BAKER TILLY

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To the Board of Directors
Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers
Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan
Milwaukee, Wisconsin

Thank you for using Baker Tilly Virchow Krause, LLP as your auditor.

We have completed our audits of the financial statements of Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers and Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan (collectively, the Plans) for the year ended June 30, 2016, and have issued our reports thereon dated December 22, 2016. This letter presents communications required by our professional standards.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

The objective of a financial statement audit is the expression of an opinion on the financial statements. We conducted the audits in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform our audits to obtain reasonable, rather than absolute, assurance about whether the financial statements prepared by management with your oversight are free of material misstatement, whether caused by error or fraud. Our audits included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audits do not relieve management or the Board of Directors of their responsibilities.

As part of the audits we obtained an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. The audits were not designed to provide assurance on internal control or to identify deficiencies in internal control.

Planned Scope and Timing of the Audit

We performed the audits according to the planned scope and timing previously communicated to you in our meeting about planning matters in September 2016.

Significant Findings

Qualitative Aspect of the Entity's Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Plans are described in Note 2 to the financial statements. As described in Note 2.f of the financial statements, the Plans changed accounting policies related to fair value measurements and application by adopting Governmental Accounting Standards Board Statement No. 72 effective July 1, 2015. Accordingly, the accounting change has been retrospectively applied to the prior period presented.

We noted no transactions entered into by the Plans during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The asumptions provided to the actuary are significant to the Plans and are disclosed in the notes of the applicable financial statements.

Financial Statement Disclosures

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audits.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audits, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements identified.

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 that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audits.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the Plans' financial statements, or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Management Representations

We have requested certain representations from management that are included in the management representation letters. Copies of these letters are attached.

Significant Issues

Professional standards require us to communicate any significant issue that were discussed, or were the subject of correspondence with management. There were no additional communications or correspondence with management that have not been disclosed in this letter.

Independence

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

Relating to our audits of the financial statements of the Plans for the year ended June 30, 2016, Baker Tilly hereby confirms that we are, in our professional judgment, independent with respect to the Plans in accordance with the Code of Professional Conduct issued by the American Institute of Certified Public Accountants. We provided no services to the Plans other than audit services provided in connection with the audits of the current year's financial statements.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plans' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audits of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers and Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan and is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
December 22, 2016

ATTACHMENTS

MILWAUKEE PUBLIC SCHOOLS

Office of Human Resources
Division of Pension & Data Systems
5225 W. Vliet Street, Milwaukee, WI 53208
(414) 475-8730 • mps.milwaukee.k12.wi.us
Fax (414) 773-9925

December 22, 2016

Baker Tilly Virchow Krause, LLP
777 E Wisconsin Ave, 32nd Floor
Milwaukee, WI 53202-5313

We are providing this letter in connection with your audit of the statements of fiduciary net position of the Milwaukee Board of School Directors Supplemental Early Retirement Plan for Teachers (the Plan) as of June 30, 2016 and 2015, the related statements of changes in fiduciary net position for the years then ended and the supplemental schedules of changes in net pension liability and related ratios, contributions, and investment returns, and the notes to the required supplementary information.

We understand that your audits were made for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the fiduciary net position and changes in fiduciary net position of the Plan in conformity with accounting principles generally accepted in the United States of America, and whether the supplemental schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audits.

1. We have fulfilled our responsibilities, as set out in the terms of the audit contract dated January 30, 2015, including our responsibility for the preparation and fair presentation of the financial statements.

2. We are responsible for compliance with local, state and federal laws, rules and regulations, including compliance with the requirements of contracts relating to the operations of the Plan. Our responsibility for establishing and maintaining the components of internal control relating to the Plan activities in order to achieve the objectives of: providing reliable financial reports, effective and efficient operations, and compliance with laws and regulations. We are responsible for maintaining accounting and administrative control over revenues, obligations, expenditures, assets, and liabilities of the Plan.

3. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and the notes include all disclosures required by the laws and regulations to which the Plan is subject.

4. We acknowledge our responsibility for design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and to prevent and detect fraud.

5. We have made available to you:

    a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, unrestricted access to persons within the Plan from whom you determined it necessary to obtain audit evidence, and other matter.

    b. All related minutes of the meetings of the Board of Directors for the period from July 1, 2015 to December 22, 2016 or summaries of actions of recent meetings for which minutes have not yet been prepared.

    c. Plan instruments, trust agreements, insurance contracts, or investment contracts and amendments to such documents entered into during the year, including amendments to comply with applicable laws.

    d. Actuarial valuation reports and other reports prepared by the actuary for the Plan.

6. There were no amendments to the Plan during July 1, 2015 to December 23, 2016, except as made known to you.

7. There have been no communications from regulatory agencies, including the U.S. Department of Labor (DOL), the Internal Revenue Service (IRS), concerning noncompliance with or deficiencies in financial reporting practices or the operation of the Plan.

8. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

9. We have identified and disclosed all laws and regulations that have a direct and material effect on the determination of financial statement amounts, and they are in compliance with all such laws and regulations.

10. We have no knowledge of any allegations of fraud or suspected fraud, affecting the Plan, received in communications from employees, former employees, analysts, regulators, beneficiaries, service providers, third party administrators, or others.

11. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities. In this regard, there are no present intentions to terminate the plan.

12. There are no pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with accounting for contingencies under US GAAP, that we are not aware of, and the Plan has not consulted a lawyer concerning litigation, claims, or assessments.

13. Except as otherwise disclosed to you in writing, the Plan has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

14. As previously reported, the 2006 Experience Review prepared by the Plan's actuary indicated that the Special Supplemental Benefit for deferred vested was not included in the former actuary's annual valuations for the Plan. This matter has been turned over to the Office of the City Attorney and is currently an active assignment under review. The liability for this benefit has been recognized and reported as of the July 1, 2006 valuation.

15. The following, to the extent applicable, have been properly recorded or disclosed in the financial statements or supplemental schedules:

    a. Related-party transactions and associated amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, guarantees (written or oral), and amounts receivable from or payable to related parties.

    b. Guarantees, whether written or oral, under which the ERS is contingently liable.

    c. Interfunded transactions, including repayment terms.

    d. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.

    f. Financial instruments with significant individual or group concentration of credit risk.

    g. Changes in accounting principles affecting consistency.

16. Except as disclosed to you in the financial statements, there are no:

    a. Facts or circumstances that have resulted in communications from the Plan's external legal counsel to either the Plan sponsor or Plan administrator reporting evidence of a material violation of securities law, breach of fiduciary duty or similar violation by the Plan sponsor or any agent thereof.

    b. False statements affecting the Plan's financial statements made to you, the Plan and Plan sponsor's internal auditors or other auditors who have audited entities under our control upon whose work you may be relying in connection with your audits.

    c. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with U.S. GAAP.

    d. Other liabilities or gain or loss contingencies (including those relating to oral guarantees) that are required to be accrued or disclosed by generally accepted accounting principles.

    e. Material transactions that have not been properly recorded to be accrued or disclosed by generally accepted accounting principles.

    f. Assets held for investment purposes which were in default or that were considered to be uncollectible.

17. The Plan has satisfactory title to all owned assets and all owned assets are held in the Plan's name, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

18. The methods and significant assumptions used to estimate fair values of financial instruments are as described in the footnotes to the financial statements. The methods and significant assumptions used result in a measure of fair value appropriate for financial measurement and disclosure purposes. For any non-readily marketable securities, we are in agreement with the methods used to estimate fair value or the approach used by the appraiser.

19. Provision, when material, has been made for losses to be sustained as a result of other-than-temporary declines in the fair value of investments.

20. The accounting records underlying the financial statements accurately and fairly reflect, in reasonable detail, the transactions of the Plan.

21. No events have occurred subsequent to June 30, 2016 and through the date of this letter that would require adjustment to or disclosure in the financial statements.

22. There were no omissions from the participant data provided to the Plan actuary for the purpose of determining actuarial present value of accumulated plan benefits and other actuarially determined amounts reflected in the financial statements.

23. We agree with the work of specialists in evaluating the funding status and progress, and the roll forward information provided as required by the Governmental Accounting Standards Board Statement No. 67 and have adequately considered the qualifications of the specialist in determining amounts and disclosures used in the financial statements and underlying accounting records. We agree with the actuarial method and assumptions used by the actuary for funding and financial reporting purposes and have no knowledge or belief that would make such methods or assumptions inappropriate. We did not give any, nor cause any, instructions to be given to the Plan's actuary with respect to values or amounts derived, and we are not aware of any matters that have impacted the independence or objectivity of the Plan's actuary.

24. Other than has been disclosed to you, there have been no changes to:

    a. The actuarial methods or assumptions used in calculating amounts recorded or disclosed in the financial statements.

    b. The Plan provisions between the actuarial valuation date and the date of this letter.

25. We know of no benefit payments were made that would violate or contradict provisions of the Plan requiring compliance with maximum benefit limitations.

26. No benefit payments were calculated using a rate differing from the Wisconsin Retirement System actuarial rate for determining the actuarial equivalence of the normal form of benefit for benefits payable for the benefit option elected.

27. The Plan and the trust established are qualified under the appropriate section of the Internal Revenue Code and intend to continue as a qualified plan and trust.

28. We are responsible for compliance with all qualification requirements of the Internal Revenue Code and we have determined that the Plan continues to be exempt from federal income taxes. We know of no transactions or activities occurred during the fiscal year that would disqualify the Plan. In addition, we are responsible for all plan nondiscrimination; coverage and participation test calculations and are in compliance with all such requirements as of June 30, 2016.

29. The Plan has not been tested to determine if the Plan exceeds the limitations on benefits or contributions under Section 415 of the Internal Revenue Code (IRC), and, as such, nothing has come to our attention which would indicate that the Plan exceeds these limitations on benefits or contributions. The Plan was, however, reviewed by the Plan's actuary and, on August 29, 1997, was determined not to be in violation of Section 415 by virtue of its design, benefits, and contribution limits as set forth in IRC 415. This was predicated based on the July 18, 1997 City Attorney opinion which advised that there is no requirement for aggregated 415 testing between the Plan and the City or State pension plans.

30. We are responsible for compliance with local, state and federal laws, rules and regulations, including compliance with the requirements of contracts relating to the Plan operations. We are responsible for establishing and maintaining the components of internal control relating to our activities in order to achieve the objectives of: providing reliable financial reports, effective and efficient operations, and compliance with laws and regulations. The Plan is responsible for maintaining accounting and administrative control over revenues, obligations, expenditures, assets and liabilities.

31. Receivables reported in the financial statements represent valid claims arising on or before the date of the statement of net assets and appropriate provisions have been appropriately reduced to their estimated net realizable value.

32. The District maintains fidelity bonding on the Plan in the amounts of $5 Million dollars.

33. We have disclosed to you the identity of the Plan's related parties and parties in interest and the related party and party in interest relationships and transactions of which we are aware.

34. All required filings of the Plan and trust documents have been filed with the appropriate regulatory agencies. The IRS issued a favorable letter of determination for the Plan on September 9, 2014.

35. The participant's demographic data provided to the actuary for the purpose of determining the actuarial present value of accumulated plan benefits and plan contributions reflected in the financial statements is in accordance with the demographic state required by the plan document. The number of eligible participants provided to the actuary is our best estimate and we believe will result in an estimate of actuarial accrued liability that is fairly stated in all material respects as provided by Plan's actuary.

36. We believe that The State of Wisconsin Investment Board December 31, 2015 financial information presented in the footnotes fairly represent the amounts as of June 30, 2016, and is not materially different from the financial information as of June 30, 2016.

37. The disclosures related to GASB 67 and the roll-forward procedures performed on the July 1, 2015 actuarial valuation for the measurement date of June 30, 2016 are complete and accurate.

38. We agree with the work performed by our consultant, Don Brackey, in determining investment amounts and disclosures used the financial statements and underlying accounting records. He is independent in respect to the Plan and the District.

39. The listing provided to calculate the unfinalized benefits payable is complete and accurate. We agree that the total unfinalized benefits are immaterial to the financial statements.

40. We have adopted Governmental Accounting Standards Board Statement No. 72, Fair Value Measurements and Applications in the financial statements. We are responsible for ensuring all financial statement disclosures are complete and accurate.

Further, we confirm that we are responsible for the fair presentation in the financial statements of the financial status of the Plan, and changes in its financial status in conformity with accounting principles generally accepted in the United States of America, and for the fair presentation of the accompanying supplemental schedules in relation to the basic financial statements taken as a whole. The financial statements and related footnotes are fairly presented in conformity with accounting principles generally accepted in the United States of America and the notes include all disclosures required by laws and regulations to which the Plan is subject. We also acknowledge that we are responsible for the Plan's operation in compliance with IRS and DOL rules and regulations, including maintaining the qualifications of the Plan's trust under those rules and regulations.

Very truly yours,

Daniel J. Chanen, J.D., M.Ed.
Chief Human Capital Officer
Office of Human Capital

Gerald Pace
Chief Financial Officer
Office of Finance and Operations

MILWAUKEE
PUBLIC SCHOOLS

Office of Human Resources
Division of Pension & Data Systems
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December 22, 2016

Baker Tilly Virchow Krause, LLP
777 E Wisconsin Ave, 32nd Floor
Milwaukee, WI 53202-5313

We are providing this letter in connection with your audit of the statements of fiduciary net position of the Milwaukee Board of School Directors Early Retirement Supplement and Benefit Improvement Plan (the Plan) as of June 30, 2016 and 2015, the related statements of changes in fiduciary net position for the years then ended and the supplemental schedules of changes in net pension liability and related ratios, contributions, and investment returns, and the notes to the required supplementary information.

We understand that your audits were made for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the fiduciary net position and changes in fiduciary net position of the Plan in conformity with accounting principles generally accepted in the United States of America, and whether the supplemental schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audits.

1. We have fulfilled our responsibilities, as set out in the terms of the audit contract dated January 30, 2015, including our responsibility for the preparation and fair presentation of the financial statements.

2. We are responsible for compliance with local, state and federal laws, rules and regulations, including compliance with the requirements of contracts relating to the operations of the Plan. Our responsibility for establishing and maintaining the components of internal control relating to the Plan activities in order to achieve the objectives of: providing reliable financial reports, effective and efficient operations, and compliance with laws and regulations. We are responsible for maintaining accounting and administrative control over revenues, obligations, expenditures, assets, and liabilities of the Plan.

3. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and the notes include all disclosures required by the laws and regulations to which the Plan is subject.

4. We acknowledge our responsibility for design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and to prevent and detect fraud.

5. We have made available to you:

   a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, unrestricted access to persons within the Plan from whom you determined it necessary to obtain audit evidence, and other matter.

   b. All related minutes of the meetings of the Board of Directors for the period from July 1, 2015 to December 22, 2016 or summaries of actions of recent meetings for which minutes have not yet been prepared.

   c. Plan instruments, trust agreements, insurance contracts, or investment contracts and amendments to such documents entered into during the year, including amendments to comply with applicable laws.

   d. Actuarial valuation reports and other reports prepared by the actuary for the Plan.

6. There were no amendments to the Plan during July 1, 2015 to December 23, 2016, except as made known to you.

7. There have been no communications from regulatory agencies, including the U.S. Department of Labor (DOL), the Internal Revenue Service (IRS), concerning noncompliance with or deficiencies in financial reporting practices or the operation of the Plan.

8. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

9. We have identified and disclosed all laws and regulations that have a direct and material effect on the determination of financial statement amounts, and they are in compliance with all such laws and regulations.

10. We have no knowledge of any allegations of fraud or suspected fraud, affecting the Plan, received in communications from employees, former employees, analysts, regulators, beneficiaries, service providers, third party administrators, or others.

11. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities. In this regard, there are no present intentions to terminate the plan.

12. There are no pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with accounting for contingencies under US GAAP, that we are not aware of, and the Plan has not consulted a lawyer concerning litigation, claims, or assessments.

13. Except as otherwise disclosed to you in writing, the Plan has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

14. As previously reported, the 2006 Experience Review prepared by the Plan's actuary indicated that the Special Supplemental Benefit for deferred vested was not included in the former actuary's annual valuations for the Plan. This matter has been turned over to the Office of the City Attorney and is currently an active assignment under review. The liability for this benefit has been recognized and reported as of the July 1, 2006 valuation.

15. The following, to the extent applicable, have been properly recorded or disclosed in the financial statements or supplemental schedules:

    a. Related-party transactions and associated amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, guarantees (written or oral), and amounts receivable from or payable to related parties.

    b. Guarantees, whether written or oral, under which the ERS is contingently liable.

    c. Interfunded transactions, including repayment terms.

    d. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.

    f. Financial instruments with significant individual or group concentration of credit risk.

    g. Changes in accounting principles affecting consistency.

16. Except as disclosed to you in the financial statements, there are no:

    a. Facts or circumstances that have resulted in communications from the Plan's external legal counsel to either the Plan sponsor or Plan administrator reporting evidence of a material violation of securities law, breach of fiduciary duty or similar violation by the Plan sponsor or any agent thereof.

    b. False statements affecting the Plan's financial statements made to you, the Plan and Plan sponsor's internal auditors or other auditors who have audited entities under our control upon whose work you may be relying in connection with your audits.

    c. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with U.S. GAAP.

    d. Other liabilities or gain or loss contingencies (including those relating to oral guarantees) that are required to be accrued or disclosed by generally accepted accounting principles.

    e. Material transactions that have not been properly recorded to be accrued or disclosed by generally accepted accounting principles.

    f. Assets held for investment purposes which were in default or that were considered to be uncollectible.

17. The Plan has satisfactory title to all owned assets and all owned assets are held in the Plan's name, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

18. The methods and significant assumptions used to estimate fair values of financial instruments are as described in the footnotes to the financial statements. The methods and significant assumptions used result in a measure of fair value appropriate for financial measurement and disclosure purposes. For any non-readily marketable securities, we are in agreement with the methods used to estimate fair value or the approach used by the appraiser.

19. Provision, when material, has been made for losses to be sustained as a result of other-than-temporary declines in the fair value of investments.

20. The accounting records underlying the financial statements accurately and fairly reflect, in reasonable detail, the transactions of the Plan.

21. No events have occurred subsequent to June 30, 2016 and through the date of this letter that would require adjustment to or disclosure in the financial statements.

22. There were no omissions from the participant data provided to the Plan actuary for the purpose of determining actuarial present value of accumulated plan benefits and other actuarially determined amounts reflected in the financial statements.

23. We agree with the work of specialists in evaluating the funding status and progress, and the roll forward information provided as required by the Governmental Accounting Standards Board Statement No. 67 and have adequately considered the qualifications of the specialist in determining amounts and disclosures used in the financial statements and underlying accounting records. We agree with the actuarial method and assumptions used by the actuary for funding and financial reporting purposes and have no knowledge or belief that would make such methods or assumptions inappropriate. We did not give any, nor cause any, instructions to be given to the Plan's actuary with respect to values or amounts derived, and we are not aware of any matters that have impacted the independence or objectivity of the Plan's actuary.

24. Other than has been disclosed to you, there have been no changes to:

    a. The actuarial methods or assumptions used in calculating amounts recorded or disclosed in the financial statements.

    b. The Plan provisions between the actuarial valuation date and the date of this letter.

25. We know of no benefit payments were made that would violate or contradict provisions of the Plan requiring compliance with maximum benefit limitations.

26. No benefit payments were calculated using a rate differing from the Wisconsin Retirement System actuarial rate for determining the actuarial equivalence of the normal form of benefit for benefits payable for the benefit option elected.

27. The Plan and the trust established are qualified under the appropriate section of the Internal Revenue Code and intend to continue as a qualified plan and trust.

28. We are responsible for compliance with all qualification requirements of the Internal Revenue Code and we have determined that the Plan continues to be exempt from federal income taxes. We know of no transactions or activities occurred during the fiscal year that would disqualify the Plan. In addition, we are responsible for all plan nondiscrimination; coverage and participation test calculations and are in compliance with all such requirements as of June 30, 2016.

29. The Plan has not been tested to determine if the Plan exceeds the limitations on benefits or contributions under Section 415 of the Internal Revenue Code (IRC), and, as such, nothing has come to our attention which would indicate that the Plan exceeds these limitations on benefits or contributions. The Plan was, however, reviewed by the Plan's actuary and, on August 29, 1997, was determined not to be in violation of Section 415 by virtue of its design, benefits, and contribution limits as set forth in IRC 415. This was predicated based on the July 18, 1997 City Attorney opinion which advised that there is no requirement for aggregated 415 testing between the Plan and the City or State pension plans.

30. We are responsible for compliance with local, state and federal laws, rules and regulations, including compliance with the requirements of contracts relating to the Plan operations. We are responsible for establishing and maintaining the components of internal control relating to our activities in order to achieve the objectives of: providing reliable financial reports, effective and efficient operations, and compliance with laws and regulations. The Plan is responsible for

maintaining accounting and administrative control over revenues, obligations, expenditures, assets and liabilities.

31. Receivables reported in the financial statements represent valid claims arising on or before the date of the statement of net assets and appropriate provisions have been appropriately reduced to their estimated net realizable value.

32. The District maintains fidelity bonding on the Plan in the amounts of $5 Million dollars.

33. We have disclosed to you the identity of the Plan's related parties and parties in interest and the related party and party in interest relationships and transactions of which we are aware.

34. All required filings of the Plan and trust documents have been filed with the appropriate regulatory agencies. The IRS issued a favorable letter of determination for the Plan on September 9, 2014.

35. The participant's demographic data provided to the actuary for the purpose of determining the actuarial present value of accumulated plan benefits and plan contributions reflected in the financial statements is in accordance with the demographic state required by the plan document. The number of eligible participants provided to the actuary is our best estimate and we believe will result in an estimate of actuarial accrued liability that is fairly stated in all material respects as provided by Plan's actuary.

36. We believe that The State of Wisconsin Investment Board December 31, 2015 financial information presented in the footnotes fairly represent the amounts as of June 30, 2016 and is not materially different from the financial information as of June 30, 2016.

37. The disclosures related to GASB 67 and the roll-forward procedures performed on the July 1, 2015 actuarial valuation for the measurement date of June 30, 2016 are complete and accurate.

38. We agree with the work performed by our consultant, Don Brackey, in determining investment amounts and disclosures used the financial statements and underlying accounting records. He is independent in respect to the Plan and the District.

39. There are no unfinalized benefits payable as of June 30, 2016. The total of unfinalized benefits payable were immaterial to the plan as of June 30, 2015.

40. We have adopted Governmental Accounting Standards Board Statement No. 72, Fair Value Measurements and Applications in the financial statements. We are responsible for ensuring all financial statement disclosures are complete and accurate.

Further, we confirm that we are responsible for the fair presentation in the financial statements of the financial status of the Plan, and changes in its financial status in conformity with accounting principles generally accepted in the United States of America, and for the fair presentation of the accompanying supplemental schedules in relation to the basic financial statements taken as a whole. The financial statements and related footnotes are fairly presented in conformity with accounting principles generally accepted in the United States of America and the notes include all disclosures required by laws and regulations to which the Plan is subject. We also acknowledge that we are responsible for the Plan's operation in compliance with IRS and DOL rules and regulations, including maintaining the qualifications of the Plan's trust under those rules and regulations.

Very truly yours,

Daniel J. Chanen, J.D., M.Ed.
Chief Human Capital Officer
Office of Human Capital

Gerald Pace
Chief Financial Officer
Office of Finance and Operations