

## EAIR Executive Committee and EAIR Annual General Meeting

The EAIR Audit Committee has investigated the Association's Financial Report concerning the fiscal year 2010. Please find below our observations and comments.

1. On the basis of the information available to us we conclude that the financial data presented to us give an adequate view on the financial state of affairs of the Association.
2. Financial statements of 2010 show a positive result of € 18.460, where a positive result of € 10.000 had been budgeted. This result marks a turning point after the two years 2008 and 2009 that showed a deficit. With the positive result of 2010 the reserves have increased to € 49.805. So in 2010 a first step has been made in rebuilding the targeted resistance capital, which is defined as the amount of the annual fixed costs of the organization.
3. We have seen that housing costs are relatively low, compared to the space available for the Staff and square meter prices in the Centre of Amsterdam. In fact, the EAIR receives an implicit subsidy from the University of Amsterdam. The recent housing contract has been prolonged for a couple of years, but we recommend the Executive Committee to take measures for the case in which this circumstance changes.
4. We have noticed that in the balance sheet a provision has been made (or prolonged from other years) for bad debts, but in the mean time there were no debtors at all on December 31<sup>st</sup> 2010. We suggest bringing the height of this provision in accordance with the real risk of bad debtors in the next year, which expectedly will have a positive effect on the result of 2011.
5. In our meeting with the Treasurer we discussed the Executive Committee's strategy to strengthen the financial bases and become more independent from the relatively unpredictable appetite of members and others to attend the yearly forums. The active involvement of the receiving partner of the annual forum appears to be a crucial factor in the success (also financially spoken). In the current situation, prolongation of membership of many members is dependant of the intention to attend next year's forum. In the interest of continuity we recommend to look for a strategy in which membership offers added value, apart from a discount on the forum fee.
6. In the interest of strengthening the financial position we recommend reducing the overhead costs, either by cooperating and sharing services with other organizations (that share the building in Amsterdam), or by cooperating with other organizations with a neighboring mission statement in the field of institutional research.
7. The 2011 budget is in our opinion built upon a realistic approach. At the moment of our discussion with the Treasurer it turns out that the financial implications of the Warsaw Forum 2011 will be in line with the budget.

We trust that our report will be helpful and wish you wisdom in addressing the financial affairs of the Association.

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Amsterdam, July 15th 2 011