

2017

COLLEGE OF
NATUROPATHIC
DOCTORS
OF ALBERTA



ANNUAL REPORT





cnda

COLLEGE OF NATUROPATHIC
DOCTORS OF ALBERTA

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INTRODUCTION

The CNDA submits its 2017 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 has been prepared under the direction of the CNDA Council, with its approval.

In February, CNDA Council appointed a new Registrar, Ms. Cherie Baruss.

In June, there were two Council seat vacancies as the terms for Dr. Christopher Schlee and Dr. Beverly Huang concluded. CNDA held an election for these vacant seats. Dr. Beverly Huang was re-elected to Council while Dr. Wayne Steinke was elected to Dr. Schlee's vacated seat. In September, Dr. Steinke resigned his seat.

In October, Alberta's Lieutenant-Governor in Council appointed two new public members to the CNDA Council: Ms. Katherine Camarta and Mr. Denis Filipovic. Additionally, the term for Mr. Ralph Westwood concluded. Ms. Maryanne Doherty continued to serve as Council's third public member.

At the conclusion of 2017, the vacated seat on Council had not yet been filled and Council composition consisted of five elected members and three public members.

During this past year, an incredible effort was put forward in the finalization of standards. In 2017, the CNDA adopted 20 new Standards of Practice.

COLLEGE COUNCIL AND STAFF

College Council

Dr. Beverly Huang
PRESIDENT

Dr. Stephanie Yaremko
VICE-PRESIDENT

Dr. Joseph Klassen
FINANCES

Dr. Michael Mason-
Wood
MEMBER-AT-LARGE

Dr. Christine Perkins
MEMBER-AT-LARGE

Dr. Christopher Schlee*
MEMBER-AT-LARGE

Dr. Wayne Steinke**
MEMBER-AT-LARGE

Katherine Camarta
PUBLIC MEMBER

Denis Filipovic
PUBLIC MEMBER

Maryanne Doherty
PUBLIC MEMBER

Ralph Westwood***
PUBLIC MEMBER

**term concluded June 2017*

***resigned September 2017*

****term concluded October 2017*

College Staff

Cherie Baruss
REGISTRAR

Kristen Tanaka
COMPLAINTS DIRECTOR & ASSISTANT REGISTRAR

BACKGROUND INFORMATION ABOUT THE CNDA

NATUROPATHIC MEDICINE IN ALBERTA

Naturopathic medicine is a distinct system of primary health care - an art, science, philosophy and practice of diagnosis and assessment, treatment and prevention of illness.

Naturopathic doctors have a long history in Alberta - the Naturopathic Association of Alberta (NAA) was incorporated in 1944. The Alberta Association of Naturopathic Practitioners (AANP) is the successor to the NAA and had been maintained as the representative association for naturopathic doctors in Alberta until the creation of the College of Naturopathic Doctors of Alberta (CNDA) in 2012.

The growing popularity of naturopathic medicine and an increase in the number of naturopathic doctors in the

province, led to increased interest in regulating naturopathic medicine under the *Health Profession Act*.

Between 1988 and 1990, several meetings were held with the Health Disciplines Committee and the Workforce Rebalancing Committee that resulted in the inclusion of naturopathic medicine as *Schedule 14 of the Health Professions Act* in May of 1999.

The history of naturopathic medicine in Alberta is well described in the "Research Report on Naturopathy in Alberta and North America", written for the provincial government by Jocelyn Proby in 2000.

Following this report, the AANP and the Government of Alberta created the first con-

sultation documents for naturopathic medicine regulations. The *Health Professions Act* defines naturopathic doctors as those who:

- a) Promote health, prevent illness and treat disease by using natural therapies and substances that promote the body's ability to heal;
- b) Focus on the overall health of the individual on the basis of naturopathic assessment and common diagnostic procedures; and
- c) Provide restricted activities authorized by the regulations.

The College of Naturopathic Doctors of Alberta was proclaimed in August of 2012.

BACKGROUND INFORMATION ABOUT THE CNDA

EDUCATION OF NATUROPATHIC DOCTORS

Naturopathic doctors are required to complete a minimum of seven years of post-secondary education. First, at least three years of pre-medical training is completed at an accredited university followed by a four-year full-time professional program at an approved naturopathic medical college or university.

The CNDA accepts applicants from the following approved programs:

Bastyr University

KENMORE, WASHINGTON, USA

Boucher Institute of Naturopathic Medicine

NEW WESTMINSTER, BRITISH COLUMBIA, CANADA

Canadian College of Naturopathic Medicine

NORTH YORK, ONTARIO, CANADA

National University Natural Medicine

PORTLAND, OREGON, USA

National University of Health Sciences

LOMBARD, ILLINOIS, USA

Southwest College of Naturopathic Medicine and Health Sciences

TEMPE, ARIZONA, USA

University of Bridgeport College of Naturopathic Medicine

BRIDGEPORT, CONNECTICUT, USA

Applicants who have not graduated from a CNDA approved school may apply through the CNDA substantial equivalence process.

It is important to note that all colleges and universities offering professional naturopathic programmes in North America maintain one or more community outpatient clinics that are an integral part of their communities.

BACKGROUND INFORMATION ABOUT THE CNDA

PRINCIPLES OF NATUROPATHIC DOCTORS

First Do No Harm (*Primum Non Nocere*)

Naturopathic doctors provide the most effective health care with the least risk.

The Healing Power of Nature (*Vis Medicatrix Naturae*)

Naturopathic doctors recognize, respect, and promote the body's inherent power to heal.

Identify and Treat the Causes (*Tolle Causam*)

Naturopathic doctors strive to diagnose and remove the causes of illness rather than eliminate or suppress symptoms.

Doctor as Teacher (*Docere*)

Naturopathic doctors educate patients, inspire rational hope, and encourage self-responsibility for health.

Treat the Whole Person (*Tolle Totum*)

Naturopathic doctors take into account all the influences on health for each patient.

Prevention (*Praevenire*)

Naturopathic doctors promote health as a way to prevent disease for individuals, and local and global communities.

BACKGROUND INFORMATION ABOUT THE CNDA

NATUROPATHIC MEDICINE IN PRACTICE

Naturopathic doctors in Alberta generally work in private clinical practices. Many work in multidisciplinary clinics with other regulated health professionals such as chiropractors, medical doctors, nurses, physiotherapists and psychologists.

Typically, a patient sees a naturopathic doctor for an initial visit of 60-90 minutes. During this visit the naturopathic doctor takes a complete medical history, performs a relevant physical examination, formulates a differential diagnosis and determines if further diagnostic testing may be required. They may also initiate a treatment plan. Follow up consultations involve reviewing laboratory results, monitoring progress and further treatments, as deemed appropriate.

Patients pay out-of-pocket for naturopathic services. Most third-party benefit plans reimburse registered naturopathic doctor's office visits and laboratory evaluations.

PROTECTED TITLES

The *Naturopath Professions Regulation* establishes the following titles for the profession:

- Naturopathic Doctor;
- Doctor of Naturopathic Medicine;
- Naturopathic Practitioner;
- Naturopath;
- ND;
- RND.

GOVERNANCE

In Alberta, naturopathic doctors are granted the privilege of self-regulation under the *Health Professions Act*. The *Health Professions Act* requires that colleges carry out governance responsibilities in a manner that protects and serves the public interest. Self-regulation is a privilege, not a right, granted by the government on behalf of the public.

The CNDA's role is to ensure that naturopathic doctors are providing safe, ethical and competent care to Albertans. This mandate is carried out by Council and Committee members in establishing registration, continued competence and complaints processes as required under the *Health Professions Act*.

CNDA Council sets direction and develop policy for the College while the leadership team of Council President, Vice-President and staff manage the day-to-day operations.

Council meets six times per year while committees meet four to eight times per year.

The following committees and tribunals are required under legislation and operate according to Bylaws:

- *Continuing Competence Committee*
- *Complaint Review Committee*
- *Executive Committee*
- *Hearing Tribunal*
- *Registration Committee*

LEGISLATION IN ALBERTA

REGULATION

Regulation governing naturopathic doctors in Alberta was proclaimed on August 1, 2012. *Schedule 14* of the *Health Professions Act* and the *Naturopaths Profession Regulation* remains in force with no recent modifications.

CODE OF ETHICS

In 2017, the CNDA Code of Ethics remains in force without modification.

STANDARDS OF PRACTICE

In 2017, the CNDA adopted 20 new standards while the pre-existing three standards remain in force without amendments.

BYLAWS

In 2017, the CNDA Bylaws were amended and updated upon Council approval.

LEGISLATION IN ALBERTA

STANDARDS OF PRACTICE

During this past year, an incredible effort was put forward in the finalization of standards. The following standards were adopted by Council in 2017:

- Standard of Practice: Acupuncture
- Standard of Practice: Clean Needle Technique
- Standard of Practice: Collaboration in Patient Care
- Standard of Practice: Colon Hydrotherapy
- Standard of Practice: Conflict of Interest
- Standard of Practice: Consent
- Standard of Practice: Duty to Report
- Standard of Practice: Emergency Readiness
- Standard of Practice: Infectious Disease Prevention and Control
- Standard of Practice: Intravenous Chelation Therapy
- Standard of Practice: Intravenous Therapy
- Standard of Practice: Manipulation
- Standard of Practice: Minor Surgery
- Standard of Practice: Naturopathic Injection Therapies
- Standard of Practice: Ozone Therapy
- Standard of Practice: Professional Relationships and Boundaries
- Standard of Practice: Prolotherapy and Platelet-Rich Plasma
- Standard of Practice: Records Keeping
- Standard of Practice: Selling
- Standard of Practice: Transfer and Termination of Care

PUBLIC MEMBERS MESSAGE

Alberta's *Health Professions Act* requires self-regulated professions such as the College of Naturopathic Doctors of Alberta to include public representation on their councils. The reason is to meet the requirements of the *Health Professions Act*, provide transparency and to ensure the public interest is protected. Balance is provided in the case of CNDA Council voting members: five elected naturopathic doctors and three public members.

Public members have participated fully in the business and debate at Council meetings and serve on subcommittees to which we were appointed. In addition to attending all CNDA regular meetings, we have been encouraged and facilitated by Council to be fully informed about CNDA issues, concerns, current and future plans. The public members come from a variety of backgrounds and experience other than naturopathic medicine.

The public members on the 2017 CNDA Council were Ralph Westwood and Maryanne Doherty. Katherine Camarta and Denis Filipovic were appointed October 2017 and their terms will end October 2020. We are pleased to be part of this dedicated Council of volunteer professionals, whose aim it is to serve the best interests of the public through high quality human services, which are provided by registered naturopathic doctors.

We confirm that under great leadership and volunteer effort, expertise and time were expended in circulating and finalizing standards of practice for the profession.

In conclusion, the College and Council are very effectively fulfilling their roles and operating to serve and protect the Alberta public.

Respectfully submitted,

Maryanne Doherty
on behalf of the Public Members

REGISTRATION

NEW REGISTRANTS	
Total number of applications received	26
Total number of new registrations	25
Number of registrants who are new graduates from approved programs	11
Number of registrants through other routes	14
Number of naturopathic doctors returning to practice (reinstatement)	0
NUMBER AND TYPE OF REGULATED MEMBERS	
Regulated Members: General Register	276
Regulated Members: Provisional Register	0
Regulated Members: Courtesy Register	0
Total number of Regulated Members	276
Number of practice permits denied, restricted or not renewed	20
Change in members on General Register from 2016 to 2017	-0.4%
Change in Members on Provisional Register from 2016 to 2017	0%
Change in Members on Courtesy Register from 2016 to 2017	0%
Change in total number of regulated from 2016 to 2017	-0.4%
Unregulated members (retired)	0
REVIEWS BY COUNCIL	
Number of requests for registration review	1
SECTION 118	
Number of members who had incapacity assessments	0

There have been no additions, removals or amendments to the training programs or examinations required for registration with CNDA.

CONTINUING COMPETENCE PROGRAM

OVERVIEW

The *Health Professions Act* requires that all regulated health professions 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. Naturopathic doctors must maintain competence through professional activities. The continuing competence requirements apply to members of the general and provisional registers.

To maintain professional competence, regulated members must:

- Complete an annual self-assessment;
- Create and submit an annual learning plan;
- Submit a list of completed continuing competence activities;

- Complete required certifications;
- Complete at least 40 continuing competence program credits every competence cycle; and
- Successfully complete ongoing practice visits, as required.

Self-Assessment of Practice: Naturopathic doctors must complete a self-assessment using the self assessment tool on the CNDA online members' portal once per calendar year.

Personal Learning Plans: Naturopathic doctors must develop learning plans using the learning plan tool on the CNDA online members' portal.

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

CONTINUING COMPETENCE PROGRAM

PRACTICE VISITS

At the beginning of 2017, the CNDA Competence Committee made recommendations to the CNDA Council with respect to continuing to improve the practice visit process. All outstanding concerns from 2016 were addressed and concluded in 2017.

During the reporting period, the CNDA paused the Practice Visit Program with the intention to launch an updated and more efficient process to ensure that the program is sustainable, cost-effective and user-friendly. That new Practice Visit Program is scheduled to be launched in the second half of 2018.

Practice Visit Outcomes for 2017:

There were no practice visits performed in 2017.

COMPLAINTS & DISCIPLINE

COMPLAINTS SUMMARY (January 1, 2017 to December 31, 2017)

New complaints	1
New concerns	9
Complaints carried over from previous years	2
Concerns carried over from previous years	0
Complaints closed during the reporting period	0
Concerns closed during the reporting period	7
Complaints open at the end of the reporting period	3
Concerns open at the end of the reporting period	2
Hearings	0
Hearings, either partly or completely closed to public	0
Appeals	0
Members dealt with under <i>HPA s.118</i>	0

COMPLAINTS & DISCIPLINE

Disposition of Complaints

The two formal complaints carried over from previous years were dismissed in accordance with section 66(3)(b)(ii) of the *Health Professions Act*. In both cases a request for a review of the dismissal of the complaint was received. At the end of the reporting period the Complaints were entering the Complaint Review process.

One new formal complaint was received during the reporting period and was dismissed under section 66(3)(b)(ii).

At the end of the reporting period the Complainant and Investigated Member had been notified of the dismissal.

Concerns

The College tracked concerns that did not meet the requirements of a formal complaint. Concerns were generally related to scope of practice inquiries. Valid concerns were addressed with the individual to engage them in creating solutions. Each concern was resolved informally.

Alternative Complaint Resolution

No complaints were referred for alternative complaint resolution in 2017.

Hearings

There were not any matters referred to a hearing in 2017.

Appeals

There were no appeals made on any matter in 2017.

FINANCIAL INFORMATION

The College's financial position remains stable for this reporting period.

Audited Financial Statement

The audited report for 2017 can be found in the following section.

Major Revenue Sources

The College's principal sources of revenue for 2017 were Application fees and Practice Permit fees.

Major Expenditures

The College's major expenditures for 2017 include the addition of a 0.25 Registrar position and staffing costs. Other major expenditures resulted from administration of the complaints process which included legal fees, the contracting of a Hearings Director and independent investigators, and other complaints-associated costs.

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA

FINANCIAL STATEMENTS

December 31, 2017

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA

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*Deborah V. Walker Professional Corporation
127 Cranwell Close SE
Calgary, Alberta T3M 1B1
587-353-0525 or 403-399-7742*

INDEPENDENT AUDITOR'S REPORT

To the Council of the College of Naturopathic Doctors of Alberta:

I have audited the accompanying financial statements of the College of Naturopathic Doctors of Alberta, which comprise of the statement of financial position as at December 31, 2017, and the statements of operations, changes in net assets, and cash flows for the year ended December 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the College of Naturopathic Doctors of Alberta as at December 31, 2017, and its results of operations and its cash flows for the year ended December 31, 2017 and in accordance with Canadian accounting standards for not-for-profit organizations.

Deborah V. Walker Professional Corporation

Chartered Professional Accountant

Calgary, Alberta
April 9, 2018

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
STATEMENT OF FINANCIAL POSITION
December 31, 2017

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT		
Cash	\$ 301,785	\$ 247,978
Accounts receivable	901	-
Interest receivable	1,320	754
Prepaid expenses	15,915	2,489
Goods and Services Tax recoverable	<u>506</u>	<u>430</u>
	320,427	251,651
INVESTMENTS (Note 3)	-	53,645
RESTRICTED LONG-TERM INVESTMENTS (Notes 3 & 9)	94,015	105,000
CAPITAL ASSETS (Note 4)	554,885	570,054
INTANGIBLE ASSETS (Note 5)	<u>5,000</u>	<u>28,000</u>
	<u>\$ 974,327</u>	<u>\$ 1,008,350</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 18,958	\$ 45,716
Credit card payable (Note 6)	1,286	571
Wages payable	637	1,377
Payroll liabilities	5,912	4,227
Bank operating loan (Note 6)	-	20,492
Deferred revenue (Note 7)	310,971	240,952
Current portion of long-term debt (Note 8)	15,961	17,478
Interest payable	<u>1,731</u>	<u>-</u>
	355,456	330,813
LONG-TERM DEBT (Note 8)	<u>417,647</u>	<u>431,481</u>
	<u>773,103</u>	<u>762,294</u>
NET ASSETS		
Invested in capital assets	121,279	118,055
Restricted net assets	94,015	105,000
Unrestricted net assets	<u>(14,070)</u>	<u>23,001</u>
	<u>201,224</u>	<u>246,056</u>
	<u>\$ 974,327</u>	<u>\$ 1,008,350</u>

Approved by the Directors:

_____, Director

_____, Director

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
STATEMENT OF OPERATIONS
Year ended December 31, 2017

	<u>2017</u>	<u>2016</u>
REVENUE		
Memberships	\$ 243,027	\$ 262,521
Other income	7,915	3,212
Courses	7,634	38,776
Interest	860	1,574
Meetings and conference	<u>250</u>	<u>56,106</u>
	<u>259,686</u>	<u>362,189</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Wages and benefits	68,495	59,880
Advertising and promotion	32,898	31,007
Memberships and subscriptions	26,692	74,739
Legal fees	26,554	11,405
Amortization of intangible assets	23,000	23,000
Interest on long-term debt	20,373	3,206
Meeting and conference costs	16,051	50,835
Amortization of tangible assets	15,167	15,940
Condo fees	13,274	2,157
Property taxes	10,634	1,634
Travel	9,253	21,651
Bank charges	8,519	11,383
Office expenses	8,317	4,479
Course costs	7,634	38,776
Professional fees	6,622	6,501
Insurance	4,592	4,202
Consulting	2,610	15,070
Telephone and communications	1,779	694
Freight and delivery	884	1,466
Website	675	2,452
Professional development	495	3,793
Rent	-	11,500
Honorariums	<u>-</u>	<u>16,000</u>
	<u>304,518</u>	<u>411,770</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (44,832)</u>	<u>\$ (49,581)</u>

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
STATEMENT OF CHANGES IN NET ASSETS
Year ended December 31, 2017

NET ASSETS	<u>Invested in capital assets</u>	<u>Internally Restricted</u> (Note 9)	<u>Unrestricted</u>	<u>Total 2017</u>	Total <u>2016</u>
Balance, beginning of year	\$ 118,055	\$ 105,000	\$ 23,001	\$ 246,056	295,637
Deficiency of revenues over expenses	(15,167)	-	(29,665)	(44,832)	(49,581)
Transfer	<u>18,391</u>	<u>(10,985)</u>	<u>(7,406)</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>121,279</u>	\$ <u>94,015</u>	\$ <u>(14,070)</u>	\$ <u>201,224</u>	\$ <u>246,056</u>

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
STATEMENT OF CASH FLOWS
Year ended December 31, 2017

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 327,944	\$ 355,902
Cash paid to suppliers	(284,576)	(332,128)
Interest received	294	2,701
Interest paid	<u>(18,642)</u>	<u>(3,206)</u>
Cash flow from operating activities	<u>25,020</u>	<u>23,269</u>
FINANCING ACTIVITIES		
Proceeds (repayment) from mortgage	(15,351)	452,000
Proceeds (repayment) from line of credit	<u>(20,492)</u>	<u>20,492</u>
Cash flow from financing activities	<u>(35,843)</u>	<u>472,492</u>
INVESTING ACTIVITIES		
Purchase of capital assets	-	(584,295)
Investment from guaranteed investment certificates	64,630	89,505
Purchase of website	<u>-</u>	<u>(15,000)</u>
Cash flow from investing activities	<u>64,630</u>	<u>(509,790)</u>
INCREASE (DECREASE) IN CASH	53,807	(14,029)
CASH, beginning of year	<u>247,978</u>	<u>262,007</u>
CASH, end of year	\$ <u>301,785</u>	\$ <u>247,978</u>

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
NOTES TO FINANCIAL STATEMENTS
Years ended December 31, 2017

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.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations on a going concern basis that assumes that the organization will be able to realize its assets and discharge its liabilities in the normal course of business and includes the following significant accounting policies:

- a) The College of Naturopathic Doctors's of Alberta 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.
- b) Capital assets are recorded at cost. Amortization is recorded at the following rates, which have been established by estimates of useful lives:

Computer hardware	30% declining balance
Furniture and equipment	20% declining balance
Building	4% declining balance
- c) Temporary investments are valued at the lower of cost and market value. Short-term investments consist of commercial paper with maturities of less than twelve months. Short-term investments are carried at cost which approximate market value.
- d) 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.
- e) Volunteers contribute a significant number of hours per year to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.
- f) Investments are reported at the lower of cost and market. Cost approximates market value.
- g) 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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- h) Cash and cash equivalents include amounts on deposit with financial institutions and term deposits that mature within three months from the date of acquisition.

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

- i) Financial assets and liabilities are measured initially at fair value. Subsequent measurement is at amortized cost. Changes in fair value are recognized in net income.

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

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

3. LONG-TERM INVESTMENTS

	<u>2017</u>	<u>2016</u>
Long-term investments	\$ -	\$ 53,645
Restricted long-term investments (Note 10)	<u>94,015</u>	<u>105,000</u>
	<u>\$ 94,015</u>	<u>\$ 158,645</u>

Restricted long-term investments consist of guaranteed investment certificate that matures August 8, 2019 earning interest of 1%. Fair value of the investments does not differ materially from cash value. The board has restricted long-term investments for a contingency fund - see note 10.

4. CAPITAL ASSETS

	<u>2017</u>		<u>2016</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Building	\$ 383,710	\$ 30,083	\$ 383,710	\$ 15,348
Land	200,000	-	200,000	-
Furniture and equipment	6,193	5,596	6,193	5,446
Computer hardware	<u>2,770</u>	<u>2,109</u>	<u>2,770</u>	<u>1,825</u>
	<u>\$ 592,673</u>	<u>\$ 37,788</u>	<u>\$ 592,673</u>	<u>\$ 22,619</u>
Net Book Value		<u>\$ 554,885</u>		<u>\$ 570,054</u>

5. INTANGIBLE ASSETS

Intangible assets subject to amortization:

	<u>2017</u>		<u>2016</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Registration Program	<u>\$ 69,000</u>	<u>\$ 64,000</u>	<u>\$ 69,000</u>	<u>\$ 41,000</u>
Net Book Value		<u>\$ 5,000</u>		<u>\$ 28,000</u>

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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, 2017 is \$nil (2016 - \$20,492).

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, 2017 is \$1,286 (2016 - \$571).

7. DEFERRED REVENUE

Deferred revenue consists of 2018 membership dues, including GST, collected by December 31, 2017.

8. LONG TERM DEBT

	<u>2017</u>	<u>2016</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 November 2036.	\$ <u>433,608</u>	\$ <u>448,959</u>
	433,608	448,959
Less current portion due within one year	<u>15,961</u>	<u>17,478</u>
	<u>\$ 417,647</u>	<u>\$ 431,481</u>

Principal payments required to repay the long-term debt are:

2018	\$	15,961
2019		16,728
2020		17,532
2021		18,373
2022		19,255
Thereafter		<u>345,759</u>
		<u>\$ 433,608</u>

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December 31, 2017

9. INTERNALLY RESTRICTED NET ASSETS

	<u>2017</u>	<u>2016</u>
Restricted long-term investments	\$ <u>94,015</u>	\$ <u>105,000</u>
	\$ <u>94,015</u>	\$ <u>105,000</u>

The College's Council has internally restricted net assets to create a contingency fund to enable the organization to continue to operate in case of unforeseen events. These funds are invested in long-term guaranteed investment certificates that mature August 8, 2019 with interest rates of 1.0%.

10. RELATED PARTY TRANSACTIONS

Wages paid to the secretary for her employment duties as administrator for 2017 \$64,976 (2016 - \$55,913)

Councilors and members were compensated a per diem of \$11,970 (2016 -\$18,784) and membership fees were waived of \$800 (2016 - \$800).

11. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. The following describes the exposures to those risks, how they arise, any changes in risk exposures from the previous period, and any concentrations of risk. Unless otherwise noted, it is management's opinion that there are no significant currency, credit, market or interest risks arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

The College minimizes interest rate risk by regularly reviewing demand and maturing debt and by staggering the maturities of debt to reduce exposure to interest rate fluctuations.