

**SMYTHE STREET CATHEDRAL INC.**  
***(Operating as Smythe Street Church)***  
**Financial Statements**  
**Year Ended December 31, 2023**

**SMYTHE STREET CATHEDRAL INC.**  
***(Operating as Smythe Street Church)***  
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**Year Ended December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Smythe Street Cathedral Inc. operating as Smythe Street Church

### *Opinion*

We have audited the financial statements of Smythe Street Cathedral Inc., operating as Smythe Street Church, (the "organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*(continues)*

Independent Auditor's Report to the Members of Smythe Street Cathedral Inc. operating as Smythe Street Church (*continued*)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Fredericton, New Brunswick  
March 27, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

**SMYTHE STREET CATHEDRAL INC.**  
**(Operating as Smythe Street Church)**  
**Statement of Financial Position**  
**December 31, 2023**

	General Fund 2023	Babineau Memorial Fund 2023	Capital Reserve Fund 2023	Fredericton Housing First Micro Home Fund 2023	Under The Tent Fund 2023	<b>Total 2023</b>	Total 2022
<b>ASSETS</b>							
<b>CURRENT</b>							
Cash	\$ 72,110	\$ -	\$ -	\$ -	\$ -	\$ 72,110	\$ 84,535
Accounts receivable	7,686	-	-	460	-	8,146	3,151
HST receivable	22,662	-	-	-	-	22,662	50,385
Prepaid expenses	7,831	-	-	-	-	7,831	12,966
	110,289	-	-	460	-	110,749	151,037
CAPITAL ASSETS (Note 4)	698,504	-	-	433,680	-	1,132,184	987,997
INTANGIBLE ASSETS (Note 5)	1,903	-	-	-	-	1,903	2,983
RESTRICTED CASH & INVESTMENTS (Note 6)	-	12,510	63,197	10,655	13,848	100,210	199,321
	\$ 810,696	\$ 12,510	\$ 63,197	\$ 444,795	\$ 13,848	\$ 1,345,046	\$ 1,341,338

See notes to financial statements

**SMYTHE STREET CATHEDRAL INC.**  
*(Operating as Smythe Street Church)*  
**Statement of Financial Position**  
**December 31, 2023**

	General Fund 2023	Babineau Memorial Fund 2023	Capital Reserve Fund 2023	Fredericton Housing First Micro Home Fund 2023	Under The Tent Fund 2023	<b>Total 2023</b>	Total 2022
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT</b>							
Accounts payable and accrued liabilities	\$ 57,793	\$ -	\$ -	\$ 6,700	\$ 1,372	\$ <b>65,865</b>	\$ 49,766
Deferred revenue and contributions <i>(Note 9)</i>	4,100	-	-	1,950	-	<b>6,050</b>	7,100
Employee deductions payable	13,635	-	-	-	-	<b>13,635</b>	11,756
	75,528	-	-	8,650	1,372	<b>85,550</b>	68,622
LONG TERM DEBT <i>(Note 8)</i>	-	-	-	143,810	-	<b>143,810</b>	155,238
	75,528	-	-	152,460	1,372	<b>229,360</b>	223,860
<b>NET ASSETS</b>	735,168	12,510	63,197	292,335	12,476	<b>1,115,686</b>	1,117,478
	\$ 810,696	\$ 12,510	\$ 63,197	\$ 444,795	\$ 13,848	\$ <b>1,345,046</b>	\$ 1,341,338

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *President*

\_\_\_\_\_ *Trustee*

**SMYTHE STREET CATHEDRAL INC.**  
**(Operating as Smythe Street Church)**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2023**

	General Fund 2023	Babineau Memorial Fund 2023	Capital Reserve Fund 2023	Fredericton Housing First Micro Home Fund 2023	Under The Tent Fund 2023	<b>Total 2023</b>	Total 2022
<b>RECEIPTS</b>							
Tithes, offerings and unrestricted contributions	\$ 954,588	\$ -	\$ -	\$ -	\$ -	\$ 954,588	\$ 926,659
Government assistance	13,649	-	-	-	-	13,649	13,218
Restricted contributions	-	-	4,745	-	31,636	36,381	300,617
Rental income	-	-	-	30,000	-	30,000	-
Miscellaneous receipts	8,270	-	-	-	-	8,270	3,381
Debt forgiveness	-	-	-	11,429	-	11,429	4,762
	976,507	-	4,745	41,429	31,636	1,054,317	1,248,637
<b>EXPENSES</b>							
Payroll	501,533	-	-	-	-	501,533	514,729
Ministry	261,192	-	-	6,701	19,160	287,053	273,246
Occupancy	104,946	-	-	22,606	-	127,552	104,006
Office	36,844	-	-	693	-	37,537	32,829
Amortization	76,604	-	-	18,856	-	95,460	75,718
Bank and payment fees	13,505	-	-	-	-	13,505	11,418
	994,624	-	-	48,856	19,160	1,062,640	1,011,946
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENSES FROM OPERATIONS</b>	(18,117)	-	4,745	(7,427)	12,476	(8,323)	236,691
Unrealized gain (loss) on investments	-	713	5,818	-	-	6,531	(13,548)
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENSES</b>	\$ (18,117)	\$ 713	\$ 10,563	\$ (7,427)	\$ 12,476	\$ (1,792)	\$ 223,143

See notes to financial statements

**SMYTHE STREET CATHEDRAL INC.**  
*(Operating as Smythe Street Church)*  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2023**

	General Fund	Babineau Memorial Fund	Capital Reserve Fund	Fredericton Housing First Micro Home Fund	Under The Tent Fund	2023	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 646,340	\$ 11,797	\$ 159,579	\$ 299,762	\$ -	\$ 1,117,478	\$ 894,335
Deficiency of receipts over expenses	(18,117)	713	10,563	(7,427)	12,476	(1,792)	223,143
Repayable loan	106,945	-	(106,945)	-	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 735,168	\$ 12,510	\$ 63,197	\$ 292,335	\$ 12,476	\$ 1,115,686	\$ 1,117,478

See notes to financial statements



**SMYTHE STREET CATHEDRAL INC.**  
**(Operating as Smythe Street Church)**

**Statement of Cash Flows**

**Year Ended December 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Cash receipts	\$ 1,006,843	\$ 976,236
Cash paid to suppliers and employees	(902,839)	(914,609)
Rental income	30,000	-
Bank and payment fees	(13,505)	(11,418)
Cash flow from operating activities	120,499	50,209
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(238,567)	(604,975)
Proceeds on disposal of intangible assets	-	6,548
Repayment of loans and notes receivable	-	35,624
Proceeds from sale of marketable securities	100,000	-
Cash flow used by investing activities	(138,567)	(562,803)
<b>FINANCING ACTIVITY</b>		
Proceeds from long term financing	-	155,238
<b>DECREASE IN CASH FLOW</b>	<b>(18,068)</b>	<b>(357,356)</b>
Cash - beginning of year	114,701	472,057
<b>CASH - END OF YEAR</b>	<b>\$ 96,633</b>	<b>\$ 114,701</b>
<b>CASH CONSISTS OF:</b>		
Unrestricted	\$ 72,110	\$ 84,535
Restricted - Fredericton Housing First Micro Home Fund	10,655	27,946
Restricted - Capital Reserve Fund	20	2,220
Restricted - Under the Tent Fund	13,848	-
	<b>\$ 96,633</b>	<b>\$ 114,701</b>

See notes to financial statements

**SMYTHE STREET CATHEDRAL INC.**  
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**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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1. PURPOSE OF THE ORGANIZATION

Smythe Street Cathedral Inc. (the "church") is a registered charity and as such is exempt from the payment of income tax under Section 149(1) of the Income Tax Act. It operates a church in Fredericton, New Brunswick providing religious services and religious instruction in the Christian faith to its parishioners. The church offers community outreach programs and provides support to missionaries in several countries. In 2021, relief of poverty was officially added to the purposes of the organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash equivalents

Highly liquid investments with maturities of 90 days or less at date of purchase are classified as cash equivalents.

Fund accounting

Smythe Street Cathedral Inc. follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's program delivery, administrative activities and general operations, excluding the operation of a low-income housing unit.

The Babineau Memorial Fund is an internally restricted fund created to support approved ministry activities. The fund is restricted to investments inside the church and approved investments outside the church.

The Capital Reserve Fund is an internally restricted fund created to facilitate the receipt and expenditure of funds for purposes of significant capital maintenance, repair or replacement of the church building and fixed equipment. The fund has a target of \$200,000. The fund balance is expected to fluctuate as investment income and specific donations are received and expenditures, approved by the Board of Trustees, are withdrawn.

The Fredericton Housing First Micro Home Fund is a restricted fund created in 2022 that accounts for the church's construction and operation of a low-income housing unit in partnership with the United Way.

The Under The Tent fund is an internally restricted fund created in 2023 that accounts for the church's homeless outreach in Fredericton, NB.

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**SMYTHE STREET CATHEDRAL INC.**  
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**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund. If there is no corresponding restricted fund, restricted contributions are recognized as revenue of the general fund using the deferral method.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue of the restricted fund as it is earned.

Government assistance

Government assistance provided in the form of grants and wage subsidies for current expenses is recorded as revenue in the year the related expense is incurred.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Land		non-amortizable
Buildings and renovations - Church	5%	straight-line method
Building - Micro Home Project	5%	straight-line method
Equipment	20 - 33%	straight-line method
Computer software	20%	straight-line method
Paving	3%	straight-line method

The organization regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Contributed services

The operations of the church depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

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**SMYTHE STREET CATHEDRAL INC.**  
**(Operating as Smythe Street Church)**

**Notes to Financial Statements**  
**Year Ended December 31, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

The church's financial instruments comprise normal working capital items. Unless otherwise noted, management believes that the fair value of all these items approximates their carrying value.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	\$ 93,000	\$ -	\$ 93,000	\$ 93,000
Buildings and renovations - Church	2,118,612	1,704,301	414,311	266,015
Building - Micro Home	452,536	18,856	433,680	427,054
Equipment	435,289	392,823	42,466	48,013
Computer software	3,998	3,998	-	-
Paving	155,644	6,917	148,727	153,915
	<b>\$ 3,259,079</b>	<b>\$ 2,126,895</b>	<b>\$ 1,132,184</b>	<b>\$ 987,997</b>

5. INTANGIBLE ASSETS

	2023	2022
Website development	\$ 5,402	\$ 5,402
Accumulated amortization	(3,499)	(2,419)
	<b>\$ 1,903</b>	<b>\$ 2,983</b>

**SMYTHE STREET CATHEDRAL INC.**  
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**Notes to Financial Statements**  
**Year Ended December 31, 2023**

6. RESTRICTED CASH & INVESTMENTS

	<b>2023</b>	2022
Quadrus CRF Investments - Capital Fund	\$ 63,177	\$ 157,358
Cash - Capital Fund	20	2,220
Quadrus GBF Investments - Babineau Memorial Fund	12,510	11,797
Cash - Fredericton Housing First Micro Home Fund	10,655	27,946
Cash - Under The Tent Fund	13,848	-
	<b>\$ 100,210</b>	<b>\$ 199,321</b>

7. CREDIT FACILITY

The organization has a credit facility with Omista Credit Union, which includes an approved operating line that can be drawn upon to a maximum of \$15,000, which bears interest at prime plus 1.50%, secured by a registered general security agreement giving a first charge on all personal property, and an assignment of all perils insurance with the Credit Union named as payee.

At the statement of financial position date none of the available credit was utilized.

8. LONG TERM DEBT

	<b>2023</b>	2022
The New Brunswick Housing Corporation forgivable mortgage bearing interest at 0%. Loan is forgiven over a term of 14 years, conditional on the church meeting certain conditions. Should the conditions be breached, the remainder of the mortgage will become repayable, with interest of 1.9%.	<b>\$ 143,810</b>	<b>\$ 155,238</b>

Anticipated debt forgiveness is approximately:

2024	\$ 11,429
2025	11,429
2026	11,429
2027	11,429
2028	11,429
Thereafter	86,665
	<b>\$ 143,810</b>

**SMYTHE STREET CATHEDRAL INC.**  
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**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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9. DEFERRED CONTRIBUTIONS

	<b>2023</b>	2022
Prepaid rents	\$ 1,950	\$ -
Spain trip receipts	4,100	7,100
	<b>\$ 6,050</b>	<b>\$ 7,100</b>

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10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.