Independent Auditors' Report

Management's responsibility for the financial statements

Auditors' responsibility

Statement of Financial Position

As of July 31	2012				2011
note 7					
Cash and cash equivalents					$ 565,895
Accounts receivable					
Student fees					42,465
Other					174,454
Due from related parties [note 3]					151,337
Inventory					41,961
Prepaid expenses					355,805
T					1,331,917
Long-term prepaid expenses					7,866
Capital assets, net [note 4]					12,659,948
					13,999,731
LIABILITIES AND FUND BALANCES					
Bank indebtedness [note 7]	1,700,000	—	—	1,700,000	
Accounts payable and accrued liabilities	817,764	—	—	817,764	
Interfund loan [note 6]	(379)	(1,453)	1,832	—	
Current portion of long-term debt [note 7]	363,302	—		363,302	
Deferred revenue	1,059,150	—	—	1,059,150	
	3,939,837	(1,453)	1,832	3,940,216	
Long-term debt [note 7]	36,647	—	—	36,647	
	3,976,484	(1,453)	1,832	3,976,863	
Commitments [note 13]					
Operating Fund	10,176,414	—	—	10,176,414	
Restricted Fund [note 8]	—	413,147	—	413,147	
Endowment Fund [note 9]	—	—	67,062	67,062	
T	10,176,414	413,147	67,062	10,656,623	
	14,152,898	411,694	68,894	14,633,486	

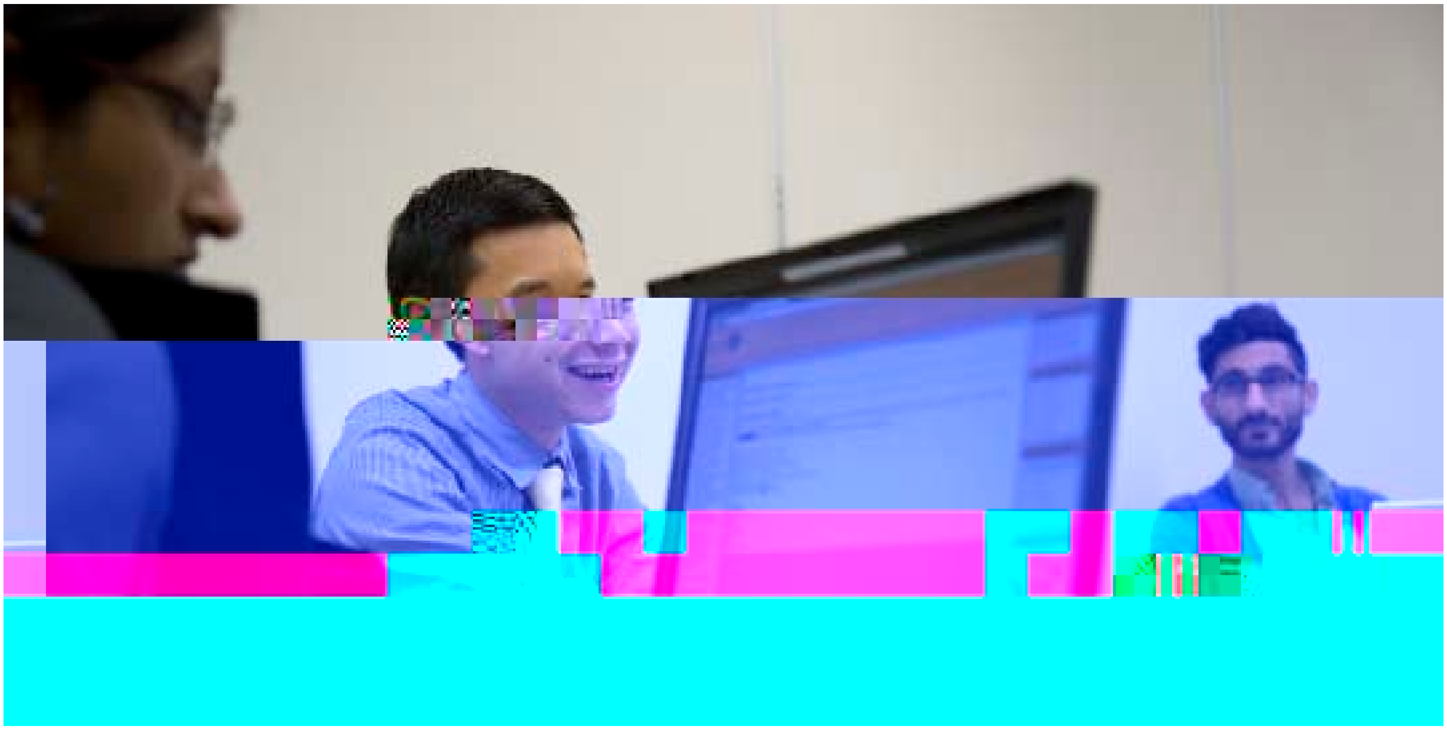
On behalf of the Board:

Statement of revenues and expenses and fund balances

Year ended July 31	Operating Fund		Restricted Fund		Endowment Fund		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
								[restated - note 18]
Tuition		$ 9,977,208	$ —	$ —		$ —		$ 9,977,208
Clinic		834,656	—	—		—		834,656
Dispensary		89,423	—	—		—		89,423
Property		1,066,902	—	—		—		1,066,902
Membership fees		13,325	—	—		—		13,325
Student and application fees		28,800	—	—		—		28,800
General interest and continuing education		151,601	—	—		—		151,601
Donations and sponsorships [note 10]		132,948		205,031		—		337,979
Interest		26,157		588		—		26,745
Research		376,110		200,000		—		576,110
Other [note 11]		275,368	—	24		—		275,392
		12,972,498		405,643		—		13,378,141
Salaries and employee bene♠ts		9,102,752		10,751		—		9,113,503
Rent		40,646		3,598		—		44,244
Of♠ce and general		907,250		63,503		—		970,753
Travel, promotion and advertising		519,825		1,116		—		520,941
Research		526,546		12,284		—		538,830
Books and teaching supplies		403,334		11,567		—		414,901
Professional services		98,407		—		—		98,407
Bursaries and awards		59,078		87,993		—		147,071
Graduation and student events		19,492		—		—		19,492
General maintenance		723,757		20,089		—		743,846
Interest on long-term debt		48,573		—		—		48,573
Amortization		787,014		—		—		787,014
		13,236,674		210,901		—		13,447,575
		(264,176)		194,742		—		(69,434)
Fund balances, beginning of year as restated [note 18]		10,552,639		202,431		67,062		10,822,132
Fund balances, end of year		10,288,463		397,173		67,062		10,752,698

See accompanying notes

Statement of cash flows



Year ended July 31	2012	2011
		[restated - note 18]
Excess (deficiency) of revenues over expenses for the year		$ (69,434)
Add item not involving cash		
Amortization		787,014
		717,580
Net change in non-cash working capital balances [note 14]		(457,302)
		260,278
Acquisition of capital assets		(721,224)
		(721,224)
Proceeds from credit facility		550,000
Repayment of long-term debt		(329,600)
		220,400
		(240,546)
Cash and cash equivalents, beginning of year		806,441
		565,895

See accompanying notes

Notes to Financial Statements

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1. Nature of the Organization

2. Significant Accounting Policies

Fund accounting

Revenue recognition

3. Due from Related Parties

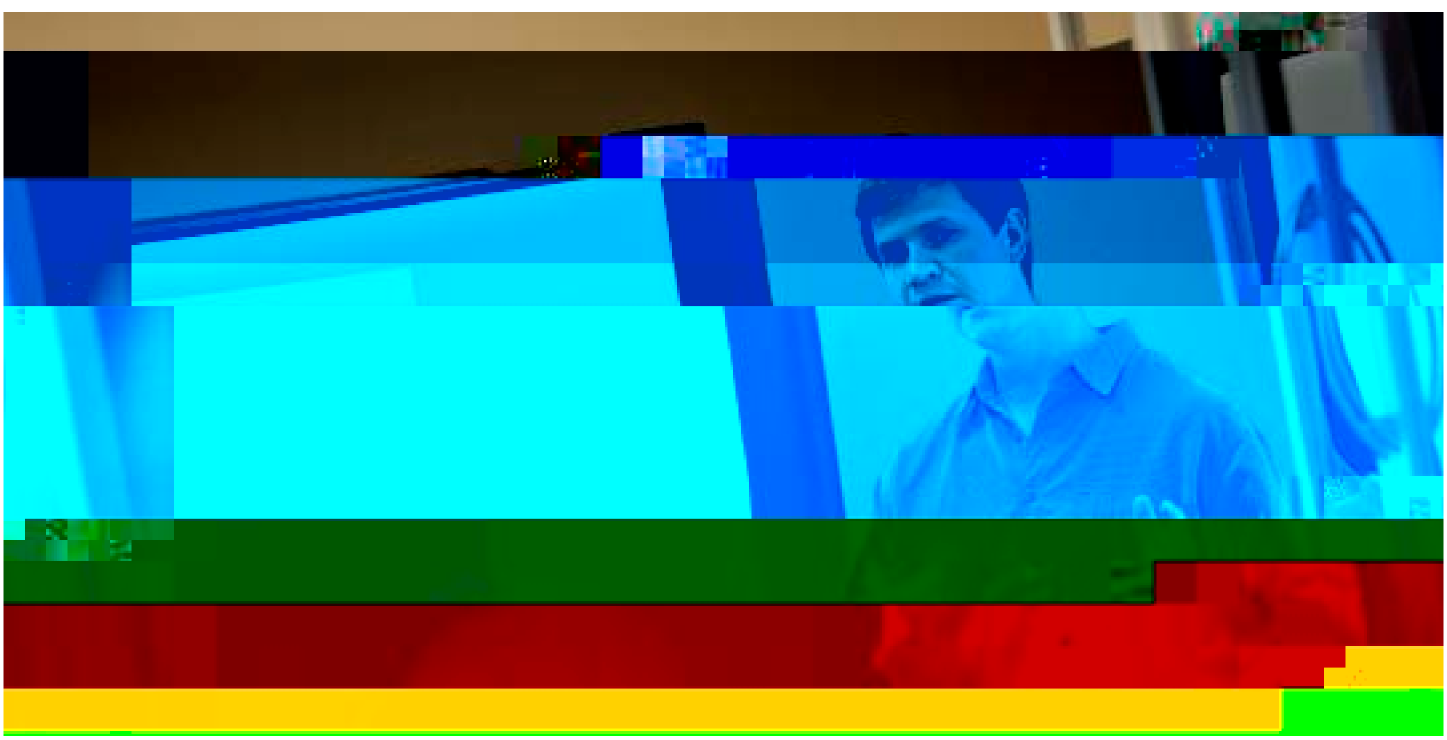
12. OICC Expense Allocation

13. Commitments

2013	$ 170,000
2014	165,000
2015	159,000
2016	33,000
	527,000

14. Net Change in Non-Cash Working Capital Balances

Accounts receivable	$ (41,413)
Inventory	(2,095)
Prepaid expenses	(29,557)
Accounts payable and accrued liabilities	(258,273)
Interfund loan	—
Deferred revenue	(125,964)
	(457,302)



15. Financial Instruments and Risk Management

Fair value

Interest rate risk

Credit risk

16. Capital Management

17. Comparative Financial Statements

18. Correction of Prior Error