

ANNUAL REPORT 2019



College of Naturopathic Doctors of Alberta

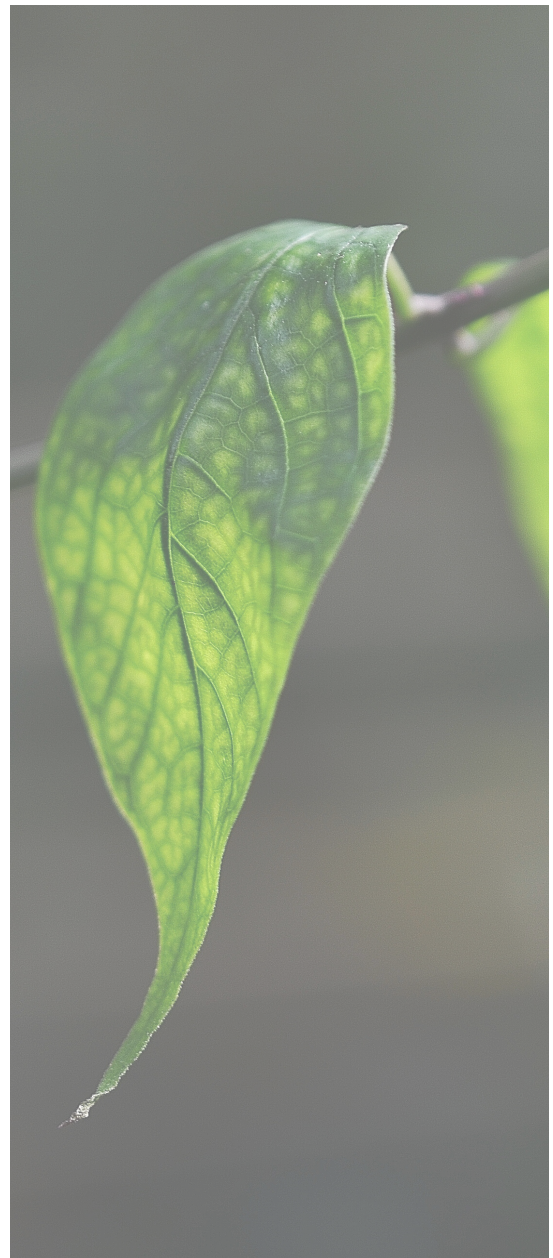


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COLLEGE OF NATUROPATHIC
DOCTORS OF ALBERTA

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INTRODUCTION

The CNDA submits its 2019 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, 2019 to December 31, 2019.

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 handful of changes to CNDA Council in 2019:

In June 2019, nominations were opened for Dr. Stephanie Yaremko and Dr. AJ DeNault's council seats as their terms on council were due to expire in September. The CNDA Council welcomed back the return of Dr. DeNault and previous Council member Dr. Mason-Wood who vacated his seat in 2018. The CNDA Council expressed its deep gratitude to Dr. Yaremko for her immense contribution of 6 years of service on Council and her continued work on several CNDA committees.

The composition of the public members on Council remained unchanged in 2019.

CNDA COUNCIL AND STAFF

The 2019 College Council and Staff were:

COLLEGE COUNCIL

Dr. Beverly Huang ND, PRESIDENT

Dr. Stephanie Yaremko ND, VICE-PRESIDENT (term ended September)

Dr. Shane Johnson ND, MEMBER-AT-LARGE (January to August),

VICE-PRESIDENT (September to December)

Dr. Joseph Klassen ND, FINANCES

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

Dr. Kin Leung ND, MEMBER-AT-LARGE

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

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 2019 Annual Report which has been prepared under the guidance of CNDA Council. This report focuses on a year full of activity for the CNDA. The extraordinary amount of work accomplished this past year would not be possible without our full-time Deputy Registrar and Hearings Director, Kristen Tanaka and an extensive team of regulated members who volunteer their time to the furtherance of regulation for naturopathic doctors in Alberta.

The CNDA continued to grow in membership in 2019 with the current number of regulated members over 300. In 2019 we continued to see both transfer applicants and new graduates applying for membership with the CNDA.

The CNDA has had a year of successes and challenges. Council, and CNDA Staff have diligently continued the process of recording all CNDA in-office policies to ensure that there is clear documentation of consistent, accountable, and transparent decision-making. These policies ensure that the primary mandate of the CNDA, ensuring public protection, is our focus because it ensures clear parameters for the obligations members are required to meet in furtherance of that mandate.

In 2019 the CNDA undertook a major move to a more robust regulatory management software which will allow the CNDA enterprise-level software that meets our requirements as a regulator to manage registrations, renewals, continuing competence, jurisprudence, complaints and task management. It also comes with a full member portal which is easier for members to navigate.

Our Practice Visit program is working smoothly. A fixed number of members are randomly selected every month to complete an electronic practice visit package which is then reviewed by a peer assessor. Practice Visit packages are reviewed by a peer reviewer against a rigorous rubric and in-person Practice Visits are only required when the Continuing Competence Committee determines sufficient deficiency in a Practice Visit submission. The results of those peer assessments are then communicated back to members, allowing them to grow and improve in their practices. The new process for practice visits has ensured that Albertans are protected while causing minimal disruption to the busy practice of our members.

An important 2019 project undertaken by the College was preparing the draft regulatory amendment proposal for the CNDA. At the end of 2019 the CNDA had scheduled meetings with some primary stakeholders to receive preliminary feedback on the proposal with the goal of presenting it to the Health Minister in the first quarter of 2020.

We are working closely with our national counterparts as part of an alliance of naturopathic regulators called the Canadian Alliance of Naturopathic Regulatory Authorities (CANRA). We met 3 times in 2019 collaborated on many issues common to naturopathic regulators across the country, including such timely issues as telemedicine that crosses provincial jurisdictional boundaries.

The CNDA completed its first two hearings last year in addition to meeting all the timelines for the implementation of Bill 21, An Act to Protect Patients.

I remain confident that the College, its Council, committees and staff continue to meet the tasks and challenges they are presented with the utmost professionalism, always keeping in mind the principles of accountability and transparency when meeting the commitment to protect the public.

A handwritten signature in black ink, appearing to be the name 'Cherie Baruss'.

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 practice permits are issued within 4 weeks of receiving a complete application submission.

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

About Our Membership

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

The Facts

There are three register categories with the CNDA:

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

REGISTRATION RENEWALS

98% of members renewed on time, reflecting a strong ongoing member commitment to compliance with registration requirements.

MEMBERS IN GOOD STANDING

	2018	2019
General Register	276	304
Provisional Register	0	0
Courtesy Register	0	0
Applications Received	25	37
New Registrations	25	36
Reinstatements	0	0
Practice permits denied, restricted or not renewed	25	13
Requests for registration review	0	0
Incapacity assessments	0	0
Number of Foreign Applicants	0	0
Length of Time to Process Application from Foreign Application	n/a	n/a

COMPLAINTS

Addressing Concerns and Complaints

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

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

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



The Facts

	2018	2019
Concerns received	19	32
Concerns resolved	22	32
Concerns carried over from previous years	1	0
Complaints received	6	17
Complaints dismissed	2	2
Complaints carried over from previous years	3	2
Complaints referred to hearing	2	2
Complaints referred to alternative complaint resolution	0	0
Hearings conducted	0	2
Hearings closed or partly closed to the public	0	0
Appeals	0	0
Complaints alleging sexual abuse and sexual misconduct	0	0
Findings of unprofessional conduct based in whole or in part on sexual abuse or sexual misconduct	0	0

CONTINUING COMPETENCE

Ensuring Competent, Qualified Naturopathic Doctors

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

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

Beginning in 2020, the 2-year competence cycle with full competence requirements will begin on November 1 of even years and end on October 31, 2022.

Naturopathic doctors 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 assessor 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

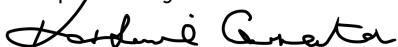
The Public Members of the CNDA Council in 2019 were Katherine Camarta (appointed October 17, 2017 to October 17, 2020), Elsy Gagne (appointed June 8, 2018 to June 7, 2021), and Ralph Westwood (appointed May 8, 2018-May 7, 2021).

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 or education backgrounds and experience to the tasks. We participate fully in all business of the Council and we engage in robust debate. We participate from time to time in sub-committees of Council and we work to provide oversight and strategic direction. We have found the Council members to be fully supportive of our input and fully supportive of 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 to endeavor to best serve the Alberta public by setting, monitoring and maintaining and enforcing quality standards to ensure quality professional services are provided to Albertans by its registered naturopathic doctors.

We are pleased to report that, under the leadership of Dr. Beverly Huang, the Council is fulfilling its responsibilities to serve and protect Albertans. Council acts with transparency and in a fiscally responsible fashion. Council has effectively developed relationships with government partners and other professional associations and regulators. We expect this will continue and we are confident the Council will continue to fulfill its mandate to protect and serve the public while regulating and providing direction to the profession.

Respectfully submitted



Katherine Camarta on behalf of the Public Members of the CNDA Council

FINANCIALS

The College's fiscal year finished with a positive balance. The College's budgeting process is working, with 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.

The CNDA 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, and to report back and recommend to Council adjustments to the budget where necessary.

There will always be variable expenses in hearings, complaint reviews and regulatory changes which, by their very nature, cannot be seen in advance. There is real risk that these can be considerable, and likely unavoidable, and they represent our most variable expense items.

Reported below are the 2019 data for financials related to treatment and counselling funding provided as a result of receipt of a complaint related to sexual abuse and sexual misconduct.

FINANCIAL STATEMENTS

Funding Guidelines for Treatment and Counselling Annual Report

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

Audited Financial Statements

The following pages included audited financial statements for the reporting period of January 1, 2019 to December 31, 2019.

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
Financial Statements
Year Ended December 31, 2019

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
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Year Ended December 31, 2019

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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, 2019, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at December 31, 2019, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

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

Other Matter

The financial statements for the year ended December 31, 2018 were audited by another professional accountant who issued an unmodified opinion on those financial statements on March 14, 2019.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

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

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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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Calgary, Alberta
March 31, 2020

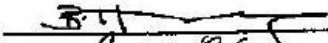
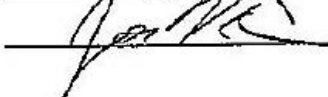


Mahmud Khalfan Professional Corporation
Chartered Professional Accountants

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
Statement of Financial Position
December 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 469,827	\$ 399,257
Accounts receivable	-	1,892
Interest receivable	697	384
Goods and services tax recoverable	-	602
Prepaid expenses	15,706	12,251
Restricted short-term investments (Note 9)	-	95,904
	<u>486,230</u>	510,290
RESTRICTED LONG-TERM INVESTMENTS (Note 9)	96,863	-
CAPITAL ASSETS (Note 4)	<u>532,022</u>	545,500
	<u>\$ 1,115,115</u>	<u>\$ 1,055,790</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 32,390	\$ 20,360
Credit card payable (Note 6)	984	1,487
Wages payable	1,275	1,115
Payroll liabilities	4,533	3,598
Bank operating loan (Note 6)	694	298
Deferred revenue (Note 7)	425,390	380,192
Current portion of long term debt (Note 8)	14,309	13,809
Interest payable	1,389	1,940
Goods and services tax payable	30	-
	<u>480,994</u>	422,799
LONG TERM DEBT (Note 8)	<u>390,180</u>	404,233
	<u>871,174</u>	827,032
NET ASSETS		
Unrestricted	18,848	5,395
Invested in capital assets	127,533	127,459
Internally restricted (Note 9)	97,560	95,904
	<u>243,941</u>	228,758
	<u>\$ 1,115,115</u>	<u>\$ 1,055,790</u>

ON BEHALF OF THE BOARD

 Director
 Director

See notes to financial statements

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA

Statement of Operations

Year Ended December 31, 2019

	2019	2018
REVENUES		
Memberships	\$ 380,540	\$ 329,249
Rental income	13,000	24,280
Courses	11,130	21,664
Application fees and other charges	10,980	-
Other income	9,217	2,236
Interest	1,327	953
Meetings and conference	-	97,896
	<u>426,194</u>	<u>476,278</u>
EXPENSES		
Subcontracting	77,132	50,544
Salaries and wages	73,189	64,388
Legal and investigative fees	50,241	38,654
Conference and meeting cost	44,768	132,704
Interest on long term debt	21,970	23,835
Website	21,083	4,635
Memberships and subscriptions	20,677	1,649
Amortization of tangible assets	15,068	15,733
Condo fees	14,704	13,724
Travel	13,050	14,622
Bank charges	11,859	9,410
Office	11,772	9,772
Property taxes	11,704	11,799
Professional development	8,646	5,252
Professional fees	6,465	6,855
Insurance	4,693	4,960
Telephone and communication	1,818	2,051
Consulting	1,188	1,621
Delivery, freight and express	984	1,191
Advertising and promotion	-	30,343
Amortization of intangible assets	-	5,000
	<u>411,011</u>	<u>448,742</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 15,183</u>	<u>\$ 27,536</u>

See notes to financial statements

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA
Statement of Changes in Net Assets
Year Ended December 31, 2019

	Unrestricted	Invested in capital assets	Internally restricted	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 5,395	\$ 127,459	\$ 95,904	\$ 228,758	\$ 201,222
Excess (Deficiency) of revenues over expenses	29,554	(15,068)	697	15,183	27,536
Transfers	(16,101)	15,142	959	-	-
NET ASSETS - END OF YEAR	\$ 18,848	\$ 127,533	\$ 97,560	\$ 243,941	\$ 228,758

See notes to financial statements

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA**Statement of Cash Flows****Year Ended December 31, 2019**

	2019	2018
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 471,987	\$ 543,554
Cash paid to suppliers and employees	(364,204)	(400,841)
Interest received	1,014	1,889
Interest paid	(22,522)	(23,625)
Cash flow from operating activities	<u>86,275</u>	<u>120,977</u>
INVESTING ACTIVITIES		
Proceeds (Repayment) of GICs, net	(959)	(1,889)
Purchase of capital assets	(1,589)	(6,348)
Cash flow used by investing activities	<u>(2,548)</u>	<u>(8,237)</u>
FINANCING ACTIVITIES		
Proceeds from the line of credit	396	298
Repayment of mortgage	(13,553)	(15,566)
Cash flow used by financing activities	<u>(13,157)</u>	<u>(15,268)</u>
INCREASE IN CASH FLOW	70,570	97,472
Cash - beginning of year	<u>399,257</u>	<u>301,785</u>
CASH - END OF YEAR	\$ 469,827	\$ 399,257

See notes to financial statements

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA

Notes to Financial Statements

Year Ended December 31, 2019

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. BASIS OF PRESENTATION

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The College of Naturopathic Doctors 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.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

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

Measurement uncertainty

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

Volunteer contributions

Volunteers contribute a significant number of hours per year to assist the 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.

Intangible assets

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

Registration Program	3 year straight line
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COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA

Notes to Financial Statements

Year Ended December 31, 2019

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

Cash & cash equivalents

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

Financial instruments

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

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

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

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

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Buildings	\$ 383,710	\$ 57,807	\$ 325,903	\$ 339,482
Land	200,000	-	200,000	200,000
Furniture and equipment	12,540	8,097	4,443	5,555
Computer equipment	4,360	2,684	1,676	463
	\$ 600,610	\$ 68,588	\$ 532,022	\$ 545,500

5. INTANGIBLE ASSETS

	2019	2018
Registration program	\$ 69,000	\$ 69,000
Accumulated amortization	(69,000)	(69,000)
	-	-
	\$ -	\$ -

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA

Notes to Financial Statements

Year Ended December 31, 2019

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, 2019 is \$694 (2018 - \$298).

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, 2019 is \$984 (2018 - \$1,487).

7. DEFERRED REVENUE

Deferred revenue consists of 2020 membership dues, including GST, collected by December 31, 2019.

8. LONG TERM DEBT

	<u>2019</u>	<u>2018</u>
Alberta Treasury Branch long-term loan secured against the commercial condo (cost \$583,710) at interest rate of prime plus 1.5% per annum, requiring monthly payments of \$3,000 and maturing in April 2036.	<u>\$ 404,489</u>	<u>\$ 418,042</u>
	404,489	418,042
Less current portion of long term debt	<u>(14,309)</u>	<u>(13,809)</u>
	<u>\$ 390,180</u>	<u>\$ 404,233</u>

Principal repayment terms are approximately:

2020	\$ 14,309
2021	15,109
2022	15,953
2023	16,844
2024	17,786
Thereafter	<u>324,488</u>
	<u>\$ 404,489</u>

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA

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Year Ended December 31, 2019

9. INTERNALLY RESTRICTED NET ASSETS

	<u>2019</u>	<u>2018</u>
Restricted short-term investments	\$ -	\$ 95,904
Restricted long-term Investments	96,863	-
Accrued interest on restricted long-term investments	697	-
	\$ 97,560	\$ 95,904

The College's Council has internally restricted net assets to create a contingency fund to enable the College to continue to operate in case of unforeseen events. These funds are invested in long-term guaranteed investment certificates that mature August 8, 2022 and carry an interest rate of 1.8% (2018 - 1%).

10. RELATED PARTY TRANSACTIONS

Wages paid to the board secretary for her employment duties as administrator for 2019 \$69,236 (2018 - \$60,936).

Councilors and members were compensated as per diem of \$27,975 (2018 - \$13,395) and membership fees were waived of \$1,378 (2018 - \$1,200).

11. SUBSEQUENT EVENTS

On March 17, 2020, the Government of Alberta declared a public health emergency in response to the Covid-19 pandemic. The global pandemic has disrupted economic activities and supply chains. Although the effect of the virus is expected to be temporary, given the dynamic nature of the circumstances, it may have an impact on some of the revenue streams and expenses of the College. The overall financial impact of this pandemic cannot be reasonably estimated at this time.

12. FINANCIAL INSTRUMENTS

The College is exposed to various risks through its financial instruments and has a risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the College's risk exposure and concentration as of December 31, 2019.

Credit risk

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

Subsequent to the year end, the College's credit risk has increased due to the impact of Covid-19 which could lead to possible delays in the receipt of membership revenue and other fees from its members and rental payments from the tenants.

(continues)

COLLEGE OF NATUROPATHIC DOCTORS OF ALBERTA

Notes to Financial Statements

Year Ended December 31, 2019

12. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

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

Subsequent to the year end, the College's liquidity risk has increased due to the impact of Covid-19 which could lead to possible delays in the receipt of memberships and other fees from its members and rental payments from the tenants.

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 does not have a significant exposure to market risk.

13. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation. Figures for yearend December 31, 2018 were audited by another professional accountant.
