

CFAT H2o, Inc.
P.O. Box 5220
Ocala, FL 34478-5220
352-622-4949

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11 MAR 18 AM 9:09

March 18, 2011

COMMISSION
CLERK

11 MAR 18 AM 11:11
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Ms. Ann Cole
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Docket No. 100126-WU
Audit Control No. 10-274-2-1

Dear Ms. Cole,

Attached please find our response to the PSC Audit dated December 8, 2010.

Sincerely



Charles deMenzes

DOCUMENT NUMBER-DATE

01808 MAR 18 =

FPSC-COMMISSION CLERK

Audit Finding 1. No response

Audit Finding 2. No response

Audit Finding 3. Since my sister (Jean Segarra) and I are the only stockholders and we loaned the company funds when needed, I do not agree that because a loan document should be prepared and interest paid on funds we plan on being paid back in the short term, would be removed from current liabilities.

Audit Finding 4. No response

Audit Finding 5. Attached please find a spread sheet I originally prepared for the auditor showing that the salary I received was 100% for utilities. Both of the non-utility companies have individual presidents and pay all there own bills. All the management company does is receive a payroll check from each company every two weeks to pay there employees. Accounting is done by each company.

Employees	Current Annual	Health Ins	Pay Inc 5%	Proj Total Emp Exp	60% TWU Percent	15% CFAT Percent	25% RWS Percent
C. deMenzes	82,000.00		4,100.00	86,100.00	51,660.00	12,915.00	21,525.00
D. Dillon	57,200.00	5,583.36	2,860.00	65,643.36	39,386.02	9,846.50	16,410.84
S. Carroll	44,200.00	11,557.44	2,210.00	57,967.44	34,780.46	8,695.12	14,491.86
A. deMenzes	41,600.00	5,583.36	2,080.00	49,263.36	29,558.02	7,389.50	12,315.84
P. Susino	26,650.00		1,332.50	27,982.50	16,789.50	4,197.38	6,995.63
Total Annual	251,650.00	22,724.16	12,582.50	286,956.66	172,174.00	43,043.50	71,739.17
SS Costs	19,251.23			21,952.18	13,171.31	3,292.83	5,488.05
Total Costs	270,901.23	22,724.16	12,582.50	308,908.84	185,345.31	46,336.33	77,227.21
Health Ins Proration					13,634.50	3,408.62	
Workmens Comp				3,131.82	1,879.09	469.773	
				Total Health Ins	15,513.59	3,878.40	
Salary Increase					7,549.50	1,887.38	

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