

Financial outcomes of the Fabrique d'église du Sacré-Coeur in 2021

The following report looks at the budget implementation of the Fabrique d'église (FE) in 2021. After two deficit years, the budget returned to a surplus in 2021, thanks to a slow convergence of revenues to the pre-crisis levels and a somewhat restrained investment activity, which kept expenditures relatively low. Nevertheless, this positive development hides some trends that need deeper reflection. On the revenue side, mass collections continued to decline despite a partial and later a full reopening of liturgical celebrations. On the expenditure side, the energy costs in 2021 include only advances not fully reflecting a hike in energy costs in 2021. This will be accounted for only in 2022 after the annual settlement. More importantly, the repetitive thunderstorms have on several occasions damaged the roof of the church, which had to be fixed and it will require full refurbishment in the near future. The expenditures are hence not expected to ease in the coming years. To finance expected elevated spending, the revenue side will need to be supported by additional income.

Main developments in 2021 included:

- The FE made several rearrangements with regards the rental of the presbytery at Rue Jenneval 10: (1) Standard rental contracts were signed with the tenants - fathers Charles Declercq and Marek Sitár - as before there were no such contracts; (2) The FE took over a contract for energy payments at the presbytery (before managed by tenants themselves) with each tenant contributing 40% to these costs and 20% are to the account of the FE to cover for parish activities (e.g. use of basement and the office room).
- The large capital spending related to the reparation of the church roof following strong winds in Belgium and the renovations of the apartment next to the church, which were also in view of further improvements of the space in the basement of the church (i.e. to allow installation of a kitchen).
- The FE fully closed its bank account in BNP Paribas due to weak client service and transferred fully to using an account in the KBC Brussels.

The balance of revenues and expenditure

In 2021, the FE reached a surplus of 13,548€ after two years in deficit. This was both due to some improvement of revenues which increased by 1,855€ and a marked decline in expenditure which were lower by 21,843€ compared to 2020. Nevertheless, as mentioned above, expenditures do not fully reflect the rising energy costs in the course of the last year.



Revenues

1. Rents: Rental revenues are the largest - and together with payments for the Proximus antenna - the most stable revenue source. The rental income is received from tenants at presbytery - fathers Charles Declercq and Marek Sitár - and a family renting the apartment next to the church. The rental income in 2021 amounted to 18,868€ increasing slightly compared to 2020. It constituted more than half of all the revenues.
2. Mass collections: The revenue from mass collections reached 2,508€, falling some 45% compared to 2020 despite easing conditions for mass celebrations in the course of 2021. However, this drop excludes collections of the Slovak community (SKM), which transferred the mass collections for the period March-December 2021 only in January 2022. Accounting for these collections, revenue would be close to 5,000€, thus up compared to 2020. Despite this, the mass collections would be well below 9,000€ - the level where they stabilized before the pandemic.

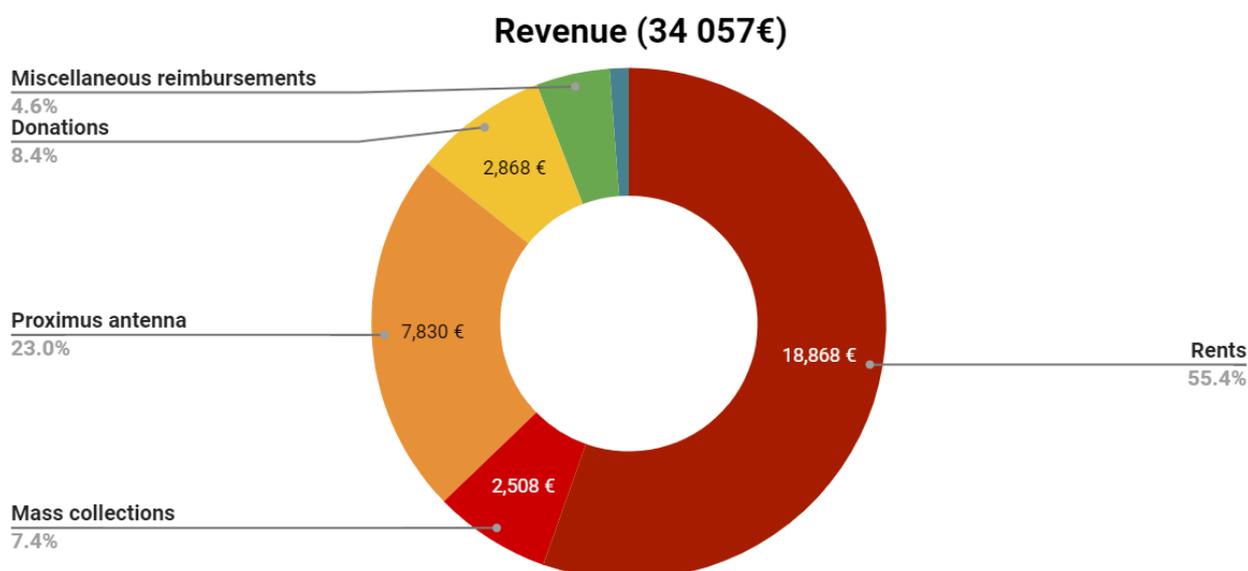


3. Proximus antenna: The second most stable source of revenue is the rent paid by Proximus for placement of their antenna in the church tower. The annual rental is indexed every year and in 2021 it amounted to 7,830€.
4. Donations: This category includes regular and one-off donations. In 2021 this item increased to 2,868€ due to sizable one-off donations. Regular monthly donations tend to form an important basis for finances of many NGOs. The FE will explore this possibility also

Fabrique d'église du Sacré-Coeur de Jésus

for our communities mainly by facilitating ways in which donations can be given (e.g. through our website).

- Miscellaneous reimbursements: In the past this category included smaller revenue flows such as donations for specific purposes (e.g. flowers). In 2021, the revenue recorded within this item increased to 1,574€ due to inclusion of contributions of the presbytery tenants to the energy costs, which are now paid by the FE (see above).
- Hall rental: Following the reconstruction of the hall in the basement of the church, it has been put to active use in 2020. In 2021, the revenue from sub-letting the room increased to 409€. Although reconstruction of the hall was primarily done to serve the faithful attending the church, it has also been offered to other users, primarily those living in the surrounding of the church and the commune.

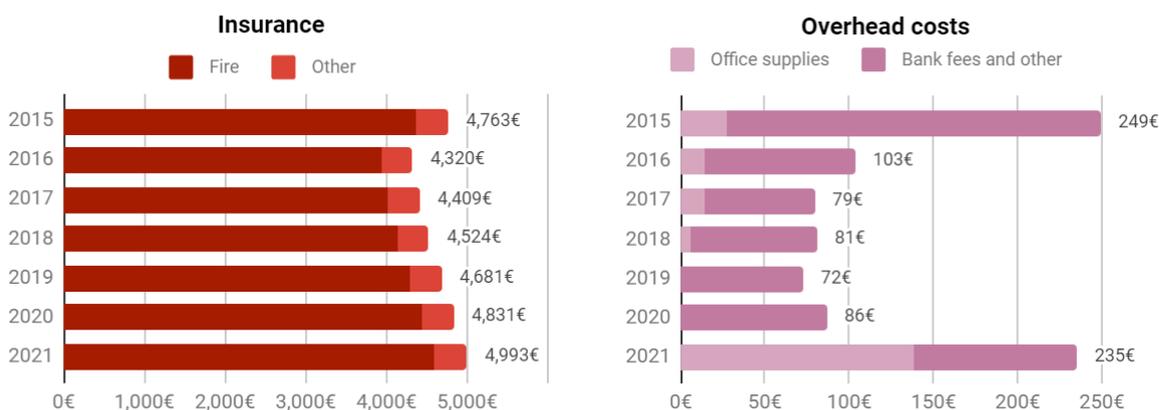


Expenditures

1. Energy costs: Energy prices surged in 2021 and have dented both private and public budgets. This increase is not yet visible in the presented figures as the monthly advances for gas and electricity were not adjusted in the course of 2021 and have thus reflected both low usage of the church in 2020 (due to Covid) and low 2020 energy prices. The full impact of higher prices will hence be visible in 2022 when the settlement for the preceding period takes place and the advances are adjusted.
 - a. Church: Heating and electricity costs constitute one of the highest recurring spending items. Nevertheless, for the reasons mentioned above, they remained relatively unchanged in 2021 reaching 2,651 €. The outlays for 2022 are expected to increase substantially for several reasons: (i) the surge in energy prices in 2021, (ii) more frequent celebrations as Covid rules eased, and (iii) more frequent use of the church instead of the chapel as the Covid rules still required having celebrations in larger spaces.
 - b. Presbytery: As of 2021, the FE took over the energy bills of the presbytery, which were before dealt with the presbytery's tenants (see above). The FE agreed to cover 20% of these energy costs, with the remaining 80% covered by the tenants. Presbytery energy costs reached EUR 2,759€, but similar to the energy costs in the church, they do not yet reflect the hike of electricity and gas prices.



2. Insurance: In 2021, the insurance costs reached 4,993€ constituting the largest recurring spending item. Fire insurance covering both the church and presbytery amounted to 4,599€, while the remaining insurance covering the third-party liability of the FE reached 3,94€. The insurance costs constituted some 22% of the overall spending.
3. Overhead costs: Expenditure to cover overhead costs are relatively low and in 2021 they amounted to 235€. The main component tends to be the bank fees although in 2021 there were also some office supply purchases.



4. Liturgical celebration: Costs related to liturgical celebration cover items like hosts, wine, candles, books (i.e. weekly brochures with Sunday readings) and flowers. This expenditure was lower during the Covid years mainly due to no outlays on flowers. Although the flower decoration was indeed less prominent during those years, the reason for no spending was miscommunication between treasurers of the FE and the SKM whereby the FE did not reimburse the SKM for incurred costs. Outlays for hosts, wine, candles and books were 412€, 68€, 266, and 154€, respectively.

5. Maintenance: Recurrent maintenance costs are rather stable and include expenditure on cleaning the church as well as annual servicing of the organ, bells and extinguishers.

a. Cleaning: In 2021, the FE spent 483€ on cleaning of the church which was carried out through the local employment agency (Agence Locale pour l'Emploi). The church was generally cleaned every three weeks. However, due to complaints by the faithful, the frequency was increased in 2022 which is expected to lead to higher spending.

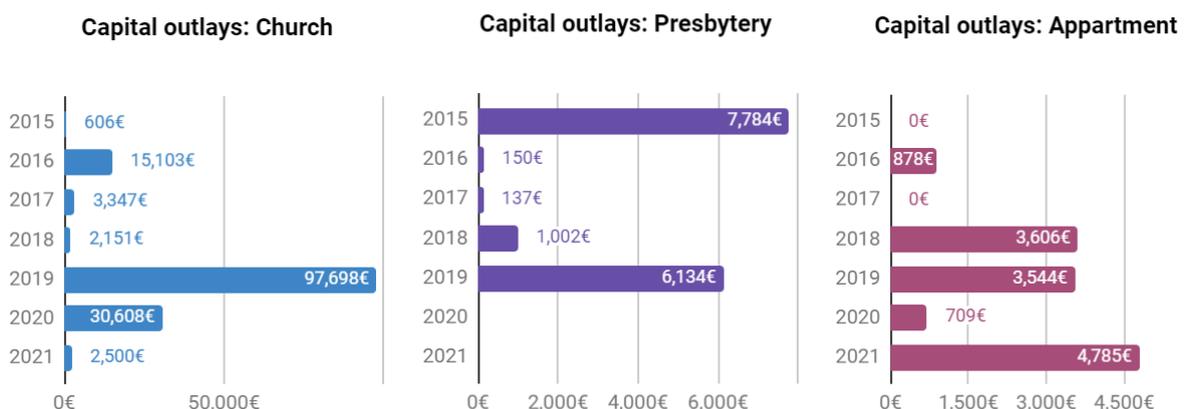
b. Organ, bells, extinguishers: In 2021, the FE paid 532€, 259€, and 116€ for annual servicing of the organ, bells and extinguishers, respectively. Servicing is based on contracts keeping the costs relatively stable. Higher expenditure in 2020 was only due to late payment for 2019 organ servicing which was paid only in 2020.



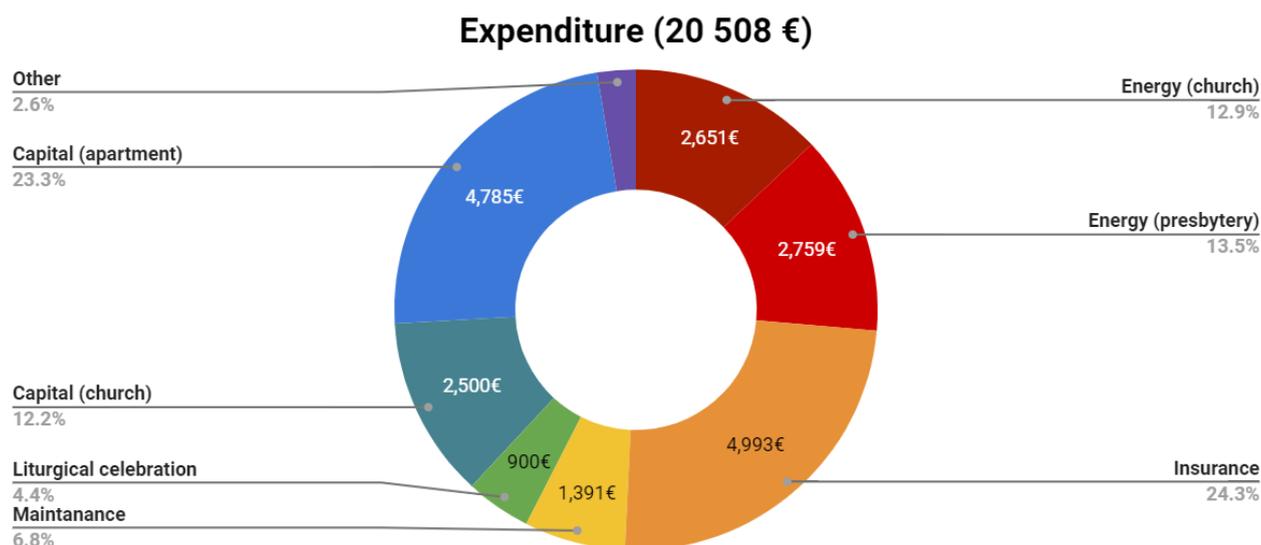
6. Capital spending: Spending on maintenance is not a stable expenditure item as it reflects

actual needs in a given year. Repairs often address underinvestment in the past years which now require immediate action.

- a. Church: Spending on reparations in the church amounted to 2,500€ in 2021 and was exclusively related to the reparation of the roof which was damaged on several occasions due to strong storms. The total reparation of the roof has been postponed for several years as the FE has tried to secure financing from third parties (e.g. energy companies placing solar panels and the commune). However, as these efforts have not yielded expected results, the FE will examine a possibility to finance the roof reparation through its own resources and a bank loan.
- b. Church apartment: In 2021, the main outlay contributing to the 4,785€ of capital spending in the apartment next to the church was related to the relocation and replacement of the central heater for the apartment. This was necessary to free the space for the planned kitchen in the basement of the church which will serve the adjacent hall.
- c. Presbytery: There was no capital spending in 2021 in the presbytery. Nevertheless, in the near future the presbytery will also require investments to increase its energy efficiency (e.g. replacement of window glasses) and retain its usage (e.g. tackling issues with the roof).



7. Others: This category comprises other spending not classified above. In 2021 it included only drinking water which is used also in the church apartment and the costs of which are largely compensated by the apartment tenants.



Statistical remark: From 2019 onwards, the FE started to follow the guidance of the Region Bruxelles-Capitale, according to which the accounting needs to strictly follow the calendar year. This means that in a given year, only those transactions where financial flows took place (i.e. a transaction is recorded on the bank account) can be recorded. Previously a different practice had been applied whereby the transactions were allocated to the year where they belonged. So for example, if an invoice for electricity came in December but was actually paid in January, it would still be imputed to the December expenditures. This change of practice impacts several items hence developments between years 2017, 2018 and 2019 need to be interpreted with care.

Annexes

Code ▲	Revenues	Amount
R01	Rents	18,868€
R15	Mass collections	2,508€
R18A	Donations	2,868€
R18B	Proximus antenna	7,830€
R18D	Salle rental	409€
R28A	Miscellaneous reimbursements	1,574€
T	Total	34,057 €

Code ▲	Expenditures	Amount
D01	Hosts	412€
D02	Wine	68€
D03	Candles	266€
D05	Electricity	940€
D06A	Heating	1,711€
D06B	Water	295€
D06E	Gas-electricity presbytery	2,759€
D10	Cleaning of the church	483€
D15	Purchase of liturgical books	154€
D27	Maintenance church	2,500€
D31	Maintenance church apartment	4,785€
D32	Maintenance organ	532€
D33	Maintenance bells	259€
D45	Office supplies	139€
D46	Bank and postal fees	96€
D48	Fire insurance	4,599€
D50B	Insurance Fabrique d`église	394€
D50C	Maintenance of fire extinguishers	116€
D50G	Miscellaneous costs	0€
T	Total	20,508€