

Canadian College of Naturopathic Medicine

Financial statements
August 31, 2025



Shape the future
with confidence

Independent auditor's report

To the Governors of the
Canadian College of Naturopathic Medicine

Opinion

We have audited the financial statements of the **Canadian College of Naturopathic Medicine** ["CCNM"], which comprise the statement of financial position as at August 31, 2025, and the statement of operations, statement of changes in net assets and statement of 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 CCNM as at August 31, 2025, and its results of 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 CCNM 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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 CCNM'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 CCNM or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CCNM'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.
- 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 CCNM'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 CCNM'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 CCNM 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.

Ernst & Young LLP

Toronto, Canada
November 24, 2025

Chartered Professional Accountants
Licensed Public Accountants



Canadian College of Naturopathic Medicine

Statement of financial position

As at August 31

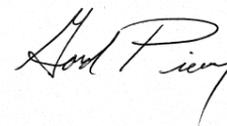
	2025	2024
	\$	\$
Assets		
Current		
Cash and cash equivalents	2,107,079	2,174,079
Short-term investments <i>[note 3[a]]</i>	1,590,055	1,590,055
Accounts receivable <i>[notes 12, 15 and 16]</i>	480,180	791,132
Inventory	59,480	64,344
Prepaid expenses	760,481	747,352
Total current assets	4,997,275	5,366,962
Long-term investment <i>[note 3[b]]</i>	792,283	752,984
Other long-term assets <i>[note 4]</i>	723,785	729,709
Capital assets, net <i>[note 5]</i>	35,256,048	35,319,926
	41,769,391	42,169,581
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities <i>[note 7]</i>	1,453,464	2,043,668
Deferred revenue <i>[note 16]</i>	992,786	1,093,171
Deferred contributions <i>[note 9]</i>	1,807,815	1,717,871
Total current liabilities	4,254,065	4,854,710
Commitments and contingencies <i>[notes 6 and 13]</i>		
Net assets		
Unrestricted	37,448,264	37,247,809
Endowment <i>[note 10]</i>	67,062	67,062
Total net assets	37,515,326	37,314,871
	41,769,391	42,169,581

See accompanying notes

On behalf of the Board:



Chair of the Board



Chair of the Audit Committee

Canadian College of Naturopathic Medicine

Statement of operations

Year ended August 31

	2025	2024
	\$	\$
Revenue		
Tuition <i>[note 16]</i>	18,227,494	17,662,425
Clinic	1,851,975	1,784,548
Property	1,443,047	1,687,470
Donations and sponsorships <i>[notes 9 and 11]</i>	779,915	633,884
Interest <i>[note 12[b]]</i>	260,528	291,215
Other	286,306	262,516
General interest and continuing education	165,409	226,935
Research <i>[note 9]</i>	572,264	473,262
	<u>23,586,938</u>	<u>23,022,255</u>
Expenses		
Salaries and employee benefits <i>[note 2]</i>	14,605,625	14,218,036
Office and general	1,939,653	2,491,752
Rent	1,743,687	1,703,183
Travel, promotion and advertising	1,029,430	998,246
Amortization	870,158	935,820
Books and teaching supplies	816,860	744,101
General maintenance	802,925	762,935
Research <i>[note 2]</i>	788,883	721,073
Cost of goods sold	375,843	372,248
Professional services	185,181	248,347
Graduation and student events	117,738	100,004
Bursaries and awards	110,500	125,500
	<u>23,386,483</u>	<u>23,421,245</u>
Excess (deficiency) of revenue over expenses for the year	<u>200,455</u>	<u>(398,990)</u>

See accompanying notes

Canadian College of Naturopathic Medicine

Statement of changes in net assets

Year ended August 31

	Unrestricted		Endowment		Total	
	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$
Net assets, beginning of year	37,247,809	37,589,049	67,062	67,062	37,314,871	37,656,111
Contributed land <i>[note 5]</i>	—	57,750	—	—	—	57,750
Excess (deficiency) of revenue over expenses for the year	200,455	(398,990)	—	—	200,455	(398,990)
Net assets, end of year	37,448,264	37,247,809	67,062	67,062	37,515,326	37,314,871

See accompanying notes

Canadian College of Naturopathic Medicine

Statement of cash flows

Year ended August 31

	2025	2024
	\$	\$
Operating activities		
Excess (deficiency) of revenue over expenses for the year	200,455	(398,990)
Add items not involving cash		
Loss on disposal of capital asset	—	71,066
Amortization	870,158	935,820
	<u>1,070,613</u>	<u>607,896</u>
Net change in other long-term assets	5,924	5,924
Net change in non-cash working capital balances related to operations [note 14]	<u>(297,958)</u>	<u>913,841</u>
Cash provided by operating activities	<u>778,579</u>	<u>1,527,661</u>
Investing activities		
Acquisition of capital assets	(806,280)	(802,321)
Net change in investments	<u>(39,299)</u>	<u>(786,244)</u>
Cash used in investing activities	<u>(845,579)</u>	<u>(1,588,565)</u>
Net increase (decrease) in cash during the year	(67,000)	(60,904)
Cash and cash equivalents, beginning of year	<u>2,174,079</u>	<u>2,234,983</u>
Cash and cash equivalents, end of year	<u>2,107,079</u>	<u>2,174,079</u>

See accompanying notes

Canadian College of Naturopathic Medicine

Notes to financial statements

August 31, 2025

1. Nature of the organization

The Canadian College of Naturopathic Medicine ["CCNM"] was incorporated under the *Corporations Act* (Ontario), and effective December 2, 2020 has continued under the *Canada Not-for-profit Corporations Act*. CCNM is registered as a charitable organization under the *Income Tax Act* (Canada) and, as such, is not subject to income taxes.

These financial statements do not include the assets, liabilities or operations of the CCNM Enterprises ["Enterprises"] and CCNM Press Inc. ["Press"] in which CCNM has significant influence [note 12].

2. Summary of significant accounting policies

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

Revenue recognition

CCNM follows the deferral method of accounting for contributions, which include research, bequests and other donations. Grants and bequests are recorded when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received, since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions, except endowment contributions, are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized. Externally restricted endowment contributions are recognized as direct increases in net assets when recorded in the accounts.

Tuition and general interest and continuing education revenue are deferred and recognized as revenue over the academic year.

Clinic revenue is recognized as revenue when clinic services are provided and when goods are sold.

Property revenue is recognized as revenue on a monthly basis as services are provided.

Sponsorship revenue is recognized as revenue in the year the sponsored event occurs.

Interest income is recognized as revenue as earned. Interest income earned related to deferred contributions is deferred and recognized as revenue when spent for the purposes of the original contribution.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and highly liquid short-term investments.

Canadian College of Naturopathic Medicine

Notes to financial statements

August 31, 2025

Financial instruments

Investments reported at fair value consist of guaranteed investment certificates that are recorded at cost plus accrued interest, which approximates fair value, as well as mutual funds that CCNM designates upon purchase to be measured at fair value. Transaction costs are recognized in the statement of operations in the period during which they are incurred. All transactions are recorded on a trade date basis.

Other financial instruments, including cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities, are initially recorded at fair value and are subsequently measured at cost, net of any provisions for impairment.

Inventory

Inventory is valued at the lower of cost, on a first-in, first-out basis, and net realizable value.

Capital assets

Purchased tangible and intangible capital assets are initially recorded at 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 over the estimated useful lives of the assets as follows:

Tangible

Building	40 years
Building improvements	10–20 years
Furniture and fixtures	10 years
Equipment	4–10 years

Intangible

Computer software	4–10 years
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Land and artwork are considered to have permanent value and are not amortized.

CCNM 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.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not contribute to CCNM's ability to provide goods and services. Any impairment results in a write-down of the asset and an expense in the statement of operations. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

Employee future benefits

Contributions to CCNM's defined contribution pension funds are expensed on an accrual basis.

Canadian College of Naturopathic Medicine

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August 31, 2025

Donations-in-kind

Donations-in-kind of materials and inventory are recorded at fair market value when such value can be reasonably determined.

The work of CCNM is dependent on the volunteer services of many individuals. The nature or amount of volunteer services is not reflected in these financial statements because of the difficulty in determining their value.

Allocation of expenses

Expenses are recorded in the statement of operations by purpose, except for expenses related to research. Research expenses include direct costs related to research activities that are covered by research grants. Salaries and benefits related to research included in research in the statement of operations were \$696,352 [2024 – \$610,050].

Changes in accounting policies

Effective 1 September 2024, CCNM adopted the new Accounting Guideline AcG-20, *Customer Accounting for Cloud Computing Arrangements*. This new guideline provides guidance on both accounting for a customer's expenditures in a cloud computing arrangement and determining whether a software intangible asset exists in the arrangement.

CCNM has made an accounting policy choice to expense directly attributable expenditures on implementation activities. The adoption of this accounting policy had no impact on these financial statements.

3. Investments

[a] Short-term investments consist of a guaranteed investment certificate and term deposits with maturity dates from December 2025 to July 2026 [2024 – December 2024 to July 2025] with interest rates ranging from 2.45% to 4.7% [2024 – 3.7% to 4.95%].

[b] Long-term investments, at fair value, consist of the following:

	2025	2024
	\$	\$
Cash	15,440	15,512
Fixed income	628,726	624,180
Mutual funds	148,117	113,292
	792,283	752,984

CCNM intends to hold all investments classified as long-term for a period greater than the next 12 months.

Canadian College of Naturopathic Medicine

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August 31, 2025

4. Other long-term assets

Other long-term assets consist of the following:

	2025 \$	2024 \$
Prepaid expenses	214,008	219,932
Deposit with the US Department of Education	509,777	509,777
	723,785	729,709

Deposit with the US Department of Education [the "Department"] is made up of US\$376,654 [C\$509,777] to be held in escrow to meet the financial responsibility standards related to CCNM's ability to participate in the Department's Federal Student Loan program. The funds held may be adjusted annually based on changes in the funding requested of the Department by US students attending CCNM.

5. Capital assets

Capital assets consist of the following:

	2025		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Tangible			
Land <i>[note 8]</i>	29,057,750	—	29,057,750
Building <i>[note 8]</i>	8,395,615	5,474,640	2,920,975
Building improvements	5,625,998	3,626,224	1,999,774
Furniture and fixtures	2,011,352	1,356,123	655,229
Equipment	2,501,084	2,088,599	412,485
Artwork	89,300	—	89,300
Intangible			
Computer software	1,373,117	1,252,582	120,535
	49,054,216	13,798,168	35,256,048

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August 31, 2025

	2024		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Tangible			
Land [note 8]	29,057,750	—	29,057,750
Building [note 8]	8,395,615	5,264,750	3,130,865
Building improvements	5,016,988	3,324,199	1,692,789
Furniture and fixtures	1,963,495	1,241,970	721,525
Equipment	2,383,006	1,946,268	436,738
Artwork	89,300	—	89,300
Intangible			
Computer software	1,370,594	1,179,635	190,959
	<u>48,276,748</u>	<u>12,956,822</u>	<u>35,319,926</u>

During the year, CCNM wrote off \$28,812 [2024 – \$166,353] in fully amortized capital assets.

6. Contingent assets

- [a] CCNM 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] CCNM is the beneficiary of a remainder trust established in 2005, currently valued at approximately \$4,683,420 [2024 – \$4,788,479]. 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.

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include \$166,408 [2024 – \$570,200] related to government remittances for HST.

8. Credit facility

CCNM has a revolving demand credit facility available of \$1,500,000 [2024 – \$1,500,000], which bears interest at the bank's prime rate of 4.95% [2024 – 6.7%] plus 0.8% [2024 – 0.8%]. As at August 31, 2025, the effective interest rate is 5.75% [2024 – 7.5%]. As at August 31, 2025 and 2024, CCNM has no borrowings against this credit facility.

The credit facility is collateralized by a first-ranking security interest on all personal property of CCNM, a collateral mortgage of \$6,200,000 constituting a first fixed charge on the land and building of CCNM's campus and first-ranking assignment of rents and leases arising from the lands and improvements to CCNM's property. As at August 31, 2025, the carrying value of the land and building is \$31,978,725 [2024 – \$32,188,615].

Canadian College of Naturopathic Medicine

Notes to financial statements

August 31, 2025

9. Deferred contributions

Deferred contributions represent unspent resources externally restricted for program expenses in future years. Changes in the deferred contributions balance are as follows:

	2025 \$	2024 \$
Balance, beginning of year	1,717,871	1,920,921
Amounts received <i>[note 10]</i>	940,197	504,485
Recognized as revenue	(850,253)	(707,535)
Balance, end of year	1,807,815	1,717,871

Deferred contributions are held for the following purposes:

	2025 \$	2024 \$
Research	1,217,660	1,080,459
Awards and bursaries	327,944	320,501
Patterson Institute	—	26,510
Lab testing series	12,500	12,500
Other	249,711	277,901
	1,807,815	1,717,871

10. Endowment net assets

Endowment net assets consist of the Joyce Vanderburg Endowment, the capital of which must be retained permanently within CCNM. Interest income of \$3,119 [2024 – \$3,965] related to this endowment was recorded in deferred contributions *[note 9]*.

11. Donations-in-kind

CCNM received donations-in-kind of \$141,716 [2024 – \$187,920], which primarily comprised medical supplies.

Canadian College of Naturopathic Medicine

Notes to financial statements

August 31, 2025

12. Enterprises and Press

- [a] Enterprises was incorporated under the *Canada Corporations Act* without share capital and began its operations on October 1, 2003. Enterprises operates as a not-for-profit organization and, as such, is exempt from income taxes. Enterprises was established to promote the dissemination of research and development related to the fields of naturopathy and natural health sciences and to promote writing, printing, publication and distribution of literature related to naturopathic medicine and other health sciences.

In addition, Enterprises is the sole shareholder of Press, which was incorporated under the *Canada Corporations Act*, began its operations on September 15, 2003 and is a taxable corporation. Press is engaged in the publishing and distribution of literature related to naturopathy and natural health sciences.

Transactions during the year with Enterprises and Press, both of which are entities subject to significant influence, are recorded at the agreed-upon exchange amounts. The details of transactions between CCNM and these related parties are set out below.

- [b] On September 15, 2003, CCNM entered into an agreement with the Press to provide funding as requested by the Press from time to time. The carrying amounts owing from Enterprises and Press are recorded in accounts receivable as follows:

	2025	2024
	\$	\$
Due from CCNM Enterprises	—	2,260
Due from CCNM Press Inc.	1,195,575	1,239,289
Allowance for doubtful accounts	(1,146,076)	(1,013,272)
	<u>49,499</u>	<u>228,277</u>

The amount due from Enterprises represents a loan outstanding, which is due on demand, unsecured, non-interest bearing and has no specific terms of repayment.

The amount due from Press bears interest at the bank's prime rate and has no specific terms of repayment. As at August 31, 2025, the prime rate is 4.95% [2024 – 6.7%]. Interest of \$43,762 [2024 – \$57,351] is included in interest revenue.

- [c] CCNM performs certain management and administrative services on behalf of Enterprises and Press and charges no fees for these services.

Canadian College of Naturopathic Medicine

Notes to financial statements

August 31, 2025

13. Commitments and contingencies

[a] The future minimum annual payments for services and items under operating leases for a building, office equipment, property and equipment are as follows:

	\$
2026	1,496,402
2027	850,312
2028	815,711
2029	783,030
2030	75,691
	<u>4,021,146</u>

[b] CCNM is committed to a standby letter of credit required by the Post-Secondary Education Quality Assessment Board in the amount of \$3,000,000.

[c] In the normal course of operations, CCNM is subject to claims or potential claims. Management records its best estimate of the potential liability related to these claims where potential liability is likely and able to be estimated. In other cases, the ultimate outcome of the claims cannot be determined at this time. Any additional losses related to claims would be recorded in the year during which the amount of the liability is able to be estimated or adjustments to the amount recorded are determined to be required.

14. Statement of cash flows

The net change in non-cash working capital balances related to operations consists of the following:

	2025	2024
	\$	\$
Accounts receivable	310,952	424,776
Inventory	4,864	(1,713)
Prepaid expenses	(13,129)	(19,066)
Accounts payable and accrued liabilities	(590,204)	886,125
Deferred revenue	(100,385)	(173,231)
Deferred contributions	89,944	(203,050)
	<u>(297,958)</u>	913,841

Notes to financial statements

August 31, 2025

15. Financial instruments and risk management

CCNM is exposed to a variety of risks with respect to financial instruments. Risk management is carried out by management. Management identifies and evaluates financial risks and is responsible for establishing controls and procedures to ensure that financial risks are mitigated in accordance with approved policies. The risks related to CCNM are as follows:

Credit risk

CCNM is exposed to credit risk in connection with its accounts receivable because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. CCNM believes that the credit risk associated with amounts in accounts receivable is minimal as the tuition fees are in good standing. Accounts receivable are recorded net of an allowance for doubtful accounts of \$1,217,684 [2024 – \$1,047,695], which includes the provisions for Press *[note 12[b]]*.

Liquidity risk

CCNM is exposed to the risk that it will encounter difficulty in meeting obligations in connection with its financial liabilities. CCNM manages liquidity risk by maintaining adequate cash or available credit facilities.

16. Private Training Institutions Regulatory Unit

To be certified in the province of British Columbia, CCNM must comply with the reporting provisions in accordance with the Private Training Regulations, B.C. Reg. 153/2016, Part 5, sections 49 to 52 of the Private Training Institutions Regulatory Unit of the Ministry of Advanced Education and Skills Training. The reporting provisions require that certain financial information be separately disclosed in the financial statements with respect to CCNM's campus in British Columbia.

As at August 31, 2025, included in accounts receivable is \$87,201 [2024 – \$79,473] for tuition from approved programs from the campus in British Columbia, and included in deferred revenue is \$172,245 [2024 – \$183,568] related to deferred tuition related to these programs. Included in tuition in the statement of operations is \$5,121,604 [2024 – \$3,809,840] related to the same approved programs.

17. Comparative financial statements

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2025 financial statements.