

ANNUAL REPORT 2018



College of Naturopathic Doctors of Alberta

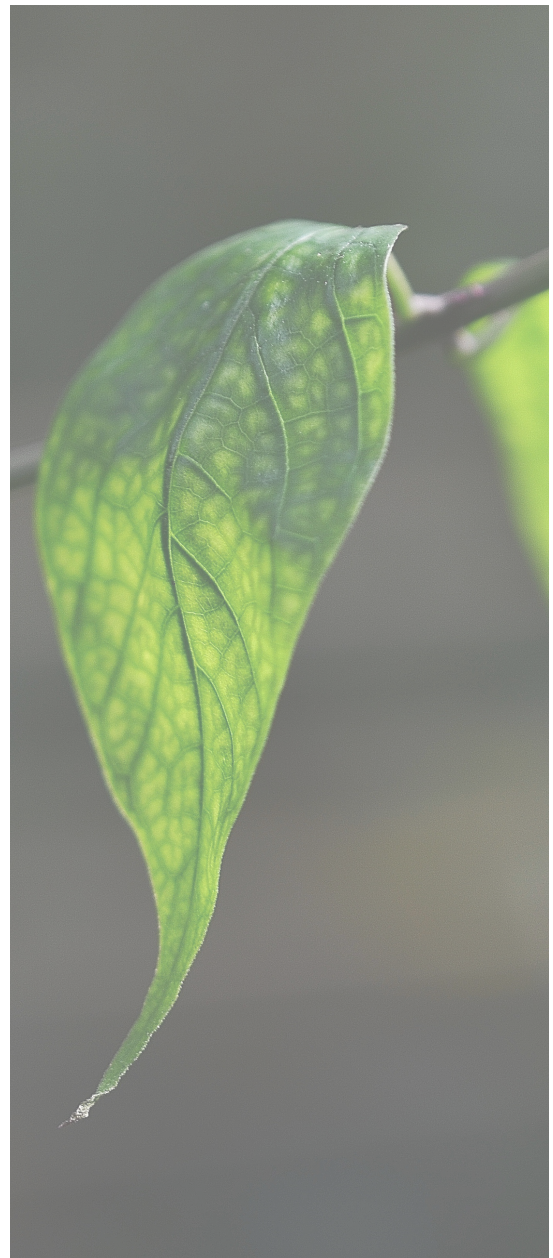


cnda

COLLEGE OF NATUROPATHIC
DOCTORS OF ALBERTA

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INTRODUCTION

The CNDA submits its 2018 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, 2018 to December 31, 2018.

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 (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 number of changes to CNDA Council in 2018:

In April, there was a call for nominations for two council seats that became vacant due to the resignations of Dr. Wayne Steinke and Dr. Christine Perkins. The CNDA opened nominations to fill the vacant seats. Dr. A.J. DeNault and Dr. Kin Leung were acclaimed as only two nomination packages were received by the deadline.

On June 20, 2018, nominations were opened for Dr. Joe Klassen and Dr. Michael Mason-Wood's council seats as their terms on council were due to expire in September. When nominations closed on July 31, 2018 only one nomination package was received and therefore Dr. Joe Klassen was acclaimed for another three year term. The vacant council seat was filled in December by Dr. Shane Johnson pursuant to s.3.5 of the CNDA ByLaws.

Also in June, Alberta's Lieutenant-Governor in Council appointed two public members to the CNDA Council: Ms. Elsy Gagne and Mr. Ralph Westwood (previous CNDA Council public member). Ms. Katherine Camarta remains on Council (appointed in 2017) and Ms. Maryanne Doherty's term concluded in 2018.

CNDA COUNCIL AND STAFF

The 2018 College Council and Staff were:

COLLEGE COUNCIL

Dr. Beverly Huang, PRESIDENT

Dr. Stephanie Yaremko, VICE-PRESIDENT

Dr. Joseph Klassen, FINANCES

Dr. A.J. DeNault, MEMBER-AT-LARGE

Dr. Shane Johnson, MEMBER-AT-LARGE

Dr. Kin Leung, MEMBER-AT-LARGE

Dr. Christine Perkins, MEMBER-AT-LARGE (resigned February 2018)

Katherine Camarta, PUBLIC MEMBER

Elsy Gagne, PUBLIC MEMBER

Ralph Westwood, PUBLIC MEMBER

COLLEGE STAFF

Cherie Baruss, Registrar and Complaints Director

Kristen Tanaka, Deputy Registrar and Hearings Director

ABOUT THE CNDA

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 REGISTRAR

As Registrar for the CNDA, I am pleased to present the College of Naturopathic Doctors of Alberta's 2018 Annual Report which has been prepared under the guidance of CNDA Council. This report focuses on a year full of activity and growth for the CNDA and none of that would happen without the dedication and hard work of a small group of volunteers and our full-time Deputy Registrar and Hearings Director, Kristen Tanaka.

Early in 2018, the CNDA Council recognized that there was a need to increase Registrar hours from a 0.25 to a 0.5 role to ensure that the CNDA could keep up with the demands of a growing membership. The increase was temporary for 6 months to determine if the additional hours would be beneficial long term. In the summer of 2018, it was decided that the 0.5 role should become permanent.

The CNDA has had a year of successes and challenges. Among our successes, we have adopted all our draft Standards of Practice – a monumental task undertaken by the Standards Committee, Council, and CNDA Staff. Additionally, we have begun the process of documenting all CNDA in-office policies to ensure that there is clear documentation of consistent, accountable, and transparent decision-making.

We have worked hard to redevelop the Practice Visit Program and have sought the assistance of the College of Naturopaths of Ontario and the Alberta College and Association of Chiropractors to produce a modern Practice Visit Program that will have most members complete a practice visit package electronically once every 5 years.

Practice Visit packages will be reviewed by a peer reviewer against a rigorous rubric and in-person Practice Visits will only be required when the Continuing Competence Committee determines sufficient deficiency in a Practice Visit submission. This will ensure that Albertans are protected while causing minimal disruption to the busy practice of our members.

We continue to work closely with our national counterparts as part of an alliance of naturopathic regulators called the Canadian Alliance of Naturopathic Regulatory Authorities (CANRA). We meet twice a year and are collaborating on many issues common to naturopathic regulators across the country.

Some of our challenges included efforts to bridge the gap in the Standards of Practice to ensure that the parameters for collaborating with other health professionals were clearly protecting the safety of Albertans. This involved working with other colleges under the HPA to ensure there were no grey areas or gaps in collaboration, particularly with nurses in shared health care environments. The result of that hard work was a new CNDA Guideline: Collaboration in Patient Care in a Shared Health Care Setting.

We also participated in a member-initiated Ombudsman complaint; had our first Complaints Review Committee reviews of two complaint dismissals; and, scheduled our first two hearings for 2019.

I am confident that the College, its Council, committees and staff have met these tasks and challenges with the utmost professionalism, always keeping in mind the principles of accountability and transparency balanced with the commitment to protect the public.

A handwritten signature in black ink, appearing to be 'C. Baruss', written in a cursive style.

Cherie Baruss B.A., LL.B.
Registrar

REGISTRATION

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.

When someone applies for registration, it will either be granted following a review by the registrar or referred to the Registration Committee for consideration. Most applications are approved within 2-4 weeks once they are completed.

In addition to educational requirements, applicants are required to submit passing results from the North American Board of Naturopathic Examiners' case-based exams, 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

75% of members renewed on time, reflecting a strong ongoing member commitment to compliance with registration requirements.

MEMBERS IN GOOD STANDING

	2017	2018
General Register	276	276
Provisional Register	0	0
Courtesy Register	0	0
Applications Received	26	25
New Registrations	25	25
Reinstatements	0	0
Practice permits denied, restricted or not renewed	20	25
Requests for registration review	1	0
Incapacity assessments	0	0

COMPLAINTS

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. Concerns may also come to our attention from other sources such as criminal investigation, court actions, or a news story.

Regardless of how we learn about a concern, the Registrar 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

	2017	2018
Concerns received	9	19
Concerns resolved	7	22
Concerns carried over from previous years	2	1
Complaints recieved	1	6
Complaints dismissed	3	2
Complaints carried over from previous years	2	3
Complaints referred to hearing	0	2
Complaints referred to alternative complaint resolution	0	0
Hearings conducted	0	0
Hearings closed or partly closed to the public	0	0
Appeals	0	0

CONTINUING COMPETENCE

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, beginning January 1 of an uneven year and ending on December 31 of the next even year. Naturopathic doctors on the general and provisional registers must maintain competence through a number of required activities:

- Complete an annual self-assessment;
- Create and submit an annual learning plan;
- Submit a list of completed continuing competence activities;
- Complete the required certifications;
- Complete the jurisprudence exam once every competence cycle;
- Complete at least 40 continuing competence program credits every competence cycle; and,
- Successfully complete ongoing practice visits, as required.

**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 reviewers against a rubric of minimum requirements. A naturopathic doctor will be subject to a practice visit at least once every five years.

MESSAGE FROM THE PUBLIC MEMBERS

Alberta's *Health Professions Act* requires self-regulated professions such as the College of Naturopathic Doctors of Alberta to include public representatives on their councils to provide transparency and to ensure the public interest is protected. A balance is provided on the CNDA Council by having a total of eight members, five voting naturopathic doctors and three voting public representative members.

Public members come from a variety of backgrounds, careers and experience, other than naturopathic medicine. We participate fully in the business and debate of Council meetings and serve on subcommittees to which we are appointed. In addition to attending all CNDA regular and annual meetings Public Members are encouraged by Council and are required to be fully informed about CNDA issues, concerns and future plans.

The 2018 Public Members of the CNDA Council were: Ms. Katherine Camarta (appointed October 17, 2017 - October 17, 2020), Ms. Elsy Gagne (appointed June 8, 2018 - June 7, 2021) and Mr. Ralph Westwood (appointed May 8, 2018 - May 7, 2021).

We are pleased to be part of this dedicated Council of volunteers, professionals and staff. The goal of the Council is to serve the best interests of the Alberta public by setting, creating, monitoring, and maintaining standards to help ensure high-quality human services are provided to Albertans by Alberta's registered naturopathic doctors.

We are pleased to report that under the leadership of President Dr. Beverly Huang, the College Council is fulfilling its roles and responsibilities to serve and protect the Alberta public interest.

Respectfully submitted,



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

FINANCIALS

The College's fiscal year finished with a positive balance, offsetting the previous year's deficit.

The College's budgeting process is working, with the surplus and deficiencies averaging out over time. We continue to plan with a 5-year outlook and to reasonably predict our needs to grow and adapt to our changing regulatory environment.

There will always be unpredictable costs as in hearings, complaint reviews and regulatory issues such as Bill-21 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.

The Executive Committee is tasked with, among other things, critically analyzing past expenses and anticipating future costs 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.

Joe Klassen, Council Member (Finances)

FINANCIAL STATEMENTS

The following 12 pages included audited financial statements for the reporting period of January 1, 2018 to December 31, 2018.

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA

FINANCIAL STATEMENTS

December 31, 2018

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA

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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:

Opinion

I have audited the accompanying financial statements of College of Naturopathic Doctors of Alberta, which comprise the statement of financial position as at December 31, 2018, and the statements of operations, 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 my opinion, A significant minority of the company's receivables is concentrated in the retail industry. The company mitigates this credit risk through diversification of its customer base, limiting its exposure to any one customer and maintaining strict collection procedures. The financial statements present fairly, in all material respects, the financial position of College of Naturopathic Doctors of Alberta as at December 31, 2018, and its financial performance and its cash flows for the Year then ended in accordance with .

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Replace this with the details of the Auditor's Report 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.

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 , 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Deborah V. Walker Professional Corporation
127 Cranwell Close SE
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Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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 Entity'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My 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 Entity 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.

I 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 I identify during my audit.

Deborah V. Walker Professional Corporation
127 Cranwell Close SE
Chartered Professional Accountant

March 14, 2019
Calgary, Alberta



3.

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
STATEMENT OF FINANCIAL POSITION
December 31, 2018

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT		
Cash	\$ 399,257	\$ 301,785
Accounts receivable	1,892	901
Interest receivable	384	1,320
Restricted short-term investments (Notes 3 & 9)	95,904	-
Prepaid expenses	12,251	15,915
Goods and Services Tax recoverable	<u>602</u>	<u>506</u>
	510,290	320,427
RESTRICTED LONG-TERM INVESTMENTS (Notes 3 & 9)	-	94,015
CAPITAL ASSETS (Note 4)	545,501	554,885
INTANGIBLE ASSETS (Note 5)	<u>-</u>	<u>5,000</u>
	\$ 1,055,791	\$ 974,327
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 20,361	\$ 18,958
Credit card payable (Note 6)	1,487	1,286
Wages payable	1,115	637
Payroll liabilities	3,598	5,912
Bank operating loan (Note 6)	298	-
Deferred revenue (Note 7)	380,192	310,971
Current portion of long-term debt (Note 8)	13,809	15,961
Interest payable	<u>1,940</u>	<u>1,731</u>
	422,800	355,456
LONG-TERM DEBT (Note 8)	<u>404,233</u>	<u>417,647</u>
	827,033	773,103
NET ASSETS		
Invested in capital assets	127,459	121,278
Restricted net assets	95,904	94,015
Unrestricted net assets	<u>5,395</u>	<u>(14,069)</u>
	228,758	201,224
	\$ 1,055,791	\$ 974,327

Approved by the Directors:

_____, Director _____, Director
 See accompanying Notes to Financial Statements 4.

**COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
STATEMENT OF OPERATIONS
Year ended December 31, 2018**

	<u>2018</u>	<u>2017</u>
REVENUE		
Memberships	\$ 329,249	\$ 243,027
Meetings and conference	97,896	250
Rental income	24,280	7,312
Courses	21,664	7,634
Other income	2,236	603
Interest	<u>953</u>	<u>860</u>
	<u>476,278</u>	<u>259,686</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Conferences and meeting cost	119,309	7,634
Wages and benefits	64,388	68,495
Subcontracting	50,544	26,542
Legal and investigative fees	38,654	26,554
Advertising and promotion	30,343	32,898
Interest on long-term debt	23,835	20,373
Amortization of tangible assets	15,733	15,167
Travel	14,622	9,253
Condo fees	13,724	13,274
Meeting and conference costs	13,395	16,051
Property taxes	11,799	10,634
Office expenses	9,772	8,317
Bank charges	9,412	8,519
Professional fees	6,855	6,622
Professional development	5,252	495
Amortization of intangible assets	5,000	23,000
Insurance	4,960	4,592
Website	4,635	675
Telephone and communications	2,051	1,779
Memberships and subscriptions	1,649	150
Consulting	1,621	2,610
Freight and delivery	<u>1,191</u>	<u>884</u>
	<u>448,744</u>	<u>304,518</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 27,534</u>	<u>\$ (44,832)</u>

See accompanying Notes to Financial Statements

5.

**COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
STATEMENT OF CHANGES IN NET ASSETS
Year ended December 31, 2018**

NET ASSETS	<u>Invested in capital assets</u>	<u>Internally Restricted</u> (Note 9)	<u>Unrestricted</u>	<u>Total 2018</u>	Total <u>2017</u>
Balance, beginning of year	\$ 121,278	\$ 94,015	\$ (14,069)	\$ 201,224	246,056
Excess (deficiency) of revenues over expenses	(15,733)	1,889	41,378	27,534	(44,832)
Transfer	<u>21,914</u>	<u>-</u>	<u>(21,914)</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>127,459</u>	\$ <u>95,904</u>	\$ <u>5,395</u>	\$ <u>228,758</u>	\$ <u>201,224</u>

See accompanying Notes to Financial Statements

6.

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
STATEMENT OF CASH FLOWS
Year ended December 31, 2018

	<u>2018</u>	<u>2017</u>
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 543,555	\$ 327,944
Cash paid to suppliers	(400,842)	(284,576)
Interest received	1,890	294
Interest paid	<u>(23,626)</u>	<u>(18,642)</u>
Cash flow from operating activities	<u>120,977</u>	<u>25,020</u>
FINANCING ACTIVITIES		
Proceeds (repayment) from mortgage	(15,566)	(15,351)
Proceeds (repayment) from line of credit	<u>298</u>	<u>(20,492)</u>
Cash flow from financing activities	<u>(15,268)</u>	<u>(35,843)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(6,348)	-
Investment from guaranteed investment certificates	<u>(1,889)</u>	<u>64,630</u>
Cash flow from investing activities	<u>(8,237)</u>	<u>64,630</u>
INCREASE IN CASH	97,472	53,807
CASH, beginning of year	<u>301,785</u>	<u>247,978</u>
CASH, end of year	<u>\$ 399,257</u>	<u>\$ 301,785</u>

See accompanying Notes to Financial Statements

7.

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
NOTES TO FINANCIAL STATEMENTS
Years ended December 31, 2018

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, 2018

- 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. INVESTMENTS

	<u>2018</u>	<u>2017</u>
Restricted short-term investments	\$ 95,904	\$ -
Restricted long-term investments (Note 9)	<u>-</u>	<u>94,015</u>
	<u>\$ 95,904</u>	<u>\$ 94,015</u>

Restricted short-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 9.

4. CAPITAL ASSETS

	<u>2018</u>		<u>2017</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Building	\$ 383,710	\$ 44,228	\$ 383,710	\$ 30,083
Land	200,000	-	200,000	-
Furniture and equipment	12,540	6,985	6,193	5,596
Computer hardware	<u>2,771</u>	<u>2,307</u>	<u>2,770</u>	<u>2,109</u>
	<u>\$ 599,021</u>	<u>\$ 53,520</u>	<u>\$ 592,673</u>	<u>\$ 37,788</u>
Net Book Value		<u>\$ 545,501</u>		<u>\$ 554,885</u>

5. INTANGIBLE ASSETS

Intangible assets subject to amortization:

	<u>2018</u>		<u>2017</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Registration Program	<u>\$ 69,000</u>	<u>\$ 69,000</u>	<u>\$ 69,000</u>	<u>\$ 64,000</u>
Net Book Value		<u>\$ -</u>		<u>\$ 5,000</u>

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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, 2018 is \$298 (2017 - \$nil).

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, 2018 is \$1,487 (2017 - \$1,286).

7. DEFERRED REVENUE

Deferred revenue consists of 2019 membership dues, including GST, collected by December 31, 2018.

8. LONG TERM DEBT

	<u>2018</u>	<u>2017</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>418,042</u>	\$ <u>433,608</u>
	418,042	433,608
Less current portion due within one year	<u>13,809</u>	<u>15,961</u>
	<u>\$ 404,233</u>	<u>\$ 417,647</u>

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

2019	\$	13,809
2020		14,572
2021		15,377
2022		16,226
2023		17,123
Thereafter		<u>340,935</u>
		<u>\$ 418,042</u>

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9. INTERNALLY RESTRICTED NET ASSETS

	<u>2018</u>	<u>2017</u>
Restricted short-term investments	\$ 95,904	\$ -
Restricted long-term investments	<u>-</u>	<u>94,015</u>
	<u>\$ 95,904</u>	<u>\$ 94,015</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 short-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 2018 \$57,398 (2017 - \$64,976)

Councilors and members were compensated a per diem of \$13,395 (2017 - \$11,970) and membership fees were waived of \$1200 (2017 - \$1000).

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.