The Deferred Compensation Board
City of Milwaukee Deferred Compensation Plan
Milwaukee, Wisconsin

Thank you for using Baker Tilly Virchow Krause, LLP ("Baker Tilly") as your independent auditor.

We have completed our audit of the financial statements of City of Milwaukee Deferred Compensation Plan (the "Plan") as of and for the year ended December 31, 2018, and have issued our report thereon dated August 9, 2019. This letter presents communications required by our professional standards.

The objective of a financial statement audit is the expression of an opinion on the financial statements. We conducted the audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform our audit 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 audit 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 audit does not relieve management or the Deferred Compensation Board of their fiduciary responsibilities.

As part of the audit 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 audit was 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 audit according to the planned scope and timing previously communicated to you in our letter on January 4, 2019.

Significant Findings

Qualitative Aspect of 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 City of Milwaukee Deferred Compensation Plan are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2018.

We noted no transactions entered into by the Plan 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 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 Fair Value of Investments: Management's estimate of the fair value of investments is based on information provided by the Plan's investment brokers, including investments without readily available market values. Management estimates the fair market value of investments using the net asset value ("NAV") of the underlying investments which is supported by audited financial statements at the financial statement date.

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 audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. A summary of uncorrected financial statement misstatements is attached to this letter. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

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 consolidated financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

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 Plan's 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 letter. This letter is attached for your reference.

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 Plan that, in our professional judgment, may reasonably be thought to bear on our independence.

Relating to our audit of the financial statements of City of Milwaukee Deferred Compensation Plan as of and for the year ended December 31, 2018, Baker Tilly hereby confirms in accordance with the Code of Professional Conduct issued by the American Institute of Certified Public Accountants that we are, in our professional judgment, independent with respect to the Plan and provided no services to the Plan other than audit services provided in connection with the audit of the current year's consolidated 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 Plan's 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 them has not changed from the prior period, and the information is appropriate and complete in relation to our audit 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 Deferred Compensation Board and management of City of Milwaukee Deferred Compensation 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
August 9, 2019

ATTACHMENT

City of Milwaukee

City of Milwaukee
Deferred Compensation Plan

Financial independence. It starts today.

August 9, 2019

Baker Tilly Virchow Krause, LLP
777 E. Wisconsin Ave., 32nd Floor
Milwaukee, Wisconsin 53202

We are providing this letter in connection with your audits of the financial statements of City of Milwaukee Deferred Compensation Plan (the "plan"), which comprise the statements of fiduciary net positions of December 31, 2018 and 2017, and the related statements of changes in fiduciary net position for the years ended December 31, 2018 and 2017, and the related notes to the financial statements.

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.

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 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 August 9, 2019, the following representations made to you during our audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 8, 2018 included as Exhibit A to the Audit Services Agreement dated February 15, 2018, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

2) We are responsible for the fair presentation of the plan's statements of fiduciary net position and changes in fiduciary net position in conformity with U.S. GAAP. The financial statements and related footnotes are fairly presented in conformity with U.S. GAAP and the notes include all disclosures required by laws and regulations to which the plan is subject.

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

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4) All significant assumptions used in making accounting estimates, including those measured at fair value, and material concentrations known to management that are to be disclosed are reasonable and in accordance with U.S. GAAP. We understand that the significant estimates covered by this disclosure are estimates at the date of the statement of fiduciary net position that are reasonably possible of changing materially within the next year. Concentrations refer to the nature and type of investments held by the plan, or markets for which events could occur which would significantly disrupt normal finances within the next year.

5) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed, if any.

6) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the consolidated financial statements as a whole. A list of the uncorrected misstatements is attached to this letter.

7) There are no:

a) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed.

b) Other matters (e.g., breach of fiduciary responsibilities, nonexempt transactions, loans or leases in default, or events that may jeopardize the tax status) that legal counsel has advised us must be disclosed.

8) Amendments to the plan instrument, if any, have been properly recorded or disclosed in the financial statements.

Information Provided

9) We have provided you with:

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 and other matters;

b) Additional information that you have requested from us for the purpose of the audit;

c) Minutes of the meetings of the Deferred Compensation Board for the period from January 1, 2018 to August 9, 2019 or summaries of actions of recent meetings for which minutes have not yet been prepared.

d) 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.

10) The plan (and the trust established under the plan) is qualified under the appropriate section of the IRC and intends to continue as a qualified plan (and trust). The plan's sponsors have operated the plan (and trust) or insurance contract in a manner that did not jeopardize this tax status.

11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

12) All required amendments to and filings of the documents with the appropriate agencies have been made.

13) The methods and significant assumptions used to estimate fair values of financial instruments, including non-readily marketable securities are as disclosed in Note 2 to the financial statements, and are considered appropriate for the plan's investments. The methods and significant assumptions used result in a measure of fair value appropriate for financial measurement and disclosure purposes. The fair value disclosures are considered complete and accurate.

14) We have no:

a) Plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

b) Intentions to terminate the plan.

15) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

16) The plan has satisfactory title to all owned assets, which are recorded at fair value, and there are no liens or encumbrances on such assets nor has any asset been pledged

17) We have no knowledge of any fraud or suspected fraud that affects the plan and involves:

a) Management;

b) Employees who have significant roles in internal control; or

c) Others when the fraud could have a material effect on the financial statements

18) We have no knowledge of any allegations of fraud, or suspected fraud, affecting the plan's financial statements communicated by employees, former employees, participants, regulators, beneficiaries, service providers, third party administrators, or others.

19) There have been no communications from regulatory agencies concerning noncompliance or suspected noncompliance with laws and regulations (including IRS regulations) whose effects should be considered when preparing financial statements, or deficiencies in financial reporting practices, that could have a material effect on the financial statements in the event of noncompliance.

20) We have apprised you of all communications, whether written or oral, with regulatory agencies concerning the operation of the plan.

21) We have disclosed to you the identity of the plan's related parties and all the related party relationships and transactions of which we are aware.

Assets

22) Financial instruments with off-balance-sheet risk and financial instruments with concentrations of credit risk have been properly recorded or disclosed in the financial statements.

Other

23) We take responsibility for the methods of determining fair value for the investments in the plan.

24) Management is responsible for compliance with all qualification requirements of the Internal Revenue Code and has determined that the plan continues to be exempt from federal income taxes. No transactions or activities occurred during 2018 that would disqualify the Plan. Management understands that during the course of the audit, Baker Tilly Virchow Krause, LLP did not perform tests relative to nondiscrimination, coverage, or participation requirements of ERISA, which are not applicable to the plan. Nor has Baker Tilly Virchow Krause, LLP completed a detailed review to determine that the plan continues to maintain its tax-exempt status.

25) Receivables reported in the financial statements represent valid claims arising on or before the date of the statement of fiduciary net position and appropriate provisions have been appropriately reduced to their estimated net realizable value. We are not aware of any receivables that should be recorded as of the plan year-end.

26) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Beth Conradson Cleary
Executive Director

Jerry Allen
Board Chair

City of Milwaukee Deferred Compensation Plan
Summary of Uncorrected Misstatements
For the Year Ended December 31, 2018

Debits are positive; credits are negative.

Known Uncorrected Misstatements		Assets	Liabilities	Income	Expenses	Net Fiduciary Position
To pass on adjusting for contributions received in 2018 that related to 2017	PAJE-01	$ 1,100,790	$ -	$ (1,100,790)	$ -	$ (1,100,790)
Total uncorrected misstatements		$ 1,100,790	$ -	$ (1,100,790)	$ -	$ (1,100,790)
Reversal of prior year uncorrected misstatements				-	-	-
Net impact of uncorrected misstatements (Rollover Method)		$ 1,100,790	$ -	$ (1,100,790)	$ -	(1,100,790)
Financial statement amounts		$ 868,821,141	$ (253,680)	$ 362,724	$ 70,959,714	$ 71,322,438
Misstatements as a percentage of financial statement amounts (Iron Curtain Method)		0.13%	0.00%	-303.48%	0.00%	-1.54%

Beth Conradson Cleary, Executive Director

Jerry Allen, Board Chair