

Report audit CF held on 30th January 2017 at the office of Quinta do Paraiso.

This report contains the information, which will be verbally presented at the AGM of 1<sup>st</sup> April 2017.

### General:

During the audit the budget of 2016 was compared to the actual costs of 2016. Based on the actual costs of 2016 the budget for 2017 was reviewed. The documents were clearly filed per chapter with the underlying invoices and calculations.

1. **Central pools:** actual cost were a little bit higher than the budget. The budget will be raised with 1.1%. Above the running cost QdP made an investment for improvements of the heating system of the pools of 13.5k euro in 2016.
2. **Green areas:** actual cost were lower than the budget. The budget for 2017 will be 1.1% higher than the actual cost of 2016. For water bills a percentage is calculated for green areas. QdP will investigate if it is possible to install extra water meters, so actual usage of water for sprinkling the lawns can be measured.
3. **Maintenance of streets etc.:** this item was also within the budget. During the audit it became clear that a lot of cost were spent for the clusters. This makes clear that the up-keeping of the CF is of great value for cluster owners.
4. **Garbage collection:** the actual costs were higher than the budget.
5. **Public lighting:** the actual costs were two times higher than the budget, due to onetime cost for painting the mushrooms and fire hydrants. These cost are not recurring and will not be included in the budget of 2017.
6. **Playground area:** the actual cost were 50% higher than the budget. There are considerable costs for water (laundry 40%, mini golf 40%). Budget for 2017 will be 25% higher than the budget of 2016.
7. **Reception services:** by far the highest costs of the CF. The actual costs of 2016 will be raised with 1.1% for the budget of 2017.
8. **Security services:** in line with the budget.
9. **Fire hydrants:** in line with the budget.
10. **Tennis courts:** much lower than the budget. Not much repairs. Same budget for 2017.

### Conclusions:

- The bookkeeping was in good order. Only a few minor discrepancies were found.
- QdP spent about 16% more than the budget of 2016 mainly due to higher costs of the heating of the pool.
- Maintenance of streets etc. is of great importance for especially cluster owner, but also for the other villa's. All will benefit of tidy streets.
- The budget for 2017 will be almost the same as for 2016. However QdP management proposes a raise per bed of 10%, due to high investments in the restaurant and the main buildings. This was discussed in the board.