

## **INDEPENDENT AUDITOR’S REPORT**

The General Assembly

St. John XXIII Parish, *an Association*

The English-speaking Roman Catholic Parish of Geneva

Rue de Montbrillant 57

1202 Geneva, Switzerland

### **Report on the Financial Statements**

I have audited the accompanying financial statements of St. John XXIII Parish, *an Association* (a not-for-profit organization) established in conformity with Articles 52, 60 et. Se. of the Swiss Civil Code (the “Parish”). These financial statements comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **The Parish Administrative Council’s Responsibility for the Financial Statements**

As outlined in the Statutes of the Parish, the Parish Administrative Council is the executive committee of the Parish. It is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor’s Responsibility**

As the Independent Auditor appointed by the General Assembly of the Parish, my responsibility is to express an opinion, based on my audit, as to the fair presentation of these financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the

purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion.

The deficiencies communicated in writing to the Parish Administrative Council in the 2019 audit are being addressed as indicated in the management letter attached.

My consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the Parish Administrative Council, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Parish as of December 31, 2021, and the changes in its net assets and cash flows for the years then ended in accordance with generally accepted accounting principles.

### **Emphasis of Matter**

The audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses in Note 5 to the financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the Parish Administrative Council and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

In my opinion, the schedule of functional expenses is fairly stated in all material respects in relation to the financial statements as a whole.

Geneva, June 17, 2022



Beryl Oriaro  
Independent Auditor

**St John XXIII Parish**  
**Statement of Financial Position**  
**as of 31 December 2021**  
**(in Swiss francs)**

<b>ASSETS</b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Cash	629,569	633,699
Receivables	1,500	6,855
Prepaid expenses	-	2,500
Property and equipment, net of accumulated depreciation	[Note 4] 3,086,225	3,284,412
	<b>3,717,294</b>	<b>3,927,467</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Amount payable to suppliers	9,441	5,619
Accrued expenses and deferred support fees	12,178	13,031
Allocated Grants Payable	-	11,551
Loans payable within one year	109,490	99,490
Loans payable	[Note 3] 536,980	736,980
Total Liabilities	668,089	866,671
Net Assets:	[Note 2]	
Net assets without donor restrictions	(37,020)	(198,062)
Net assets with donor restrictions	3,086,225	3,258,858
Total Net Assets	3,049,206	3,060,796
	<b>CHF</b>	
	<b>3,717,294</b>	<b>3,927,467</b>

**The accompanying notes are an integral part of these financial statements**

**St. John XXIII Parish**  
**Statement of Activities**  
**for the years ended 31 December 2021**  
**(in Swiss francs)**

	<u>2021</u>	<u>2020</u>
Weekly offertory collections	140,399	127,919
Annual Pledges received	212,206	220,458
Parishioner support for ministries	36,987	29,227
Donations, gifts and bequests	21,081	36,320
Other, primarily fees from Centre use	69,212	81,551
Net Assets Released from Other Support [ Note 2]	<u>109,550</u>	<u>91,406</u>
<b>Total Contributions and Other Support:</b>	<b><u>589,435</u></b>	<b><u>586,880</u></b>
Parish ministries and programs	48,272	28,809
Outreach programs	35,973	46,659
Parish facilities	123,062	136,286
Parish administration	<u>203,882</u>	<u>193,797</u>
Total Expenses	<u>411,189</u>	<u>405,552</u>
Increase (Decrease)in Net Assets without Donor Restrictions	<u>178,246</u>	<u>181,328</u>
Support for Growing in Faith	48,633	55,611
Special Outreach collections, including Turkana	60,918	35,795
Net Assets Released from Restrictions	<u>(109,550)</u>	<u>(91,406)</u>
Amortization of premises	<u>189,836</u>	<u>189,836</u>
Total Expenses	<u>189,836</u>	<u>189,836</u>
Increase (Decrease) in Net Assets With Donor Restrictions	<b><u>(189,836)</u></b>	<b><u>(189,836)</u></b>
Total Change in Net Assets	(11,590)	(8,508)
Net Assets, Beginning of Year	<u>3,060,796</u>	<u>3,069,304</u>
Net Assets, End of Year	<b><u>3,049,206</u></b>	<b><u>3,060,796</u></b>

**The accompanying notes are an integral part of these financial statements.**

**St. John XXIII Parish**  
**Statement of Cash Flows**  
**for the years ended 31 December 2021**  
**(in Swiss francs)**

	<u><b>2021</b></u>	<u><b>2020</b></u>
<b>Cash Flows from Parish Operating Activities</b>		
Change in net assets	(11,590)	(8,508)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	203,063	199,968
Effect of change in operating assets and liabilities		
Receivables	5,355	(2,165)
Prepaid expenses	2,500	2,495
Accounts payable to suppliers	3,822	(4,718)
Accrued expenses and deferred support fees	(854)	(29,037)
Allocated grants payable	(11,551)	(0)
	<b>190,746</b>	<b>158,034</b>
<b>Cash Flows from Parish Investing Activities</b>		
Purchase of fixtures and equipment	(4,876)	(1,448)
	<b>(4,876)</b>	<b>(1,448)</b>
<b>Cash Flows from Parish Financing Activities</b>		
Principal payments on loans payable	(190,000)	(59,490)
New loan - Swiss Government Covid Loan [ Note 3 ]		78,000
Net cash provided (used) by Parish financing activities	<b>(190,000)</b>	<b>18,510</b>
<b>Net increase (decrease) in cash</b>	(4,130)	175,096
<b>Cash, beginning of year</b>	633,699	458,602
<b>Cash, end of year</b>	629,569	633,699

**The accompanying notes are an integral part of these financial statements.**

**NOTE 1. AUTHORITY AND PURPOSE**

St. John XXIII Parish is an association (a not-for-profit organization) established in conformity with Article 52, 60 et. Seq. of the Swiss Civil Code (the "Parish"). The Parish is composed of brothers and sisters in Christ committed to working together to advance the mission of the Holy Roman Catholic Church.

The church life and celebration of the Parish takes place at real property located at 57 rue de Montbrillant, 1202 Geneva, Switzerland (the "Montbrillant Property" or the "Premises"). The Parish has been granted exclusive and rent-free use of the Montbrillant Property for an initial period of twenty-five years (25) ending 2035 by the property's owner, La Paroisse Saint-Nicolas -de-Flue (the "Agreement").

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES AND REPORTING POLICIES**

**Basis of Presentation**

These financial statements have been prepared on the accrual basis in accordance with the AICPA Audit and Accounting Guide, "Not-for-Profit Organizations." The accounting principles used are consistent with those used in prior years.

**The significant accounting policies followed are described below.**

**Contributions**

Contributions of cash and other assets are reported as revenue when received and are measured at fair value. Contributions with donor-imposed restrictions are reported as restricted revenue. The Parish receives pledges from its members for operations of the Parish. The Parish treats these pledges as revenue when the cash is received.

**Depreciation and Amortization**

Parish equipment is depreciated over five (5) years for fixtures and three (3) for equipment on a straight-line basis. Improvements to the church and parish house on the Montbrillant Property are depreciated over twenty-five (25) years on a straight-line basis.

**Classification of Net Assets**

Net assets of the Parish are classified based on the presence or absence of donor-imposed restrictions. Net assets of the Parish are comprised of two groups, as follows:

Net Assets Without Donor Restrictions: Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or have been met.

Net Assets with Donor Restrictions: Assets subject to usage limitations based on donor imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Parish. Net assets of the

Parish with donor restrictions relate primarily to property improvements undertaken as part of the Growing in Faith Campaign.

**Subsequent Events**

The Parish evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements.

The accompanying financial statements consider events through May 4, 2022, the date on which the financial statements were made available to be issued.



**St. John XXIII Parish**  
**Notes to Financial Statements**  
**for the years ended 31 December 2021**

**NOTE 3. LOANS PAYABLE**

	Balance December 31 <u>2020</u>	2020 <u>Reductions</u>	Balance December 31 <u>2021</u>
Eglise Catholique Romaine- Geneve	620,000	130,000	490,000
Mission Interieure [EFOZ-08]	80,000	30,000	50,000
Mission Interieure [EKOZ-02]	58,470	30,000	28,470
Swiss Govt Loan	<u>78,000</u>		<u>78,000</u>
	836,470		646,470
Amounts Due Within One Year	(99,490)		(109,490)
Long-term Loan Payable	<u>CHF 736,980</u>		<u>CHF 536,980</u>

The Eglise Catholique Romaine-Geneve ("ECR") administers the 51 parishes and linguistic missions meeting the needs of Catholics in Geneva. It has provided a loan to the Parish to finance improvements and renovations to the Parish. The agreement for the ECR loan was updated in 2021 and is due for renewal in 31 December 2023. The interest rate of loan is 1.5%, payable semi-annually. New agreement states an amount of CHF 40,000 to be paid each year. An amount of CHF 130,000 was paid in 2021.

The Parish has obtained loans from Mission Interieure ("MI") to make improvements to the Premises. MI is an organization dedicated to promoting religious life in Switzerland. Among its activities, MI assists parishes in the preservation of church buildings to allow parish communities to flourish.

Loan MI - EFOZ-08 is interest-free for a term of ten years and payable in full by December 2022. The loan is repayable in five equal tranches of CHF 40,000 annually beginning in December 2018. Early repayment of the loan is permitted. The loan is unsecured. A covenant in the loan agreement includes an appeal to the Parish to conduct special collections twice a year, the proceeds of which are intended to support the work of MI. An amount of CHF 30,000 was paid in 2021.

Loan MI - EKOZ-02 is interest-free for a term of ten years and payable in full by December 2023. The loan is repayable in five equal annual tranches of CHF 19,700 beginning in December 2019. Early repayment of the loan is permitted. The loan is unsecured. A covenant in the loan agreement includes an appeal to the Parish to conduct special collections twice a year, the

proceeds of which are intended to support the work of MI. An amount of CHF 30,000 was paid in 2021.

Swiss Govt Loan of CHF 78,000 which is a federal loan to cover running costs. Agreement says that loan is to be repaid once 'company' has recovered. The federal coverage for the loan applies for five years and can be extended to 7 years in case of hardship. A repayment of CHF 30,000 was done in 2022 and will be captured in next year's statements.

**NOTE 4. PROPERTY IMPROVEMENTS, FURNISHINGS AND EQUIPMENT**

<b>2021</b>	Property Improvement	Fixtures	Equipment	Total
<b>COST</b>				
at January 1	4,745,910	29,768	13,618	4,789,296
Additions in 2021	-	-	4,876	4,876
at December 31	<u>4,745,910</u>	<u>29,768</u>	<u>18,494</u>	<u>4,794,172</u>
<b>ACCUMULATED DEPRECIATION</b>				
at January 1	1,487,053	14,787	5,414	1,507,254
Additions in 2021	189,838	5,663	5,195	200,694
at December 31	<u>1,676,889</u>	<u>20,450</u>	<u>10,609</u>	<u>1,707,948</u>
<b>NET BOOK VALUE</b>				
at December 31	CHF <u><u>3,069,021</u></u>	CHF <u><u>9,318</u></u>	CHF <u><u>7,885</u></u>	CHF <u><u>3,086,224</u></u>

**St. John XXIII Parish**  
**Notes to Financial Statements**  
**for the years ended 31 December 2021**  
**NOTE 5. STATEMENT OF FUNCTIONAL EXPENSES**

	<u>2021</u>	<u>2020</u>
Parish Ministries and Programs:		
Adult education program	1,400	337
Communications and printed material	67	-
Hospitality Committee	-	1,937
Liturgy Committee & Ministerial Support	20,111	19,616
Other parish ministries	-	-
Religious education program	26,693	6,919
Total Parish Ministries and Programs	<b>48,272</b>	<b>28,809</b>
Outreach:		
Global Outreach (previously - AAC)	8,254	8,707
Tertiary Education Support	605	1,542
Diocesan Projects	12,044	12,680
Local Welfare Support	-	800
Remittance of Special collections	-	4,680
Turkana projects	15,069	18,250
Total Outreach	<b>35,973</b>	<b>46,659</b>
Facilities:		
Priest Car	3,441	3,545
Fixtures and equipment expense	310	1,171
Insurance	13,602	13,461
Maintenance & repairs	64,029	72,985
Depreciation and amortization	13,227	10,131
Contribution for usage of Notre Dame	3,240	3,112
Telephones	4,086	4,069
Utilities	22,589	27,811
Total Facilities	<b>124,525</b>	<b>136,286</b>
Parish Administration:		
Bank charges	1,057	996
Fundraising and membership development	-	-
Maintenance of office equipment	2,173	1,738
Office supplies	2,855	2,391
Priests' expenses (recurring)	22,839	22,781
Personnel	159,408	149,846
Interest on Loan	10,999	13,024
Printing and photocopying	3,090	3,022
Total Parish Administration	<b>202,420</b>	<b>193,797</b>
Growing In Faith Initiative:		
Amortization of improvements to parish premises	189,836	189,836
Total Growing In Faith Initiative	<b>189,836</b>	<b>189,836</b>
 Total Functional Expenses	 <b>CHF 601,025</b>	 <b>595,388</b>