

SMYTHE STREET CATHEDRAL INC.
(Operating as Smythe Street Church)
Financial Statements
Year Ended December 31, 2025

SMYTHE STREET CATHEDRAL INC.
(Operating as Smythe Street Church)
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Year Ended December 31, 2025

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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, 2025, 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, 2025, 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 2, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS

SMYTHE STREET CATHEDRAL INC.
(Operating as Smythe Street Church)
Statement of Financial Position
December 31, 2025

	General Fund 2025	Babineau Memorial Fund 2025	Capital Reserve Fund 2025	Fredericton Housing First Micro Home Fund 2025	Under The Tent Fund 2025	Afterschool Program Fund 2025	Total 2025	Total 2024
ASSETS								
CURRENT								
Cash	\$ 137,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,285	\$ 86,140
Accounts receivable (Note 4)	13,346	-	-	-	-	-	13,346	15,846
Prepaid expenses	9,400	-	-	-	-	-	9,400	9,624
	160,031	-	-	-	-	-	160,031	111,610
CAPITAL ASSETS (Note 5)	649,822	-	-	388,427	-	-	1,038,249	1,078,173
INTANGIBLE ASSETS (Note 6)	5,183	-	-	-	-	-	5,183	823
RESTRICTED CASH & INVESTMENTS (Note 7)	7,847	13,321	106,511	32,955	-	-	160,634	144,689
	\$ 822,883	\$ 13,321	\$ 106,511	\$ 421,382	\$ -	\$ -	\$ 1,364,097	\$ 1,335,295
LIABILITIES AND NET ASSETS								
CURRENT								
Accounts payable and accrued liabilities (Note 9)	\$ 53,643	\$ -	\$ -	\$ 19,489	\$ -	\$ -	\$ 73,132	\$ 87,536
Deferred revenue and contributions (Note 10)	7,490	-	-	3,527	-	-	11,017	7,779
	61,133	-	-	23,016	-	-	84,149	95,315
LONG TERM DEBT (Note 11)	-	-	-	120,952	-	-	120,952	132,381
TRUST LIABILITY (Note 7)	7,847	-	-	-	-	-	7,847	-
	68,980	-	-	143,968	-	-	212,948	227,696
NET ASSETS (DEBT)	768,328	13,321	106,511	277,114	-	(14,125)	1,151,149	1,107,599
	\$ 837,308	\$ 13,321	\$ 106,511	\$ 421,082	\$ -	\$ (14,125)	\$ 1,364,097	\$ 1,335,295

ON BEHALF OF THE BOARD

President

Trustee

See notes to financial statements

SMYTHE STREET CATHEDRAL INC.
(Operating as Smythe Street Church)
Statement of Revenues and Expenditures
Year Ended December 31, 2025

	General Fund 2025	Babineau Memorial Fund 2025	Capital Reserve Fund 2025	Fredericton Housing First Micro Home Fund 2025	Under The Tent Fund 2025	Afterschool Program Fund 2025	Total 2025	Total 2024
RECEIPTS								
Tithes, offerings and unrestricted contributions	\$ 1,099,207	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,099,207	\$ 992,314
Government assistance	14,721	-	-	-	-	-	14,721	25,969
Restricted contributions	-	-	2,310	3,335	-	-	5,645	41,841
Rental income	-	-	-	53,760	-	-	53,760	49,752
Miscellaneous receipts	3,571	-	-	-	-	-	3,571	6,291
Debt forgiveness (Note 11)	-	-	-	11,429	-	-	11,429	11,429
Afterschool program	-	-	-	-	-	12,064	12,064	-
	1,117,499	-	2,310	68,524	-	12,064	1,200,397	1,127,596
EXPENSES								
Payroll	441,475	-	-	-	-	21,288	462,763	513,728
Ministry	352,371	-	-	19,489	17,270	4,901	394,031	346,233
Occupancy	122,772	-	-	34,271	-	-	157,043	137,238
Amortization	63,499	-	-	22,627	-	-	86,126	87,690
Office	51,531	-	-	-	-	-	51,531	43,130
Bank and payment fees	10,151	-	-	-	-	-	10,151	11,970
	1,041,799	-	-	76,387	17,270	26,189	1,161,645	1,139,989
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENSES FROM OPERATIONS	75,700	-	2,310	(7,863)	(17,270)	(14,125)	38,752	(12,393)
Other income								
Unrealized gain on marketable securities	-	526	4,133	-	-	-	4,659	4,306
Interest income	-	-	-	139	-	-	139	-
	-	526	4,133	139	-	-	4,798	4,306
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENSES	\$ 75,700	\$ 526	\$ 6,443	\$ (7,724)	\$ (17,270)	\$ (14,125)	\$ 43,550	\$ (8,087)

See notes to financial statements

SMYTHE STREET CATHEDRAL INC.
(Operating as Smythe Street Church)
Statement of Changes in Net Assets
Year Ended December 31, 2025

	General Fund	Babineau Memorial Fund	Capital Reserve Fund	Fredericton Housing First Micro Home Fund	Under The Tent Fund	Afterschool Program Fund	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 706,808	\$ 12,795	\$ 85,888	\$ 284,838	\$ 17,270	\$ -	\$ 1,107,599	\$ 1,115,686
Deficiency of receipts over expenses	75,700	526	6,443	(7,724)	(17,270)	(14,125)	43,550	(8,087)
Repayment of interfund loan	(14,180)	-	14,180	-	-	-	-	-
NET ASSETS - END OF YEAR	\$ 768,328	\$ 13,321	\$ 106,511	\$ 277,114	\$ -	\$ (14,125)	\$ 1,151,149	\$ 1,107,599

During the year, the Under the Tent Fund was discontinued as the related ministry activities are now carried out by Under the Tent Outreach Inc., an independent charitable organization.

The Organization also established the After-School Program Fund during the year to account for internally restricted revenues and expenses related to the church's after-school programming activities.

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

Statement of Cash Flows

Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Cash receipts	\$ 1,140,946	\$ 1,072,960
Cash paid to suppliers and employees	(1,079,548)	(1,023,940)
Rental income	53,760	49,752
Interest received	139	-
Bank and payment fees	(10,151)	(11,970)
Cash flow from operating activities	105,146	86,802
INVESTING ACTIVITIES		
Purchase of capital assets	(50,562)	(32,599)
Maturity of GIC	3,700	-
Purchase of GIC	(13,763)	(3,700)
Cash flow used by investing activities	(60,625)	(36,299)
INCREASE IN CASH FLOW	44,521	50,503
Cash - beginning of year	147,136	96,633
CASH - END OF YEAR	\$ 191,657	\$ 147,136
CASH CONSISTS OF:		
Unrestricted	\$ 137,285	\$ 86,140
Restricted - Fredericton Housing First Micro Home Fund	19,192	25,036
Restricted - Capital Reserve Fund	35,180	18,690
Restricted - Under the Tent Fund	-	17,270
	\$ 191,657	\$ 147,136

See notes to financial statements

SMYTHE STREET CATHEDRAL INC.
(Operating as Smythe Street Church)
Notes to Financial Statements
Year Ended December 31, 2025

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 are 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 was an internally restricted fund that accounted for the church's homeless outreach in Fredericton, NB. During the year, this fund was discontinued as the related ministry activities are now carried out by Under the Tent Outreach Inc., an independent charitable organization. Any remaining restricted resources were disbursed in accordance with board restrictions.

The After-School Program Fund is an internally restricted fund established during the year to account for revenues and expenses related to the church's after-school programming activities.

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SMYTHE STREET CATHEDRAL INC.
(Operating as Smythe Street Church)
Notes to Financial Statements
Year Ended December 31, 2025

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	10 - 20 years	straight-line method
Building - Micro Home Project	20 years	straight-line method
Equipment	3 - 5 years	straight-line method
Computer software	5 years	straight-line method
Paving	30 years	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 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, 2025

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 and long-term debt. Management believes that the fair value of these items approximates their carrying value.

It is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

4. ACCOUNTS RECEIVABLE

	2025	2024
Accounts receivable	\$ 398	\$ 3,330
HST receivable	12,948	12,516
	\$ 13,346	\$ 15,846

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Land	\$ 93,000	\$ -	\$ 93,000	\$ 93,000
Buildings and renovations - Church	2,139,596	1,769,945	369,651	403,202
Building - Micro Home	452,536	64,109	388,427	411,054
Equipment	492,242	443,421	48,821	27,379
Computer software	3,998	3,998	-	-
Paving	155,644	17,294	138,350	143,538
	\$ 3,337,016	\$ 2,298,767	\$ 1,038,249	\$ 1,078,173

6. INTANGIBLE ASSETS

	2025	2024
Website development	\$ 10,626	\$ 5,402
Accumulated amortization	(5,443)	(4,579)
	\$ 5,183	\$ 823

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

Notes to Financial Statements
Year Ended December 31, 2025

7. RESTRICTED CASH & INVESTMENTS

	2025	2024
Quadrus CRF Investments - Capital Fund	\$ 71,331	\$ 67,198
Cash - Capital Fund	35,180	18,690
Quadrus GBF Investments - Babineau Memorial Fund	13,321	12,795
Cash - Fredericton Housing First Micro Home Fund	19,192	25,036
Fredericton Community Foundation - Fredericton Housing First Micro Home Fund	13,763	3,700
Cash - Under The Tent Fund	-	17,270
Guaranteed Investment Certificate - IRCC Funds Held in Trust	7,847	-
	\$ 160,634	\$ 144,689

Funds held in trust relate to amounts administered by the Church under the Immigration, Refugees and Citizenship Canada ("IRCC") sponsorship program. These amounts are held in a fixed interest guaranteed investment certificate maturing in 2027 for the benefit of the sponsored individual and are not available for general operations of the Organization.

8. 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.

9. ACCOUNTS PAYABLE

	2025	2024
Accounts payable	\$ 66,985	\$ 70,846
Employee deductions payable	6,147	16,690
	\$ 73,132	\$ 87,536

10. DEFERRED CONTRIBUTIONS

	2025	2024
Prepaid rents	\$ 3,527	\$ 3,679
Spain trip receipts	4,100	4,100
Resource room and kitchen materials	3,390	-
	\$ 11,017	\$ 7,779

SMYTHE STREET CATHEDRAL INC.
(Operating as Smythe Street Church)
Notes to Financial Statements
Year Ended December 31, 2025

11. LONG TERM DEBT

	2025	2024
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%.	\$ 120,952	\$ 132,381

Anticipated debt forgiveness is approximately:

2026	\$ 11,429
2027	11,429
2028	11,429
2029	11,429
2030	11,429
Thereafter	63,807
	\$ 120,952