

# ANNUAL REPORT 2020

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College of Naturopathic Doctors of Alberta



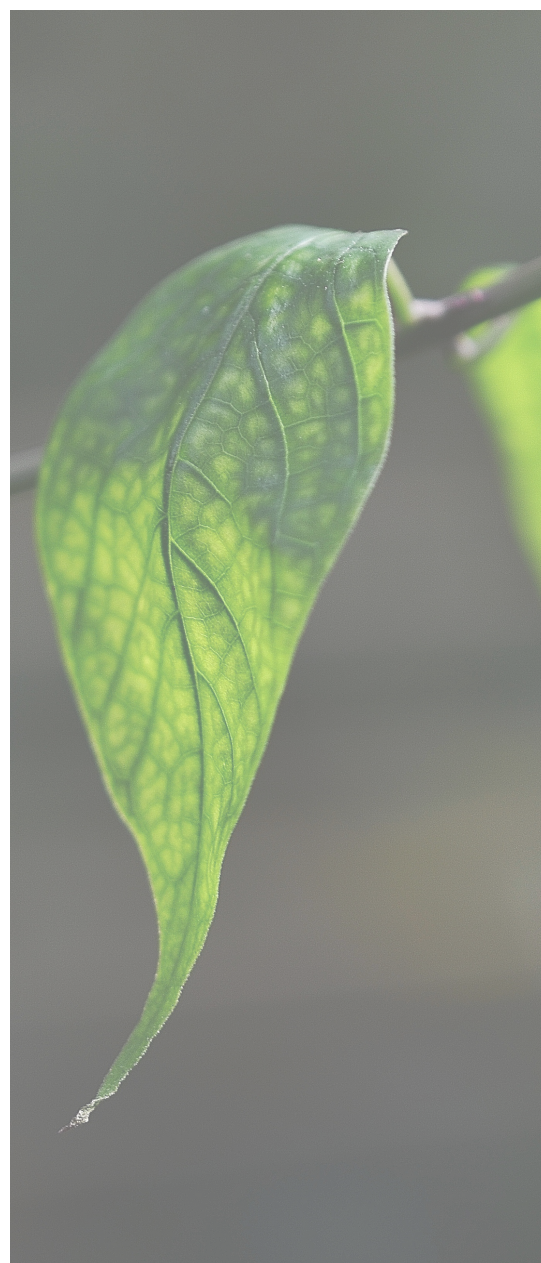
cnda

COLLEGE OF NATUROPATHIC  
DOCTORS OF ALBERTA

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# INTRODUCTION

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The CNDA submits its 2020 Annual Report to the Minister of Health with the intention to communicate important information and updates about the College's membership and activities. This report highlights key trends, results, and accomplishments from the past fiscal year. Unless otherwise indicated, the statistics presented cover the period from January 1, 2020 to December 31, 2020.

## *Self-Regulation: A Privilege*

Self-regulation is a promise we make as naturopathic doctors in Alberta to hold ourselves to the highest standards of professionalism and competency in serving Albertans. This privilege comes through the Health Professions Act, RSA 2000, Chapter H-7 and the College of Naturopathic Doctors of Alberta (CNDA) is the representative body. The CNDA is supported primarily through the annual practice permit fees of CNDA members.

The CNDA is governed by a Council of elected and appointed members including six elected practicing naturopathic doctors and three public members appointed by Alberta's Lieutenant-Governor in Council. Each of these individuals brings a unique perspective and experience to CNDA Council decisions that set the strategic and policy direction for regulation of naturopaths in Alberta. Two CNDA staff members attend as non-voting guests at Council meetings to report to Council, to provide answers to questions and provide any background necessary to assist Council in making informed decisions.

All Council members have a fiduciary duty to the CNDA. This means they are required to make careful decisions in good faith that are consistent with our commitment to protecting the public. Our Council members must always be aware of any undue influence from any party or any financial interests. In their capacity as Council members, the six elected practicing naturopathic doctors do not represent members of the profession, but rather bring their experience to develop policy and direction for the governance of the profession.

There were a handful of changes to CNDA Council in 2020:

On April 24, 2020, a council seat became vacant and nominations to fill that seat were opened on April 27, 2020. One complete nomination package was received and Dr. Dawne Engele was acclaimed to the open seat on May 26, 2020. Her term will end on August 31, 2022.

In June 2020, nominations were opened for Dr. Beverly Huang ND and Dr. Kin Leung ND's council seats as their terms on council were due to expire in September. The CNDA Council welcomed back the return of Dr. Leung and also welcomes Dr. Michael Nowazek ND for his first term on council. Their terms began September 1, 2020 and will end August 31, 2023. The CNDA Council expressed its deep gratitude to Dr. Huang for her immense contribution of 6 years of service on Council and her continued work on several CNDA committees.

The composition of the public members on Council changed slightly in 2020 with Katherine Camarta's term ending in October 2020. Ms. Camarta's replacement appointment was not made as of December 31, 2020.

# CNDA COUNCIL AND STAFF

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The 2020 College Council and Staff were:

## COLLEGE COUNCIL

Dr. Beverly Huang ND, PRESIDENT (term ended September)

Dr. Shane Johnson ND, VICE-PRESIDENT (January to September)  
PRESIDENT (October to December)

Dr. A.J. DeNault ND, MEMBER-AT-LARGE (January to September)  
VICE-PRESIDENT (October to December)

Dr. Michael Mason-Wood ND, MEMBER-AT-LARGE (January to April)

Dr. Joseph Klassen ND, FINANCES, MEMBER-AT-LARGE

Dr. Kin Leung ND, MEMBER-AT-LARGE

Dr. Michael Nowazek ND, MEMBER-AT-LARGE (elected September)

Dr. Dawne Engele ND, MEMBER-AT-LARGE (acclaimed September)

Katherine Camarta, PUBLIC MEMBER (term ended October)

Elsy Gagne, PUBLIC MEMBER (term ends 2021)

Ralph Westwood, PUBLIC MEMBER (term ends 2021)

## COLLEGE STAFF

Cherie Baruss, Registrar and Complaints Director

Kristen Tanaka, Deputy Registrar and Hearings Director

# ABOUT THE CNDA

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## *What we do*

The CNDA regulates naturopathic doctors in Alberta in the interests of the public. We believe the best way to protect the public is by ensuring patients have safe, competent and ethical naturopathic care. The CNDA sets requirements to enter the profession, establishes requirements for continuing competence for our regulated members, and establishes and enforces standards of practice outlining the minimum requirements a naturopathic doctor must meet all with a goal to ensuring Alberta's naturopaths are accountable for their conduct and practice.

## *How we do it*

### **Registration Requirements**

We establish requirements to enter the profession and, through our rigorous application process, register only qualified individuals as naturopathic doctors in Alberta.

### **Standards of Practice**

We develop, maintain, and enforce Standards of Practice that outline the minimum requirements for regulated members across all areas of their practices ensuring that the public is protected, and that patient safety is paramount.

### **Complaints and Concerns**

We investigate and determine appropriate solutions to issues about naturopathic practice and the conduct of our members.

### **Continuing Competence**

We ensure that the continuing competence requirements of our members is current and appropriate to assure the safest quality naturopathic care.

# NOTE FROM THE PRESIDENT

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I feel very fortunate to have been elected president of our College. It has been very clear to me since joining council in 2019 the amount of work that the College staff, council members, and committee members put into regulating our profession. It is not only the time commitment by these individuals that has impressed me but the significant passion for regulating our profession to the highest standards. Dedication to regulation is more than just a job or volunteer position for them. They are all completely committed to the continued successful self-regulation of Naturopathic Doctors in Alberta.

We navigated a very turbulent 2020 with the pandemic and overall I am amazed at how the College was able to keep up with constant changes with our public health orders by the province. I want to recognize specifically College staff and volunteers who were available, at a moment's notice many times over those first few months of the pandemic, to make sure that the CNDA was able to protect the public and get naturopathic doctors safely back to work treating patients .

Upon being elected president in 2020, I immediately began working to create a positive relationship with the Alberta Association of Naturopathic Doctors by having monthly one on one meetings with an AAND board member to improve communication between the College and the Association. These meetings have been very positive and I look forward to continuing that going forward.



It is very important to me that the Association and College have a strong working relationship. Naturopathic doctors need to focus on working together on common goals to hold the profession to standards of excellence in this province. Successful regulation ensures respect for the profession and can only serve to further advance public trust in naturopathic medicine.

I want to thank our outgoing CNDA President Dr. Beverly Huang, ND, who dedicated so much time to the furtherance of self-regulation for naturopathic doctors during her six years on Council. Dr. Huang's council term ended September 1, 2020 and she continues to generously give her time on CNDA committees.

The CNDA Council is working to further enhance public protection and regulatory excellence in the coming year and there are many changes coming as a result of Bill 46. I look forward to overseeing all of that work as CNDA President in 2021.

Sincerely,

Dr. Shane Johnson, ND

# NOTE FROM THE REGISTRAR

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As Registrar for the CNDA, I am pleased to present the College of Naturopathic Doctors of Alberta's 2020 Annual Report which has been prepared under the guidance of CNDA Council. This report is focused on a year full of activity amidst pandemic challenges for the CNDA. The extraordinary amount of work accomplished this past year would not have been possible without our full-time Deputy Registrar and Hearings Director, Kristen Tanaka. Additionally, we saw the power and importance of an active and engaged Council as we faced unprecedented and pressing decisions related to the pandemic and its impact on healthcare in Alberta.

The pandemic created some challenges for the CNDA. I was in regular communication with Alberta Health and maintained a heightened level of communication to regulated members as things often changed daily in the early stages of the pandemic. Council was agile and able to quickly approve the CNDA Guideline: COVID-19 Reopening in May, allowing our registrants to get back to the practice of naturopathic medicine when Alberta reopened. CNDA staff also coordinated PPE orders for members for 8 weeks in May and June when members were able to access PPE for their practices through government. Furthermore, changes and extensions were made to the CNDA Continuing Competence Program Rules to ease challenges members faced in obtaining their continuing competence credits during COVID-19 restrictions and closures while ensuring that public protection and safety was never compromised.

The CNDA conducted its first ever contested hearing in March just before pandemic closures and heard its first appeal of a hearing outcome virtually in November of 2020.

The CNDA continued to grow in membership in 2020 with the current number of regulated members now 318. In spite of the pandemic, in 2020 we saw many new graduates applying for membership with the CNDA.

In 2020 the CNDA rolled out additional modules of our regulatory management software which further enhance our requirements as a regulator to manage registrations, renewals, continuing competence, jurisprudence, complaints and task management. Additionally, our regulatory management software was reprogrammed to accommodate the prorating of continuing competence credits.

An important 2020 project took valuable next steps with the Canadian Alliance of Naturopathic Regulatory Authorities (CANRA) becoming incorporated. CANRA is now ready to move the organization's strategic plan forward. It is exciting that I will oversee the CANRA entity which will be run out of Alberta and the day to day operations will be conducted by an Alberta-based Executive Director under my supervision and the direction of all the naturopathic registrars of regulated Canadian jurisdictions.

In May 2020 I was elected to the Executive of the Alberta Federation of Regulated Health Professions (AFRHP) as a member-at-large for a two-year term. The CNDA is privileged to hold a seat at the table leading the alliance and collaboration of health regulators in Alberta.

The CNDA began, in 2020, preparations for meeting the requirements of Bill 30 and Bill 46, as well as conducted its first official Council governance review.

I remain confident that the College, its Council, committees and staff continue to meet the tasks and challenges they are presented with the utmost professionalism, always keeping in mind the principles of accountability and transparency when meeting the commitment to protect the public. It remains a privilege to work for a regulator that holds itself to the highest standard.

Respectfully submitted,

Cherie Baruss B.A., LL.B.  
Registrar and Complaints Director

# REGISTRATION

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## *Registering Competent, Qualified Naturopathic Doctors*

The CNDA ensures that individuals applying to become registered naturopaths in Alberta meet the requirements set out for them to ensure safe, competent and ethical naturopathic care. We review their education, training and experience, as well as confirming there are no concerns relating to their conduct or their ability or fitness to practice. This includes a review of any previous or current registrations in any other jurisdiction and a review of any disciplinary action.

In addition to educational requirements, applicants are required to submit passing results from both Council-approved written and practical examinations, a criminal record check, reference letters, and proof of certification in any elective practice areas that are considered restricted activities requiring authorization in Alberta.

## *About Our Membership*

Naturopathic doctors in Alberta must renew their registration with the CNDA every year, including meeting the continuing competence requirements set out for them in the CNDA Continuing Competence Program Rules and paying the annual practice permit renewal fee set by Council annually.

## *The Facts*

There are three register categories with the CNDA:

1. General register;
2. Provisional register; and,
3. Courtesy Register.

### REGISTRATION RENEWALS

97% of members renewed on time, reflecting a strong ongoing member commitment to compliance with registration requirements.

### MEMBERS IN GOOD STANDING

	2019	2020
General Register	304	318
Provisional Register	0	0
Courtesy Register	0	0
Applications Received	37	26
New Registrations	36	26
Reinstatements	0	4
Practice permits cancelled, restricted or not renewed	13	17
Requests for registration review	0	0
Incapacity assessments	0	0
Number of Foreign Applicants	0	0
Length of Time to Process Application from Foreign Application	n/a	n/a

# COMPLAINTS

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## *Addressing Concerns and Complaints*

The CNDA is responsible for handling all concerns and complaints respecting regulated members of the College. The CNDA reviews and responds to all concerns about the practice, conduct or health of CNDA registered members. Anyone, a member of the public, a patient, an employer or other health care professional, can contact us about an issue, concern, or to initiate a complaint.

All concerns are taken seriously and the Complaints Director will follow a process of reviewing the details, contacting the member, and determining resolution depending on the nature of the concern.

A concern is different than a formal complaint. A complaint is governed by a formal process set out in the *Health Professions Act RSA 2000 Chapter H-7* and must meet specific statutory requirements and deadlines. Every complaint must be considered by the Complaints Director pursuant to the provisions set out in Part 4 of the *Health Professions Act*.



## *The Facts*

	2019	2020
Concerns received	32	13
Concerns resolved	31	14
Concerns carried over from previous years	2	1
Complaints received	17	26
Complaints dismissed	2	7
Complaints carried over from previous years	2	5
Complaints referred to hearing	2	3
Complaints referred to alternative complaint resolution	0	0
Hearings conducted	2	1
Hearings closed or partly closed to the public	0	0
Appeals	0	1
Complaints alleging sexual abuse and sexual misconduct	0	0
Findings of unprofessional conduct based in whole or in part on sexual abuse or sexual misconduct	0	0



# CONTINUING COMPETENCE

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## *Ensuring Competent, Qualified Naturopathic Doctors*

The *Health Professions Act* requires that all regulated health professionals have a responsible, accountable, and formal means of assessing and reporting on the continuing competence of their members. All regulated health professions in Alberta are required to establish a continuing competence program.

The CNDA Continuing Competence Program is an important component in ensuring that naturopathic doctors provide care that is safe, competent, and ethical. A continuing competence cycle is two years long. In 2020 CNDA regulated members completed a prorated continuing competence cycle as part of a plan implemented in 2019 to change the continuing competence cycle to align the end of the competence cycle with the opening of renewals. For the 2019-2020 competence period, members had prorated competence requirements to effect the competence cycle change.

Beginning in 2020, the 2-year competence cycle with full competence requirements will begin on November 1 of even years and end on October 31 two years later.

**Self-Assessment:**

Naturopathic doctors must complete a self-assessment using an online self-assessment tool in the CNDA members' portal once per calendar year.

**Learning Plan:**

Naturopathic doctors must develop learning plans using the learning plan tool in the CNDA members' portal.

**Submission of Program Credits:**

Naturopathic doctors must provide a list of continuing competence activities undertaken together with supporting documentation using the CNDA members' portal.

**Practice Visits:**

Naturopathic doctors must complete, within 60 days of receiving a notice that they have been randomly selected for a practice visit, a Practice Visit package which is reviewed by peer assessor against a rubric of minimum requirements. Practice Visits were temporarily paused due to COVID-19 and the CNDA took this opportunity to further overhaul the program and move it into our online registration management software.

# MESSAGE FROM THE PUBLIC MEMBERS

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The Alberta Health Professions Act requires that self-regulated professions like the College of Naturopathic Doctors of Alberta are composed of members of its profession and public representatives. In 2020, there were six members from the profession and three public representatives. The public representatives were Katherine Camarta (appointed October 17, 2017 to October 17, 2020), Elsy Gagne (appointed June 8, 2018 to June 7, 2021) and Ralph Westwood (appointed May 8, 2018 to May 7, 2021).

Public members come from a variety of careers, backgrounds, and experiences, other than naturopathic medicine. We participate fully in the business and debate of the Council to ensure that the public interest of Albertans is safeguarded.

We appreciate that Council members acknowledge our input, support and involvement in all aspects of the Council, including debating standards, evaluating practice and planning future directions for the profession.

We are pleased to be part of this dedicated Council of volunteers, professionals and staff that serve the public interest of Albertans by setting, monitoring, maintaining and enforcing the high standards of services provided to Albertans by its registered naturopathic doctors.

We are also pleased to report that, Council is effectively developing relationships with government partners, other professional associations and regulators. Under the leadership of Council Chairs, Drs. Beverly Huang (to Aug 2020) and Shane Johnson (from Oct 2020), Council is fulfilling its responsibilities to serve and protect Albertans in a fiscally responsible fashion. We are confident Council will continue to fulfill its mandate and serve the public while regulating and providing direction to the profession.

Respectfully submitted,

Ralph Westwood on behalf of the Public Members of the CNDA Council

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# FINANCIALS

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The College's fiscal year finished with a modest deficit on operations of \$2302. The budgeting process is working, with predictable revenues and expenses being reasonably anticipated. We continue to plan with a 5-year outlook and attempt to reasonably predict our needs to grow and adapt to our changing regulatory environment.

The CNDA Executive Committee is mindful of past expenses and anticipating future needs and requirements when developing the budget. This committee meets a minimum of three times per year to keep a critical and detailed eye on the budget and actual expenses, and to report back and recommend to Council adjustments to the budget where necessary.

Our risks include the unpredictable expenses in hearings, complaint reviews and regulatory changes which, by their very nature, cannot be seen in advance. There is real risk that these can be considerable, and likely unavoidable, and they represent our most variable expense items. We also risk losing a number of out-of-province members should their regulatory environment change.

The items which are notable compared to previous years expenses include staffing, which has been anticipated in the budget over recent years. The cost of legal and investigative fees is the single largest change in our costs, and is the result of complaints and hearings expenses. It may be the case that some of these fees could be recouped as part of the resolution of complaints but that is a matter to be reconciled in the future.

Respectfully submitted,

Dr. Joseph Klassen ND

# FINANCIAL STATEMENTS

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## *Funding Guidelines for Treatment and Counselling Annual Report*

	Related to Sexual Abuse	Related to Sexual Misconduct	Total
Number of Complaints	0	0	0
Number of Patients that Accessed the Fund	0	0	0
Amount of Money Dispersed	\$0.00	\$0.00	\$0.00

## *Audited Financial Statements*

The following pages included audited financial statements for the reporting period of January 1, 2020 to December 31, 2020.

**COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA**  
**Financial Statements**  
**Year Ended December 31, 2020**

**COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA**  
**Index to Financial Statements**  
**Year Ended December 31, 2020**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of College of Naturopathic Doctors of Alberta

### *Opinion*

We have audited the financial statements of College of Naturopathic Doctors of Alberta (the College), which comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenses, 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 College as at December 31, 2020, 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 College 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 College'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 College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College'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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\*operating through Mahmud Khalfan Professional Corporation, Chartered Professional Accountants

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www.khalfans.ca



Independent Auditor's Report to the Members of College of Naturopathic Doctors of Alberta *(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 College'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 College'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 College 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.

Calgary, Alberta  
March 19, 2021





Mahmud Khalfan Professional Corporation  
Chartered Professional Accountants

**COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA**  
**Statement of Financial Position**  
**December 31, 2020**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 643,201	\$ 469,827
Accounts receivable	801	-
Goods and services tax recoverable	542	-
Prepaid expenses	19,416	15,706
	<u>663,960</u>	485,533
CAPITAL ASSETS (Note 4)	524,067	532,022
RESTRICTED LONG TERM INVESTMENTS (Note 9)	99,317	97,561
	<u>\$ 1,287,344</u>	<u>\$ 1,115,116</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 49,602	\$ 32,391
Credit card payable (Note 6)	267	984
Wages payable	4,016	1,275
Payroll liabilities	3,817	4,533
Bank operating loan (Note 6)	1,090	694
Deferred revenue (Note 7)	575,338	425,390
Goods and services tax payable	-	30
Short term debt	40,000	-
Current portion of long term debt (Note 8)	22,118	15,698
	<u>696,248</u>	480,995
LONG TERM DEBT (Note 8)	364,318	390,180
	<u>1,060,566</u>	871,175
<b>NET ASSETS</b>		
Unrestricted	(10,170)	18,847
Invested in capital assets	137,631	127,533
Internally restricted (Note 9)	99,317	97,561
	<u>226,778</u>	243,941
	<u>\$ 1,287,344</u>	<u>\$ 1,115,116</u>

ON BEHALF OF THE BOARD

 Director

 Director

See notes to financial statements

**COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA**  
**Statement of Revenues and Expenses**  
**Year Ended December 31, 2020**

	2020	2019
<b>REVENUES</b>		
Memberships	\$ 448,924	\$ 380,540
Application fees and other charges	24,488	10,980
Other income	22,223	9,217
Rental income	9,500	13,000
Interest	1,901	1,327
	<u>507,036</u>	<u>415,064</u>
<b>EXPENSES</b>		
Registrar services (Note 10)	123,250	77,132
Legal and investigative fees	118,820	50,241
Salaries and wages (Note 10)	80,523	73,189
Memberships and subscriptions	39,065	20,677
Conference and meeting cost	22,972	33,638
Condo fees	17,662	14,704
Website	17,300	21,083
Interest on long term debt	16,307	21,970
Amortization of tangible assets	14,854	15,068
Bank charges	14,479	11,859
Property taxes	12,124	11,704
Office	11,657	11,772
Travel	11,388	13,050
Professional fees	7,717	6,465
Consulting	6,965	1,188
Insurance	4,693	4,693
Telephone and communication	2,068	1,818
Professional development	1,049	8,646
Delivery, freight and express	956	984
Advertising and promotion	350	-
	<u>524,199</u>	<u>399,881</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (17,163)</b>	<b>\$ 15,183</b>

See notes to financial statements

**COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2020**

	Unrestricted	Invested in capital assets	Internally restricted	<b>2020</b>	2019
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 18,847	\$ 127,533	\$ 97,561	<b>\$ 243,941</b>	\$ 228,758
Excess (Deficiency) of revenues over expenses	(4,065)	(14,854)	1,756	<b>(17,163)</b>	15,183
Transfers ( <i>Note 12</i> )	(24,952)	24,952	-	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ (10,170)</b>	<b>\$ 137,631</b>	<b>\$ 99,317</b>	<b>\$ 226,778</b>	<b>\$ 243,941</b>

See notes to financial statements

**COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA****Statement of Cash Flows****Year Ended December 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 654,282	\$ 460,827
Cash paid to suppliers, employees and others	(478,799)	(353,045)
Interest received	145	1,015
Interest paid	(16,307)	(22,522)
Cash flow from operating activities	<u>159,321</u>	<u>86,275</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(6,900)	(1,589)
Proceeds (Repayment) of GICs, net	-	(959)
Cash flow used by investing activities	<u>(6,900)</u>	<u>(2,548)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from the line of credit	396	396
Repayment of mortgage	(19,443)	(13,553)
Short term debt acquired	40,000	-
Cash flow from (used by) financing activities	<u>20,953</u>	<u>(13,157)</u>
<b>INCREASE IN CASH FLOW</b>	<b>173,374</b>	<b>70,570</b>
Cash - beginning of year	<u>469,827</u>	<u>399,257</u>
<b>CASH - END OF YEAR</b>	<b>\$ 643,201</b>	<b>\$ 469,827</b>

See notes to financial statements

**COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA**

**Notes to Financial Statements**

**Year Ended December 31, 2020**

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1. PURPOSE OF THE ORGANIZATION

The College of Naturopathic Doctors of Alberta (the "College") serves to register naturopathic doctors, administer standards of practice and provide a code of ethics to ensure quality care. The College was originally registered under the Societies Act of Alberta on October 23, 1989 as an Association and changed to a College in 2012. The College is exempt from income tax under section 149(1) of the Income Tax Act.

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2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) on a going concern basis that assumes that the College will be able to realize its assets and discharge its liabilities in the normal course of business.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue is recognized when the membership fees have been collected or when it can be reasonable determined and reasonably assured the revenue will be received.

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:

Computer equipment	30%	declining balance method
Furniture and equipment	20%	declining balance method
Buildings	4%	declining balance method

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the impairment of assets, amortization rates and allowances for doubtful accounts receivable. Actual results could differ from those reported.

Volunteer contributions

Volunteers contribute a significant number of hours per year to assist the College in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Intangible assets

Intangible assets are recorded at cost. Amortization is recorded at the following rates, which have been established by estimates of useful lives:

Registration Program	3 year straight line
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*(continues)*

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**COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA**

**Notes to Financial Statements**

**Year Ended December 31, 2020**

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

Cash & cash equivalents

Cash and cash equivalents include amounts on deposit with financial institutions and term deposits that mature within three months from the date of acquisition.

Financial instruments

Financial assets and liabilities are measured initially at fair value. Subsequent measurement is at amortized cost.

Financial assets measured at amortized cost consist of cash, term deposits, accounts receivable and Guaranteed Investment Certificates (GICs).

Financial liabilities measured at amortized cost consist of accounts payable and accrued liabilities, vacation payable.

The College assesses impairment of all its financial assets measured at cost or amortized cost. When there is an indication of impairment, the College determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the College reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment loss is recognized in the statement of revenues and expenses.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	<b>2020 Net book value</b>	2019 Net book value
Buildings	\$ 388,390	\$ 70,937	\$ <b>317,453</b>	\$ 325,903
Land	200,000	-	<b>200,000</b>	200,000
Furniture and equipment	12,540	8,985	<b>3,555</b>	4,443
Computer equipment	6,202	3,143	<b>3,059</b>	1,676
	<b>\$ 607,132</b>	<b>\$ 83,065</b>	<b>\$ 524,067</b>	<b>\$ 532,022</b>

5. INTANGIBLE ASSETS

	<b>2020</b>	2019
Registration program	\$ <b>69,000</b>	\$ 69,000
Accumulated amortization	<b>(69,000)</b>	(69,000)
	<b>\$ -</b>	<b>\$ -</b>

**COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA**

**Notes to Financial Statements**

**Year Ended December 31, 2020**

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6. BANK OPERATING LOAN

The College has arranged for an operating line of credit with the Alberta Treasury Branch authorized to \$40,000. The line of credit is a non-secured and interest is payable monthly on any outstanding balance at bank prime plus 4.25%. The outstanding balance as of December 31, 2020 is \$1,090 (2019 - \$694).

The College has also obtained a credit card with a limit of \$15,500 with an annual interest rate of 19.99%. The College's practice is to pay off the balance at the end of every month. The balance as of December 31, 2020 is \$267 (2019 - \$984).

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7. DEFERRED REVENUE

Deferred revenue consists of 2021 membership dues, including GST, collected by December 31, 2020.

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8. LONG TERM DEBT

	<u>2020</u>	<u>2019</u>
Alberta Treasury Branch long-term loan secured against the commercial condo (cost \$583,710) at interest rate of prime plus 1.5% per annum, requiring monthly payments of \$3,000 and maturing in April 2036.	<u>\$ 386,436</u>	<u>\$ 405,878</u>
	<b>386,436</b>	405,878
Less current portion of long term debt	<u>(22,118)</u>	<u>(15,698)</u>
	<u><b>\$ 364,318</b></u>	<u>\$ 390,180</u>

Principal repayment terms are approximately:

2021	\$ 22,118
2022	22,005
2023	22,890
2024	23,811
2025	24,769
Thereafter	<u>270,843</u>
	<u><b>\$ 386,436</b></u>

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9. INTERNALLY RESTRICTED NET ASSETS

	<u>2020</u>	<u>2019</u>
Restricted long term investments	<u><b>\$ 99,317</b></u>	<u>\$ 97,561</u>

The College's Council has internally restricted net assets to create a contingency fund to enable the College to continue to operate in case of unforeseen events. These funds are invested in long-term guaranteed investment certificates that mature August 8, 2022 and carry interest rate of 1.8%.



# COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA

## Notes to Financial Statements

Year Ended December 31, 2020

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### 10. RELATED PARTY TRANSACTIONS

Wages expense pertaining to the Deputy Registrar and Hearings Director for her employment duties for 2020 is \$80,523 (2019 - \$73,189).

Councilors and members were compensated as per diem of \$22,500 (2019 - \$27,975) and membership fees were waived of \$Nil (2019 - \$1,378).

The College has engaged a law firm owned by the Registrar and Complaints Director of the College. These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value of \$123,250 (2019 - \$77,132).

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### 11. CONTINGENT LIABILITY

The College has a contingent liability related to the possible appeal of the decision regarding the disciplinary proceedings of a member. Should the member appeal this matter, there is a possibility that costs of approximately \$5,000 could be awarded against the College. The outcome of this case cannot be determined at this time.

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### 12. TRANSFERS

Transfers between net assets pertain to capital assets purchased and mortgage principal payments made from the unrestricted fund.

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### 13. FINANCIAL INSTRUMENTS

The College is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the College's risk exposure and concentration as of December 31, 2020.

#### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The College is exposed to credit risk from members. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The College has a significant number of members which minimizes concentration of credit risk.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The College is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources, long-term debt and accounts payable.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The College is mainly exposed to interest rate risk.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the College manages exposure through its normal operating and financing activities. The College is exposed to interest rate risk primarily through its floating interest rate bank mortgage and credit facilities.

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**COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA**

**Notes to Financial Statements**

**Year Ended December 31, 2020**

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14. COMPARATIVE FIGURES

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

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