

CLASS "C"

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WATER and/or WASTEWATER UTILITIES

(Gross Revenue of Less Than \$200,000 Each)

ANNUAL REPORT

WU811-06-AR

TOWN & COUNTRY UTILITIES COMPANY

EXACT LEGAL NAME OF RESPONDENT

613-W

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



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PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2006

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
PAUL E. DECHARIO, C.P.A.
KATHERINE U. JACKSON, C.P.A.
ROBERT H. JACKSON, C.P.A.
CHERYL T. LOSEE, C.P.A.
ROBERT C. NIXON, C.P.A.
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May 23, 2007

To the Officers and Directors
Town & Country Utilities Company

We have compiled the 2006 Annual Report of Town & Country Utilities Company in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting, in the form prescribed by the Florida Public Service Commission, information that is the representation of the management of Town & Country Utilities Company. We have not audited or reviewed the report referred to above and, accordingly, do not express an opinion or any form of assurance on it.

This report is presented in accordance with the requirements of the Florida Public Service Commission, which differ from generally accepted accounting principles. Accordingly, this report is not designed for those who are not informed about such differences.

We are not independent with respect to Town and Country Utilities Company.

Cronin, Jackson, Nixon & Wilson

CRONIN, JACKSON, NIXON & WILSON

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REPORT OF

TOWN & COUNTRY UTILITIES COMPANY

(Exact name of utility)

17837 Murdock Circle Same

Port Charlotte, FL 33948 Same
 Mailing Address Street Address

Telephone Number (941) 235-6900 Date Utility First Organized 11/10/99

Check the business entity of the utility as filed with the Internal Revenue Service:

Individual Sub Chapter S Corporation 1120 Corporation Partnership

Location where books and records are located: 17837 Murdock Circle
Pittsburgh, PA 15218

Names of subdivisions where service is provided: Babcock Ranch

CONTACTS:

Name	Title	Principle Business Address	Salary Charged Utility
Person to send correspondence: Valerie McChesney	Controller	17837 Murdock Circle Port Charlotte, FL 33948	
Person who prepared this report: Cronin, Jackson, Nixon & Wilson	CPA's	2560 Gulf-to-Bay Blvd Clearwater, FL	
Officers and Managers		17837 Murdock Circle Port Charlotte, FL 33948	
Sydney Kitson	Director/CEO		None
Charles DeSanti	President	Same	None
Thomas Hoban	Vice President	Same	None
Richard Brockway	Vice President	Same	None
Michael Quinn	Vice President	Same	None
Michael Franco	President	Same	None
John Buza	Vice President	Same	None
Michael Leeder	Secretary & Treasurer	Same	None

Report every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership In Utility	Principle Business Address	Salary Charged Utility
Babcock Florida Company	100%	17837 Murdock Circle Port Charlotte, FL 33948	None

FINANCIAL SECTION

INCOME STATEMENT

Account Name	Ref. Page	Water	Wastewater	Other (1)	Total Company
Gross Revenue:					
Residential					\$ -
Commercial		3,380			3,380
Industrial (Agricultural Water)		58,277			58,277
Multiple Family					-
Guarenteed Revenues					-
Other (Specify)					-
Total Gross Revenue		61,657	N/A	N/A	61,657
Operation Expense (Must tie to Pages W-3 and S-3)	W-3 S-3	62,620	-		62,620
Depreciation Expense	F-5	11,636			11,636
CIAC Amortization Expense	F-8	(761)			(761)
Taxes Other Than Income	F-7	2,933	-	-	2,933
Income Taxes	F-7	-	-		-
Total Operating Expenses		76,428			76,428
Net Operating Income (Loss)		(14,771)		-	(14,771)
Other Income:					
Nonutility Income					-
					-
					-
Other Deductions:					
Miscellaneous Nonutility Expenses					-
Interest Expense					-
Loss on property disposal		140,252	-		140,252
					-
					-
Net Income (Loss)		\$ (155,023)	N/A	N/A	\$ (155,023)

GROSS UTILITY PLANT

Plant Accounts: (101 - 107) Inclusive	Water	Sewer	Plant Other Than Reporting Systems	Total
Utility Plant In Service (101) _____	\$ 538,202	N/A	N/A	\$ 538,202
Construction Work In Progress (105) _____				-
Other (Specify) _____	-	-		-
_____				-
Total Utility Plant _____	\$ 538,202	N/A	N/A	\$ 538,202

ACCUMULATED DEPRECIATION (A/D) AND AMORTIZATION OF UTILITY PLANT

Account 108	Water	Wastewater	Other Than Reporting Systems	Total
Balance First Of Year _____	\$ 556,379	N/A	N/A	\$ 556,379
<u>Add Credits During Year:</u>				
Accruals charged to depreciation account _____	11,636			11,636
Salvage _____	-	-		-
Other credits (specify) _____	-	-		-
_____	-	-		-
Total credits _____	11,636			11,636
<u>Deduct Debits During Year:</u>				
Book cost of plant retired _____	-	-		-
Cost of removal _____	-			-
Other debits (specify) _____				
Depreciation charged to loss _____	56,037	-		56,037
Total debits _____	56,037	-		56,037
Balance End of Year _____	\$ 511,978	N/A	N/A	\$ 511,978

UTILITY NAME: TOWN & COUNTRY UTILITIES COMPANY

YEAR OF REPORT
December 31, 2006

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share _____	\$ 1.00	N/A
Shares authorized _____	500	
Shares issued and outstanding _____	10	
Total par value of stock issued _____	10	
Dividends declared per share for year _____	None	

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year _____	N/A	\$ 18,960
Charges during the year (specify):		
Current Year Loss _____	-	(155,023)
Rounding _____		2
Balance end of year _____	\$	\$ (136,061)

PROPRIETARY CAPITAL (218)

	Proprietor or Partner	Partner
Balance first of year _____	N/A	N/A
Charges during the year (specify):		
Current year income _____		-
Balance end of year _____		

LONG TERM DEBT (224)

Description of Obligation (Including Nominal Date of Issue and Date of Maturity)	Interest		Principal Per Balance Sheet Date
	Rate	# of Payments	
_____	%	_____	\$ -
_____	%	_____	-
_____	%	_____	-
_____	%	_____	-
Total _____			N/A

UTILITY NAME: TOWN & COUNTRY UTILITIES COMPANY

YEAR OF REPORT December 31, 2006
--

CONTRIBUTIONS IN AID OF CONSTRUCTION (271)

(a)	Water (b)	Wastewater (c)	TOTAL (d)
1. Balance first of year _____	\$ 36,490	N/A	\$ 36,490
2. Add credits during year: _____	-	-	
3. Total _____	36,490		36,490
4. Deduct charges during year _ (Transfer to State) _____	(32,440)		(32,440)
5. Balance end of year _____	4,050		4,050
6. Less Accumulated Amortization _____	(3,555)		(3,555)
7. Net CIAC _____	\$ 495		\$ 495

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION DURING YEAR (CREDITS)

Report below all developers or contractors agreements from which cash or property was received during the year.		Indicate "Cash" or "Property"	Water	Wastewater
_____			\$ -	\$ -

Sub-total _____			NONE	NONE
Report below all capacity charges, main extension charges and customer connections charges received during the year.				
Description of Charge	Number of Connections	Charge per Connection		
None				

Total Credits During Year (Must agree with line # 2 above) _____			\$ -	\$ -

ACCUMULATED AMORTIZATION OF CIAC

	Water	Wastewater	Total
Balance First of Year _____	\$ 29,867	N/A	\$ 29,867
Add Debits During Year: _____	761	-	761
_____	-	-	
Deduct Credits During Year: _ (Transfer to State) _____	27,073	-	27,073
Balance End of Year (Must agree with line #6 above) _____	\$ 3,555	\$ -	\$ 3,555

UTILITY NAME: TOWN & COUNTRY UTILITIES COMPANY

YEAR OF REPORT December 31, 2006
--

SCHEDULE "A"

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (2)

CLASS OF CAPITAL (a)	Dollar Amount (1) (b)	Percentage of Capital 0	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
Common Equity	None	\$ - %	- %	- %
Preferred Stock	-	- %	- %	- %
Long Term Debt	-	- %	- %	- %
Customer Deposits	-	- %	- %	- %
Tax Credits - Zero Cost	-	- %	- %	- %
Tax Credits - Weighted Cost	-	- %	- %	- %
Deferred Income Taxes	-	- %	- %	- %
Other (Explain)	-	- %	- %	- %
Total	\$ -	100.00 %		- %

(1) Should equal amounts on schedule B, Column (f), Page F-10.

(2) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission approved AFUDC rate:	<u>None</u> %
Commission order approving AFUDC rate:	_____

**WATER
OPERATION
SECTION**

WATER UTILITY PLANT ACCOUNTS

Acct. No. (a)	Account Name (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e) (Note (1))	CURRENT YEAR (f)
301	Organization _____	\$ 190,227	\$ -	\$ (154,693)	\$ 35,534
302	Franchises _____	-	-	-	-
303	Land and Land Rights _____	-	-	-	-
304	Structure and Improvements _____	-	-	-	-
305	Collecting and Impounding Reservoirs _____	-	-	-	-
306	Lake, River and Other Intakes _____	-	-	-	-
307	Wells and Springs _____	513,118	-	(16,050)	497,068
308	Infiltration Galleries and Tunnels _____	-	-	-	-
309	Supply Mains _____	-	-	-	-
310	Power Generation Equipment _____	-	-	-	-
311	Pumping Equipment _____	9,340	-	(6,840)	2,500
320	Water Treatment Equipment _____	6,900	-	(4,600)	2,300
330	Distribution Reservoirs and Standpipes _____	20,273	-	(19,473)	800
331	Transmission and Distribution Mains _____	-	-	-	-
333	Services _____	-	-	-	-
334	Meters and Meter Installations _____	-	-	-	-
335	Hydrants _____	-	-	-	-
339	Other Plant and Miscellaneous Equipment _____	-	-	-	-
340	Office Furniture and Equipment _____	-	-	-	-
341	Transportation Equipment _____	-	-	-	-
342	Stores Equipment _____	-	-	-	-
343	Tools, Shop and Garage Equipn _____	-	-	-	-
344	Laboratory Equipment _____	-	-	-	-
345	Power Operated Equipment _____	-	-	-	-
346	Communication Equipment _____	-	-	-	-
347	Miscellaneous Equipment _____	-	-	-	-
348	Other Tangible Plant _____	-	-	-	-
	Total Water Plant _____	\$ 739,858	\$ -	\$ (201,656)	\$ 538,202

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted
 Note (1): Transferred to State of Florida

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WATER

ACCT. NO. (a)	ACCOUNT NAME (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g) (Note (1))	Credits (h)	Accum. Depr. Balance End of year (f-g+h=i) (i)
301	Organization	40	%	2.50	\$ 26,156	\$ (21,270)	\$ 2,822	\$ 7,708
302	Franchises	-	%	-	-	-	-	-
304	Structure and Improvements	-	%	-	-	-	-	-
305	Collecting and Impounding Reservoirs	-	%	-	-	-	-	-
306	Lake, River and Other Intakes	-	%	-	-	-	-	-
307	Wells and Springs	30	%	3.33	504,321	(14,085)	8,530	498,766
308	Infiltration Galleries and Tunnels	-	%	-	-	-	-	-
309	Supply Mains	-	%	-	-	-	-	-
310	Power Generation Equipment	-	%	-	-	-	-	-
311	Pumping Equipment	20	%	5.00	9,340	(6,840)	-	2,500
320	Water Treatment Equipment	22	%	4.55	6,900	(4,600)	-	2,300
330	Distribution Reservoirs and Standpipes	37	%	2.70	9,662	(9,242)	284	704
331	Transmission and Distribution Mains	-	%	-	-	-	-	-
333	Services	-	%	-	-	-	-	-
334	Meters and Meter Installations	-	%	-	-	-	-	-
335	Hydrants	-	%	-	-	-	-	-
339	Other Plant and Miscellaneous Equipment	-	%	-	-	-	-	-
340	Office Furniture and Equipment	-	%	-	-	-	-	-
341	Transportation Equipment	-	%	-	-	-	-	-
342	Stores Equipment	-	%	-	-	-	-	-
343	Tools, Shop and Garage Equipment	-	%	-	-	-	-	-
344	Laboratory Equipment	-	%	-	-	-	-	-
345	Power Operated Equipment	-	%	-	-	-	-	-
346	Communication Equipment	-	%	-	-	-	-	-
347	Miscellaneous Equipment	-	%	-	-	-	-	-
348	Other Tangible Plant	-	%	-	-	-	-	-
	Totals				\$ 556,379	\$ (56,037)	\$ 11,636	\$ 511,978

* This amount should tie to Sheet F-5
Note (1): Transferred to State of Florida

WATER OPERATION AND MAINTENANCE EXPENSE

Acct. No.	Account Name	Amount
601	Salaries and Wages - Employees	
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	
604	Employee Pensions and Benefits	
610	Purchased Water	
615	Purchased Power	
616	Fuel for Power Production	
618	Chemicals	
620	Materials and Supplies	5,371
630	Contractual Services:	
	Billing	
	Operator and Management	55,000
	Testing	
	Other (Outside accounting fees)	2,180
640	Rents (Agricultural well sites)	
650	Transportation Expense	
655	Insurance Expense	
665	Regulatory Commission Expenses (Amortized Rate Case Expense)	
670	Bad Debt Expense	
675	Miscellaneous Expenses	69
	Total Water Operation and Maintenance Expense	\$ 62,620 *

* This amount should tie to Sheet F-3.

WATER CUSTOMERS

Description (a)	Type of Meter ** (b)	Equivalent Factor (c)	Number of Active Customers		Total Number of Meter Equivalents (c x e) (f)
			Start of Year (d)	End of Year (e)	
Residential Service					
5/8"	D	1.0	16	-	-
3/4"	D	1.5			
1"	D	2.5			
1 1/2"	D,T	5.0			
General Service					
5/8"	D	1.0	6	2	2
3/4"	D	1.5			
1"	D	2.5	1	1	3
1 1/2"	D,T	5.0	4	-	-
2"	D,C,T	8.0			
3"	D	15.0			
3"	C	16.0			
3"	T	17.5			
Unmetered Customers		1.0			
Other (Specify)					
			Total	3	5

** D = Displacement
C = Compound
T = Turbine

PUMPING AND PURCHASED WATER STATISTICS

MONTH (a)	Water Purchased For Resale (Omit 000's) (b)	Finished Water From Wells (Omit 000's) (c)	Recorded Accounted For Loss Through Line Flushing Etc. (Omit 000's) (d)	Total Water Pumped And Purchased (Omit 000's) [(b)+(c)-(d)] (e)	Water Sold To Customers (Omit 000's) (f)
January	-				
February	-				
March	-				
April	-				
May	-				
June	-				
July	-				
August	-				
September	-				
October	-				
November	-				
December	-				
Total for year	N/A	N/A		N/A	N/A

If water is purchased for resale, indicate the following:

Vendor N/A
 Point of Delivery N/A

If Water is sold to other water utilities for redistribution, list names of such utilities below:

N/A

MAINS (Feet)

Kind of Pipe (Cast Iron, coated steel, etc.)	Diameter of Pipe	First of Year	Added	Removed or Abandoned	End of Year
N/A	N/A	N/A	N/A	N/A	N/A

WELLS AND WELL PUMPS
(If Available)

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	See Note (1)			
Types of Well Construction and Casing _____	Various			
Depth of Wells _____	18' to 600'			
Diameters of Wells _____	1" to 12"			
Pump - GPM _____	Various			
Motor - HP _____	Various			
Motor Type * _____	Various			
Yeilds of Wells in GPD _____	Various			
Auxillary Power _____	None			
* Submersable, centrifugal, etc.				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete) _____	None			
Capacity of Tank _____				
Ground of Elevated _____				

HIGH SERVICE PUMPING

(a)	(b)	(c)	(d)	(e)
<u>MOTORS</u>				
Manufacturer _____	None			
Type _____	None			
Rated Horsepower _____	None			
(a)	(b)	(c)	(d)	(e)
<u>PUMPS</u>				
Manufacturer _____	Various			
Type _____	Various			
Capacity in GPM _____	Various			
Average Number of Hours Operated Per Day _____	Various			
Auxiliary Power _____	N/A			

(1) The Company has 322 non-potable agricultural wells and 3 wells serving potable customers

SOURCE OF SUPPLY

List for each source of supply (Ground, Surface, Purchased Water, etc):

Gallons per day of source _____	N/A		
Type of source _____	Ground		

WATER TREATMENT FACILITIES

List for each Water Treatment Facility

Type _____	Chlorination		
Make _____	Unknown		
Permitted Capacity (GPD)	Unknown		
High service pumping Gallons per minute _____ See Page W-5			
Reverse Osmosis _____	N/A		
Lime treatment Unit Rating _____	N/A		
Filtration Pressure Sq. Ft. _____ Gravity GPD/Sq. Ft. _____	N/A		
Disinfection Chlorinator _____	X		
Ozone _____			
Other _____			
Auxiliary Power _____			

WASTEWATER OPERATION SECTION

Town & Country Utilities Company provides water service only;
therefore, Pages S-1 through S-6 have been omitted

CERTIFICATION OF ANNUAL REPORT

I HEREBY CERTIFY, to the best of my knowledge and belief:

- | | | |
|--------------|-----------|--|
| YES
(X) | NO
() | 1. The utility is in substantial compliance with the Uniform System Of Accounts prescribed by the Florida Public Service Commission in Rule 25-30 115 (1), Florida Administrative Code |
| YES
(X) | NO
() | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission |
| YES
(X) | NO
() | 3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility |
| YES
(X) | NO
() | 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents. |

ITEMS CERTIFIED			
1.	2.	3.	4.
()	()	()	()
(X)	(X)	(X)	(X)

N/A *
 (signature of chief executive officer of the utility)


 (signature of chief financial officer of the utility)

* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.