

Independent Auditors' Report

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

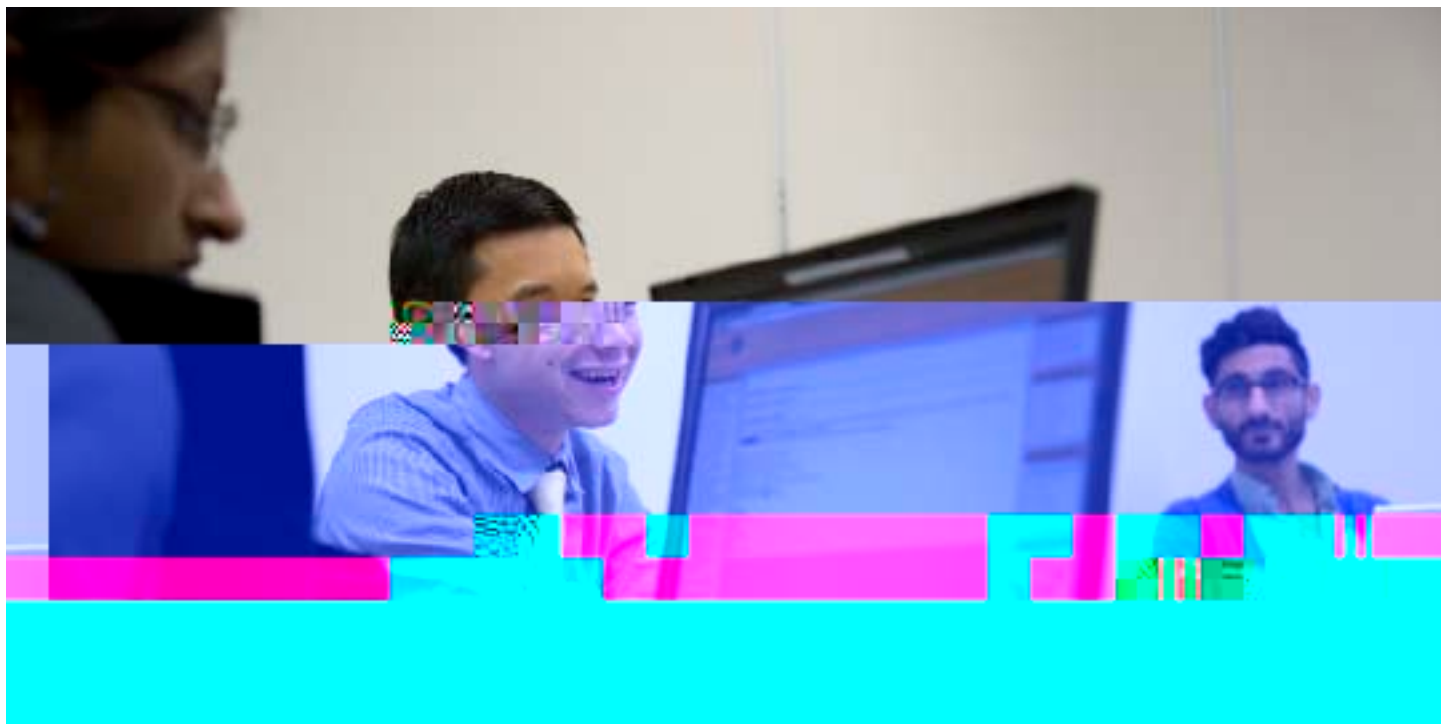
On behalf of the Board:

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	
	<u>12,972,498</u>	<u>—</u>	<u>405,643</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>13,378,141</u>	
Salaries and employee benefits	9,102,752	—	10,751	—	—	—	9,113,503	
Rent	40,646	—	3,598	—	—	—	44,244	
Office 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	
	<u>13,236,674</u>	<u>—</u>	<u>210,901</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>13,447,575</u>	
	(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	<u>10,288,463</u>	<u>—</u>	<u>397,173</u>	<u>—</u>	<u>67,062</u>	<u>—</u>	<u>10,752,698</u>	

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

1, 1

I. NATURE OF THE ORGANIZATION

The organization is a not-for-profit organization organized under the laws of the State of California. The organization is a public utility company, as defined in the Public Utilities Code of the State of California. The organization is a member of the California Public Utilities Commission (CPUC). The organization is a member of the California Public Utilities Association (CPUA). The organization is a member of the California Public Utilities Employees Association (CPUEA). The organization is a member of the California Public Utilities Workers Union (CPUWU). The organization is a member of the California Public Utilities Employees Union (CPEU). The organization is a member of the California Public Utilities Workers Union (CPUWU). The organization is a member of the California Public Utilities Employees Union (CPEU).

2. SIGNIFICANT ACCOUNTING POLICIES

The organization follows generally accepted accounting principles (GAAP) for not-for-profit organizations. The organization's accounting policies are consistent with those of the CPUC and CPAU. The organization's accounting policies are consistent with those of the CPUEA and CPUWU. The organization's accounting policies are consistent with those of the CPEU and CPUEA.

Fund accounting

The organization maintains separate accounts for each fund. The organization's funds are classified into three categories: operating funds, capital funds, and restricted funds. Operating funds are used for the organization's day-to-day operations. Capital funds are used for the organization's capital expenditures. Restricted funds are used for the organization's restricted activities. The organization's funds are accounted for in accordance with the CPUC and CPAU. The organization's funds are accounted for in accordance with the CPUEA and CPUWU. The organization's funds are accounted for in accordance with the CPEU and CPUEA.

The organization's funds are accounted for in accordance with the CPUC and CPAU. The organization's funds are accounted for in accordance with the CPUEA and CPUWU. The organization's funds are accounted for in accordance with the CPEU and CPUEA.

The organization's funds are accounted for in accordance with the CPUC and CPAU. The organization's funds are accounted for in accordance with the CPUEA and CPUWU. The organization's funds are accounted for in accordance with the CPEU and CPUEA.

The organization's funds are accounted for in accordance with the CPUC and CPAU. The organization's funds are accounted for in accordance with the CPUEA and CPUWU. The organization's funds are accounted for in accordance with the CPEU and CPUEA.

The organization's funds are accounted for in accordance with the CPUC and CPAU. The organization's funds are accounted for in accordance with the CPUEA and CPUWU. The organization's funds are accounted for in accordance with the CPEU and CPUEA.

Revenue recognition

The organization recognizes revenue when it is earned. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service.

The organization recognizes revenue when it is earned. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service.

The organization recognizes revenue when it is earned. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service.

The organization recognizes revenue when it is earned. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service.

The organization recognizes revenue when it is earned. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service.

The organization recognizes revenue when it is earned. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service.

The organization recognizes revenue when it is earned. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service.

The organization recognizes revenue when it is earned. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service.

The organization recognizes revenue when it is earned. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service. Revenue is recognized when the organization has provided the service and the customer has accepted the service.

12. OICC EXPENSE ALLOCATION

13. COMMITMENTS

2013	\$ 170,000
2014	165,000
2015	159,000
2016	33,000
	<u>527,000</u>

2011 - \$, .

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)
	<u>(457,302)</u>



15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

Financial instruments are measured at fair value, which is the price that would be received to settle an asset or discharge a liability in an orderly transaction between market participants at the measurement date.

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.

Credit risk

Credit risk is the risk that one or more counterparties will fail to meet their contractual obligations, resulting in a loss of expected cash flows.

16. CAPITAL MANAGEMENT

Capital management is the process of identifying, measuring, and managing the risks that could affect the company's ability to generate sufficient cash flows to meet its obligations. The company's capital management strategy is to maintain a strong capital base to support its operations and growth. The company's capital structure is primarily composed of equity and debt. The company's capital management is subject to various regulatory requirements and market conditions. The company's capital management is a key component of its overall risk management strategy.

17. COMPARATIVE FINANCIAL STATEMENTS

Comparative financial statements are financial statements that compare the company's financial performance over two or more periods. This allows investors and other stakeholders to assess the company's financial performance over time and identify trends and patterns.

18. CORRECTION OF PRIOR ERROR

A correction of a prior error is a change in an accounting entry that corrects a mistake in a previous period's financial statements. This is typically done when a company discovers an error in its financial statements that was not corrected in the period in which it occurred. The correction is recorded in the current period's financial statements, and the prior period's financial statements are restated to reflect the correction.