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## **Financial Report for the year 2016** **AREPO Secretary General on behalf of the Treasurer**

Bordeaux, September 29, 2017

At the plenary meeting of January 25<sup>th</sup> 2017 in Brussels, I presented you a preliminary financial report for the year 2016. It was a preliminary evaluation previous the closure by an independent accountant and the certification by the external auditor.

### **Analysis of the expenses in 2016**

The year 2016 has been marked by two principal elements in terms of expenses: AREPO GA in Strasbourg in April and the new indeterminate term contract of our policy officer, Giulia Scaglioni.

The GA in 2016 has been held in Strasbourg, Alsace, a Region that is not a member of AREPO. Therefore, all the organisation costs have been covered completely by AREPO.

The change in the contract of Giulia Scaglioni from a subsidized contract (VIE - international voluntary) almost without costs (+/- 30 K€) to an indeterminate term contract with all the expenses, the holiday pay –compulsory in Belgium- and the health care mutual, doubled our expenses concerning the permanent office in Brussels (+/- 58 K€).

I would like to remind you that the office space is provided free of charge by Emilia-Romagna Region, with which we have formalized an occupancy agreement free of charge.



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The consulting position has increased –and will continue to increase in 2017- thanks to the Agrosmart Interreg SUDOE project. This increase (+ 2 K€) is more than compensated by the contribution of ERDF funds linked to the project (+6 K€).

In conclusion, the actual budget 2016 has exceeded the estimated budget of 26.300 €. The estimated budget for 2016 was set in balance.

### **Analysis of the revenue in 2016**

The revenues were 23.100 € higher than the estimated budget. AREPO received 26 membership fees, that is as much as we could expect due to the fusion of French regions.

The ERDF is a new revenue which will increase significantly in 2017 and 2018 thanks to the Agrosmart project.

The end of Giulia's VIE contract bought back the deposit of 3.000€ which had been paid in 2014.

We also benefit from a return of overpaid social contributions of 4.100 €.

Crete Region, which gives us the pleasure and honor of being a member of AREPO, has covered all or part of the Greek interpretation costs for the Vice-governor.

The European Commission always takes charge of our travel expenses for the participation in the civil dialogue group meetings as experts.

Finally, from the point of view of accounting techniques, we should outline that we cancelled a debt of 12.000 € which has been present for several years in our account. Nevertheless, it should be noted that it appeared both in the expenses and in the revenue. It was therefore a neutral operation to clean up our account history.

### **Analysis of 2015 results**

**The financial year 2016 shows a negative result (–3.200 € or 2 % of the budget).** We would like to recall that in 2014 AREPO General Assembly has decided to reduce the membership fee



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from 5.000€ to 4.500€, as proposed by the Secretary General. If we had kept the membership fee to 5.000€, the financial year 2016 would have been positive (+2.900 €).

AREPO took the decision to reduce the amount of the annual membership fee because of the economic and financial crisis that affects the finances of our member regions. This has been a responsible decision and it was taken in light of the very high level of association capital, amounting to 261.800€ when the decision was taken. The negative result of the financial year (-3.200 €) will be allocated to the association capital.

After the financial year 2016, the level of the association capital is still higher than 2014 (267.200€).

Therefore, there is no need to reconsider the decision taken in 2014. The annual contribution in 2017 will remain at 4.500€, as voted in the plenary session held on January 25<sup>th</sup>, 2015 in Brussels.

### **Analysis of the estimated budget for 2017**

The budget proposal for 2017 has been voted in occasion of the plenary meeting that was held on January 25<sup>th</sup> in Brussels. In 2017, there is no major event planned by AREPO apart from the usual two annual plenary meetings. The first has been held in Brussels and the second in Heraklion. Crete Region took charge of the majority of the expenses related to this meeting and we would like to thank them.

The estimated budget for 2017 is set in balance (142.250€).

Until September 1<sup>st</sup>, 19 Regions paid the membership fees for 2017. We still wait for 7 more.

In consideration of these elements, we would like to propose you to vote 2016 financial report.

Laurent Gomez  
Secrétaire général de l'AREPO



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