

THE COLLEGE OF NATUROPATHS OF ONTARIO

FINANCIAL STATEMENTS

MARCH 31, 2025

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FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of
The College of Naturopaths of Ontario

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The College of Naturopaths of Ontario, which comprise the statement of financial position as at March 31, 2025, and the statements of changes in net assets, operations, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The College of Naturopaths of Ontario as at March 31, 2025, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of The College of Naturopaths of Ontario in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT (continued)

- Obtain an understanding of internal control relevant to the audit 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 College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KRIENS~LAROSE, LLP

KRIENS~LAROSE, LLP

**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
July 30, 2025

THE COLLEGE OF NATUROPATHS OF ONTARIO
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

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	2025 \$	2024 \$
ASSETS		
CURRENT		
Cash and cash equivalent (Note 2)	4,142,634	4,062,890
Accounts receivable (Note 3)	1,607,174	1,563,694
Prepaid expenses	148,037	132,826
	5,897,845	5,759,410
EQUIPMENT (Note 4)	44,354	48,090
	5,942,199	5,807,500
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	272,304	334,409
Deferred revenue (Note 5)	3,312,844	3,147,915
HST payable	371,676	336,564
	3,956,824	3,818,888
NET ASSETS (NOTE 6)		
Unrestricted net assets	(82,256)	(254,457)
Patient Relations	90,385	90,385
Business Continuity	1,114,684	1,093,584
Investigations & Hearings	810,452	1,009,100
Succession Planning	52,110	50,000
	1,985,375	1,988,612
	5,942,199	5,807,500

APPROVED ON BEHALF OF THE COUNCIL:

_____, Director _____, Director

See accompanying notes to the financial statements

THE COLLEGE OF NATUROPATHS OF ONTARIO
STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED MARCH 31, 2025

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	Unrestricted net assets 2025 \$	Patient relations 2025 \$	Business continuity 2025 \$	Investigations & hearings 2025 \$	Succession planning 2025 \$	Total 2025 \$	Total 2024 \$
Balance, beginning of year	(254,457)	90,385	1,093,584	1,009,100	50,000	1,988,612	1,896,352
Excess (deficiency) of revenues over expenses for the year	1,803	(5,040)	-	-	-	(3,237)	92,260
Interfund transfers	(38,800)	5,040	21,100	10,550	2,110	-	-
Transfer from Investigations & Hearings	209,198	-	-	(209,198)	-	-	-
Balance, end of year	(82,256)	90,385	1,114,684	810,452	52,110	1,985,375	1,988,612

See accompanying notes to the financial statements

THE COLLEGE OF NATUROPATHS OF ONTARIO
STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED MARCH 31, 2025

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	2025	2024
	\$	\$
REVENUES		
Registration and member renewal fees	3,377,642	3,134,941
Examination fees	288,120	306,625
Inspection and hearing fees	66,200	135,583
Investment Income	98,066	117,118
Incorporation fees	43,339	35,839
Misc Income	45	26,070
TOTAL REVENUES	3,873,412	3,756,176
TOTAL EXPENSES	3,876,649	3,663,916
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	(3,237)	92,260

See accompanying notes to the financial statements

THE COLLEGE OF NATUROPATHS OF ONTARIO
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2025

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	2025	2024
	\$	\$
EXPENSES		
Salaries and benefits	2,353,444	2,186,626
Rent and utilities	171,493	173,857
Exam fees and expenses	230,052	232,046
Consulting fees		
Consultants - Complaints and inquiries	86,912	64,766
Consultants - General	35,259	40,167
Consultants - Assessors/inspectors	60,656	42,928
Legal fees		
Legal fees - Discipline	287,875	267,579
Legal fees - Complaints	50,155	51,299
Legal fees - General	40,435	20,231
Council fees and expenses	67,118	137,270
Office and general (Note 3)	181,791	91,701
Public education	59,863	84,721
License	78,914	58,741
Equipment maintenance	47,252	50,530
Translation	21,938	37,751
Insurance	32,924	33,448
Audit fees	17,996	17,621
Travel accommodation & meals	12,132	17,495
Education and training	2,934	16,050
Discipline & FTP Committee	9,016	13,759
Amortization	13,961	11,759
Patient relations fund expenses allocation	5,040	4,810
Website	7,269	3,891
Printing and postage	1,434	3,608
Patient relations Committee	786	1,262
TOTAL EXPENSES	3,876,649	3,663,916

See accompanying notes to the financial statements

THE COLLEGE OF NATUROPATHS OF ONTARIO
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED MARCH 31, 2025

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	2025 \$	2024 \$
CASH FROM OPERATING ACTIVITIES		
Cash receipts registration and membership renewal	3,493,391	3,105,199
Cash receipts from inspection fees	71,700	135,583
Cash receipts from examination fees	288,320	326,375
Cash receipts from incorporation fees	43,339	35,839
Interest and other income	98,111	143,188
Cash paid to suppliers and employees	(3,904,892)	(3,612,629)
	89,969	133,555
CASH FROM INVESTING ACTIVITIES		
(Purchase) of equipment	(10,225)	(19,343)
Change in cash	79,744	114,212
Cash, beginning of year	4,062,890	3,948,678
Cash, end of year	4,142,634	4,062,890
Cash consists of:		
Cash in bank account	1,837,142	1,843,021
Manulife Money Market Fund & Cashable GIC	2,305,492	2,219,869
Cash, end of year	4,142,634	4,062,890

See accompanying notes to the financial statements

PURPOSE OF THE ORGANIZATION

The College of Naturopaths of Ontario is incorporated under the Regulated Health Professions Act, 1991 and the Naturopathy Act, 2007.

The College received proclamation on July 1, 2015.

The College of Naturopaths of Ontario is responsible for developing the regulations, policies, by-laws and necessary business operations to govern the profession.

The College operations include:

- sets requirements for entering the profession;
- establishes standards for practicing;
- administers quality assurance programs; and
- holds its members accountable for their conduct and practice.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

Financial Instruments

The College initially measures its financial assets and liabilities at fair value. The College subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at cost or amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Use of Estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Significant financial statement items that require the use of estimates includes useful lives of property and equipment, rates of amortization, and accrued liabilities. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

Continued...

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalent

Cash and cash equivalents consist of cash on hand and fixed income investments with maturities of less than 90 days.

Prepaid Expenses

Prepaid expenses are recorded for goods and services to be received in the next fiscal year, which were paid for in the current year.

Equipment

Equipment is stated at acquisition cost. Amortization is provided on the following basis at the following annual rates:

Office equipment	5 years straight-line
Computer equipment	30% diminishing balance

Where equipment no longer has any long-term service potential to the College, the excess of their net carrying amount over any residual value is recognized as an expense in the statement of operations.

Revenue Recognition

The College follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Amounts received in advance of the period of service are deferred to the year the service is substantially complete.

Registrations, members renewal fees, examination fees, inspection fees, hearing fees and incorporation fees are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Amounts received in advance of the period of service are deferred to the year the service is substantially complete.

Unrestricted investment income is recognized as revenue when earned.

Donated Property and Services

During the year, voluntary services were provided. Because these services are not normally purchased by the College, and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

2. CASH AND CASH EQUIVALENT

Cash and cash equivalent is summarized as follows:

	2025 \$	2024 \$
Cash	1,837,143	1,843,022
Manulife Money Market Fund	1,734,998	1,669,050
Cashable Guaranteed investment certificate, Prime minus 4.95%, maturing November, 2025	570,493	-
Cashable Guaranteed investment certificate, 4.95%, maturing September, 2024	-	550,818
	4,142,634	4,062,890

Cashable Guaranteed investment certificates are cashable at any time, and interest is paid to the date it is cashed as long as the investment has been held for 30 days or more.

The College has a revolving line of credit facility with the Royal Bank of Canada of \$100,000. The credit is available at prime plus 3.5% and is secured by a general security agreement covering all assets of the College. The line of credit was not utilized as at March 31, 2025.

Continued...

3. ACCOUNTS RECEIVABLE

	2025 \$	2024 \$
Accounts receivable	1,656,880	1,513,327
Other receivables - Ordered DC Cost	77,283	98,728
Allowance for doubtful accounts	(126,989)	(48,362)
Total	1,607,174	1,563,693

As at March 31, 2025, allowance for doubtful accounts consists of an allowance for impairment of \$77,283 (2024: nil) recognized with respect to a penalty order made by the discipline committee in the fiscal year of 2023 and a 3% allowance for impairment of \$49,706 (2024: \$48,362) recognized with respect to accounts receivable. Bad debt of \$86,473 (2024: \$5,346) is included in the office and general expenses as of March 31, 2025.

Continued...

4. EQUIPMENT

	Cost \$	2025 Accumulated amortization \$	Cost \$	2024 Accumulated amortization \$
Office equipment	157,257	138,677	157,257	133,328
Computer equipment	111,471	85,697	101,246	77,085
	268,728	224,374	258,503	210,413
Net book value	44,354		48,090	

5. DEFERRED REVENUE

Deferred revenue represents examination fees and membership registrations received in advance of the period in which the service is to be provided.

	2025 \$	2024 \$
Registration fees	3,271,944	3,112,715
Examination fees	35,400	35,200
Inspection fee	5,500	-
Total	3,312,844	3,147,915

Continued...

6. NET ASSETS

Patient Relations Fund

The College set aside \$100,000 for potential obligations under the *Regulated Health Professions Act, 1991* (the “Act”) with respect to cases where a patient alleges they were sexually abused by a Registrant and sought funding for counselling. Decisions on granting funding rest with the Patient Relations Committee as set out in the Act. The funds set aside are reviewed on an annual basis. In fiscal 2025, \$5,040 (2024: \$4,810) was spent from the patient relations fund and \$5,040 was transferred into the fund.

Business Continuity Fund

In fiscal year 2021, the College established the restricted net asset to ensure the College will have adequate funds available to sustain day-to-day operations in the event of an unforeseen incident. The initial contribution was coming from strategic initiative fund for \$75,385 in addition to another \$1,000,000 set aside from unrestricted net assets. As directed by the Council, the CEO is responsible to maintain the fund at a minimum of \$3,000,000 up to a maximum of \$4,000,000 as soon as it is practicable. In the 2025 fiscal year \$Nil (2024: \$Nil) was spent from fund and \$21,100 was transferred into the fund.

Investigations and Hearings Fund

In fiscal year 2021, the College established the restricted net asset to ensure the College can cover any cost that exceeds the budgeted amounts in a given fiscal year related to legal costs for investigations and hearings, including appeals before any tribunal, conducting investigations, and conducting discipline and fitness to practice hearings. The initial contribution was coming from unrestricted net assets in the amount of \$1,000,000. As directed by the Council, the CEO is responsible to maintain the fund at a minimum of \$1,000,000 up to a maximum of \$2,000,000 as soon as it is practicable. In the 2025 fiscal year \$Nil (2024: \$Nil) was spent from the fund, \$10,550 was transferred into the fund and \$209,198 was transferred to unrestricted net assets.

Succession Planning Fund

In fiscal year 2021, the College established the restricted net asset to fund the process necessary to plan for the succession of the senior management positions. The initial contribution was coming from unrestricted net assets in the amount of \$50,000. As directed by the Council, the CEO is responsible to maintain the fund at \$50,000. In the 2025 fiscal year \$Nil (2024: \$Nil) was spent from the fund and \$2,110 was transferred into the fund.

Unrestricted Net Assets

In the 2025 fiscal year \$209,198 was transferred into the unrestricted net assets from the Investigations and Hearings Fund.

7. COMMITMENTS

Premises Lease Commitment

The College is committed to total minimum rentals under a long-term lease for premises, which expires on February 28, 2028. Minimum rental commitments remaining under this lease approximate \$281,068 as follows:

2026	90,260
2027	95,404
2028	95,404
	281,068

In addition the College is required to pay common areas costs, which are estimated to be \$82,000 per year.

Other Commitments

The College is committed under a professional service agreement with Satori Consulting, which was effect on April 1, 2024 until December 31, 2027. The service fee under this agreement is \$96,000. The remaining commitment are \$24,700 in the fiscal year of 2026, \$24,700 in the fiscal year of 2027 and \$21,800 in the fiscal year of 2028.

The College is committed to psychometric services agreements with Yardstick Assessment Strategies, Inc. effect on January 1, 2024 for a period of two years. The total contract amount is \$185,300. The remaining commitment is \$81,000 in the fiscal year of 2026.

The College is committed to research services agreements with Pivotal Research Inc. effective on March 27, 2025. The total contract amount is \$35,500. The remaining commitment are \$35,500 in the fiscal year of 2026.

8. FINANCIAL INSTRUMENTS

The College is exposed to various risks through its financial instruments. The following presents the College's risk exposures and concentrations at March 31, 2025.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The College's credit risk would occur with their cash, investments and accounts receivable.

The College's bank accounts are held at one financial institution and funds on deposit exceed the maximum insured and, hence, there is a concentration of credit risk. Credit risk related to cash and investments is minimized by ensuring that these assets are held with and/or invested in credit-worthy parties.

Actual exposure to credit losses from account receivable has been moderate in prior years. The allowance for doubtful accounts is \$126,989 (2024: \$48,362).

Liquidity Risk

Liquidity risk is the risk the College will encounter difficulties in meeting obligations associated with financial liabilities. The College's exposure to liquidity risk mainly is in respect of its accounts payable. The College expects to meet these obligations as they come due by generating sufficient cash flow from operations. There has been no change in the risk assessment from the prior period.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The College is not exposed to foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The College does not have a significant interest rate risk.

8. FINANCIAL INSTRUMENTS (continued)

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The College is not exposed to other price risk.