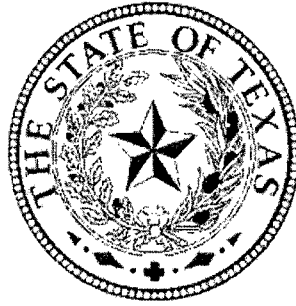


UNAUDITED
ANNUAL FINANCIAL REPORT
For The Year Ended August 31, 2019



Texas Emergency Services
Retirement System

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

Austin TX 78701

(800) 919-3372

www.tesrs.texas.gov



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Texas Emergency Services Retirement System



Jenny Moore, Chairman
Kevin Deiters, Executive Director

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

(800) 919-3372

www.tesrs.texas.gov

November 20, 2019

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Sarah Keyton, Assistant Director, Legislative Budget Board
John McGeady, Assistant Director, Legislative Budget Board
Lisa Collier, First Assistant 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, 2019, 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 *Comprehensive Annual Financial Report (CAFR)*; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

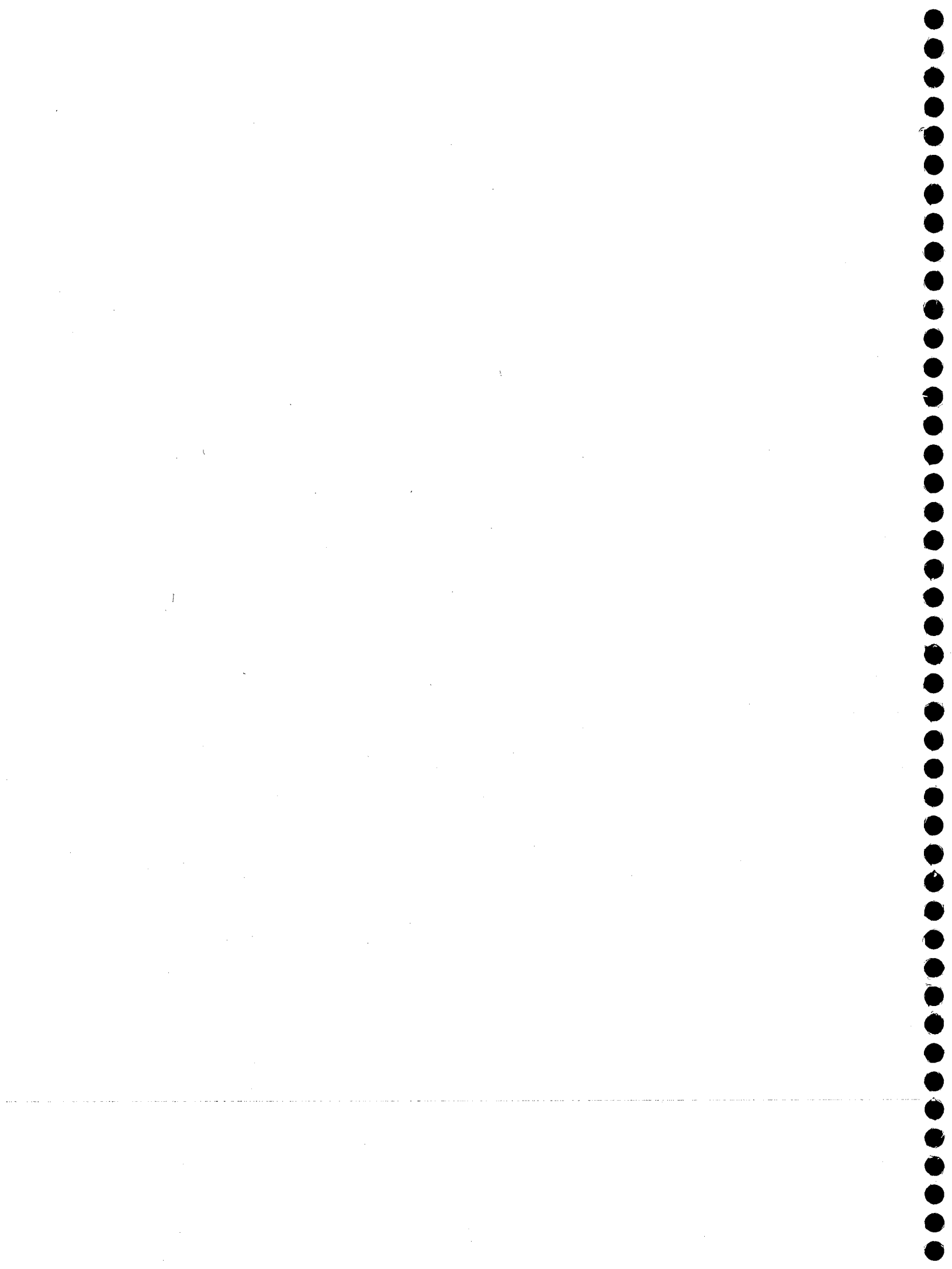
A separate audit and opinion will be expressed on the financial statements contained in this report.

If you have questions or need additional information, please contact L. Wayne Oberhoff, Chief Financial Officer, at (512) 936-3422 or wayne.oberhoff@tesrs.texas.gov.

Sincerely Yours,

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

Kevin Deiters, Executive Director
Texas Emergency Services Retirement System





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Texas Emergency Services Retirement System (326)
 Exhibit I - Combined Balance Sheet/Statement of Net Position - Governmental Funds
 August 31, 2019

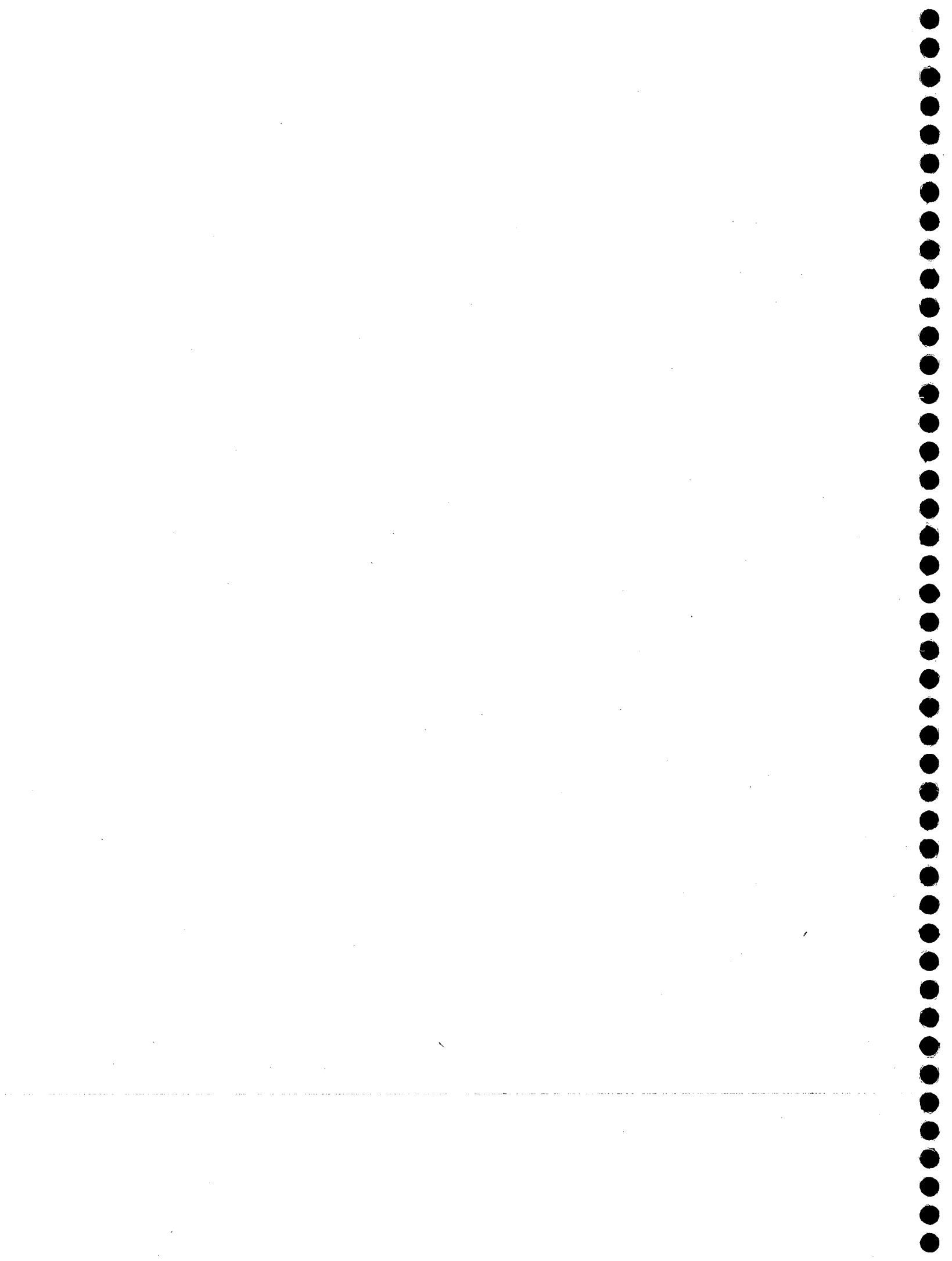
	General Funds (Ex A-1)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
ASSETS AND DEFERRED OUTFLOWS					
Current Assets:					
Cash in State Treasury	\$ -	\$ -	\$ -	\$ -	\$ -
Legislative Appropriations	91,637.52	91,637.52	-	-	91,637.52
Accounts Receivable	-	-	-	-	-
Consumable Inventories	2,251.47	2,251.47	-	-	2,251.47
Other Current Assets	-	-	-	-	-
Total Current Assets	<u>93,888.99</u>	<u>93,888.99</u>	<u>-</u>	<u>-</u>	<u>93,888.99</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>\$ 93,888.99</u>	<u>\$ 93,888.99</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,888.99</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities					
Current Liabilities:					
Payables from:					
Accounts	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll	-	-	-	-	-
Due To Other Funds (Note 12)	-	-	-	-	-
Employees' Compensable Leave (Note 5)	-	-	-	28,733.80	28,733.80
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,733.80</u>	<u>28,733.80</u>
Non-Current Liabilities					
Employees' Compensable Leave (Note 5)	-	-	-	15,655.84	15,655.84
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,655.84</u>	<u>15,655.84</u>
Total Liabilities and Deferred Inflows	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,389.64</u>	<u>\$ 44,389.64</u>
Fund Financial Statement					
Fund Balances (Deficits):					
Nonspendable	\$ 2,251.47	\$ 2,251.47	\$ -	\$ -	\$ 2,251.47
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	91,637.52	91,637.52	-	-	91,637.52
Total Fund Balances	<u>93,888.99</u>	<u>93,888.99</u>	<u>-</u>	<u>-</u>	<u>93,888.99</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 93,888.99</u>	<u>\$ 93,888.99</u>	<u>\$ -</u>	<u>\$ 44,389.64</u>	<u>\$ 138,278.63</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			-	(44,389.64)	(44,389.64)
Total Net Position			<u>\$ -</u>	<u>\$ (44,389.64)</u>	<u>\$ 49,499.35</u>

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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, 2019

	General Funds (Ex A-2)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
REVENUES					
Legislative Appropriations					
Original Appropriations (GR)	\$ 716,486.00	\$ 716,486.00	\$ -	\$ -	\$ 716,486.00
Additional Appropriations (GR)	141,665.71	141,665.71	-	-	141,665.71
Other (PR - Seminar Fees)	-	-	-	-	-
Other (GR)	-	-	-	-	-
Total Revenues	<u>\$ 858,151.71</u>	<u>\$ 858,151.71</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 858,151.71</u>
EXPENDITURES					
Salaries and Wages	\$ 455,915.07	\$ 455,915.07	\$ -	\$ 1,524.32	\$ 457,439.39
Payroll Related Costs	158,104.50	158,104.50	-	-	158,104.50
Professional Fees and Services	90,755.93	90,755.93	-	-	90,755.93
Travel	16,405.77	16,405.77	-	-	16,405.77
Materials and Supplies	18,305.60	18,305.60	-	-	18,305.60
Communication and Utilities	9,037.68	9,037.68	-	-	9,037.68
Repairs and Maintenance	13,454.97	13,454.97	-	-	13,454.97
Rentals and Leases	200.00	200.00	-	-	200.00
Printing and Reproduction	1,388.85	1,388.85	-	-	1,388.85
Judgments and Settlements	-	-	-	-	-
Other Expenditures	3,521.13	3,521.13	-	-	3,521.13
Capital Outlay	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
Total Expenditures/Expenses	<u>\$ 767,089.50</u>	<u>\$ 767,089.50</u>	<u>\$ -</u>	<u>\$ 1,524.32</u>	<u>\$ 768,613.82</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 91,062.21</u>	<u>\$ 91,062.21</u>	<u>\$ -</u>	<u>\$ (1,524.32)</u>	<u>\$ 89,537.89</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
SPECIAL ITEMS					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXTRAORDINARY ITEMS					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances/Net Position	<u>91,062.21</u>	<u>91,062.21</u>	<u>-</u>	<u>(1,524.32)</u>	<u>89,537.89</u>
Fund Financial Statement - Fund Balances					
Fund Balances - Beginning	\$ 2,869.40	\$ 2,869.40			\$ 2,869.40
Restatements	-	-			-
Fund Balances - September 1, 2018, as Restated	<u>2,869.40</u>	<u>2,869.40</u>			<u>2,869.40</u>
Appropriations Lapsed	42.62	42.62			42.62
Fund Balances, August 31, 2019	<u>\$ 93,888.99</u>	<u>\$ 93,888.99</u>	<u>\$ -</u>	<u>\$ (1,524.32)</u>	<u>\$ 92,364.67</u>
Government-Wide Statement of Net Position					
Net Position/Net Change in Net Position			<u>-</u>	<u>(1,524.32)</u>	
Net Position, Beginning			\$ -	\$ (42,865.32)	\$ (42,865.32)
Restatements			-	-	-
Net Position, September 1, 2018, as Restated			<u>-</u>	<u>(42,865.32)</u>	<u>(42,865.32)</u>
Net Position as of August 31, 2019			<u>\$ -</u>	<u>\$ (44,389.64)</u>	<u>\$ 49,499.35</u>

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





UNAUDITED

Texas Emergency Services Retirement System (326)
Exhibit VI - Combined Statement of Fiduciary Net Position
August 31, 2019

	Pension and Other Employee Benefit Trust Funds (Exhibit G-1)	Agency Funds (Exhibit J-1)	Totals
ASSETS			
Cash and Cash Equivalents			
Cash in State Treasury	\$ 818,317.78	\$ -	\$ 818,317.78
Short Term Investments (Note 3)			
Other Short Term Investments	2,184,255.88	-	2,184,255.88
Investments (Note 3)			
Corporate Equity	66,957,688.28	-	66,957,688.28
US Government Obligations	9,466,736.42	-	9,466,736.42
Corporate Obligations	15,447,918.40	-	15,447,918.40
Other Investments	18,343,769.18	-	18,343,769.18
Receivables from:			
Retirement System Contributions Receivable	1,811,423.04	-	1,811,423.04
Interest and Dividends	225,152.94	-	225,152.94
Sale of Investments	1,674.71	-	1,674.71
Other	-	-	-
Due From Other Funds (Note 12)	-	-	-
Properties, at Cost, net of Accumulated Depreciation	-	-	-
Total Assets	\$ 115,256,936.63	\$ -	\$ 115,256,936.63
LIABILITIES			
Payables from:			
Accounts Payable	\$ 78,094.48	\$ -	\$ 78,094.48
Investment Payable	23,366.41	-	23,366.41
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)	-	-	-
Total Liabilities	\$ 101,460.89	\$ -	\$ 101,460.89
NET Position			
Held in Trust For:			
Pension and Other Employee Benefits	\$ 115,155,475.74	\$ -	\$ 115,155,475.74
Total Liabilities and Net Position	\$ 115,256,936.63	\$ -	\$ 115,256,936.63

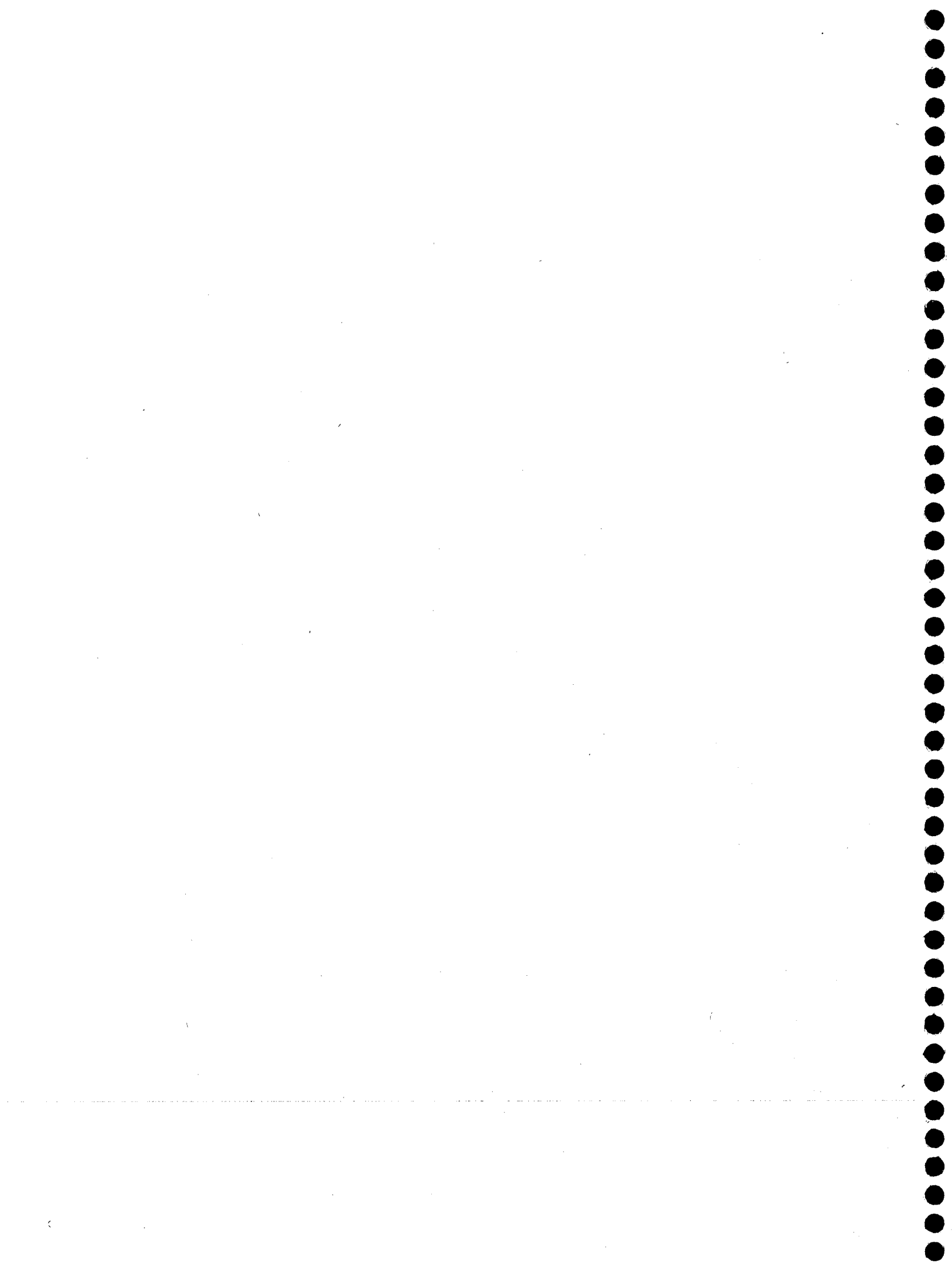
The accompanying notes
to the financial statements
are an integral part of this statement.

UNAUDITED

Texas Emergency Services Retirement System (326)
Exhibit VII - Combined Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended August 31, 2019

	Pension and Other Employee Benefit Trust Funds (Exhibit G-2)	Totals
Additions		
Contributions:		
Original Appropriations (GR)	\$ 1,329,224.00	\$ 1,329,224.00
Dues	3,476,062.79	3,476,062.79
Default--Voided warrant	-	-
Prior Service	4,446.00	4,446.00
Total Contributions	4,809,732.79	4,809,732.79
Investment Income		
From Investing Activities:		
Net Appreciation (Depreciation) in Fair Value of Investments	(918,355.81)	(918,355.81)
Treasury Interest	29,029.79	29,029.79
Interest and Investment Income	2,472,199.11	2,472,199.11
Total Investing Income (Loss)	1,582,873.09	1,582,873.09
Less Investing Activities Expense	446,072.38	446,072.38
Net Income from Investing Activities	1,136,800.71	1,136,800.71
Total Net Investment Income (Loss)	1,136,800.71	1,136,800.71
Other Additions		
Voided warrants	3,777.65	3,777.65
Total Other Additions	3,777.65	3,777.65
Total Additions	\$ 5,950,311.15	\$ 5,950,311.15
Deductions		
Retirement System Benefits Paid:		
Death Benefits	\$ 226,681.64	\$ 226,681.64
Retirement Benefits	5,645,188.61	5,645,188.61
Disability Benefits	27,050.00	27,050.00
Survivor's Benefits	533,002.85	533,002.85
Salaries and Wages	-	-
Payroll Related Costs	-	-
Professional Fees and Services	207,535.50	207,535.50
Travel	13,513.33	13,513.33
Materials & Supplies	454.23	454.23
Communications & Utilities	-	-
Repairs & Maintenance	-	-
Rentals & Leases	1,407.50	1,407.50
Printing and Reproduction	-	-
Depreciation Expense	-	-
Interest Expense	1.43	1.43
Other Expense	3,894.64	3,894.64
Transfer Out	-	-
Total Deductions	\$ 6,658,729.73	\$ 6,658,729.73
Net Increase (Decrease)	\$ (708,418.58)	\$ (708,418.58)
Net Position - Beginning	115,863,894.32	115,863,894.32
Restatements	-	-
Net Position, September 1, 2018, as Restated	115,863,894.32	115,863,894.32
Net Position, August 31, 2019	\$ 115,155,475.74	\$ 115,155,475.74

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 83rd Legislature via the passage of 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

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

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 \$226,806.63 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

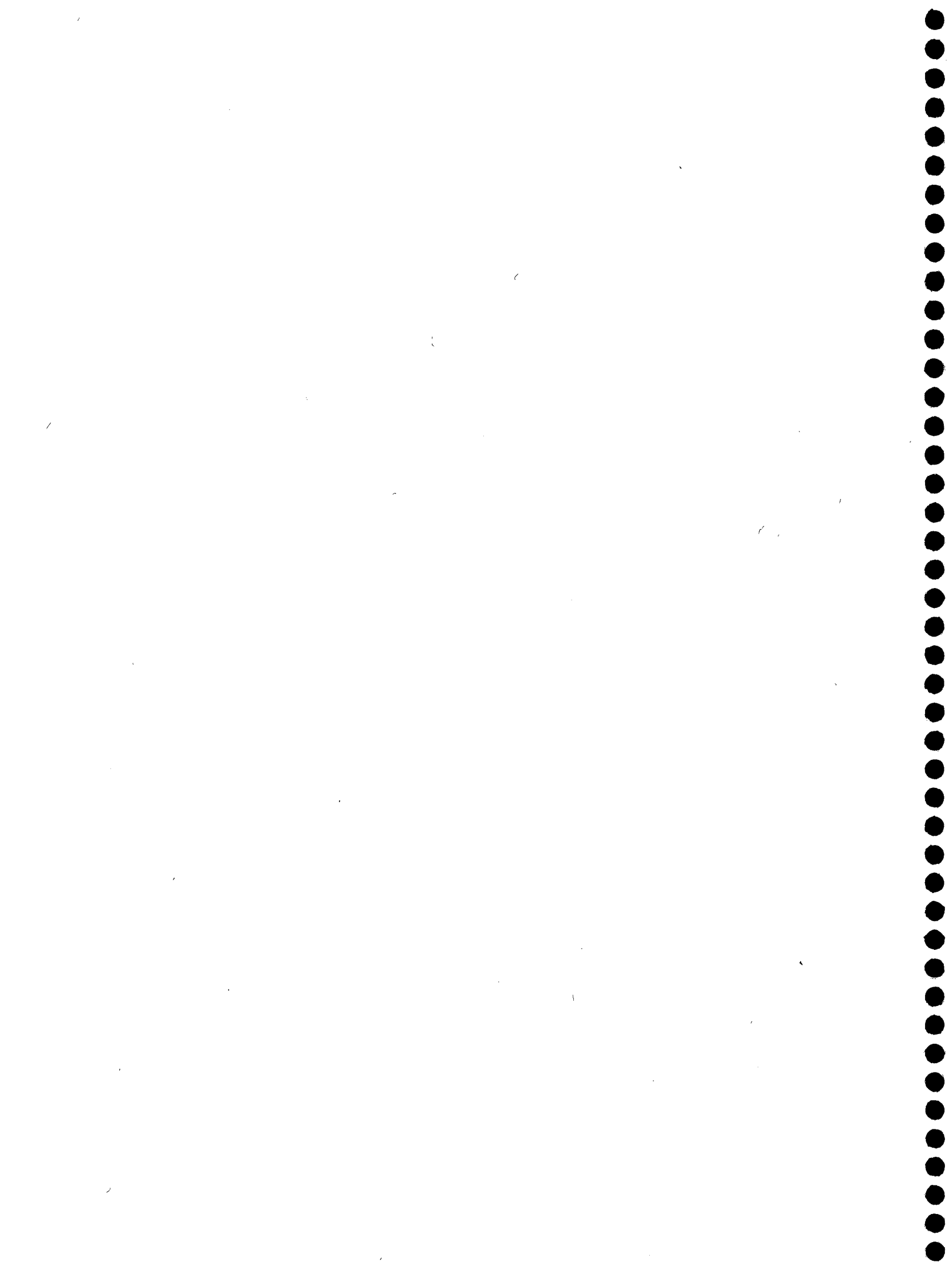
Investments

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, 2019, and investment trades initiated before August 31, 2019 with settlement dates after August 31, 2019.

In addition, included in this category are receivables relating to the financing of prior service contracts. Pursuant to Senate Bill No. 411, 65th 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

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

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

"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, 2019 is \$2,251.47, 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, 2019 was \$617.93.

TESRS NET POSITION HELD IN TRUST FOR PENSION BENEFITS

TESRS Reserves

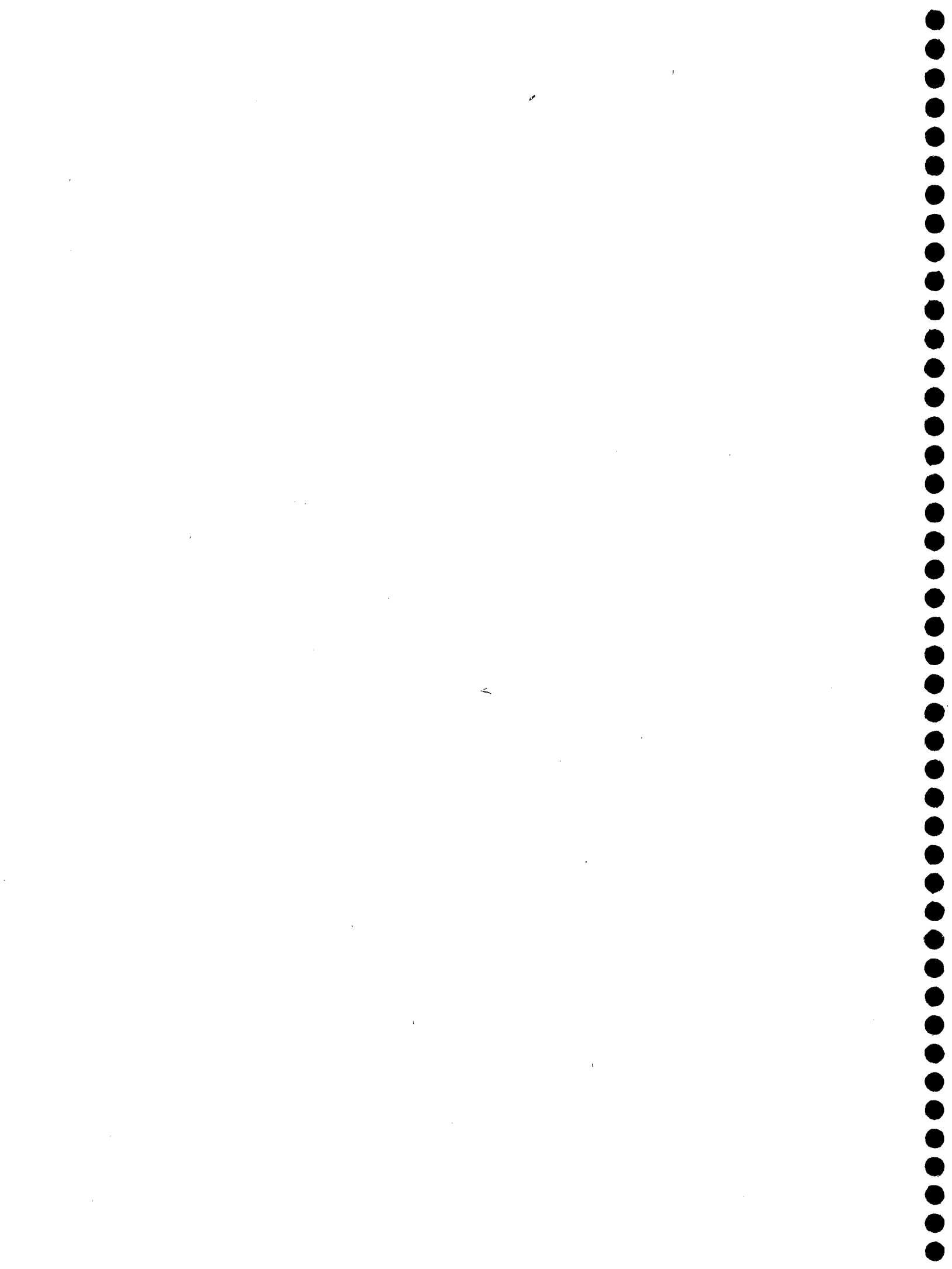
This represents reserves available to fund future retirement, death, and survivor benefits. The balance in this reserve is sufficient to meet the statutory requirements of the TESRS Fund. The balance at August 31, 2019 was \$115,155,475.74.

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, 2019 is presented in Note 12.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: CAPITAL ASSETS

A summary of changes in General Fixed Assets for the year ended August 31, 2019, is presented below.

	PRIMARY GOVERNMENT				Balance 08/31/19
	Balance 09/01/18	Adjust- ments	Restate- ments	Additions	
Governmental					
Activities:					
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
Governmental activities					
Capital assets, net:	\$0		\$0		\$0

	PRIMARY GOVERNMENT				Balance 08/31/19
	Balance 09/01/18	Adjust- ments	Restate- ments	Additions	
Fiduciary					
Activities					
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
Fiduciary activities					
Capital assets, net:	\$0		-		\$0



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 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 three mutual funds—Wells Fargo, Clarkston Partners, and Jackson Square Partners, 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 2019, TESRS began investing in Mutual Funds Oakmark International and Blackrock Multi-Asset.



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

INVESTMENTS

As of August 31, 2019, 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	4,973,748.85				4,973,748.85
U.S. Government Agency Obligations		646,905.35			646,905.35
Corporate Obligations		15,238,554.37			15,238,554.37
Corporate Asset and Mortgage Backed Securities		4,055,446.25			4,055,446.25
Equity	66,957,688.28				66,957,688.28
International Equity	5,118,561.55				5,118,561.55
International Other Commingled Funds				8,094,814.06	8,094,814.06
Other Commingled Funds	2,184,255.88				2,184,255.88
Real Estate				5,130,393.57	5,130,393.57
Total Investments	79,234,254.56	19,940,905.97	0.00	13,225,207.63	112,400,368.16
Reconciliation of Investments per Exhibit VI					
Other Short Term Investments					2,184,255.88
Corporate Equity					66,957,688.28
U.S. Government Obligations					9,466,736.42
Corporate Obligations					15,447,918.40
Other Investments					18,343,769.18
Investment per Exhibit VI					112,400,368.16

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% (22.0% actual) of the portfolio.

TESRS' domestic fixed income is managed by Richmond Capital Management, Inc. and Garcia Hamilton & Associates L.P. 41% of these holdings are either not subject to credit risk or AAA rated, while 50% is rated A or better. Credit risk is managed through diversification and by operating within defined parameters.



NOTE 3: DEPOSITS, INVESTMENTS, & REPURCHASE AGREEMENTS (CONTINUED)
Standard & Poor's

Fund Type	GAAP Fund	Investment Type	Not Rated
10	976	Core Fixed Income	\$24,914,654.82

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 seven 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, 2019, the following changes occurred in long-term liabilities.

	Balance 9/1/2018	Additions	Reductions	Balance 8/31/2019	Amounts Due Within One Year
Governmental Activities					
Compensable Leave	\$ 42,865.32	\$ 39,946.29	\$ 38,421.97	\$ 44,389.64	\$ 28,733.80
Total					
Governmental Activities	\$ 42,865.32	\$ 39,946.29	\$ 38,421.97	\$ 44,389.64	\$ 28,733.80

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, 2019, follows:

<u>Current Portion</u>	<u>Current Interfund Receivable</u>	<u>Current Interfund Payable</u>
General Revenue (01)	\$	\$
TESRS (976)	\$	\$
Total Interfund	\$	\$
Receivable/Payable	\$	\$
<u>Non-Current Portion</u>	<u>Non-Current Interfund Receivable</u>	<u>Non-Current Interfund Payable</u>
General Revenue (01)	\$	\$
TESRS (976)	\$	\$
Total Interfund	\$	\$
Receivable/Payable	\$	\$
	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Agy 325, Fd 1, D23 Fund 0001	\$	\$
Agy 325, Fd 976, D23 Fd 976 TESRS	\$	\$
Total Due From/To Other Funds	\$-0-	\$-0-

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 2018 and 2019 were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims	Balance at Fiscal Year- End
2018	\$ -0-	\$ -0-	\$ -0-	\$ -0-
2019	\$ -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, 2019 (With Comparative totals for August 31, 2018)**

	Market Value As of August 31, 2019	Market Value As of August 31, 2018
MONEY MARKET MUTUAL FUND		
Money Market Securities	2,184,256	1,101,697
EQUITY MUTUAL/COMMINGLED FUNDS		
INVESCO Intl Growth 2 Class A Commingled	8,094,814 *	16,827,392
Prime Property Fund, LLC	5,130,394	2,500,004
Wells Fargo Emerg Mkts Eq-R6 #4660	5,118,562	5,456,218
Total Equity Mutual/Commingled Funds	18,343,769	24,783,614
EQUITY MUTUAL		
Blackrock Multi-Asset Inc-K #1981	5,804,196 *	
Clarkston Partners-Inst #21301	7,786,612 *	8,412,322
Jackson Square Smid/C Grwth-Is #6112	7,900,366 *	10,242,762
Oakmark Intl-Inst #2886	7,664,374 *	
Total Equity Mutual	29,155,547	18,655,084
BOND FUNDS		
21ST CENTURY FOX AMERICA		37,371
AFLAC INC	26,721	154,031
ALABAMA POWER CO	46,613	40,559
ALTRIA GROUP INC	33,674	31,747
AMERICAN EXPRESS CO	101,933	96,801
AMERICAN EXPRESS CREDIT	287,326	480,839
AMERICAN EXPRESS CREDIT	70,033	
AMGEN INC	25,512	22,288
ANHEUSER-BUSCH	23,779	35,915
ANHEUSER-BUSCH	42,941	
APACHE CORP	25,284	24,948
APPLE INC	28,520	425,999
APPLE INC	37,469	
APPLE INC	271,944	
ARCHER-DANIELS-MIDLAND	76,895	69,352
AT&T INC	51,302	88,943
AT&T INC	44,011	
AT&T INC	37,079	
AVALONBAY COMMUNITIES	106,600	
BANK OF AMERICA CORP	460,428	542,389
BANK OF NOVA SCOTIA	50,021	138,134
BANK OF NY MELLON CORP	386,696	474,813
BANK OF NY MELLON CORP	96,046	
BB&T CORPORATION	200,142	198,858
BECTON DICKINSON	44,086	41,267
BERKSHIRE HATHAWAY	144,920	140,326
BLACKROCK INC	130,979	133,808
BOSTON PROP LP	63,291	60,604
BRISTOL-MYERS SQUIBB CO	45,814	42,244



OTHER SUPPLEMENTARY INFORMATION

Schedule 1 - Pension Fund Investments
August 31, 2019 (With Comparative totals for August 31, 2018)

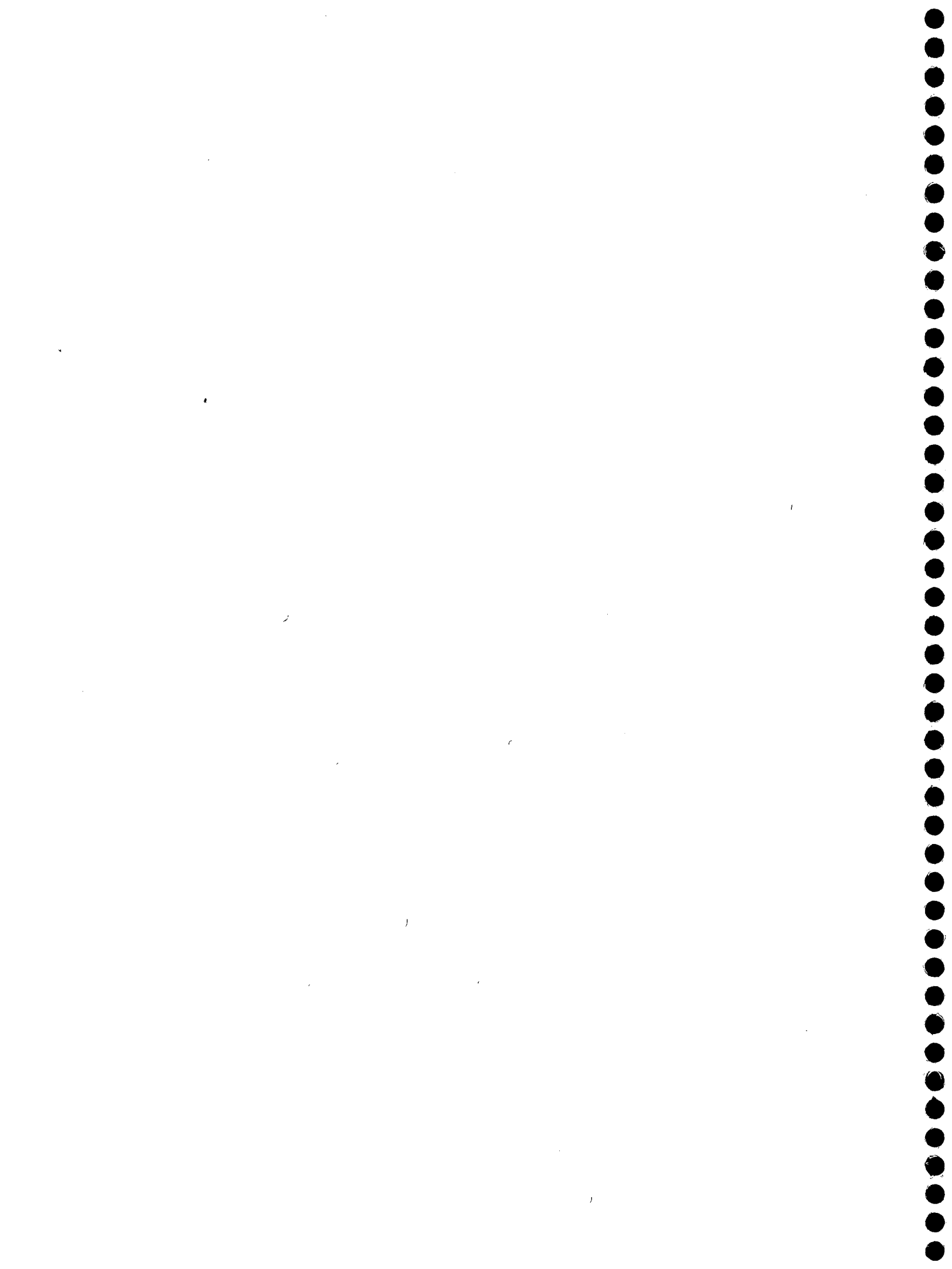
	Market Value As of August 31, 2019	Market Value As of August 31, 2018
BURLINGTON NORTHERN SANTA FE	61,620	59,665
CAMDEN PROPERTY TRUST	63,499	
CAPITAL ONE FINANCIAL CO	79,451	
CATERPILLAR INC	59,314	54,223
CATERPILLAR INC	91,740	
CHARLES SCHWAB CORP	117,389	118,105
CHARLES SCHWAB CORP	79,190	
CHEVRON CORP	20,119	19,812
CHUBB CORPORATION	77,527	69,618
CISCO SYSTEMS INC	93,047	89,716
CITIGROUP INC	31,839	91,079
CITIGROUP INC	163,539	
CITIGROUP INC	157,916	
CITIGROUP INC	121,060	
CITIGROUP INC	261,672	
COMCAST CORP	52,114	44,722
COMCAST CORP	255,357	
COMCAST CORP	181,143	
COMM SER 2012-CR2 CL A4	61,781	59,822
COMMONWEALTH EDISON CO	71,573	70,195
CONSOLIDATED EDISON CO	60,439	
CVS HEALTH CORP	56,969	54,733
DEERE & COMPANY	122,252	117,840
DOWDUPONT INC	72,158	
EMERSON ELECTRIC CO	135,409	137,982
ENTERPRISE PRODUCTS OPER	35,910	31,854
ERP OPERATING LP	41,888	
EXXON MOBIL CORPORATION	16,698	23,414
FEDEX CORP	78,549	
FFCB FLT RT DUE 04/24/2019		345,104
FHLB FLT RT DUE 01/04/2021	349,612	
FHLB FLT RT DUE 12/18/2020	139,919	
FHLMC FLT RT DUE 07/05/2019		420,097
FHLMC GOLD POOL # G30891	291,064	352,680
FHLMC GOLD POOL #A93614	18,199	21,268
FHLMC GOLD POOL #A97673	16,330	18,617
FHLMC GOLD POOL #D98739		246,860
FHLMC GOLD POOL #G08001	146,075	166,247
FHLMC GOLD POOL #G60134	175,480	205,085
FHLMC GOLD POOL #G61257	144,302	151,453
FHLMC GOLD POOL #Q27927	157,765	165,842
FHLMC GOLD POOL #Q30470	238,003	267,451
FHLMC GOLD POOL #Q35953	167,901	183,370
FHLMC GOLD POOL #Q38893	144,239	164,204
FHLMC GOLD POOL #Q45872	136,483	143,505
FHLMC GOLD POOL #V81680	227,873	265,571



OTHER SUPPLEMENTARY INFORMATION

**Schedule 1 - Pension Fund Investments
August 31, 2019 (With Comparative totals for August 31, 2018)**

	Market Value As of August 31, 2019	Market Value As of August 31, 2018
FHMS SER K031 CL A2	157,375	151,716
FIFTH THIRD BANK	391,642	
FLORIDA POWER CORP	52,569	45,325
FNMA POOL #AL7407		65,236
FNMA POOL #AL7590	312,561	333,927
FNMA POOL #AO7185	107,924	124,003
FNMA POOL #AS5090	91,421	106,144
FNMA POOL #AY8604	50,629	58,895
FNMA POOL #BC2666	90,734	99,407
FNMA POOL #BD7056	124,540	130,682
FNMA POOL #BE0468	138,059	144,493
FNMA POOL #BH2594	245,189	255,321
FNMA POOL #BM1577	177,663	195,613
FNMA POOL #BM5455	104,951	
FNMA POOL #BO5044	244,740	
FNMA POOL #CA3938	188,277	
FRANKLIN RESOURCES INC	72,453	66,744
GENERAL DYNAMICS CORP	39,455	35,537
GENERAL MILLS INC	37,958	35,017
GNMA II POOL #AA1000	11,806	15,266
GNMA II POOL #MA2374	39,522	49,509
GNMA II POOL #MA3035	54,351	64,681
GOLDMAN SACHS GROUP INC	118,301	552,712
GOLDMAN SACHS GROUP INC	313,189	
GOLDMAN SACHS GROUP INC	27,075	
GOLDMAN SACHS GROUP INC	241,749	
GOLDMAN SACHS GROUP INC	90,167	
GSMS SER 2012-GCJ9 CL A3	101,416	97,864
HALLIBURTON COMPANY	47,075	43,711
HISTORIC TW INC		35,383
IBM CORP	22,558	38,869
IBM CORP	486,377	
ILLINOIS TOOL WORKS INC	89,989	85,816
INTEL CORP	357,464	357,329
JOHN DEERE CAPITAL CORP	64,544	60,127
JOHNSON & JOHNSON	6,609	17,296
JP MORGAN CHASE & CO	104,343	103,013
JPMORGAN CHASE & CO	61,471	547,578
JPMORGAN CHASE & CO	65,162	
JPMORGAN CHASE & CO	487,114	
KELLOGG CO	71,609	71,390
KEYCORP	104,480	104,509
KRAFT HEINZ FOODS CO	151,793	182,150
KRAFT HEINZ FOODS CO	29,499	
LINCOLN NATIONAL CORP	64,472	
LOCKHEED MARTIN CORP	97,561	95,618



OTHER SUPPLEMENTARY INFORMATION

Schedule 1 - Pension Fund Investments
August 31, 2019 (With Comparative totals for August 31, 2018)

	Market Value As of August 31, 2019	Market Value As of August 31, 2018
MARKEL CORP	100,310	103,845
MARKEL CORPORATION	68,271	67,776
MCDONALD'S CORP	39,930	34,644
METLIFE INC	104,269	96,213
MONDELEZ INTERNATIONAL INC	39,307	36,264
MORGAN STANLEY	197,225	578,068
MORGAN STANLEY	107,292	
MORGAN STANLEY	361,276	
NORFOLK SOUTHERN CORP	43,845	60,929
NORFOLK SOUTHERN CORP	32,066	
NUTRIEN LTD	78,900	73,460
OCCIDENTAL PETROLEUM	85,213	82,767
ORACLE CORP	88,859	57,535
ORACLE CORP	30,449	
PARKER-HANNIFIN CORP	48,043	43,863
PEPSICO INC	220,904	266,033
PFIZER INC	23,862	20,859
PHILLIPS 66	73,985	72,070
PNC BANK NA	58,105	53,918
PROGRESSIVE CORP	73,850	
PROLOGIS LP	71,360	65,691
PRUDENTIAL FINANCIAL INC	101,383	199,203
PUBLIC SERVICE ELECTRIC	120,233	
QUALCOMM INC	66,225	86,566
QUALCOMM INC	240,365	
ROYAL BANK OF CANADA	59,938	59,129
SCHLUMBERGER INVESTMENT	132,131	
SHELL INTL FIN	127,553	88,822
SPECTRA ENERGY PARTNERS	25,436	22,437
STRYKER CORP	130,996	132,318
SUNTRUST BANK	50,598	48,207
SYSCO CORPORATION	70,896	64,403
TAMPA ELECTRIC CO	100,992	96,993
THE WALT DISNEY COMPANY	39,593	
THERMO FISHER SCIENTIFIC	64,717	59,527
TORONTO-DOMINION BANK	115,756	113,406
TOSCO CORP	73,541	67,300
TOYOTA MOTOR CREDIT CORP		199,224
UNITED PARCEL SERVICE	475,341	341,899
UNITED PARCEL SERVICE	132,245	
UNITED TECHNOLOGIES CORP	20,249	17,095
US BANK NA CINCINNATI	550,501	
US TREAS BOND @ 2.500% 05/15/2046	1,489,517	443,087
US TREAS BOND @ 2.750% 08/15/2047	806,306	
US TREAS BOND @ 2.875% 08/15/2045	647,100	1,170,430
US TREAS BOND @ 3.125% 11/15/2041		961,317



OTHER SUPPLEMENTARY INFORMATION

**Schedule 1 - Pension Fund Investments
August 31, 2019 (With Comparative totals for August 31, 2018)**

	Market Value As of August 31, 2019	Market Value As of August 31, 2018
US TREAS BOND @ 4.750% 02/15/2037	65,790	107,358
US TREAS BOND @ 6.250% 05/15/2030	880,092	453,523
US TREAS NOTE @ 1.000% 09/15/2018		364,898
US TREAS NOTE @ 1.625% 02/15/2026		1,237,775
US TREAS NOTE @ 1.750% 11/30/2021		135,869
US TREAS NOTE @ 2.000% 01/31/2020	410,098	
US TREAS NOTE @ 2.000% 08/15/2025		583,653
US TREAS NOTE @ 2.000% 10/31/2022		1,311,375
US TREAS NOTE @ 2.000% 11/30/2022		694,164
US TREAS NOTE @ 2.250% 02/15/2027		535,416
US TREAS NOTE @ 2.250% 11/15/2027	301,929	
US TREAS NOTE @ 2.375% 05/15/2027		617,349
US TREAS NOTE @ 2.875% 08/15/2028	128,187	
US TREAS NOTE FLT RT 04/30/2021	244,728	
VERIZON COMMUNICATIONS	46,316	24,720
VIRGINIA ELEC & POWER CO	78,788	202,034
WALT DISNEY COMPANY	371,439	373,012
WELLS FARGO & COMPANY	77,946	462,136
WELLS FARGO & COMPANY	303,495	
WELLS FARGO & COMPANY	96,602	
WELLS FARGO CO	243,667	
WFRBS SER 2012-C8 CL A3	46,166	44,602
WISCONSIN POWER & LIGHT	58,182	50,872
Total Bond Funds	<u>24,914,655</u>	<u>24,896,305</u>
EQUITY FUNDS		
ABB LTD-SPON ADR		83,343
ADOBE INC	492,202	613,978
ADVANCE AUTO PARTS	260,726	
AKAMAI TECHNOLOGIES	381,476	485,404
ALEXION PHARMACEUTICALS INC	243,839	312,934
ALIBABA GROUP HOLDING LTD	302,802	150,509
ALLSTATE CORP	259,354	317,902
ALPHABET INC CL A	573,835	380,626
ALPHABET INC CL C	521,576	660,259
ALTICE USA INC	107,607	
AMAZON.COM INC	1,074,655	1,427,011
AMERICAN EXPRESS CO	297,314	554,911
AMERICAN INT'L GROUP INC	357,359	221,719
ANDEAVOR		358,140
ANDEAVOR LOGISTICS LP		207,145
ANHEUSER-BUSCH INBEV SPN ADR	356,265	385,972
ANTERO MIDSTREAM PARTNERS LP	73,837	84,473
ANTERO RESOURCES MIDSTREAM MGMT LL	17,089	32,327
ANTHEM INC	239,814	214,167
AON PLC	130,355	



OTHER SUPPLEMENTARY INFORMATION

**Schedule 1 - Pension Fund Investments
August 31, 2019 (With Comparative totals for August 31, 2018)**

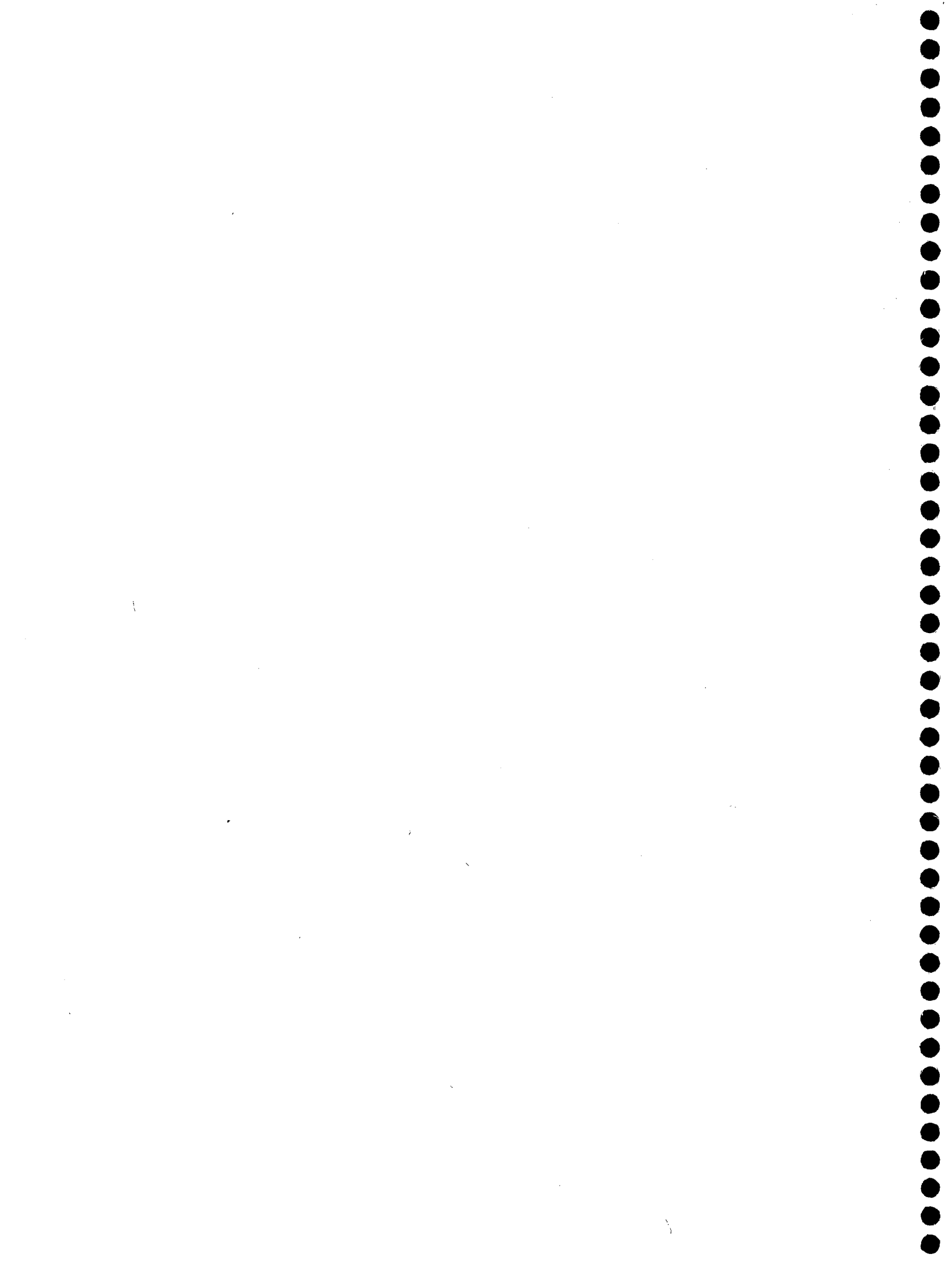
	Market Value As of August 31, 2019	Market Value As of August 31, 2018
APERGY CORP	35,541	68,689
APPLE INC COM	387,004	501,697
ARCHROCK INC	36,403	44,743
AUTOZONE INC	211,524	
AVNET INC		65,921
BANK OF AMERICA CORP	620,598	860,534
BARRICK GOLD CORP	295,293	
BB&T CORPORATION	104,449	
BERKSHIRE HATHAWAY INC-CL B	760,347	790,631
BEST BUY CO INC	64,032	
BIOGEN INC	119,324	434,439
BIOMARIN PHARMACEUTICAL INC	174,139	146,971
BLACKROCK INC	245,085	378,457
BOEING CO		306,111
BOOKING HOLDINGS INC	357,887	
BP MIDSTREAM PARTNERS LP		37,625
BUCKEYE PARTNERS LP	171,382	32,263
C.H. ROBINSON WORLDWIDE INC	233,530	
CAPITAL ONE FINANCIAL CORP		167,561
CATERPILLAR INC	134,470	255,484
CELGENE CORP		433,526
CEMEX SA B		89,327
CHENIERE ENERGY INC	155,007	74,694
CHEVRON CORP	332,794	501,204
CHIPOTLE MEXICAN GRILL - CL A	293,447	194,824
CHUBB LTD	370,384	208,946
CIGNA CORP	341,198	248,985
CIMAREX ENERGY CO	94,501	107,290
CISCO SYSTEMS INC	271,638	663,048
CITIGROUP INC	362,355	699,577
COCA-COLA CO/THE		240,633
COCA-COLA EUROPEAN PARTNERS PLC		123,699
COMCAST CORP-CL A	893,388	773,905
CONOCOPHILLIPS	185,970	349,967
COSTCO WHOLESALE CORP	324,236	284,419
CRESTWOOD EQUITY PARTNERS LP	55,352	38,878
CRH PLC - SPONSORED ADR	131,891	106,083
CROSSAMERICA PARTNERS LP		22,934
CUMMINS INC		268,427
CVS HEALTH CORPORATION	199,818	339,483
DCP MIDSTREAM LP	71,521	212,808
DELTA AIR LINES INC	201,121	268,891
DENTSPLY SIRONA INC		92,335
DISCOVER FINANCIAL SERVICE	106,520	226,314
DOVER CORP	161,983	110,343
DUPONT DE NEMOURS INC USD 0.01	188,981	



OTHER SUPPLEMENTARY INFORMATION

**Schedule 1 - Pension Fund Investments
August 31, 2019 (With Comparative totals for August 31, 2018)**

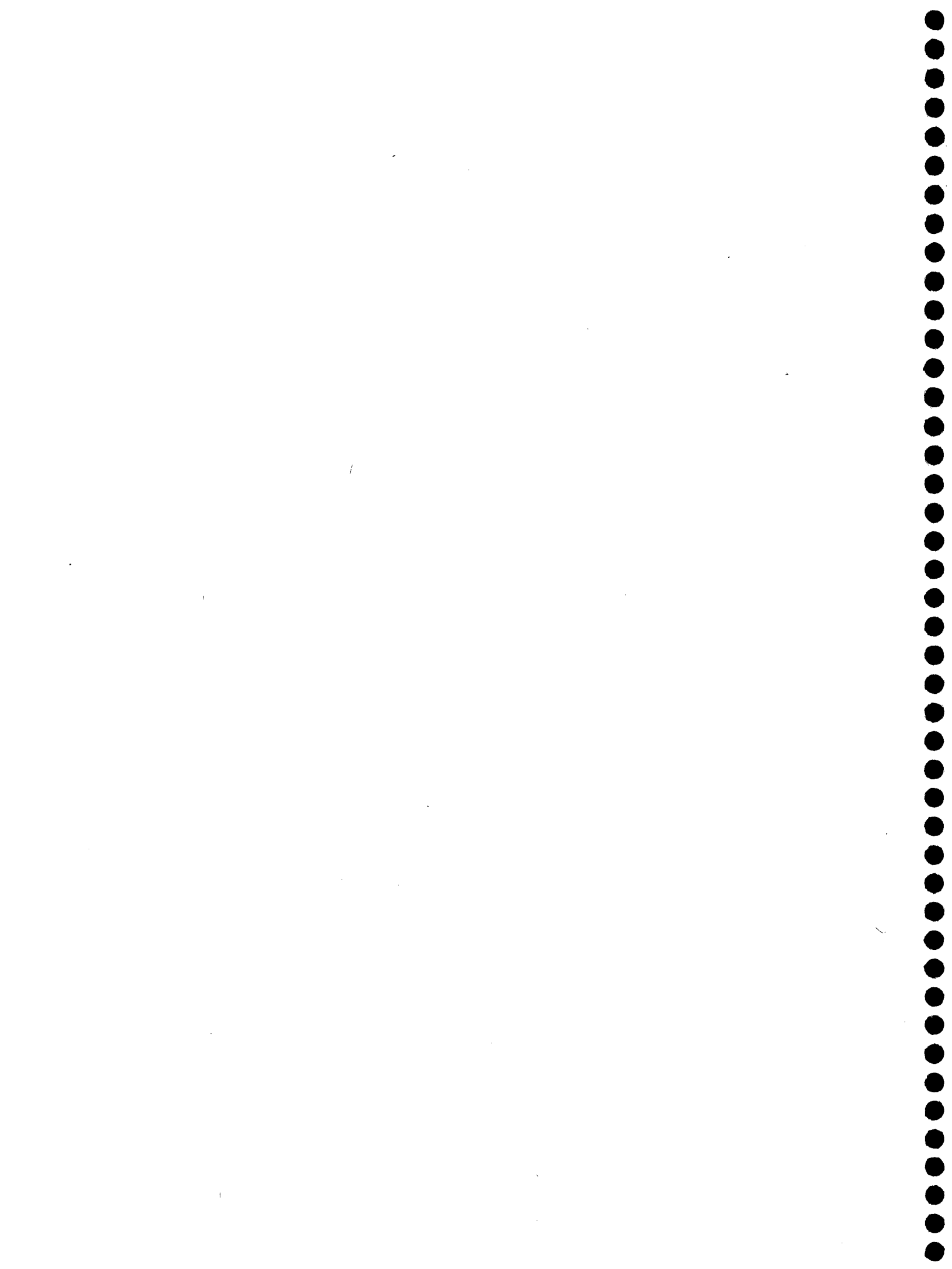
	Market Value As of August 31, 2019	Market Value As of August 31, 2018
DXC TECHNOLOGY CO		295,587
EATON CORP PLC	216,330	170,603
EBAY INC		133,837
ECOLAB INC	358,360	354,681
EDISON INTERNATIONAL	195,490	117,131
ENABLE MIDSTREAM PARTNERS LP	46,103	35,064
ENBRIDGE ENERGY PARTNERS LP	150,771	1,182
ENERGEN CORP		103,529
ENERGY TRANSFER PARTNERS LP		563,682
ENERGY TRANSFER, L.P.	652,069	389,620
ENLINK MIDSTREAM PARTNERS LP		65,575
ENTERPRISE PRODUCTS PARTNERS LP	646,835	588,645
EQM MIDSTREAM PARTNERS L P	21,189	51,387
EQT CORPORATION		127,448
EQUINIX INC	322,642	348,904
EQUITRANS MIDSTREAM CORP	25,550	
EQUITY RESIDENTIAL REIT	120,359	140,852
ESSEX PROPERTY TRUST INC REIT	102,161	
EVEREST RE GROUP LTD	160,634	134,035
FACEBOOK INC-A	883,418	649,850
FIDELITY NATIONAL INFO SVCS, INC	198,881	
FMC CORP	137,696	93,995
FOX CORP	184,558	
GENESIS ENERGY LP		51,162
GILEAD SCIENCES INC		235,823
GOLDMAN SACHS GROUP INC		261,829
GRUBHUB INC	144,196	
HESS MIDSTREAM PARTNERS LP		31,470
HOME DEPOT INC	369,214	469,802
HONEYWELL INTERNATIONAL INC	381,918	407,194
HP INC		286,951
HUMANA INC	88,928	
IHS MARKIT LTD	300,231	
JOHNSON & JOHNSON	725,619	1,074,153
JPMORGAN CHASE & CO	487,009	773,415
KANSAS CITY SOUTHERN	194,613	
KEYCORP		138,009
KINDER MORGAN INC/DELAWARE	161,957	
KLA CORPORATION	139,618	
LABORATORY CRP OF AMER HLDGS		165,609
LAM RESEARCH CORP	69,889	
LAS VEGAS SANDS CORP	180,499	
LENNAR CORP-CL A	93,840	
LIBERTY GLOBAL-C	121,902	
LINDE PLC	281,476	
LLOYDS TSB GROUP PLC -SP ADR		90,135



OTHER SUPPLEMENTARY INFORMATION

Schedule 1 - Pension Fund Investments
August 31, 2019 (With Comparative totals for August 31, 2018)

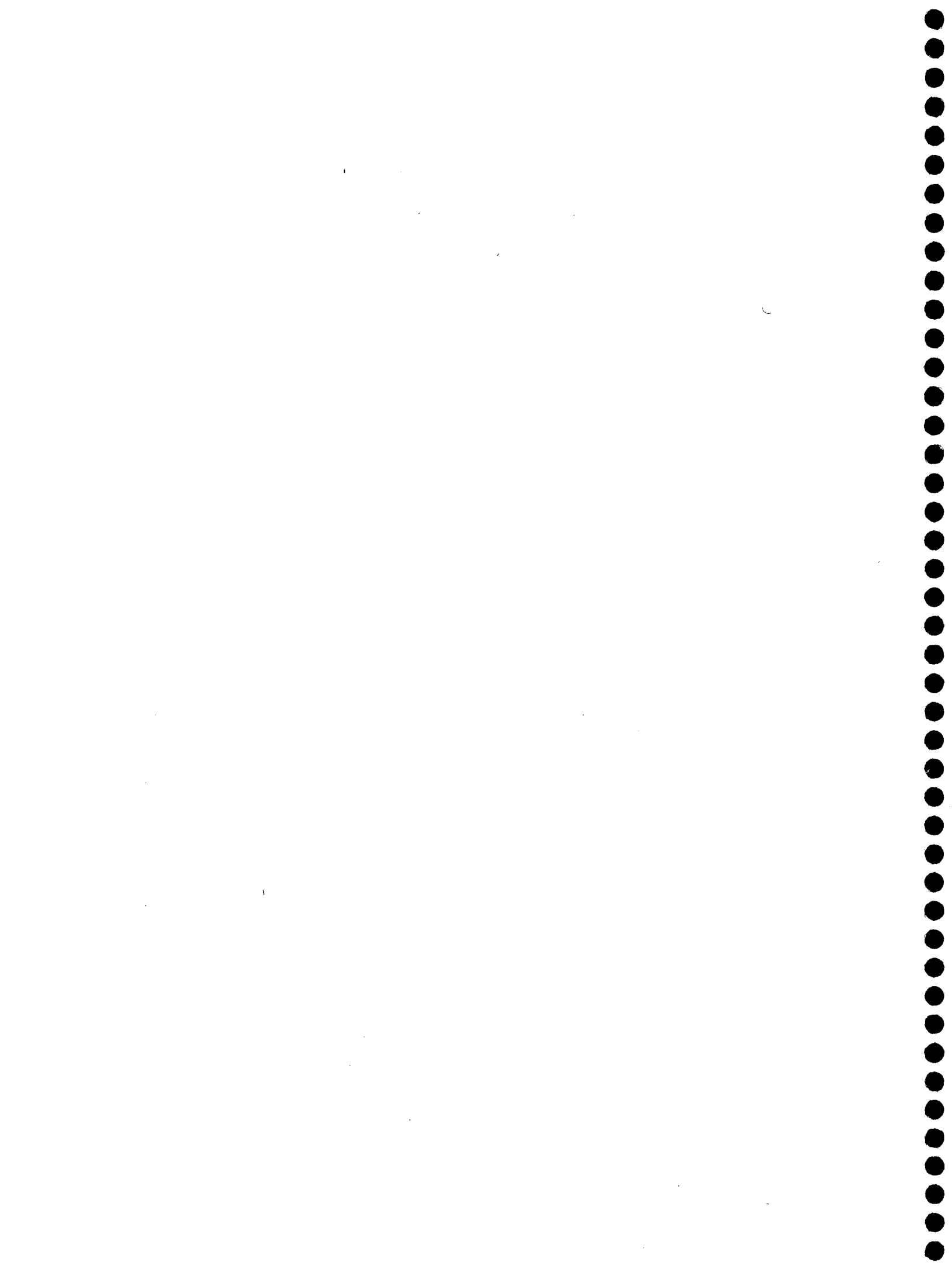
	Market Value As of August 31, 2019	Market Value As of August 31, 2018
LOWE'S COS INC	96,604	119,625
MAGELLAN MIDSTREAM PARTNERS LP	135,494	187,483
MARATHON OIL CORP		150,484
MARATHON PETROLEUM CORP	148,417	217,657
MCCORMICK & CO-NON VTG SHRS	182,252	241,268
MCKESSON CORP	163,988	166,474
MEDTRONIC PLC	359,489	239,290
MERCK & CO INC/NJ		393,089
METHANEX CORP		110,954
MICROSOFT CORP	961,298	1,055,565
MONDELEZ INTL INC	250,312	
MOSAIC CO	103,572	
MPLX LP	340,362	173,306
NETAPP INC		174,141
NGL ENERGY PARTNERS LP	18,373	
NGL ENERGY PARTNERS LP	183,530	46,808
NOBLE ENERGY INC		77,985
NOBLE MIDSTREAM PARTNERS LP	18,783	52,867
NOVARTIS AG-ADR		143,275
NOVO-NORDISK A/S-SPONS ADR	63,783	
NUSTAR ENERGY LP	137,922	84,258
NUTANIX INC	119,939	
NUTRIEN LTD		113,883
NVIDIA CORP	194,312	
NXP SEMICONDUCTOR NV	189,163	
OASIS MIDSTREAM PARTNERS LP		8,693
ONEOK INC	87,888	115,408
ORACLE CORP	586,924	822,314
OWENS CORNING INC	122,005	113,353
PALO ALTO NETWORKS	260,634	365,217
PAYPAL HOLDINGS INC		428,411
PBF LOGISTICS LP		14,027
PEMBINA PIPELINE CORP	52,658	
PFIZER INC	314,795	535,566
PHILLIPS 66 PARTNERS LP	15,666	
PIONEER NATURAL RESOURCES CO	274,363	234,098
PLAINS ALL AMER PIPELINE LP	390,840	458,354
PRAXAIR INC		272,087
PROCTOR & GAMBLE CO	454,109	
QUALCOMM INC	384,962	383,402
QUEST DIAGNOSTICS	204,945	
RAYTHEON COMPANY		91,942
RED HAT INC		465,350
REGENERON PHARMACEUTICALS		248,118
REGIONS FINANCIAL CORP		234,376
RIO TINTO PLC-SPON ADR		82,468



OTHER SUPPLEMENTARY INFORMATION

**Schedule 1 - Pension Fund Investments
August 31, 2019 (With Comparative totals for August 31, 2018)**

	Market Value As of August 31, 2019	Market Value As of August 31, 2018
ROYAL DUTCH SHELL PLC-ADR A	188,039	383,618
SCHLUMBERGER LTD		374,223
SCHWAB (CHARLES) CORP	339,187	349,486
SEMGROUP INC		57,257
SHELL MIDSTREAM PARTNERS LP		16,151
SL GREEN REALTY CORP REIT		169,128
SOUTHWEST AIRLINES GO	129,911	191,992
SPLUNK INC	246,004	394,702
STEEL DYNAMICS INC		192,066
SUMMIT MIDSTREAM PARTNERS LP		17,700
SUNTRUST BANKS INC	105,674	
TALLGRASS ENERGY LP		25,451
TARGA RESOURCES CORP	188,294	261,032
TC ENERGY CORP	54,366	
TD AMERITRADE HOLDING CORP		101,736
TE CONNECTIVITY LTD		234,976
TEXAS INSTRUMENTS INC	309,870	346,642
THE TRAVELERS COMPANIES INC	190,607	
THE WALT DISNEY CO.	461,743	393,638
THERMO FISHER SCIENTIFIC INC	444,082	415,317
TOLL BROTHERS INC	75,999	
TYSON FOODS INC-CL A	144,119	
UBER TECHNOLOGIES	196,397	
UNION PACIFIC CORP	195,000	
UNITED PARCEL SERVICE-CL B	707,332	334,234
UNITED TECHNOLOGIES CORP	363,500	348,873
UNITEDHEALTH GROUP INC	760,032	717,325
USA COMPRESSION PARTNERS LP		19,807
VALERO ENERGY CORP	200,245	
VERIZON COMMUNICATIONS INC	417,996	409,515
VISA INC-CLASS A SHARES	852,385	746,789
VMWARE INC- CL A	181,043	246,749
WELLS FARGO & COMPANY	356,121	613,806
WESTERN MIDSTREAM PARTNERS LP	64,996	
WESTLAKE CHEMICAL PARTNERS LP		20,173
WESTROCK CO W/I		150,148
WILLIAMS COS INC	225,026	513,002
WW GRAINGER INC	306,488	453,210
WYNDHAM HOTELS & RESORTS INC	39,563	90,970
WYNDHAM WORLDWIDE CORP	79,103	87,560
YUM CHINA HOLDINGS INC		337,290
ZIMMER BIOMET HOLDINGS INC	138,365	
ZOETIS INC	476,098	424,552
Total Equity Funds	<u>37,802,141</u>	<u>43,674,359</u>
TOTAL INVESTMENTS	112,400,368	113,111,059

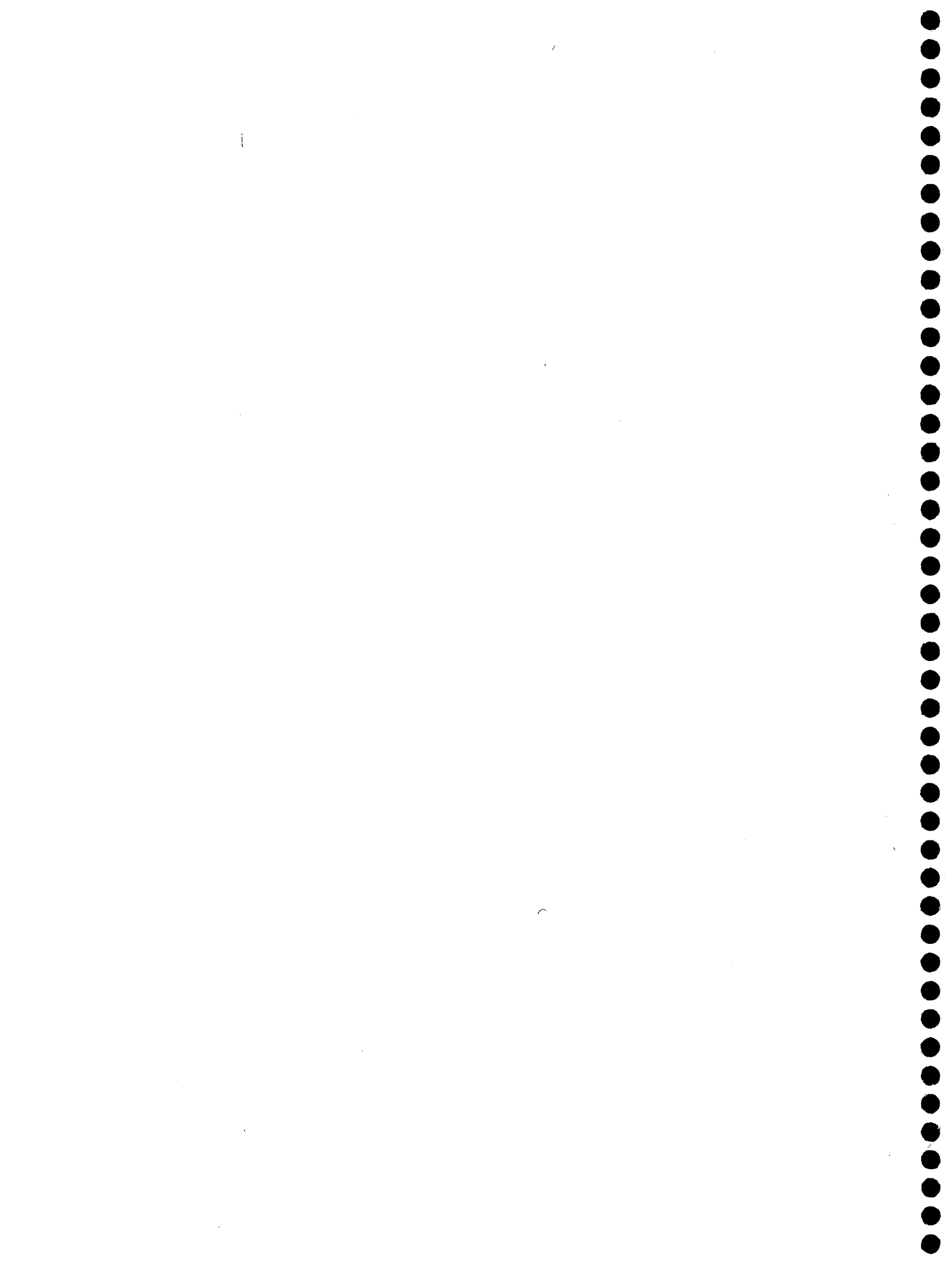


OTHER SUPPLEMENTARY INFORMATION

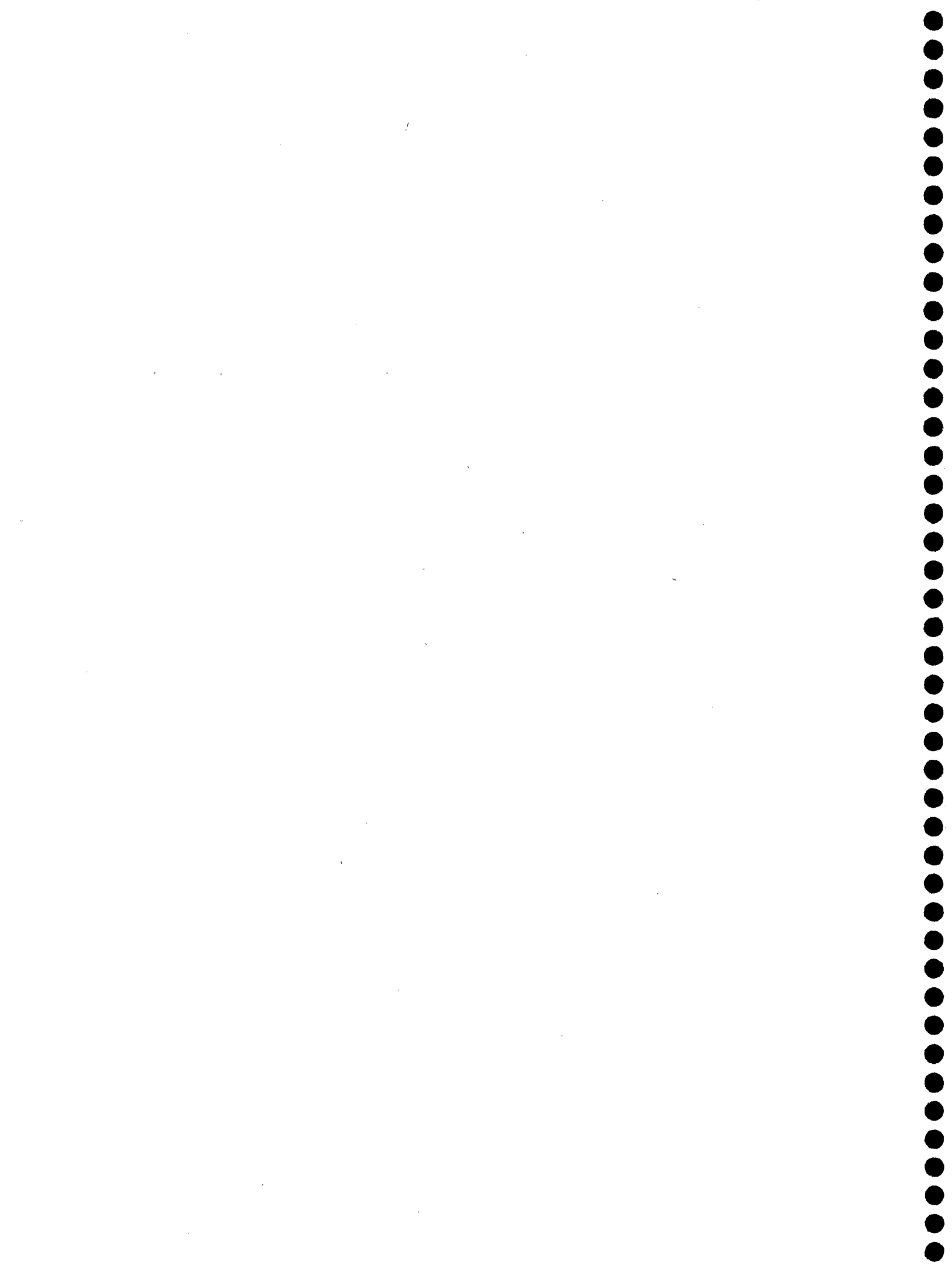
**Schedule 1 - Pension Fund Investments
August 31, 2019 (With Comparative totals for August 31, 2018)**

	<u>Market Value As of August 31, 2019</u>	<u>Market Value As of August 31, 2018</u>
Short Term Investments (Exhibit III)	2,184,256	1,101,697
Investments (Exhibit III)		
Equity	66,957,688	62,329,443
Bonds	24,914,655	24,896,305
Other Investments	18,343,769	24,783,614
Total	<u>112,400,368</u>	<u>113,111,059</u>

* Investment represents greater than 5% of the Fiduciary Net Position as of August 31, 2019.



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UNAUDITED

Texas Emergency Services Retirement System (326)
 Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds
 August 31, 2019

	General Fund 1 (0001)* U/F (0001)	Total (Ex 1)
ASSETS		
Current Assets:		
Cash in State Treasury	\$ -	\$ -
Legislative Appropriations	91,637.52	91,637.52
Accounts Receivable	-	-
Consumable Inventories	2,251.47	2,251.47
Other Current Assets	-	-
Total Current Assets	<u>93,888.99</u>	<u>93,888.99</u>
Total Assets	<u>\$ 93,888.99</u>	<u>\$ 93,888.99</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Current Liabilities:		
Payables from		
Accounts	\$ -	\$ -
Payroll	-	-
Due To Other Funds	-	-
Due To Other Agencies	-	-
Employees' Compensable Leave	-	-
Total Current Liabilities	<u>-</u>	<u>-</u>
Non-Current Liabilities		
Employees' Compensable Leave	-	-
Total Non-Current Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund Balances (Deficits):		
Nonspendable	\$ 2,251.47	\$ 2,251.47
Restricted	-	-
Committed	-	-
Assigned	-	-
Unassigned	91,637.52	91,637.52
Total Fund Balances	<u>\$ 93,888.99</u>	<u>\$ 93,888.99</u>
Total Liabilities and Fund Balances	<u>\$ 93,888.99</u>	<u>\$ 93,888.99</u>

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, 2019

	<u>General</u>	
	<u>Fund 1</u>	<u>Total</u>
	<u>(0001)*</u>	<u>(Ex II)</u>
	<u>U/F (0001)</u>	
REVENUES		
Legislative Appropriations		
Original Appropriations (GR)	\$ 716,486.00	\$ 716,486.00
Additional Appropriations (GR)	141,665.71	141,665.71
Other (PR - Seminar Fees)	-	-
Other (GR)	-	-
Total Revenues	<u>\$ 858,151.71</u>	<u>\$ 858,151.71</u>
EXPENDITURES		
Salaries and Wages	\$ 455,915.07	\$ 455,915.07
Payroll Related Costs	158,104.50	158,104.50
Professional Fees and Services	90,755.93	90,755.93
Travel	16,405.77	16,405.77
Materials and Supplies	18,305.60	18,305.60
Communication and Utilities	9,037.68	9,037.68
Repairs and Maintenance	13,454.97	13,454.97
Rentals and Leases	200.00	200.00
Printing and Reproduction	1,388.85	1,388.85
Judgments and Settlements	-	-
Other Expenditures	3,521.13	3,521.13
Capital Outlay	-	-
Total Expenditures	<u>\$ 767,089.50</u>	<u>\$ 767,089.50</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 91,062.21</u>	<u>\$ 91,062.21</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
SPECIAL ITEMS		
	-	-
EXTRAORDINARY ITEMS		
	-	-
Net Change in Fund Balances	<u>\$ 91,062.21</u>	<u>\$ 91,062.21</u>
Fund Financial Statement - Fund Balances		
Fund Balances - Beginning	\$ 2,869.40	\$ 2,869.40
Restatements	-	-
Fund Balances - September 1, 2018, as Restated	<u>2,869.40</u>	<u>2,869.40</u>
Appropriations Lapsed	42.62	42.62
Fund Balances, August 31, 2019	<u>\$ 93,888.99</u>	<u>\$ 93,888.99</u>

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, 2019

	Pension Trust Fund 1 TESRS (976) U/F (0976)	Pension Trust Fund 2 (976) U/F (8976)	Pension Trust Fund 3 (976) U/F (9000)	Totals (Ex VI)
ASSETS				
Cash and Cash Equivalents				
Cash in State Treasury	\$ 818,577.62	\$ (259.84)	\$ -	\$ 818,317.78
Short Term Investments				
Other Short Term Investments	2,184,255.88	-	-	2,184,255.88
Investments				
Corporate Equity	66,957,688.28	-	-	66,957,688.28
US Government Obligations	9,466,736.42	-	-	9,466,736.42
Corporate Obligations	15,447,918.40	-	-	15,447,918.40
Other Investments	18,343,769.18	-	-	18,343,769.18
Receivables from:				
Retirement System Contributions Receivable	1,811,423.04	-	-	1,811,423.04
Interest and Dividends	225,152.94	-	-	225,152.94
Sale of Investments	1,674.71	-	-	1,674.71
Other	-	-	-	-
Due From Other Funds	-	-	-	-
Properties, at Cost, net of Accumulated Depreciation	-	-	-	-
Total Assets	\$ 115,257,196.47	\$ (259.84)	\$ -	\$ 115,256,936.63
LIABILITIES				
Payables from:				
Accounts Payable	\$ 78,094.48	\$ -	\$ -	\$ 78,094.48
Investment Payable	23,366.41	-	-	23,366.41
Unearned Revenue	-	-	-	-
Payroll	-	-	-	-
Retirement Benefits	-	-	-	-
Due To Other Funds	-	-	-	-
Deferred Revenues	-	-	-	-
Claims and Judgments	-	-	-	-
Employees' Compensable Leave	-	-	-	-
Capital Lease Obligations	-	-	-	-
Total Liabilities	\$ 101,460.89	\$ -	\$ -	\$ 101,460.89
NET Position				
Held in Trust For:				
Pension and Other Employee Benefits	\$ 115,155,735.58	\$ (259.84)	\$ -	\$ 115,155,475.74
Total Liabilities and Net Position	\$ 115,257,196.47	\$ (259.84)	\$ -	\$ 115,256,936.63

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

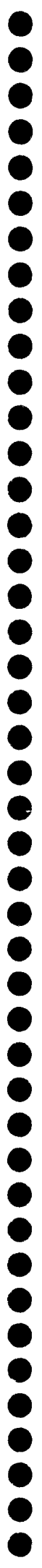


UNAUDITED

Texas Emergency Services Retirement System (326)
 Exhibit G-2 - Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended August 31, 2019

	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)
Additions				
Contributions:				
Original Appropriations (GR)	\$ 1,329,224.00	\$ -	\$ -	\$ 1,329,224.00
Dues	3,476,062.79	-	-	3,476,062.79
Default-Voided warrant	-	-	-	-
Prior Service	4,446.00	-	-	4,446.00
Total Contributions	<u>4,809,732.79</u>	<u>-</u>	<u>-</u>	<u>4,809,732.79</u>
Investment Income				
From Investing Activities:				
Net Appreciation (Depreciation) in Fair Value of Investments	(918,355.81)	-	-	(918,355.81)
Treasury Interest	29,029.79	-	-	29,029.79
Interest and Investment Income	2,472,199.11	-	-	2,472,199.11
Total Investing Income (Loss)	<u>1,582,873.09</u>	<u>-</u>	<u>-</u>	<u>1,582,873.09</u>
Less Investing Activities Expense	446,072.38	-	-	446,072.38
Net Income from Investing Activities	<u>1,136,800.71</u>	<u>-</u>	<u>-</u>	<u>1,136,800.71</u>
Total Net Investment Income (Loss)	<u>1,136,800.71</u>	<u>-</u>	<u>-</u>	<u>1,136,800.71</u>
Other Additions				
Voided warrants	3,777.65	-	-	3,777.65
Total Other Additions	<u>3,777.65</u>	<u>-</u>	<u>-</u>	<u>3,777.65</u>
Total Additions	<u>\$ 5,950,311.15</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,950,311.15</u>
Deductions				
Retirement System Benefits Paid:				
Death Benefits	\$ 226,681.64	\$ -	\$ -	\$ 226,681.64
Retirement Benefits	5,645,188.61	-	-	5,645,188.61
Disability Benefits	27,050.00	-	-	27,050.00
Survivor's Benefits	533,002.85	-	-	533,002.85
Salaries and Wages	-	-	-	-
Payroll Related Costs	-	-	-	-
Professional Fees and Services	207,535.50	-	-	207,535.50
Travel	13,513.33	-	-	13,513.33
Materials & Supplies	454.23	-	-	454.23
Communications & Utilities	-	-	-	-
Repairs & Maintenance	-	-	-	-
Rentals & Leases	1,407.50	-	-	1,407.50
Printing and Reproduction	-	-	-	-
Depreciation Expense	-	-	-	-
Interest Expense	1.43	-	-	1.43
Other Expense	3,894.64	-	-	3,894.64
Transfer Out	-	-	-	-
Total Deductions	<u>\$ 6,658,729.73</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,658,729.73</u>
Net Increase (Decrease)	<u>\$ (708,418.58)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (708,418.58)</u>
Net Position - Beginning	115,864,154.16	(259.84)	-	115,863,894.32
Restatements	-	-	-	-
Net Position, September 1, 2018, as Restated	<u>115,864,154.16</u>	<u>(259.84)</u>	<u>-</u>	<u>115,863,894.32</u>
Net Position, August 31, 2019	<u>\$ 115,155,735.58</u>	<u>\$ (259.84)</u>	<u>\$ -</u>	<u>\$ 115,155,475.74</u>

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, 2019**

Name

V. Jenny Moore, Chairman

Pilar Rodriguez, Vice-Chairman

A. Taylor Allen, Trustee

Courtney Gibson Bechtol, Secretary

Dan Key, Trustee

Edward J. Keenan, Trustee

Rodney Alan Ryalls, Trustee

Frank Torres, Trustee

Stephanie Lynn Wagner, Trustee

Kevin Deiters, Executive Director

L. Wayne Oberhoff, Chief Financial Officer



