

SMYTHE STREET CATHEDRAL INC.
(Operating as Smythe Street Church)
Financial Statements
Year Ended December 31, 2024

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(Operating as Smythe Street Church)
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INDEPENDENT AUDITOR'S REPORT

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, 2024, 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, 2024, 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.

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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 10, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS

SMYTHE STREET CATHEDRAL INC.
(Operating as Smythe Street Church)
Statement of Financial Position
December 31, 2024

	General Fund 2024	Babineau Memorial Fund 2024	Capital Reserve Fund 2024	Fredericton Housing First Micro Home Fund 2024	Under The Tent Fund 2024	Total 2024	Total 2023
ASSETS							
CURRENT							
Cash	\$ 86,140	\$ -	\$ -	\$ -	\$ -	\$ 86,140	\$ 72,110
Accounts receivable	3,330	-	-	-	-	3,330	8,146
HST receivable	12,516	-	-	-	-	12,516	22,662
Prepaid expenses	9,624	-	-	-	-	9,624	7,831
	111,610	-	-	-	-	111,610	110,749
CAPITAL ASSETS (Note 4)	667,119	-	-	411,054	-	1,078,173	1,132,184
INTANGIBLE ASSETS (Note 5)	823	-	-	-	-	823	1,903
RESTRICTED CASH & INVESTMENTS (Note 6)	-	12,795	85,888	28,736	17,270	144,689	100,210
	\$ 779,552	\$ 12,795	\$ 85,888	\$ 439,790	\$ 17,270	\$ 1,335,295	\$ 1,345,046

See notes to financial statements

SMYTHE STREET CATHEDRAL INC.
(Operating as Smythe Street Church)
Statement of Financial Position
December 31, 2024

	General Fund 2024	Babineau Memorial Fund 2024	Capital Reserve Fund 2024	Fredericton Housing First Micro Home Fund 2024	Under The Tent Fund 2024	Total 2024	Total 2023
LIABILITIES AND NET ASSETS							
CURRENT							
Accounts payable and accrued liabilities	\$ 51,954	\$ -	\$ -	\$ 18,892	\$ -	\$ 70,846	\$ 65,865
Deferred revenue and contributions <i>(Note 9)</i>	4,100	-	-	3,679	-	7,779	6,050
Employee deductions payable	16,690	-	-	-	-	16,690	13,635
	72,744	-	-	22,571	-	95,315	85,550
LONG TERM DEBT <i>(Note 8)</i>	-	-	-	132,381	-	132,381	143,810
	72,744	-	-	154,952	-	227,696	229,360
NET ASSETS	706,808	12,795	85,888	284,838	17,270	1,107,599	1,115,686
	\$ 779,552	\$ 12,795	\$ 85,888	\$ 439,790	\$ 17,270	\$ 1,335,295	\$ 1,345,046

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, 2024

	General Fund 2024	Babineau Memorial Fund 2024	Capital Reserve Fund 2024	Fredericton Housing First Micro Home Fund 2024	Under The Tent Fund 2024	Total 2024	Total 2023
RECEIPTS							
Tithes, offerings and unrestricted contributions	\$ 992,314	\$ -	\$ -	\$ -	\$ -	\$ 992,314	\$ 954,588
Government assistance	25,969	-	-	-	-	25,969	13,649
Restricted contributions	-	-	4,490	3,700	33,651	41,841	36,381
Rental income	-	-	-	49,752	-	49,752	30,000
Miscellaneous receipts	6,291	-	-	-	-	6,291	8,270
Debt forgiveness (Note 8)	-	-	-	11,429	-	11,429	11,429
	1,024,574	-	4,490	64,881	33,651	1,127,596	1,054,317
EXPENSES							
Payroll	513,728	-	-	-	-	513,728	501,533
Ministry	299,426	-	-	17,950	28,857	346,233	287,053
Occupancy	106,615	-	-	30,623	-	137,238	127,552
Amortization	65,063	-	-	22,627	-	87,690	95,460
Office	41,952	-	-	1,178	-	43,130	37,537
Bank and payment fees	11,970	-	-	-	-	11,970	13,505
	1,038,754	-	-	72,378	28,857	1,139,989	1,062,640
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENSES FROM OPERATIONS	(14,180)	-	4,490	(7,497)	4,794	(12,393)	(8,323)
Unrealized gain (loss) on investments	-	285	4,021	-	-	4,306	6,531
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENSES	\$ (14,180)	\$ 285	\$ 8,511	\$ (7,497)	\$ 4,794	\$ (8,087)	\$ (1,792)

See notes to financial statements

SMYTHE STREET CATHEDRAL INC.
(Operating as Smythe Street Church)
Statement of Changes in Net Assets
Year Ended December 31, 2024

	General Fund	Babineau Memorial Fund	Capital Reserve Fund	Fredericton Housing First Micro Home Fund	Under The Tent Fund	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 735,168	\$ 12,510	\$ 63,197	\$ 292,335	\$ 12,476	\$ 1,115,686	\$ 1,117,478
Deficiency of receipts over expenses	(14,180)	285	8,511	(7,497)	4,794	(8,087)	(1,792)
Repayment of interfund loan	(14,180)	-	14,180	-	-	-	-
NET ASSETS - END OF YEAR	\$ 706,808	\$ 12,795	\$ 85,888	\$ 284,838	\$ 17,270	\$ 1,107,599	\$ 1,115,686

See notes to financial statements

SMYTHE STREET CATHEDRAL INC.
(Operating as Smythe Street Church)
Statement of Cash Flows
Year Ended December 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Cash receipts	\$ 1,072,960	\$ 1,006,843
Cash paid to suppliers and employees	(1,023,940)	(902,839)
Rental income	49,752	30,000
Bank and payment fees	(11,970)	(13,505)
Cash flow from operating activities	86,802	120,499
INVESTING ACTIVITIES		
Purchase of capital assets	(32,599)	(238,567)
Purchase of GIC	(3,700)	-
Proceeds from sale of marketable securities	-	100,000
Cash flow used by investing activities	(36,299)	(138,567)
INCREASE (DECREASE) IN CASH FLOW	50,503	(18,068)
Cash - beginning of year	96,633	114,701
CASH - END OF YEAR	\$ 147,136	\$ 96,633
CASH CONSISTS OF:		
Unrestricted	\$ 86,140	\$ 72,110
Restricted - Fredericton Housing First Micro Home Fund	25,036	10,655
Restricted - Capital Reserve Fund	18,690	20
Restricted - Under the Tent Fund	17,270	13,848
	\$ 147,136	\$ 96,633

See notes to financial statements

SMYTHE STREET CATHEDRAL INC.
(Operating as Smythe Street Church)
Notes to Financial Statements
Year Ended December 31, 2024

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 an externally restricted fund 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 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, 2024

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, 2024

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	2024 Net book value	2023 Net book value
Land	\$ 93,000	\$ -	\$ 93,000	\$ 93,000
Buildings and renovations - Church	2,139,596	1,736,394	403,202	414,311
Building - Micro Home	452,536	41,482	411,054	433,680
Equipment	446,904	419,525	27,379	42,466
Computer software	3,998	3,998	-	-
Paving	155,644	12,106	143,538	148,727
	\$ 3,291,678	\$ 2,213,505	\$ 1,078,173	\$ 1,132,184

5. INTANGIBLE ASSETS

	2024	2023
Website development	\$ 5,402	\$ 5,402
Accumulated amortization	(4,579)	(3,499)
	\$ 823	\$ 1,903

SMYTHE STREET CATHEDRAL INC.
(Operating as Smythe Street Church)
Notes to Financial Statements
Year Ended December 31, 2024

6. RESTRICTED CASH & INVESTMENTS

	2024	2023
Quadrus CRF Investments - Capital Fund	\$ 67,198	\$ 63,177
Cash - Capital Fund	18,690	20
Quadrus GBF Investments - Babineau Memorial Fund	12,795	12,510
Cash - Fredericton Housing First Micro Home Fund	25,036	10,655
GIC - Fredericton Housing First Micro Home Fund	3,700	-
Cash - Under The Tent Fund	17,270	13,848
	\$ 144,689	\$ 100,210

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

	2024	2023
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%.	\$ 132,381	\$ 143,810

Anticipated debt forgiveness is approximately:

2025	\$ 11,429
2026	11,429
2027	11,429
2028	11,429
2029	11,429
Thereafter	75,236
	\$ 132,381

SMYTHE STREET CATHEDRAL INC.
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Notes to Financial Statements
Year Ended December 31, 2024

9. DEFERRED CONTRIBUTIONS

	2024	2023
Prepaid rents	\$ 3,679	\$ 1,950
Spain trip receipts	4,100	4,100
	\$ 7,779	\$ 6,050
