

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, 2020, 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 previous audit are being addressed. The PAC has contracted a consultant to revise the Finance and Administration manual of the Parish. Implementation of the recommendations will be followed up in the next audit.

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, 2020, 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 6, 2021
Beryl Oriaro
Independent Auditor

St John XXIII Parish
Statement of Financial Position
as of 31 December 2020
(in Swiss francs)

ASSETS	<u>2020</u>	<u>2019</u>
Cash	633,699	458,602
Receivables	6,855	4,690
Prepaid expenses	2,500	4,995
Property and equipment, net of accumulated depreciation	[Note 4] 3,284,412	3,482,932
	3,927,467	3,951,220
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Amount payable to suppliers	5,619	10,337
Accrued expenses and deferred support fees	13,031	42,068
Allocated Grants Payable	11,551	11,551
Loans payable within one year	99,490	59,490
Loans payable	[Note 3] 736,980	758,470
Total Liabilities	866,671	881,915
Net Assets:	[Note 2]	
Net assets without donor restrictions	(198,062)	(379,390)
Net assets with donor restrictions	3,258,858	3,448,694
Total Net Assets	3,060,796	3,069,304
	CHF 3,927,467	3,951,220

The accompanying notes are an integral part of these financial statements

St. John XXIII Parish
Statement of Activities
for the years ended 31 December 2020
(in Swiss francs)

	<u>2020</u>	<u>2019</u>
Weekly offertory collections	127,919	261,213
Annual Pledges received	220,458	189,274
Proceeds from fundraising events, mainly Kermesse	-	63,094
Parishioner support for ministries	29,227	56,137
Donations, gifts and bequests	36,320	23,599
Other, primarily fees from Centre use	81,551	82,058
Net Assets Released from Other Support [Note 2]	91,406	137,577
Total Contributions and Other Support:	<u>586,880</u>	<u>812,953</u>
Parish ministries and programs	28,809	86,724
Outreach programs	46,659	147,074
Parish facilities	136,286	164,244
Parish administration	193,797	231,402
Total Expenses	<u>405,552</u>	<u>629,444</u>
	<u>181,328</u>	<u>183,509</u>
Support for Growing in Faith	55,611	76,306
Support for Global Outreach initiatives, primarily Turkana	-	-
Special Outreach collections, including Turkana	35,795	61,272
Net Assets Released from Restrictions	<u>(91,406)</u>	<u>(137,577)</u>
Amortization of premises	189,836	189,836
Total Expenses	<u>189,836</u>	<u>189,836</u>
Increase (Decrease) in Net Assets With Donor Restrictions	<u>(189,836)</u>	<u>(189,836)</u>
Total Change in Net Assets	(8,508)	(6,327)
Net Assets, Beginning of Year	<u>3,069,304</u>	<u>3,075,631</u>
Net Assets, End of Year	<u>3,060,796</u>	<u>3,069,304</u>

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 2020
(in Swiss francs)

	<u>2020</u>	<u>2019</u>
Cash Flows from Parish Operating Activities		
Change in net assets	(8,508)	(6,327)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	199,968	195,667
Effect of change in operating assets and liabilities		
Receivables	(2,165)	7,281
Prepaid expenses	2,495	(4,995)
Accounts payable to suppliers	(4,718)	(11,879)
Accrued expenses and deferred support fees	(29,037)	(4,658)
Allocated grants payable	(0)	2,915
	158,034	178,003
Cash Flows from Parish Investing Activities		
Purchase of fixtures and equipment	(1,448)	(24,006)
	(1,448)	(24,006)
Cash Flows from Parish Financing Activities		
Principal payments on loans payable	(59,490)	(199,490)
New loan - Swiss Government Covid Loan [Note 3]	78,000	
	18,510	(199,490)
Net increase (decrease) in cash	175,096	(45,494)
Cash, beginning of year	458,602	504,095
Cash, end of year	633,699	458,602

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 11, 2021, 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 2020

NOTE 3. LOANS PAYABLE

	Balance December 31 <u>2019</u>	2020 <u>Reductions</u>	Balance December 31 <u>2020</u>
Eglise Catholique Romaine- Geneve	660,000	40,000	620,000
Mission Interieure [EFOZ-08]	80,000	-	80,000
Mission Interieure [EKOZ-02]	77,960	19,490	58,470
	817,960		758,470
Amounts Due Within One Year	(59,490)		(99,490)
Additions – Swiss Govt Loan			78,000
Long-term Loan Payable	CHF 758,470		CHF 736,980

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 loan from the ECR was renewed on 31 December 2020 for three years. The interest rate of the loan in 2020 was 2.0%, payable semi-annually. However, due to COVID-19, the ECR has been flexible with the repayment schedule, nevertheless a payment of CHF40,000 was made in 2020.

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.

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.

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. The start date of repayments is to be determined by the company.

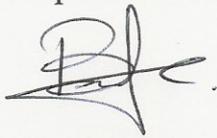
NOTE 4. PROPERTY IMPROVEMENTS, FURNISHINGS AND EQUIPMENT

2020	Property Improvement	Fixtures	Equipment	Total
COST				
at January 1	4,745,910	29,768	12,170	4,787,848
Additions in 2020	-	-	1,448	1,448
at December 31	<u>4,745,910</u>	<u>29,768</u>	<u>13,618</u>	<u>4,789,296</u>
ACCUMULATED DEPRECIATION				
at January 1	1,297,217	6,463	1,237	1,304,917
Additions in 2020	189,838	5,954	4,178	189,838
at December 31	<u>1,487,056</u>	<u>12,417</u>	<u>5,414</u>	<u>10,131</u>
NET BOOK VALUE				
at December 31	CHF <u>3,258,854</u>	CHF <u>17,351</u>	CHF <u>8,204</u>	CHF <u>3,284,409</u>

St. John XXIII Parish
Notes to Financial Statements
for the years ended 31 December 2020
NOTE 5. STATEMENT OF FUNCTIONAL EXPENSES

	<u>2020</u>	<u>2019</u>
Parish Ministries and Programs:		
Adult education program	337	821
Communications and printed material	-	224
Hospitality Committee	1,937	3,406
Liturgy Committee & Ministerial Support	19,616	43,223
Other parish ministries	-	1,146
Religious education program	6,919	37,904
Total Parish Ministries and Programs	28,809	86,724
Outreach:		
Global Outreach (previously - AAC)	8,707	20,000
Tertiary Education Support	1,542	2,405
Diocesan Projects	12,680	61,485
Local Welfare Support	800	75
Remittance of Special collections	4,680	13,088
Turkana projects	18,250	50,020
Total Outreach	46,659	147,074
Facilities:		
Priest Car	3,545	3,279
Fixtures and equipment expense	1,171	1,235
Insurance	13,461	12,269
Maintenance & repairs	72,985	93,691
Depreciation and amortization	10,131	5,830
Contribution for usage of Notre Dame	3,112	5,950
Telephones	4,069	9,416
Utilities	27,811	32,573
Total Facilities	136,286	164,244
Parish Administration:		
Bank charges	996	962
Fundraising and membership development	-	12,485
Maintenance of office equipment	1,738	2,001
Office supplies	2,391	6,006
Priests' expenses (recurring)	22,781	21,658
Personnel	149,846	169,416
Interest on Loan	13,024	15,200
Printing and photocopying	3,022	3,674
Total Parish Administration	193,797	231,402
Growing In Faith Initiative:		
Amortization of improvements to parish premises	189,836	189,836
Total Growing In Faith Initiative	189,836	189,836
 Total Functional Expenses	 CHF 595,388	 819,280

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

A handwritten signature in black ink, appearing to read 'Beryl Oriaro', with a stylized flourish at the end.

Geneva, June 6, 2021

Beryl Oriaro

Independent Auditor