

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

A large, faint, and semi-transparent image of autumn leaves, possibly maple, serves as a background for the central text. The leaves are in shades of light orange, yellow, and brown, creating a warm, naturalistic feel.

Board of Directors of Drugless Therapy Naturopathy 2011 Annual Report



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This is a report of the activities of the Board of Directors of Drugless Therapy -
Naturopathy for the 2011 fiscal year, including
audited financial statements.

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2011 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 - Sheila Jaggard, PhD

Office Staff

Angela M. Moore, ND, Executive Director
Bridie O'Connell, Executive Administrator
Natalia Vasilyeva - Bookkeeping & Committee
Support Coordinator
Erica Laugalys - Communications & Examinations
Coordinator

BDDT-Naturopathy

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Report from the Chair

Dear Registrants,

Another year seems to have just evaporated while BDDT-N staff and Board members have been busy fulfilling our regulatory responsibilities.

The BDDT-N continues to regulate the profession in Ontario via the development and revision of standards, examining and registering qualified Naturopathic Doctors, responding to complaints related to the practice of Registrants, initiating prosecutions against unregistered practitioners who hold themselves out as NDs and various other regulatory duties. Our dedicated staff and Board members attend training sessions, deliver presentations and participate in countless Board and committee meetings.

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

The move to quarterly public Board meetings has made our meeting process much more efficient and taken some of the time stress off of our busy Board members. Thankfully, there were no changes to the membership of the Board over the past year and we have had the benefit of a full complement of members for well over a year now.

Some of the activities which were undertaken by the Board over the past year include:

- Participation in Board and committee meetings
- Attendance at the 2011 Clear Conference
- Presentations on Conflict of Interest at the APND annual conference and the OAND Annual Convention
- 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 several Record Keeping workshops and webinars
- Circulation of a revised standard of practice for **Registrants Supervising Non-Registered Naturopathic College Graduates**
- 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 all of 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. The responsibility of serving on both the BDDT-N and the transitional Council in all of our various Board and committee roles is at times a daunting task which often means giving up personal and practice time to get the job done.

I hope you enjoy reading our 2011 Annual Report and encourage you to contact the office if you have any comments or questions about it.

Sincerely,

Patricia J. Rennie
Chair



Report from the Executive Director

Dear Colleagues,

Consistent with the trend over the past few years, the number of naturopathic doctors in Ontario grew steadily in 2011. At the close of the year there were 1,205 NDs registered with the BDDT-N: 999 of these were registered in the Active category and 206 were Inactive.

The BDDT-N continues to regulate the profession in the province while planning for the transition to the *Regulated Health Professions Act*. The Ministry of Health and Long-Term Care notified the Board that its goal is to have the transition to the *Naturopathy Act, 2007* and the College of Naturopaths of Ontario completed by the spring of 2013. In order to facilitate as smooth a transition as possible, the Board has been working closely with the transitional Council for the College of Naturopaths of Ontario (TC-CONO). A “Transition Team” was established in 2011 and staff from the two organizations have been in regular communication since. All NDs who are registered with the BDDT-N will automatically become members of the new College when it begins operation.

Because all members of the Board of Directors for the BDDT-N are public appointees and despite the BDDT-N receiving no government funds (other than the per diems paid to the one public member), the Board was advised that it is now included in the Ministry of Government Services’ “List of Classified Provincial Agencies”. As no other health regulatory body falls into this category and as the Board believes it should be treated the same as all the RHPA Colleges, a formal request for an exemption from the Agency Establishment and the Accountability Directive was made. The exemption request was denied and, as a result, the Board was required by the Directive to enter into an MOU with the Ministry in 2011. The Board is now subject to a number of directives

and reporting responsibilities that stem from this. The MOU has been posted on the Board’s website. In addition to ensuring that the requirements of the MOU were fulfilled, my responsibilities as Executive Director for the BDDT-N in 2011 included a number of other activities and projects, some of which are highlighted below:

- Working closely with a consultant to organize a strategic planning session that included Board members and staff. The session was held in June of 2011 to identify strategic priorities for the ongoing regulation of the profession, to develop a comprehensive transition plan and to plan for a smooth transfer of the Board’s assets and operations to the new College.
- Participation in informal and formal consultations with the TC-CONO on draft regulations for the new College.
- Preparation of submissions to HPRAC in response to reviews initiated by the Minister of Health and Long-Term Care.
- Attendance at the CAND conference in Calgary as well as Canadian Naturopathic Coordinating Council meetings in Calgary and Vancouver.
- Making a presentation on the regulation of NDs in Ontario at the Ontario Hospital Association’s annual conference.
- Developing a series of radio advertisements that ran in the spring and summer on Radio 740, informing people that NDs are regulated in the province and encouraging people to ensure that their Naturopathic Doctor is registered with the BDDT-N.
- Participation in a Professional Practice Advisors working group that includes representatives from the other health care professional regulatory bodies in Ontario.
- Participation in the Federation of Naturopathic Medical Regulatory Authorities. This organization includes naturopathic regulatory bodies from Canada and the US.

Report from the Executive Director (cont'd)

- Implementing the plan to update the BDDT-N's website which was underway at the end of 2011 and is expected to be completed in the spring of 2012.
- Working with the CAND to obtain funding from the federal government to develop a national competency profile for the profession.

The Board of Directors holds quarterly in-person meetings, the dates of which are posted on the Board's website. Items that need to be addressed between these quarterly meetings are dealt with by teleconference.

In addition to investigating complaints related to the practice of its Registrants, the Board also takes action against unregistered practitioners who claim to be naturopathic doctors. This sometimes results in the initiation of provincial offences prosecutions when the unregistered practitioners persist in identifying themselves as NDs. In 2011 the Board was successful in prosecuting two individuals who claimed to be NDs but who did not meet the requirements for registration in Ontario. In the first case the practitioner was found guilty on 9 of 12 counts, was fined \$11,000 plus an additional 25% in court costs and was issued a probation order prohibiting her from doing so in the future. In the second matter the practitioner pleaded guilty, agreed to a fine of \$5,000 (plus court costs) and was issued a similar probation order. A third prosecution is still underway.

Detailed information about the activities of the Board's committees is contained in the individual Committee Reports that follow. Readers are encouraged to review this Annual Report carefully and to contact the BDDT-N with any questions or comments.

I have the pleasure of working with a dedicated staff of people at the Board office and we always welcome your comments and questions.

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 CE Policy. Committee members frequently audit CE presentations to ensure that the content is in keeping with 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 2011. The Committee also submitted an addendum to the standard allowing 3 credit hours for practice management seminars. The Board approved this addendum on September 20, 2011.

Continuing Education audit of a random selection of 109 Registrants took place for the reporting period 2009-2011. This group was asked to submit their CE records, along with copies of certificates of course completion and current CPR Certification. Of those selected, 95 were in full compliance. 13 were granted an extension in order to complete the required hours or specific modalities, upon payment of the administration fee of \$100.00. Of those, 1 Registrant continues to work on getting his CE credits and 1 Registrant retired from practice at the end of the CE cycle. Of note: 16 Registrants who were not selected in the audit chose to submit their CE summaries and all were complete.

The Committee reviewed a total of 336 courses during 2011, 17 of which were declined. Submissions were received from the OAND, CAND, CCNM and several companies. Individual Registrants also applied 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.

I would like to thank the Committee members and staff for their contributions, their professionalism and dedication in the area of Continuing Education.



Report of the Examinations Committee

Chair: Patricia Rennie, ND

Committee Members: Jane Lauermeier, ND, Judith Fiore, ND and Rebecca Kellerstein, ND are group leaders for each of the three practical exams. They are supported by Stephanie Rubino, ND; Connie Pugliese, ND; Mary MacDonald, ND; Erin Psota, ND; Pilar Villegas, ND and Jennifer Hong, ND. Mary-Ellen McKenna, ND is the group leader for Jurisprudence. Erica Laugalys provides staff support.

Purpose: The Examinations Committee reviews the content of practical examinations which are administered by the BDDT-N twice a year. The Examinations Chair oversees the administration of Board examinations including practical examinations 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 6th and on August 5th and 7th, 2011. 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. 2011	Aug. 2011
Total number of candidates	42	101
Candidates who passed all on first attempt	18	84
Candidates who passed on re-take	18	3
Candidates who failed on re-take	3	3
Candidates who failed one exam	6	12
Candidates who failed more than one exam	0	2
Details of Unsuccessful Attempts	Feb. 2011	Aug. 2011
Jurisprudence	0	3
Instrumentation Practical	0	1
Acupuncture Practical	1	3
Manipulation Practical	5*	9**

* 3 of these were second and third attempts

**3 of these were 2nd attempts, 2 were 3rd attempts and 1 was a 4th attempt

The Examination Appeals Panel dealt with a total of three examination appeals in 2011.

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 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. Finally, thank you to the exam committee members and the appeal committee members for your dedication and hard work.



Report of the Parenteral Therapy (PT) Committee

Chair: Belinda Clarke, ND

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

PT Inspectors: Robert Dronyk DC, ND; Jean-Jacques Dugoua, ND; Holly Fennel, ND; 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 2011, 211 Registrants were Certified to practice PT in Ontario and 7 had not renewed their Certification.

Report: PT Certification examinations were held in March and October of 2011. A total of 62 candidates took the Board's PT Certification examinations, 41 of whom were successful on their first attempt. The Board is again most grateful to CCNM and Ornella Marano for providing us with accommodations and support for these exams.

The outcome of the exams was as follows:

Parenteral Therapy Examinations	Mar. 2011	Oct. 2011
Candidates sitting for exams	30	32
Candidates passing on first attempt	16	25
Candidates passing on second attempt	5	3
Candidates failing	9	4

Our inspector, Selina Hune, continues to conduct initial inspections on behalf of the Board. These initial inspections are purely educational in nature. A total of 31 PT Certified NDs underwent initial inspections in 2011. Subsequent inspections are conducted by PT Certified NDs, trained in inspection techniques and protocols. A total of 45 PT Certified NDs underwent subsequent inspections in 2011. Following an inspection, the Registrant is issued a report from the Board.

The Board continues to offer the PT Emergency Procedures Course to Certified NDs. The course provides experiential training in dealing with emergency situations and was offered on April 2nd, November 5th and November 6th in 2011. All NDs who were PT Certified for more than one year at the end of 2011 have completed this course as per the requirement. The Board offers this course 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.

The PT Committee has completed work on revisions to the **Parenteral Therapy Policy** and has recommended that the policy be divided into several distinct standards. (It is expected that the revised standards will be released to the profession for consultation early in 2012.)

In 2011, the PT Committee received a number of submissions to have new substances added to the list of substances approved for use in PT in Ontario. 1 new substance was added and is included in the most up to date list on the Board's website, along with the application form. 4 applications were still in process at the end of 2011.

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 Standards Committee

Chair: Patricia J. Rennie, ND

Committee Members: Kerry Barlow, ND; Teresa Tsui, ND and Bitia Doagoo, ND. Staff support is provided by Bridie O'Connell

Purpose: The Standards Committee develops new standards as required and reviews existing standards and policies to reflect best practices and standards of practice for the profession.

Report: The Standards Committee met ten times in 2011. The Committee completed the revision of the **Standard of Practice for Registrants Supervising Non-Registered Naturopathic College Graduates**. Significant work was done on the revisions of the **Parenteral Therapy Policy** as well as the **Advertising Policy**. Work on a new guideline on **Conflict of Interest** was started this year.

The writing and revision of standards is a lengthy process during which the committee researches similar standards for other health care professions in Ontario, reviews similar standards that regulate Naturopathic Doctors in other jurisdictions and consults with experts in the profession before drafting the standard for circulation to the profession and other stakeholders for comment. All feedback is then considered and the standard is finalized for Board approval and circulated to the profession and stakeholders with a date on which the standard becomes effective.

Thank you to the committee members for their time and dedication and to Bridie O'Connell for her invaluable administrative and organizational support of the Committee.



Report of Complaints and Discipline

Complaints Resolution Committee (CRC)

CRC Chair: Mary-Ellen McKenna, ND

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

The Committee met monthly in 2011. Through the efforts of the committee members, legal counsel, investigators and administrative and staff support, recommendations for nineteen complaints were referred to the Board for its consideration. Of these complaints three were referred for discipline, two were resolved with Undertakings, five were resolved via a Letter of Caution, eight were dismissed and one was deferred. During 2011, twelve new complaints were received.

Thank you 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.

Disciplinary Hearings: There were no disciplinary hearings in 2011.

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 practicing Naturopathic Doctors. In 2011 the Board issued 15 Cease and Desist letters. In certain instances, the Board conducts a full investigation which may result in the initiation of Provincial Offences Prosecutions. In 2011 the Board was involved in four such investigations. Two investigations are ongoing into 2012. 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 the names of practitioners who may be improperly holding themselves out as Naturopathic Doctors to the attention of the Board.



Summary of Complaints and Discipline Matters Before the Board in 2011

Received	Nature of complaint/allegation	Disposition of complaint
2009	Professional Misconduct: Inappropriate conduct unbecoming a professional and failure to report.	Deferred.
2010	Professional Misconduct: Fraudulently issuing receipts.	Referred to discipline.
2010	Professional Misconduct: Fraudulently issuing receipts.	Referred to discipline.
2010	Professional Misconduct: Fraudulently issuing receipts.	Referred to discipline.
2010	Professional Misconduct: Providing services outside of scope, conduct jeopardizing patient care.	Resolved via an Undertaking.
2010	Professional Misconduct: Providing services outside of scope, conduct jeopardizing patient care.	Dismissed.
2010	Professional Misconduct: Attempting to ruin the reputation of a fellow ND and jeopardizing patient care.	Resolved through correspondence and a Letter of Caution.
2010	Professional Misconduct: Conduct jeopardizing patient care.	Dismissed.
2010	Professional Misconduct: Administering unapproved substances.	Dismissed.
2010	Professional Misconduct: Record keeping deficiencies.	Resolved through an Undertaking pending return to Active category.
2010	Professional Misconduct: Fraudulently issuing receipts in the names of other health care professionals.	Ongoing into 2012.
2010	Breach of standards relating to supervising a non-registered naturopathic college graduate.	Ongoing into 2012.
2010	Professional Misconduct: Inappropriate comment made to patient.	Dismissed.
2010	Professional Misconduct: Using an inaccurate and potentially harmful test.	Ongoing into 2012.
2010	Professional Misconduct: Breach of confidentiality altering records.	Resolved through correspondence and a Letter of Caution.
2010	Professional Misconduct: Inappropriate remedy given to child.	Dismissed.
2010	Professional Misconduct: Failing to provide services paid for, failure to follow up.	Resolved through correspondence and a Letter of Caution.
2011	Professional Misconduct: Delegating mesotherapy to a non-PT certified Registrant.	Resolved through correspondence and a Letter of Caution.
2011	Professional Misconduct: Refusal to hand over patient files to colleague.	Resolved through correspondence and a Letter of Caution.
2011	Professional Misconduct: Denigrating allopathic profession by advising against vaccines.	Dismissed.
2011	Professional Misconduct: Below standard of care, and record keeping deficiencies.	Dismissed.
2011	Professional Misconduct: Inappropriate delegation, deficiencies in obtaining consent and charting.	Ongoing into 2012.



Summary of Complaints and Discipline Matters Before the Board in 2011 (cont'd)

Received	Nature of complaint/allegation	Disposition of complaint
2011	Professional Misconduct: Signing off on and billing for tests without seeing patient.	Ongoing into 2012.
2011	Professional Misconduct: Failure to fulfill Board mandated Record Keeping requirements.	Dismissed following resolution to the Board's satisfaction.
2011	Professional Misconduct: Treating family member and excessive billing of same.	Ongoing into 2012.
2011	Professional Misconduct: Injection therapy outcome and substance injected.	Ongoing into 2012.
2011	Professional Misconduct: Reaction to IV treatment, violation of rights and financial abuse while in a vulnerable state.	Ongoing into 2012.
2011	Professional Misconduct: Public endorsement of a product.	Ongoing into 2012.
2011	Professional Misconduct: Holding out as a cancer specialist and obstructing referrals to cancer care.	Ongoing into 2012.



The 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 addressing all complaints made against BDDT-N Registrants (Naturopathic Doctors). The Complaints Resolution Committee (CRC) investigates and reports on all complaints 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 receive 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, 2011

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, 2011, 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.

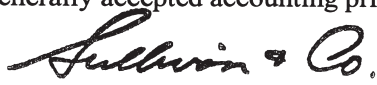
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

March 20, 2012
Bowmanville, Ontario


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

BOARD OF DIRECTORS OF DRUGLESS THERAPY - NATUROPATHY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011

	2011	2010
ASSETS		
CURRENT		
Cash	\$ 22,705	\$ -
Term deposits (Note: 4)	1,099,023	963,615
Prepaid amounts	9,217	4,099
	1,130,945	967,714
CAPITAL ASSETS (Note: 5)	5,551	7,434
	\$ 1,136,496	\$ 975,148
LIABILITIES AND FUND BALANCES		
CURRENT		
Bank overdraft	\$ -	\$ 2,203
Accounts payable and accrued liabilities	23,622	39,671
Deferred revenue (Note: 2)	182,130	166,842
	205,752	208,716
FUND BALANCES		
General Fund - unrestricted	776,711	585,195
Legal Reserve Fund - internally restricted (Note: 3)	154,033	181,237
	930,744	766,432
	\$ 1,136,496	\$ 975,148

APPROVED BY THE BOARD:



Chair



Secretary-Treasurer

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

BOARD OF DIRECTORS OF DRUGLESS THERAPY - NATUROPATHY

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010
REVENUE		
Fees	\$ 1,028,362	\$ 943,574
Other revenue	4,030	1,085
Interest	15,010	14,760
	\$ 1,047,402	\$ 959,419
OPERATING EXPENSES		
Advertising and promotion	28,502	12,470
Amortization of capital assets	1,883	2,566
Audit and accounting fees	7,910	8,115
Bank charges and merchant fees	13,573	14,438
Board members' fees and expenses (Note: 7)	62,260	69,499
Complaints and disciplinary (Note: 9)	66,022	84,776
Conferences and travel	17,163	11,545
Examinations	18,821	20,227
Inspections	45,345	2,628
Insurance	8,717	8,901
Legal fees	75,380	82,156
Office and sundry (Note: 11)	35,081	36,172
Printing and mailing	49,781	52,139
Professional fees (other) (Note: 10)	63,118	70,701
Rent	37,290	35,970
Salaries and benefits	275,040	286,851
	\$ 805,886	\$ 799,154
EXCESS REVENUE OVER EXPENSES	241,516	160,265
FUND BALANCE, BEGINNING OF YEAR	585,195	424,930
TRANSFER TO LEGAL RESERVE FUND	(50,000)	-
FUND BALANCE, END OF YEAR	\$ 776,711	\$ 585,195

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

BOARD OF DIRECTORS OF DRUGLESS THERAPY - NATUROPATHY

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

LEGAL RESERVE FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010
REVENUE		
Interest	\$ 4,649	\$ 7,704
EXPENSES		
Legal fees	81,853	48,276
EXCESS EXPENSES OVER REVENUE	(77,204)	(40,572)
FUND BALANCE, BEGINNING OF YEAR	181,237	221,809
TRANSFER FROM GENERAL FUND	50,000	-
FUND BALANCE, END OF YEAR	\$ 154,033	\$ 181,237

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

BOARD OF DIRECTORS OF DRUGLESS THERAPY - NATUROPATHY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010
CASH PROVIDED BY OPERATING ACTIVITIES		
Excess revenue over expenses	\$ 164,312	\$ 119,693
Items not requiring an outlay of cash		
Amortization	1,883	2,566
	166,195	122,259
CHANGES IN NON-CASH WORKING CAPITAL		
Prepaid amounts	(5,118)	(48)
Accounts payable and accrued liabilities	(16,051)	19,900
Deferred revenue	15,288	16,206
	(5,881)	36,058
	160,314	158,317
CASH FLOWS FROM INVESTING ACTIVITIES		
Term deposits	(135,407)	(170,604)
NET INCREASE/(DECREASE) IN CASH	24,907	(12,287)
CASH, BEGINNING OF YEAR	(2,202)	10,085
CASH, END OF YEAR	\$ 22,705	\$ (2,202)

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

BOARD OF DIRECTORS OF DRUGLESS THERAPY - NATUROPATHY

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2011

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) 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.

(b) 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..

(c) 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.

(d) 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, 2011

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 March 31, 2012 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 2011	Net 2010
Furniture and equipment	\$ 7,532	\$ 4,755	\$ 2,777	\$ 3,471
Computer equipment	9,014	6,240	2,774	3,963
	\$ 16,546	\$ 10,995	\$ 5,551	\$ 7,434

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:

	2011	2010
Directors' fees for Board and committee meetings	\$ 40,049	\$ 39,426
Directors' expenses	16,473	20,139
At large committee members' fees	5,738	9,934
	\$ 62,260	\$ 69,499

BOARD OF DIRECTORS OF DRUGLESS THERAPY - NATUROPATHY

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2011

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, four 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 (1) 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, and (2) other costs related to transitional planning.

11. Office and Sundry

Office and sundry consist of expenses for office supplies, telephone, internet, courier, equipment maintenance, software, training, and memberships.

12. Comparative Figures

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



2011 Annual Report

Board of Directors of Drugless Therapy – Naturopathy
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