the bold declaration of our vision statement, is behind everything that we do at Bastyr University and as you will see in this year’s Annual Report, 2010-2011 has been a year of tremendous growth, hard work and innovation at a time when our region, state and nation faces significant economic adversity.

Since its founding just 34 years ago, Bastyr University has grown from a fledgling professional school to a comprehensive university offering undergraduate, graduate and doctorate degrees in the natural health arts and sciences. It is today a magnificent 51-acre campus in Kenmore, WA, and a state-of-the-art teaching clinic in the heart of nearby Seattle. With nearly 1,000 students who will become the health and wellness leaders of the 21st century, the University is aggressively focused on providing unique education, research and clinical opportunities. The University is also a driver of economic development with an economic impact of over $136 million in this region of the State of Washington.

In this report, you will see stories, data and images that indicate how important this past year has been:

• Announcing the San Diego, California, campus of Bastyr University
• Surpassing our goals for enrollment growth, revenue and philanthropic support
• Naming two buildings in the University’s LEED-platinum-certified Student Housing Village
• Implementing Electronic Medical Records at Bastyr Center for Natural Health
• Launching the Bastyr University Center for Health Policy and Leadership
• Opening new campus/community athletic fields through a partnership with the City of Kenmore

We are proud of these and of all the accomplishments of this past year and more are on the way as we open Bastyr University San Diego, introduce new academic programs, and build upon the already robust University research and clinical initiatives.

Enjoy this report and thank you for your interest and support of Bastyr University!

Daniel K. Church, PhD
President

Jon Flora
Chair, Board of Trustees
Bastyr University, located north of Seattle, Washington, is an accredited institution, internationally recognized as a pioneer in natural medicine. Bastyr is the largest university for natural health arts and sciences in the U.S., combining a multidisciplinary curriculum with leading-edge research and clinical training. A Bastyr education offers a broad foundation that prepares students to follow their hearts and flourish as successful holistic professionals in one or more of the following academic programs:

**Natural Health Arts and Sciences**
- Naturopathic Medicine
- Acupuncture and Oriental Medicine
- Nutrition
- Midwifery
- Health Psychology
- Herbal Sciences
- Exercise Science and Wellness
- Integrated Human Biology

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**Research**

“I chose Bastyr specifically because of the tremendous research opportunities they offer their students. This includes both lab-based and clinical research — both of which I was very interested in.”

— Joshua Goldenberg, ND candidate 2013

**The Bastyr University Research Institute**, which maintains an on-campus research laboratory, is the umbrella under which all Bastyr research studies are conducted. The Institute supports faculty research and skills development, collaborative research with conventional research agencies and natural products industries, and student research training.

In collaboration with the Fred Hutchinson Cancer Research Center and funded in part by grants from the National Institutes of Health, the Bastyr Integrative Oncology Research Center (BIORC) is helping researchers understand whether an integration of natural therapies with conventional care can help people with cancer live longer, healthier and happier.

**The Center for Student Research** is the central point of contact for students interested in research. The Center informs students about all ongoing research projects at the University and links students to appropriate faculty mentors by research interest. The Center also provides funding, through competitive awards, for collaborative faculty-student research projects.

**The Dwayne J. Clark Center for Healthy Aging** investigates how complementary and alternative medicine (CAM) can help seniors live longer and healthier.
Since its early years, Bastyr University has provided students with hands-on clinical training at Bastyr Center for Natural Health (BCNH) that helps them become competent and knowledgeable health and wellness leaders and practitioners. Today, student clinicians work with supervising faculty to create a personalized health plan for each patient at BCNH, located in the Fremont/Wallingford district of Seattle.

While serving nearly 40,000 patient visits each year, Bastyr University provided more than $1 million in free health and wellness services to individuals with limited financial resources in the following areas:

- Naturopathic Medicine
- Acupuncture
- Chinese Herbal Medicine
- Homeopathy
- Nutrition Counseling
- Mental Health Counseling

In addition to promoting whole-person health and wellness, clinicians are primary care providers helping to treat patients with a variety of health conditions, including: allergies, respiratory function, digestion, chronic pain, fatigue, headaches, depression and seasonal affective disorder, weight management, and various male- and female-specific medical issues.

Faculty and student teams also provided care at nineteen external sites throughout King and Snohomish Counties serving a variety of underserved populations. This year, the University has launched its Electronic Medical Records initiative for the clinic to enhance service delivery while better preparing our students.

Within the clinic is the Bastyr Dispensary, which carries the highest quality prescription and over-the-counter herbal and nutritional supplements, homeopathic remedies and tinctures.

"Working with leaders in health and education sectors, Bastyr University is blazing a new path in educating the future leaders in natural health and wellness in Southern California and beyond."

— Mimi Guarneri, MD, FACC, medical director and founder of Scripps Center for Integrative Medicine

### Total Economic Impact of Clinic Operations

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Employment</th>
<th>Labor Income</th>
<th>Value Added</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td>68</td>
<td>$3,856,909</td>
<td>$3,959,767</td>
<td>$2,670,325</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>6</td>
<td>$335,466</td>
<td>$587,037</td>
<td>$929,072</td>
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<tr>
<td>Induced Effect</td>
<td>21</td>
<td>$1,048,450</td>
<td>$1,910,213</td>
<td>$3,042,491</td>
</tr>
<tr>
<td><strong>TOTAL EFFECT</strong></td>
<td><strong>95</strong></td>
<td><strong>$5,240,825</strong></td>
<td><strong>$6,457,017</strong></td>
<td><strong>$6,641,888</strong></td>
</tr>
</tbody>
</table>

### Tax Impact of Clinic Operations

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Compensation</td>
<td>$3,364</td>
</tr>
<tr>
<td>Indirect Business Tax</td>
<td>$224,048</td>
</tr>
<tr>
<td>Households</td>
<td>$30,905</td>
</tr>
<tr>
<td>Corporations</td>
<td>$17,247</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$275,564</strong></td>
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</table>
Economic Impact

Bastyr University 2010–2011 Expenditures

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$15,310,877</td>
</tr>
<tr>
<td>Payroll Taxes and Benefits</td>
<td>$2,960,987</td>
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<tr>
<td>Other Expenses</td>
<td>$14,019,762</td>
</tr>
<tr>
<td>Strategic Fund</td>
<td>$227,000</td>
</tr>
<tr>
<td>Clinic Operations</td>
<td>$2,670,325</td>
</tr>
<tr>
<td>Clinic Payroll</td>
<td>$3,584,597</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES FROM UNIVERSITY &amp; CLINIC OPERATIONS</strong></td>
<td><strong>$32,518,626</strong></td>
</tr>
</tbody>
</table>

Bastyr University 2010–2011 Investment Expenditures

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment/Tools/Machinery</td>
<td>$364,877</td>
</tr>
<tr>
<td>Furniture/Fixtures</td>
<td>$147,532</td>
</tr>
<tr>
<td>Library Books</td>
<td>$65,763</td>
</tr>
<tr>
<td>Leasehold/Building Improvements</td>
<td>$825,123</td>
</tr>
<tr>
<td>Athletic Fields</td>
<td>$394,382</td>
</tr>
<tr>
<td>Technology</td>
<td>$197,047</td>
</tr>
<tr>
<td>Other</td>
<td>$61,195</td>
</tr>
<tr>
<td><strong>TOTAL PPE EXPENDITURES</strong></td>
<td><strong>$2,055,919</strong></td>
</tr>
</tbody>
</table>

Definitions

**Direct Effects:** The immediate impact of an economic change on the industry directly involved.

**Indirect Effects:** The changes in inter-industry purchases as the economy responds to the new demands of the directly affected industries.

**Induced Effects:** The changes in spending from households as income increases due to the changes in production.

**Value Added:** The difference between an industry’s total output and the cost of its inputs, such as raw materials.

**PPE:** Plant, Property and Equipment.
Bastyr University San Diego

On August 12, 2010, President Daniel Church announced at the American Association of Naturopathic Physicians’ convention in Portland, Oregon, that Bastyr University was launching its California Initiative. The University entered into a working agreement with the California Naturopathic Doctors Association and immediately embarked on a market feasibility study to identify a geographic area in the State of California where a new campus would be developed to train individuals seeking the Doctor of Naturopathic Medicine degree. In August 2011, the University Board of Trustees approved the plan to develop the new campus at in San Diego, California, with the intent to commence educational services in September 2012.

The State of California enacted legislation in 2003 (as a result of significant advocacy efforts from Bastyr University) that licensed NDs to practice as primary care physicians in that state. While the University’s alumni base in California is strong and continues to grow, Bastyr University will make an even greater impact in helping meet the state’s huge demand for access to primary care through this campus.

Center for Health Policy and Leadership

In January 2011, Bastyr University launched the Center for Health Policy and Leadership to promote discourse, engagement and research on health policy and leadership issues. The Center is a key driver of on-campus and external events that: help spark “essential, generative conversations” as defined by the University Strategic Plan, host prominent scholars and practitioners through various venues, and encourage active participation in public affairs. The Center has hosted monthly events since its launch including partnerships with the Seattle City Club (June 2011) and Seattle University (October 2011).

Town/Gown Relationship

As the community’s largest employer, Bastyr University has a vested interest in the short- and long-term success of the city where it is located and one of our many priorities was improving the University’s relationship with the City of Kenmore.

In December 2009, the Kenmore City Council approved the University’s ten-year master plan and entered into an agreement with the University to invest $330,000 to upgrade the University’s athletic fields for enhanced community use.

President Dan Church and Kenmore Mayor David Baker, attended the 2010 International Town/Gown Conference at Iowa State University to make a presentation on the growing partnership between the City and University including joint advocacy at the federal and state government levels on issues including education, transportation and infrastructure, and economic development.

Strategic Initiative Implementation Fund

Throughout 2010-2011, Bastyr University allocated operating funds to assist employees in carrying out the highest priority initiatives of the University’s Strategic Plan. Specifically, funding was dedicated for the implementation of projects such as:

- Gerontology Initiative
- University Online Education Initiative
- Naturopathic Medicine Curriculum Revision Initiative
- Bastyr iPhone Application
- Holistic Learning Environment
- Enhancing Cultural Competency
- Naturopathic Student Mentorship

“The cooperation between the City of Kenmore and Bastyr University is at its highest level in our community’s history and under the leadership of Dan Church, the University has been a powerful advocate for Kenmore, Washington at City Hall, throughout King County and at the State Capitol.”

— David Baker, Mayor of the City of Kenmore, WA
### Bastyr University Consolidated Statement of Activities
July 1, 2010 through June 30, 2011

#### Operations Revenue
- Education and General Revenues: $28,189,208
- Governmental Grants and Contracts: 2,995,907
- Private Contract: 164,850
- Private Gifts: 761,113
- Interest and Investment Income: 81,732
- Revenue from Operations: $32,192,810

#### Expenses
- Program Services: $25,183,889
- Management and General: 5,364,725
- Fundraising: 375,494
- Total Expenses: $30,924,108
- Money for Reinvestment from Operations: $1,268,702
- Non-Operating Revenue: 114,456
- Operating and Non-Operating for Reinvestment: $1,383,158

### Bastyr University Statement of Financial Position
June 30, 2011

#### Assets
- Cash and Cash Equivalents: $8,520,694
- Accounts/Notes Receivable: 2,088,497
- Inventories/Prepaids: 603,152
- Endowment Investments: 3,080,935
- Capital Projects in Progress: 52,317
- Property, Land, Equipment, Net: 31,816,714
- Total Assets: $46,162,309

#### Liabilities
- Accounts/Notes Payable: $25,192,171
- Accrued Liabilities: 1,601,296
- Deferred Revenue: 683,577
- Deferred Rent Expense: 1,145,524
- Interest Rate Swap: 1,227,195
- Government Obligations: 707,874
- Total Liabilities: $30,557,637
- Net Assets: $15,604,672
- Total Liabilities and Net Assets: $46,162,309

### Bastyr University Revenue 2007-2011

#### Bastyr University Revenue 2007-2011

<table>
<thead>
<tr>
<th>Year</th>
<th>Educational &amp; General</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>25,586</td>
<td>5,184</td>
</tr>
<tr>
<td>2008</td>
<td>26,200</td>
<td>3,391</td>
</tr>
<tr>
<td>2009</td>
<td>25,341</td>
<td>3,279</td>
</tr>
<tr>
<td>2010</td>
<td>25,510</td>
<td>3,145</td>
</tr>
<tr>
<td>2011</td>
<td>28,189</td>
<td>4,004</td>
</tr>
</tbody>
</table>

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“The LEED platinum-certified Student Village has been an exciting project for CollinsWoerman, and we’re very proud to make this major gift to name one of the residence halls. We are honored to be a part of the Bastyr University community.”

— Arlan Collins, principal, CollinsWoerman
Mission

We educate future leaders in the natural health arts and sciences. Respecting the healing power of nature and recognizing that body, mind and spirit are intrinsically inseparable, we model an integrated approach to education, research and clinical service.

Vision

As the world’s leading academic center for advancing and integrating knowledge in the natural health arts and sciences, Bastyr University will transform the health and well-being of the human community.

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