
NORFOLK SOUTHERN CORP	50,049	53,425
NORFOLK SOUTHERN CORP	26,498	
NUTRIEN LTD	29,272	
NUTRIEN LTD	23,514	24,232
ORACLE CORP	29,958	29,472
ORACLE CORP	81,405	81,476
ORACLE CORP	13,823	13,619
PARKER-HANNIFIN CORP	37,018	37,531
PFIZER INC	66,483	70,527
PHILLIPS 66	14,848	
PNC BANK NA	52,546	53,950
PNC FINANCIAL SERVICES	29,357	30,693

**OTHER SUPPLEMENTARY INFORMATION**

**Schedule 1 - Pension Fund Investments  
August 31, 2023 (With comparative totals for August 31, 2022)**

	<u>Fair Value As of August 31, 2023</u>	<u>Fair Value As of August 31, 2022</u>
PNC FINANCIAL SERVICES	27,818	28,712
PNC FINANCIAL SERVICES	15,238	
PROCTER & GAMBLE CO/THE		22,170
PROCTER & GAMBLE CO/THE		51,682
PRUDENTIAL FINANCIAL INC	15,305	16,142
PRUDENTIAL FINANCIAL INC	44,091	46,230
PUBLIC SERVICE ELECTRIC	111,517	112,516
RAYTHEON TECH CORP		15,674
RPM INTERNATIONAL INC	14,066	
RTX CORPORATION	14,967	
RTX CORPORATION	15,014	
SCHLUMBERGER INVESTMENT	124,304	124,908
SCHLUMBERGER INVESTMENT	29,450	
SHELL INTL FIN		118,003
SPECTRA ENERGY PARTNERS	19,137	20,733
SYSCO CORPORATION	24,797	26,536
SYSCO CORPORATION	14,588	15,513
TAMPA ELECTRIC CO		69,985
TAMPA ELECTRIC CO	39,798	43,841
THOMSON REUTERS CORP	58,767	60,340
T-MOBILE USA INC	51,563	52,924
TORONTO-DOMINION BANK	170,774	170,914
TOSCO CORP	57,618	60,327
TRAVELERS COS INC	39,766	42,334
TRUIST FINANCIAL CORP	65,400	
UNION PACIFIC CORP	119,193	31,115
UNITED PARCEL SERVICE		129,164
UNITED PARCEL SERVICE		100,137
UNITED TECHNOLOGIES CORP		16,048
UPS OF AMERICA INC	29,026	29,985
US BANCORP	152,891	
US TREAS BOND @ 2.000% 02/15/2050	515,611	650,986
US TREAS BOND @ 2.500% 02/15/2045	686,758	
US TREAS BOND @ 2.500% 05/15/2046	443,061	878,337
US TREAS BOND @ 2.875% 05/15/2043	386,409	512,963
US TREAS BOND @ 3.750% 08/15/2041	648,571	1,001,923
US TREAS NOTE @ 0.250% 09/30/2025	159,469	194,861
US TREAS NOTE @ 0.500% 10/31/2027	136,744	
US TREAS NOTE @ 1.125% 02/15/2031	1,149,942	995,097
US TREAS NOTE @ 1.250% 05/31/2028		133,598
US TREAS NOTE @ 1.250% 08/15/2031	379,628	
US TREAS NOTE @ 1.500% 02/15/2030		2,062,903
US TREAS NOTE @ 1.625% 05/15/2031		53,018
US TREAS NOTE @ 1.750% 11/15/2029		354,101
US TREAS NOTE @ 1.750% 12/31/2026	51,345	141,144
US TREAS NOTE @ 1.875% 02/15/2032	1,038,277	
US TREAS NOTE @ 1.875% 07/31/2026		684,110
US TREAS NOTE @ 2.250% 11/15/2027		341,129
US TREAS NOTE @ 2.375% 05/15/2027		396,935
US TREAS NOTE @ 2.375% 05/15/2029	231,035	301,814
US TREAS NOTE @ 2.500% 02/28/2026		716,549

**OTHER SUPPLEMENTARY INFORMATION**

**Schedule 1 - Pension Fund Investments  
August 31, 2023 (With comparative totals for August 31, 2022)**

	Fair Value As of August 31, 2023	Fair Value As of August 31, 2022
US TREAS NOTE @ 2.625% 02/15/2029		321,339
US TREAS NOTE @ 2.750% 08/15/2032	148,134	
US TREAS NOTE @ 3.500% 02/15/2033	733,425	
US TREAS NOTE @ 4.000% 10/31/2029	59,206	
VERIZON COMMUNICATIONS	36,241	37,835
VERIZON COMMUNICATIONS	22,485	
VIRGINIA ELEC & POWER CO	197,798	198,812
WALMART STORES INC	51,880	55,833
WALT DISNEY COMPANY/THE	22,822	25,002
WALT DISNEY COMPANY/THE	11,240	11,544
WALT DISNEY COMPANY/THE	31,196	33,049
WELLS FARGO & COMPANY	41,681	42,517
WELLS FARGO & COMPANY	410,262	489,608
WELLS FARGO & COMPANY	38,072	41,273
WESTLAKE CHEMICAL CORP	25,208	27,899
WFCM SER 2015-C29 CL A4	210,061	
WFRBS SER 2012-C8 CL A3		296,928
WFRBS SER 2014-LC14 CL A5	297,449	
WILLIAMS PARTNERS LP	25,536	27,044
WISC ELEC POWER	62,531	65,254
WISCONSIN POWER & LIGHT	42,014	44,576
Total Bond Funds	26,324,757	26,262,362
 <b>EQUITY FUNDS</b>		
ABBVIE INC		264,617
ACTIVISION BLIZZARD INC	70,556	49,135
ADVANCED MICRO DEVICES	153,188	
ALLEGION PLC	101,746	74,178
ALLSTATE CORP		58,804
ALPHABET INC CL A	466,655	369,680
AMERISOURCEBERGEN CORP		160,337
AMGEN INC	154,317	
AON PLC	77,680	
APPLIED MATERIALS INC	172,924	119,563
ARES MANAGEMENT CORP CL A	64,133	
ARTHUR J GALLAGHER & CO	125,151	
AUTOZONE INC	250,602	343,312
AVANTOR INC	153,672	149,012
AXALTA COATING SYSTEMS LTD		135,806
BANK OF AMERICA CORP		219,608
BERKSHIRE HATHAWAY INC-CL B	504,280	445,630
BOOKING HOLDINGS INC	111,781	
BORGWARNER INC	82,600	
BP PLC-SPONS	142,734	
BRISTOL-MYERS SQUIBB CO	365,153	181,198
CANADIAN NATURAL RESOURCES	197,499	198,741
CAPITAL ONE FINANCIAL CORP		63,280
CATERPILLAR INC	65,784	106,393
CENCORA, INC	170,525	
CENOVUS ENERGY INC	206,933	164,788
CENTENE CORP	130,390	303,860



## OTHER SUPPLEMENTARY INFORMATION

### Schedule 1 - Pension Fund Investments August 31, 2023 (With comparative totals for August 31, 2022)

	Fair Value As of August 31, 2023	Fair Value As of August 31, 2022
CENTERPOINT ENERGY INC	67,438	157,429
CHUBB LTD	154,268	150,673
CIGNA CORP	173,768	303,008
CISCO SYSTEMS INC	342,265	273,016
COCA-COLA EUROPEAN PARTNERS PLC	108,474	114,468
COGNIZANT TECH SOLUTIONS-A	128,826	135,626
CONOCOPHILLIPS	193,067	531,489
CORTEVA INC	50,005	
CRH PLC - SPONSORED ADR	149,912	123,843
CVS HEALTH CORPORATION		320,754
DEERE & CO	121,638	178,242
DELL TECHNOLOGIES INC	131,545	
DEVON ENERGY CORPORATION		187,072
DISCOVER FINANCIAL SERVICE	167,620	
DOLLAR GENERAL CORP	45,982	
DOMINION ENERGY INC		147,894
DOVER CORP	87,942	66,854
DUPONT DE NEMOURS INC USD 0.01	126,407	213,991
EATON CORP PLC	167,709	163,285
EOG RESOURCES INC		124,575
EVEREST RE GROUP LTD		107,351
FEDEX CORP		82,638
FIDELITY NATIONAL INFO SVCS, INC		196,080
FIRSTENERGY CORP	107,994	
FLEETCOR TECHNOLOGIES INC	164,940	136,657
FORTIVE CORP	150,288	88,155
GENERAL DYNAMICS CORP	206,242	142,394
GLOBAL PAYMENTS INC	191,049	140,504
GOLDMAN SACHS GROUP INC	159,922	207,253
HALLIBURTON CO	149,884	
HOWMET AEROSPACE INC	144,601	171,836
ICON PLC	177,279	120,442
INTERCONTINENTAL EXCHANGE, INC	115,630	
JOHNSON & JOHNSON	251,412	530,647
JPMORGAN CHASE & CO	498,985	473,231
KENVUE INC	38,355	
KEURIG DR PEPPER INC	203,179	278,848
KLA CORPORATION		61,255
LAM RESEARCH CORP	89,205	51,673
LEIDOS HOLDINGS INC	116,329	117,102
LKQ CORP	71,598	111,656
MARATHON PETROLEUM CORP	243,851	310,209
MASCO CORP	100,848	79,561
MCKESSON CORP	148,435	82,575
META PLATFORMS, INC.		312,663
MGM MIRAGE	64,079	
MICROCHIP TECHNOLOGY INC	153,941	125,802
MICRON TECHNOLOGY INC	159,743	110,912
MOHAWK INDUSTRIES INC	99,565	100,759
MORGAN STANLEY	176,516	
NOVARTIS AG		72,549

## OTHER SUPPLEMENTARY INFORMATION

### Schedule 1 - Pension Fund Investments

August 31, 2023 (With comparative totals for August 31, 2022)

	Fair Value As of August 31, 2023	Fair Value As of August 31, 2022
NXP SEMICONDUCTOR NV	37,235	54,147
OLIN CORP	62,778	95,928
OMNICOM GROUP	126,133	
OTIS WORLDWIDE CORP	82,727	136,857
PEABODY ENERGY CORP	59,151	
PHILIP MORRIS INTERNATIONAL	191,928	
PIONEER NATURAL RESOURCES CO	114,444	272,718
PROGRESSIVE CORP	94,497	
QORVO INC		88,344
QUALCOMM INC	113,270	255,017
RTX CORPORATION	187,223	
SANOFI	250,425	299,806
SCHLUMBERGER LTD		175,376
SCHWAB (CHARLES) CORP		311,471
SLB	228,234	
SONY GROUP CORP	104,653	74,986
SS&C TECHNOLOGIES HOLDINGS	100,887	116,315
TAKE-TWO INTERACTIVE SOFTWARE	60,719	
TECK COMINCO LTD - CLASS B	69,831	
T-MOBILE US INC	152,873	244,300
TRUIST FINANCIAL CORP		129,325
ULTA BEAUTY INC	48,559	
UNION PACIFIC CORP		160,300
UNITED RENTALS INC	197,288	164,419
UNITEDHEALTH GROUP INC	223,993	273,168
US FOODS HOLDING CORP	144,335	88,645
WABTEC CORP	115,558	84,407
WALMART, INC	238,711	
WARNER BROS DISCOVERY INC	88,892	
WELLS FARGO & COMPANY	280,689	307,544
WESCO INTERNATIONAL INC	100,185	
WHIRLPOOL CORP	56,824	
Total Equity Funds	<u>13,501,081</u>	<u>14,145,980</u>
<b>TOTAL INVESTMENTS</b>	<b>124,682,217</b>	<b>121,941,004</b>
<b>Short Term Investments (Exhibit VI)</b>	<b>5,913,477</b>	<b>2,808,666</b>
<b>Investments (Exhibit VI)</b>		
Equity	64,898,533	78,148,488
Bonds	26,324,757	26,262,362
Other Investments	27,545,451	14,721,488
<b>Total</b>	<u><u>124,682,217</u></u>	<u><u>121,941,004</u></u>

\* Investment represents greater than 5% of the Fiduciary Net Position as of August 31, 2023.

## Schedule 2 - SB 322 Investment Expense Reporting in Annual Financial Reports

### Direct and Indirect Fees and Commissions

ASSET CLASS	MANAGEMENT FEES PAID FROM TRUST	MANAGEMENT FEES NETTED FROM RETURNS	TOTAL INVESTMENT MANAGEMENT FEES (Management Fees Netted from Returns + Management Fees Paid From Trust)	BROKERAGE FEES/COMMISSIONS	PROFIT SHARE/CARRIED INTEREST	TOTAL DIRECT AND INDIRECT FEES AND COMMISSIONS (Management Fees + Brokerage Fees/Commissions + Profit Share)
Cash	\$ 117.86	\$ -	\$ 117.86	\$ -	\$ -	\$ 118
Public Equity	\$ 201,986.23	\$ 412,421.53	\$ 614,407.76	\$ 5,433	\$ -	\$ 619,841
Fixed Income	\$ 58,133.34	\$ -	\$ 58,133.34	\$ -	\$ -	\$ 58,133
Real Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Alternative/Other	\$ 41,840.33	\$ -	\$ 41,840.33	\$ -	\$ -	\$ 41,840
<b>TOTAL</b>	<b>\$ 302,078</b>	<b>\$ 412,422</b>	<b>\$ 714,499</b>	<b>\$ 5,433</b>	<b>\$ -</b>	<b>\$ 719,932</b>

### Alternative/Other

List of Alternative/Other Investments*
<i>Invesco Trust Company</i>

### Investment Managers

List of Investment Manager Names*
<i>Andco Consulting</i>
<i>Bank of Texas</i>
<i>Boston Partners</i>
<i>Garcia Hamilton &amp; Associates</i>
<i>Invesco Trust Company</i>
<i>Richmond Capital Management</i>
<i>IFM Global</i>

### Total Investment Expenses

<b>Total Direct and Indirect Fees and Commissions</b>	<b>\$ 719,932</b>
<b>Investment Services</b>	
Custodial	\$ 31,241.25
Research	\$ -
Investment Consulting	\$ 88,750.00
Legal	\$ -
<b>Total</b>	<b>\$ 119,991.25</b>
<b>Total Investment Expenses</b> (Total Direct and Indirect Fees and Commissions + Investment Services)	<b>\$ 839,924</b>

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**UNAUDITED**

**Texas Emergency Services Retirement System (326)**  
**Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds**  
**August 31, 2023**

	<b>General</b>		<b>Total</b>
	<b>Fund 1</b>		<b>(Ex I)</b>
	<b>(0001)*</b>		
	<b>U/F (0001)</b>		
<b>ASSETS</b>			
Current Assets:			
Cash in State Treasury	\$ -		\$ -
Legislative Appropriations	196,564.56		196,564.56
Accounts Receivable	-		-
Consumable Inventories	6,407.52		6,407.52
Other Current Assets	-		-
Total Current Assets	\$ 202,972.08		\$ 202,972.08
Total Assets	\$ 202,972.08		\$ 202,972.08
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Current Liabilities:			
Payables from			
Accounts	\$ 4,274.89		\$ 4,274.89
Payroll	61,057.29		61,057.29
Due To Other Funds	-		-
Due To Other Agencies	-		-
Employees' Compensable Leave	-		-
Total Current Liabilities	\$ 65,332.18		\$ 65,332.18
Non-Current Liabilities			
Employees' Compensable Leave	\$ -		\$ -
Total Non-Current Liabilities	\$ -		\$ -
Total Liabilities	\$ 65,332.18		\$ 65,332.18
Fund Balances (Deficits):			
Nonspendable	\$ 6,407.52		\$ 6,407.52
Restricted	-		-
Committed	-		-
Assigned	-		-
Unassigned	131,232.38		131,232.38
Total Fund Balances	\$ 137,639.90		\$ 137,639.90
Total Liabilities and Fund Balances	\$ 202,972.08		\$ 202,972.08

The accompanying notes to the financial statements are an integral part of this statement.

**UNAUDITED**

**Texas Emergency Services Retirement System (326)**  
**Exhibit A-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**All General and Consolidated Funds**  
**For the Fiscal Year Ended August 31, 2023**

	<b>General Fund 1 (0001)* U/F (0001)</b>	<b>Total (Ex II)</b>
<b>REVENUES</b>		
Legislative Appropriations		
Original Appropriations (GR)	\$ 680,661.00	\$ 680,661.00
Additional Appropriations (GR)	126,149.81	126,149.81
Other (PR - Seminar Fees)	-	-
Other (GR)	-	-
Total Revenues	\$ 806,810.81	\$ 806,810.81
<b>EXPENDITURES</b>		
Salaries and Wages	\$ 428,073.31	\$ 428,073.31
Payroll Related Costs	131,782.79	131,782.79
Professional Fees and Services	47,951.92	47,951.92
Travel	6,711.12	6,711.12
Materials and Supplies	31,764.78	31,764.78
Communication and Utilities	6,493.07	6,493.07
Repairs and Maintenance	8,999.89	8,999.89
Rentals and Leases	-	-
Printing and Reproduction	1,439.29	1,439.29
Judgments and Settlements	-	-
Other Expenditures	11,703.15	11,703.15
Capital Outlay	-	-
Total Expenditures	\$ 674,919.32	\$ 674,919.32
Excess (Deficiency) of Revenues over Expenditures	\$ 131,891.49	\$ 131,891.49
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In (Out)	\$ (28,177.44)	\$ (28,177.44)
Total Other Financing Sources (Uses)	\$ (28,177.44)	\$ (28,177.44)
<b>SPECIAL ITEMS</b>		
	-	-
	-	-
<b>EXTRAORDINARY ITEMS</b>		
	-	-
	-	-
Net Change in Fund Balances	\$ 103,714.05	\$ 103,714.05
<b>Fund Financial Statement - Fund Balances</b>		
Fund Balances - Beginning	\$ 58,779.27	\$ 58,779.27
Restatements	-	-
Fund Balances - September 1, 2022, as Restated	\$ 58,779.27	\$ 58,779.27
Appropriations Lapsed	24,853.42	24,853.42
Fund Balances, August 31, 2023	\$ 137,639.90	\$ 137,639.90

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED

**Texas Emergency Services Retirement System (326)**  
**Exhibit G-1 - Combining Statement of Fiduciary Net Position**  
**August 31, 2023**

	Pension Trust Fund 1 TESRS (976) U/F (0976)	Pension Trust Fund 2 (976) U/F (8976)	Pension Trust Fund 3 (976) U/F (0980)	Totals (Ex VI)
<b>ASSETS</b>				
Cash and Cash Equivalents				
Cash in State Treasury	\$ 778,615.37	\$ -	\$ -	\$ 778,615.37
Short Term Investments				
Other Short Term Investments	5,913,476.72	-	-	5,913,476.72
Investments				
Corporate Equity	64,898,532.64	-	-	64,898,532.64
US Government Obligations	16,984,261.18	-	-	16,984,261.18
Corporate Obligations	9,340,495.33	-	-	9,340,495.33
Other Investments	27,545,451.31	-	-	27,545,451.31
Receivables from:				
Retirement System Contributions Receivable	1,821,902.30	-	-	1,821,902.30
Interest and Dividends	244,351.93	-	-	244,351.93
Sale of Investments	-	-	-	-
Other	-	-	-	-
Due From Other Funds	-	-	-	-
Properties, at Cost, net of Accumulated Depreciation	-	-	-	-
<b>Total Assets</b>	<b>\$ 127,527,086.78</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 127,527,086.78</b>
<b>LIABILITIES</b>				
Payables from:				
Accounts Payable	\$ 80,541.53	\$ -	\$ -	\$ 80,541.53
Investment Payable	6,972.61	-	-	6,972.61
Unearned Revenue	-	-	-	-
Payroll	-	-	-	-
Retirement Benefits	-	-	-	-
Due To Other Funds	-	-	-	-
Deferred Revenues	-	-	-	-
Claims and Judgments	-	-	-	-
Employees' Compensable Leave	-	-	-	-
Capital Lease Obligations	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 87,514.14</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87,514.14</b>
<b>NET Position</b>				
Held in Trust For:				
Pension and Other Employee Benefits	\$ 127,439,572.64	\$ -	\$ -	\$ 127,439,572.64
<b>Total Liabilities and Net Position</b>	<b>\$ 127,527,086.78</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 127,527,086.78</b>

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED

**Texas Emergency Services Retirement System (326)**  
**Exhibit G-2 - Combining Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended August 31, 2023**

	Pension Trust Fund 1 TESRS (0976) U/F (0976)	Pension Trust Fund 2 TESRS (0976) U/F (8976)	Pension Trust Fund 3 TESRS (0976) U/F (9000)	Totals (Ex VII)
<b>Additions</b>				
Contributions:				
Original Appropriations (GR)	\$ 1,262,763.00	\$ -	\$ -	\$ 1,262,763.00
Dues	3,726,157.94	-	-	3,726,157.94
Default--Voided warrant	12,539.70	-	2,506.67	15,046.37
Prior Service	10,288.03	-	-	10,288.03
<b>Total Contributions</b>	<b>\$ 5,011,748.67</b>	<b>\$ -</b>	<b>\$ 2,506.67</b>	<b>\$ 5,014,255.34</b>
Investment Income				
From Investing Activities:				
Net Appreciation (Depreciation) in Fair Value of Investments	\$ 4,097,421.24	\$ -	\$ -	\$ 4,097,421.24
Treasury Interest	68,741.19	823.64	-	69,564.83
Interest and Investment Income	3,158,594.38	-	-	3,158,594.38
<b>Total Investing Income (Loss)</b>	<b>\$ 7,324,756.81</b>	<b>\$ 823.64</b>	<b>\$ -</b>	<b>\$ 7,325,580.45</b>
Less Investing Activities Expense	416,883.23	-	-	416,883.23
<b>Net Income from Investing Activities</b>	<b>\$ 6,907,873.58</b>	<b>\$ 823.64</b>	<b>\$ -</b>	<b>\$ 6,908,697.22</b>
<b>Total Net Investment Income (Loss)</b>	<b>\$ 6,907,873.58</b>	<b>\$ 823.64</b>	<b>\$ -</b>	<b>\$ 6,908,697.22</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In (Out)	\$ 28,177.44	\$ -	\$ -	\$ 28,177.44
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 28,177.44</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,177.44</b>
<b>Total Additions</b>	<b>\$ 11,947,799.69</b>	<b>\$ 823.64</b>	<b>\$ 2,506.67</b>	<b>\$ 11,951,130.00</b>
<b>Deductions</b>				
Retirement System Benefits Paid:				
Death Benefits	\$ 308,546.21	\$ -	\$ -	\$ 308,546.21
Retirement Benefits	7,550,872.94	-	-	7,550,872.94
Disability Benefits	26,400.00	-	-	26,400.00
Survivor's Benefits	645,500.23	-	-	645,500.23
Salaries and Wages	8,436.14	-	-	8,436.14
Payroll Related Costs	-	-	-	-
Professional Fees and Services	290,761.19	-	-	290,761.19
Travel	20,380.96	-	-	20,380.96
Materials & Supplies	160.43	-	-	160.43
Communications & Utilities	-	-	-	-
Repairs & Maintenance	2,685.05	-	-	2,685.05
Rentals & Leases	69.32	-	-	69.32
Printing and Reproduction	-	-	-	-
Depreciation Expense	-	-	-	-
Interest Expense	167.12	-	-	167.12
Other Expense	2,087.34	-	-	2,087.34
Transfer Out	-	-	-	-
<b>Total Deductions</b>	<b>\$ 8,856,066.93</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,856,066.93</b>
<b>Net Increase (Decrease)</b>	<b>\$ 3,091,732.76</b>	<b>\$ 823.64</b>	<b>\$ 2,506.67</b>	<b>\$ 3,095,063.07</b>
Net Position - Beginning	\$ 124,345,593.05	\$ (1,083.48)	\$ -	\$ 124,344,509.57
Restatements	-	-	-	-
<b>Net Position, September 1, 2022, as Restated</b>	<b>\$ 124,345,593.05</b>	<b>\$ (1,083.48)</b>	<b>\$ -</b>	<b>\$ 124,344,509.57</b>
<b>Net Position, August 31, 2023</b>	<b>\$ 127,437,325.81</b>	<b>\$ (259.84)</b>	<b>\$ 2,506.67</b>	<b>\$ 127,439,572.64</b>

The accompanying notes to the financial statements are an integral part of this statement.



**Texas Emergency Services Retirement System  
Board Members and Staff Contacts  
August 31, 2023**

Name

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Pilar Rodriguez, Chairman

Jerry Romero, Vice-Chairman

Edward J. Keenan, Secretary

Rodney Alan Ryalls, Trustee

Brian Smith, Trustee

Rupal Chaudhari, Trustee

Matthew Glaves, Trustee

Nathan Douglas, Trustee

Brad Landi, Trustee

Jessica O'Brien, Acting Executive Director