



2010-2011 Annual Report





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Our mission is to educate and train physicians, practitioners and pre-professionals in the art, science and research of natural medicine.

NCNM...2010/2020

Change is the ever-present constant in higher education and health care. Benefitting from hindsight and looking ahead to the end of a powerful decade of transformation for the school and the professions we serve, we know it is not enough that we continue to do well what we have done for a long time. Rather, we know that the health care industry is scrambling as the 2014 deadlines loom for changes in policies, rules and entitlements. There are opportunities bearing down on us with speed and complexity in this environment.

In the past year we have studied carefully the challenges that these social, economic and political changes will bring to the front doors of the NCNM campus. Even as we look to the future, our focus is always on the fundamentals. That's what 2010-2011 was all about: assembling reliable data in support of our emerging new master plan and strategic direction, unrelenting vigilance around cash flow and new program development—and courageous growth. In 2010-2011 it was not enough to rely on our tried and true enrollment pools with traditional offerings and longstanding ways of delivering them. We had to work harder than ever to present our story to potential students and to build our networks with current, timely and vibrant information about the amazing natural medicine careers that await them.

During the past year we have been actively fulfilling NCNM's eight Key Performance Indicators (KPIs). These constitute the thrust of our five-year strategic plan, *A Framework for Action*. Our strategy in achieving these goals is to influence change by carefully refining the best practices of the past while adopting new tactics to position us for a

friendly future. The highlights and images in this report tell NCNM's story. Our progress and priorities are reflected in the graphs—and the trends are very encouraging.

The past year has been characterized by confident flexibility, marketplace agility, and above all, respect for the principles underlying our educational values and medical philosophies emanating from our core programs in which we believe so strongly. In short, we are not settling at all for merely getting through. Instead, we have been hard at work on effective ways of keeping those KPIs moving NCNM forward: how we deliver curricula in an age of exponential information and competition; how we roll out research to advance the professions we serve; how we build a proper academic career path for our faculty; and how we make our campus more beautiful, modern and functional.


We do not want to miss the larger opportunities that a strategic, transformative approach can generate. Historically, North American natural medicine colleges endure diseconomies of scale that lock up budgets; limit career opportunities for faculty, admin-

istration and staff; constrain growth and development; and force a disproportionate dependence on constantly rising student tuition—creating a steep debt burden for our graduates at the very point when they need money to build their practices and their lives.

Despite these formidable challenges, in 2010-2011 we made measurable progress. We have meticulously set the stage for a forward-thinking, improved NCNM. The KPIs and governance guidelines were finalized and describe by department and institutional priority what we must do. The *Framework for Action* is a board document, charting and monitoring the path ahead and is fundamental to NCNM's emerging Master Plan.

There are new signs throughout our campus and plans for more, pointing at us, telling Portland residents and the world NCNM is here. This year was all about strengthening our educational offerings and their supporting systems. It has been about continuing to develop a talented, professional faculty cohort and skilled managerial team. It has been about

redefining NCNM, seeing it as if for the first time, and learning how to support each other in our various stakeholder roles to students, patients, alumni, college staff and external partners. This resolve energizes the 10-year blueprint that guides us from 2010 all the way through 2020. What we have just finished is in sharp focus—as much as our vision ahead.



David J. Schleich, PhD
President



Nancy Wastcoat Garbett, MEd
Chair, Board of Directors



rapid transformation

Past Into Future

Health care is swiftly changing at the same time that patient demand for natural medicine gains momentum. The trend toward integrative medicine is gaining acceptance within conventional medicine, as more medical practitioners embrace some natural medicine modalities, while rejecting others. Meanwhile NCNM, which has been teaching the science and art of natural medicine since 1956, continues its rapid evolution as a medical college. Since its founding, NCNM has carved a path toward the future. In this pivotal period of health care transformation, NCNM continues to assume its leadership role as the quintessential educator—not only for natural medicine practitioners, but for all allied health care practitioners, as well.

Our Campus

A steadily growing student population has helped fill NCNM facilities to maximum capacity. Since 2007, NCNM has been acquiring properties and land surrounding its historic Academic Building. The 4.28 acre Lair Hill campus, now the object of focus for the college's future Master Plan, includes a total of six facilities. During this fiscal year, plans have been in development for a seventh—the site of NCNM's former Natural Health Center, which is located conveniently close to campus. NCNM's longtime vision of a botanical teaching garden was realized at year-end with the grand opening of the **Min Zidell Healing Garden**.

In early January 2011, the college completed renovations and opened the **NCNM Annex** to students at the start of the winter quarter. The new lecture hall, located at the north end of campus, offers seating for nearly 300 people.

A few blocks away from campus, the former Natural Health Center facility is now being transformed. The two-story facility, gutted

for renovation in 2010–2011, is slated to celebrate its grand opening in fall 2012 and will house the **Helfgott Research Institute**, along with its emerging Master of Science in Integrative Medicine Research program. The Research Building will feature the Bob & Charlee Moore Teaching Kitchen and the Marjorie A. Gage Life Sciences Lab.

NCNM is preparing for major changes as the Oregon Department of Transportation and the City of Portland rapidly take steps to begin major transportation changes around the college campus. Developments include TriMet's Portland to Milwaukie Light Rail Project, which will connect inner Southeast Portland to Milwaukie and Clackamas County. NCNM's commitment to its South Portland location stands firm and board approval paved the way to develop an **NCNM Conditional Use Master Plan (CUMP)**, and a **20-year Master Plan**. A preliminary planning application was presented to the City of Portland in September 2010 and the application was accepted for consideration in November. Urban planning consultants from Parametrix and the



future developments





architectural firm of Hennebery Eddy are meeting with college administrators and the school's Master Planning Committee to fast-track the CUMP for City approval in spring 2013.

More green spaces and beautification are an integral part of the campus planning process. The Min Zidell Healing Garden was the perfect project to bring long-held plans to life. NCNM brought aboard Drake's 7 Dees Landscaping and Garden Center to oversee the Min Zidell Healing Garden landscape design and creation. Groundbreaking took place in October, followed by a dedication ceremony in December on Mrs. Zidell's 87th birthday. Preparations for the Garden, supervised by landscape designer Vanessa Gardner Nagel, were done in collaboration with NCNM faculty, Dr. Paul Kalnins and

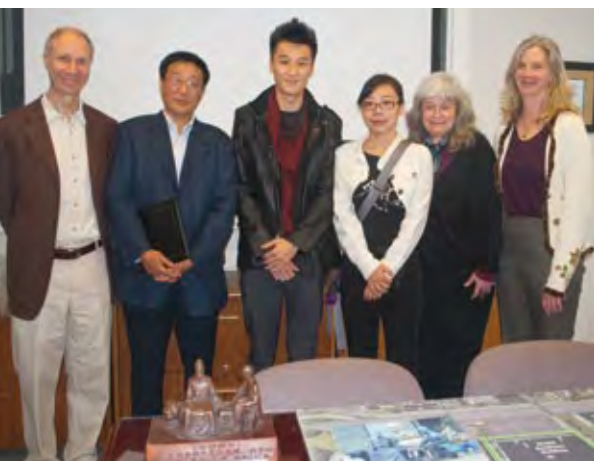
Dr. Glen Nagel. Together they created a unique teaching garden, weaving together both Eastern and Western plants in a setting inspired by feng shui design principles.

The center piece of the Garden, a statue of Sun Simiao—a gift from Chinese businessman Huo Baozhu—arrived from China. Another design component, a tea house,

was donated by Sokenbicha, a blended tea beverage company. Teams of volunteers worked throughout the spring to prepare the new garden for its public launch in

June. A festive gala dinner, featuring The Oregonian's garden expert, Anne Jaeger, was followed by a grand opening ceremony with a keynote speech by Patrick Quinton, Portland Development Commission executive director.

The Min Zidell Healing Garden was the perfect project to bring long-held plans to life.



Our Programs

This year NCNM introduced a number of programmatic changes to create an even stronger academic foundation for future cohorts of physicians and practitioners. There were also significant changes in NCNM's academic leadership as the college undergoes rapid transformation during a critical period for health care and natural medicine.

After more than two years as interim provost, **Dr. Andrea Smith** accepted an appointment in May 2011 as NCNM provost and vice president of academic affairs. Her deep institutional knowledge of NCNM and many years of educational service will allow her to preside successfully over all areas of educational operations and programming.

Other familiar faces have returned to campus this year to take on important roles in NCNM's academic administration: **Dr. Margot Longenecker** was appointed dean of the School of Naturopathic Medicine and **Dr. Catherine Downey** accepted the position as interim associate dean of academic progress.

NCNM's provost and her leadership team have an unwavering dedication to NCNM's mission of educational excellence—and a commitment to build upon the strong leadership for which NCNM is known by addressing the changing educational needs of today's natural medicine students. In the next few years, their careful planning and hard work will result in offering a number of new and exciting programs to expand the medical college's already broad academic reach.

These include the new **Master of Science in Integrative Medicine Research (MSiMR)** degree program from NCNM's respected **Helfgott Research Institute**. The program will teach the research skills and methodologies necessary to create a solid foundation of evidence-based data for natural medicine. It received accreditation approval in spring 2011; in fall 2011, NCNM's research department will enroll students in concur-

rent tracks of the MSiMR program and either the Naturopathic Doctor (ND), Master of Science in Oriental Medicine (MSOM) or Master of Acupuncture (MAc) degree programs. The MSiMR degree will be offered as a standalone program to newly enrolled students by fall 2012.

Other innovative plans are in development this year for new or revised offerings anticipated to launch in 2011 and 2012. The new program offerings are intended to allow working students to complete degree requirements in a more intensive educational period:

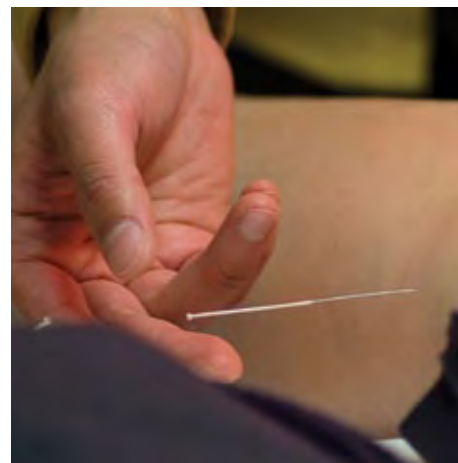
- three-year MAc degree
- five-year MAc/ND track
- programs specifically designed for working health care professionals who wish to complete degree requirements without employment interruption, offered in the evenings and on weekends:
 - full-time ND track for Doctors of Chiropractic
 - full- and part-time MAc tracks for advanced-degree professionals

In addition, plans are under way to develop online learning certificates in herbal medicine, continuing education in natural medicine, and faculty development courses.

solid foundation



Provost Smith and the NCNM Deans



Our Clinics

The July 2010 promotion of **Dr. Jill Sanders** (formerly Stanard) from clinic director to dean of clinical operations has given her additional responsibility for clinic faculty and staff performance management and training, as well as responsibility for NCNM's teaching clinics business success.

With the smooth consolidation in September 2009 of NCNM's two clinics into the NCNM Clinic, it is noteworthy that by fiscal 2010–2011 year-end, NCNM patient count and revenues from the clinic, lab and medicinary have been holding steady, with revenue ahead of budget in all departments.

NCNM's successful longtime relationship with Multnomah County's **Coalition of Community Health Clinics (CCHC)** continues to grow stronger each year. This year, NCNM benefited from a \$40,000 United Way grant that CCHC received, which is supporting an information technology and informatics-driven solution for the NCNM Clinic and its growing number of affiliated community clinics.

As a result, NCNM began planning the implementation of an electronic health records (EHR) system, **OCHIN Epic**, an award-winning practice management and EHR solutions system designed to integrate clinical services with third-party service providers. The Epic system is used by all the hospital systems in the Portland metro area.

NCNM's membership in OCHIN is unprecedented for a natural medicine college and clinic. The new EHR system will allow NCNM to share and exchange health information records with all its community clinics. By June, NCNM had hired an OCHIN site

specialist to supervise the roll-out, with a system build-out and system training for faculty and staff. The EPIC system will go live in mid- to late-September 2011.

NCNM's community clinic operations have also benefited from another CCHC grant that pays for on-site or phone interpreters for non-English speaking patients at both the community clinics and the NCNM Clinic, which may account for the increased public interest this year in acupuncture and other services. At the same time, NCNM is experiencing growing student interest in helping faculty treat patients at its community clinics. This convergence of interest by both patients and students has led the community clinics staff to open a number of new clinical rotations at existing community clinics, as well as establishing a number of new community clinic locations. In 2010-2011 NCNM serviced 12 community clinics in the Portland metro area. The success with which that care is viewed is promising for the opening of others in 2011-2012.

clinical advancement



Our People

Our rigorous natural medicine curricula and excellence in research attract the best and brightest, making it no surprise that NCM consistently appears in peer-reviewed journals and other notable publications. Our faculty is comprised of talented physicians, practitioners and scientists with a considerable breadth of experience—recognized experts in their fields. Our students, educated by some of the finest natural medicine practitioners in the world, also are honored for their achievements.

Student, Faculty, Staff Honors & Highlights

- **Dean of Clinical Operations, Jill Sanders, ND**, was appointed by Governor John Kitzhaber to the Coordinated Care Organization workgroup for the Oregon Health Policy Board.
- **Student Steve Chamberlin**, his faculty mentor and collaborator **Agatha Colbert, MD**, and their collaborator, Adrian Larsen of Miridia Technology, Inc., were notified in June that they won the first-prize \$30,000 Heo-Jun Award from the Journal of Acupuncture and Meridian Studies (JAMS) for a research study measuring the rate of skin conductance for acupoints based on age, sex and time of day.
- **Assistant Professor, Kurt Beil, ND, LAc, MPH**, sits on an advisory committee for the Health and Human Safety section of the Portland Plan, a 30-year visioning project undertaken by the City of Portland.
- **Student Tracy A. Andrews** won second place for her presentation, "Moving Toward Integration: Chinese Medicine and the Treatment of Disassociation," at the annual American Association of

Acupuncture and Oriental Medicine (AAAOM) Conference held in Baltimore in May 2011.

- **Student Erin Sharman** won first place in the second annual Bob's Red Mill Intercollegiate Speech Cup Competition at the Northwest Naturopathic Physician's Convention held in Vancouver, BC in May 2011. Her video, "Rice: A Culture, Craft, Cuisine & Cure," placed her in the finals, where she was awarded a \$7,000 scholarship.

Selected Publications

NCNM faculty, staff and student researchers are highlighted.

- Barnette, Alan R; **Myers, Brian J**; Berg, Carly S; Inder, Terrie. "Sodium Intake and Intraventricular Hemorrhage in the Preterm Infant," *American Neurological Association* (ann Neurol 2010;67:817-823) June 2010.
- Berg, Carly S; Barnette, Alan R; **Myers, Brian J**; Shimony, Maya; Barton, Anthony; Inder, Terrie. "Sodium Bicarbonate Administration and Outcomes in Preterm Infants," *The Journal of Pediatrics*, (J Pediatr 2010; 157:684-7) October 2010.

- **Colbert AP**; Spaulding K; Larsen A; Ahn AC; Cutro JA. "Electrodermal Activity at Acupoints: Literature Review and Recommendations for Reporting Clinical Trials," *J Acupunct Meridian Stud*. 2011 Mar;4 (1):5-13.
- **Chamberlin S**; **Colbert AP**; Larsen A. "Skin Conductance at 24 Source (Yuan) Acupoints in 8,637 Patients: Influence of Age, Gender and Time of Day," *J Acupunct Meridian Stud*. 2011 Mar;4 (1):14-23.
- **Hee Lee, J**. "Hierarchy of Patterns in the Clinical Application of Zhang Zhong Jing's Formulas: An Empirical Approach," *Journal of Chinese Medicine*. No 95. February 2011.
- **Hee Lee, J**. "The Origin of Yoshimasu Todo's Medicine," *North American Journal of Oriental Medicine*. No 51. March 2011.
- **Brusewitz, J**. Abstract and Commentary, *Natural Medicine Journal*, "Cell Phone Exposure Shown To Increase Brain Glucose Metabolism," June 2011.
- **Wahbeh H, Zwickey H, Oken, B**. "One Method for Objective Adherence Measurement in Mind-Body Medicine," *Journal of Alternative and Complementary Medicine*. 2011 Feb;17(2):175-7. Epub 2011 Jan 31.



strong leadership

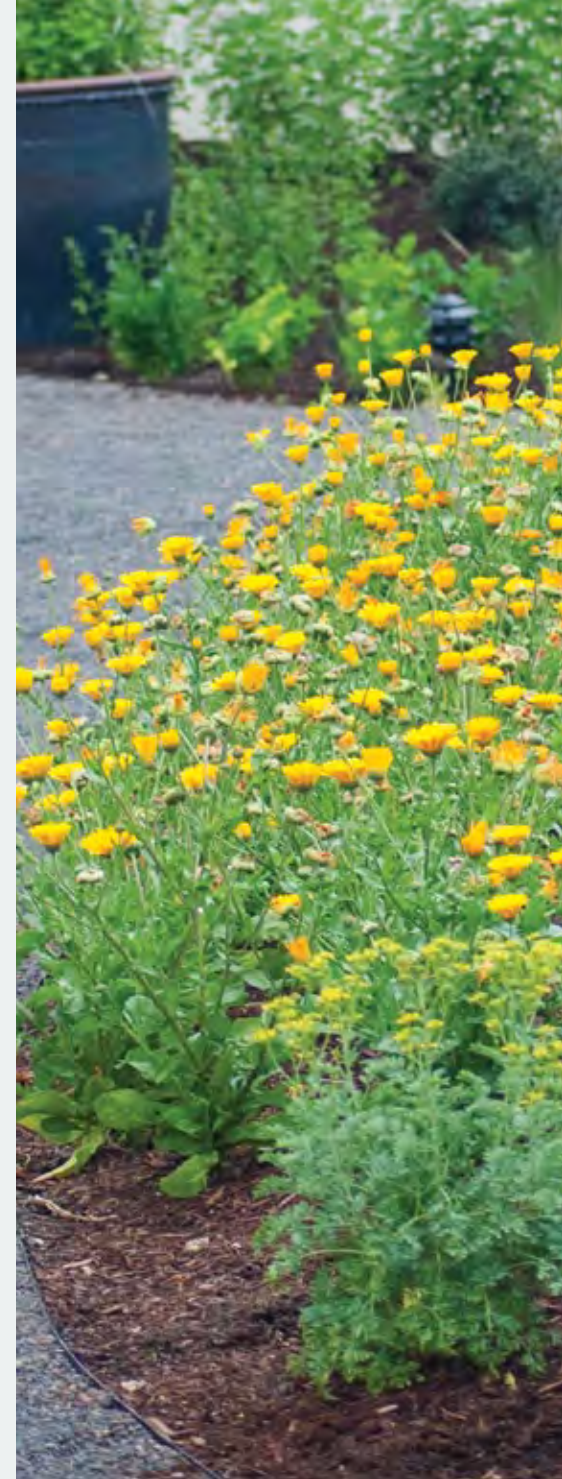




Selected Academic Presentations

NCNM faculty, staff and student researchers are highlighted.

- **Elena Panutich, ND**, Integrative Medicine & Oncology, Concordia University Department of Health & Social Services Conference, Portland, Ore. (July 2010)
- **Tina Kazcor, ND**, Nutrition and mind-body therapies in relation to cancer, Kaiser Permanente & Oregon Cancer Registrars Association, Portland, Ore. (September 2010)
- **Margot Longenecker, ND, and Heiner Fruehauf, PhD**, Integrating Integrative Medicine, OHSU, Portland, Ore. (November 2010)
- **Margaret Hammitt-McDonald, PhD, MAT, ND, MSOM**, "The Pericardium: the Vulnerable Protector;" NCNM Lecture Series, Lan Su Chinese Garden, Portland, Ore. (October 2010)
- **Joon Hee Lee, MSOM**, Chinese herbal medicine, Department of Environmental Study, Pacific University, Forest Grove, Ore. (November 2010)
- **Kimberly Tippens, ND, MSAOM**; Maria T. Chao, DrPH, MPA; Erin Connelly, MA; and **Adrianna Locke, Marsha Lowery, Meredith Murray, Rachelle Johnson, and Alexandra Margitic**. Poster presentation: Social justice and the community acupuncture movement: History and preliminary data from the Working Class Acupuncture clinics in Portland, Ore., American Public Health Association Annual Meeting, Denver, Colo. (November 2010)
- **Kurt Beil, ND, LAc, MPH**, "The Intertwine Health Impact Assessment: The Public Health Benefits of Portland Metro's Parks, Trails and Natural Areas;" the Third Annual Northwest Environmental Health Conference, Portland State University, Portland, Ore. (February 2011)
- **Heather Zwickey, PhD**, "Evidence for Mushrooms in Cancer Treatment;" Integrative Medicine Grand Rounds, Legacy Emanuel Hospital, Portland, Ore. (February 2011)
- **Andrew Erlandsen**, "In vivo Effects of Ashwagandha (*Withania somnifera*) on the Activation and Proliferation of Leukocytes;" the American Medical Student Association (AMSA) Foundation and Convention, Washington, D.C. (March 2011)
- **Andrew Paul Litchy, BA; Heather Jaskarit Wild, PhD; Steve Chamberlin, BS; Agatha P. Colbert, MD**, "Baseline Characteristics and Adherence to a Samatha-Vipassana Meditation Protocol For Improvements in Stress, Quality of Life, and Mood in Healthy Volunteers;" the American Medical Student Association Annual Meeting, Washington, D.C. (March 2011)
- **Marnie Loomis, ND**, "Faster, Smarter, Stronger, Resilient: Nutrition for a Productive Workforce;" Oregon Governor's Occupational Safety & Health Conference, Oregon Convention Center, Portland, Ore. (March 2011)
- **Heather Zwickey, PhD**, "How to Teach and Apply Evidence-Based Practice;" Association of Chiropractic Colleges Educational Conference and Research Agenda Conference, Las Vegas, Nev. (March 2011)
- **Amy Bader, ND**, "Naturopathic Medicine for Greater Health and Wellness, Re-Thinking Psychiatry Symposium;" Portland, Ore. (May 2011)
- **Steve Chamberlin, BA**, "Skin Conductance at 24 Source (Yuan) Acupoints in 8,637 Patients: Influence of Age, Gender and Time of Day;" and **Aiden Seraphim**, "Chinese Medicine in Pediatric Oncology;" AAAOM Conference, Baltimore, Md. (May 2011)
- **Noelle Stello, MSLIS, and Janet Tapper, MLS**, "White Space Leadership: A New Model for Librarians;" the Library Orientation Exchange (LOEX) National Conference, Fort Worth, Texas (May 2011)
- **Heather Zwickey, PhD**, "Competency in Research Literacy;" International Association of Medical Science Educators, St. Petersburg, Fla. (June 2011)



Our Friends

NCNM broke all outreach records with donors old and new. **Bob and Charlee Moore**—the owners of the iconic Bob's Red Mill—presented NCNM \$1.35 million, the largest single donation in its long history.

These nationally respected nutritional advocates announced their gift at the annual Whole Grains Conference held in January 2011. The donation launched **NCNM's ECO Project**, allowing NCNM nutritional experts and students an opportunity to provide free 12-week community education workshops about healthy eating choices to Oregon families. The generous Moore family gift will also establish a research/teaching kitchen in the new **Helgott Research Institute** facility, targeted for completion in fall 2012.

NCNM also hosted the second annual **Bob's Red Mill Intercollegiate Speech Cup Competition** at the Northwest Naturopathic Physicians Convention held in Vancouver, B.C. in May, which provided a \$7,000 scholarship for the first-place winner, **NCNM student Erin Sharman**, as well as a \$4,000 and a \$2,000 scholarship to the student finalists from Southwest College of Naturopathic Medicine and Canadian College of Naturopathic Medicine.

Meanwhile, **NCNM's Partners Program** continues to grow. There has been a 98% increase in pledges since the program was launched in 2009. By June 2011, NCNM had received \$5.5 million in pledges from 87 companies and major donors.

NCNM also received two significant bequests from the estates of patients who wished to express their appreciation for the gift of health they received in their lifetimes from NCNM faculty and alumni. **Marjorie A. Gage** and **Violet Beebe** (a professional secretary and an Avon representative, respectively) turned to natural medicine and were grateful for the care they received.

The \$100,000 bequest Ms. Gage left NCNM will help create a basic science lab in the new research facility, allowing the purchase of lab diagnostic and measurement instruments. The gift will also establish the annual **Marjorie A. Gage Scholarship**, to be awarded for the best student research project. Mrs. Beebe's gift will be used to launch an online learning system for the new **Master of Science in Integrative Medicine Research** program, as well as for enhancements to the NCNM Clinic hydrotherapy room.

A substantial donation of rare botanical books from the collection of **Mike and Simone Chilton** now enriches the **NCNM Library** and its Rare Book Room. The NCNM Library, one the largest and most unusual collections on natural medicine in the United States, gratefully received the Chilton collection in November 2010—many of the books are rare, dating back to the 17th century. Only about 30 libraries in the world have access to some of the invaluable knowledge contained in these books. Mr. Chilton, a member of the **NCNM Board of Regents** and a highly educated botanist with an interest in medicinal



kind generosity





plants, painstakingly grew his collection during nearly 40 years of world travels.

This year the college also launched the campaign for the **Green Brick Road**, a path of inscribed bricks weaving through and connecting all parts of the campus. The initial installment of the Green Brick Road, unveiled during the grand opening of the **Min Zidell Healing Garden** in late June, features a garden entryway paved with 173 bricks, all carved with the names of alumni and other NCM friends.



Management Discussion & Analysis

In the 2010-2011 academic year, NCNM significantly strengthened its balance sheet showing an overall surplus of \$2,100,875. Unrestricted assets increased during the same time period: As of June 30, 2010, the college reported \$5,311,075 in unrestricted net assets; by June 30, 2011 that figure was \$5,945,435—an increase of \$634,360 (11%). In 2010-2011, NCNM's total assets increased by \$2,439,114 to a total of \$21,990,504.

The college's balance sheet was further augmented by a significant increase in assets followed by a drop in liability/debt. As a result, the DOE (Department of Education) composite ratio—the federal government's critical measure of an institution's financial health—rose from 2.0 in June, 2010, to 2.4 just a year later. This positive ruling resulted from the acquisition of a much-needed classroom facility (the Annex, formerly the Jobdango building) and refinancing an expiring debt agreement (First Avenue building) with more favorable terms. These transactions combined a judicious property purchase, funded in part by building fund cash resources, with an opportunity to finance the balance of new debt while also refinancing a current property with the resulting mortgages at a lower interest rate.

Overall enrollment, as measured in winter quarter, rose during the last five years with a total of 560 students enrolled. Adding the winter admit option in January 2009 enhanced the upward trend by adding students who could not have matriculated the previous fall due to incomplete prerequisites or for personal reasons. In January 2011, the college admitted 39 new students compared with 32 new students in the previous year. These figures, when added to incremental increases in fall quarters, signify an enrollment trend likely to continue in coming years.

One trend that continues to require careful monitoring is the increasing number of students choosing part-time schedules each term. To accommodate this development, revenue projections were based on an anticipated mix of full- and part-time

students with contingencies built in to provide a margin of error. In 2010-2011, a full-time tuition budget of \$12,425,514 was adjusted by a \$359,706 contingency based on the expected ratio of full-time to part-time students. The resulting tuition budget of \$12,065,808 and actual \$12,203,175 demonstrates the wisdom of calculating enrollment contingencies each year.

Despite continued economic uncertainty, contributed income significantly increased in 2010-2011, enhancing the already steady growth in this category over a five-year period. In 2006-2007 a fundraising Partners Program was created to form long-term and mutually beneficial relationships between private corporations and NCNM. By June 2011, years of cultivation had produced 87 members, which has helped raise the college's profile within the giving community. The major increase seen in 2010-2011 was

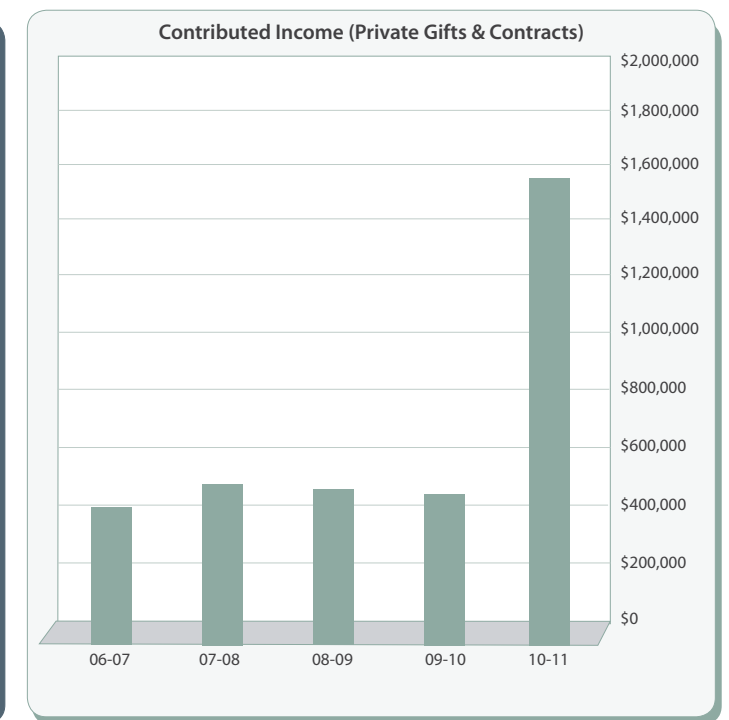
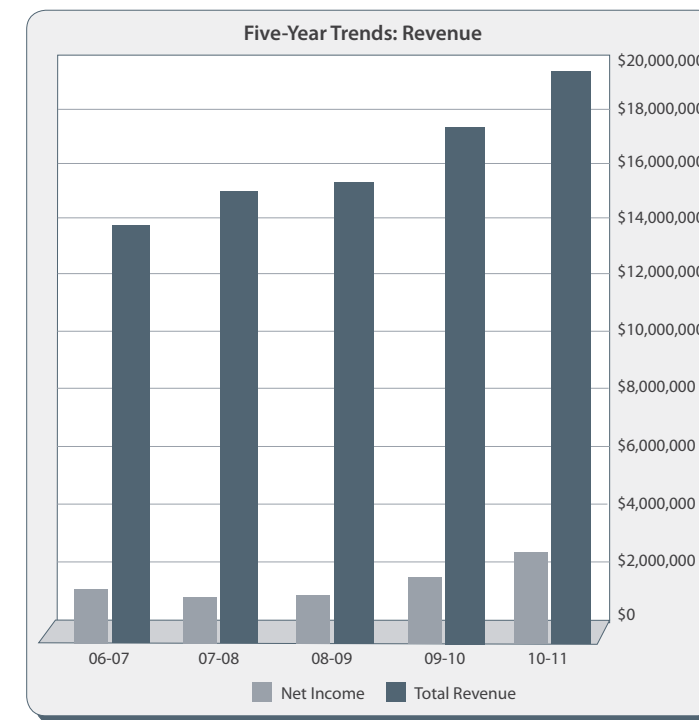
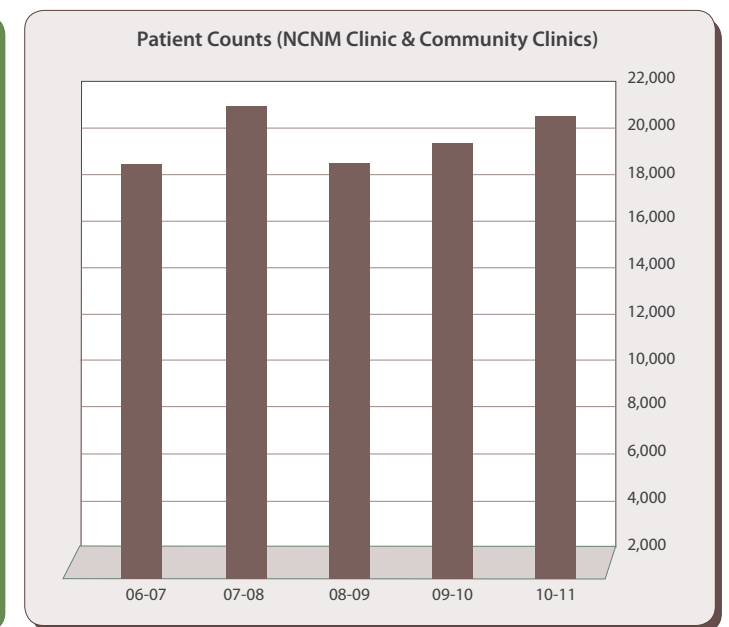
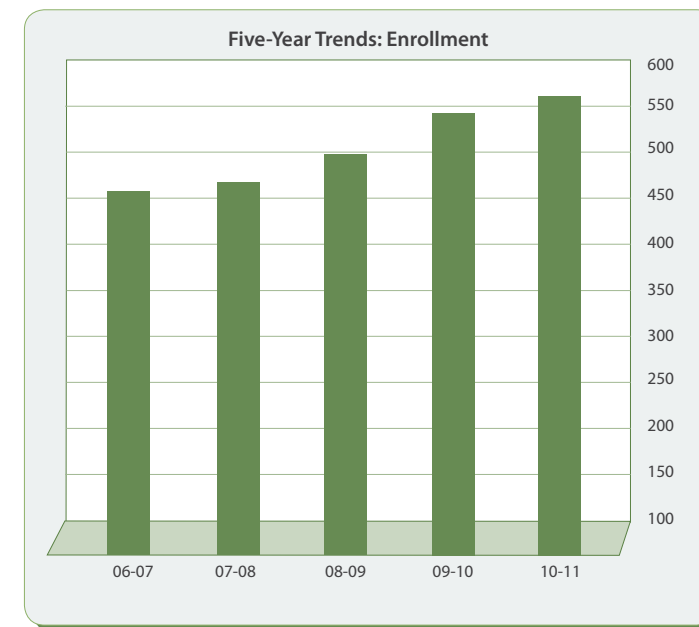
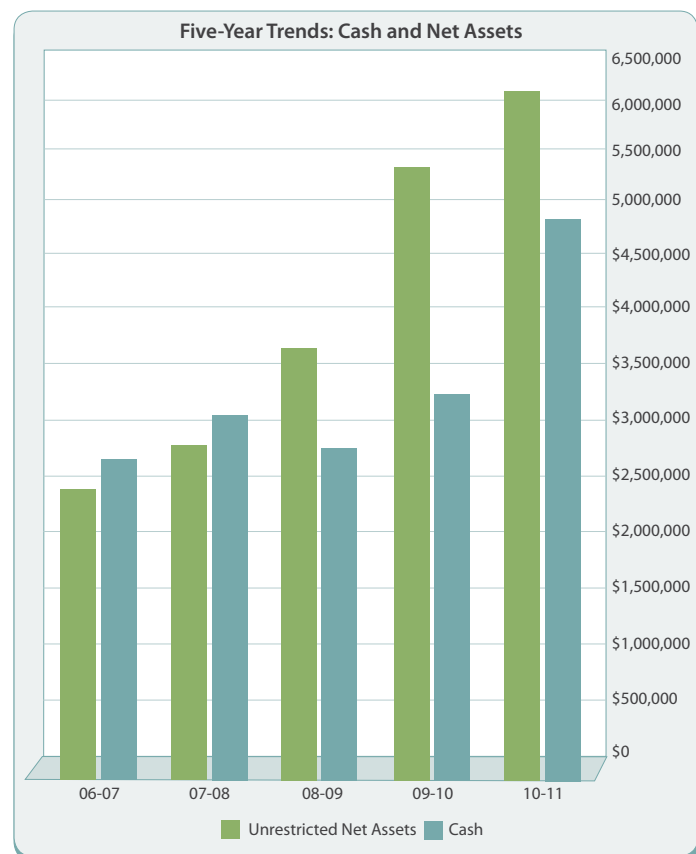
a gift from Bob and Charlee Moore (Bob's Red Mill) totaling \$1.35 million to fund an NCNM teaching kitchen and launch the new Ending Childhood Obesity (ECO) Project. We anticipate this significant gift to be the first of many.

Patient services, as measured in total patient visits, increased slightly in the 2010-2011 fiscal year. Five-year trends indicate a noticeable but predictable decline in the 2008-2009 fiscal year—the period during which two off-campus teaching

clinics were relocated into a newly remodeled building on the NCNM campus. Since that time patient services in the new teaching clinic, and community clinics scattered through the Portland metro area, have

increased to former levels. With a planned expansion of community clinic locations in 2011-2012, patient visit figures are expected to rise in the following years.

The financial statements that follow are excerpts from the independent auditors' report. For access to the full report, please contact the NCNM Finance Office.



Financial Statements

STATEMENT OF FINANCIAL POSITION

| Year Ended June 30, 2011 (With Comparative Totals for 2010) | 2011 | 2010 |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$4,767,450 | \$3,219,072 |
| Accounts receivable – net | 142,701 | 232,385 |
| Agency funds receivable | - | 20,135 |
| Inventory | 209,799 | 220,073 |
| Prepaid expenses | 92,080 | 40,643 |
| Investments | 111,825 | 122,910 |
| Note receivable | 20,000 | 40,000 |
| Property and equipment – net | 16,549,004 | 15,558,468 |
| Loan fees – net | 97,645 | 100,704 |
| Total assets | \$21,990,504 | \$19,554,390 |
| LIABILITIES & NET ASSETS | | |
| Liabilities: | | |
| Accounts payable | \$664,684 | \$599,804 |
| Accrued interest | 1,668 | 5,297 |
| Accrued payroll | 561,916 | 503,528 |
| Agency funds payable | 18,420 | 20,448 |
| Student body funds payable | 27,024 | - |
| Retirement plan payable | 20,449 | 16,883 |
| Unearned tuition | 14,799 | 25,764 |
| Student deposits | 86,546 | 70,991 |
| Lease security deposit | 3,630 | 3,230 |
| Long-term debt | 7,315,403 | 7,133,355 |
| Note payable | 4,500,000 | 4,500,000 |
| Total liabilities | \$13,214,539 | \$12,879,300 |
| Net assets: | | |
| Unrestricted: | | |
| Board designated – building fund | \$242,511 | - |
| Undesignated | 5,945,435 | 5,311,075 |
| Total unrestricted | 6,187,946 | 5,311,075 |
| Temporarily restricted | 2,219,706 | 1,003,374 |
| Permanently restricted | 368,313 | 360,641 |
| Total net assets | \$8,775,965 | \$6,675,090 |
| Total liabilities and net assets | \$21,990,504 | \$19,554,390 |

STATEMENT OF ACTIVITIES

| Year Ended June 30, 2011 (With Comparative Totals for 2010) | | | | Total | |
|--|---------------------|------------------------|------------------------|---------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | 2011 | 2010 |
| REVENUES & OTHER SUPPORT | | | | | |
| Tuition and fees | \$13,623,452 | - | - | \$13,623,452 | \$12,864,438 |
| Private gifts and contracts | 144,172 | 1,737,855 | 7,672 | 1,889,699 | 532,214 |
| Government grants and contracts | 259,509 | 296,889 | - | 556,398 | 754,545 |
| Sales and service – clinics | 2,556,493 | - | - | 2,556,493 | 2,521,573 |
| Bookstore | 564,024 | - | - | 564,024 | 562,594 |
| Event revenue | - | 5,165 | - | 5,165 | 11,791 |
| Other revenue | 332,182 | 5,781 | - | 337,963 | 336,826 |
| Loss on disposal of equipment | (60,849) | - | - | (60,849) | (16,354) |
| Net assets released from restrictions | 829,358 | (829,358) | - | - | - |
| Total revenues and other support | \$18,248,341 | \$1,216,332 | \$7,672 | \$19,472,345 | \$17,567,627 |
| EXPENSES | | | | | |
| Instruction | \$5,923,875 | - | - | \$5,923,875 | \$5,652,905 |
| Research | 703,348 | - | - | 703,348 | 746,317 |
| Academic support | 1,103,056 | - | - | 1,103,056 | 600,294 |
| Student services | 2,103,791 | - | - | 2,103,791 | 1,865,253 |
| Institutional support | 3,137,862 | - | - | 3,137,862 | 2,989,675 |
| Fundraising | 545,348 | - | - | 545,348 | 542,631 |
| Clinics | 3,221,025 | - | - | 3,221,025 | 3,003,406 |
| Bookstore | 633,165 | - | - | 633,165 | 668,812 |
| Total expenses | \$17,371,470 | - | - | \$17,371,470 | \$16,069,293 |
| Increase in net assets | 876,871 | 1,216,332 | 7,672 | 2,100,875 | 1,498,334 |
| Net assets, beginning of year | 5,311,075 | 1,003,374 | 360,641 | 6,675,090 | 5,176,756 |
| Net assets, end of year | \$6,187,946 | \$2,219,706 | \$368,313 | \$8,775,965 | \$6,675,090 |

Financial Statements Continued

STATEMENT OF CASH FLOWS

| Year Ended June 30, 2011 (With Comparative Totals for 2010) | 2011 | 2010 |
|---|----------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Increase in net assets | \$2,100,875 | \$1,498,334 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 517,363 | 466,790 |
| Unrealized loss on investments | 11,085 | 9,315 |
| Forgiveness of note receivable | 20,000 | 20,000 |
| Permanently restricted contributions | (7,672) | (6,036) |
| Loss on disposal of equipment | 60,849 | 16,354 |
| (Increase) decrease in: | | |
| Accounts receivable | 89,684 | 69,921 |
| Agency funds receivable | 20,135 | 54,118 |
| Inventory | 10,274 | (37,390) |
| Prepaid expenses | (51,437) | (16,468) |
| Contribution receivable | - | 181,250 |
| Increase (decrease) in: | | |
| Accounts payable | 64,880 | (122,163) |
| Accrued interest | (3,629) | (287) |
| Accrued payroll | 58,388 | (67,329) |
| Agency funds payable | (2,028) | 20,448 |
| Student body funds payable | 27,024 | - |
| Retirement plan payable | 3,566 | 16,883 |
| Unearned tuition | (10,965) | (516,811) |
| Student deposits | 15,555 | 2,323 |
| Lease security deposit | 400 | 1,400 |
| Net cash provided by operating activities | \$2,924,347 | \$1,590,652 |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (1,554,964) | (768,064) |
| Net cash used by investing activities | \$(1,554,964) | \$(768,064) |
| Carried forward | \$1,369,383 | \$822,588 |

STATEMENT OF CASH FLOWS – CONTINUED

| Year Ended June 30, 2011 (With Comparative Totals for 2010) | 2011 | 2010 |
|---|--------------------|--------------------|
| Brought Forward | \$1,369,383 | \$822,588 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Permanently restricted contributions | 7,672 | 6,036 |
| Payments on capital lease obligation | - | (12,540) |
| Capitalized loan fees | (10,725) | - |
| Proceeds from long-term debt | 495,633 | - |
| Payments on long-term debt | (313,585) | (189,618) |
| Net cash provided (used) by financing activities | 178,995 | (196,122) |
| Net increase in cash and cash equivalents | 1,548,378 | 626,466 |
| Cash and cash equivalents, beginning of year | 3,219,072 | 2,592,606 |
| Cash and cash equivalents, end of year | \$4,767,450 | \$3,219,072 |
| Supplemental disclosure of cash flow information: | | |
| Cash paid during the year for interest | \$663,642 | \$649,670 |

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