CCNM’s 2011 annual report theme, NEW FRONTIERS, reflects the past year’s leaps in curriculum development, research methodologies, clinic numbers, patient management, and student services initiatives.

This year, NEW FRONTIERS also represents the way in which we are delivering our annual report: for the first time, CCNM is delivering the primary report as an interactive, online document.

We’re bringing the story of CCNM to life, through multi-dimensional multimedia. This year’s online report features video links that augment the stories we tell and so our new medium is a part of our NEW FRONTIERS message.
CCNM will make naturopathic medicine an integral part of health care through pre-eminent education, research and clinical services.

**Our Mission**

The Canadian College of Naturopathic Medicine will:

- Demonstrate excellence in education to our students, supporting them throughout their careers;
- Provide a working environment that allows our faculty and staff to excel;
- Expand our knowledge of naturopathic medicine through high quality research;
- Excel in delivering naturopathic medicine to our patients;
- Forge a strong relationship between allopathic and naturopathic medicine with a focus on affordable, accessible and effective health care;
- ... and so make the practice of naturopathic medicine widely acknowledged as key to maintaining patient health.

To drive CCNM in its pursuit of excellence in naturopathic medicine, CCNM's Board of Governors has developed a series of “Ends”:

**EXCELLENCE IN EDUCATION**

Educate naturopathic doctors on the basis of clear and focused curriculum, delivered by the most competent faculty, and graduate high-quality naturopathic doctors.

**HIGH-QUALITY CLINICAL SERVICES**

Provide high-quality naturopathic care in a clinical setting, resulting in positive educational experiences for students and positive outcomes for patients and clients.

**EXCELLENCE IN RESEARCH**

Conduct and disseminate research relevant to naturopathic medicine and help develop skills among faculty, students, and graduates that fosters research activity and a culture of evidence-informed clinical practice.

**PROMINENT NATIONAL PROFILE**

Increase the awareness and respect of the College among the profession, other health practitioners, government and the public.

**CHANGE AGENT**

Foster positive change in our health, our environment, and our health-care system through the promotion of the principles and practices of naturopathic medicine.
“Naturopathic medicine allows us to reduce other expenditures in the health-care system in dramatic and significant ways.”

Many Ontarians are choosing naturopathic medicine as their first choice for health care. A survey commissioned by CCNM in August 2011 revealed that almost half of Ontarians treated by NDs report that their health improved in significant ways. Consider:

- Approximately 4 in 10 of those individuals surveyed reported fewer visits to their family doctors, 3 in 10 to hospitals as a result of the care they receive from NDs, and half reduced their use of prescription medications.
- 72% of Ontarians familiar with the practice view naturopathic medicine positively, 43% say they are familiar with the practice and an estimated 18% of all adult Ontarians—an estimated two million people—have seen an ND.
- Women are both more likely to be familiar with naturopathic medicine (49% versus 36%) and more likely to have a positive impression of it (77% versus 66%) as compared to men.
- The demand for naturopathic medicine continues to grow with 41% of respondents indicating they are likely to see an ND in the next few years, and over half of these anticipating a visit within the next 12 months.

The survey indicated that there is a general movement towards selecting naturopathic medicine as a treatment option based on a strong desire for more natural approaches to boosting and maintaining health.

Bob Bernhardt
President & CEO
Former president of the Association of Accredited Naturopathic Medical Colleges

Foster positive change in our health, our environment, and our health-care system through the promotion of the principles and practices of naturopathic medicine.
“We see effective, proactive medical care at the forefront of Canadian integrative oncology.”

On November 2, 2011, the Ottawa Integrative Cancer Centre (OICC), celebrated its grand opening. Since then, visits have been climbing rapidly, complete renovations of the lower level of the building are well underway, and the roster of clinicians has expanded to include NDs, a psychologist, a medical doctor, a physiotherapist, an acupuncturist, a massage therapist, and others.

Over the past year, we have worked to spread the message about the OICC and complementary oncology in local and national media outlets such as CTV news.

And after submitting a successful proposal to the Lotte and John Hecht Memorial Foundation, the OICC was pledged $1.355 million over a five-year period to provide operating funds.

We believe that this centre will have a positive and lasting impact on the provision and exploration of whole-person cancer care and will be a model for the creation of other such centres across Canada.

Dugald Seely, ND
Director of Research
Founder and Executive Director, OICC

Increase the awareness and respect of the College among the profession, other health practitioners, government and the public.
“As NDs, we need to make decisions between different treatments and we need evidence to base this on.”

Supporting our naturopathic treatments and modalities with a solid evidence base positions CCNM as an influential leader in naturopathic research and serves to strengthen the profession as a whole.

By publishing our studies in highly-regarded medical journals and presenting our findings at the leading naturopathic conferences, our work not only reaches NDs but other researchers and health-care professionals as well.

Over the past year, the research team has completed numerous studies and presented the results at symposia and lectures throughout North America.

Highlights from the past year include SickKids Research Fellow Deborah Kennedy, MBA, ND, putting forward her analysis on the ability of an ionic footbath to remove heavy metal toxins through the feet and OICC Research Associate Gillian Flower, ND, presenting her findings from an audit of patient care at the RSNC adjunctive cancer care shift at both the American Association of Naturopathic Physicians and Canadian Association of Naturopathic Doctors conferences in 2011.

Heidi Fritz, ND
Research Fellow
Lead researcher, systematic review of vitamin A for treating lung cancer

Conduct and disseminate research relevant to naturopathic medicine and help develop skills among faculty, students, and graduates that fosters research activity and a culture of evidence-informed clinical practice.
evidence-based naturopathic research makes our curriculum stronger

Chris Habib

“As a result of this audit, we’ve incorporated improvements in both the academic curriculum and clinical experience.”

In 2011, Research Resident Chris Habib, ND, completed an audit examining the methods in which the Robert Schad Naturopathic Clinic manages type 2 diabetes. The study is notable for being the first of its kind to assess the type of care we provide and apply the resulting information to our academic and clinical delivery.

CCNM is presenting a new frontier in the way we incorporate research and academics. By encouraging timely and vital research projects, we are able to undertake studies on topics which may potentially enhance the way professors teach and how NDs deliver care to their patients.

Another example of how our research is impacting the way we approach patient care is the successful trial exploring the use of a probiotic for irritable bowel syndrome. Led by Kieran Cooley, ND, associate director of research, the study utilized social media tools to effectively and economically recruit trial participants, and as a result was completed much sooner than anticipated.

This kind of research not only helps us create a better academic program – it raises the standards of care at CCNM.

Chris Habib, ND
Research Resident
Lead researcher, managing type 2 diabetes using the naturopathic patient database

Conduct and disseminate research relevant to naturopathic medicine and help develop skills among faculty, students, and graduates that fosters research activity and a culture of evidence-informed clinical practice.
I was a resident from 1998 to 2000, and a lot has changed since then.

Jasmine Carino, ND
Associate Dean, Curriculum and Residency Program
Member of the Council on Naturopathic Medical Education

CCNM achieved a milestone in April 2011 – the College’s hard work in meeting the Council on Naturopathic Medical Education’s credentials resulted in full accreditation of the residency program.

Now, when a resident graduates from the College, their clinical training has demonstrably satisfied the Council’s high standards.

The program has been enhanced in many ways; the residents have a more organized schedule, increased mentorship and training from senior NDs allows for a gradual increase in responsibility, and a special curriculum has been designed just for them.

The profession is expanding, and more jurisdictions are recognizing the positive impact of naturopathic medicine on public health. Certified residency programs, such as the ones at CCNM, provide NDs with the rigorous educational and clinical background to deliver these health outcomes for patients.

Jasmine Carino, ND
Associate Dean, Curriculum and Residency Program
Member of the Council on Naturopathic Medical Education

Provide high-quality naturopathic care in a clinical setting, resulting in positive educational experiences for students and positive outcomes for patients and clients.
students recreate patient visits with rigorous clinical examinations

Nick DeGroot

“The literature is clear, that OSCE is a solid predictor of the performance of students once they are out in their actual practices seeing real patients.”

Called the “gold standard” by CCNM Dean Nick DeGroot, ND, the Objective Structured Clinical Examination, or OSCE, assesses a student's skills and performance in a clinical setting.

For the 2011-2012 academic year, the intensive clinical examinations, OSCE I and II, were introduced to second-year students for the first time. The exams were met with much success, as students were given a platform to apply their knowledge in a timed, clinical test with “real-life” patients.

In addition to the OSCEs, the timetable was significantly altered to accommodate a new clinic course for third-year students called Clinic III. The students received mentorship from fourth-year students and grew increasingly responsible for patient care, and were able to build up their clinical experience before becoming RSNC interns in May.

Nick DeGroot, ND
Dean
Member of the transitional Council of the College of Naturopaths of Ontario

Provide high-quality naturopathic care in a clinical setting, resulting in positive educational experiences for students and positive outcomes for patients and clients.
“Through social media sites like Facebook, we are establishing relationships and connections with prospective students.”

With the advent of social media, prospective students who are interested in attending the school of their choice can find out everything about it; how many hours are in the program, what courses were taught that day, and who their professors might be.

At CCNM, students form a community which social media has only made stronger. There are Facebook groups for every recent graduating year at CCNM and the College’s main Twitter account boasts a high number of student followers.

Because CCNM engages prospective students right at the beginning of the application process, we are able to generate excitement for the program and in turn, create a higher rate of conversion of applicants to students.

Patti Scott
Associate Director, Student Services
First contact for prospective students

Educate naturopathic doctors on the basis of clear and focused curriculum, delivered by the most competent faculty, and graduate high-quality naturopathic doctors.
BOARD OF GOVERNORS
(as at July 31, 2011)

VOTING MEMBERS

Kim Piller (Chair)
Director of Sales, North America
Metagenics Canada, Inc.
Mississauga, ON

Rudy Breda, CA
(Vice-chair/Treasurer)
Director of Finance
The Moro Group Builders Inc.
Toronto, ON

Julie McClure
Student Governor, Class of 2013

Neil Davis, BA, LLB
Partner, Davis Webb LLP
Brampton, ON

Rita Ferrari
Toronto, ON

Malcolm Heins, LLB
Toronto, ON

Aaron Hoo, ND
Doctors’ Choice Nutrition
Vancouver, BC

Colin Huska, ND
Sage Elements Naturopathic Clinic
Halifax, NS

Melissa Johnson, ND
Ottawa, ON

Joel Lanphear, PhD
Professor of Medical Education
Northern Ontario School of Medicine
Thunder Bay, ON

Carol Morley, B.Kin., ND
Zawada Health
Mississauga, ON

David Nostbakken, PhD
President, WETV
Ottawa, ON

Eileen Tobey, APR, F(CPRS)
Toronto, ON

Barbara Weiss, ND (Vice-chair)
Toronto, ON

NON-VOTING REPRESENTATIVES

Bob Bernhardt, PhD
President & CEO, CCNM

Kim Fisher (Secretary)
Executive Assistant, President’s Office, CCNM

Zeynep Uraz B.Sc., ND (Faculty Representative)
Clinic Faculty, CCNM

Tara Snyder (Staff Representative)
Associate Director, Robert Schad Naturopathic Clinic, CCNM

Julie McClure
Student Governor, Class of 2013
The Canadian College of Naturopathic Medicine is fortunate to benefit from a long list of friends and supporters. The following individuals and corporate supporters help CCNM achieve its mission to make naturopathic medicine an integral part of health care through pre-eminent education, research and clinical services.

By investing in research, scholarships, teaching clinics and other areas at the College, our supporters help CCNM lead the development of primary health care through education in naturopathic medicine and foster positive change in our health, our environment and our health-care system.

CCNM is a charitable educational institution, and receives no direct financial support from federal or provincial governments. Our financial health depends on the generosity and commitment of our supporters, who believe in the work we do and support naturopathic education and research. On behalf of our students, alumni, faculty, staff and clinic patients, we thank you.

The following list recognizes cumulative support from active donors giving $50 or more between August 1, 2010 and July 31, 2011.

$1 Million Plus
The Schad Foundation

$500,000 Plus
Swiss Herbal Remedies Ltd.

$250,000 Plus
Essiac International Metagenics

$100,000 Plus
The Lotte and John Hecht Memorial Foundation
Seroyal International Inc.

$50,000 Plus
Biomed International Products Corp.
Boiron Canada
CanPrev Natural Health Products Ltd.
Cyto-Matrix Inc.
Dr. Reckeweg Homeopathic Specialties Heel Canada Inc.
Integra Nutrition Inc.
Naturomedic.org
SISU Inc.
J.M. Wilson
Anonymous (1)

$25,000 Plus
AOR
Ascenta Health Ltd.
Bob Bernhardt
Bioclinic Naturals
Body and Mind
Ferring Pharmaceuticals
York Downs Pharmacy

$10,000 Plus
Paul Battistuzzi
Biotics Research Canada
Kieran Cooley, ND
Douglas Laboratories of Canada
EcoTrend Ecologics Ltd.
Electro-Therapeutic Devices Inc. (ETD Inc.)
Estate of Gordon Wilinski
Gamma-Dynacare Medical Laboratories
Genuine Health
Dr. Jay Grossman on behalf of Applied Kinesiology Homeocan Inc.
Kent Homeopathic Associates, Inc.
Roger & Mary McCrorie
Lisa McCrorie-Hogan
Naturopathic Students Association
Pascoe Canada
Professional Health Products
The Big Carrot
Thorne Research Inc.

$5,000 Plus
Advantage Health Matters Inc.
Baagwating Community Association
Nick DeGroot, ND
Enzymatic Therapy Canada Inc.
Cyto-Matrix Inc.
Herbalsante Inc.
David Lacroix
Peter J. Mayhew
Dr. Edward J. Mills
NDASSIST Inc.
Nutritional Fundamentals For Health Inc.
Keith Pownall
Progressive Nutritional Therapies
Dr. Ron Saranchuk
Dugald Seely, ND
Donna Sharp
Signature Supplements Inc.
Studentcare.net/works
Barbara Young

$2,500 Plus
Afecta Life Sciences Inc.
Kimberlee Blyden-Taylor, ND
William M. Droneyk, ND
Institut Rosell Lallemmand
Land Art Inc.
Susan M. Langley
Nature’s Source Inc.
PureSource Inc.
Rocky Mountain Analytical
Patricia Scott
Dr. Ljubisa Terzic
The Spectrum Group

$1,000 Plus
ALCAT
Avicenna Natural Products
Bioforce Canada
Jasmine Carino, ND
DR-HO’S/VGH Solutions Inc.
Shehab F. Elhashemy, ND
Kimberly Fisher
Jason Gemmill
Mary L. Knudsen, ND
Innotech Nutritional Solutions
Catherine Kenwell
Liam LaTouche
Medical Futures Inc.
Carol Morley, ND
Kim Piller
Tara Snyder
Stero-Chrom Analytical Laboratories
Zeynep Uraz & Alan Vu, NDs
Vita Aid

$500 Plus
Alumicor Ltd.
Andrea Blackley
Colleen Campbell
Anna Evans
Sandra Franklyn
Janice Griffith
Malcolm Heins
Mary Massoud
Jonathan E. Prousky, ND
Kim Tran
Art Welter
Camil Youssef

$250 Plus
Riccardo Castaldo
Dr. Derek & Belinda Ginter
Nabeel Ibrahim
Melissa Johnson, ND
Robert & Marlene Neufeld
Vanessa Rich
Wayne Smith
Bev Stone
Irene Theletris
Aeryn Twidle
Richard Vuksic & Kristina Kastelanac, NDs
Regina Zaripova
Anonymous (1)

$100 Plus
Gregory Allen
Angela Altavilla
Eleanor Arabia
Jill L. Barber
John Boucher
Russell and Rhonda Brewes
Amanda Brewes
Jane Burke-Robertson
Scott Burnett
Phil Cheung
Stan Cheung
Jim and Nicola Clark
Gerardo Cristiano
Zeynep Uraz & Alan Vu, NDs
Vita Aid

$50 Plus
Alumicor Ltd.
Andrea Blackley
Colleen Campbell
Anna Evans
Sandra Franklyn
Janice Griffith
Malcolm Heins
Mary Massoud
Jonathan E. Prousky, ND
Kim Tran
Art Welter
Camil Youssef

$25 Plus
Riccardo Castaldo
Dr. Derek & Belinda Ginter
Nabeel Ibrahim
Melissa Johnson, ND
Robert & Marlene Neufeld
Vanessa Rich
Wayne Smith
Bev Stone
Irene Theletris
Aeryn Twidle
Richard Vuksic & Kristina Kastelanac, NDs
Regina Zaripova
Anonymous (1)
TRIBUTE AND IN MEMORIAM DONATIONS

We are grateful for the gifts made in honour of and in memory of the following individuals.

In Honour of:
Class of 2014
Jerson Baguan
Jennifer Cisternino, ND
Nick DeGroot, ND
Sharon Hackert
Alexander Hall, ND
Jennifer C. Hillier, ND
Afsoun A. Khalili, ND
Ajay Lad, ND
Michael Leclair
Dr. Wilson
Fred W. Loffler
Allan Robert Price, ND
Wedding Celebration of Richard Vuksinic, ND & Kristina Kastelanac, ND

In Memory of:
Rosanna-Jade Altavilla
Brent Blackler
Russell Buckingham
Stanford K. Claunch
Marnie Coates
Rubena Cutting
Edward DeBartolo
William B. Gruber
Ian P.N. Hague
Helen P. Heemskerk
Brenda James
Anne Maxim
Richard D. McCrorie
Victor Prouskey
Gregory Wayne Prytula, ND
Deane Steel
Patricia Thorsley
Bryan E. Timothy

Gift In Kind Donations:
AOR
Ascenta Health Ltd.
Bioclinic Naturals
CanPrev Natural Health Products Ltd.
Electro-Therapeutic Devices Inc. (ETD Inc.)
Integra Nutrition Inc.
Kent Homeopathic Associates, Inc.
Nabeel Ibrahim
Seroyal International Inc.
Thorne Research Inc.
York Downs Pharmacy

Research Funders/Partners:
The Lotte and John Hecht Memorial Foundation
Dicentra Inc.
Canada Post Corporation/Canadian Union of Postal Workers (CUPW)
Canadian Breast Cancer Research Alliance/CAMEO & BC Cancer Agency
Diabetes Action and Education Foundation

Life Insurance:
Heinz Vollenweider

Bequests:
Estate of Linda Ganly
Estate of Lucy Hopkins
Estate of Ina Meares
Estate of Marilyn A. Scheifele
Estate of Patricia Thorsley
Estate of Gordon Wilinski
Estate of Joyce Isabella Vanderburg

STRONG CUMULATIVE SUPPORT
We thank the following supporters for their generous historical contributions to CCNM.

$1 Million Plus (cumulative)
Husky Injection Molding Systems Ltd.
REPORT ON THE FINANCIAL STATEMENTS
We have audited the accompanying financial statements of the Institute of Naturopathic Education and Research, which comprise the statement of financial position as at July 31, 2011 and the statements of revenues and expenses and fund balances and cash flows for the year then ended, 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 generally accepted accounting principles, 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.

Auditors’ responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 auditors’ 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 auditors consider 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion
In common with many not-for-profit organizations, the Institute derives a portion of its revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Institute and we were unable to determine whether any adjustments for unrecorded revenue might be necessary to donations, excess (deficiency) of revenues over expenses for the year, assets and fund balances, end of year.

Qualified opinion
In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Institute of Naturopathic Education and Research as at July 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS
As required by the Corporations Act (Ontario), we report that, in our opinion, Canadian generally accepted accounting principles have been applied on a basis consistent with that of the preceding year.

Ernst & Young LLP
Thornhill, Canada, December 19, 2011.
Chartered Accountants Licensed Public Accountants
### STATEMENT OF FINANCIAL POSITION

**As at July 31**

<table>
<thead>
<tr>
<th></th>
<th>Operating Fund</th>
<th>Restricted Fund</th>
<th>Endowment Fund</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$97,683</td>
<td>$400,158</td>
<td>$68,054</td>
<td>$565,895</td>
<td>$806,441</td>
</tr>
<tr>
<td>accounts receivable</td>
<td>$42,465</td>
<td>—</td>
<td>$2,346</td>
<td>$44,811</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$174,454</td>
<td>—</td>
<td>$95,709</td>
<td>$270,163</td>
<td></td>
</tr>
<tr>
<td>Due from related parties [note 3]</td>
<td>$151,337</td>
<td>—</td>
<td>$117,088</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>$41,961</td>
<td>—</td>
<td>$39,866</td>
<td>$81,827</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$355,805</td>
<td>—</td>
<td>$326,799</td>
<td>$682,594</td>
<td></td>
</tr>
<tr>
<td>Total current assets</td>
<td>$863,705</td>
<td>$400,158</td>
<td>$205,909</td>
<td>$1,499,949</td>
<td></td>
</tr>
<tr>
<td>Long-term prepaid expenses</td>
<td>$7,866</td>
<td>—</td>
<td>$7,315</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets, net [note 4]</td>
<td>$12,659,948</td>
<td>—</td>
<td>$12,725,738</td>
<td>$25,385,686</td>
<td></td>
</tr>
<tr>
<td><strong>LIABILITIES AND FUND BALANCES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank indebtedness [note 7]</td>
<td>$950,000</td>
<td>—</td>
<td>$400,000</td>
<td>$1,350,000</td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$540,876</td>
<td>$3,598</td>
<td>$544,477</td>
<td>$802,750</td>
<td></td>
</tr>
<tr>
<td>Interfund loan [note 6]</td>
<td>(379)</td>
<td>($613)</td>
<td>$992</td>
<td>$623,409</td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>$747,379</td>
<td>—</td>
<td>$877,601</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>$2,581,784</td>
<td>$2,985</td>
<td>$2,581,784</td>
<td>$5,165,346</td>
<td></td>
</tr>
<tr>
<td>Long-term debt [note 7]</td>
<td>$399,949</td>
<td>—</td>
<td>$746,845</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$2,983,733</td>
<td>$2,985</td>
<td>$2,983,733</td>
<td>$5,969,500</td>
<td></td>
</tr>
<tr>
<td>Commitments [note 12]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fund balances</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Fund</td>
<td>$10,547,786</td>
<td>—</td>
<td>$10,547,786</td>
<td>$10,547,786</td>
<td></td>
</tr>
<tr>
<td>Restricted Fund [note 8]</td>
<td>—</td>
<td>$397,173</td>
<td>$397,173</td>
<td>$397,173</td>
<td></td>
</tr>
<tr>
<td>Total fund balances</td>
<td>$10,547,786</td>
<td>$397,173</td>
<td>$67,062</td>
<td>$11,009,121</td>
<td></td>
</tr>
<tr>
<td><strong>Fund balances</strong></td>
<td>$13,531,519</td>
<td>$400,158</td>
<td>$13,999,731</td>
<td>$14,233,002</td>
<td></td>
</tr>
</tbody>
</table>

See accompanying notes.

On behalf of the Board: GOVERNOR GOVERNOR

### STATEMENT OF REVENUES AND EXPENSES AND FUND BALANCES

**Year ended July 31**

<table>
<thead>
<tr>
<th></th>
<th>Operating Fund</th>
<th>Restricted Fund</th>
<th>Endowment Fund</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition</td>
<td>$9,981,466</td>
<td>—</td>
<td>—</td>
<td>$9,981,466</td>
<td>$9,747,961</td>
</tr>
<tr>
<td>Clinic</td>
<td>$834,656</td>
<td>$840,151</td>
<td>—</td>
<td>$1,674,807</td>
<td>$1,674,807</td>
</tr>
<tr>
<td>Dispensary</td>
<td>$89,425</td>
<td>—</td>
<td>$2,346</td>
<td>$91,771</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$174,454</td>
<td>—</td>
<td>$95,709</td>
<td>$270,163</td>
<td></td>
</tr>
<tr>
<td>Due from related parties [note 3]</td>
<td>$151,337</td>
<td>—</td>
<td>$117,088</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>$41,961</td>
<td>—</td>
<td>$39,866</td>
<td>$81,827</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$355,805</td>
<td>—</td>
<td>$326,799</td>
<td>$682,594</td>
<td></td>
</tr>
<tr>
<td>Total current assets</td>
<td>$863,705</td>
<td>$400,158</td>
<td>$205,909</td>
<td>$1,499,949</td>
<td></td>
</tr>
<tr>
<td>Long-term prepaid expenses</td>
<td>$7,866</td>
<td>—</td>
<td>$7,315</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets, net [note 4]</td>
<td>$12,659,948</td>
<td>—</td>
<td>$12,725,738</td>
<td>$25,385,686</td>
<td></td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>$9,102,752</td>
<td>$8,580,195</td>
<td>$10,751</td>
<td>$18,834,698</td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>$40,646</td>
<td>$37,007</td>
<td>$5,088</td>
<td>$82,731</td>
<td></td>
</tr>
<tr>
<td>Office and general</td>
<td>$818,947</td>
<td>$853,223</td>
<td>$11,166</td>
<td>$1,783,336</td>
<td></td>
</tr>
<tr>
<td>Travel, promotion and advertising</td>
<td>$477,964</td>
<td>$539,142</td>
<td>$1,116</td>
<td>$1,119,222</td>
<td></td>
</tr>
<tr>
<td>Books and teaching supplies</td>
<td>$311,532</td>
<td>$301,363</td>
<td>$11,567</td>
<td>$624,462</td>
<td></td>
</tr>
<tr>
<td>Professional services</td>
<td>$98,407</td>
<td>$76,643</td>
<td>—</td>
<td>$175,046</td>
<td></td>
</tr>
<tr>
<td>Bursaries and awards</td>
<td>$59,078</td>
<td>$39,733</td>
<td>$87,993</td>
<td>$206,804</td>
<td></td>
</tr>
<tr>
<td>Graduation and student events</td>
<td>$19,492</td>
<td>$20,554</td>
<td>—</td>
<td>$39,046</td>
<td></td>
</tr>
<tr>
<td>General maintenance</td>
<td>$697,159</td>
<td>$647,536</td>
<td>$1,426</td>
<td>$1,356,117</td>
<td></td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>$48,573</td>
<td>$66,702</td>
<td>—</td>
<td>$115,275</td>
<td></td>
</tr>
<tr>
<td>Amortization</td>
<td>$787,014</td>
<td>$748,187</td>
<td>—</td>
<td>$1,535,191</td>
<td></td>
</tr>
<tr>
<td>Total excess (deficiency) of revenues over expenses for the year</td>
<td>$(259,918)</td>
<td>$7,292</td>
<td>$194,742</td>
<td>$(65,176)</td>
<td></td>
</tr>
<tr>
<td>Fund balances, beginning of year</td>
<td>$10,807,704</td>
<td>$10,800,412</td>
<td>$202,431</td>
<td>$11,830,547</td>
<td></td>
</tr>
<tr>
<td>Fund balances, end of year</td>
<td>$10,547,786</td>
<td>$10,807,704</td>
<td>$397,173</td>
<td>$11,952,710</td>
<td></td>
</tr>
</tbody>
</table>

See accompanying notes.
The Institute does not amortize artwork or capitalized costs related to its corporate identity. Personnel who work directly on managing capital projects to capital assets. No amortization is recorded until construction is substantially complete and the assets are ready for productive use.

Revenue recognition
The Institute follows the restricted fund method of accounting for contributions, which include donations and research grants. Externally restricted contributions for specific purposes are recognized as revenue of the Restricted Fund unless the capital is to be maintained permanently, in which case the contributions are recognized as revenue of the Endowment Fund. Unrestricted contributions are recognized as revenue of the Operating Fund when received or receivable if the amounts to be received can be reasonably measured and ultimate collection is reasonably assured.

- Tuition and general interest and continuing education revenue is deferred and recognized as revenue of the Operating Fund over the academic year.
- Clinic revenue is recognized as revenue when clinic services are provided.
- Membership fees revenue is deferred and recognized as revenue when cash is received.
- Sponsorships revenue is recognized as revenue in the year the sponsored event occurs.
- Investment income earned on the Endowment Fund assets is recognized in the Restricted Fund in accordance with external restrictions.

Future accounting policy changes
The Accounting Standards Board of the CICA has issued Part III of the CICA Handbook that sets out the accounting requirements for not-for-profit organizations. The Institute is currently evaluating the impact of these standards.

The work of the Institute is dependent on the volunteer services of many individuals. The nature or amount of volunteer services is not reflected in these financial statements because of the difficulty in determining their value.

Allocation of expenses
Expenses are recorded in the statement of revenues and expenses and fund balances by purpose, except for expenses related to research. Research expenses include direct costs related to research activities that are covered by research grants. There are no general overhead expenses recorded in the restricted research expenses.

The Institute is currently evaluating the impact of these standards.
3. DUE FROM RELATED PARTIES

(a) CCNM Enterprises ("Enterprises") was incorporated under the Canada Corporations Act without share capital and began its operations on October 1, 2003. Enterprises operates as a not-for-profit organization and, as such, is exempt from income taxes. Enterprises was established to promote the dissemination of research and development related to the fields of naturopathy and natural health sciences and to promote writing, printing, publication and distribution of literature related to naturopathic medicine and other health sciences.

In addition, Enterprises is the sole shareholder of CCNM Press Inc. ("Press"), which was incorporated under the Canada Corporations Act and began its operations on September 15, 2003, and is a taxable corporation. Press is engaged in the publishing and distribution of literature related to naturopathy and natural health sciences.

Transactions with Enterprises and Press, both of which are entities subject to significant influence, during the year are recorded at the agreed upon exchange amounts. The details of transactions between the Institute and these related parties are set out below.

(b) On September 15, 2003, the Institute entered into an agreement with Press to provide funding as requested by Press from time to time. As at July 31, the carrying amounts owing by Enterprises and Press recorded in the accounts of the Institute are as follows:

- Enterprises: $426,327
- Press: $426,327

The amount due from Enterprises represents a loan outstanding, which is due on demand, unsecured, non-interest bearing, and has no specific terms of repayment.

The amount due from Press bears interest at the bank's prime rate and has no specific terms of repayment.

(c) The Institute performs certain management and administrative services on behalf of Enterprises and Press and charges no fees for these services. In addition, the Institute has an agreement with Press for the receipt of certain administrative, management, and other services for a fee equal to the cost of providing these services. The Institute purchased books of $8,996 (2010 - $20,153) from Press which have been included in expenses.

4. CAPITAL ASSETS

Capital assets consist of the following:

<table>
<thead>
<tr>
<th>Asset Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$3,979,064</td>
<td>—</td>
</tr>
<tr>
<td>Building</td>
<td>8,395,615</td>
<td>2,518,684</td>
</tr>
<tr>
<td>Building improvements [10 years]</td>
<td>2,461,391</td>
<td>1,176,364</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>906,834</td>
<td>469,776</td>
</tr>
<tr>
<td>Teaching equipment</td>
<td>138,501</td>
<td>54,697</td>
</tr>
<tr>
<td>Office equipment</td>
<td>140,922</td>
<td>94,952</td>
</tr>
<tr>
<td>Computer equipment [9 years]</td>
<td>825,494</td>
<td>489,267</td>
</tr>
<tr>
<td>Computer equipment [8 years]</td>
<td>10,794</td>
<td>675</td>
</tr>
<tr>
<td>Computer network equipment</td>
<td>282,376</td>
<td>56,882</td>
</tr>
<tr>
<td>Artwork</td>
<td>89,300</td>
<td>—</td>
</tr>
<tr>
<td>Corporate identity</td>
<td>32,960</td>
<td>—</td>
</tr>
</tbody>
</table>

Total Capital Assets: $17,546,838 (2010: $12,659,948)

5. CONTINGENT ASSETS

(a) The Institute is the beneficiary of a life insurance policy of $75,000. This donation receivable has not been recorded in the accounts due to the uncertainty of the timing of its receipt.

(b) The Institute is the beneficiary of a remainder trust established in 2005, currently valued at approximately $2,946,000. This amount has not been recorded in the accounts as neither the timing of its receipt nor the measurement of the amount at the time of receipt can be reasonably ascertained.

6. INTERFUND LOAN

As at July 31, 2011, the Endowment Fund has a balance payable of $379,200 (2010 - $279,200) to the Operating Fund and $613,200 (2010 - $109,200) owing to the Restricted Fund.

7. DEBT

The Institute has the following credit facilities available:

(a) Revolving demand credit facility of $2,000,000 which bears interest at the bank’s prime rate plus 0.35% (2010 - prime rate). As at July 31, 2011, the effective interest rate was 3.35% (2010 - 2.75%). As at July 31, 2011, the Institute had drawn $950,000 against this credit facility. This amount was repaid on September 21, 2011.

(b) Non-revolving fixed term loan, which bears interest at 4.9% per annum. The loan is repayable in monthly blended payments of $31,240 based on an amortization period of five years, with the balance repayable on September 11, 2013. The loan is also eligible for an annual prepayment of 10% of the outstanding principal balance at the date of prepayment.

8. RESTRICTED FUND

The Restricted Fund balance of $397,173 (2010 - $202,431) is comprised entirely of externally restricted funds. These funds are to be used for the following restricted purposes:

9. ENDOWMENT FUND

The Endowment Fund consists of the following:

<table>
<thead>
<tr>
<th>Fund</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joyce Vanderburg Endowment</td>
<td>$67,062</td>
<td>$67,062</td>
</tr>
</tbody>
</table>

During the year, the Institute wrote off $426,327 of fully amortized building improvements, furniture and fixtures, teaching equipment, office equipment and computer equipment.

10. DONATIONS-IN-KIND

During the year, the Institute received donations-in-kind of $31,666 (2010 - $29,976), which were comprised primarily of inventory, software and medical information computer disks.

11. OTHER REVENUES

Other revenues include income from various sources including NSF charges, laundry revenue, clinical services provided to other organizations, photocopy revenue and other miscellaneous charges.

Principal repayments on all long-term debt are due as follows:

- 2012: $345,905
- 2013: $363,315
- 2014: $36,634

All of the credit facilities are collateralized by a first ranking security interest on all personal property of the Institute, a collateral mortgage of $6,200,000 constituting a first fixed charge on the land and building of the Institute’s campus and first ranking assignment of rents and leases arising from the lands and improvements to the Institute’s property. As at July 31, 2011, the carrying value of the land and building was approximately $9,856,000 (2010 - $10,065,000).
12. COMMITMENTS
(a) The future minimum annual lease payments under operating leases for office equipment, property and property equipment are approximately as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$215,000</td>
</tr>
<tr>
<td>2013</td>
<td>158,000</td>
</tr>
<tr>
<td>2014</td>
<td>192,000</td>
</tr>
<tr>
<td>2015</td>
<td>195,000</td>
</tr>
<tr>
<td>2016</td>
<td>33,000</td>
</tr>
<tr>
<td>Total</td>
<td>$713,000</td>
</tr>
</tbody>
</table>

(b) The Institute is committed to a letter of guarantee required by the Toronto Transit Commission in the amount of $30,000 (2010 - $30,000).

13. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES
The net change in non-cash working capital balances consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>$ (41,413)</td>
<td>$ (41,413)</td>
</tr>
<tr>
<td>Inventory</td>
<td>(2,095)</td>
<td>(2,095)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(38,755)</td>
<td>(29,557)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(261,571)</td>
<td>(258,273)</td>
</tr>
<tr>
<td>Interfund loan</td>
<td>(130,222)</td>
<td>(130,222)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(474,056)</td>
<td>(461,560)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(474,056)</strong></td>
<td><strong>(461,560)</strong></td>
</tr>
</tbody>
</table>

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

**Fair value**
Due to the short period to maturity of current assets and current liabilities, the carrying values as presented in the statement of financial position are reasonable estimates of their fair values.

**Interest rate risk**
The Institute is subject to interest rate risk with respect to its long-term debt and interest rate cash flow risk with respect to its operating credit facility.

**Credit risk**
The Institute is exposed to credit risk from its amounts receivable from Press and Enterprises. Management addresses this risk by making adequate provisions in the allowance for doubtful accounts.

15. CAPITAL MANAGEMENT
In managing capital, the Institute focuses on liquid resources available for operations. The Institute’s objective is to have sufficient liquid resources to continue operating despite adverse financial events and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. The Institute has available a line of credit totaling $2,000,000 that is used when sufficient cash flow is not available from operations to cover operating and capital expenditures. As at July 31, 2011, the Institute has met its objective of having sufficient liquid resources to meet its current obligations.

16. COMPARATIVE FINANCIAL STATEMENTS
The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2011 financial statements.