

BDDT-Naturopathy
112 Adelaide Street East
Toronto, ON M5C 1K9



**Board of Directors of Drugless Therapy
Naturopathy
2010 Annual Report**



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This is a report of the activities of the Board of Directors of Drugless Therapy -
Naturopathy for the 2010 fiscal year, including
audited financial statements.

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2010 Board Members

Chair - Patricia J. Rennie, ND
Secretary Treasurer – Mary-Ellen McKenna, ND
Director - Belinda Clarke, ND
Director – Mary Elizabeth Welch DC, ND
Public Member – Fay Booker, FCA (until May '10)
Public Member – Sheila Jaggard, PhD

Office Staff

Angela M. Moore, ND, Executive Director
Bridie O'Connell, Executive Administrator
Lyle Clark, Administrative & Registrant Services
(until Aug'10)
Natalia Vasilyeva, Administrative Assistant
Erica Laugalys, Communications Coordinator

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Report from the Chair

Dear Registrants,

The past year seemed to pass by in a blur as Board members spent their first year serving double duty fulfilling both their roles on the BDDT-N and their roles on the Transitional Council. I am very proud of all that we have accomplished together as an organization this year.

In an effort to streamline our efforts the Board moved to quarterly meetings in 2010. We have also opened our meetings to the public to allow interested observers to attend and see the regulatory process unfolding.

The Auditor's Statements continue to demonstrate that the Board is in a strong financial position moving towards regulation under the RHPA. We have a substantial Legal Reserve in place to cover legal expenses that may be incurred in the event of lengthy disciplinary hearings. The general funds balance is also reassuringly strong.

The Board continues to regulate the profession in Ontario through the development and revision of standards, examining and registering qualified naturopathic doctors, responding to complaints related to the practice of Registrants and unregistered practitioners and other regulatory duties. Our dedicated Board members attend regulatory training sessions, deliver presentations and participate in countless Board and committee meetings.

Unfortunately the Board was 'short-handed' for much of the year. The Board was saddened when long-time board member Bob Dronyk chose to resign his position on the BDDT-N this spring. He continues to assist on the Complaints Resolution Committee, PT Committee and help as an Examiner. Bob is greatly appreciated for his steadfast commitment to the BDDT-N over the last eight years.

Our public member, Fay Booker, FCA, submitted her resignation in May when she accepted the role of Chair of the Niagara Parks Commission.

Mary Elizabeth Welch DC, ND was the professional member named to fill the professional vacancy in July of this year. Mary's insight as a dual practitioner and her experience of serving on the Board's Continuing Education committee over the last few years will be a useful addition to group.



We also welcomed our new public member, Sheila Jaggard, in September 2010. Sheila trained as a Registered Nurse and holds a Masters degree in Organizational Development and a PhD in Human & Organizational Systems. She brings with her a wealth of experience in consulting for organizations and has served on a number of other governing Boards. We are grateful to have her as part of our team.

I would like to express my gratitude to each of the individuals who help us to achieve our goal of a fair and transparent regulatory process. I am grateful to each member of the office staff, our devoted committee members and our committed Board members for their dedication to their work.

Some of our activities over the past year include:

- Participation in Board and committee meetings
- Attendance at the 2010 Clear Conference
- Presentation at the APND annual conference

Report from the Chair (cont'd)

- Participation in the North American Board of Examiners Advisory Committee at the AANP conference
- Regular meetings with the Ontario Naturopathic Coordinating Council and the Canadian Naturopathic Coordinating Council
- Presentation to 1st and 4th year classes at CCNM
- Presentation of multiple Record Keeping workshops across Ontario
- Finished work on 2 revised standards (Consent and Manipulation) and 1 new standard (Infection Control)
- Held a new grad reception to welcome new Registrants to the profession and orient them to the Board

I want to once again express my gratitude to our staff who are committed to a fair and transparent regulatory process for Naturopathic medicine in Ontario. I am grateful to the Committee members who give of their time to assist the Board to accomplish what five Board members alone simply could not do. Finally, I have tremendous appreciation for each of our Board members for their commitment to regulation which often means giving up personal and practice time to get the job done.

Sincerely,



Patricia J. Rennie
Chair



Report from the Executive Director

Dear Colleagues,

As the year drew to a close, there were 1,111 Naturopathic Doctors registered with the BDDT-N, 899 of whom were in the Active category. The need for naturopathic doctors to provide health care services to Ontarians keeps growing and the steady increase in numbers of registered NDs is helping to meet that demand.

Transition

Throughout 2010 we kept a close watch on the transition process taking place in how NDs are regulated in Ontario. A frequent question we receive at the Board office is, “When will Naturopathic Doctors be regulated under the RHPA?” The Ministry of Health and Long-Term Care advises that it hopes to have the transition completed as early as the second half of 2012.

In June 2010 the Board provided the Transitional Council (TC) with an overview of the role of the Board as the current regulator and its mandate to protect the public, as well as a review of its strategic priorities for regulating the profession until the College of Naturopaths takes over. Registrants are reminded that until the TC has completed its work and the Naturopathy Act is proclaimed, NDs will continue to be regulated by the BDDT-N under the Drugless Practitioners Act.

The Board office responds regularly to requests from the TC for information, provides an up to date list of Registrant contact information to facilitate TC communications with NDs and participates in informal consultations on draft regulations with other stakeholders within the profession. As the current regulator for naturopathic doctors in Ontario with a long history in this role, the Board is not only a key stakeholder but has substantial experience in establishing and enforcing professional standards. As such it is in a unique position to provide advice on draft regulations prior to their broader release for consultation.

MOU Between the BDDT-N and Government

In 2010, the Board was advised that, because the members of the Board of Directors are appointed by the Lieutenant Governor in Council (Cabinet), the BDDT-N is technically an “agency” of the Government of Ontario. By virtue of its “agency” status in the post eHealth environment, the Board is required to enter into a Memorandum of Understanding (MOU) with the government. The MOU sets out detailed rules for the governance and administration of the BDDT-N.

In discussions with the Ministry the Board has been clear in its view that the BDDT-N should be treated in exactly the same way as the RHPA Colleges, none of which are deemed to be “agencies”. The Board receives no government funds aside from the per diems and expenses for the one public member. All of the Board’s expenditures are derived from revenues received from Registrants and prospective Registrants.

We have also reminded the government that the BDDT-N is scheduled to cease operations in a few years when the College of Naturopaths takes over regulation of the profession.

The Board believes the MOU is inconsistent with the self governing mandate of the BDDT-N, nor is implementation of the MOU a cost effective and prudent use of resources during this transition phase. As of the end of 2010 our requests for a partial or complete exemption were not successful; however, we persist in those efforts.

Report from the Executive Director (cont'd)

Staff Changes at the Board Office

At the Board office we welcomed new staff member, Erica Laugalys, who joined Natalia, Bridie and I as the Board staff. Erica has responsibility for registration of NDs, examinations and communications. Her organizational skills and professional manner have made her a welcome member of the staff in the office. Lyle Clarke left the Board office at the end of August. As the profession continues to grow and awareness of naturopathic medicine as a regulated profession increases, the activity level at the Board office must keep pace. Our role is to protect the public and in that regard we make it a priority to respond promptly to communications, provide timely information to Registrants, develop and revise standards of practice on an ongoing basis and to provide the public with access to fair and transparent complaints and disciplinary processes.

Unregistered Persons Holding Out as NDs

In order to address the issue of unregistered practitioners who mislead the public by holding themselves out as NDs, the Board initiated a number of provincial offences prosecutions in 2010. As these prosecutions involve non-registrants, they are heard by Ontario courts but involve a great deal of time, effort and expense on the part of the Board, legal counsel, expert witnesses and investigators.

Ongoing Activities

As ED for the BDDT-N, I met regularly with a number of organizations including stakeholders within the naturopathic profession, naturopathic regulators in other jurisdictions, representatives of various government ministries and agencies, and with other regulatory colleges in Ontario. On behalf of the Board, I spoke to students at the CCNM about the role of the regulator and the responsibilities they will have once they register to practise. I also received advanced training in Alternative Dispute

Resolution and attended the annual international conference of the Council on Licensure Enforcement and Regulation.

Respectfully Submitted,



Angela M. Moore, ND
Executive Director



Report of the Continuing Education Committee

Chair: Mary Welch DC, ND

Committee Members: Belinda Clarke, ND;
Lowell Greib, ND; Carolyn Kaganovsky, ND;
Nora Pope, ND

Purpose: The Continuing Education (CE) Committee reviews applications submitted for CE approval. The applications are considered based on established criteria and in accordance with the Board's Continuing Education Policy. Committee members frequently audit CE presentations to ensure that the content is in keeping with the Board policy. In addition, the Committee provides recommendations to the Board for revisions to the CE Policy.

Report: The Continuing Education Committee, a dedicated group comprised of five NDs and staff with a broad range of experience, met 11 times during 2010. The Committee has looked into CE policies of other regulatory bodies and is developing a series of recommendations for the Board as it reviews the current policy.

Continuing Education audits of a random selection of 42 Registrants took place for the reporting period 2008-2010. This group was asked to submit their CE records, along with copies of certificates of course completion and current CPR Certification. Of those selected, 38 were in full compliance and 4 were granted an extension in order to complete the required hours, or specific required modalities upon payment of the administration fee of \$100.00.

The Committee reviewed a total of 309 courses during 2010, 19 of which were declined. Submissions were received from the OAND, CAND, CCNM and several companies as well as from individual registrants for approval of courses they attended. A number of conferences not specific to the Naturopathic profession but deemed to contain significant content relevant to the practice of Naturopathic Medicine also received approval.

In 2008, the Board launched a Record Keeping Workshop to assist NDs in maintaining good patient records and in meeting their requirements under the Personal Health Information Protection Act. This was the first mandatory CE course put in place by the BDDT-N. During 2010 the Board continued to offer this workshop 4 more times in person and 1 in webinar format. Every Registrant was required to have attended the workshop by the end of 2010.

I would like to thank the Committee members and staff for their contributions, their professionalism and dedication in the area of Continuing Education. I would especially like to thank Belinda Clarke, ND for her skilful guidance and tireless efforts as chair of the CE Committee over the past six years.



Report of the Examinations Committee

Chair: Patricia Rennie, ND

Committee Members: Jane Lauermeier, ND; Heidi Kussmann-Armstrong, ND; Stephanie Rubino, ND; Connie Pugliese, ND; Mary McDonald, ND; Erin Psota, ND; Pilar Villegas, ND; Jennifer Hong, ND; Rebecca Kellerstein, ND; Judith Fiore, ND; Mary-Ellen McKenna, ND

Purpose: The Examinations Committee is responsible for the review of the content of practical examinations which are administered by the BDDT-N twice a year. The Examinations Chair oversees the administration of regulatory Board examinations both practical and Jurisprudence, ensures that competent examiners are in place and ensures that there is a process and a panel to review and respond to appeals and exam related complaints.

Report: Examinations for entry to practice were held on February 6 and August 6 & 8, 2010. Each session consisted of a written Jurisprudence exam and practical exams in naturopathic Manipulation, Acupuncture and Instrumentation/Physical Examination. The February exams were held at the CCNM. In August the Jurisprudence exam was held at Humber College and the practical exams were held at the CCNM.

The results of these exam sessions are as follows:

Ontario Board Examinations	Feb. 2010	Aug. 2010
Total number of candidates	32	122
Candidates who passed all on first attempt	11	101
Candidates who passed on re-take	15	7
Candidates who failed on re-take	2	1
Candidates who failed one exam	3	19
Candidates who failed more than one exam	2	2
Details of Unsuccessful Attempts	Feb. 2010	Aug. 2010
Jurisprudence	1	2 I
Instrumentation Practical	3	6
Acupuncture Practical	5	8
Manipulation Practical	1	7

The Examination Appeals Panel dealt with a total of (7) examination appeals in 2010.

Thank you to the CCNM for making clinic rooms available to the Board and to the RSNC staff for their organizational assistance. Many thanks to Erica Laugalys and Lyle Clark, BDDT-N staff who organized the planning and logistics of the exams. I am always grateful to the dedicated examiners who give generously of their time to provide their expertise for examinations.



Report of the Parenteral (PT) Committee

Chair: Belinda Clarke, ND

Committee Members: Teresa Brady, ND; Robert Dronyk, DC, ND; Shimon Levytam, ND; Eric Marsden, ND; Paul Saunders, ND

PT Inspector: Selina Hune, RN

Purpose: The PT Committee monitors the practice of Parenteral Therapy (PT) by Naturopathic Doctors in Ontario. This is accomplished through the development and administration of written and practical PT Certification examinations, addressing issues that arise with respect to the practice of PT, revising and updating the Parenteral Therapy policy and appendices and ensuring that PT inspections are carried out for certified NDs.

PT Certified NDs: By the end of 2010, 37 Registrants were certified to practice PT in Ontario and 6 had not renewed their Certification

Report: PT Certification examinations were held in March and October of 2010. A total of 53 Registrants took the Board's PT Certification examinations, 36 of whom were successful on their first attempt. The Board is again most grateful to CCM and Ornella Marono for providing us with accommodations and support for these exams. The outcome of the exams is as follows:

Parenteral Therapy Examinations	Mar. 2010	Oct. 2010
Candidates sitting for exams	24	29
Candidates passing on first attempt	16	20
Candidates passing on second attempt	6	1
Candidates failing	2	8

Our PT inspector, Selina Hune, continues to conduct initial inspections on behalf of the Board. These initial inspections are purely educational in nature. A total of 4 PT Certified NDs underwent initial inspections in 2010. Subsequent inspections are conducted by PT Certified NDs, trained in inspection techniques and protocols. Following an inspection, the Registrant is issued a report of the Board's findings.

The Board continues to offer the PT Emergency Procedures Course to Certified NDs. The course provides experiential training in dealing with emergency situations. As a requirement of PT Certification, all NDs who have been certified for over a year have now completed this course. We will continue to offer it on a regular basis in order that newly Certified NDs can fulfill this requirement, and to provide quality PT CE for those who wish to upgrade further in this area. It is expected that all PT Certified NDs will be required to repeat the Emergency Procedures course every 3 years.

The PT Committee continues to work on revisions to the Parenteral Therapy Policy. We have also finalized a process to maintain the currency of Appendix II Parenteral Therapy Injectables, the list of substances approved for use in PT. The process and application form can now be seen on the Board website.

I would like to express my sincere thanks to the Committee members, staff and others for their valuable input, professionalism and dedication in ensuring the safe practice of Parenteral Therapy in Ontario.



Report of the Policy Committee

Chair: Patricia Rennie, ND

Committee Members: Kerry Barlow, ND; Heidi Kussmann-Armstrong, ND; Teresa Tsui, ND; Bita Doagoo, ND; Bridie O'Connell, staff member

Purpose: The Policy Committee develops new standards/policies and reviews and revises existing standards/policies to reflect best practices and standards of practice for the profession. The ultimate goal is public protection with respect to the practice of naturopathic doctors in Ontario.

Report: The Policy Committee met monthly in 2010. The Committee completed work on the revisions to the Consent Standard and the Manipulation Standard of Practice and completed the new Infection Prevention and Control Standard as well as devoting some time to the Parenteral Therapy Policy revisions.

The Committee was sorry to say goodbye to Heidi Kussmann-Armstrong, ND who left Ontario to pursue other employment opportunities. We were happy to welcome Bita Doagoo to fill the vacancy.

Revising standards/policies is a lengthy process during which the Committee researches other documents and publications and consults with experts in the profession as well as with other regulatory colleges before drafting the policy for circulation to the profession and stakeholders for comment. All feedback is then considered and the standard is finalized and circulated to the profession and stakeholders.

Thank you to committee members for their time and dedication to this committee and to Bridie O'Connell for her capacity to capture the discussion and transform it into an easy to use and meaningful document.



Report of Complaints and Discipline

Complaints Resolution Committee (CRC)

CRC Chair: Mary-Ellen McKenna ND

Committee Members: Glenda Clark, ND; Robert Dronyk DC, ND; Janice Shouldice ND; Nancy Barnes, Public Member; Fern Lerner Goldhar, administrative support.

The CRC continues to strive to uphold a thorough and fair process in dealing with all complaints that come before the Committee. Bob Dronyk served as Chair of the CRC until April 2010 at which time he resigned from the Board. The Committee would like to thank Bob for his dedication and generosity during his time as Chair. He continues to contribute as a professional member on the CRC which greatly benefits from his experience and insight.

Disciplinary Hearings: There were no disciplinary hearings in 2010.

Investigation of Non NDs: The Board routinely issues Cease and Desist letters to unregistered practitioners where evidence is provided to the Board that they claim to be practising naturopathic doctors. In 2010 the Board issued 30 Cease and Desist letters. In certain instances, the Board conducts a full investigation which may result in proceedings under the Provincial Offences Courts. In 2010 the Board was involved in four such investigations. Two of these were launched in 2009 and two in 2010. All four are ongoing into 2011. The CRC is not involved in these investigations.

Insurance companies continue to verify with the Board the registration status of practitioners prior to reimbursing claims for naturopathic medicine. They also bring to the attention of the Board the names of practitioners who may be improperly holding themselves out as naturopathic doctors.

Thank you as well to all members of the CRC and Fern Lerner Goldhar for their contributions, professionalism and commitment to maintaining the integrity of the complaint process, and to Bridie O'Connell for her invaluable administrative and organizational support to the Committee.



Summary of Complaints and Discipline Matters Before the Board in 2010

Received	Nature of complaint/allegation	Disposition of complaint
2009	Professional Misconduct: Practicing modality outside of scope of naturopathic medicine.	Resolved through correspondence and a Letter of Caution.
2009	Professional Misconduct: Unprofessional treatment of a patient with special needs.	Resolved through correspondence and a Letter of Advice.
2009	Professional Misconduct: Excessive billing and misleading the patient about treatment expectations.	Resolved through correspondence and a Letter of Caution.
2009	Professional Misconduct: Inappropriate conduct and comments unbecoming a professional.	Resolved through correspondence and remedial education.
2009	Professional Misconduct: Inappropriate conduct unbecoming a professional and failure to report.	Ongoing into 2011.
2010	Professional Misconduct: Fraudulently issuing receipts for services not provided.	Ongoing into 2011.
2010	Professional Misconduct: Depositing a cheque belonging to someone else.	Dismissed.
2010	Professional Misconduct: Fraudulently issuing receipts for services not provided.	Ongoing into 2011.
2010	Professional Misconduct: Requesting an ND provide services outside of scope, jeopardizing patient care.	Dismissed.
2010	Professional Misconduct: Requesting an ND provide services outside of scope, jeopardizing patient care.	Ongoing into 2011.
2010	Professional Misconduct: Requesting an ND provide services outside of scope, jeopardizing patient care.	Ongoing into 2011.
2010	Professional Misconduct: Improper procedures for infection control, jeopardizing patient care.	Resolved through correspondence and a Letter of Caution.
2010	Professional Misconduct: Attempting to ruin the reputation of a fellow ND and jeopardizing patient care.	Ongoing into 2011.
2010	Professional Misconduct: conduct jeopardized patient care.	Ongoing into 2011.
2010	Professional Misconduct: Administering unapproved substances.	Ongoing into 2011.
2010	Professional Misconduct: Record keeping deficiencies.	Ongoing into 2011.
2010	Professional Misconduct: Fraudulently issuing receipts using the names of other health care professionals.	Ongoing into 2011.
2010	Breach of standards relating to supervising a non registered naturopathic college graduate.	Ongoing into 2011.
2010	Professional Misconduct: Inappropriate comment made to patient.	Ongoing into 2011.
2010	Professional Misconduct: Using an inaccurate and potentially harmful test.	Ongoing into 2011.
2010	Professional Misconduct: Breach of confidentiality, altering records.	Ongoing into 2011.
2010	Professional Misconduct: Inappropriate remedy given to child.	Ongoing into 2011.
2010	Professional Misconduct: Failure to provide services paid for, failure to follow up.	Ongoing into 2011.



The Complaints Process

COMPLAINTS PROCESS

The Board of Directors of Drugless Therapy – Naturopathy (BDDT-N) provides both a transparent and impartial complaint process. The Board is responsible for address-ing all complaints made against BDDT-N Registrants (naturopathic doctors). The Complaints Resolution Committee (CRC) investigates and reports on all com-plaints in order to minimize the involvement of Board members in such matters prior to the point of decision-making and to ensure that an impartial Discipline Panel can be formed if a complaint is referred for a disciplinary hearing. The CRC Chair is a Board member with the remainder of the committee being composed of one public member and three Registrants who are not Board members. The Chair of the CRC does not sit on the Discipline Panel.

A complaint must be made in writing in order for it to be investigated. Following are the steps involved in the complaints process:

- A written complaint against a Registrant is received.
- If the Registrant is a member of another health profession, the Complaint may be forwarded to the appropriate regulatory agency.
- A letter is sent to the Complainant outlining the process and indicating that the Board will obtain the patient file from the ND.
- The Registrant is asked to submit the original patient file to the Board.
- Following receipt of the original patient file, the Registrant is provided with a copy of the Complaint and is invited to respond.
- The Complainant is forwarded a copy of the Registrant’s response and invited to provide further comment.
- If new issues are introduced in the Complainant’s response, the Registrant is provided with a copy and is invited to submit any additional comments.
- The Complaints Resolution Committee (CRC) reviews all relevant information (including Complaint, Registrant’s and Complainant’s responses, patient files, etc.).
- Interviews may be conducted to gather further information.
- An expert opinion may be obtained.
- The CRC then determines if there has been a breach of the Drugless Practitioners Act, Regulation 278, Professional Misconduct as defined by the BDDT-N, Board Standards of Practice or guidelines.
- The CRC prepares and submits to the Board a written report and recommendation, which includes a summary of the Complaint, pertinent evidence and a discussion of its reasoning.
- The Board considers the Complaint and the CRC’s recommendations and determines whether the matter can be resolved at this stage or warrants referral for a disciplinary hearing.
- The Complainant and the Registrant are then advised of the Board’s decision, and are provided with a copy of the Board’s Reasons for Decision.
- If the case is referred for a disciplinary hearing, the Board establishes a hearing date and issues a Notice of Hearing which is delivered to the Registrant.



The Complaints Process (cont'd)

The Board includes summaries of complaints and discipline matters and their disposition in its newsletter.

Note: A Complainant, or a Registrant who is the subject of a complaint, has the right to be represented by counsel at his / her own expense.

External Reviewer

The External Reviewer (ER) is a naturopathic doctor appointed by the Board, acts independently of the Board and is not a member of the Complaints Resolution Committee. Should the CRC or the Board identify issues that are not in the form of a complaint or receives an anonymous complaint, the information is referred to the ER. If after reviewing the information the ER makes a formal complaint, the Complaints Process outlined above is followed.



The Financial Report

BOARD OF DIRECTORS OF DRUGLESS THERAPY - NATUROPATHY
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010

BOARD OF DIRECTORS OF DRUGLESS THERAPY - NATUROPATHY
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010
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INDEPENDENT AUDITOR'S REPORT

To the Members of:

Board Of Directors Of Drugless Therapy - Naturopathy

We have audited the accompanying financial statements of the Board Of Directors Of Drugless Therapy - Naturopathy which comprise the statement of financial position as at December 31, 2010, and the statements of operations and changes in 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Board of Directors of Drugless Therapy - Naturopathy as at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

March 29, 2011
Bowmanville, Ontario


Sullivan & Co. (Professional Corporation)
Chartered Accountant
Authorized to practise public accounting by
The Institute of Chartered Accountants of Ontario

1.

BOARD OF DIRECTORS OF DRUGLESS THERAPY - NATUROPATHY

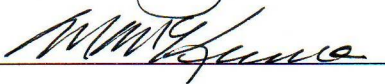
STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2010

	2010	2009
ASSETS		
CURRENT		
Cash	\$ -	\$ 10,085
Term deposits (Note: 4)	963,615	793,012
Prepaid amounts	4,099	4,051
	967,714	807,148
CAPITAL ASSETS (Note: 5)	7,434	10,000
	\$ 975,148	\$ 817,148

LIABILITIES AND FUND BALANCES		
CURRENT		
Bank overdraft	\$ 2,203	\$ -
Accounts payable and accrued liabilities	39,672	19,773
Deferred revenue (Note: 2)	166,842	150,636
	208,717	170,409
FUND BALANCES		
General Fund - unrestricted	585,194	424,930
Legal Reserve Fund - internally restricted (Note: 3)	181,237	221,809
	766,431	646,739
	\$ 975,148	\$ 817,148

APPROVED BY THE BOARD:

 Chair
 Secretary-Treasurer

The accompanying Notes to Financial Statements are an integral part of these statements.

2.

BOARD OF DIRECTORS OF DRUGLESS THERAPY - NATUROPATHY

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
REVENUE		
Fees	\$ 943,574	\$ 857,699
Other revenue	1,085	6,268
Interest	14,760	9,828
	\$ 959,419	\$ 873,795
OPERATING EXPENSES		
Advertising and promotion	12,470	13,909
Amortization of capital assets	2,566	2,849
Audit and accounting fees	8,115	8,259
Bank charges and merchant fees	14,438	13,569
Board members' fees and expenses (Note: 7)	69,499	92,270
Complaints and disciplinary (Note: 9)	84,776	39,859
Conferences and travel	21,964	22,585
Examinations	20,227	13,042
Inspections	2,628	10,267
Insurance	8,901	9,975
Legal fees	82,156	62,325
Office and sundry	18,788	13,794
Printing and mailing	52,139	36,300
Professional fees (other) (Note: 10)	70,701	74,615
Rent	35,970	34,650
Salaries and benefits	286,851	244,555
Telephone	6,966	9,699
	\$ 799,155	\$ 702,522
EXCESS REVENUE OVER EXPENSES	160,264	171,273
FUND BALANCE, BEGINNING OF YEAR	424,930	253,657
FUND BALANCE, END OF YEAR	\$ 585,194	\$ 424,930

The accompanying Notes to Financial Statements are an integral part of these statements.

3.

BOARD OF DIRECTORS OF DRUGLESS THERAPY - NATUROPATHY

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

LEGAL RESERVE FUND

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
REVENUE		
Interest	\$ 7,704	\$ 9,284
EXPENSES		
Legal fees	48,276	17,869
EXCESS EXPENSES OVER REVENUE	(40,572)	(8,585)
FUND BALANCE, BEGINNING OF YEAR	221,809	230,394
FUND BALANCE, END OF YEAR	\$ 181,237	\$ 221,809

The accompanying Notes to Financial Statements are an integral part of these statements.

4.

BOARD OF DIRECTORS OF DRUGLESS THERAPY - NATUROPATHY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
CASH PROVIDED BY OPERATING ACTIVITIES		
Excess revenue over expenses	\$ 119,692	\$ 162,688
Items not requiring an outlay of cash		
Amortization	2,566	2,849
	122,258	165,537
CHANGES IN NON-CASH WORKING CAPITAL		
Prepaid amounts	(48)	8,880
Accounts payable and accrued liabilities	19,900	(2,198)
Deferred revenue	16,206	9,871
	36,058	16,553
	158,316	182,090
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to capital assets	-	(3,088)
Term deposits	(170,604)	(173,182)
NET INCREASE/(DECREASE) IN CASH	(12,288)	5,820
CASH, BEGINNING OF YEAR	10,085	4,265
CASH, END OF YEAR	\$ (2,203)	\$ 10,085

The accompanying Notes to Financial Statements are an integral part of these statements.

5.

BOARD OF DIRECTORS OF DRUGLESS THERAPY - NATUROPATHY

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2010

1. Nature of Organization

The Board of Directors of Drugless Therapy - Naturopathy, the "organization", is a government appointed Board legislated under the Drugless Practitioners Act (Province of Ontario) for the purpose of regulating the practice of Naturopathic Doctors in the Province of Ontario. The organization operates as a not-for-profit entity under the Income Tax Act and is accordingly exempt from income taxes.

2. Summary of Significant Accounting Policies

(a) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Revenue Recognition

Registration fee revenue is recognized evenly over the period to which it applies. The portion of annual fees related to the period after the year-end has been included in deferred revenue.

(c) Financial Instruments

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets include cash and term deposits, and financial liabilities include accounts payable and accrued liabilities..

(d) Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

(e) Capital Assets

Capital assets are recorded at cost, and are amortized at rates calculated to write-off the assets over their estimated useful lives as follows:

Furniture and equipment	20%	declining balance
Computer equipment	30%	declining balance

BOARD OF DIRECTORS OF DRUGLESS THERAPY - NATUROPATHY

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2010

3. Fund Accounting

The organization uses the restricted fund method of accounting. The General Fund accounts for all administrative and operational activities, except as noted below, and reports only unrestricted amounts.

The Legal Reserve Fund accounts for the funding of legal expenses related to specialized and non-recurring legal work, prosecuting and defending claims. Ongoing legal expenses continue to be funded from the General Fund. Funds are appropriated only as approved by the Board.

4. Term Deposits

Term Deposits consist of redeemable guaranteed investment certificates, including those which are held for the legal reserve fund. The certificates mature between January 14, 2011 and June 18, 2012. The carrying values of these financial assets and financial liabilities approximate their fair values unless otherwise noted.

5. Capital Assets

	Cost	Accumulated Amortization	Net 2010	Net 2009
Furniture and equipment	\$ 7,532	\$ 4,061	\$ 3,471	\$ 4,338
Computer equipment	9,014	5,051	3,963	5,662
	\$ 16,546	\$ 9,112	\$ 7,434	\$ 10,000

6. Commitments

Office premises are leased on a month to month basis, requiring payments of \$2,915.

7. Board Members' Fees and Expenses

Board members' fees and expenses consist of:

	2010	2009
Directors' fees for Board and committee meetings	\$ 39,426	\$ 54,700
Directors' expenses	20,139	30,608
At large committee members' fees	9,934	6,962
	\$ 69,499	\$ 92,270

7.

BOARD OF DIRECTORS OF DRUGLESS THERAPY - NATUROPATHY

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2010

8. Related Party Transactions

The Province of Ontario provides funding for the fees and expenses of one Board member, the amounts for which have not been recorded in these statements.

During the year, five Board members who are Naturopathic Doctors received directors' fees for services provided to the organization in accordance with Regulation 278 of the Drugless Practitioners Act (see also Note: 7).

9. Complaints and Disciplinary

Complaints and disciplinary expenses include costs for investigators, complaint resolution committee member fees and expenses, and other services, and exclude any related expenses which have been included in any other expense category.

10. Professional Fees (Other)

Professional fees (other) consists of public affairs consulting services related to the transition towards the regulation of naturopathy under the legislative framework of the Regulated Health Professions Act, 1991, and to other public affairs matters as required.

11. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current year's presentation.



2010 Annual Report

Board of Directors of Drugless Therapy – Naturopathy
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