

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, 2022, 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 controls 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 controls 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 controls. Accordingly, I express no such opinion.

The deficiencies communicated in writing to the Parish Administrative Council in the 2021 audit are being addressed as indicated in the management letter attached.

My consideration of internal controls was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal controls 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

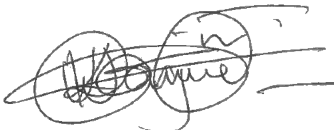
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Parish as of December 31, 2022, and the changes in its net assets and cash flows for the years then ended in accordance with generally accepted accounting principles.

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. 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.

My opinion is not modified in respect of this matter.

Geneva, May 31, 2023

A handwritten signature in black ink, appearing to read 'David Karumba Wanjiru', is written over a set of three horizontal lines. The signature is somewhat stylized and includes a circular flourish on the left side.

David Karumba Wanjiru

Independent Auditor

St John XXIII Parish
Statement of Financial Position
as of 31 December 2022
(in Swiss francs)

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	629,997	629,569
Receivables	-	1,500
Property and equipment, net of accumulated depreciation [Note 4]	2,890,606	3,086,225
	3,520,604	3,717,294
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Amount payable to suppliers	9,927	9,441
Accrued expenses and deferred support fees	12,155	12,178
Loans payable within one year	107,470	109,490
Loans payable [Note 3]	385,000	536,980
Total Liabilities	514,552	668,089
Net Assets: [Note 2]		
Net assets without donor restrictions	115,445	(37,020)
Net assets with donor restrictions	2,890,606	3,086,225
Total Net Assets	3,006,052	3,049,206
	CHF 3,520,604	3,717,294

The accompanying notes are an integral part of these financial statements

St. John XXIII Parish
Statement of Activities
for the years ended 31 December 2022
(in Swiss francs)

	<u>2022</u>	<u>2021</u>
Weekly offertory collections	210,797	140,399
Annual Pledges received	186,255	212,206
Proceeds from fundraising events, primarily Kermesse	28,542	-
Parishioner support for ministries	45,233	36,987
Donations, gifts and bequests	14,076	21,081
Other, primarily fees from Centre use	76,911	69,212
Net Assets Released from Other Support [Note 2]	<u>72,418</u>	<u>109,550</u>
Total Contributions and Other Support:	634,232	589,435
Parish ministries and programs	56,871	48,272
Outreach programs	80,325	35,973
Parish facilities	131,741	123,062
Parish administration	<u>218,612</u>	<u>203,882</u>
Total Expenses	487,549	411,189
Increase (Decrease)in Net Assets without Donor Restrictions	146,682	178,246
Amortization of premises	<u>189,836</u>	<u>189,836</u>
Total Expenses	189,836	189,836
Increase (Decrease) in Net Assets with Donor Restrictions	(189,836)	(189,836)
Total Change in Net Assets	(43,154)	(11,590)
Net Assets, Beginning of Year	<u>3,049,206</u>	<u>3,060,796</u>
Net Assets, End of Year	3,006,052	3,049,206

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 2022
(in Swiss francs)

	<u>2022</u>	<u>2021</u>
Cash Flows from Parish Operating Activities		
Change in net assets	(43,154)	(11,590)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	199,974	203,063
Effect of change in operating assets and liabilities		
Receivables	1,500	5,355
Prepaid expenses	-	2,500
Accounts payable to suppliers	486	3,822
Accrued expenses and deferred support fees	(23)	(854)
Net cash provided (used) by Parish operating activities	158,783	190,746
Cash Flows from Parish Investing Activities		
Purchase of fixtures and equipment	(4,355)	(4,876)
Net cash provided (used) by Parish investing activities	(4,355)	(4,876)
Cash Flows from Parish Financing Activities		
Principal payments on loans payable	(154,000)	(190,000)
Net cash provided (used) by Parish financing activities	(154,000)	(190,000)
Net increase (decrease) in cash	428	(4,130)
Cash, beginning of year	<u>629,569</u>	<u>633,699</u>
Cash, end of year	<u>629,997</u>	<u>629,569</u>

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

St. John XXIII Parish
Notes to Financial Statements
for the years ended 31 December 2022

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 fixtures and equipment are depreciated over five (5) years 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.

Parish Priest’s related expenses

Effective 2022, the Parish Administrative Council approved the use of the captions “Parish Car” and “Parish house expenses” in reference to the parish priest’s related expenses. These were previously reported under the captions “Priest Car” and “Priests' expenses (recurring)” respectively and are presented in Note 6.

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 31, 2023, 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 2022

NOTE 3. LOANS PAYABLE

	Balance		Balance
	31 Dec 2021	2022 Reductions	31 Dec 2022
Eglise Catholique Romaine-Geneve	490,000	65,000	425,000
Mission Interieure [EFOZ-08]	50,000	50,000	-
Mission Interieure [EKOZ-02]	28,470	-	28,470
Swiss Govt Loan	<u>78,000</u>	<u>39,000</u>	<u>39,000</u>
	646,470	154,000	492,470
Amounts Due Within One Year	109,490		107,470
Long-term Loan Payable	536,980		385,000

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 on 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. A repayment of CHF 65,000 was made in 2022.

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 was interest-free for a term of ten years and payable in full by December 2022. The loan was repayable in five equal tranches of CHF 40,000 annually beginning in December 2018. Early repayment of the loan was permitted. The loan was unsecured. A covenant in the loan agreement included an appeal to the Parish to conduct special collections twice a year, the proceeds of which were intended to support the work of MI. A repayment of CHF 50,000 was made in 2022, clearing the outstanding balance.

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. No repayment was made in 2022. However, in January

2023, a repayment of CHF 28,470 was made clearing the outstanding balance and will be captured in next year's statements.

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 39,000 was done in 2022.

St. John XXIII Parish
Notes to Financial Statements
for the years ended 31 December 2022

NOTE 4. PROPERTY IMPROVEMENTS, FURNISHINGS AND EQUIPMENT

2022	Property Improvement	Fixtures	Equipment	Total
COST				
at January 1	4,745,910	29,768	13,618	4,794,172
Additions in 2022	<u>-</u>	<u>-</u>	<u>4,355</u>	<u>4,355</u>
at December 31	4,745,910	29,768	22,849	4,798,527
 ACCUMULATED DEPRECIATION				
at January 1	1,676,889	20,450	10,609	1,707,948
Additions in 2022	<u>189,836</u>	<u>4,562</u>	<u>5,576</u>	<u>199,974</u>
at December 31	1,866,725	25,012	16,185	1,907,922
 NET BOOK VALUE				
at December 31	<u>2,879,185</u>	<u>4,756</u>	<u>6,664</u>	<u>2,890,605</u>

St. John XXIII Parish
Notes to Financial Statements
for the years ended 31 December 2022

NOTE 5. STATEMENT OF FUNCTIONAL EXPENSES

	<u>2022</u>	<u>2021</u>
Parish Ministries and Programs:		
Adult education program	1,011	1,400
Communications and printed material	-	67
Hospitality Committee	1,300	-
Liturgy Committee & Ministerial Support	29,630	20,111
Religious education program	<u>24,931</u>	<u>26,693</u>
Total Parish Ministries and Programs	56,871	48,272
Outreach:		
Global Outreach (previously - AAC)	11,493	8,254
Tertiary Education Support	1,268	605
Diocesan Projects	49,381	12,044
Local Welfare Support	2,758	-
Turkana projects	<u>15,425</u>	<u>15,069</u>
Total Outreach	80,325	35,973
Facilities:		
Parish Car	4,266	3,441
Fixtures and equipment expense	-	310
Insurance	13,433	13,602
Maintenance & repairs	65,113	64,029
Depreciation and amortization	10,137	13,227
Contribution for usage of Notre Dame	4,276	3,240
Telephones	4,687	4,086
Utilities	<u>29,829</u>	<u>22,589</u>
Total Facilities	131,741	124,525
Parish Administration:		
Bank charges	990	1,057
Fundraising and membership development	8,359	-
Maintenance of office equipment	2,790	2,173
Office supplies	3,030	2,855
Parish House expenses	21,875	22,839
Personnel	172,995	159,408
Interest on Loan	4,167	10,999
Printing and photocopying	<u>4,406</u>	<u>3,090</u>
Total Parish Administration	218,612	202,420
Growing In Faith Initiative:		
Amortization of improvements to parish premises	<u>189,836</u>	<u>189,836</u>
Total Growing in Faith Initiative	189,836	189,836
Total Functional Expenses	CHF 677,386	601,025

**St. John XXIII Parish
Notes to Financial Statements
for the years ended 31 December 2022**

NOTE 6. PARISH CAR AND PARISH HOUSE EXPENSES

	2022	2021
Parish Car	4,266	3,441
Parish House expenses:		
Health insurance	9,245	9,094
Expense reimbursement	9,600	9,600
Travel	1,600	1,600
Miscellaneous expenses	<u>1,430</u>	<u>2,545</u>
Total Parish House expenses	21,875	22,839