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May 19, 2000

Board of Supervisors and the Finance and Property Committee
Marathon County, Wisconsin

We have audited the general-purpose financial statements of Marathon County (the County) for the period ended December 31, 1999, and have issued our report thereon dated May 19, 2000. Under generally accepted auditing standards, we are providing you with the attached information related to the conduct of our audit.

OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS

We have a responsibility to conduct our audit in accordance with generally accepted auditing standards. In carrying out this responsibility, we planned and performed the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because of the nature of audit evidence and the characteritics of fraud, we are to obtain reasonable, not absolute, assurance that material misstatements are detected. We have no responsibility to plan and perform the audit to obtain reasonable assurance that misstatements, whether caused by error or fraud, that are not material to the financial statements are detected.

In addition, in planning and performning our audit, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used by the County are described in the notes to the financial statements. During 1999, the County determined that it had minor administrative involvement and does not perform the investing function for the deferred compensation plans. In accordance with GASB 32, *Accounting and Finance Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the plans have been removed from the expendable trust fund and are no longer reported in the financial statements as part of the reporting entity. No new accounting policies were adopted during 1999. We noted no transactions entered into by the County 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.

MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Certain accounting estimates are particularly sensitive because of their significance to the general purpose financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. We evaluated the key factors and assumptions used to ascertain that they are reasonable in relation to the general purpose financial statements of the County taken as a whole.

SIGNIFICANT AUDIT ADJUSTMENTS

In connection with our audit of the general purpose financial statements, we have not discussed with management any significant financial statement misstatements that have not been corrected for in the County's books and records as of and for the year ended December 31, 1999.

DISAGREEMENTS WITH MANAGEMENT

There were no disagreements with management on financial accounting and reporting matters that, if not satisfactorily resolved, would have caused a modification of our report on the County's 1999 general-purpose financial statements.

CONSULTATION WITH OTHER ACCOUNTANTS

To the best of our knowledge management has not consulted with or obtained opinions, written or oral, from other independent accountants during the past year that were subject to the requirements of Statement of Auditing Standards No. 50, *Reports on the Application of Accounting Principles.*

MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO RETENTION

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 County's auditors. However, these discusssions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no difficulties in dealing with management in performing our audit.

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

Very truly yours,

KPMG LLP