

Town and Country Fire District

Financial Condition

As of

December 31, 2006 and 2007

Together with Auditor's Report



Mary Taylor, CPA

Auditor of State

Board of Trustees
Town and Country Fire District
P.O. Box 175
West Salem, Ohio 44287

We have reviewed the *Independent Auditor's Report* of the Town and Country Fire District, Wayne County, prepared by Kevin L. Penn, Inc., for the audit period January 1, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Town and Country Fire District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 7, 2008

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TOWN AND COUNTRY FIRE DISTRICT

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Kevin L.
Penn, Inc.

Certified Public Accountant

11811 Shaker Boulevard, Suite 421
Cleveland, Ohio 44120
(216)421-1000
Fax:(216)421-1001
Email: klpenncpa@aol.com

Independent Auditor's Report

Board of Town and Country Fire District
Wayne County
P.O. Box 175
West Salem, Ohio 44287

I have audited the accompanying financial statements of the Town and Country Fire District (the District), as of and for the years ended December 31, 2006 and 2007. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America. Although I cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, I presume they are material.

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2006 and 2007. Instead of the combined funds the accompanying financial statements present for 2006 and 2007, the revision requires presenting entity wide statements and also to present larger (i.e. major) funds separately for 2006 and 2007. While the District does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to reformat its statements. Since the District does not use GAAP to measure its financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. My opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In my opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2006 and 2007, or its changes in financial position for the year then ended.

Also, in my opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Town and Country Fire District, as of December 31, 2006 and 2007 and its combined cash receipts and disbursements and reserves for encumbrances for the year then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the year ended December 31, 2006 and 2007. The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted In the United States of America has determined is necessary to supplement, although not required to be part of the financial statements.

In accordance with Government Auditing Standards, I have also issued my report dated May 22, 2008, on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our testing of internal controls over financial reporting and compliance and the results of testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards. You should read it in conjunction with this report in assessing the results of my audit.

Kevin L. Penn, Inc.

May 22, 2008

Town and Country Fire District
Wayne County
Statement of Cash Receipts, Disbursements and
Changes in Fund Cash Balances - General Fund
For the Year Ended December 31, 2007

	2007	2006
Cash Receipts:		
Local Taxes	\$ 336,343	\$ 188,183
Intergovernmental	28,555	170,776
Charges for Services	8,286	16,226
Interest	1,174	1,732
Other Revenue	12,685	23,549
	<hr/>	<hr/>
Total Cash Receipts	387,043	400,466
	<hr/>	<hr/>
Cash Disbursements:		
Current:		
General Government	68,113	63,057
Public Safety	297,956	289,388
Capital Outlay	127,748	-
	<hr/>	<hr/>
Total Cash Disbursements	493,817	352,445
	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(106,774)	48,021
	<hr/>	<hr/>
Other Financing Receipts/(Disbursements)		
Other Financing Sources	36,974	8,563
	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	36,974	8,563
	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(69,800)	56,584
	<hr/>	<hr/>
Fund Cash Balance - January 1	291,420	234,836
	<hr/>	<hr/>
Fund Cash Balance - December 31	\$ 221,620	\$ 291,420
	<hr/> <hr/>	<hr/> <hr/>
Reserves for Encumbrances, December 31	\$ 8,450	\$ 137,023
	<hr/> <hr/>	<hr/> <hr/>

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

TOWN AND COUNTRY FIRE DISTRICT
WAYNE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006 and 2007

NOTE 1 - DESCRIPTION OF THE ENTITY AND BASIS OF PRESENTATION

(As Required by Various Statutes)

A. DESCRIPTION OF THE ENTITY

The Town and Country Fire District, (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District serves four political subdivisions consisting of Congress District, Congress Village, Homerville District, and West Salem Village. The Board of Trustees consists of four members, one member from each of the aforementioned subdivisions. The principal purpose of the District is to pool the mutual resources and abilities of the member subdivisions and thereby provide adequate and responsible fire protection for the subdivisions.

The District's management believes these financial statements present all activities for which the District is financially accountable.

B. BASIS OF ACCOUNTING:

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosures of material matters, as prescribed or permitted by the Auditor of State.

C. CASH AND INVESTMENTS:

Certificates of deposit are valued at cost. The District has no investments. They maintain one checking and one savings account.

D. BUDGETARY PROCESS

The Ohio Revised Code requires that each fund be budgeted annually.

APPROPRIATIONS

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve the appropriation measure and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

TOWN AND COUNTRY FIRE DISTRICT
WAYNE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006 and 2007

NOTE 1 - DESCRIPTION OF THE ENTITY AND BASIS OF PRESENTATION

(As Required by Various Statutes)

D. BUDGETARY PROCESS(continued)

ENCUMBRANCES

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The District did not encumber all commitments required by Ohio law. The budgetary presentations have been adjusted to include material items that should have been encumbered.

A summary of the 2006 and 2007 budgetary activity appears in Note 4.

ESTIMATED RESOURCES

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

E. PROPERTY, PLANT AND EQUIPMENT

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements. Depreciation is not recorded for these fixed assets.

NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash and investment pool. The balance of this pool is displayed on the "Combined Statement of Cash, Investments, and Fund Cash Balances, Governmental Fund Type - (General Fund), As of December 31, 2006 and 2007."

Legal Requirements

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Trustees has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

TOWN AND COUNTRY FIRE DISTRICT
WAYNE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006 and 2007

NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS (continued)

Interim monies may be invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);

The District may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, District, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and
3. Obligations of the District.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and be purchased within the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

TOWN AND COUNTRY FIRE DISTRICT
WAYNE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006 and 2007

NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS (continued)

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Clerk by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

The following information classifies deposits and investments by categories of risk as defined by GASB Statement No.3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits: At year end, the carrying amount of the District's deposits were \$291,420 in 2006 and \$221,620 in 2007 and the bank balance was \$296,843 in 2006 and \$225,741 in 2007. Of the bank balance, \$100,000 for 2006 and 2007 was covered by federal depository insurance, and \$196,843 for 2006 and \$125,741 for 2007 was covered by collateral held by third party trustees pursuant to Section 135.181, Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions.

Investments: GASB Statement No.3 "Deposits with Financial Institutions, investments and Reverse Repurchase Agreements" requires that local governments disclose the carrying amounts and market value of investments classified by risk. Category 1 included investments that are insured or registered for which the securities are held in the counter party's trust department or agent in the District's name. Category 2 includes uninsured and unregistered investments which are held by the counter party's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party or by its trust department but not in the District's name. At December 31, 2006 and 2007, the District held no investments that would be classified as investments under GASB Statement No.3.

NOTE 3: PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

TOWN AND COUNTRY FIRE DISTRICT
WAYNE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006 and 2007

NOTE 4: BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2006 and 2007 follows:

2007 Budgeted vs. Actual Receipts

Fund Type:	Budgeted Receipts	Actual Receipts	Variance
General	\$ 618,479	\$ 424,017	\$ (194,462)
Total	<u>\$ 618,479</u>	<u>\$ 424,017</u>	<u>\$ (194,462)</u>

2007 Budgeted vs Actual Budgetary Basis
Expenditures

Fund Type:	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 557,540	\$ 502,267	\$ 55,273
Total	<u>\$ 557,540</u>	<u>\$ 502,267</u>	<u>\$ 55,273</u>

2006 Budgeted vs. Actual Receipts

Fund Type:	Budgeted Receipts	Actual Receipts	Variance
General	\$ 581,736	\$ 409,029	\$ (172,707)
Total	<u>\$ 581,736</u>	<u>\$ 409,029</u>	<u>\$ (172,707)</u>

2006 Budgeted vs Actual Budgetary Basis
Expenditures

Fund Type:	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 582,940	\$ 489,468	\$ 93,472
Total	<u>\$ 582,940</u>	<u>\$ 489,468</u>	<u>\$ 93,472</u>

Section 5705.39, Revised Code, requires that total appropriations from each fund shall not exceed the total estimated resources. Total appropriations exceeded the total estimated resources in the amount of \$1,204 for 2006.

TOWN AND COUNTRY FIRE DISTRICT
WAYNE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006 and 2007

NOTE 5: PENSION PLAN

Ohio Public Employees Retirement System

All District full-time employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans, as described below:

- The Traditional Pension Plan (TP) - a cost-sharing multiple-employer defined benefit pension plan;
- The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings;
- The Combined Plan (CO) - a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

Ohio Public Employees Retirement System

PERS provides retirement, disability, survivor, and death benefits and annual cost of living adjustments to members of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. District to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-7377.

The Ohio Revised Code provides statutory District for member and employer contributions. For 2006, member and employer contribution rates were consistent across all three plans (TP, MD, and CO). Plan members are required to contribute 9.0 percent for 2006 and 9.5 percent for 2007 of their annual covered salary to fund pension obligations. The employer pension contribution rate for the District was 13.70 percent for 2006 and 13.85 percent for 2007 of covered payroll. The District's required contributions to OPERS for the fiscal years ended December 31, 2007, 2006, and 2005 were \$17,444, \$13,149, and \$11,450, respectively.

NOTE 6: POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available with both the Traditional and the Combined Plan; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

TOWN AND COUNTRY FIRE DISTRICT
WAYNE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006 and 2007

NOTE 6: POST-EMPLOYMENT BENEFITS (continued)

Ohio Public Employees Retirement System

The Ohio Revised Code provides statutory District for employer contributions. The 2007 employer contribution rate was 13.85 percent of covered payroll, 5 percent was the portion that was used to fund health care for 2007.

Benefits are advance-funded using the entry age normal actuarial cost method of valuation. Significant actuarial assumptions, based on OPERS' latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1 percent to 6 percent for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4 percent (the projected wage inflation rate).

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

At December 31, 2006, the number of active contributing participants in the Traditional Pension and Combined Plans totaled 376,214. The actual contribution and the actuarially required contribution amounts are the same. OPERS' net assets available for payment of benefits at December 31, 2006 (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2006 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

NOTE 7 – RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles and equipment; and
- Management liability.

TOWN AND COUNTRY FIRE DISTRICT
WAYNE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006 and 2007

NOTE 8 - CONTINGENT LIABILITIES

Management believes there are no pending claims or lawsuits.



Kevin L.
Penn, Inc.

Certified Public Accountant

11811 Shaker Boulevard, Suite 421
Cleveland, Ohio 44120
(216)421-1000
Fax:(216)421-1001
Email: klpenncpa@aol.com

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards

Board of Town and Country Fire District
Wayne County, Ohio

I have audited the financial statements of Town and Country Fire District as of and for the years ended December 31, 2006 and 2007, and have issued my report thereon dated May 22, 2008. I conducted my audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My report on the financial statements disclosed that, as described in Note 1 to the financial statements, the District prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of Ohio, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Town and Country Fire District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town and Country Fire District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Town and Country Fire District's internal control over financial reporting.

A control deficiency exists when the design or operation of control does not allow management of employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Town and Country Fire District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with a comprehensive basis of accounting other than generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Town and Country Fire District's financial statements that is more than inconsequential will not be prevented or detected by Town and Country Fire District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Town and Country Fire District's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town and Country Fire District's 's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

I noted certain matters that I reported to management of Town and Country Fire District in a separate letter dated May 22, 2008.

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

Kevin L. Penn, Inc.

May 22, 2008

Town and Country Fire District
Wayne County

Schedule of Prior Audit Findings
December 31, 2006 and 2007

There were no audit findings for the 2004 and 2005 calendar year.



Mary Taylor, CPA
Auditor of State

**TOWN AND COUNTY FIRE DISTRICT
WAYNE COUNTY**

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 19, 2008**