

Financial outcomes of the Fabrique d'église du Sacré-Coeur in 2022

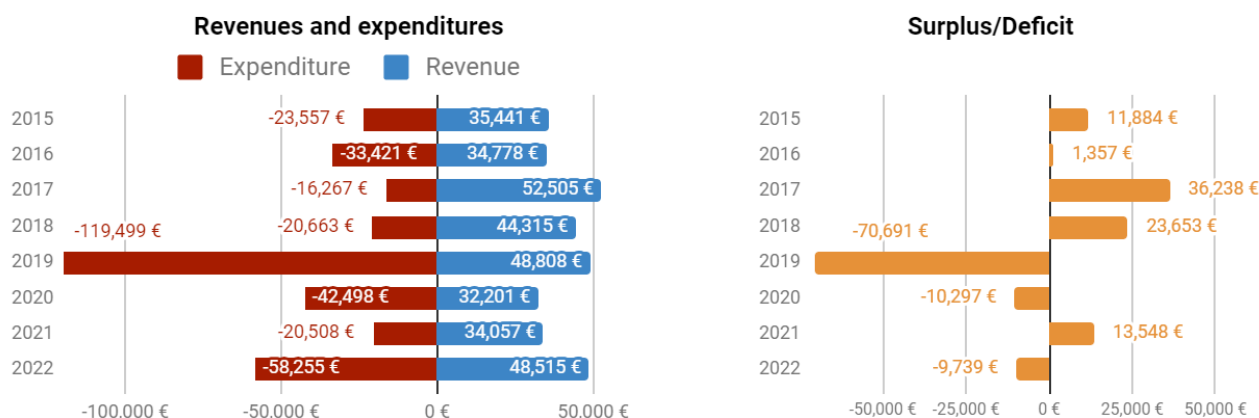
The following report looks at the budgetary developments of the Fabrique d'église (FE) in 2022. After a 2021 surplus year, the budget returned to a deficit in 2022 mainly on account of a steep increase in energy prices, unexpected taxation imposed by the Belgian authorities, recurrent outlays on the reparation of the church roof as well as further reconstruction works in the basement of the church. On the revenue side, while mass receipts increased somewhat, they remained well below the pre-pandemic levels. In view of the required investments - especially the repair of the church roof - FE will need to look for necessary resources of financing. Given the limited room to cut spending, the main venue will need to be through increasing the revenue from the faithful.

Main developments in 2022 included:

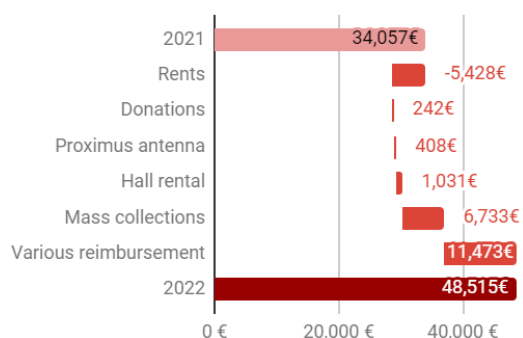
- Mass collections have not yet recovered after the pandemic.
- Energy costs surged
- We received one-off insurance reimbursement and a comunal subsidy for improving energy efficiency of the church apartment.
- Repetitive damages of the church roof led to renewed outlays on its repair.

The balance of revenues and expenditure

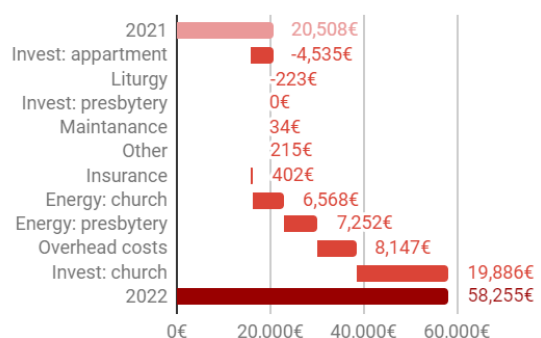
After a surplus year 2021, the FE budget ended in a deficit of 9,739€ in 2022 with revenues reaching 48,515€ against expenditures of 58,255€. Although revenues grew by 42% or 14,459€ compared to 2021, spending surged by 37,746€ or 184%. The revenue increase was driven mainly by some recovery in mass collections, insurance reimbursement and contribution to the energy costs by the presbytery occupants. Expenditure soared primarily on account of energy costs, unexpected real estate tax imposed by the authorities, renewed need to fix the roof, and reconstruction works in the basement of the church.



Change components to revenues 2021-2022

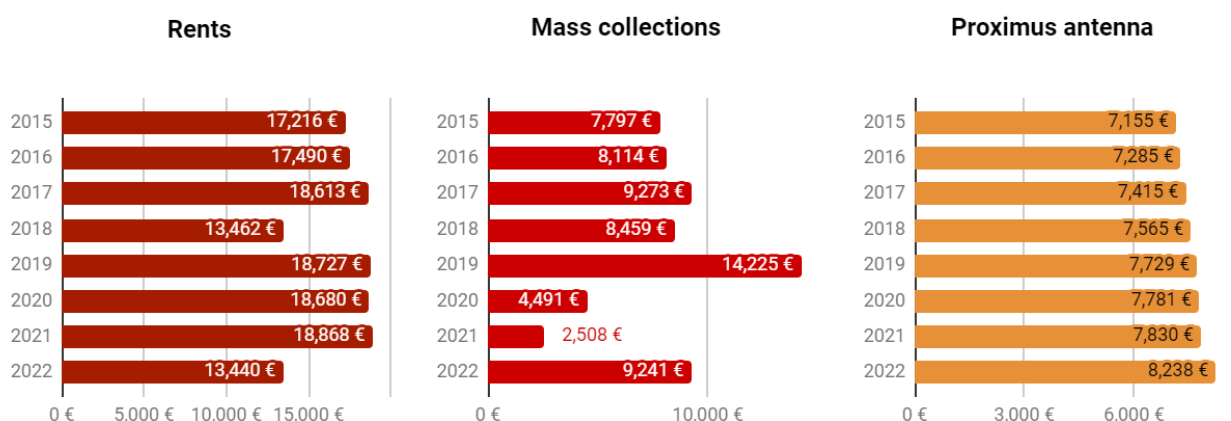


Change components to expenditures 2021-2022



Revenues

1. Rents: The decline was mainly due to the early rent payment of father Marek for the first half of 2022 already at the end of December of 2021. In addition, since establishing proper contracts with occupants in the presbytery, a part of the housing allocation received by father Charles from the Belgian state has been recorded as a donation rather than a rent.
2. Collections: The total revenue from various collections reached 9,241€, increasing by almost 270%. However, this increase hides two important developments. Before 2021, this item included exclusively mass collections. As of 2022, it also includes revenue (1,063€) from votive candles, which before accrued to the 'Unité Meiser'. In addition, the Slovak community (SKM) transferred the mass collections for the period March-December 2021 only in January 2022 (2,454€). Adjusting for these two effects, revenue from mass collections would amount to only some 5,724€ in 2022 remaining well below the pre-pandemic level of around 9,000€.

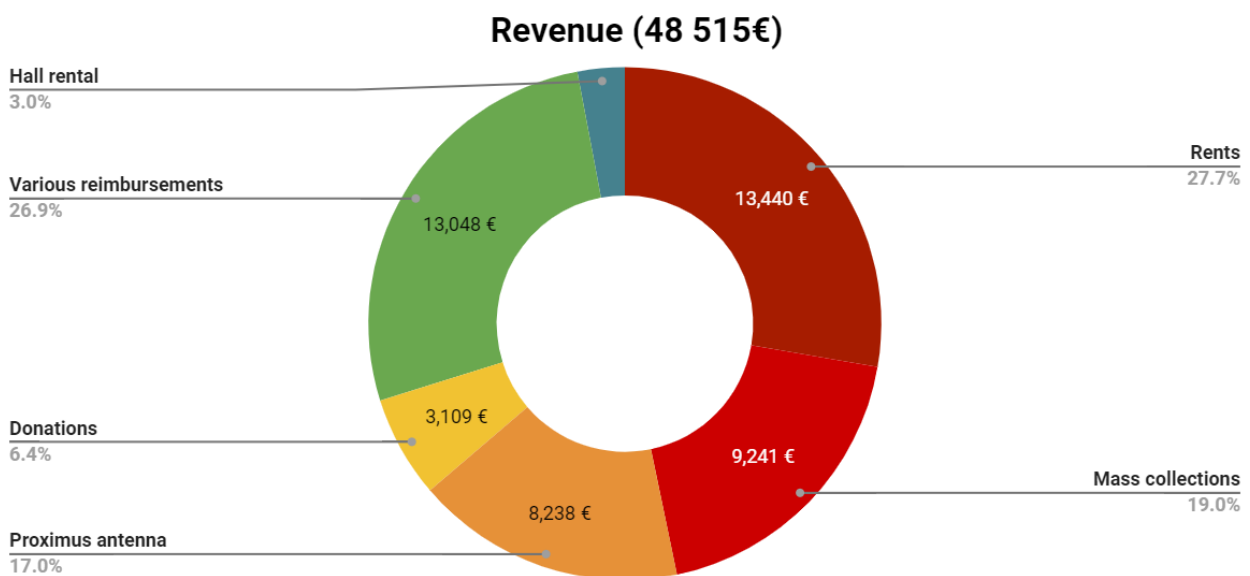
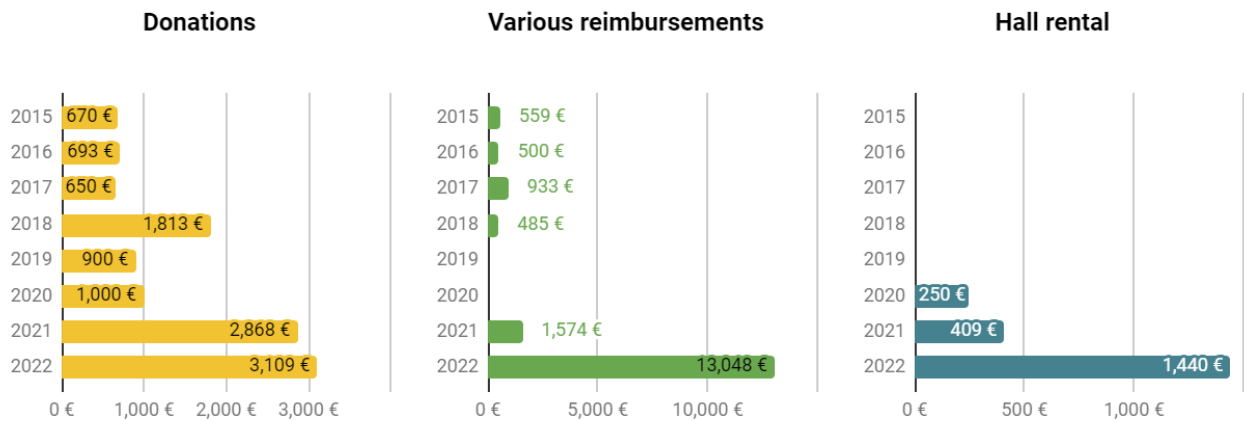


3. Proximus antenna: The second most stable source of revenue is the rent paid by Proximus for placement of their antenna in the church tower. The annual rental is indexed every year and in 2022 it amounted to 8,238€.
4. Donations: This category includes regular and one-off donations. In 2022 this item grew to 3,109€. Regular monthly donations tend to form an important basis for finances of many

Fabrique d'église du Sacré-Coeur de Jésus

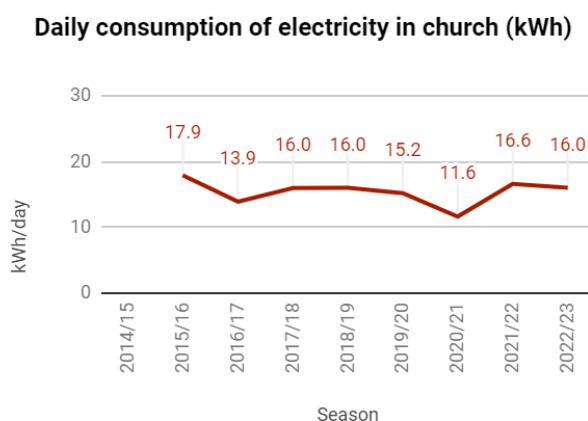
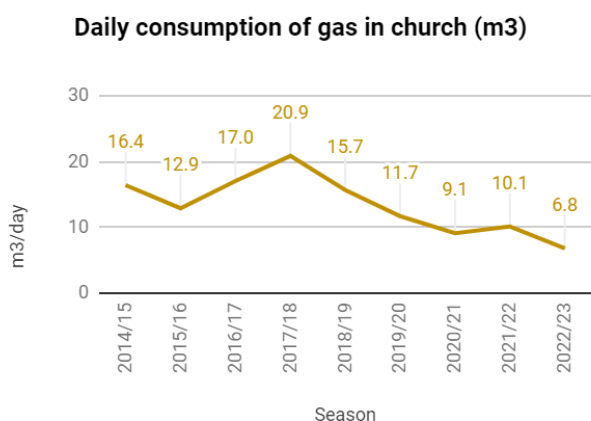
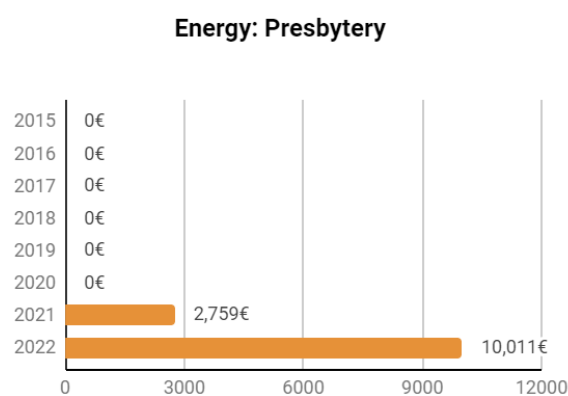
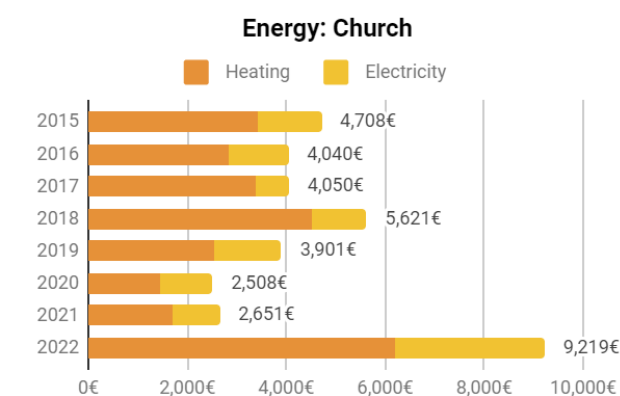
NGOs. The FE will explore this possibility also for our communities mainly by facilitating ways in which donations can be given (e.g. through our website).

5. Various reimbursements: In the past this category included smaller revenue flows such as donations for specific purposes (e.g. flowers). As of 2021 when the contract for electricity and gas in presbytery was taken over by the FE, this category includes primarily contributions of presbytery tenants for these energy costs. This was hence the main driver of a hike in this revenue source to 13,048€ as it reflected soaring energy costs in 2022. In addition, insurance indemnity for the costs of repairing the church roof as a consequence of a storm (4,164€) and energy subsidy for the change of the boiler in the church apartment (1,050€) contributed to growth of this revenue as well.
6. Hall rental: Following the reconstruction of the hall in the basement of the church, it was put to active use in 2020. In 2022, the revenue from sub-letting the room increased to 1,440€. 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

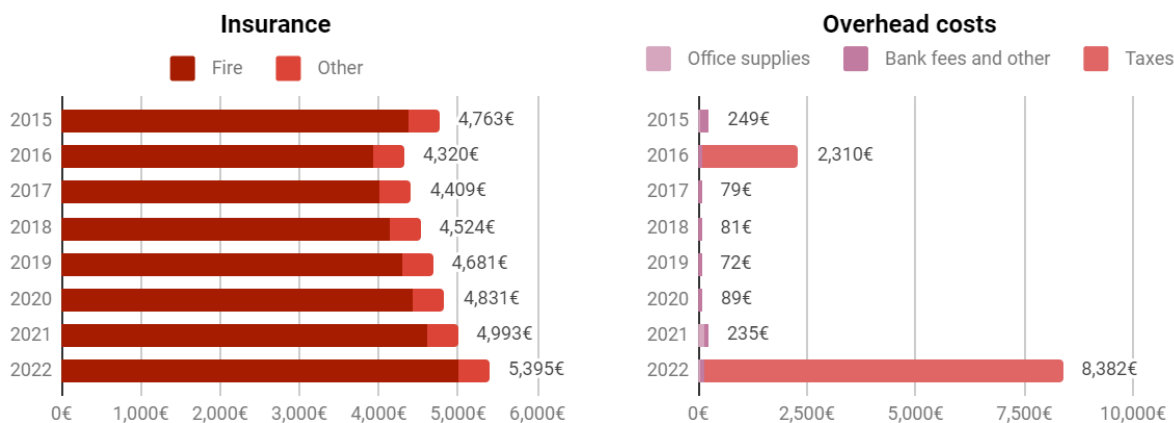
1. Energy costs: The jump in energy prices which started in 2021 became fully visible only in 2022 when the 2021 annual settlement took place and monthly advances were increased to reflect much higher price levels. In addition, new monthly advances also reflected an increased use of the church in 2021 following gradual reopening after the pandemic.
 - a. Church: Heating and electricity costs constitute one of the highest recurring spending items. In 2022 they increased more than threefold to 9,219€ with the 2021 annual settlement (4,880€) constituting more than a half of this amount. Nevertheless, gas consumption in the season 2022/23 declined, which is expected to contribute to a reduction in energy costs in 2023. The same is true also of electricity usage, although there the decline was more limited.
 - b. Presbytery: As of 2021, the FE took over the energy bills for the presbytery from the tenants and agreed to cover 20% of these energy costs, with the remaining 80% covered by the tenants. Presbytery energy costs jumped also more than threefold to 10,011€ despite restraints on energy consumption by the occupants.



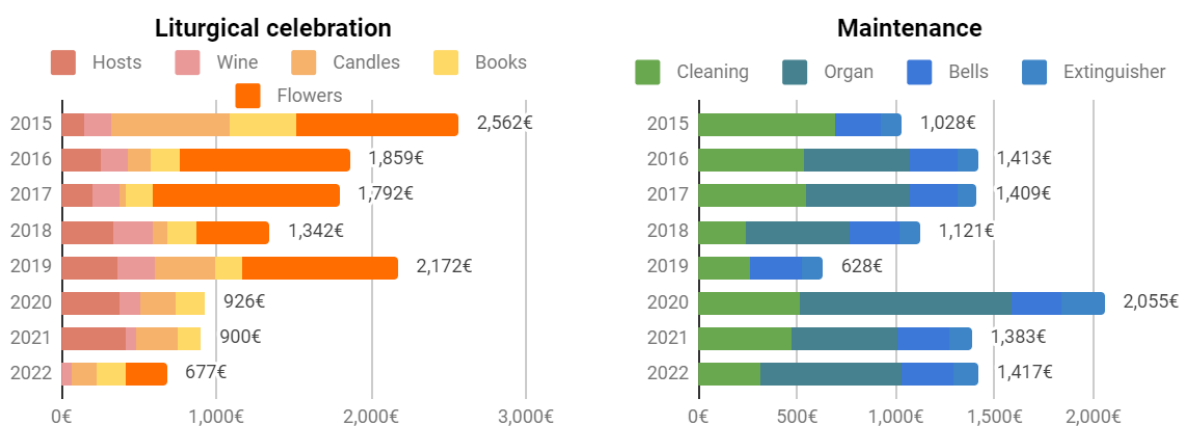
2. Insurance: In 2022, the insurance costs increased by more than 8% reaching 5,395€. Fire insurance covering both the church and presbytery amounted to 5,001€, while the remaining insurance covering the third-party liability of the FE remained unchanged at

394€. Given high energy costs, the insurance constituted 'only' some 9% of the overall spending.

- Overhead costs: Expenditure to cover overhead costs are generally relatively low covering mainly bank fees, purchase of office supplies and costs of the internet website. However, in 2022, this spending item soared to 8,382€ due to property taxes on the presbytery building which were levied by the Belgian authorities not only for 2022 but retrospectively also for the period 2018-2021. The annual tax of about 1,700€ is expected to be paid also in the following years.



- Liturgical celebration: Costs related to liturgical celebration cover items like hosts, wine, candles, and flowers. These outlays declined further in 2022 to 677€ mainly because of drawing on the existing stocks of hosts, wine and candles which were rather high. In addition, FE participated only partly on reimbursing costs of flowers as the Slovak community proposed to cover these costs for most of the year. Spending on this item is set to increase in the coming years as the stock of consumables is renewed and flowers are fully reimbursed by FE.



- 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. In 2022, these outlays grew by 2.4% to 1,417€.

- Cleaning: The cleaning of the church was carried out through the local employment

agency (Agence Locale pour l'Emploi) every three weeks. FE spent 317€ on this service.

- b. Organ, bells, extinguishers: In 2022, the FE paid 714€, 264€, and 122€ for annual servicing of the organ, bells and extinguishers, respectively. While this spending item is relatively stable thanks to underlying contracts, the organ will require at a certain point a more thorough servicing leading to one-off costs.

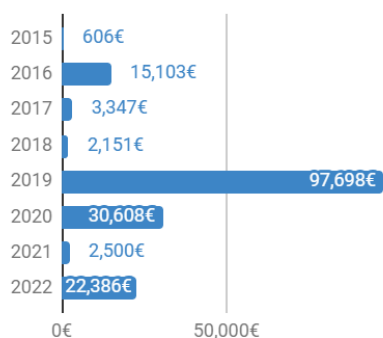
6. Capital spending: This item is volatile as it reflects next to regular smaller reparations also one-off outlays related to ongoing reconstruction efforts and sanations of damages.

- a. Church: Spending on repairs in the church amounted to 22,386€ in 2022. While 14,157€ was spent on refurbishing the space in the basement of the church to place a kitchen which is set to serve for the users of the hall, 7,350€ had to be dedicated to renewed repairs of the church roof which was damaged on several occasions by strong storms. Despite these efforts, the church roof still leaks in several places and will require a full restoration in 2023, which will be financed through a commune subsidy, own resources and potentially a loan.

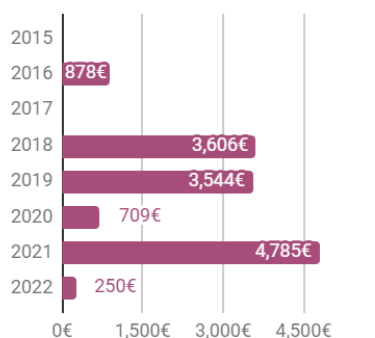
- b. Church apartment: There were no works carried out in the church apartment in 2022. The only outlay of 250€ was related to securing a certificate required to obtain a subsidy for the replacement of the heating system (e.g. central heater and chimney tubing) which was carried out already in 2021.

- c. Presbytery: In 2022, there was no capital spending in the presbytery. However, in the near future the presbytery will require investments to increase its energy efficiency (e.g. replacement of window glasses) and ensuring habitability (e.g. tackling issues with the roof).

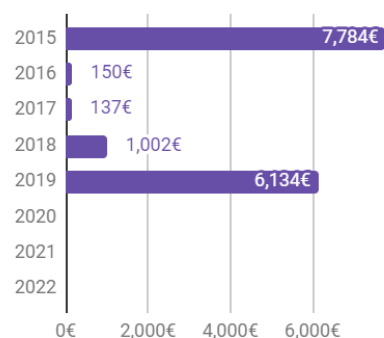
Capital outlays: Church



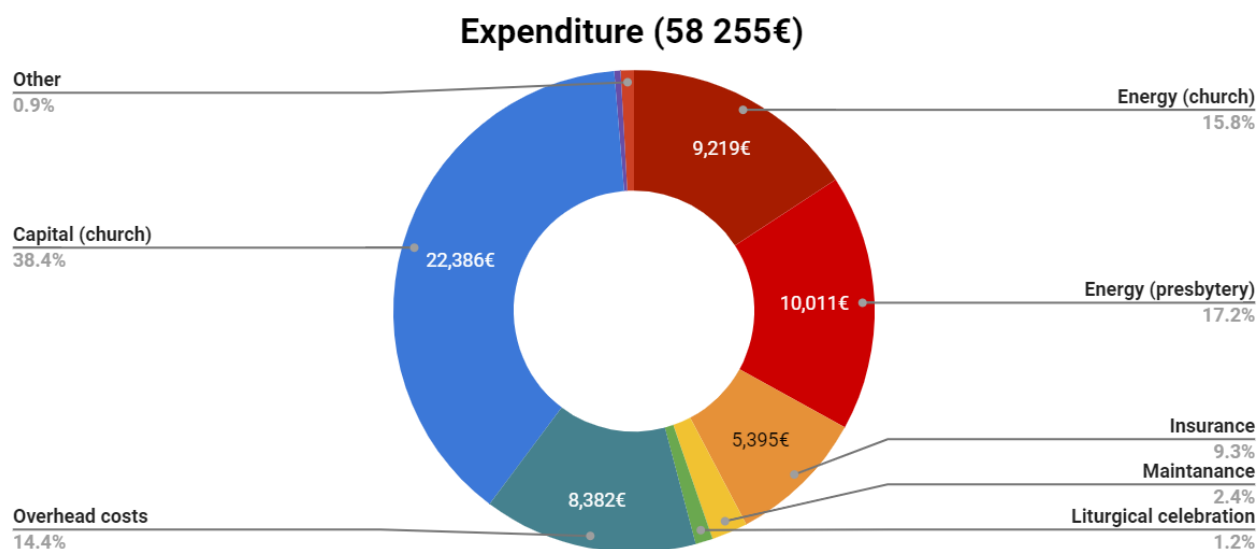
Capital outlays: Apartment



Capital outlays: Presbytery



7. Other: This category comprises other spending not classified above. In 2022 it included mainly payments for water.



Statistical remark: From 2019, the FE accounting has followed the cash principle based on guidance of the Region Bruxelles-Capitale. 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. For example, if an invoice for electricity came in December but was 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	13,440 €
R15	Mass collections	9,241 €
R18A	Donations	3,109 €
R18B	Proximus antenna	8,238 €
R18D	Hall rental	1,440 €
R28A	Various reimbursements	13,048 €
T	Total	48,515 €

Code ▲	Expenditures	Amount
D01	Hosts	0 €
D02	Wine	68 €
D03	Candles	164 €
D05	Electricity	3,029 €
D06A	Heating	7,590 €
D06B	Water	432 €
D06E	Gas-electricity presbytery	8,610 €
D10	Cleaning of the church	317 €
D15	Purchase of liturgical books	178 €
D27	Maintenance church	22,386 €
D31	Maintenance church apartment	250 €
D32	Maintenance organ	714 €
D33	Maintenance bells	264 €
D45	Office supplies	27 €
D46	Bank and postal fees	89 €
D47	Taxes	8,267 €
D48	Fire insurance	5,001 €
D50A	Contribution SABAM / Reprobel	72 €
D50B	Insurance Fabrique d'église	394 €
D50C	Maintenance of fire extinguishers	122 €
D50E	Flowers	267 €
D50G	Miscellaneous costs	13 €
T	Total	58,255 €