Brescia University College

Financial Statements
April 30, 2016

June 29, 2016

Independent Auditor's Report

To the Members of Brescia University College

We have audited the accompanying financial statements of Brescia University College, which comprise the statement of financial position as at April 30, 2016 and the statements of operations, changes in net assets and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Brescia University College as at April 30, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Brescia University College

Statement of Financial Position

As at April 30, 2016

	2016 $	2015 $
Assets		
Current assets		
Cash (note 3)	6,342,631	3,599,087
Accounts receivable	150,485	2,663,134
Prepaid expenses	234,134	244,416
Inventory	31,692	20,935
Due from related parties (note 14)	436,069	253,100
	7,195,011	6,780,672
Long-term assets		
Investments (note 4)	3,835,867	3,872,563
Capital assets (note 5)	58,785,762	60,804,947
Total assets	69,816,640	71,458,182
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities (note 16)	1,558,042	1,870,178
Deferred revenue	455,185	436,406
Current portion of capital lease obligation	-	4,339
Current portion of mortgage payable (note 10)	200,000	200,000
Current portion of bank debt (note 11)	491,273	427,731
	2,704,500	2,938,654
Long-term liabilities		
Deferred contributions (note 7)	279,204	204,504
Deferred capital contributions (note 8)	10,813,909	11,729,955
Pension benefit obligation (note 9)	976,342	1,187,777
Mortgage payable (note 10)	2,000,000	2,200,000
Bank debt (note 11)	29,635,507	30,126,782
	46,409,462	48,387,672
Net assets	23,407,178	23,070,510
Total liabilities and net assets	69,816,640	71,458,182

Commitments (note 15)

Approved by the Board of Trustees

_______________________________ Trustee _______________________________ Trustee

The accompanying notes are an integral part of these financial statements.

Brescia University College

Statement of Operations

For the year ended April 30, 2016

	2016 $	2015 $
Revenue		
Tuition and other student fees	11,558,845	10,189,199
Provincial government grants	8,233,157	8,270,726
Revenue for research grants	193,986	180,257
Investment income	330,258	210,933
Tuition and grant revenue for distribution as bursaries	426,493	432,950
Amortizations of deferred capital contributions	1,043,314	1,041,330
Miscellaneous	507,294	265,518
Ancillary revenues (note 13)	4,592,050	4,470,491
	26,885,397	25,061,404
Expenses		
Faculty salaries and benefits	6,773,245	6,389,218
Staff salaries and benefits	6,542,206	5,902,077
Pension benefit guarantee (note 9)	(211,435)	625,735
Service fee to Western University	2,170,260	1,750,323
Academic and student services	994,647	941,944
Marketing and external relations	999,905	720,234
Facilities	926,486	918,569
General administration	828,548	507,120
Scholarships and bursaries	1,419,862	1,294,093
Amortization of capital assets	2,652,273	2,632,870
Donations in kind (note 14)	-	80,352
Ancillary expenses (note 13)	1,504,780	1,339,873
Interest on long-term bank debt (note 12)	1,643,352	1,663,537
	26,244,129	24,765,945
	641,268	295,459
Realized and unrealized (loss) gain on investments		
Change in unrealized appreciation in value of investments	(376,378)	84,904
Net realized gain on investments	71,778	830
	(304,600)	85,734
Excess of revenue over expenses for the year	336,668	381,193

The accompanying notes are an integral part of these financial statements.

Brescia University College

Statement of Changes in Net Assets

For the year ended April 30, 2016

	2016 $	2015 $
Balance - Beginning of year	23,070,510	22,689,317
Excess of revenue over expenses for the year	336,668	381,193
Balance - End of year	23,407,178	23,070,510

The accompanying notes are an integral part of these financial statements.

Brescia University College

Statement of Cash Flows

For the year ended April 30, 2016

	2016 $	2015 $
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	336,668	381,193
Add (deduct) non-cash items:		
Amortization	2,652,273	2,632,870
Amortization of deferred capital contributions	(1,043,314)	(1,041,330)
Change in unrealized appreciation of investments	376,378	(84,904)
(Decrease) increase in pension benefit obligation	(211,435)	625,735
Loss on disposal of capital assets	22,609	-
Change in non-cash working capital items:		
Decrease (increase) in accounts receivable	2,512,649	(2,520,939)
Decrease (increase) in prepaid expenses	10,282	(58,191)
(Increase) decrease in due from Foundation	(182,969)	131,616
(Increase) in inventory	(10,757)	(94)
(Decrease) increase in accounts payable and accrued liabilities	(312,136)	64,961
Increase (decrease) increase in deferred revenue	18,779	(17,149)
	4,169,027	113,768
Financing activities		
Increase in deferred capital contributions	127,268	269,930
(Decrease) in capital lease obligation	(4,339)	(30,996)
(Decrease) in mortgage payable	(200,000)	(200,000)
Increase (decrease) in deferred contributions	74,700	(4,283)
(Decrease) in bank debt	(427,733)	(368,524)
	(430,104)	(333,873)
Investing activities		
Additions to capital assets	(655,697)	(395,636)
Purchase of investments	(339,682)	(1,119,988)
	(995,379)	(1,515,624)
Net increase (decrease) in cash during the year	2,743,544	(1,735,729)
Cash - Beginning of year	3,599,087	5,334,816
Cash - End of year	6,342,631	3,599,087
Cash		
Cash	4,859,248	2,046,079
Restricted cash (note 3)	1,483,383	1,553,008
	6,342,631	3,599,087

The accompanying notes are an integral part of these financial statements.

1 Purpose of Brescia

Brescia University College (Brescia) is a Catholic university college for women, affiliated with Western University. Brescia offers undergraduate students a full range of liberal arts academic programming as well as specialist programs in Food and Nutritional Sciences.

Brescia was registered as a corporation without share capital under Part II of the Canada Corporations Act on August 16, 1999. As a not-for-profit registered charity, Brescia is exempt from tax under the Income Tax Act pursuant to Section 149(1) (h.1) of the Act. Brescia is subject to Harmonized Sales Tax on its activities pursuant to provisions of the Excise Tax Act.

2 Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Significant areas requiring the use of estimates include the valuation of donated land and buildings, the useful lives of capital assets and the pension benefit obligation. Actual results could differ from those estimates.

Revenue recognition

Brescia follows the deferral method of accounting for contributions, which includes donations and government grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue using the straight-line method, at a rate corresponding with the amortization rate for the related capital assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

Revenue from student fees and from the sale of services and products is recognized at the time the products are delivered or services provided. Operating grants are recorded as revenue in the period to which they relate.

Grants approved but not received at the end of an accounting period are accrued if the amount to be received can be reasonably estimated and collection is reasonably assured. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

Capital assets

Capital assets are recorded at cost. Amortization is provided using the straight-line method at the following rates:

Buildings	20 years
Buildings - newly constructed	30 years
Leasehold improvements	20 years
Furniture and equipment	10 years
Parking lots	10 years
Computer hardware	3 years
Automotive	3 years

Construction in progress is not amortized until the asset is complete.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments in the form of financial assets and financial liabilities are generally presented separately. Financial instruments are recognized as soon as Brescia becomes a party to the contractual provisions of the financial instrument. Upon initial recognition, financial instruments are measured at fair value. The fair value of a financial instrument is the estimated amount that Brescia would receive or pay to terminate the instrument agreement at the reporting date. The following methods and assumptions have been used to estimate the fair value of each type of financial instrument by reference to various market value data and other valuation techniques as appropriate.

Measurement in subsequent periods depends on whether the financial instrument has been classified as “held-for-trading”, “available for sale”, “held-to-maturity”, “loans and receivable” or “other financial liabilities” as defined by the standard.

Cash

Cash consists primarily of cash on hand and cash held in the investment fund account.

Accounts receivable

Accounts receivable is recorded at its carrying value which is considered to approximate its fair value due to its short-term maturity.

Investments

Investments are designated as held-for-trading under the standard and measured at fair value. Changes in fair value are recorded in the statement of operations.

Other financial liabilities

Other financial liabilities are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market including accounts payable and accrued liabilities, mortgage payable and bank debt. After initial recognition, other financial liabilities are subsequently carried at amortized cost using the effective interest method less any impairment losses, if necessary. Gains and losses are recognized in the statement of operations when the other liabilities are derecognized or impaired. Interest effects on the application of the effective interest method are also recognized in the statement of operations.

The carrying value of accounts payable and accrued liabilities approximates their fair values due to the short-term maturity of these financial instruments.

The mortgage payable was initially recorded at the exchange amount in accordance with Canadian Institute of Chartered Professional Accountants (CPA) Handbook Section 3856 - Financial Instruments - Recognition and Measurement and Section 3840 - Related Party Transactions. The balance has been measured using amortized cost using the effective interest rate method as prescribed by CPA Handbook Section 3856.

Derivative financial instruments

From time to time, Brescia uses derivative financial instruments in their hedging strategies to manage their exposure to interest rate risk. Where hedge accounting can be applied, a hedge relationship is designated and documented at inception to detail the particular risk management objective and the strategy for undertaking the hedge transaction. The documentation identifies the specific asset, liability or anticipated cash flows being hedged, the risk that is being hedged, the type of hedging instrument used and how effectiveness will be assessed. The hedging instrument must be highly effective in accomplishing the objective of offsetting changes in the anticipated cash flows attributable to the risk being hedged both at inception and throughout the life of the hedge. Hedge accounting is discontinued prospectively when it is determined that the hedging instrument is no longer effective as a hedge, the hedging instrument is terminated or sold, or upon the sale or early termination of the hedged item.

For derivatives where hedge accounting has been applied, the change in fair value has been disclosed in the notes to the financial statements. For derivatives where hedge accounting has not been applied, the change in fair value has been recognized directly in the statement of operations in the current year.

Brescia does not use derivative financial instruments for trading or speculative purposes.

Inventories

Inventories are valued at the lower of cost and net realizable value on a FIFO basis.

3 Cash

Included in cash are balances in the amount of $1,483,383 (2015 - $1,553,008) relating to deferred revenue, grants, contributions and a capital reserve as follows:

	2016 $	2015 $
Capital reserve (note 6)	850,000	850,000
Deferred tuition revenue	103,677	83,599
Other deferred revenue	327,316	298,890
Unspent research grant	167,306	205,418
Unspent amounts included in liabilities	35,084	115,101
	1,483,383	1,553,008

4 Investments

	2016		2015	
	Cost $	Market value $	Cost $	Market value $
Common stocks and equivalents	2,014,390	1,878,733	1,736,410	1,933,949
Fixed income securities	1,919,555	1,957,134	1,857,853	1,938,614
	3,933,945	3,835,867	3,594,263	3,872,563

Fixed income securities have average maturities in April 2023 with average coupons between 0.0% and 11.8% over the term.

5 Capital assets

			2016
	Cost $	Accumulated amortization $	Net $
Land	15,042,167	-	15,042,167
Buildings	48,435,234	10,496,817	37,938,417
Leasehold improvements	7,220,564	3,724,546	3,496,018
Furniture and equipment	3,343,753	1,614,137	1,729,616
Computer hardware	1,090,940	992,690	98,250
Automotive	19,267	19,267	-
Parking lots	552,372	71,078	481,294
	75,704,297	16,918,535	58,785,762

			2015
	Cost $	Accumulated amortization $	Net $
Land	15,042,167	-	15,042,167
Buildings	48,435,235	8,572,104	39,863,130
Leasehold improvements	7,057,506	3,432,675	3,624,830
Furniture and equipment	3,286,808	1,377,334	1,909,475
Computer hardware	1,043,436	926,264	117,173
Automotive	19,267	19,267	-
Parking lots	280,766	32,594	248,172
	75,165,185	14,360,238	60,804,947

6 Restrictions on net assets

Brescia's Board of Trustees has maintained a restriction of $850,000 of net assets for purposes of future capital projects. This restricted amount is not available for other purposes without approval of the Board of Trustees. This internal restriction has been recorded as restricted cash as detailed in note 3.

	2016 $	2015 $
Future capital projects	850,000	850,000

7 Deferred contributions

Deferred contributions represent unspent externally restricted grants (including research grants), donations and other contributions. The balance consists of the following:

	2016 $	2015 $
Balance - Beginning of year	204,504	208,787
Add: grant, donations and contributions received	490,241	201,200
Less: amounts expended (recognized to revenue)	(415,541)	(205,483)
	279,204	204,504

8 Deferred capital contributions

Deferred capital contributions represent the unamortized amount of donations and grants received for the purchase of capital assets. The changes in the deferred capital contributions are as follows:

	2016 $	2015 $
Balance - Beginning of year	11,729,955	12,501,355
Add: contributions received and not spent during the year	71,305	71,305
Add: contributions received and spent during the year	55,963	198,625
Less: amounts amortized to revenue	(1,043,314)	(1,041,330)
	10,813,909	11,729,955

9 Pension benefit obligation

As at January 1, 1994, Brescia changed from a defined benefit pension plan (the DB plan) to a defined contribution plan (the DC plan). For all employees who were under the DB plan, Brescia has provided a guarantee that the value of their defined contribution plan at retirement will not be less than it would have been under the previous DB plan.

Brescia measures its accrued benefit obligation for the DB plan as at April 30 each year for accounting purposes.

Information about Brescia's DB plan as at April 30, 2016 is as follows:

	2016 $	2015 $
Funded status - amount included in the statement of financial position	976,342	1,187,777

The DB plan has no assets. Cash contributions are made upon benefits becoming payable. During 2016, $Nil (2015 - $Nil) contributions were made.

	2016 $	2015 $
Change in accrued benefit obligation		
Accrued benefit obligation - May 1	1,187,777	562,042
Net benefit (gain) cost	(211,435)	625,735
Benefits paid	-	-
Accrued benefit obligation - April 30	976,342	1,187,777

Brescia's net benefit plan cost includes the following components:

	2016 $	2015 $
Current service cost	41,242	19,654
Interest cost	31,954	17,451
Actuarial (gain) loss	(284,631)	588,630
Net pension (gain) cost recognized	(211,435)	625,735

The significant assumptions used are as follows:

	2016 %	2015 %
Discount rate	2.50	2.60
Salary escalation	3.00	3.00

Post-retirement mortality is assumed to be in accordance with the 2014 Canadian Pensioner Mortality (CPM) Table projected generationally using CPM Improvement Scale B on a unisex basis, blended 50% males, 50% females.

10 Mortgage payable

During 2007, Brescia entered into an Agreement of Purchase and Sale with the Ursuline Religious of the Diocese of London in Ontario to purchase certain land and buildings at a negotiated exchange amount. Pursuant to the Agreement, Brescia has agreed to pay the vendor take-back mortgage in equal annual installments commencing on the first anniversary of the closing date and on each anniversary thereafter until paid in full. The mortgage has an interest rate of Nil. The purchase agreement was completed February 15, 2008.

The principal payments required over the next 5 years are as follows:

	$
2017	200,000
2018	200,000
2019	200,000
2020	200,000
2021 and thereafter	1,400,000
	2,200,000

11 Bank debt

In a Commitment Letter dated April 27, 2011 (as further amended in fiscal 2014 and reconfirmed in January 2016), Scotiabank agreed to lend Brescia the following credit facilities:

A $2,000,000 operating line of credit to finance general operating requirements. Repayable upon demand, bearing interest payable monthly at Prime minus 0.5% per annum. As at April 30, 2016, $1,990,000 of the facility was available to Brescia as $10,000 has been set aside in a Letter of Credit in favour of the City of London (the City) to support Brescia's responsibilities under its Development Agreements with the City in connection with the Residence Project.

A $31,100,000 long-term non-revolving construction take-out loan to repay the construction period loan, bearing interest at 1-month Bankers' Acceptances plus Fee of 1%, fully drawn down on October 29, 2013, repayable in 89 monthly blended installments of principal and interest, with the balance of principal and interest due in the 90th month, amortized over 30 years. A $5,000,000 portion of the loan was interest-only until October 2015.

Security for the above credit facilities comprises a subordination and postponement agreement whereby the Ursuline Religious of the Diocese of London in Ontario agree to postpone principal repayments owing to it under the Mortgage Payable. However, Brescia is permitted to continue to make regularly scheduled payments on the Mortgage Payable as long as Brescia remains in good standing with the Scotiabank credit facilities.

The Scotiabank credit facilities require that Brescia maintain a ratio of EBITDA to interest expense plus the current portion of long-term debt and capital leases of 1.10 : 1 or better, calculated on a rolling four quarter basis. EBITDA is defined as Net income before extraordinary and other non-recurring items plus interest, income tax, depreciation and amortization plus unrestricted external contributions/donations received and otherwise available to be used to repay the Scotiabank loans.

Loans payable balances under the Scotiabank credit facilities are as follows:

	2016	**2015**
	$	**$**
Scotiabank long-term non-revolving take-out loan, terms described above	30,126,780	30,554,513

Based on the loan balance outstanding at April 30, 2016, the principal payments required over the next five years are as follows:

	$
2017	491,273
2018	518,416
2019	547,060
2020	577,286
2021 and thereafter	27,992,745
	30,126,780

12 Capital management

Credit risk

Credit risk is the risk of potential loss to Brescia if a counterparty to a financial instrument fails to meet its contractual obligations. Brescia's credit risk is primarily attributable to its cash, investments and accounts receivable.

Brescia has assessed its exposure to credit risk and has determined that such risk is minimal. The majority of Brescia's cash and investments are held with major financial institutions.

Currency risk

Foreign currency risk is the risk that the fair value of, or future cash flows from Brescia's financial instruments will fluctuate because of the changes in foreign exchange rates.

Brescia's investments are denominated in Canadian dollars. Certain investments such as United States and other international equities include investments in foreign jurisdictions and are therefore subject to foreign currency fluctuations. Brescia mitigates the currency risk exposure of its foreign securities through diversification of its investments.

Market risk

Market risk is the risk that the value of an investment will decrease due to changes in market factors.

Equity and fixed income securities are held within pooled funds. Risk and volatility of investment returns are mitigated through diversification of investments in different countries, business sectors and corporation sizes.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on Brescia's financial instruments.

In fiscal 2012, Brescia entered into a new debt agreement that has a variable interest rate. To manage the exposure to fluctuating prime interest rates, Brescia entered into an interest rate swap contract during the year, the terms of which are as follows (reflecting amendments in fiscal 2014):

Term of agreement	October 29, 2013 - October 29, 2043
Notional amount	$30,126,780
Interest rate	4.41%

All in interest rate includes a 1% stamping fee in addition to the interest rate noted above.

Hedge accounting has been applied to the derivative financial instrument. As such, the change in the fair value has not been recognized in the statement of operations or on the statement of financial position. As at April 30, 2016, the unrealized loss related to this swap agreement was $10,063,852 (2015 - $8,729,034) based on a mark-to-market valuation prepared by Scotia Capital Markets.

13 Ancillary operations

	2016 $	2015 $
Ancillary revenues		
Residence fees	2,143,034	2,154,015
Food services	1,820,846	1,757,859
Conference services	197,804	177,157
Parking	193,459	176,017
Other ancillary revenue	236,907	205,443
	4,592,050	4,470,491
Ancillary expenses		
Residence expenses	476,599	366,505
Food services expenses	887,471	853,910
Conference services expenses	33,588	42,926
Other ancillary costs	107,122	76,532
	1,504,780	1,339,873
Other ancillary expenses included in statement of operations:		
Direct ancillary salaries and benefits (i)	1,394,701	1,374,773
Interest on long-term bank debt (ii)	1,643,352	1,663,537
	4,542,833	4,378,183
	49,217	92,308

(i) Direct ancillary salaries and benefits are included in staff salaries and benefits expenses in the statement of operations.

(ii) Interest on long-term bank debt is presented as a separate line item in the statement of operations but relates to the Residence Project.

14 Related parties

a) The Brescia University College Foundation (the Foundation) is incorporated without share capital under the laws of Ontario. The Foundation relies on Brescia to provide payroll, facilities and other administrative support. The Foundation provides funds to Brescia for capital and student bursaries.

On July 1, 2014, Brescia entered into a Memorandum of Agreement with the Foundation (the Foundation Restructuring) whereby all fundraising operations of the Foundation ceased as at July 1, 2014 and are thereafter carried on as part of the operations of Brescia. The Foundation Restructuring further provided that the donation-in-kind from Brescia historically set at $250,000 per annum, ceased as at July 1, 2014. Following the Foundation Restructuring, the primary business activities within the Foundation comprise the management of the investment portfolios and the granting of awards to Brescia out of the Foundation's unrestricted, restricted and endowed funds. New donations into these funds flow through Brescia to the Foundation. Pursuant to the terms of the Restructuring, the Foundation is to repay Brescia for all annual fundraising activity costs in excess of $250,000.

During the year, Brescia paid $nil (2015 - $80,352) for expenses on behalf of the Foundation. The amount paid in 2015 was a donation in-kind as Brescia was not reimbursed. The balance due at year end represents awards paid by Brescia but funded by the Foundation, plus the Foundation's reimbursement to Brescia for fundraising activity costs incurred by Brescia in excess of $250,000, net of donations received by Brescia and flowed through to be invested in the Foundation's restricted and endowed funds.

Amounts due from related parties are as follows:

	2016 $	2015 $
Brescia University College Foundation	436,069	253,100

b) Planned amalgamation

The Board of Trustees of Brescia and the Board of Directors of the Foundation have mutually agreed to pursue a planned amalgamation of the two corporations at a date in the future, to be established with the further approval of both Boards.

15 Commitments

a) Operating lease commitments

The minimum lease payments required under operating leases over the next five years and thereafter are as follows:

	$
2017	25,693
2018	18,499
2019	16,298
2020	7,086
2021 and thereafter	-
	67,576

b) Canadian Universities Reciprocal Insurance Exchange

On May 1, 2013, Brescia entered into a 5-year membership with Canadian Universities Reciprocal Insurance Exchange (CURIE). All members pay annual deposit premiums which are actuarially determined and may be subject to further assessment in the event members' premiums are insufficient to cover losses and expenses.

16 Government remittances

Government remittances consist of amounts required to be paid to government authorities and are recognized when the amounts become due. As at April 30, 2016, $nil was payable to government authorities (2015 - $342,293).