

Annual Report



cnda

COLLEGE OF NATUROPATHIC
DOCTORS OF ALBERTA



cnda

COLLEGE OF NATUROPATHIC
DOCTORS OF ALBERTA

Table of Contents

Introduction	03
CNDA Council, Staff & Committees	05
About the CNDA	07
Note from the Registrar	08
Registration	10
Complaints	12
Patient Relations Program	13
Message from the Public Members	14
Financial Statements	15

Introduction

The CNDA submits its 2021 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, 2021, to December 31, 2021.

The Privilege of Self-Regulation

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 practising naturopathic doctors and six 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 the regulation of naturopathic doctors 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.

At this time, the CNDA Council awaits the appointment to council of four public members to fill vacant seats.

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 practising 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 the CNDA Council in 2021:

On January 27, 2021, Ms. Patrizia Valle was appointed as a public member of the CNDA Council.

On August 26, 2021, Ms. Elsy Gagne resigned as a public member of Council.

On August 31, 2021, the term of Dr. Joseph Klassen ND ended and he did not seek re-election.

On August 31, 2021, the term of Dr. Shane Johnson ND ended and he was not re-elected.

On September 1, 2021, Dr. Clayton Koganow ND and Dr. Rob Roth ND were elected to Council.

On December 2, 2021, Dr. Michael Nowazek ND resigned from Council.



CNDA Council, Staff & Committees

The 2021 College Council, Staff and Committees were:

College Council

Dr. Shane Johnson ND	President	<i>(term expired 08-31-21)</i>
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Dr. AJ DeNault ND	Vice President	<i>(term expires 08-31-22)</i>
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Dr. Dawne Engele ND	President	<i>(term expires 08-31-22)</i>
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Dr. Joe Klassen ND	Member-at-Large	<i>(term expired 08-31-21)</i>
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Dr. Kin Leung ND	Member-at-Large	<i>(term expires 08-31-23)</i>
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Dr. Michael Nowazek ND	Member-at-Large	<i>(resigned 12-02-21)</i>
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Dr. Rob Roth ND	Member-at-Large	<i>(term began 09-01-21)</i>
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Dr. Clayton Koganow ND	Member-at-Large	<i>(term began 09-01-21)</i>
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Elsy Gagne	Public Member	<i>(resigned 08-26-21)</i>
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Patrizia Valle	Public Member	<i>(term began 01-27-21)</i>
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Ralph Westwood	Public Member	<i>(term began 02-2016)</i>
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College Staff

Cherie Baruss, Registrar & Complaints Director
Kristen Tanaka, Deputy Registrar & Hearings Director
Katie Cooper, Complaints Investigator

College Committees

The CNDA also has several committees comprised of staff, council members, and regulated member volunteers, including:

1. Executive Committee;
2. Continuing Competence Committee;
3. Registration Committee;
4. Standards Committee; and,
5. Hearing Tribunal and Complaint Review Committee.



About the CNDA

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 naturopathic doctors are accountable for their conduct and practice.

How We Regulate

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 & 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 are current and appropriate to assure the safest quality naturopathic care, including conducting regular practice visit assessments.

Our registrants are required, on a two-year cycle, to complete continuing competence credits directly related to their areas of practice as well as mandatory additional credits for restricted activities for which they are authorized. All continuing competence activity is uploaded to a member portal and subject to audit by the College.

In addition, all registrants must meet CPR and Emergency Medical Refresher requirements as well as complete a learning plan.

Note from the Registrar

On behalf of the Council and Staff of the College, I am pleased to present the CNDA 2021 Annual Report. Like 2020, 2021 was an eventful and remarkable year to work through.

2021 required adaptability in how we work while always keeping in mind our mandate of public protection. The College operated remotely in compliance with work-from-home orders and, as integral components of the regulatory process, the CNDA Council and Committees continued to conduct their work online. While remote operations can sometimes lead to disconnect, I am pleased to report that the opposite occurred. Everyone involved embraced the need to adapt to the situation and we were exceptionally productive throughout the year despite the trials and tribulations of the ongoing COVID-19 pandemic.

Over the course of the year, I took on the role of Chair of the Alberta Federation of Regulated Health Professions, as well as Chair and President of the Canadian Alliance of Naturopathic Regulatory Authorities. In both those roles, I have had many opportunities to communicate with Alberta Health and our regulatory counterparts to keep the CNDA current and in line with the ever-changing regulatory landscape.

We have also begun extensive work to meet the new requirements of Bill 46, including a divestment plan and report to the Government which outlines all areas where the CNDA has no involvement in association-type activities. Additionally, new Standards of Practice were drafted and other regulatory reviews took place in anticipation of the 2022 proclamation of Phase 2 of Bill 46.

While the CNDA Staff was lean in 2021 with just one full-time employee, one part-time employee, and myself in a 0.75 position, we were effective in accomplishing the rollout of several large projects in addition to the day-to-day regulatory requirements of the College.

Council saw some turnover in the 2021 calendar year, with outgoing members and incoming members both on the ND side and on the public member side. In spite of those transitions, Council accomplished much, all while regulating virtually.

As you review this report, I would ask that you reflect on the successes that have been accomplished in such a tumultuous time. This would not be possible without the dedication and flexibility of the CNDA Council, Staff, and Committee volunteers.

To all who played a role this past year, thank you.

A handwritten signature in a light teal color, consisting of several overlapping loops and curves.

Cherie Baruss, BA JD
Registrar, CEO and Complaints Director

College of Naturopathic Doctors of Alberta

Registration

The CNDA ensures that individuals applying to become registered naturopathic doctors 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 confirm 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 Council-approved written, practical, and jurisprudence 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.

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

	2020	2021
General Register	318	312
Provisional Register	0	0
Courtesy Register	0	0
Applications received	26	17
New registrations	26	16
Reinstatements	4	0
Practice permits cancelled, restricted or not renewed	17	14
Requests for registration review	0	0
Incapacity assessments	0	0
Number of foreign applicants	0	0
Length of time to process applications from foreign applicants	N/A	N/A

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 from 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*.



Complaints Summary

	2020	2021
Concerns received	13	4
Concerns resolved	14	4
Concerns carried over from previous year	1	0
Complaints received	26	20
Complaints dismissed	7	3
Complaints carried over from previous year	5	9
Complaints referred to hearing	3	3
Complaints referred to alternative complaint resolution	0	0
Hearings conducted	1	1
Hearings closed or partly closed to the public	0	0
Appeals	1	1
Complaints alleging sexual abuse or sexual misconduct	0	0
Findings of unprofessional conduct based in whole or in part on sexual abuse or sexual misconduct	0	0

Patient Relations Program

The CNDA maintains a Patient Relations Program and Fund for Treatment and Counselling. No changes were made to this program or fund in 2021.

Message From Our Public Members



The Public Members of the CNDA Council in 2022 were Patrizia Valle (appointed January 27, 2021) and Ralph Westwood (appointed May 8, 2018, and reappointed for a further term), and two vacant positions were recently filled by Alberta Health appointments.

Our role in the governance of the profession is to provide transparency and to ensure that the public interest of Albertans is safeguarded. None of the public members is a health care professional but we bring our legal and educational backgrounds and experience to the tasks.

We participate fully in all business of the Council, and we engage in robust debate and we work to provide oversight and strategic direction.

We have found Council members to be fully supportive of our input and fully accept our involvement in all affairs of the Council, including debating standards of practice and future directions for the profession.

We are pleased to work with this dedicated Council of volunteers, professionals and staff striving to serve the public interest of Albertans by setting, monitoring, maintaining, and enforcing quality standards provided by Alberta's registered naturopathic doctors.

We are also pleased to report that, under the leadership of Dr. Shane Johnson (until August 2021) and Dawn Engele (appointed December 2, 2021) the Council is fulfilling its responsibilities to serve and protect Albertans. Council acts with transparency and works in a fiscally responsible manner. Council has effectively developed relationships with government partners, regulators and other professional associations. We expect this will continue and we are confident the Council will fulfil its mandate to protect 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

Financial Statements



COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
Financial Statements
Year Ended December 31, 2021

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
Index to Financial Statements
Year Ended December 31, 2021

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Revenues and Expenses	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10

INDEPENDENT AUDITOR'S REPORT

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, 2021, 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, 2021, 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.

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 Canadian accounting standards for not-for-profit organizations, 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.

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:

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MAHON + ASSOCIATES

Chartered Professional Accountants

an association for the practice of Chartered Professional Accountancy
Bruce MS Mahon Professional Corporation
William E. Mahon Professional Corporation

Icon Tower I / 301, 10138-104 St., NW
Edmonton, AB T5J 1A7
P. 780.424.3002 / F. 780.428.3345

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

- 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.

Edmonton, Alberta
April 21, 2022

Bruce MS Mahon Professional Corporation
Chartered Professional Accountants

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
Statement of Revenues and Expenses
Year Ended December 31, 2021

	2021	2020
REVENUES		
Membership income	\$ 590,750	\$ 448,924
Application and other fees	13,981	25,186
Conduct fines	10,800	20,150
Rental income	8,100	9,500
Interest income	1,799	1,901
Covid support (<i>Note 8</i>)	10,000	1,375
	635,430	507,036
EXPENSES		
Sub-contracts	126,536	123,250
Salaries and wages	103,599	80,523
Legal and investigative fees	70,464	118,820
Registration software	40,019	52,967
Condo fees and property taxes	27,874	29,786
Interest and bank charges	26,490	14,479
Council meeting expenses	21,375	22,972
Amortization	14,433	14,854
Interest on long term debt	13,881	16,307
Professional fees	13,413	14,682
Office	12,427	11,657
Memberships	8,460	3,398
Insurance	4,783	4,693
Telephone	2,645	2,068
Advertising and promotion	1,470	350
Delivery, freight and express	454	956
Professional development	445	1,049
Travel	170	11,388
	488,938	524,199
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 146,492	\$ (17,163)

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
Statement of Changes in Net Assets
Year Ended December 31, 2021

	Unrestricted	Invested in Property and Equipment	Internally Restricted	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ (10,170)	\$ 137,631	\$ 99,317	\$ 226,778	\$ 243,941
Excess (deficiency) of revenues over expenses	159,137	(14,433)	1,788	146,492	(17,163)
Transfers (<i>Note 10</i>)	(23,179)	23,179	-	-	-
NET ASSETS - END OF YEAR	\$ 125,788	\$ 146,377	\$ 101,105	\$ 373,270	\$ 226,778

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
Statement of Financial Position
December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 739,165	\$ 643,201
Short term investments (Note 3)	5,010	-
Accounts receivable	630	801
Prepaid expenses	3,513	19,416
	748,318	663,418
PROPERTY AND EQUIPMENT (Note 4)	510,694	524,067
RESTRICTED LONG TERM INVESTMENTS (Note 5)	101,105	99,317
	\$ 1,360,117	\$ 1,286,802
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 27,452	\$ 33,347
Bank operating loan (Note 6)	1,186	1,090
Wages payable	6,316	4,016
Employee deductions payable	5,011	3,817
Goods and services tax payable	8,736	15,980
Deferred membership fees (Note 7)	573,830	575,338
Short term debt (Note 8)	-	40,000
Current portion of long term debt (Note 9)	22,267	22,118
	644,798	695,706
LONG TERM DEBT (Note 9)	342,049	364,318
	986,847	1,060,024
NET ASSETS		
Unrestricted	125,788	(10,170)
Invested in property and equipment	146,377	137,631
Internally restricted (Note 5)	101,105	99,317
	373,270	226,778
	\$ 1,360,117	\$ 1,286,802

ON BEHALF OF COUNCIL

Dawne Engle

Councilor

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DocuSigned by:

AJ DeVault

Councilor

DA0799C29AC3496...

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
Statement of Cash Flows
Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 146,492	\$ (17,163)
Item not affecting cash:		
Amortization of property and equipment	14,433	14,854
	160,925	(2,309)
Changes in non-cash working capital:		
Accounts receivable	171	(801)
Prepaid expenses	15,903	(3,710)
Accounts payable	(5,896)	(26)
Bank operating loan	96	396
Wages payable	2,300	2,741
Employee deductions payable	1,194	(716)
Goods and services tax payable	(7,244)	15,950
Deferred membership fees	(1,508)	149,948
	5,016	163,782
Cash flow from operating activities	165,941	161,473
INVESTING ACTIVITIES		
Purchase of property and equipment	(1,060)	(6,900)
Purchase of short term investments	(5,010)	-
Purchase of long term investments	(1,788)	(1,756)
Cash flow used by investing activities	(7,858)	(8,656)
FINANCING ACTIVITIES		
Short term debt acquired (repaid)	(40,000)	40,000
Repayment of long term debt	(22,119)	(19,443)
Cash flow from (used by) financing activities	(62,119)	20,557
INCREASE IN CASH FLOW	95,964	173,374
Cash - beginning of year	643,201	469,827
CASH - END OF YEAR	\$ 739,165	\$ 643,201

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
Notes to Financial Statements
Year Ended December 31, 2021

1. PURPOSE OF THE COLLEGE

College of Naturopathic Doctors of Alberta (the "College") is established under the Health Professions Act and is a not-for-profit organization and accordingly, is exempt from payment of income tax.

The College regulates naturopathic doctors in a manner that protects and serves the public interest. The College fulfills this role by registering qualified naturopathic doctors, setting standards, monitoring competency and investigating and acting on complaints.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Cash and cash equivalents

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

Short term investments

Short term investments are stated at amortized cost plus accrued interest.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

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

The College regularly reviews its property and equipment to eliminate obsolete items.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

Membership fee revenue is recognized in the year to which the membership fees relate.

Application and other fee revenue is recognized in the year in which the related service is provided.

Revenue from conduct fines and legal fee recoveries is recognized when the amount is established and collection is reasonably assured.

Rental income and government support is recognized in the year to which it relates.

Interest and other investment income is recognized as it is earned.

Contributed services

The operations of the organization is dependent on the voluntary service of many individuals. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

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COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
Notes to Financial Statements
Year Ended December 31, 2021

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

Use of estimates

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. Significant items subject to such estimates include the estimated lives of property and equipment. These 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.

Financial instruments

The College initially measures its financial assets and liabilities at fair value. Subsequent measurement is at amortized cost.

Financial assets measured at amortized cost consist of cash, term deposits, accounts receivable and long term investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, wages and employee deductions payable, and goods and service tax payable.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of write-down is recognized in net income. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount of impairment recognized previously. The amount of the reversal is recognized in net income.

3. SHORT TERM INVESTMENTS

Short term investments consist of guaranteed investments. These investments are held by the College's bank as collateral on two credit cards that each have a limit of \$2,500 and annual interest rates of 19.99%. The College's practice is to pay off the balance at the end of every month. The combined balance on the two cards as at December 31, 2021 is \$1,007.82.

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	\$ 200,000	\$ -	\$ 200,000	\$ 200,000
Buildings	388,390	83,635	304,755	317,453
Computer equipment	6,579	4,438	2,141	3,059
Furniture and fixtures	13,600	9,802	3,798	3,555
	\$ 608,569	\$ 97,875	\$ 510,694	\$ 524,067

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
Notes to Financial Statements
Year Ended December 31, 2021

5. RESTRICTED LONG TERM INVESTMENTS

	2021	2020
Guaranteed investment certificate	\$ 96,863	\$ 96,863
Interest receivable	4,241	2,454
	\$ 101,104	\$ 99,317

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

6. BANK OPERATING LOAN

The bank operating loan is an operating line of credit with the College's bank authorized to \$40,000. The line of credit is non-secured and interest is payable monthly on any outstanding balance at bank prime plus 4.25%. The interest rate as at December 31, 2021 is 6.7%.

7. DEFERRED MEMBERSHIP FEES

The prior year deferred membership fees of \$575,338 have been included in the 2021 membership income on the Statement of Revenues and Expenses. The College collected \$573,830 of deferred membership fees during fiscal 2021 which will be included in the 2022 membership income.

8. SHORT TERM DEBT

The short term debt represents the Canada Emergency Business Account loan in the amount of \$40,000. The loan is interest free. The required repayment amount of \$30,000 was repaid in fiscal 2021 with the remaining \$10,000 loan forgiveness included in income on the Statement of Revenues and Expenses.

9. LONG TERM DEBT

	2021	2020
Bank business term loan secured by the commercial condo (net book value \$504,755), at an interest rate of prime plus 1.5% per annum, requiring monthly combined principal and interest payments of \$3,000, with amortization to April 2036 and maturing in April 2022.	\$ 342,049	\$ 364,318
Amounts payable within one year	(22,267)	(22,118)
	\$ 319,782	\$ 342,200

Principal repayment terms are approximately:

2022	\$ 22,267
2023	23,146

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COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
Notes to Financial Statements
Year Ended December 31, 2021

9. LONG TERM DEBT (<i>continued</i>)	
2024	24,061
2025	25,011
2026	25,999
Thereafter	<u>221,565</u>
	<u>\$ 342,049</u>

10. TRANSFERS

Transfers between net asset accounts in 2021 pertain to the purchase of property and equipment and the mortgage principal payments made from the unrestricted fund.

11. FINANCIAL INSTRUMENTS

The College is exposed to risk on certain financial instruments as follows:

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 accounts payable and accrued liabilities and long term debt.

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. The College is exposed to interest rate risk primarily through its floating interest rate bank operating loan and long term debt.

12. COMPARATIVE FIGURES

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

13. COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the College's operations as at the date of these financial statements.
