

UNAUDITED
ANNUAL FINANCIAL REPORT
For The Year Ended August 31, 2016



*Texas Emergency Services
Retirement System*

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

Austin TX 78701
(800) 919-3372
www.tesrs.texas.gov



TABLE OF CONTENTS

Letter of Transmittal.....
COMBINED GENERAL PURPOSE FINANCIAL STATEMENTS	
Exhibit I - Combined Balance Sheet/Statement of Net Position-Governmental Funds	1
Exhibit II - Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities-Governmental Funds	2
Exhibit VI - Combined Statement of Position-Fiduciary Funds	3
Exhibit VII - Combined Statement of Changes in Fiduciary Net Position.....	4
NOTES TO THE FINANCIAL STATEMENTS	
1. Summary of Significant Accounting Policies	6
2. Capital Assets.....	10
3. Deposits, Investments, and Repurchase Agreements	11
4. Short-Term Debt.....	13
5. Summary of Long Term Liabilities.....	13
6. Bonded Indebtedness.....	13
7. Derivatives.....	13
8. Leases	13
9. Pension Plans.....	14
10. Deferred Compensation	14
11. Postemployment Health Care and Life Insurance Benefits.....	14
12. Interfund Balances/Activities	14
13. Continuance Subject to Review	14
14. Adjustments to Fund Balance/Net Assets	15
15. Contingencies and Commitments	15
16. Subsequent Events	15
17. Risk Management.....	15
18. Management Discussion and Analysis.....	15
19. The Financial Reporting Entity	15
20. Stewardship, Compliance and Accountability	15
21. Not Applicable to the AFR	16
22. Donor Restricted Endowments.....	16
23. Pension Disclosures	16
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Funding Progress and Employer Contributions- TESRS Plan.....
Notes to Required Supplementary Information
SCHEDULES	
1. Pension Fund Investments	17
COMBINING FINANCIAL STATEMENTS	
A-1-Combining Balance Sheet-All General and Consolidated Funds.....	33
A-2 Combining Statement of Revenues, Expenditures, and Changes In Fund Balances-All General and Consolidated Funds.....	34
G-1 Combining Statement of Fiduciary Net Position.....	35
G-2 Combining Statement of Changes in Fiduciary Net Position	36



Texas Emergency Services Retirement System



Frank Torres, Chairman
Kevin Deiters, Executive Director

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

(800) 919-3372

www.tesrs.texas.gov

November 20, 2016

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Ursula Parks, 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 Aug. 31, 2016, 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 Judy Johnson, Chief Financial Officer, at (512) 696-8642 or judy.johnson@tesrs.texas.gov.

Sincerely,

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

Kevin Deiters
Executive Director

UNAUDITED

Texas Emergency Services Retirement System (326)
Exhibit I - Combined Balance Sheet/Statement of Net Position - Governmental Funds
August 31, 2016

	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	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Legislative Appropriations	118,147.19	118,147.19			118,147.19
Accounts Receivable					0.00
Consumable Inventories	3,705.00	3,705.00			3,705.00
Other Current Assets					
Total Current Assets	<u>121,852.19</u>	<u>121,852.19</u>	<u>0.00</u>	<u>0.00</u>	<u>121,852.19</u>
Non-Current Assets:					
Capital Assets (Note 2):					
Depreciable:					
Other Capital Assets, Net			0.00		0.00
Other Non-Current Assets					
Total Non-Current Assets	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Assets and Deferred Outflow:	<u>\$121,852.19</u>	<u>\$121,852.19</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$121,852.19</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities					
Current Liabilities:					
Payables from:					
Accounts	\$51,127.03	\$51,127.03			\$51,127.03
Payroll	65,686.64	65,686.64			65,686.64
Due To Other Funds (Note 12)					0.00
Employees' Compensable Leave (Note 5)	0.00	0.00		25,533.49	25,533.49
Total Current Liabilities	<u>116,813.67</u>	<u>116,813.67</u>	<u>0.00</u>	<u>25,533.49</u>	<u>142,347.16</u>
Non-Current Liabilities					
Employees' Compensable Leave (Note 5)	0.00	0.00		15,762.64	15,762.64
Total Non-Current Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>15,762.64</u>	<u>15,762.64</u>
Total Liabilities and Deferred Inflows	<u>116,813.67</u>	<u>116,813.67</u>	<u>0.00</u>	<u>41,296.13</u>	<u>158,109.80</u>
Fund Financial Statement					
Fund Balances (Deficits):					
Nonspendable	3,705.00	3,705.00			3,705.00
Restricted					
Committed					
Assigned					
Unassigned	1,333.52	1,333.52			1,333.52
Total Fund Balances	<u>5,038.52</u>	<u>5,038.52</u>			<u>5,038.52</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$121,852.19</u>	<u>\$121,852.19</u>		<u>\$41,296.13</u>	<u>\$163,148.32</u>
Government-Wide Statement of Net Position					
Net Position					
Net Investment in Capital Assets			0.00		0.00
Restricted For					
Debt Service					
Capital Projects					
Other					
Funds Held as Permanent Investments:					
Expendable					
Non-Expendable					
Other					
Unrestricted				-41,296.13	-41,296.13
Total Net Position			<u>\$0.00</u>	<u>-\$41,296.13</u>	<u>-\$36,257.61</u>

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

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, 2016

	General Funds	Governmental	Capital Assets	Long-Term Liabilities	Statement of
	(Ex A-2)	Funds Total	Adjustments	Adjustments	Activities
REVENUES					
Legislative Appropriations					
Original Appropriations (GR)	\$750,668.00	\$750,668.00	\$0.00	\$0.00	\$750,668.00
Additional Appropriations (GR)	164,953.88	164,953.88			164,953.88
Other (PR - Seminar Fees)	0.00	0.00			0.00
Other (GR)					
Total Revenues	<u>915,621.88</u>	<u>915,621.88</u>	<u>0.00</u>	<u>0.00</u>	<u>915,621.88</u>
EXPENDITURES					
Salaries and Wages	552,745.14	552,745.14		12,620.32	565,365.46
Payroll Related Costs	166,741.38	166,741.38			166,741.38
Professional Fees and Services	85,813.92	85,813.92			85,813.92
Travel	18,495.62	18,495.62			18,495.62
Materials and Supplies	58,054.22	58,054.22			58,054.22
Communication and Utilities	10,980.24	10,980.24			10,980.24
Repairs and Maintenance	0.00	0.00			0.00
Rentals and Leases	7,558.51	7,558.51			7,558.51
Printing and Reproduction	390.53	390.53			390.53
Judgments and Settlements	0.00	0.00			0.00
Other Expenditures	13,861.74	13,861.74			13,861.74
Capital Outlay	0.00	0.00			0.00
Depreciation Expense					0.00
Total Expenditures/Expenses	<u>914,641.30</u>	<u>914,641.30</u>	<u>0.00</u>	<u>12,620.32</u>	<u>927,261.62</u>
Excess (Deficiency) of Revenues over Expenditures	<u>980.58</u>	<u>980.58</u>	<u>0.00</u>	<u>-12,620.32</u>	<u>-11,639.74</u>
OTHER FINANCING SOURCES (USES)					
Transfers In					
Total Other Financing Sources (Uses)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
SPECIAL ITEMS					
					<u>0.00</u>
EXTRAORDINARY ITEMS					
					<u>0.00</u>
Net Change in Fund Balances/Net Position	<u>980.58</u>	<u>980.58</u>	<u>0.00</u>	<u>-12,620.32</u>	<u>-11,639.74</u>
Fund Financial Statement - Fund Balances					
Fund Balances - Beginning	4,317.38	4,317.38			4,317.38
Restatements					
Fund Balances - September 1, 2015, as Restated	<u>4,317.38</u>	<u>4,317.38</u>			<u>4,317.38</u>
Appropriations Lapsed	259.44	259.44			259.44
Fund Balances, August 31, 2016	<u>\$5,038.52</u>	<u>\$5,038.52</u>	<u>\$0.00</u>	<u>-\$12,620.32</u>	<u>-\$7,581.80</u>
Government-Wide Statement of Net Position					
Net Position/Net Change in Net Position			<u>0.00</u>	<u>-12,620.32</u>	
Net Position, Beginning			7,551.55	-28,675.81	-21,124.26
Restatements			-7,551.55		-7,551.55
Net Position, September 1, 2015, as Restated			<u>0.00</u>	<u>-28,675.81</u>	<u>-28,675.81</u>
Net Position as of August 31, 2016			<u>\$0.00</u>	<u>-\$41,296.13</u>	<u>-\$36,257.61</u>

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

Texas Emergency Services Retirement System (326)
Exhibit VI - Combined Statement of Fiduciary Net Position
August 31, 2016

	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	\$254,605.06	\$0.00	\$254,605.06
Short Term Investments (Note 3)			
Other Short Term Investments	1,976,805.01		1,976,805.01
Investments (Note 3)		0.00	
Corporate Equity	42,214,587.25		42,214,587.25
US Government Obligations	13,996,585.71		13,996,585.71
Corporate Obligations	9,803,102.15		9,803,102.15
Other Investments	24,909,935.91		24,909,935.91
Receivables from:			
Retirement System Contributions Receivable	1,084,789.46		1,084,789.46
Interest and Dividends	161,371.90	0.00	161,371.90
Sale of Investments	245,075.75	0.00	245,075.75
Other	0.00	0.00	0.00
Other Assets		0.00	
Due From Other Funds (Note 12)	0.00		0.00
Properties, at Cost, net of Accumulated Depreciation			
Total Assets	\$94,646,858.20	\$0.00	\$94,646,858.20
LIABILITIES			
Payables from:			
Accounts Payable	142,850.98	0.00	142,850.98
Investment Payable	513,799.47		513,799.47
Unearned Revenue	26,199.99	0.00	26,199.99
Payroll	0.00	0.00	0.00
Retirement Benefits	0.00		0.00
Due To Other Funds (Note 12)	0.00	0.00	0.00
Funds Held for Others		0.00	0.00
Claims and Judgments			
Employees' Compensable Leave (Note 5)	0.00		0.00
Capital Lease Obligations (Note 7)			
Total Liabilities	682,850.44	0.00	682,850.44
NET Position			
Held in Trust For			
Pension and Other Employee Benefits	93,964,007.76		93,964,007.76
Total Net Position	\$93,964,007.76	\$0.00	\$93,964,007.76

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, 2016

	Pension and Other Employee Benefit Trust Funds (Exhibit G-2)	Totals
Additions		
Contributions:		
Original Appropriations (GR)	\$1,583,825.00	\$1,583,825.00
Dues	3,349,320.58	3,349,320.58
Prior Service	114,282.26	114,282.26
Total Contributions	<u>5,047,427.84</u>	<u>5,047,427.84</u>
Investment Income		
From Investing Activities:		
Net Appreciation (Depreciation) in Fair Value of Investments	3,969,707.39	3,969,707.39
Treasury Interest	4,073.08	4,073.08
Interest and Investment Income	1,584,979.41	1,584,979.41
Total Investing Income (Loss)	<u>5,558,759.88</u>	<u>5,558,759.88</u>
Less Investing Activities Expense	604,111.13	604,111.13
Net Income from Investing Activities	<u>4,954,648.75</u>	<u>4,954,648.75</u>
Other Additions		
Other Revenue	2,081.16	2,081.16
Total Other Additions	<u>2,081.16</u>	<u>2,081.16</u>
Total Additions	<u>10,004,157.75</u>	<u>10,004,157.75</u>
Deductions		
TESRS Retirement System Benefits Paid:		
Death Benefits	93,501.39	93,501.39
Retirement Benefits	4,058,688.72	4,058,688.72
Disability Benefits	34,200.00	34,200.00
Survivor's Benefits	515,379.57	515,379.57
Salaries and Wages	0.00	0.00
Payroll related Costs	0.00	0.00
Professional Fees and Services	98,305.76	98,305.76
Travel	34,849.18	34,849.18
Materials & Supplies	1,446.77	1,446.77
Communications & Utilities	0.00	0.00
Repairs & Maintenance	0.00	0.00
Rentals & Leases	0.00	0.00
Printing and Reproduction	0.00	0.00
Depreciation Expense	0.00	0.00
Interest Expense	20.49	20.49
Other Expense	32,218.35	32,218.35
Transfer Out	0.00	0.00
Total Deductions	<u>4,868,610.23</u>	<u>4,868,610.23</u>
Net Increase (Decrease)	<u>5,135,547.52</u>	<u>5,135,547.52</u>
Net Position - Beginning	88,828,460.24	88,828,460.24
Restatements	0.00	0.00
Net Position, September 1, 2015, as Restated	<u>88,828,460.24</u>	<u>88,828,460.24</u>
Net Position, August 31, 2016	<u>\$93,964,007.76</u>	<u>\$93,964,007.76</u>

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

THIS PAGE INTENTIONALLY LEFT BLANK

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). While the agency is new, the System has been in existence since 1977. 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 \$166,840.55 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

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, 2016, and investment trades initiated before August 31, 2016 with settlement dates after August 31, 2016.

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, 2016 is \$3,705.00, 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, 2016 was \$1,333.52.

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, 2016 was \$93,964,007.76.

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, 2016 is presented in Note 12.

NOTE 2: CAPITAL ASSETS

A summary of changes in General Fixed Assets for the year ended August 31, 2016, is presented below.

	PRIMARY GOVERNMENT					Balance 08/31/16
	Balance 9/1/2015	Adjust- ments	Restate- ments	Additions	Deletions	
Governmental						
Activities:						
Depreciable Assets						
Furniture and Equipment	\$7,615.00		\$(7,615.00)			\$0
Other Assets	\$6,937.00		\$(6,937.00)			\$0
Total depreciable assets						
at historical cost:	\$14,552.00		\$(14,552.00)			\$0
Less accumulated depreciation for:						
Furniture and Equipment	\$(63.45)		\$63.45			
Other Assets	\$(6,937.00)		\$6,937.00			\$0
Total accumulated depreciation	\$(7,000.45)		\$7,000.45			\$0
Depreciable assets, net	\$7,551.55		\$(7,551.55)			\$0
Governmental activities						
Capital assets, net:	\$7,551.55		\$(7,551.55)			\$0

	PRIMARY GOVERNMENT					Balance 08/31/16
	Balance 9/1/2015	Adjust- ments	Restate- ments	Additions	Deletions	
Fiduciary						
Activities						
Depreciable Assets						
Furniture and Equipment	\$13,965.00		\$(13,965.00)			\$0
Total depreciable assets	\$13,965.00		\$(13,965.00)			\$0
at historical cost:						
Less accumulated depreciation for:						
Furniture and Equipment	\$(13,965.00)		\$13,965.000			\$0
Total accumulated depreciation	\$(13,965.00)		\$13,965.000			\$0
Depreciable assets, net	\$0.00		-			\$0
Fiduciary activities						
Capital assets, net:	\$0.00		-			\$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 Milliman USA, Inc. for investment consulting services. The TESRS contracts with seven money managers to manage the fixed income and equity portfolios. The money managers are Luther King Capital Management Corp., Atlanta Capital Management Co, LLC. Boston Partners LLC, Pier Capital LLC, Harvest Fund Advisors LLC, Garcia Hamilton & Associates L.P., and Richmond Capital Management, Inc. The TESRS also invests with two mutual funds—Wells Fargo and OFITC.

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

INVESTMENTS

As of August 31, 2016, the fair value of investments are as presented below:

Fiduciary Funds

Description	Fair Value Hierarchy			Net Asset Value	(Fair Value)
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs		
U.S. Treasury Securities	\$3,263,221.45				\$3,263,221.45
U.S. Government Agency Obligations		\$5,051,083.84			\$5,051,083.84
Corporate Obligations		\$9,803,102.15			\$9,803,102.15
Corporate Asset and Mortgage Backed Securities		\$5,682,280.42			\$5,682,280.42
Equity	\$42,214,587.25				\$42,214,587.25
International Equity	\$5,995,459.99				\$5,995,459.99
International Other Commingled Funds			\$18,914,475.92		\$18,914,475.92
Other Commingled Funds	\$1,976,805.01				\$1,976,805.01
Total Investments	\$53,450,073.70	\$20,536,466.41	\$18,914,475.92		\$92,901,016.03
Reconciliation of Investments per Exhibit VI					
Other Short Term Investments					\$1,976,805.01
Corporate Equity					\$42,214,587.25
U.S. Government Obligations					\$13,996,585.71
Corporate Obligations					\$9,803,102.15
Other Investments					\$24,909,935.91
Investment per Exhibit VI					\$92,901,016.03

G. 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 Domestic Fixed Income not exceed 31% (25.6% actual) of the portfolio.

TESRS' domestic fixed income is managed by Richmond Capital Management, Inc. and Garcia Hamilton & Associates L.P. 60% of these holdings are either not subject to credit risk or AAA rated, while 30% 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	Domestic Fixed Income	\$23,799,687.86

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, 2016, the following changes occurred in long-term liabilities.

Governmental Activities	Balance 9/1/2015	Additions	Reductions	Balance 8/31/2016	Amounts Due Within One Year
Compensable Leave	\$ 28,675.81	\$ 36,902.04	\$ 24,281.72	\$ 41,296.13	\$ 25,533.49
Total Governmental Activities	\$ 28,675.81	\$ 36,902.04	\$ 24,281.72	\$ 41,296.13	\$ 25,533.49

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, 2016, 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 0031	\$	\$
Agy 325, Fd 976, D23 Fd 973 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 2015 and 2016 were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims	Balance at Fiscal Year- End
2015	\$ -0-	\$ -0-	\$ -0-	\$ -0-
2016	\$ -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.

Texas Emergency Services Retirement System (326)
Schedule 1
Pension Fund Investments
August 31, 2016 (With Comparative totals for August 31, 2015)

	Market Value As of August 31, 2016	Market Value As of August 31, 2015
MONEY MARKET MUTUAL FUND		
Money Market Securities	\$1,976,805	\$1,398,392
BOND MUTUAL FUNDS		
Pimco Total Return Fund		\$18,453,617
T Rowe Price International Fund		\$4,026,532
Total Bond Mutual Funds		\$22,480,149
EQUITY MUTUAL/COMMINGLED FUNDS		
OFITC International Growth Fund	\$18,914,476	\$18,283,203
Wells Fargo International Emerging Markets	\$5,995,460	\$4,318,445
Total Equity Mutual/Commingled Funds	\$24,909,936	\$22,601,648
BOND FUNDS		
21ST CENTURY FOX AMERICA	\$40,854	
ABBOTT LABS	\$142,060	
AFLAC INC	\$133,558	
ALABAMA POWER CO	\$45,196	
ALTRIA GROUP INC	\$36,399	
AMERICAN EXPRESS CREDIT	\$164,964	
AMERITECH CAPITAL FUNDNG	\$40,728	
AMGEN INC	\$24,736	
ANHEUSER-EUSCH	\$42,453	
APACHE CORP	\$26,084	
APPLE INC	\$41,522	
AT&T INC	\$140,162	
BANK OF AMERICA CORP	\$160,908	
BANK OF NOVA SCOTIA	\$156,642	
BB&T CORPORATION	\$205,104	
BECTON DICKINSON	\$137,159	
BERKSHIRE HATHAWAY	\$148,831	
BLACKROCK INC	\$144,802	
BOSTON PROP LP	\$64,636	
BP CAPITAL MARKETS PLC	\$170,745	
BURLINGTON NORTHERN SANTA FE	\$63,585	
CAMDEN PROPERTY TRUST	\$113,001	
CATERPILLAR INC	\$60,018	
CCCIT SER 2013-A6 CL A6	\$150,001	
CHARLES SCHWAB CORP	\$126,999	
CHEVRON CORP	\$145,115	
CHEVRON CORP	\$20,660	
CHUBB CORPORATION	\$76,055	
CISCO SYSTEMS INC	\$96,064	
CITIGROUP INC	\$555,254	
CITIGROUP INC	\$131,795	

Texas Emergency Services Retirement System (326)
Schedule 1
Pension Fund Investments
August 31, 2016 (With Comparative totals for August 31, 2015)

	Market Value As of August 31, 2016	Market Value As of August 31, 2015
COMCAST CORP	\$51,590	
COMMONWEALTH EDISON CO	\$75,303	
CVS HEALTH CORP	\$59,118	
DEVON ENERGY CORPORATION	\$36,740	
EATON CORP	\$106,870	
EMERSON ELECTRIC CO	\$149,299	
ENTERPRISE PRODUCTS OPER	\$33,151	
ERP OPERATING LP	\$138,031	
EXXON MOBIL CORP	\$145,443	
EXXON MOBIL CORPORATION	\$26,529	
FFCB FLT RT DUE 03/26/2018	\$215,224	
FFCB FLT RT DUE 05/17/2018	\$709,034	
FFCB F_T RT DUE 05/25/2018	\$294,817	
FHLB FLT RT DUE 08/09/2017	\$580,963	
FHLB FLT RT DUE 08/25/2017	\$245,510	
FHLB FLT RT DUE 12/07/2017	\$210,040	
FHLMC FLT RT DUE 11/13/2017	\$439,947	
FHLMC GOLD POOL # G30891	\$618,517	
FHLMC GOLD POOL #A93614	\$36,846	
FHLMC GOLD POOL #A97673	\$29,524	
FHLMC GOLD POOL #D98739	\$431,661	
FHLMC GOLD POOL #G08001	\$290,163	
FHLMC GOLD POOL #G60134	\$378,005	
FHLMC GOLD POOL #Q27927	\$191,369	
FHLMC GOLD POOL #Q30470	\$415,140	
FHLMC GOLD POOL #Q35953	\$244,577	
FHLMC GOLD POOL #Q38893	\$258,555	
FHLMC GOLD POOL #V81680	\$483,666	
FHMS SER K031 CL A2	\$163,793	
FLORIDA POWER CORP	\$50,019	
FNMA FLT RT DUE 07/20/2017	\$920,166	
FNMA FLT RT DUE 10/05/2017	\$969,670	
FNMA POOL #995598	\$328,483	
FNMA POOL #AA9180	\$387,689	
FNMA POOL #AL7407	\$276,937	
FNMA POOL #AL7590	\$475,132	
FNMA POOL #AS5090	\$155,472	
FNMA POOL #AY8604	\$90,500	
FNMA POOL #BC2666	\$141,810	
FRANKLIN RESOURCES INC	\$72,269	
GENERAL ELECTRIC CO	\$168,333	
GNMA II POOL #AA1000	\$25,570	
GNMA II POOL #MA2374	\$98,899	
GNMA II POOL #MA3035	\$122,077	
GNMA II POOL #MA3520	\$201,687	

Texas Emergency Services Retirement System (326)
Schedule 1
Pension Fund Investments
August 31, 2016 (With Comparative totals for August 31, 2015)

	Market Value As of August 31, 2016	Market Value As of August 31, 2015
GOLDMAN SACHS GROUP INC	\$492,010	
GOLDMAN SACHS GROUP INC	\$131,302	
GSMS SER 2012-GCJ9 CL A3	\$104,286	
HALLIBURTON COMPANY	\$45,225	
HARTFORD FINL SVCS GRP	\$117,373	
HISTORIC TW INC	\$39,588	
IBM CORP	\$42,720	
JOHNSON & JOHNSON	\$19,970	
JP MORGAN CHASE & CO	\$110,254	
JPMORGAN CHASE & CO	\$195,870	
JPMORGAN CHASE & CO	\$65,339	
KELLOGG CC	\$76,713	
KEYCORP	\$112,950	
KIMBERLY-CLARK CORP	\$104,662	
KRAFT FOODS INC	\$39,570	
LOCKHEED MARTIN CORP	\$281,656	
MARKEL CORPORATION	\$72,790	
MCDONALD'S CORP	\$38,005	
MORGAN STANLEY	\$412,187	
OCCIDENTAL PETROLEUM	\$86,655	
ORACLE CORP	\$135,398	
PACIFIC BELL TELEPHONE	\$130,594	
PARKER-HANNIFIN CORP	\$50,295	
PEPSICO INC	\$49,841	
PFIZER INC	\$23,020	
POTASH CORP - SASKATCHEWAN	\$79,001	
PROCTER & GAMBLE	\$47,179	
PROCTER & GAMBLE CO	\$84,901	
SHELL INTL FIN	\$95,901	
SIMON PROPERTY GROUP LP	\$92,838	
STRYKER CORP	\$141,636	
SUNTRUST BANKS	\$93,967	
SYSCO CORPORATION	\$72,650	
THERMO FISHER SCIENTIFIC	\$63,576	
TORONTO-DOMINION BANK	\$118,267	
TOSCO CORP	\$69,082	
TOYOTA MOTOR CREDIT CORP	\$204,452	
UNITED TECHNOLOGIES CORP	\$20,361	
US BANCORP	\$135,219	
US TREAS BOND @ 2.750% 08/15/2042	\$1,752,186	
US TREAS BOND @ 2.875% 08/15/2045	\$500,500	
US TREAS BOND @ 3.125% 11/15/2041	\$552,327	
US TREAS NOTE @ 1.625% 07/31/2020	\$198,999	
US TREAS NOTE @ 2.000% 08/15/2025	\$259,205	
VERIZON COMMUNICATIONS INC	\$27,161	

Texas Emergency Services Retirement System (326)
Schedule 1
Pension Fund Investments
August 31, 2016 (With Comparative totals for August 31, 2015)

	Market Value As of August 31, 2016	Market Value As of August 31, 2015
VIRGINIA ELEC & POWER CO	\$81,660	
WALMART STORES INC	\$51,889	
WELLS FARGO & COMPANY	\$487,022	
WELLS FARGO & COMPANY	\$83,435	
WELLS FARGO COMPANY	\$253,255	
WFRBS SER 2012-C8 CL A3	\$47,634	
WISCONSIN POWER & LIGHT	\$56,884	
Total Bond Funds	\$23,799,688	\$0
EQUITY FUNDS		
3M CO	\$362,065	\$271,487
8POINT3 ENERGY LP		\$1,589
8X8 INC	\$39,757	
ABBVIE INC		\$77,264
ACACIA COMMUNICATIONS INC	\$34,835	
ACADIA HEALTHCARE	\$37,881	\$118,309
ACCENTURE PLC-A	\$217,925	\$191,180
ACE LTD		\$224,650
ACETO CORP	\$49,264	\$44,484
ACI WORLDWIDE INC	\$48,705	\$66,550
ACTIVISION BLIZZARD INC		\$187,469
ACXIOM CORP	\$47,796	
ADEPTUS HEALTH INC		\$49,421
ADVANCED DRAINAGE SYSTEMS INC		\$27,160
ADVANCED MICRO DEVICES	\$54,605	
ADVISCRY BOARD CO/THE		\$55,925
AEROJET ROCKETDYNE HOLDINGS IN	\$40,001	
AES CCRP	\$173,011	\$172,008
AIR TRANSPORT SERVICES GROUP	\$38,951	
AKORN INC	\$68,969	\$79,461
ALLEGiant TRAVEL CO		\$29,676
ALLSTATE CORP	\$153,298	\$149,430
ALLY FINANCIAL INC	\$146,573	\$126,854
ALPHABET INC	\$1,002,616	
AMC ENTERTAINMENT HOLDINGS INC		\$25,937
AMERICAN EAGLE OUTFITTERS	\$42,809	
AMERICAN EXPRESS CO	\$147,555	\$377,156
AMERICAN HOMES 4 RENT		\$51,631
AMERICAN INT'L GROUP INC		\$212,880
AMERICAN MIDSTREAM PARTNERS LP		\$5,338
AMERICAN WOODMARK CORP	\$53,505	
AMERIGAS PARTNERS- LP		\$16,411
AMN HEALTHCARE SERVICES INC		\$57,792
AMPHENOL CORP-CL A	\$437,852	\$306,463
AMSURG CORP		\$50,346

Texas Emergency Services Retirement System (326)
Schedule 1
Pension Fund Investments
August 31, 2016 (With Comparative totals for August 31, 2015)

	Market Value As of August 31, 2016	Market Value As of August 31, 2015
ANADARKO PETROLEUM CORP		\$90,406
ANTERO MIDSTREAM PARTNERS LP	\$42,139	\$20,705
ANTERO RESOURCES CORP	\$34,148	
ANTHEM INC		\$94,927
AON PLC	\$122,596	\$102,784
APOGEE ENTERPRISES INC	\$81,264	\$52,932
APPLE INC COM	\$562,966	\$847,504
ARCHROCK INC	\$5,323	
ARCHROCK PARTNERS LP	\$29,584	
ASBURY AUTOMOTIVE GROUP INC		\$68,887
ASPEN TECHNOLOGY INC	\$47,324	
ASTEC INDUSTRIES INC	\$42,564	
ATRICURE INC		\$46,670
AVERY DENNISON CORP		\$66,792
BANCORPSOUTH INC	\$62,947	\$60,065
BANK OF AMERICA CORP	\$433,504	
BANK OF THE OZARKS	\$90,114	\$112,526
BANKUNITED INC		\$50,324
BARNES GROUP INC		\$71,659
BARRICK GOLD CORP	\$81,495	\$34,368
BB&T CORPORATION	\$110,380	\$105,628
BEACON ROOFING SUPPLY INC	\$44,233	
BELDEN CDT INC		\$24,439
BELMOND LTD		\$36,930
BENEFITFOCUS INC		\$53,736
BERKSHIRE HATHAWAY INC-CL B	\$552,599	\$613,099
BEST BUY CO INC	\$67,725	
BGC PARTNERS INC	\$34,992	
BIOGEN INC	\$103,609	\$336,246
BLUE BUFFALO PET PRODUCTS INC	\$43,671	
BMC STOCK HOLDINGS INC	\$43,250	
BOARDWALK PIPELINE PARTNERS LP	\$63,459	\$21,200
BOOT BARN HOLDINGS INC		\$21,993
BOOZ ALLEN HAMILTON HOLDING CO	\$40,865	
BRIGHT HORIZONS FAMILY SOLUTIONS	\$23,243	
BRINKER INTERNATIONAL INC		\$63,756
BRISTOL-MYERS SQUIBB CO	\$329,820	\$365,859
BROADSOFT INC	\$45,573	\$45,289
BROCADE COMMUNICATIONS SYS	\$42,790	\$65,774
BROOKDALE SENIOR LIVING INC	\$54,556	
BUCKEYE PARTNERS LP	\$241,062	\$182,317
BUFFALO WILD WINGS INC		\$61,836
BUILDERS FIRSTSOURCE INC	\$47,953	
BURLINGTON STORES INC	\$45,808	\$90,094
CAESARSTONE SDOT-YAM LTD		\$31,912

Texas Emergency Services Retirement System (326)
Schedule 1
Pension Fund Investments
August 31, 2016 (With Comparative totals for August 31, 2015)

	Market Value As of August 31, 2016	Market Value As of August 31, 2015
CALLIDUS SOFTWARE INC	\$44,629	\$55,999
CALUMET SPECIALTY PRODUCTS LP		\$2,436
CAMBREX CORP	\$36,277	
CAMERON INTERNATIONAL CORP		\$113,025
CANADIAN NATURAL RESOURCES	\$161,522	\$106,193
CANTEL MEDICAL CORP	\$63,890	
CAPITAL BANK FINANCIAL CORP	\$38,511	
CAPITAL ONE FINANCIAL CORP	\$101,744	\$455,382
CARDINAL HEALTH INC		\$44,179
CARPENTER TECHNOLOGY	\$42,810	
CARTER'S INC		\$52,989
CASEY'S GENERAL STORES INC	\$43,464	
CAVIUM INC	\$50,279	\$55,844
CBS CORP-CL B	\$18,543	
CERNER CORP	\$180,841	
CERUS CORP	\$41,018	
CEVA INC	\$43,600	\$25,660
CHARLES RIVER LABORATORIES	\$75,721	\$70,957
CHECK POINT SOFTWARE TECH	\$347,325	\$147,127
CHENIERE ENERGY INC	\$38,181	
CHENIERE ENERGY PARTNERS LP	\$28,362	\$16,744
CHENIERE ENERGY PARTNERS LP HOLDINGS	\$2,160	
CHEVRON CORP	\$356,254	
CHIASMA INC		\$46,832
CHUBB LTD	\$240,913	
CIENA CORP		\$80,384
CIGNA CORP	\$159,812	\$265,108
CISCO SYSTEMS INC		\$308,205
CITIGROUP INC	\$247,675	\$418,107
CLARCOR INC		\$43,630
COCA-COLA CO/THE	\$212,764	\$367,996
COCA-COLA EUROPEAN PARTNERS PLC	\$77,938	
COGNEX CORP	\$20,800	
COGNIZANT TECH SOLUTIONS-A	\$134,467	\$157,728
COLUMBIA BANKING SYSTEM INC		\$68,198
COLUMBIA PIPELINE PARTNERS LP	\$18,442	\$19,473
COLUMBIA SPORTSWEAR CO	\$62,910	
COMCAST CORP-CL A	\$446,509	\$457,231
COMFORT SYSTEMS USA INC		\$58,572
COMMVAULT SYSTEMS INC	\$44,943	
COMPUTER SCIENCES CORP	\$181,668	
COMSCORE INC		\$52,837
CONE MIDSTREAM PARTNERS LP		\$3,932
COPART INC	\$26,786	
CORNERSTONE ONDEMAND INC	\$25,737	

Texas Emergency Services Retirement System (326)
Schedule 1
Pension Fund Investments
August 31, 2016 (With Comparative totals for August 31, 2015)

	Market Value As of August 31, 2015	Market Value As of August 31, 2015
COSTCO WHOLESALE CORP	\$289,979	\$255,311
COVENANT TRANSPORTATION GROUP	\$17,429	
CRANE CO		\$42,978
CRESTWOOD MIDSTREAM PARTNERS LP		\$4,748
CRH PLC - SPONSORED ADR	\$154,905	
CRITEO SA ADR	\$40,384	\$66,265
CROSSAMER CA PARTNERS LP	\$37,804	\$30,353
CROWN HOLDINGS INC		\$122,190
CUBESMART	\$22,850	\$55,259
CVENT INC		\$59,453
CVS HEALTH CORPORATION	\$648,663	\$856,166
CYNOSURE INC-A	\$44,277	\$55,212
DANAHER CORP	\$389,954	\$204,323
DCP MIDSTREAM PARTNERS LP	\$51,908	\$27,326
DELEK LOGISTICS PARTNERS LP		\$996
DELTA AIR LINES INC	\$138,989	\$204,759
DEPOMED INC		\$51,248
DEXCOM INC		\$80,113
DIAMONDBACK ENERGY INC	\$189,262	\$94,377
DIPLOMAT PHARMACY INC		\$44,031
DISCOVER FINANCIAL SERVICE	\$330,660	\$197,082
DOLLAR GENERAL CORP	\$415,501	
DOLLAR TREE INC	\$114,870	
DOMINION MIDSTREAM PARTNERS LP	\$7,002	\$13,520
DOW CHEMICAL	\$263,158	
DR HORTON INC	\$95,603	
DYNAVAX TECHNOLOGIES CORP		\$53,288
EAGLE PHARMACEUTICALS INC/DE	\$40,353	
EATON CORP PLC		\$66,475
EBAY INC	\$203,508	\$15,236
ECOLAB INC	\$420,462	\$323,164
ELLIE MAE INC	\$43,356	\$49,470
EMC CORP MASS		\$286,552
EMCOR GROUP INC	\$75,297	
ENBRIDGE ENERGY PARTNERS LP	\$110,764	\$49,462
ENDOLOGIX INC	\$19,955	\$36,279
ENERGEN CORP	\$77,683	\$83,408
ENERGY TRANSFER EQUITY LP	\$217,575	\$311,860
ENERGY TRANSFER PARTNERS LP	\$426,040	\$300,000
ENLINK MIDSTREAM LLC		\$8,518
ENLINK MIDSTREAM PARTNERS LP	\$55,456	\$44,692
ENTERPRISE PRODUCTS PARTNERS LP	\$488,822	\$453,499
ENVESTNET INC	\$48,400	
ENVIVA PARTNERS LP		\$2,205
EOG RESOURCES INC	\$227,154	\$366,569

Texas Emergency Services Retirement System (326)
Schedule 1
Pension Fund Investments
August 31, 2016 (With Comparative totals for August 31, 2015)

	Market Value As of August 31, 2016	Market Value As of August 31, 2015
EPAM SYSTEMS INC		\$59,665
EQT CORPORATION	\$99,886	\$50,816
EQT GP HOLDINGS LP		\$10,439
EQT MIDSTREAM PARTNERS LP	\$108,482	\$60,062
EQUITY RESIDENTIAL REIT	\$55,204	
ESTEE LAUDER COMPANIES-CL A	\$202,909	\$194,080
ETSY INC	\$43,207	
EURONET WORLDWIDE INC	\$83,043	\$92,192
EVOLENT HEALTH INC	\$45,686	\$50,932
EW SCRIPPS CO-CL A	\$36,868	\$58,254
EXACT SCIENCES CORP	\$28,924	\$82,913
EXLSERVICE HOLDINGS NC		\$51,086
EXPRESS SCRIPTS HOLDING CO	\$184,367	\$595,399
EXTERRAN HOLDINGS INC		\$17,968
EXTERRAN PARTNERS LP		\$39,676
FABRINET	\$46,584	
FACEBOOK INC-A	\$296,130	\$224,738
FAIR ISAAC CORP	\$51,176	\$65,033
FCB FINANCIAL HOLDINGS INC	\$43,279	\$50,558
FERROGLOBE PLC	\$26,565	
FIFTH THIRD BANCORP	\$93,240	\$72,489
FIREEYE INC	\$29,007	
FIRST CASH FINL SVCS INC	\$70,598	
FIRST INDUSTRIAL REALTY TR REIT	\$64,013	
FIVE BELOW INC		\$26,644
FIVE9 INC	\$38,554	
FLEX LTD	\$183,731	
FLIR SYSTEMS INC	\$107,597	
FOGO DE CHAO INC		\$26,466
FORTIVE CORP	\$249,129	
FTI CONSULTING INC	\$79,058	\$71,150
GASLOG LTD		\$15,168
GASLOG PARTNERS LP		\$3,959
GENERAC HOLDINGS INC		\$21,953
GENERAL DYNAMICS CORP	\$277,954	\$156,801
GENESEE & WYOMING INC-CL A	\$59,151	
GENESIS ENERGY LP	\$20,365	\$67,105
GIGAMON INC	\$46,366	\$37,405
G-III APPAREL GROUP LTD		\$57,821
GILEAD SCIENCES INC	\$444,180	\$477,649
GLOBANT SA	\$39,636	\$45,179
GLOBE SPECIALTY METALS INC		\$34,900
GOLAR LNG PARTNERS LP		\$3,183
GOOGLE INC-CL C		\$698,605
GRANITE CONSTRUCTION INC	\$41,280	

Texas Emergency Services Retirement System (326)
Schedule 1
Pension Fund Investments
August 31, 2016 (With Comparative totals for August 31, 2015)

	Market Value As of August 31, 2016	Market Value As of August 31, 2015
GRUBHUB INC	\$48,968	
GUIDEWIRE SOFTWARE INC	\$59,376	
GULFPORT ENERGY CORP	\$91,577	
HANMI FINANCIAL CORP	\$57,181	\$52,843
HARLEY-DAVIDSON INC		\$78,918
HARRIS CORP	\$177,685	\$116,382
HEADWATERS INC	\$31,818	\$69,016
HEALTHCARE SERVICES GROUP	\$89,420	\$74,070
HEALTHEQUITY INC	\$62,027	
HEICO CORP	\$41,727	
HENRY SCHEIN INC	\$150,359	
HERSHEY CO/THE		\$226,665
HEWLETT PACKARD ENTERPRISE CO	\$174,654	
HEWLETT-PACKARD CO		\$139,627
HEXCEL CORP	\$36,329	\$58,395
HFF INC-A		\$80,544
HIMAX TECHNOLOGIES INC	\$49,680	
HMS HOLDINGS CORP	\$40,763	
HOLLY ENERGY PARTNERS LP	\$19,290	\$19,953
HOME BANCSHARES INC	\$83,772	\$68,235
HONEYWELL INTERNATIONAL INC	\$113,559	\$386,558
HORTONWORKS INC		\$23,237
HSN INC		\$62,938
HUBSPOT INC	\$44,313	
HUNTSMAN CORP	\$62,192	\$81,989
HURON CONSULTING GROUP INC		\$50,311
IDEX CORP	\$335,169	\$299,387
IMAX CORP	\$42,716	\$49,063
IMPRIVATA INC		\$26,238
INC RESEARCH HOLDINGS INC		\$46,095
INFINERA CORP	\$31,532	\$156,886
INGERSOLL-RAND PLC		\$65,574
INOGEN INC		\$25,631
INPHI CORP	\$44,922	
INSTALLED BUILDING PRODUCTS INC	\$41,625	\$50,207
INSTRUCTURE INC	\$32,664	
INTERACTIVE INTELLIGENCE GROUP	\$69,426	\$50,064
INTERCONTINENTAL EXCHANGE, INC		\$133,163
INTERFACE INC		\$53,207
INTERNATIONAL PAPER CO		\$91,500
INTERPUBLIC GROUP OF COS INC	\$35,983	
INTERSECT ENT INC		\$47,967
IPG PHOTONICS CORP		\$24,988
JACK IN THE BOX INC		\$50,504
JACOBS ENGINEERING GROUP INC	\$86,939	

Texas Emergency Services Retirement System (326)
Schedule 1
Pension Fund Investments
August 31, 2016 (With Comparative totals for August 31, 2015)

	Market Value As of August 31, 2016	Market Value As of August 31, 2015
JOHN BEAN TECHNOLOGIES	\$74,449	
JOHNSON & JOHNSON	\$691,695	\$473,001
JPMORGAN CHASE & CO	\$653,130	\$605,809
K2M GROUP HOLDINGS INC		\$48,850
KENNEDY-WILSON HOLDINGS INC		\$56,761
KINDER MORGAN	\$38,814	
KINDER MORGAN INC/DELAWARE	\$55,783	\$21,974
KIRBY CORP	\$36,731	
KIRKLAND'S INC		\$41,939
KNOLL INC		\$54,227
LA QUINTA HOLDINGS INC		\$57,398
LABORATORY CRP OF AMER HLDGS	\$ 55,552	
LANDSTAR SYSTEM INC		\$57,263
LATTICE SEMICONDUCTOR CORP	\$36,562	
LDR HOLDING CORP		\$83,560
LEAR CORP	\$33,026	\$98,678
LEIDOS HOLDINGS INC	\$ 28,538	
LENDINGTREE INC		\$21,508
LGI HOMES INC	\$71,039	
LHC GROUP INC	\$40,787	\$20,048
LIBERTY BROADBAND CORP WI		\$60,435
LIBERTY GLOBAL-C	\$ 33,155	\$228,119
LIBERTY LILAC C	\$70,400	\$8,446
LIBERTY MEDIA CL C WI		\$89,934
LIFE STORAGE INC REIT	\$39,600	
LINEAR TECHNOLOGY CORP		\$146,378
LITHIA MOTORS INC		\$92,209
LOCKHEED MARTIN CORP	\$ 04,963	\$288,291
LOGMEIN INC		\$57,665
LOWE'S COS INC	\$ 59,130	\$444,071
LUXOFT HOLDING INC	\$33,454	
LYONDELL BASSELL INDUSTRIES NV	\$ 21,806	
M/A-CCM TECHNOLOGY SOLUTIONS H		\$47,600
MACQUARIE INFRASTRUCTURE CO	\$96,967	\$77,697
MACY'S INC		\$87,563
MAGELLAN MIDSTREAM PARTNERS LP	\$ 77,794	\$236,410
MANHATTAN ASSOCIATES INC	\$ 00,342	\$118,480
MANITOWOC COMPANY INC		\$24,339
MARATHON OIL CORP	\$106,206	
MARATHON PETROLEUM CORP	\$85,700	\$91,971
MARCLS & MILLICHAP INC		\$52,523
MARCLUS CORPORATION		\$26,126
MARKETAXESS HOLDINGS INC	\$47,528	
MARKETO INC		\$49,102
MARKWEST ENERGY PARTNERS LP		\$132,977

Texas Emergency Services Retirement System (326)
Schedule 1
Pension Fund Investments
August 31, 2016 (With Comparative totals for August 31, 2015)

	Market Value As of August 31, 2016	Market Value As of August 31, 2015
MARRIOTT VACATIONS WORLDWIDE	\$44,024	
MARSH & MC_ENNAN COS	\$267,544	\$227,547
MASTEC INC	\$91,590	
MASTERCARD INC - CLASS A	\$368,450	
MCKESSON CORP	\$314,592	
MEDIDATA SOLUTIONS INC	\$45,390	
MEDTRONIC PLC	\$247,165	\$278,678
MEMORIAL RESOURCE DEVELOPMENT		\$37,655
MERCK & CO INC/NJ	\$404,996	\$267,796
MERCURY SYSTEMS INC	\$99,679	\$44,605
MERIT MEDICAL SYSTEMS INC	\$49,862	
METHANEX CORP	\$71,514	\$56,453
METLIFE INC	\$125,947	\$110,070
MGP INGREDIENTS INC	\$22,127	
MICROSOFT CORP	\$489,675	\$356,472
MICROSTRATEGY INC-CL A		\$51,861
MKS INSTRUMENTS INC	\$43,915	
MONDELEZ INTL INC	\$331,392	
MONOLITHIC POWER SYSTEMS INC	\$49,791	\$47,657
MONRO MUFFLER BRAKE INC		\$71,948
MONSANTO CO		\$461,103
MPLX LP	\$222,236	\$17,863
MSC INDUSTRIAL DIRECT CO-A	\$49,667	
MUELLER WATER PRODUCTS INC-A	\$43,657	
NANOMETRICS INC	\$21,886	
NANOSTRING TECHNOLOGIES INC		\$25,233
NAVIENT CORP	\$82,512	
NCI BUILDING SYSTEMS		\$38,257
NEOGEN CORP	\$56,993	\$43,378
NEVRO CORP	\$52,314	\$24,857
NEWFIELD EXPLORATION CO	\$61,354	
NGL ENERGY PARTNERS LP	\$44,262	\$32,583
NIKE INC -CL B	\$236,670	\$149,522
NORD ANGLIA EDUCATION INC	\$39,564	\$42,045
NORDSTROM INC		\$158,368
NORTHERN TIER ENERGY LP		\$8,540
NORTHSTAR ASSET MANAGEMENT GROUP INC	\$31,386	
NOVARTIS AG-ADR	\$106,103	\$260,744
NUCOR CORP	\$91,926	
NUSTAR ENERGY LP	\$91,968	\$67,782
NUTRI/SYSTEM INC	\$35,593	
NUVASIVE INC	\$48,841	
NXP SEMICONDUCTOR NV		\$93,623
NXSTAGE MEDICAL INC	\$39,319	
OCCIDENTAL PETROLEUM CORP	\$340,907	\$398,489

Texas Emergency Services Retirement System (326)
Schedule 1
Pension Fund Investments
August 31, 2016 (With Comparative totals for August 31, 2015)

	Market Value As of August 31, 2016	Market Value As of August 31, 2015
OLD DOMINION FREIGHT LINE	\$46,875	\$62,966
OLLIE'S BARGAIN OUTLET HOLDING	\$58,466	
OMNICELL INC	\$17,250	\$49,441
OMNICOM GROUP	\$46,338	\$57,670
ONEOK INC		\$8,930
ONEOK PARTNERS LP	\$68,006	\$36,426
ORACLE CORP	\$228,936	\$170,874
ORBOTECH LTD	\$45,128	
OUTFRONT MEDIA INC	\$60,934	
OXFORD INDUSTRIES INC	\$26,212	
PARSLE ENERGY INC SER A	\$46,307	
PATHEON NV	\$46,883	
PAYCOM SOFTWARE INC		\$61,587
PBF LOGISTICS LP	\$12,093	\$11,848
PDC ENERGY INC	\$111,087	\$51,068
PEBBLEBROOK HOTEL TRUST		\$44,911
PENNTX MIDSTREAM PARTNERS LP		\$6,257
PENUMBRA INC	\$41,560	
PEPSICO INC	\$217,236	\$235,113
PERRIGO CO PLC	\$228,476	\$165,588
PFIZER INC		\$420,954
PGT INC	\$50,772	\$82,760
PHILIPS ELECTRONICS-NY SHR	\$78,485	
PHILLIPS 66	\$252,374	\$307,977
PHILLIPS 66 PARTNERS LP		\$14,102
PINNACLE FINANCIAL PARTNERS	\$71,146	
PINNACLE FOODS INC		\$56,902
PLAINS ALL AMER PIPELINE LP	\$197,739	\$239,547
PLAINS GP HOLDINGS LP	\$46,135	\$46,448
PLANET FITNESS INC	\$50,813	\$25,504
POOL CORP	\$96,331	\$74,209
POPEYES LOUISIANA KITCHEN INC		\$68,413
POST HOLDINGS INC	\$66,128	\$81,274
PPG INDUSTRIES INC	\$139,232	
PRA GROUP INC		\$94,643
PRA HEALTH SCIENCES INC	\$120,562	\$53,096
PRAXAIR INC	\$252,989	\$111,989
PRESS GANEY HOLDINGS INC	\$45,689	
PROOFPOINT INC	\$104,652	\$99,835
PROTO LABS INC		\$50,253
PRUDENTIAL FINANCIAL INC		\$0
PULTE GROUP INC	\$182,179	
Q2 HOLDINGS INC		\$61,738
QEP RESOURCES INC		\$69,372
QLIK TECHNOLOGIES		\$61,788

Texas Emergency Services Retirement System (326)
Schedule 1
Pension Fund Investments
August 31, 2016 (With Comparative totals for August 31, 2015)

	Market Value As of August 31, 2016	Market Value As of August 31, 2015
QUALCOMM INC	\$115,670	\$138,112
QUEST DIAGNOSTICS		\$108,616
RADWARE LTD		\$44,087
RAMBUS INC	\$49,061	\$66,479
RAYMOND JAMES FINANCIAL INC		\$274,647
RAYTHEON COMPANY	\$312,770	\$201,633
RED ROCK RESORTS INC	\$44,111	
RESTORATION HARDWARE HOLDINGS		\$47,720
RICE ENERGY INC	\$59,596	\$21,317
RICE MIDSTREAM PARTNERS LP	\$75,827	\$42,143
RINGCENTRAL INC	\$42,254	\$53,523
RITCHIE BROS. AUCTIONEERS		\$65,916
ROSS STORES INC	\$343,129	\$183,200
RSP PERMIAN INC	\$47,953	\$42,158
SANOFI	\$142,801	
SCHLUMBERGER LTD	\$208,955	\$300,118
SCHWAB (CHARLES) CORP	\$161,736	
SCRIPPS NETWORKS INTER-CL A		\$32,916
SEAGATE TECHNOLOGY		\$59,778
SEALED AIR CORP	\$84,881	
SEMGROUP INC	\$37,787	\$43,065
SHELL MIDSTREAM PARTNERS LP	\$84,493	\$124,012
SHIRE PLC ADR		\$67,048
SHOPIFY INC W/I	\$47,564	\$39,410
SHUTTERFLY INC	\$40,879	
SILICON MOTION TECHNOLOGY CORP	\$41,141	
SITEONE LANDSCAPE SUPPLY INC	\$50,056	
SIX FLAGS ENTERTAINMENT	\$47,648	\$62,958
SKECHERS USA INC-CL A		\$70,651
SNYDERS-LANCE	\$36,930	
SOUTHCROSS ENERGY		\$98
SOVRAN SELF STORAGE INC REIT		\$73,130
SPECTRANETICS CORP	\$53,379	
SPIRIT AIRLINES INC		\$44,434
SPRAGUE RESOURCES LP	\$4,454	\$5,439
SPROUTS FARMERS	\$46,074	
SPS COMMERCE INC	\$52,550	\$54,756
SQUARE INC	\$46,822	
ST JUDE MEDICAL INC	\$0	
STAG INDUSTRIAL	\$46,184	\$40,432
STAGE STORES INC		\$18,419
STAMPS.COM INC		\$30,713
STARBUCKS CORP	\$200,572	\$315,950
STEEL DYNAMICS INC	\$72,974	
STEVEN MADDEN LTD		\$67,501

Texas Emergency Services Retirement System (326)
Schedule 1
Pension Fund Investments
August 31, 2016 (With Comparative totals for August 31, 2015)

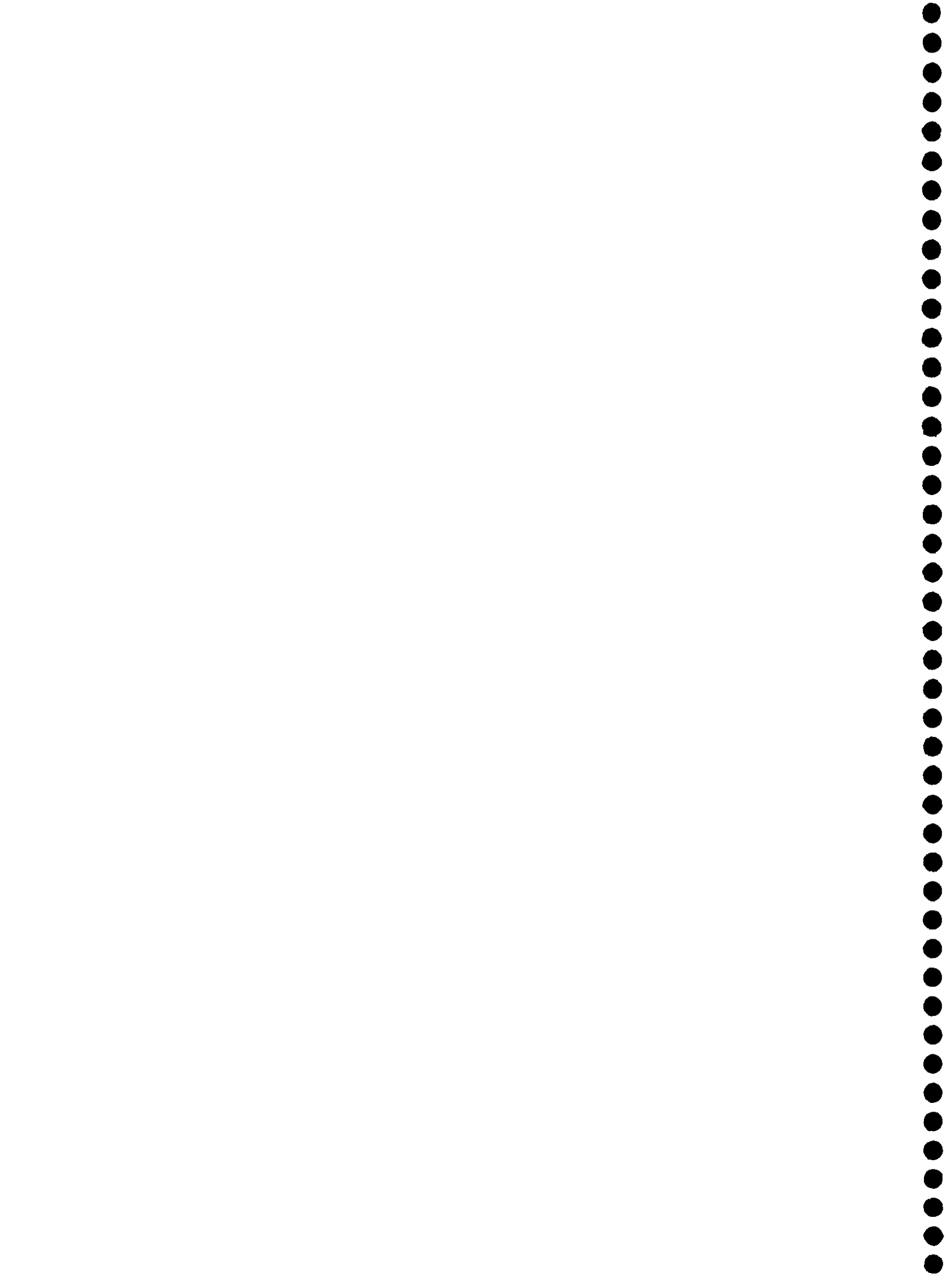
	Market Value As of August 31, 2016	Market Value As of August 31, 2015
STRATEGIC HOTELS & RESORTS INC. REIT		\$50,992
SUBURBAN PROPANE PARTNERS LP		\$898
SUMMIT MATERIALS INC	\$51,482	\$54,779
SUMMIT MIDSTREAM PARTNERS LP	\$28,573	\$25,985
SUNOCO LOGISTICS PARTNERS LP	\$73,112	\$35,386
SURGERY PARTNERS	\$44,991	
SURGICAL CARE AFFILIATES INC	\$35,310	\$55,337
SVB FINANCIAL GROUP	\$41,092	
SWIFT TRANSPORTATION		\$43,599
SYNERGY RESOURCES CORP		\$41,456
TAKE-TWO INTERACTIVE SOFTWARE	\$143,451	\$65,688
TALEND SA ADR	\$24,730	
TALLGRASS ENERGY GP LP		\$20,907
TALLGRASS ENERGY PARTNERS LP	\$42,900	\$39,762
TARGA RESOURCES CORP	\$37,392	\$51,263
TARGA RESOURCES PARTNERS LP		\$41,209
TARGET CORP	\$77,209	\$186,737
TE CONNECTIVITY LTD	\$173,101	
TEAM HEALTH HOLDINGS INC		\$134,809
TEAM INC	\$32,405	
TEEKAY LNG PARTNERS LP		\$30,552
TEEKAY OFFSHORE PARTNERS LP		\$15,558
TELEDYNE TECHNOLOGIES INC		\$54,830
TESORO LOGISTICS	\$84,266	\$85,288
TEVA PHARMACEUTICAL-SP ADR		\$102,347
TEXAS CAPITAL BANCSHARES INC		\$52,514
TEXAS INSTRUMENTS INC	\$439,354	\$263,742
TEXTRON INC	\$101,431	\$41,244
THE PRICELINE GROUP INC	\$389,601	\$367,100
THE TRAVELERS COMPANIES INC	\$74,194	\$87,206
THE WALT DISNEY CO.	\$265,810	\$306,863
THERMO FISHER SCIENTIFIC INC	\$438,155	
TIME INC		\$32,256
TIME WARNER INC	\$187,870	
TORO CO	\$39,832	
TRANSCANADA CORP	\$71,720	\$13,259
TREEHOUSE FOODS INC	\$20,841	\$49,209
TRITON INTERNATIONAL LTD	\$11,187	
TWENTY-FIRST CENTURY FOX INC		\$232,295
TYLER TECHNOLOGIES INC		\$54,250
TYSON FOODS INC-CL A	\$124,691	\$231,821
UNITED CONTINENTAL HOLDINGS INC	\$66,239	\$114,396
UNITED PARCEL SERVICE-CL B	\$106,490	
UNITED TECHNOLOGIES CORP	\$214,350	\$202,825
UNITEDHEALTH GROUP INC	\$183,804	

Texas Emergency Services Retirement System (326)
Schedule 1
Pension Fund Investments
August 31, 2016 (With Comparative totals for August 31, 2015)

	Market Value As of August 31, 2016	Market Value As of August 31, 2015
UNIVERSAL DISPLAY CORP	\$39,795	
US ECOLOGY INC		\$55,306
US SILICA HCLDINGS INC	\$45,177	
USA COMPRESSION PARTNERS LP	\$14,710	\$16,320
VALERO ENERGY PARTNERS LP	\$27,941	\$34,622
VERINT SYSTEMS INC		\$46,824
VERIZON COMMUNICATIONS INC	\$310,736	\$205,895
VIRGIN AMERICA INC		\$50,740
VISA INC-CLASS A SHARES	\$680,693	\$571,256
VMWARE INC- CL A		\$174,684
VOCERA COMMUNICATIONS INC	\$43,977	
VTTI ENERGY PARTNERS LP	\$24,461	\$22,697
VWR CORP	\$80,241	\$75,469
WADDELL & REED FINANCIAL-A		\$48,838
WAGeworks	\$59,257	\$36,251
WALGREENS BOOTS ALLIANCE INC	\$108,716	
WATSCO INC	\$90,195	\$74,701
WEBMD HEALTH CORP	\$35,171	
WEBSTER FINANCIAL CORP	\$45,931	
WELLS FARGO & COMPANY	\$145,491	\$822,349
WEST PHARMACEUTICAL SERVICES	\$44,434	\$51,885
WESTERN ALLIANCE BANCORP	\$46,628	\$49,442
WESTERN DIGITAL CORP		\$139,414
WESTERN GAS EQUITY PARTNERS LP		\$20,497
WESTERN REFINING LOGISTICS LP	\$42,650	\$43,501
WESTLAKE CHEMICAL PARTNERS LP	\$20,547	\$15,956
WESTROCK CO W/I	\$93,261	\$83,090
WEX INC		\$45,185
WHOLE FOODS MARKET INC	\$202,209	\$233,349
WILLIAM LYON HOMES		\$48,583
WILLIAMS COS INC	\$61,608	\$74,710
WILLIAMS PARTNERS LP	\$177,165	\$71,053
WIX.COM LTD	\$56,499	
WPX ENERGY INC	\$59,520	
XL GROUP PLC		\$92,815
ZELTIQ AESTHETICS		\$48,728
ZENDESK INC	\$47,306	\$51,514
ZIMMER BIOMET HOLDINGS INC		\$106,253
ZOE'S KITCHEN INC	\$27,366	\$22,451
ZOETIS INC	\$298,211	
Total Equity Funds	<u>\$42,214,587</u>	<u>\$41,228,209</u>
TOTAL INVESTMENTS	<u><u>\$92,901,016</u></u>	<u><u>\$87,708,398</u></u>
Short Term Investments (Exhibit VI)	\$1,976,805	\$1,398,392

Texas Emergency Services Retirement System (326)
Schedule 1
Pension Fund Investments
August 31, 2016 (With Comparative totals for August 31, 2015)

	Market Value As of August 31, 2016	Market Value As of August 31, 2015
Investments (Exhibit VI)		
Equity	\$42,214,587	\$41,228,209
Bonds	\$23,799,688	\$0
Other Investments	\$24,909,936	\$45,081,797
Total	<u>\$92,901,016</u>	<u>\$87,708,398</u>



THIS PAGE INTENTIONALLY LEFT BLANK

Texas Emergency Services Retirement System (326)
Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds
August 31, 2016

	General Fund 1 (0001)* U/F (0001)	Total (Ex I)
ASSETS		
Current Assets:		
Cash in State Treasury	\$0.00	\$0.00
Legislative Appropriations	118,147.19	118,147.19
Accounts Receivable		
Consumable Inventories	3,705.00	3,705.00
Other Current Assets		
Total Current Assets	<u>121,852.19</u>	<u>121,852.19</u>
Total Assets	<u>\$121,852.19</u>	<u>\$121,852.19</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Current Liabilities:		
Payables from:		
Accounts	\$51,127.03	\$51,127.03
Payroll	65,686.64	65,686.64
Due To Other Funds		
Due To Other Agencies		
Employees' Compensable Leave		
Total Current Liabilities	<u>116,813.67</u>	<u>116,813.67</u>
Non-Current Liabilities		
Employees' Compensable Leave		
Total Non-Current Liabilities	<u>0.00</u>	<u>0.00</u>
Total Liabilities	<u>116,813.67</u>	<u>116,813.67</u>
Fund Balances (Deficits):		
Nonspendable	3,705.00	3,705.00
Restricted		
Committed		
Assigned		
Unassigned	<u>1,333.52</u>	<u>1,333.52</u>
Total Fund Balances	<u>5,038.52</u>	<u>5,038.52</u>
Total Liabilities and Fund Balances	<u>\$121,852.19</u>	<u>\$121,852.19</u>

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, 2016

	<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)	\$750,668.00	\$750,668.00
Additional Appropriations (GR)	164,953.88	164,953.88
Other (PR - Seminar Fees)		0.00
Other (GR)		0.00
Total Revenues	<u>915,621.88</u>	<u>915,621.88</u>
EXPENDITURES		
Salaries and Wages	552,745.14	552,745.14
Payroll Related Costs	166,741.38	166,741.38
Professional Fees and Services	85,813.92	85,813.92
Travel	18,495.62	18,495.62
Materials and Supplies	58,054.22	58,054.22
Communication and Utilities	10,980.24	10,980.24
Repairs and Maintenance	0.00	0.00
Rentals and Leases	7,558.51	7,558.51
Printing and Reproduction	390.53	390.53
Judgments and Settlements	0.00	0.00
Other Expenditures	13,861.74	13,861.74
Capital Outlay	0.00	0.00
Total Expenditures	<u>914,641.30</u>	<u>914,641.30</u>
Excess (Deficiency) of Revenues over Expenditures	<u>980.58</u>	<u>980.58</u>
OTHER FINANCING SOURCES (USES)		
Transfers In		
Total Other Financing Sources (Uses)	<u>0.00</u>	<u>0.00</u>
SPECIAL ITEMS		
	<u>0.00</u>	<u>0.00</u>
EXTRAORDINARY ITEMS		
Net Change in Fund Balances	<u>980.58</u>	<u>980.58</u>
Fund Financial Statement - Fund Balances		
Fund Balances - Beginning	4,317.38	4,317.38
Restatements		0.00
Fund Balances - September 1, 2015, as Restated	<u>4,317.38</u>	<u>4,317.38</u>
Appropriations Lapsed	259.44	259.44
Fund Balances, August 31, 2016	<u>\$5,038.52</u>	<u>\$5,038.52</u>

UNAUDITED

Texas Emergency Services Retirement System (326)
Exhibit G-1 - Combining Statement of Fiduciary Net Position
August 31, 2016

	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	\$254,864.90	-\$259.84		\$254,605.06
Short Term Investments				
Other Short Term Investments	1,976,805.01			1,976,805.01
Investments				
Corporate Equity	42,214,587.25			42,214,587.25
US Government Obligations	13,996,585.71			13,996,585.71
Corporate Obligations	9,803,102.15			9,803,102.15
Other Investments	24,909,935.91			24,909,935.91
Receivables from:				
Retirement System Contributions Receivable	1,084,789.46			1,084,789.46
Interest and Dividends	161,371.90			161,371.90
Sale of Investments	245,075.75			245,075.75
Other				0.00
Due From Other Funds				0.00
Properties, at Cost, net of Accumulated Depreciation	0.00			0.00
Total Assets	\$94,647,118.04	-\$259.84	\$0.00	\$94,646,858.20
LIABILITIES				
Payables from:				
Accounts Payable	142,850.98			142,850.98
Investment Payable	513,799.47			513,799.47
Unearned Revenue	26,199.99			26,199.99
Payroll				0.00
Retirement Benefits				0.00
Due To Other Funds				0.00
Deferred Revenues				
Claims and Judgments				
Employees' Compensable Leave				0.00
Capital Lease Obligations				
Total Liabilities	682,850.44	0.00	0.00	682,850.44
NET Position				
Held in Trust For:				
Pension and Other Employee Benefits	93,964,267.60	-259.84	0.00	93,964,007.76
Total Net Position	\$93,964,267.60	-\$259.84	\$0.00	\$93,964,007.76

Texas Emergency Services Retirement System (326)
Exhibit G-2 - Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended August 31, 2016

	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)	\$1,583,825.00			\$1,583,825.00
Dues	3,349,320.58	0.00	0.00	3,349,320.58
Default--Voided warrant				0.00
Prior Service	114,282.26			114,282.26
Total Contributions	<u>5,047,427.84</u>	<u>0.00</u>	<u>0.00</u>	<u>5,047,427.84</u>
Investment Income				
From Investing Activities:				
Net Appreciation (Depreciation) in Fair Value of Investments	3,969,707.39			3,969,707.39
Treasury Interest	4,073.08			4,073.08
Interest and Investment Income	1,584,979.41			1,584,979.41
Total Investing Income (Loss)	<u>5,558,759.88</u>	<u>0.00</u>	<u>0.00</u>	<u>5,558,759.88</u>
Less Investing Activities Expense	604,111.13			604,111.13
Net Income from Investing Activities	<u>4,954,648.75</u>	<u>0.00</u>	<u>0.00</u>	<u>4,954,648.75</u>
Total Net Investment Income (Loss)	<u>4,954,648.75</u>	<u>0.00</u>	<u>0.00</u>	<u>4,954,648.75</u>
Other Additions				
Voided warrants	2,081.16			2,081.16
Total Other Additions	<u>2,081.16</u>	<u>0.00</u>	<u>0.00</u>	<u>2,081.16</u>
Total Additions	<u>10,004,157.75</u>	<u>0.00</u>	<u>0.00</u>	<u>10,004,157.75</u>
Deductions				
Retirement System Benefits Paid:				
Death Benefits	93,501.39			93,501.39
Retirement Benefits	4,058,688.72			4,058,688.72
Disability Benefits	34,200.00			34,200.00
Survivor's Benefits	515,379.57			515,379.57
Salaries and Wages				0.00
Payroll Related Costs				0.00
Professional Fees and Services	98,305.76			98,305.76
Travel	34,849.18			34,849.18
Materials & Supplies	1,446.77			1,446.77
Communications & Utilities				0.00
Repairs & Maintenance				0.00
Rentals & Leases				0.00
Printing and Reproduction				0.00
Depreciation Expense				0.00
Interest Expense	20.49			20.49
Other Expense	32,218.35			32,218.35
Transfer Out				0.00
Total Deductions	<u>4,868,610.23</u>	<u>0.00</u>	<u>0.00</u>	<u>4,868,610.23</u>
Net Increase (Decrease)	<u>5,135,547.52</u>	<u>0.00</u>	<u>0.00</u>	<u>5,135,547.52</u>
Net Position - Beginning	88,828,720.08	-259.84	0.00	88,828,450.24
Restatements				0.00
Net Position, September 1, 2015, as Restated	<u>88,828,720.08</u>	<u>-259.84</u>	<u>0.00</u>	<u>88,828,450.24</u>
Net Position, August 31, 2016	<u>\$93,964,267.60</u>	<u>-\$259.84</u>	<u>\$0.00</u>	<u>\$93,964,007.76</u>

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

