

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

**SCHEDULE OF EMPLOYER ALLOCATIONS AND
SCHEDULE OF OPEB AMOUNTS BY EMPLOYER**

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

CONTENTS

Independent Auditors' Report	1-2
---	-----

Schedules

Schedule I - Employer Allocations as of and for the year ended June 30, 2017	3-9
Schedule II - OPEB Amounts by Employer as of and for the year ended June 30, 2017	10-16

Notes to Schedule of Employer Allocations and Schedule of OPEB Amounts by Employer	17-26
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INDEPENDENT AUDITORS' REPORT

The Retirement Board
Connecticut Teachers' Retirement Board

Report on the Schedules

We have audited the accompanying schedule of employer allocations and schedule of other postemployment benefits (OPEB) amounts by employer of the Connecticut Teachers' Retirement System as of and for the year ended June 30, 2017, and the related notes to the schedules.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedules. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the schedule of employer allocations and schedule of OPEB amounts by employer referred to above present fairly, in all material respects, the employer allocations, net OPEB liability, and employer OPEB expense and revenue of all participating entities for the Connecticut Teachers' Retirement System as of and for the year ended June 30, 2017 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Audited Net Position of the Connecticut Teachers' Retirement System

We have not audited the financial statements of the Connecticut Teachers' Retirement System as of and for the year ended June 30, 2017. The audit for the Connecticut Teachers' Retirement System was performed by the State of Connecticut Auditors of Public Accounts. The net position of the Connecticut Teachers' Retirement System used to calculate the net OPEB liability in the schedules in this report was based solely upon the amounts audited by the State of Connecticut Auditors of Public Accounts.

Restrictions on Use

Our report is intended solely for the information and use of the Connecticut Teachers' Retirement System management, the State Teachers' Retirement Board, and Connecticut State and local retirement system employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

New Haven, CT
December 3, 2018

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

SCHEDULE I – EMPLOYER ALLOCATIONS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Employer	Expected Employer Contribution Effort for Allocation Purposes	Employer Allocation Percentage
Andover	\$ 10,463	0.052521%
Ansonia	64,363	0.323077%
Ashford	15,267	0.076636%
Avon	133,860	0.671918%
Barkhamsted	8,158	0.040949%
Berlin	111,834	0.561359%
Bethany	16,429	0.082467%
Bethel	109,190	0.548087%
Highville Chtr	7,660	0.038450%
Bloomfield	87,962	0.441533%
Bolton	33,662	0.168967%
Bozrah	8,507	0.042702%
Branford	127,706	0.641029%
Bridgeport	606,323	3.043487%
Bristol	281,771	1.414373%
Brookfield	94,156	0.472625%
Brooklyn	1,530	0.007678%
Cldrn Ctr Com Prog	1,806	0.009064%
Canaan	4,206	0.021111%
Canterbury	17,112	0.085896%
Canton	55,311	0.277638%
Chaplin	8,413	0.042231%
Cheshire	162,467	0.815514%
Chester	6,228	0.031262%
Clinton	80,030	0.401716%
Colchester	93,033	0.466984%
Amistad Acd	16,466	0.082653%
Colebrook	4,420	0.022186%
Columbia	20,120	0.100995%
Cornwall	5,346	0.026837%
Coventry	60,743	0.304903%
Cromwell	67,785	0.340252%
Danbury	360,063	1.807366%
Darien	212,454	1.066431%
Deep River	8,316	0.041741%
Derby	43,920	0.220461%

The accompanying notes are an integral part of these financial statements.

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

SCHEDULE I – EMPLOYER ALLOCATIONS (CONTINUED)

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Employer	Expected Employer Contribution Effort for Allocation Purposes	Employer Allocation Percentage
Eastford	\$ 6,998	0.035126%
East Granby	38,960	0.195561%
East Haddam	45,872	0.230260%
East Hampton	72,018	0.361499%
East Hartford	263,395	1.322134%
East Haven	109,190	0.548086%
East Lyme	103,017	0.517102%
Easton	33,228	0.166792%
East Windsor	50,583	0.253904%
Ellington	88,149	0.442472%
Enfield	187,336	0.940346%
Essex	11,230	0.056371%
Fairfield	420,340	2.109931%
Farmington	157,101	0.788579%
Franklin	6,621	0.033234%
Glastonbury	238,357	1.196449%
Granby	70,136	0.352052%
Greenwich	464,139	2.329783%
Griswold	60,817	0.305276%
Groton	185,876	0.933020%
Guilford	131,871	0.661939%
Hamden	224,101	1.124892%
Hampton	4,362	0.021897%
Hartford	780,467	3.917616%
Hartland	7,961	0.039963%
Hebron	27,286	0.136962%
Kent	9,559	0.047982%
Killingly	76,819	0.385598%
Lebanon	34,064	0.170988%
Ledyard	91,163	0.457598%
Lisbon	15,733	0.078973%
Litchfield	42,897	0.215326%
Madison	120,650	0.605612%
Manchester	257,043	1.290248%
Mansfield	55,338	0.277772%
Marlborough	19,985	0.100318%

The accompanying notes are an integral part of these financial statements.

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

SCHEDULE I – EMPLOYER ALLOCATIONS (CONTINUED)

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Employer	Expected Employer Contribution Effort for Allocation Purposes	Employer Allocation Percentage
Meriden	\$ 269,928	1.354922%
Middletown	173,830	0.872554%
Milford	252,904	1.269472%
Monroe	139,409	0.699773%
Montville	93,063	0.467135%
Naugatuck	130,900	0.657062%
New Britain	354,423	1.779052%
New Canaan	194,140	0.974500%
New Fairfield	97,089	0.487344%
New Hartford	16,991	0.085289%
New Haven	742,051	3.724780%
Newington	157,965	0.792915%
New London	103,969	0.521881%
New Milford	117,235	0.588471%
Newtown	171,622	0.861471%
Norfolk	4,139	0.020778%
North Branford	67,017	0.336397%
North Canaan	9,228	0.046319%
North Haven	120,408	0.604397%
No.Stonington	31,018	0.155695%
Norwalk	442,544	2.221382%
Norwich	112,770	0.566056%
NFA	76,576	0.384380%
Old Saybrook	58,902	0.295662%
Orange	46,639	0.234109%
Oxford	61,318	0.307789%
Plainfield	72,776	0.365303%
Plainville	85,864	0.430998%
Plymouth	53,004	0.266055%
Pomfret	13,861	0.069575%
Portland	44,786	0.224806%
Preston	17,669	0.088691%
Putnam	3,072	0.015420%
Redding	47,463	0.238244%
RSD 1	34,438	0.172867%
RSD 4	33,301	0.167158%

The accompanying notes are an integral part of these financial statements.

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

SCHEDULE I – EMPLOYER ALLOCATIONS (CONTINUED)

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Employer	Expected Employer Contribution Effort for Allocation Purposes	Employer Allocation Percentage
RSD 5	\$ 94,426	0.473978%
RSD 6	34,684	0.174098%
RSD 7	39,132	0.196428%
RSD 8	58,125	0.291762%
Ridgefield	208,794	1.048058%
Rocky Hill	97,982	0.491830%
Salem	14,696	0.073765%
Salisbury	11,881	0.059636%
Scotland	5,163	0.025918%
Seymour	78,111	0.392083%
Sharon	8,798	0.044162%
Shelton	174,379	0.875311%
Sherman	14,772	0.074148%
Simsbury	164,416	0.825299%
Somers	52,428	0.263164%
Southington	211,927	1.063785%
S. Windsor	165,732	0.831906%
Sprague	10,207	0.051233%
Stafford	57,328	0.287761%
Stamford	662,722	3.326586%
SDE	178,064	0.893804%
DCF Recq Home	8,979	0.045069%
Sterling	12,402	0.062251%
Stonington	82,695	0.415095%
Stratford	250,465	1.257230%
Suffield	88,617	0.444818%
Thomaston	31,294	0.157083%
Thompson	35,154	0.176457%
Tolland	87,430	0.438862%
Torrington	150,093	0.753405%
Trumbull	262,790	1.319093%
Union	2,784	0.013975%
Vernon	123,143	0.618127%
Voluntown	11,101	0.055724%
Wallingford	245,169	1.230646%
Waterbury	581,925	2.921015%

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CONNECTICUT TEACHERS' RETIREMENT SYSTEM

SCHEDULE I – EMPLOYER ALLOCATIONS (CONTINUED)

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Employer	Expected Employer Contribution Effort for Allocation Purposes	Employer Allocation Percentage
Waterford	\$ 111,078	0.557566%
Watertown	87,353	0.438475%
Westbrook	38,002	0.190752%
W. Hartford	367,503	1.844711%
West Haven	209,911	1.053665%
Weston	108,743	0.545843%
Westport	266,125	1.335836%
Wethersfield	129,563	0.650353%
Willington	18,033	0.090518%
Wilton	188,332	0.945349%
Winchester	21,783	0.109341%
Windham	115,127	0.577890%
Windsor	148,629	0.746057%
Windsor Locks	75,653	0.379744%
Winsted/Gilbert	20,829	0.104553%
Wolcott	80,795	0.405555%
Woodbridge	31,261	0.156915%
Woodstock	24,793	0.124452%
Woodstock Ad	34,344	0.172391%
UCONN	6,959	0.034933%
RSD 9	45,303	0.227401%
CCI Somers	311	0.001559%
RSD 10	84,848	0.425900%
Supervision District	16,282	0.081729%
NWCTC	1,593	0.007997%
MCTC	1,182	0.005931%
Norwalk CTC	1,214	0.006093%
WCSU	2,795	0.014028%
CCSU	6,339	0.031821%
ESCU	1,630	0.008181%
SCSU	7,398	0.037134%
RSD 11	11,717	0.058814%
CCTC	564	0.002832%
Hou CTC	785	0.003941%
Naug CTC	2,221	0.011151%
MCTC	1,648	0.008274%

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CONNECTICUT TEACHERS' RETIREMENT SYSTEM

SCHEDULE I – EMPLOYER ALLOCATIONS (CONTINUED)

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Employer	Expected Employer Contribution Effort for Allocation Purposes	Employer Allocation Percentage
Ed Connection	\$ 11,244	0.056441%
RSD 12	41,495	0.208287%
Gateway CTC	5,489	0.027552%
RSD 13	75,818	0.380574%
RSD 14	70,450	0.353627%
CCI Cheshire	765	0.003841%
Shared Svcs	7,246	0.036373%
CREC	385,180	1.933442%
RSD 15	141,845	0.712001%
RSD 16	73,587	0.369377%
TRCC (Mohegan)	604	0.003032%
Tunxis CTC	1,410	0.007079%
Odyssey	8,980	0.045076%
CES	56,474	0.283477%
ACES	113,219	0.568309%
Project Learn	76,935	0.386183%
RSD 17	79,132	0.397207%
Asnun CTC	1,187	0.005957%
Project O	1,339	0.006721%
RSD 18	60,612	0.304249%
DCF Mental Health	565	0.002836%
EASTCONN	33,266	0.166979%
BSBE	4,879	0.024489%
RSD 19	48,777	0.244840%
UCONN Health	3,700	0.018575%
CCI Niantic	328	0.001647%
Children's CTR	4,699	0.023585%
Bridges Academy	6,093	0.030583%
Common Ground	6,009	0.030161%
Explorations	4,027	0.020214%
Intergrated Day	9,396	0.047165%
Isaac	8,996	0.045158%
Jumoke Academy	14,369	0.072127%
Side by Side	7,097	0.035624%

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CONNECTICUT TEACHERS' RETIREMENT SYSTEM

SCHEDULE I – EMPLOYER ALLOCATIONS (CONTINUED)

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Employer	Expected Employer Contribution Effort for Allocation Purposes	Employer Allocation Percentage
Trailblazers Academy	\$ 4,048	0.020318%
Elm City CP	7,597	0.038132%
Stamford Academy	3,112	0.015623%
Park City	6,655	0.033406%
AF Bridgeport Academy	5,472	0.027467%
SERC	1,023	0.005135%
AF Hartford Acad	18,272	0.091720%
Brass City	4,066	0.020408%
Path Academy	2,084	0.010460%
Booker T. Washington (BTW)	3,951	0.019831%
Total	<u>\$ 19,922,000</u>	<u>100.00%</u>

The accompanying notes are an integral part of these financial statements.

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

SCHEDULE II - SCHEDULE OF OPEB AMOUNTS BY EMPLOYER

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Employer	State of Connecticut's Proportionate Share of the Net OPEB Liability Associated with the Employer	Employer OPEB Expense and Revenue
Andover	\$ 1,825,285	\$ 84,593
Ansonia	11,228,037	520,364
Ashford	2,663,365	123,434
Avon	23,351,462	1,082,225
Barkhamsted	1,423,119	65,955
Berlin	19,509,156	904,153
Bethany	2,866,012	132,825
Bethel	19,047,909	882,776
Highville Chtr	1,336,270	61,929
Bloomfield	15,344,791	711,155
Bolton	5,872,184	272,147
Bozrah	1,484,041	68,778
Branford	22,277,963	1,032,473
Bridgeport	105,771,643	4,901,992
Bristol	49,154,327	2,278,060
Brookfield	16,425,345	761,233
Brooklyn	266,837	12,367
Cldrn Ctr Com Prog	315,005	14,599
Canaan	733,680	34,002
Canterbury	2,985,181	138,348
Canton	9,648,876	447,178
Chaplin	1,467,673	68,019
Cheshire	28,341,917	1,313,508
Chester	1,086,462	50,352
Clinton	13,961,013	647,024
Colchester	16,229,300	752,148
Amistad Acd	2,872,476	133,125
Colebrook	771,040	35,734
Columbia	3,509,924	162,668
Cornwall	932,678	43,225
Coventry	10,596,428	491,092
Cromwell	11,824,927	548,027
Danbury	62,812,186	2,911,034
Darien	37,062,146	1,717,647
Deep River	1,450,643	67,230
Derby	7,661,778	355,086

The accompanying notes are an integral part of these financial statements.

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

SCHEDULE II - SCHEDULE OF OPEB AMOUNTS BY EMPLOYER (CONTINUED)

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Employer	State of Connecticut's Proportionate Share of the Net OPEB Liability Associated with the Employer	Employer OPEB Expense and Revenue
Eastford	\$ 1,220,749	\$ 56,576
East Granby	6,796,417	314,980
East Haddam	8,002,327	370,868
East Hampton	12,563,334	582,248
East Hartford	45,948,705	2,129,495
East Haven	19,047,874	882,775
East Lyme	17,971,073	832,870
Easton	5,796,596	268,644
East Windsor	8,824,037	408,950
Ellington	15,377,424	712,668
Enfield	32,680,258	1,514,568
Essex	1,959,086	90,794
Fairfield	73,327,360	3,398,360
Farmington	27,405,833	1,270,125
Franklin	1,154,996	53,528
Glastonbury	41,580,719	1,927,061
Granby	12,235,018	567,033
Greenwich	80,967,974	3,752,465
Griswold	10,609,391	491,693
Groton	32,425,655	1,502,769
Guilford	23,004,657	1,066,152
Hamden	39,093,867	1,811,807
Hampton	760,996	35,268
Hartford	136,150,633	6,309,908
Hartland	1,388,852	64,366
Hebron	4,759,901	220,598
Kent	1,667,540	77,282
Killingly	13,400,857	621,063
Lebanon	5,942,421	275,402
Ledyard	15,903,105	737,030
Lisbon	2,744,583	127,198
Litchfield	7,483,319	346,815
Madison	21,047,100	975,429
Manchester	44,840,556	2,078,138
Mansfield	9,653,533	447,393
Marlborough	3,486,396	161,577

The accompanying notes are an integral part of these financial statements.

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

SCHEDULE II - SCHEDULE OF OPEB AMOUNTS BY EMPLOYER (CONTINUED)

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Employer	State of Connecticut's Proportionate Share of the Net OPEB Liability Associated with the Employer	Employer OPEB Expense and Revenue
Meriden	\$ 47,088,200	\$ 2,182,305
Middletown	30,324,253	1,405,379
Milford	44,118,519	2,044,675
Monroe	24,319,519	1,127,089
Montville	16,234,548	752,391
Naugatuck	22,835,165	1,058,297
New Britain	61,828,177	2,865,430
New Canaan	33,867,227	1,569,578
New Fairfield	16,936,880	784,941
New Hartford	2,964,086	137,371
New Haven	129,448,918	5,999,317
Newington	27,556,524	1,277,109
New London	18,137,160	840,568
New Milford	20,451,392	947,821
Newtown	29,939,081	1,387,528
Norfolk	722,107	33,466
North Branford	11,690,953	541,818
North Canaan	1,609,745	74,604
North Haven	21,004,875	973,472
No. Stonington	5,410,937	250,770
Norwalk	77,200,666	3,577,869
Norwich	19,672,393	911,718
NFA	13,358,527	619,102
Old Saybrook	10,275,272	476,208
Orange	8,136,093	377,068
Oxford	10,696,727	495,740
Plainfield	12,695,536	588,375
Plainville	14,978,663	694,187
Plymouth	9,246,326	428,521
Pomfret	2,417,971	112,061
Portland	7,812,782	362,084
Preston	3,082,317	142,850
Putnam	535,898	24,836
Redding	8,279,799	383,728
RSD 1	6,007,723	278,428
RSD 4	5,809,316	269,233

The accompanying notes are an integral part of these financial statements.

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

SCHEDULE II - SCHEDULE OF OPEB AMOUNTS BY EMPLOYER (CONTINUED)

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Employer	State of Connecticut's Proportionate Share of the Net OPEB Liability Associated with the Employer	Employer OPEB Expense and Revenue
RSD 5	\$ 16,472,366	\$ 763,413
RSD 6	6,050,504	280,411
RSD 7	6,826,549	316,377
RSD 8	10,139,733	469,926
Ridgefield	36,423,621	1,688,055
Rocky Hill	17,092,784	792,166
Salem	2,563,588	118,810
Salisbury	2,072,556	96,053
Scotland	900,740	41,745
Seymour	13,626,233	631,508
Sharon	1,534,781	71,130
Shelton	30,420,068	1,409,820
Sherman	2,576,898	119,426
Simsbury	28,681,978	1,329,268
Somers	9,145,854	423,865
Southington	36,970,188	1,713,385
S. Windsor	28,911,595	1,339,909
Sprague	1,780,523	82,518
Stafford	10,000,685	463,482
Stamford	115,610,306	5,357,966
SDE	31,062,764	1,439,605
DCF Recq Home	1,566,303	72,590
Sterling	2,163,436	100,265
Stonington	14,425,979	668,573
Stratford	43,693,067	2,024,957
Suffield	15,458,956	716,446
Thomaston	5,459,175	253,006
Thompson	6,132,488	284,210
Tolland	15,251,964	706,853
Torrington	26,183,415	1,213,472
Trumbull	45,843,019	2,124,597
Union	485,679	22,509
Vernon	21,482,040	995,586
Voluntown	1,936,601	89,752
Wallingford	42,769,182	1,982,140
Waterbury	101,515,320	4,704,733

The accompanying notes are an integral part of these financial statements.

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

SCHEDULE II - SCHEDULE OF OPEB AMOUNTS BY EMPLOYER (CONTINUED)

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Employer	State of Connecticut's Proportionate Share of the Net OPEB Liability Associated with the Employer	Employer OPEB Expense and Revenue
Waterford	\$ 19,377,337	\$ 898,044
Watertown	15,238,515	706,230
Westbrook	6,629,288	307,235
W. Hartford	64,110,053	2,971,184
West Haven	36,618,483	1,697,086
Weston	18,969,922	879,162
Westport	46,424,896	2,151,564
Wethersfield	22,602,004	1,047,491
Willington	3,145,812	145,793
Wilton	32,854,130	1,522,626
Winchester	3,799,976	176,110
Windham	20,083,665	930,779
Windsor	25,928,047	1,201,637
Windsor Locks	13,197,410	611,635
Winsted/Gilbert	3,633,576	168,398
Wolcott	14,094,431	653,207
Woodbridge	5,453,336	252,735
Woodstock	4,325,135	200,449
Woodstock Ad	5,991,180	277,662
UCONN	1,214,042	56,265
RSD 9	7,902,967	366,263
CCI Somers	54,181	2,511
RSD 10	14,801,490	685,976
Supervison District	2,840,364	131,637
NWCTC	277,923	12,880
MCTC	206,123	9,553
Norwalk CTC	211,753	9,814
WCSU	487,521	22,594
CCSU	1,105,889	51,252
ESCU	284,318	13,177
SCSU	1,290,534	59,810
RSD 11	2,043,989	94,729
CCTC	98,422	4,561
Hou CTC	136,963	6,348
Naug CTC	387,536	17,960
MCTC	287,550	13,327

The accompanying notes are an integral part of these financial statements.

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

SCHEDULE II - SCHEDULE OF OPEB AMOUNTS BY EMPLOYER (CONTINUED)

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Employer	State of Connecticut's Proportionate Share of the Net OPEB Liability Associated with the Employer	Employer OPEB Expense and Revenue
Ed Connection	\$ 1,961,519	\$ 90,907
RSD 12	7,238,690	335,477
Gateway CTC	957,527	44,377
RSD 13	13,226,256	612,972
RSD 14	12,289,755	569,569
CCI Cheshire	133,488	6,187
Shared Svcs	1,264,087	58,584
CREC	67,193,761	3,114,098
RSD 15	24,744,484	1,146,784
RSD 16	12,837,121	594,937
TRCC (Mohegan)	105,372	4,883
Tunxis CTC	246,020	11,402
Odyssey	1,566,546	72,602
CES	9,851,801	456,582
ACES	19,750,693	915,347
Project Learn	13,421,188	622,006
RSD 17	13,804,310	639,761
Asnun CTC	207,026	9,594
Project O	233,578	10,825
RSD 18	10,573,699	490,039
DCF Mental Health	98,561	4,567
EASTCONN	5,803,095	268,945
BSBE	851,077	39,443
RSD 19	8,509,032	394,352
UConn Health	645,545	29,918
CCI Niantic	57,239	2,653
Children's CTR	819,660	37,987
Bridges Academy	1,062,864	49,259
Common Ground	1,048,199	48,579
Explorations	702,506	32,558
Intergrated Day	1,639,146	75,966
Isaac	1,569,396	72,734
Jumoke Academy	2,506,661	116,171
Side by Side	1,238,057	57,378

The accompanying notes are an integral part of these financial statements.

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

SCHEDULE II - SCHEDULE OF OPEB AMOUNTS BY EMPLOYER (CONTINUED)

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Employer	State of Connecticut's Proportionate Share of the Net OPEB Liability Associated with the Employer	Employer OPEB Expense and Revenue
Trailblazers Academy	\$ 706,120	\$ 32,725
Elm City CP	1,325,218	61,417
Stamford Academy	542,953	25,163
Park City	1,160,973	53,805
AF Bridgeport Academy	954,573	44,240
SERC	178,459	8,271
AF Hartford Acad	3,187,586	147,729
Brass City	709,248	32,870
Path Academy	363,521	16,847
Booker T. Washington (BTW)	689,195	31,941
Total	<u>\$ 3,475,344,000</u>	<u>\$ 161,065,000</u>

The accompanying notes are an integral part of these financial statements.

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND SCHEDULE OF OPEB AMOUNTS BY EMPLOYER

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - ORGANIZATION

The Connecticut Teachers' Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes.

TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board. The Connecticut State Teachers' Retirement Board (TRB) is responsible for the administration of TRS. The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

NOTE 2 - DESCRIPTION OF THE PLAN

PLAN DESCRIPTION

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System - a cost sharing multiemployer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

BENEFIT PROVISIONS

The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND SCHEDULE OF OPEB AMOUNTS BY EMPLOYER

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 2 - DESCRIPTION OF THE PLAN (CONTINUED)

BENEFIT PROVISIONS (CONTINUED)

per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

CONTRIBUTIONS

STATE OF CONNECTICUT

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through and annual appropriation in the General Fund.

EMPLOYER

School district employers are not required to make contributions to the Plan.

EMPLOYEES/RETIREES

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND SCHEDULE OF OPEB AMOUNTS BY EMPLOYER

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 2 - DESCRIPTION OF THE PLAN (CONTINUED)

ADMINISTRATIVE EXPENSES

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

NOTE 3 - RELATIONSHIP TO FINANCIAL STATEMENTS

The components associated with the other postemployment benefits (OPEB) expense and deferred inflows and outflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2017. The net OPEB liability at June 30, 2017 has been calculated using the audited amounts. The OPEB trust fund is included in the TRS, and the TRS is included in the State of Connecticut audit as a pension trust fund.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The schedule of employer allocations and schedule of OPEB amounts by employer (the Schedules) are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The Schedules present amounts that are elements of financial statements of TRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the net position or changes in net position of TRS or its participating employers.

GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions" (GASB 75) was issued in June 2015 and is effective for employers fiscal years beginning after June 15, 2017, with early adoption permitted. The State of Connecticut's TRB has chosen to early adopt GASB 75. GASB 75 establishes accounting and financial reporting requirements for governmental employers who sponsor or participate in OPEB plans.

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND SCHEDULE OF OPEB AMOUNTS BY EMPLOYER

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB 75 is designed to help plan sponsors adequately and systematically account for plan costs, facilitate comparisons of financial information by standardizing certain aspects of OPEB plan asset and liability measurement, and improve the utility of financial statement information by requiring that plan sponsors provide certain information about their OPEB plan.

Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

USE OF ESTIMATES

The preparation of the Schedules requires management to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature and uncertainty of these estimates, actual results could differ, and the differences may be material.

ALLOCATION METHODOLOGY

The Schedules have been prepared to provide the total amount of employer contributions from the State and the proportionate share percentages that have been determined based on these contributions. Based on these percentages the proportionate share amounts of the net OPEB liability associated with each participating employer and the employer OPEB expense and revenue for State support for each participating employer for the year ending June 30, 2017, are calculated to six decimal places.

NOTE 5 - ACTUARIAL ASSUMPTIONS AND RELATED DISCLOSURES

ACTUARIAL ASSUMPTIONS

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.75%
Real Wage Growth	0.50%
Wage Inflation	3.25%
Salary increases	3.25-6.50%, including inflation
Long-term investment rate of return	2.75%, net of OPEB plan investment expense, including inflation

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND SCHEDULE OF OPEB AMOUNTS BY EMPLOYER

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 5 - ACTUARIAL ASSUMPTIONS AND RELATED DISCLOSURES (CONTINUED)

ACTUARIAL ASSUMPTIONS (CONTINUED)

Municipal bond index rate:

Measurement Date	3.56%
Prior Measurement Date	3.01%

The projected fiduciary net position is projected to be depleted in 2018.

Single equivalent interest rate

Measurement Date	3.56%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.01%, net of OPEB plan investment expense, including price inflation

Healthcare cost trend rates:

Pre-Medicare	7.25% for 2017 decreasing to an ultimate Rate of 5.00% by 2022
Medicare	7.25% for 2017 decreasing to an ultimate Rate of 5.00% by 2022

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

LONG-TERM RATE OF RETURN

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND SCHEDULE OF OPEB AMOUNTS BY EMPLOYER

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 5 - ACTUARIAL ASSUMPTIONS AND RELATED DISCLOSURES (CONTINUED)

LONG-TERM RATE OF RETURN (CONTINUED)

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	0.04%	2.79%
Price inflation		2.75%	
Expected rate of return (Rounded nearest 0.25%)		2.75%	

DISCOUNT RATE

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2016.

In addition to the actuarial methods and assumptions of the June 30, 2016 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annual at a rate of 3.25%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- No future employer contributions were assumed to be made.
- For future plan members, contribution inflows were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND SCHEDULE OF OPEB AMOUNTS BY EMPLOYER

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 5 - ACTUARIAL ASSUMPTIONS AND RELATED DISCLOSURES (CONTINUED)

DISCOUNT RATE (CONTINUED)

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN HEALTHCARE COST TREND RATES

The following presents the total OPEB liability, calculated using current cost trend rates, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than current healthcare cost trend rates:

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial Healthcare Cost Trend Rate	6.25%	7.25%	8.25%
Ultimate Healthcare Cost Trend Rate	4.00%	5.00%	6.00%
Total OPEB Liability	\$ 2,861,462,000	\$ 3,475,344,000	\$ 4,301,861,000

SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN DISCOUNT RATES

The following presents the net OPEB liability, calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Net OPEB liability	\$ 4,188,346,000	\$ 3,475,344,000	\$ 2,914,719,000

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND SCHEDULE OF OPEB AMOUNTS BY EMPLOYER

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 6 – COLLECTIVE NET OPEB LIABILITY OF PARTICIPATING EMPLOYERS

The components of the current year collective net OPEB liability of participating employers as of June 30, 2017 were as follows:

Employers' total OPEB liability	\$ 3,538,772,000
Less: Plan fiduciary net position	<u>63,428,000</u>
Total employers' net pension liability	<u>\$ 3,475,344,000</u>
Fiduciary net position as a percentage of total OPEB liability	<u>1.79 %</u>
Covered payroll	\$ 4,279,755,000
Net OPEB Liability as a percentage of covered payroll	<u>81.20 %</u>

The collective net OPEB liability of participating employers is based upon the June 30, 2016 actuarial valuation.

NOTE 7 - COMPONENTS OF SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

CHANGES IN ACTUARIAL ASSUMPTIONS

The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index rate. Changes were also made to the assumed initial per capita healthcare costs, rates of healthcare inflation used to project the per capital costs, and the rates of Plan participation based upon recent experience and current expectations. In addition, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Lastly, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the TRB Board.

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND SCHEDULE OF OPEB AMOUNTS BY EMPLOYER

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 7 - COMPONENTS OF SCHEDULE OF PENSION AMOUNTS BY EMPLOYER (CONTINUED)

DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

The following table provides a summary of the collective deferred outflows of resources and collective deferred inflows of resources as of June 30, 2017:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ --
Changes of assumptions	--	324,172,000
Net difference between projected and actual earnings on plan investments	1,210,000	--
	\$ 1,210,000	\$ 324,172,000
Total	\$ (322,962,000)	

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

2018	\$ (46,075,000)
2019	(46,075,000)
2020	(46,074,000)
2021	(46,074,000)
2022	(46,377,000)
Thereafter	(92,287,000)
	\$ (322,962,000)

The above amounts do not include the deferred outflows/inflows of resources for employer contributions made subsequent to the measurement date. These amounts should be calculated and recorded by each participating employer.

CONNECTICUT TEACHERS' RETIREMENT SYSTEM

NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND SCHEDULE OF OPEB AMOUNTS BY EMPLOYER

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 8 - COLLECTIVE OPEB EXPENSE

Collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense was \$161,065,000 calculated as follows:

Service cost	\$ 148,220,000
Interest on the total OPEB liability and cash flow	111,129,000
Member contributions	(50,436,000)
Projected earnings on plan investments	(1,923,000)
Expensed portion of current period differences between projected and actual earnings on plan investments	302,000
Administrative Costs	150,000
Expensed portion of current period changes of assumptions or other inputs	<u>(46,377,000)</u>
Collective OPEB expense	<u>\$ 161,065,000</u>

NOTE 9 - SUBSEQUENT EVENT

The Plan has evaluated subsequent events through December 3, 2018, the date on which the Schedules were available to be issued. No subsequent events have been identified requiring recognition or disclosure in the Schedules and accompanying notes.

December 3, 2018

To the Board of Directors
Connecticut Teachers' Retirement System
765 Asylum Avenue
Hartford, CT 06105

Re: Required communications between Marcum and Those Charged With Governance

In accordance with auditing standards generally accepted in the United States of America ("GAAS"), Marcum LLP ("Marcum" or the "Firm"), as auditors of the schedule of employer allocations and schedule of OPEB amounts by employer of Connecticut Teachers' Retirement System (the "Plan"), is required to determine that certain matters related to the conduct of our audit are communicated to the body or individuals (including management) charged with governance (hereafter referred to as the "Those Charged with Governance"). GAAS requires the auditor to ensure that Those Charged with Governance receive additional information regarding the scope and results of the audit that may assist them in overseeing the financial reporting and disclosure process, for which management is responsible.

1. The Auditor's Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated October 11, 2018, our responsibility, as described by professional standards, is to form and express an opinion about whether the schedule of employer allocations and schedule of OPEB amounts by employer of the Connecticut Teachers' Retirement System that have been prepared by management with your oversight are presented fairly, on all material respects, in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Our audit of the schedule of employer allocations and schedule of OPEB amounts by employer does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the schedule of employer allocations and schedule of OPEB amounts by employer are free of material misstatement. An audit of such schedules includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Plan solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

2. Planned Scope and Timing of the Audit

The auditor should communicate an overview of the planned scope and timing of the audit. This communication may assist Those Charged With Governance in better understanding the consequences of the auditor's work for their oversight activities, discussing with the auditor issues of risk and materiality, and identifying any areas in which they may request the auditor to undertake additional procedures. Such communication may also assist the auditor in better understanding the Plan and its environment. Nevertheless, the auditor maintains sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We conducted our audit consistent with the planned scope and timing we previously communicated to you. We would be pleased to meet with you to further discuss any of the following matters at your request:

- *The allocation of responsibilities between Those Charged With Governance and management.*
- *The Plan's objectives and strategies, and the related business risks that may result in material misstatements.*
- *Matters you have identified that warrant particular attention during the audit, and any areas where you request additional procedures to be undertaken.*
- *Significant communications with regulators.*
- *Other matters you believe are relevant to the audit of the financial statements.*
- *The attitudes, awareness, and actions of Those Charged With Governance concerning (a) the Plan's internal control and its importance in the Plan, including how Those Charged With Governance oversee the effectiveness of internal control and (b) the detection or the possibility of fraud.*
- *The actions of Those Charged With Governance in response to developments in financial reporting, laws, accounting standards, corporate governance practices, and other related matters.*
- *The actions of Those Charged With Governance in response to previous communications with the auditor.*

3. Qualitative Aspects of the Plan's Significant Accounting Policies

The Plan's significant accounting policies are described in Note 4 to the financial schedules. There are no specific matters that we believe should be communicated to you. However, we would be pleased to meet with you at your convenience to discuss your significant accounting policies. Since the primary responsibility for establishing the Plan's accounting principles

rests with management, such a discussion should generally include the Plan's management as a participant.

4. Management Judgments and Significant Accounting Estimates

The most sensitive accounting estimates affecting the financial schedules relate to the actuarial assumptions and disclosures around the valuation to calculate the total employer OPEB allocations and liability.

5. Financial Statement Disclosures

The financial schedules' disclosures are neutral, consistent and clear. The most sensitive disclosures affecting the Plan's financial schedules are described in Note 5 - Actuarial Assumptions and Related Disclosures.

6. Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

7. Uncorrected and Corrected Misstatements

We did not identify any material misstatements that resulted from the performance of our audit procedures.

8. Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, which could be significant to the Plan's financial statements or the auditor's report. However, a disagreement does not include a difference of opinion based on incomplete facts or preliminary information that is later resolved.

There were no such disagreements.

9. Representations Requested from Management

See the attached copy of the representation letter from management.

10. Management Consultations with Other Accountants

When the auditor is aware that management has consulted with other accountants about significant accounting or auditing matters, the auditor's views about the subject of the consultation should be communicated to Those Charged With Governance.

To our knowledge, no such consultations were made by management.

11. Other Audit Findings or Issues

The auditor should communicate any issues arising from the audit that are, in the auditor's professional judgment, significant and relevant to Those Charged With Governance regarding their oversight of the financial reporting process. In addition, the auditor should communicate to Those Charged With Governance any significant issues that were discussed or were the subject of correspondence with management.

During the course of our audit, we reviewed the GASB Statement No. 75 Report for the Connecticut Teachers' Retirement System prepared as of June 30, 2017 and provided to us. While we did not note any material variances or differences in assumptions or calculations, we do have best practice recommendations for Plan management to consider.

- We note that according to the health insurance application form on the TRB website, a Medicare Advantage plan was implemented on July 1, 2018. Since this change occurred after the measurement date, it correctly is not reflected in the calculation of the OPEB liability as of the measurement date. However, if the change is expected to have a significant effect on the liability, the employer should provide information about the nature of the change, as well as the amount of the expected impact of the change on the OPEB liability, if known*
- The GASB 75 report mentions GASB paragraphs 96(b) and 96(f), but does not comment any further. We would typically expect at least some verbiage on the nature of the allocation methodology, and if the actuary is aware of any changes that might be worthy of a comment in the reporting.*

12. Fraud or violations of Laws and Regulations

There were no fraud or violations of laws and regulations that came to our attention during the course of our audit.

13. Communicating Internal Control Related Matters

Our consideration of internal control was for the limited purpose described in item # 1 above and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis

14. Independence

In order to issue an auditor's report, Marcum must be independent from the Plan in accordance with professional standards. The auditor may choose to communicate circumstances or relationships, such as financial interests, business or family relationships or nonaudit services provided or expected to be provided, that in the auditor's judgment may reasonably be thought to bear on independence, and that the auditor gave significant consideration to in reaching the conclusion that independence has not been impaired.

We are not aware of any relationships between the Firm and the Plan that, in our professional judgment, may reasonably be thought to bear on our independence.

This report is intended solely for the information and use of the Board of Directors, and management of the Plan and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Marcum LLP