

Strengthening the Foundation



COLLEGE OF
NATUROPATHIC PHYSICIANS
OF BRITISH COLUMBIA

Contents

- | | | |
|--|--------------------------|--|
| 1 Mission | 4 Inquiry Committee | 11 Quality Assurance Committee |
| 1 Our mandate | 6 Registration Committee | 12 Pharmacopoeia and Diagnostic Referral (“PDR”) Committee |
| 1 Governance | 7 Profession at a glance | 13 Finance Committee |
| 2 Message from the Chair and Registrar | 9 Examinations Committee | 15 Financial Statements |
| 3 2017 Board of Directors | 10 Discipline Committee | |



Mission

Regulating naturopathic medicine in the public interest.

Our mandate

The College of Naturopathic Physicians of British Columbia regulates the practice of naturopathic medicine under the ***Health Professions Act***. A person must hold a full (practising) registration with the College in order to practise naturopathic medicine in BC.

The College protects the public by ensuring that naturopathic doctors deliver care safely, ethically, and competently. It licenses only those individuals who demonstrate that

they are qualified, competent, and fit to practise naturopathic medicine. It establishes and maintains standards of practice and various quality assurance programs to ensure that naturopathic doctors continue to practice safely, ethically, and competently throughout their careers. Finally, it investigates complaints from the public against naturopathic doctors and, when necessary, takes action to ensure that the public is safe.

Governance

The College is created and governed by rules set out under the ***Health Professions Act, Naturopathic Physicians Regulation*, and *Bylaws***. The College's board comprises 4 naturopathic physicians elected by their peers and 4 public members appointed by the Minister of Health; two public seats are currently awaiting new appointments. The College's daily operations are carried out by the Registrar and other professional staff.



Rebecca Pitfield
CHAIR



Howard Greenstein
REGISTRAR AND CEO

Message from the Chair and Registrar

It has been a busy year of successes and challenges for the College. The profession continues to grow quickly, both in the number of naturopathic doctors practising in British Columbia and in the scope of practice for the profession, which remains the most expansive in Canada.

With this growth, the College faces new challenges. It is now more important than ever that the College respond to the ever-greater scrutiny of the public, the press, and government by acting fairly and transparently to meet its public protection mandate. The College must ensure that the public can continue to trust in the safe, ethical, and competent care provided by naturopathic physicians in British Columbia, or risk losing the privilege of self-regulation as has occurred for various professions in Canada and internationally.

Our objectives as Board Chair and Registrar have been to support the College's overarching objective of excellent regulation. By providing our Board and Committees with training in governance and strategic planning around the College's public protection mandate, improving interagency

communications within the profession, with other healthcare organizations, and with the Ministry of Health, and ensuring that College operations and staff continue to meet the College's mandate in accordance with the Board's strategic plans and budget, we continue to "strengthen the foundation" of the College so that it may continue to regulate robustly in future.

The second phase of the College's governance training and strategic planning around the theme of "strengthening the foundation" has been successful, and has resulted in the development of a number of strategic priorities. One strategic priority identified by the Board is management of the scope of practice for naturopathic doctors, including development and improvement of resources and standards for both "core"/primary care naturopathic practices, as well as certification standards for specified aspects of practice. The Board has also identified the importance of fostering inter-agency collaboration, including the development and improvement of relationships with the BCNA, other Health Profession Colleges, Ministry of Health, and other key stakeholders.

To these ends, the Board has struck a Standards of Practice Sub-committee of the Quality Assurance

2017 Board of Directors

Rebecca Pitfield, ND
CHAIR

Cathy Carlson-Rink, ND

Walter Lemmo, ND

Chris Spooner, ND

Kaajal L. Hayer, LL.B.
PUBLIC MEMBER

Melissa Hyndes,
PUBLIC MEMBER UNTIL
JULY 31, 2017

Barry Long, LL.B.
PUBLIC MEMBER

Mary Manning,
PUBLIC MEMBER UNTIL
JULY 31, 2017

MESSAGE FROM THE CHAIR AND REGISTRAR

Committee for the purpose of recommending the establishment of standards of practice to the Board. The Board has provided the Standards of Practice Sub-Committee with a list of priority areas in which it should examine and research the College's existing standards, and make recommendations as to changes or new standards, guidelines, and/or resources that should be made available to naturopathic doctors in the coming year.

The College has also continued to work on enhancing its relationships both within and outside of the profession. We recently met with Mark McKinnon, Director of Professional Regulation and Oversight with the Ministry of Health. We noted that Pharmanet access and diagnostic testing referrals and direct referrals to specialists are key public safety issues from the College's perspective, and addressed concerns about the regulation of the profession expressed in the news media. Regular meetings with the BCNA have improved bidirectional communication, consistent with each organization's mandate. The College has been an active presence at meetings of CANRA, the Canadian Alliance of Naturopathic Regulatory Authorities, and the organizational force behind its subcommittee on Entry to Practice Requirements, which aims to ensure that naturopathic physicians who enter the

profession as labour mobility applicants applying from other provinces meet the same high standards as those who enter the profession for the first time in British Columbia. The College has also been represented at meetings of Canadian Naturopathic Coordinating Council and provided helpful information from a regulatory perspective.

As the profession expands and changes rapidly, it is more important now than ever that we hold true to naturopathic and regulatory values, and that the profession "strengthen its foundation." With the privilege of self-regulation comes tremendous responsibility. Your College will continue to work on your behalf to meet the College's public safety mandate and ensure that naturopathic medicine remains a self-regulated profession. As your Chair and Registrar, we are committed to this goal and honoured to serve the College to the best of our ability.

Rebecca Pitfield, ND
Chair



Howard Greenstein, B.Sc., M.A., M.B.A.
Registrar and CEO



Inquiry Committee

The mandate of the Inquiry Committee is to protect the public. The Committee investigates complaints, and may also initiate an investigation on its own motion.

Under the *Health Professions Act*, the Committee has a wide variety of processes and dispositions available to resolve complaints. Depending on the results of an investigation, the Committee may decide to:

1. take no further action;
2. issue a warning or advisory letter;
3. enter into a consent order with the naturopathic doctor; or
4. direct the registrar a citation for a discipline hearing.

Terms of consent orders may include suspensions, limits and/or conditions on the naturopathic doctor's practice, reprimands, requirements to take courses in ethics, record-keeping, and other

subjects, random practice audits, supervision, mentoring, counselling, and/or requirements for modification or removal of advertising. The Committee may, if it is necessary to protect the public, temporarily impose limits and conditions on a naturopathic doctor's practice or temporarily suspend a naturopathic doctor from practice pending the outcome of an investigation.

The College endeavours to resolve complaints early in the process where possible. The College performed a total of 30 investigations in 2017. Of those 30 investigations, 20 were initiated in 2017, and ten were continuations of investigations initiated in 2016. Five of those ten investigations remain ongoing at the time of publication. The College provides public notification of certain actions under section 39.3 of the *Health Professions Act* and the public notification policy adopted by the BC Health Regulators. These public notifications can be found on the College's website. Under **section 53 of the Health Professions Act**, other details related to investigations must remain confidential.

Committee Members

Richard Meyer, LL.B.
CHAIR

David Bayley, ND

Penny Seth-Smith, ND
Barry Long, LL.B.
PUBLIC MEMBER

INQUIRY COMMITTEE

Where early resolution is not possible, or where a registrant's conduct is found to fall short of the standard expected of a naturopathic physician, the Inquiry Committee may negotiate consent orders with the naturopathic doctors under investigation. Consent orders are intended to protect public safety, are commensurate with the seriousness of the misconduct, and may include rehabilitative as well as punitive measures.

In rare cases, resolution by consent is not possible. At that point, the Committee can direct the Registrar to issue a citation for a discipline hearing. There were no citations issued in 2017.

When it considers it necessary to do so in order to protect the public, the Committee may take extraordinary action by imposing limits and conditions on a naturopathic doctor's practice or suspending him or her from practice on an interim basis pending the outcome of an investigation. The Committee took such extraordinary action once in 2017. The action remains in force as of the date of publication.

As in previous years, the Committee has observed that many complaints include ancillary allegations regarding miscommunication or a lack of timely communication, as well as issues around informed consent. These allegations emphasize the importance of appropriate management of patient expectations and obtaining informed consent in writing.

Naturopathic doctors are reminded that they have a duty to cooperate with an investigation by the Committee. The Committee may incur additional costs when a registrant is uncooperative; in such cases, the Committee may seek indemnification for investigation costs as part of the resolution of the matter.

The Chair wishes to thank the Committee, its inspectors, and staff for their dedication and hard work in service of the Committee's public safety mandate.

Registration Committee

The Registration Committee works with the Registrar to make decisions concerning registration matters and recommend required policy changes to the Board.

As provided under the *Health Professions Act*, the Committee has formally delegated routine registration matters to the Registrar. When required, non-routine applications (e.g. applicants from other jurisdictions and some instances of applicants seeking reinstatement from non-practising to full (practising) registrant class) are brought to the Committee for direction.

In addition, the administration of certifications forms part of the routine registration matters that the Registration Committee has delegated to the Registrar, including reviewing the applications for certification to ensure that they meet the requirements, processing the application and annual renewal fees, and entering and removing the notation of the certification as required.

In 2017, a total of 54 new licenses (certificates of registration) were granted in the calendar/fiscal year. By the end of 2017, the total number of registrants increased to 657, comprising 551 full (practising) registrants and 106 non-practising registrants. To facilitate a smooth 2018 renewal, College staff proactively contacted registrants to assist with their annual renewal processes, and thus the number of registrations that were cancelled under the bylaws due to a failure to renew remained low.

As of the date of publication, the College had 570 full (practising) and 101 non-practising registrants.

Committee Members

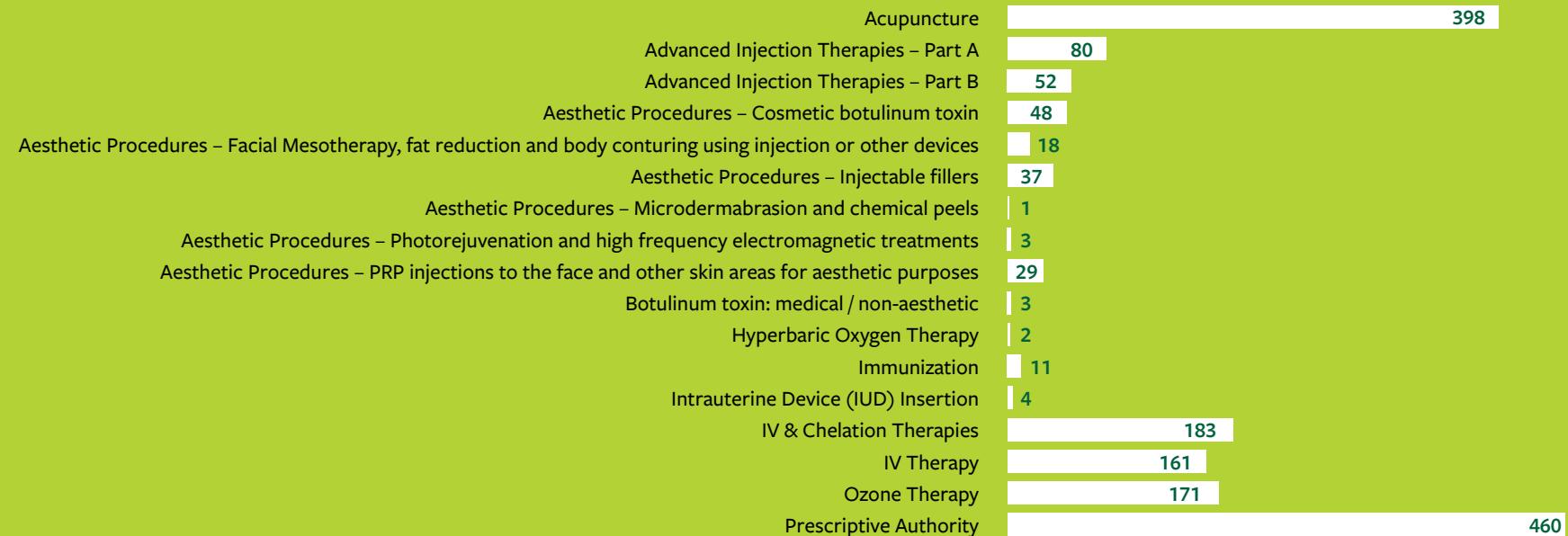
Walter Lemmo, ND
CHAIR

Karen McGee, ND
Melissa Hyndes
PUBLIC MEMBER

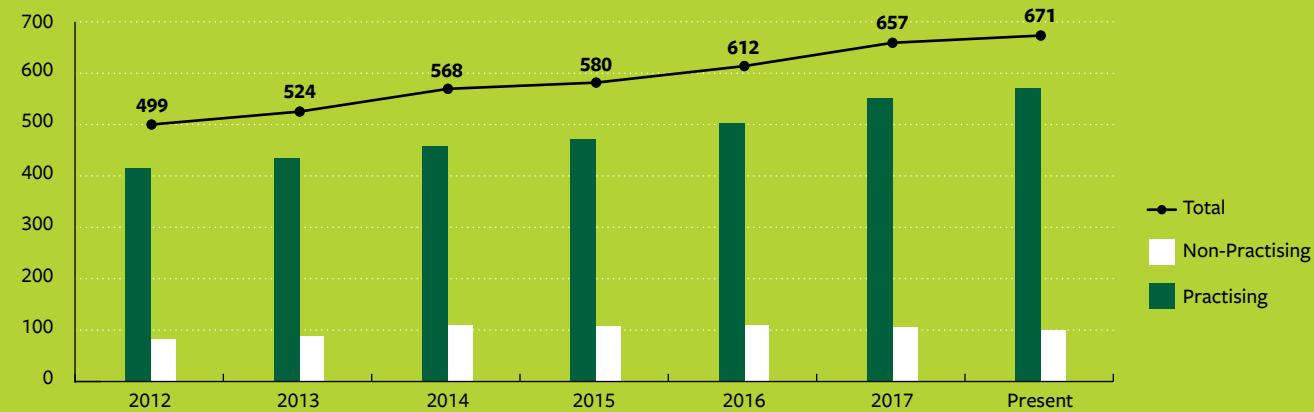
Profession at a glance



Certifications



Number of registrants per year



Examinations Committee

The Examination Committee advises the Board and Registrar concerning the appropriate testing of knowledge and skills of applicants for registration.

It also administers examinations. The Committee is involved in an ongoing process of continuous quality improvement, regularly upgrading and modifying the examinations to reflect regulatory changes and developments in practice. In 2017, the Committee and its examiners invigilated the two general sittings of the College's Oral/Practical and Jurisprudence Examinations, in February and August. The College also offered an interim sitting of the Jurisprudence Examination.

The College administered examinations to 69 candidates in 2017.

Committee Members

Sanjay Mohan-Ram, ND
CHAIR

Jonathan Berghamer, ND

Melissa Hyndes
PUBLIC MEMBER

Discipline Committee

The Discipline Committee hears and determines Citations.

A Citation is a charging document that alleges that a registrant of the College (i) has not complied with governing legislation; (ii) has committed professional misconduct, unprofessional conduct or incompetently practised naturopathic medicine; or (iii) suffers from a physical or mental ailment, including addiction to alcohol or drugs, that impairs their ability to practice naturopathic medicine.

A Citation is issued by the Registrar of the College on direction from the Inquiry Committee. The Discipline Committee then strikes a panel of three or more persons to hear and determine the matter. After hearing the case, the Discipline Committee may dismiss the matter or find that the Citation has been proved. Upon a finding that the Citation has been proved, the Discipline Committee may

impose a penalty that may consist of any of the following: a reprimand; limits or conditions on the registrant's practice; and the suspension or cancellation of the registrant's licence to practice naturopathic medicine.

The Discipline Committee did not receive any Citations for Discipline hearings in 2017 and there are none pending.

Committee Members

Kaajal L. Hayer, LL.B.

Stefan Kuprowsky, ND

Tawyna Ward, ND

Quality Assurance Committee

The Quality Assurance Committee has a crucial role in upholding the College's mandate to ensure that our registrants practice safely, ethically, and competently.

The Committee is consistently working to develop and improve the comprehensive set of tools it has developed to advance these goals, including Continuing Education (CE); Peer Review, Practice Review and Self-Review procedures; and Standards and Certifications for specified aspects of practice.

In 2017, the Quality Assurance Committee completed a number of new initiatives. It developed policy around the use of supervised practice and practice observation for currency hours, as well as requests for amendment, deferral, and/or extension of time before submission of CE requirements. It developed improved criteria for Naturopathic Advanced Life Support (NALS) emergency training requirements. Registrants with certifications must currently hold advanced emergency training in ACLS and/or NCLS; other registrants must maintain

CPR for Health Care Professionals with Automated External Defibrillator. The new NALS requirements are specifically geared to naturopathic practice and will be phased in over a 2-year period.

The Committee also developed a new Emergency Medicine Kit standard and produced a guideline clarifying that Neural Injection Therapy is a part of basic naturopathic practice. It also recommended revisions to the College's Continuing Education requirements, which were accepted by the Board. The requirement for Category B hours has been reduced from 15 to 12, and the College has introduced a new Category G – Ethics, Professionalism and Cultural Safety – with a requirement of three hours. Finally, as part of the Board's strategic plan to foster interagency collaboration, the Committee provided input to the Ministry of Health on standards for colon hydrotherapy.

The new Standards of Practice Sub-committee of the Quality Assurance Committee has been charged by the Board with the task of reviewing

the College's existing general and certification standards and recommending revisions and/or additions where necessary.

The Quality Assurance Committee carries out a number of routine quality assurance tasks every year. In 2017, it completed 15 practice reviews, approved new course options for Category F CE, reviewed and approved courses in satisfaction of the training requirements for various certifications, and reviewed various applications from individual registrants for consideration of non-conforming CE courses and training in specified aspects of practice.

Committee Members

Stefan Kuprowsky, ND
CHAIR

Tasreen Alibhai, ND

Sacha Elliott, ND

Gaetano Morello, ND

Kaajal Hayer
PUBLIC MEMBER

Mary Manning
PUBLIC MEMBER

Pharmacopoeia and Diagnostic Referral (“PDR”) Committee

The Pharmacopeia and Diagnostic Referral (PDR) Committee was established under the College Bylaw revisions required by the Naturopathic Physicians Regulation in order to implement prescriptive authority and diagnostic access for naturopathic physicians.

The Committee is multidisciplinary, and the College would like to thank the pharmacists, MDs, and public members on the Committee for their collaborative efforts in working with the naturopathic doctors on the Committee.

Each year the PDR Sub-Committee on New Drugs performs an annual review of new drugs released to the market and makes recommendations to the PDR Committee as to which new drugs should be included or excluded for access by naturopathic

doctors with certification in Prescriptive Authority. Recommendations are then forwarded to the Board for review and approval. The Committee gratefully acknowledges the work of Dr. Deborah Phair, ND, Dr. Glenda MacDonald, and Kathy McInnes for their outstanding contributions on the Sub-Committee in undertaking technical reviews of new drugs on the market.

Committee Members

Rebecca Pitfield, ND
CHAIR

Walter Lemmo, ND

Deborah Phair, ND

David Scotten, ND

Cathy Carlson-Rink, ND

Chris Spooner, ND

Michael Kelly, MD

Barry Long, LL.B.

Glenda MacDonald, PHARMD.

**Kathy McInnes, B.S.C.
(PHARM)**

Ian D. Schokking, MD

Finance Committee

The Finance Committee oversees the financial administration systems of the College which are managed by the Registrar & CEO, who is an ex officio Committee member. The Committee also advises the Board regarding financial administration.

For 2017, the Board appointed BDO Dunwoody as accountant for its annual Review Engagement. The accounting firm of Lam Lo Nishio continued to do bookkeeping in concert with College staff.

The Board has been engaged in a multi-year planning process regarding the College's resources required to meet its statutory mandate. For the 2017 fiscal/calendar year, the Board's projections of the College's expenses proved to be accurate. The College had a busy year but managed costs successfully. Legal fees were slightly lower and investigation fees significantly lower than in 2016, in which the Inquiry Committee was required to conduct several

unusually complex and costly investigations. Committee expenses were well managed, with minor increases in some areas reflecting areas of increased activity, including work on Examinations and Registration Procedures, and work on standards and guidelines in various practice areas.

Despite the need to manage a number of complex Inquiry files, legal costs were again managed well resulting in stable legal costs comparable to last year. This was largely attributable to planned cost containment strategies and the efforts of the staff team and committees. There were no Discipline hearings in 2017, which would be the single most important factor resulting in increased legal costs if the need arose in future.

As legal costs related to Inquiry, Discipline, Registration, and Quality Assurance activities continue to be the area of greatest uncertainty, the College has allocated its resources strategically to ensure that the Inquiry, Registration, and Quality Assurance Committees,

Committee Members

Chris Spooner, ND
CHAIR

Stefan Kuprowsky, ND
Barry Long, LL.B.
PUBLIC MEMBER

are well staffed. These investments have resulted in the resolution of a number of complex Inquiry matters by consent order, eliminating the need to hold discipline hearings, as well as the development of improved procedures in other areas, which have also reduced the College's exposure to legal cost volatility. This strategic allocation of resources has also contained other external legal costs related to other College operations. It is important to note that although the Board's planning is anticipated to reduce the volatility of legal and investigative costs over time, this year's continued savings in legal costs compared to earlier years cannot be relied upon annually, as they are partially dependent upon the complexity and frequency of complaints and investigations.

The Board has in previous years declared its commitment to building the contingency fund, which was significantly depleted by a disciplinary matter in 2013, to recommended levels. Due to improvements in registrant compliance, and specifically due to staff efforts to ensure that

registrants engaged in specified aspects of practice maintain current certifications, and that any corporations offering naturopathic services are correctly permitted as Health Profession Corporations, revenue was slightly higher than anticipated in 2017. This made it possible for the College to replenish its contingency fund in the amount of \$100,000. The board's commitment to building the contingency fund is in line with recommendations from the College's accountant. This fund is essential in the event of the need for a full discipline hearing. There were no discipline hearings in 2017, but complex cases could result in future hearings, with associated costs.

The efforts of all committees are noted by the Finance Committee. The financial cost of this expertise to the College was minimal in comparison to its value. The Finance Committee acknowledges the in-kind value contributed by committee members, inspectors and assessors, both registrants and public members. The Finance Committee also acknowledges the excellent representation that

the profession has on committees. At this time, there are more naturopathic doctors involved with committees, including members, inspectors, assessors and advisers, than are required under the Bylaws. The generous donation of time and energy of these registrants offers significant value to the College's efforts, and is essential in managing financial costs to the College.

There were no fee increases for the 2017 year. In its 2017 fall budget planning process the Board approved a registration fee increase of \$160 per year for the upcoming 2018 year. This was in recognition of ongoing pressures on staff and Committee members who have been working at and at times beyond capacity in order to fulfill the College's mandate and "strengthen the foundation" so that the College can continue to regulate robustly in the years to come.

2017 Financial Statements

For the year ended December 31, 2017 (unaudited)



COLLEGE OF
NATUROPATHIC PHYSICIANS
OF BRITISH COLUMBIA



Tel: 604 688 5421
Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2 Canada

Independent Practitioner's Review Engagement Report

To the Members of College of Naturopathic Physicians of British Columbia

We have reviewed the accompanying financial statements of the College of Naturopathic Physicians of British Columbia that comprise the Statement of Financial Position as at December 31, 2017, and the Statements of Operations, Changes in Net Assets and Cash Flows for the year 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 accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of the College of Naturopathic Physicians of British Columbia as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 11, 2018

College of Naturopathic Physicians of British Columbia
Statement of Financial Position
(Unaudited)

December 31	2017	2016
-------------	------	------

Assets

Current

Cash (Note 2)	\$ 1,657,103	\$ 1,209,968
Prepaid expenses	<u>37,585</u>	<u>29,778</u>
Property and equipment (Note 3)	1,694,688	1,239,746
	<u>54,439</u>	<u>48,586</u>
	\$ 1,749,127	\$ 1,288,332

Liabilities and Net Assets

Liabilities

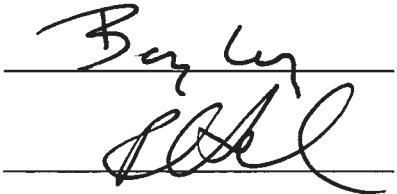
Current

Accounts payable and accrued liabilities	\$ 48,212	\$ 38,607
Deferred revenue	<u>1,089,147</u>	<u>750,742</u>
	1,137,359	789,349

Net assets

Invested in property and equipment	54,439	48,586
Internally restricted funds (Note 4)	181,801	138,801
Building fund (Note 5)	153,297	153,297
Unrestricted	<u>222,231</u>	<u>158,299</u>
	611,768	498,983
	\$ 1,749,127	\$ 1,288,332

Approved on behalf of the Board:

	Director
	Board Chair

College of Naturopathic Physicians of British Columbia
Statement of Operations
(Unaudited)

<u>For the year ended December 31</u>	<u>2017</u>	<u>2016</u>
Revenue		
Registration, other fees and cost recovery	\$ 1,137,211	\$ 1,022,881
Interest income	<u>9,066</u>	<u>6,989</u>
	<u>1,146,277</u>	<u>1,029,870</u>
Expenses		
Accounting	23,811	26,034
Amortization	24,199	27,212
Annual general meeting	2,719	3,609
Board expenses (Note 7)	76,600	87,077
Committee expenses (Note 7)	107,816	122,066
Legal costs	31,027	31,504
Occupancy charges	67,880	60,280
Office expenses:		
General expenses	71,933	74,051
Insurance and security	10,094	9,764
Marketing	3,200	2,320
Payment processing charges	33,883	24,614
Printing	2,627	1,373
Professional fees	5,057	4,075
Repairs and maintenance	1,083	1,192
Telephone and utilities	16,208	17,023
Website and Internet	4,407	6,935
Wages and benefits	<u>550,948</u>	<u>487,662</u>
	<u>1,033,492</u>	<u>986,791</u>
Excess of revenues over expenses for the year	\$ 112,785	\$ 43,079

College of Naturopathic Physicians of British Columbia
Statement of Changes in Net Assets
(Unaudited)

For the year ended December 31	Invested in Property and Equipment	Internally Restricted	Building Fund	Unrestricted	2017	2016
	(Note 4)	(Note 5)				
Balance, beginning of year	\$ 48,586	\$ 138,801	\$ 153,297	\$ 158,299	\$ 498,983	\$ 455,904
Excess of revenues over expenses	-	-	-	112,785	112,785	43,079
Amortization of property and equipment	(24,199)	-	-	24,199	-	-
Purchase of property and equipment	30,052	-	-	(30,052)	-	-
Interfund transfer	-	43,000	-	(43,000)	-	-
Balance, end of year	\$ 54,439	\$ 181,801	\$ 153,297	\$ 222,231	\$ 611,768	\$ 498,983

College of Naturopathic Physicians of British Columbia
Statement of Cash Flows
(Unaudited)

For the year ended December 31	2017	2016
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses	\$ 112,785	\$ 43,079
Item not involving cash		
Amortization	<u>24,199</u>	<u>27,212</u>
	136,984	70,291
Changes in non-cash operating balances		
Accounts receivable	-	3,794
Deferred revenue	338,405	81,315
Prepaid expenses	(7,807)	(20,980)
Accounts payable and accrued liabilities	<u>9,605</u>	<u>10,751</u>
	477,187	145,171
Investing activity		
Acquisition of property and equipment	<u>(30,052)</u>	<u>(19,387)</u>
Increase in cash during the year	447,135	125,784
Cash, beginning of year	<u>1,209,968</u>	<u>1,084,184</u>
Cash, end of year	<u>\$ 1,657,103</u>	<u>\$ 1,209,968</u>

College of Naturopathic Physicians of British Columbia
Notes to the Financial Statements
(Unaudited)

December 31, 2017

1. Summary of Significant Accounting Policies

(a) Purpose of Organization

The College of Naturopathic Physicians of British Columbia (the "College") is a health profession regulatory body mandated by the Health Professions Act to license, regulate and monitor naturopathic physicians and practice of naturopathic medicine. The College is not subject to income taxes pursuant to Section 149(1) of the Income Tax Act.

(b) Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations ("ASNPO").

(c) Revenue Recognition

The College follows the deferral method of accounting for revenues. Dues are recorded in the year they relate to as payment of dues is required for maintenance of registration. Interest income is recorded as it is earned.

(d) Property and Equipment

Property and equipment are recorded at cost. Amortization based on the estimated useful life of the asset is as follows:

Equipment, furniture and fixtures	- 20% diminishing balance basis
Website	- 55% diminishing balance basis
Computer equipment	- 20% diminishing balance basis
Artwork	- indefinite life

(e) Use of Estimates

The preparation of the financial statements in accordance with Canadian accounting standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of 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 management estimates are the determination of property and equipment and their useful life, as well as the provisions for contingencies. Actual results could differ from management's best estimates as additional information might become available in the future.

College of Naturopathic Physicians of British Columbia
Notes to the Financial Statements
(Unaudited)

December 31, 2017

1. Summary of Significant Accounting Policies (Continued)

(f) Financial Instruments

The College's financial instruments consist of cash and accounts payable.

Other financial liabilities

The College has classified accounts payable as other financial liabilities. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Other financial liabilities are subsequently measured at their amortized cost, using the effective interest method. Gains and losses arising from changes in fair value are recognized in excess of revenues over expenses upon derecognition or impairment. Given the short-term nature of accounts payable and accrued liabilities their carrying value equates to its fair value.

2. Cash

Cash is held with one Canadian credit union earning interest at variable rates.

3. Property and Equipment

			2017		2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value		
Computer equipment	\$ 36,531	\$ 18,183	\$ 18,348	\$ 13,177		
Equipment, furniture, and fixtures	21,548	11,948	9,600	4,319		
Website	102,392	80,808	21,584	26,650		
Artwork	4,907	-	4,907	4,440		
	\$ 165,378	\$ 110,939	\$ 54,439	\$ 48,586		

College of Naturopathic Physicians of British Columbia
Notes to the Financial Statements
(Unaudited)

December 31, 2017

4. Internally Restricted Funds

The Board established a Contingency Reserve Account for the purpose of meeting unanticipated or unbudgeted expenses that are consistent with the objectives of the College.

5. Building Fund

The Board established a Building Reserve Account for the purpose of funding a future real property purchase.

6. Commitments

The College is committed under a number of operating lease agreements. The minimum lease payments for the remainder of the leases are as follows:

2018	\$ 38,413
2019	38,413
2020	<u>4,285</u>
	<u>\$ 81,111</u>

College of Naturopathic Physicians of British Columbia
Notes to the Financial Statements
(Unaudited)

December 31, 2017

7. Board and Committee Expenses

Board expenses are presented as follows:

	2017	2016
Honourarium	\$ 26,100	\$ 25,300
Meals and meetings	27,332	34,946
Professional fees	3,990	1,680
Travel	19,178	25,151
 Total board expenses	 \$ 76,600	\$ 87,077

Committee expenses are presented as follows:

	2017	2016
Honourarium	\$ 54,104	\$ 44,340
Exam and inspectors	25,265	49,351
Meals and meetings	7,246	6,319
Office	671	-
Travel	20,530	22,056
 Total committee expenses	 \$ 107,816	\$ 122,066

8. Financial Instrument Risk

Liquidity Risk

Liquidity risk is the risk that the College encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational requirements, the College will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The College maintains sufficient liquid cash reserves and internally restricted funds to manage any unexpected obligations.

College of Naturopathic Physicians of British Columbia

Suite 840-605 Robson Street, Vancouver, BC V6B 5J3

Phone (604) 688-8236
Toll Free (877) 611-8236

Email office@cnpbc.bc.ca
Website www.cnpbc.bc.ca

