



# STATEMENT OF FINANCIAL POSITION

As at July 31

				2014	
	Operating Fund \$	Restricted Fund \$	Endowment Fund \$	Total \$	Total \$
<b>ASSETS</b> [note 7]					
<b>C e</b>					
Cash and cash equivalents	,	,	,	,	1,038,155
Accounts receivable					
Student fees	,	—	—	,	252,291
Other	,	,	—	,	369,822
Due from related parties [note 3[b]]	9,	—	—	9,	182,203
Inventory	,	—	—	,	75,130
Prepaid expenses	,9	,	—	,9	420,108
<b>T a c e a e</b>	,9,99	,	,	,9,	2,337,709
Long-term prepaid expenses	—	—	—	—	7,795
Capital assets, net [note 4]	,9,	—	—	,9,	37,237,644
	,,9	,	,	,9,	39,583,148
<b>LIABILITIES AND FUND BALANCES</b>					
<b>C e</b>					
Bank indebtedness [note 7]	,	—	—	,	1,300,000
Accounts payable and accrued liabilities	,	,	—	,	1,146,442
Interfund (receivable)/loan [note 6]	(, )	,	,9	—	—
Deferred revenue	,,9	—	—	,,9	1,492,248
<b>T a c e a b a e</b>	,9,	9,9	,9	,9,	3,938,690
Commitments [note 12]					
<b>F d b a a c e</b>					
Operating Fund	,	—	—	,	34,993,980
EMC, 4.21					46,440

# STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES

Year ended July 31

	Operating Fund		Restricted Fund		Endowment Fund		Total	
	2014		2014		2014		2014	
	\$	\$	\$	\$	\$	\$	\$	\$

**REVENUES**

Tuition 19.7733(1)-6(Cl(iTextic8)16(0)-2)23/Actual Date FF511BF-FO046005VE(2)(5)(4)(S)(E)TEOCT18372244Sp04A BD 53903-2399

# STATEMENT OF CASH FLOWS

As at July 31

				2014	
	Operating Fund \$	Restricted Fund \$	Endowment Fund \$	Total \$	Total \$
<b>OPERATING ACTIVITIES</b>					
<b>Cash</b>					
Excess (deficiency) of revenues over expenses for the year	( 9 )	,	—	( 9 )	(457,217)
Add item not involving cash					
Amortization of capital assets	9 ,	—	—	9 ,	952,555
Net change in non-cash working capital balances <i>[note 13]</i>	( , )	( , )		( , )	(90,298)
<b>Cash provided by (used in) operating activities</b>	<b>9 ,</b>	<b>( ,9 )</b>		<b>,</b>	<b>405,040</b>

## INVESTING ACTIVITIES


# NOTES TO FINANCIAL STATEMENTS

As at July 31, 2015

## . NATURE OF THE ORGANIZATION

The Institute of Naturopathic Education and Research [the "Institute"] is incorporated under the Corporations Act (Ontario). The Institute operates The Canadian College of Naturopathic Medicine, the Robert Schad Naturopathic Clinic and the Ottawa Integrative Cancer Centre ["OICC"]. The Institute is registered as a charitable organization under the Income Tax Act (Canada) and, as such, is not subject to income taxes.

## . SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Significant accounting policies

These financial statements are prepared in accordance with Part III of the Chartered Professional Accountants of Canada ["CPA Canada"] Handbook – Accounting, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

### Fund accounting

## NOTES TO FINANCIAL STATEMENTS *continued*

### Capital assets

Purchased tangible and intangible capital assets are recorded at acquisition cost. Contributed tangible and intangible capital assets are recorded at fair value at the date of contribution. Tangible and intangible capital assets are amortized using the straight line method at the following annual rates:

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#### Tangible

Building	2.5%
Building improvements [10 years]	10%
Building improvements [20 years]	5%
Furniture and fixtures	10%
Teaching equipment	20%
Office equipment	20%
Computer equipment [4 years]	25%
Computer equipment [8 years]	12.5%
Computer network equipment	10%
Leasehold improvements	term of lease

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#### Intangible

Computer software [4 years]	25%
Computer software [8 years]	12.5%
Computer software [10 years]	10%

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The Institute does not amortize artwork classified as tangible assets.

The Institute does not amortize capitalized costs related to its corporate identity classified as intangible assets.

The Institute allocates salary and benefit costs related to certain personnel who work directly on managing capital projects to capital assets. No amortization is recorded until construction is substantially complete and the assets are ready for productive use.







**CONTINGENT ASSETS**

- a. The Institute is the beneficiary of a life insurance policy of \$75,000. This donation receivable has not been recorded in the accounts due to the uncertainty of the timing of its receipt.
- b. The Institute is the beneficiary of a remainder trust established in 2005, currently valued at approximately \$3,170,000. This amount has not been recorded in the accounts as neither the timing of its receipt nor the measurement of the amount at the time of receipt can be reasonably ascertained.

**INTERFUND LOAN**

As at July 31, 2015, the Endowment Fund has a balance payable of \$379 [2014 – \$379] to the Operating Fund and \$4,000 [2014 – \$3,192] owing to the Restricted Fund; the Restricted Fund has a balance payable of \$11,024 [2014 – \$113,362] to the Operating Fund.

**DEBT**

The Institute has the following credit facility available:

Revolving demand credit facility of \$3,000,000 [2014 – \$3,000,000], which bears interest at the bank’s prime rate plus 0.80% [2014 – 0.80%]. As at July 31, 2015, the effective interest rate was 3.50% [2014 – 3.80%]. As at July 31, 2015, the Institute has drawn \$1,500,000 [2014 – \$1,300,000] against this credit facility.

The credit facility is collateralized by a first ranking security interest on all personal property of the Institute, a collateral mortgage of \$6,200,000 constituting a first fixed charge on the land and building of the Institute’s campus and first ranking assignment of rents and leases arising from the lands and improvements to the Institute’s property. As at July 31, 2015, the carrying value of the land and building was approximately \$34,037,000 [2014 – \$34,247,000].

**RESTRICTED FUND**

The Restricted Fund balance is comprised entirely of externally restricted funds. These funds are to be used for the following restricted purposes:

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**. COMMITMENTS**

a. The future minimum annual lease payments under operating

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