

ROYAL MILITARY COLLEGES OF CANADA FOUNDATION INC.
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2019

ROYAL MILITARY COLLEGES OF CANADA FOUNDATION INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Royal Military Colleges of Canada Foundation Inc.

Qualified Opinion

We have audited the financial statements of Royal Military Colleges of Canada Foundation Inc. (the Foundation), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2019, 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.

Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether, as at and for the years ended December 31, 2019 and December 31, 2018, any adjustments might be necessary to donations revenue, excess of revenues over expenditures, assets and fund balances.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing these financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KINGSTON, Canada
May 4, 2020



Wilkinson + Company LLP
Chartered Professional Accountants
Licensed Public Accountants

ROYAL MILITARY COLLEGES OF CANADA FOUNDATION INC.
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019

	Operating Fund \$	Restricted Fund \$	Endowment Fund \$	2019 Total \$	2018 Total \$
ASSETS					
CURRENT					
Cash and bank	227,954	164,409	90,540	482,903	427,001
Short term investments	300,209	3,243,646	86,748	3,630,603	1,775,488
Accounts receivable	15,476			15,476	17,761
Accrued investment income	5,048			5,048	3,545
Due from the Royal Military Colleges Club of Canada - current - Note 10	3,250			3,250	3,250
Government remittances receivable	14,153			14,153	20,230
Prepaid expenses	5,409			5,409	8,030
Inter - fund receivables		395,870		395,870	261,809
LONG-TERM	571,499	3,803,925	177,288	4,552,712	2,517,114
Due from the Royal Military Colleges Club of Canada - Note 10	9,488			9,488	12,738
Life insurance policy - cash surrender value		17,740		17,740	16,519
Investments - Note 4		12,514,661	9,889,147	22,403,808	14,801,923
	580,987	16,336,326	10,066,435	26,983,748	17,348,294

LIABILITIES AND FUND BALANCES

CURRENT					
Accounts payable and accrued liabilities	17,925			17,925	12,357
Deferred revenue	4,800			4,800	1,500
Monies held in trust - Note 5		7,055,938		7,055,938	1,637,567
Inter - fund payables	395,870			395,870	261,809
	418,595	7,055,938		7,474,533	1,913,233
FUND BALANCES					
Unrestricted	162,392			162,392	293,786
Externally restricted		9,280,388		9,280,388	7,433,584
Externally restricted - Note 6	162,392		10,066,435	10,066,435	7,707,691
	580,987	16,336,326	10,066,435	26,983,748	17,348,294

APPROVED ON BEHALF OF THE BOARD
 President
 Treasurer
 RMCFCF

ROYAL MILITARY COLLEGES OF CANADA FOUNDATION INC.
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Operating Fund		Restricted Fund		Endowed Fund	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Revenue						
Administration fee	145,718	137,211				
Donations	7,710	7,851	668,608	468,870	2,211,505	1,726,532
Investment income	31,602	23,183	2,391,115	(518,943)		
RMC Research Services - Note 5	143,753	141,472				
Special projects	86,152	178,275				
	414,935	487,992	3,059,723	(50,073)	2,211,505	1,726,532
Expenditures						
Administration fee			145,718	137,211		
Administrative	103,192	90,779				
College benefactions			561,128	325,113		
Distributions from endowments			358,834	399,204		
Gifts to other qualified donees	15,164	11,975		20,567		
Personnel	354,605	313,537				
RMC Research Services - Note 5	52,203	48,650				
Special projects	21,165	26,190				
	546,329	491,131	1,065,680	882,095	NIL	NIL
EXCESS OF REVENUE OVER						
EXPENDITURES (EXPENDITURES						
OVER REVENUE) FOR YEAR	(131,394)	(3,139)	1,994,043	(932,168)	2,211,505	1,726,532
FUND BALANCES - BEGINNING OF						
YEAR	293,786	296,925	7,433,584	8,700,069	7,707,691	5,646,842
INTERFUND TRANSFERS - Note 7			(147,239)	(334,317)	147,239	334,317
FUND BALANCES - END OF YEAR	162,392	293,786	9,280,388	7,433,584	10,066,435	7,707,691

The accompanying notes form an integral part of these financial statements

ROYAL MILITARY COLLEGES OF CANADA FOUNDATION INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 Operating Fund \$	2019 Research \$	2019 Restricted Fund \$	2019 Endowment Fund \$	2019 Total \$	2018 Total \$
CASH FLOWS FROM OPERATING ACTIVITIES						
Sources of cash						
Donations			656,572	2,211,505	2,868,077	2,183,103
Research services contract	146,213				146,213	136,935
Grant monies received		7,281,065			7,281,065	2,093,652
Government remittances receivable	6,076				6,076	(4,453)
Other receivables	(175)				(175)	929
Special projects	89,452				89,452	174,374
Due from Royal Military Colleges Club of Canada	3,250				3,250	3,250
Uses of cash						
Personnel	(353,954)				(353,954)	(320,748)
Administrative	(90,160)				(90,160)	(83,787)
Research services contract	(52,007)				(52,007)	(49,835)
Grant monies disbursed		(1,888,703)			(1,888,703)	(1,905,447)
Benefactions			(348,019)		(348,019)	(388,039)
Endowment distributions	(15,164)		(561,128)		(561,128)	(325,113)
Gifts to other qualified donees	(19,149)				(19,149)	(32,542)
Special projects					(19,149)	(26,099)
CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(285,618)	5,392,362	(252,575)	2,211,505	7,065,674	1,456,180
CASH FLOWS FROM INVESTING ACTIVITIES						
(Increase) in investments		(3,647,882)	(1,711,516)	(2,242,486)	(7,601,884)	(871,441)
Investment income	30,100	26,011	2,391,116		2,447,227	(496,665)
CASH FLOWS USED IN INVESTING ACTIVITIES	30,100	(3,621,871)	679,600	(2,242,486)	(5,154,657)	(1,368,106)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS FOR YEAR	(255,518)	1,770,491	427,025	(30,981)	1,911,017	88,074
CASH AND EQUIVALENTS - BEGINNING OF YEAR	503,898	1,637,561	NIL	61,030	2,202,489	2,114,415
Interfund cash adjustments	279,783	3	(427,025)	147,239		
CASH AND EQUIVALENTS - END OF YEAR	528,163	3,408,055	NIL	177,288	4,113,506	2,202,489
REPRESENTED BY:						
Cash and short term investments	528,163	3,408,055	NIL	177,288	4,113,506	2,202,489

The accompanying notes form an integral part of these financial statements

**ROYAL MILITARY COLLEGES OF CANADA FOUNDATION INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

1. PURPOSE OF THE ORGANIZATION

The Royal Military Colleges of Canada Foundation Inc. was incorporated without share capital under the *Canada Business Corporations Act* and was continued on October 24, 2013 under the *Canada Not-for-Profit Corporations Act*. The principal purpose of the Foundation is to support the Royal Military Colleges of Canada and its students.

The Foundation is exempt from tax under subparagraph 149 (1)(f) of the *Income Tax Act*. In order to maintain its status as a registered charity under the *Income Tax Act*, the Foundation must meet certain requirements within the *Income Tax Act*.

2. ACCOUNTING POLICIES

Outlined below are those accounting policies adopted by the Foundation considered to be particularly significant:

(a) Basis of Accounting

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Accounting Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include valuation of accounts receivable. Actual results could differ from those estimates.

(c) Fund Accounting

The Foundation follows the restricted fund method for accounting for contributions. The Foundation ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for that purpose.

(i) Endowment Fund

The endowment fund reports resources that are required, in accordance with the donors' direction, to be maintained by the Foundation on a permanent basis.

(ii) Restricted Fund

The restricted fund reports resources that are available to be used for purposes in accordance with the donors' direction and do not form part of the endowment fund. The restricted fund also includes resources that the Board of Directors have internally restricted by Foundation policy for benefactions.

**ROYAL MILITARY COLLEGES OF CANADA FOUNDATION INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

2. ACCOUNTING POLICIES (Cont'd)

(c) Fund Accounting (Cont'd)

(iii) Operating Fund

The operating fund reports resources available for the Foundation's general operating activities. The costs of supporting these activities are reported as expenditures in the operating fund.

(d) Revenue Recognition

Donor-restricted contributions for endowment purposes are recognized as revenue in the endowment funds. Other contributions are recognized as revenue in the restricted fund depending on the nature of the donor's direction. Investment income earned on RMC Research Services investments is recognized as revenue in the operating fund when received. Contributions are recognized as revenue when received.

Income is recorded as follows:

(i) The restricted fund reports income earned on resources of the endowment and restricted funds, as well as donations that must be spent on donor directed activities.

(ii) The operating fund reports income earned on the assets held in the operating fund, donations specially earmarked for facilitating the Foundation's operations in the short term and the administrative fee charged to all endowment and restricted funds.

Investment income includes dividend and interest income and realized and unrealized investment gains and losses. Unrealized gains and losses on held for trading financial instruments are included in investment income and recognized as revenue in the statement of operations, or deferred or reported directly in net assets, depending on the nature of any external restrictions imposed on the investment income.

(e) Financial Instrument Measurement

The Foundation initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities, with the exception of investments, at amortized cost. Investments continue to be measured at fair value.

The financial assets subsequently measured at amortized cost include cash, accounts receivables, and prepaid expenses. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deferred revenue and monies held in trust.

**ROYAL MILITARY COLLEGES OF CANADA FOUNDATION INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

2. ACCOUNTING POLICIES (Cont'd)

(f) Contributed Goods and Services

Volunteers contribute a substantial number of hours each year to assist the Foundation in carrying out its activities. Because of the difficulty of determining the fair value, contributions of such services are not recognized in the financial statements.

(g) Foreign Currency Translation

Foreign currency accounts are translated into Canadian dollars as detailed. At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the application of the exchange rate in effect at that date. At the period end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current period except for the foreign currency gains and losses on long-term monetary items which are deferred and amortized over the remaining terms of the related items.

(h) Cash and Equivalents

Cash and equivalents consist of cash on deposit and short term investments maturing in 90 days or less.

3. SUBSEQUENT EVENTS

Since the end of the year, the coronavirus disease COVID-19 has had considerable impact, both globally and locally, which has the potential to create financial stress on the Foundation in the following areas:

- (a) The global investment markets have experienced substantial volatility and downward valuation due to the economic concerns at this time, which could significantly impact the Foundation's investment portfolio, and
- (b) Due to the economic uncertainty that affects potential donors, the receipt of donations may be reduced.

At the time that these financial statements were finalized, the amount of the financial impact of these two areas could not be determined. Actions taken by the Foundation to lessen the potential financial impact include:

- (a) The 2020-2021 gifting plan funding allocation has been reduced by 25% to protect funds for the 2021-2022 gifting plan and 2021 operating budget, and
- (b) The 2019-2020 planned benefactions will be significantly reduced by both travel restrictions and the early departure of students from the Colleges.

ROYAL MILITARY COLLEGES OF CANADA FOUNDATION INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

4. LONG-TERM INVESTMENTS

The investments held at December 31, 2019 consist of bonds and equities. Investments have been recorded at the fair market value provided by Canso Investment Counsel Ltd. as at December 31, 2019 and December 30, 2018.

	2019	2018
	\$	\$
Restricted and Endowment Fund Investments		
Canadian fixed income	8,112,118	4,824,279
Foreign fixed income	2,561,623	2,379,688
Canadian equity	3,863,576	4,204,280
Foreign equity	4,218,609	3,393,676
<hr/>		
Subtotal Restricted and Endowment Fund Investments	18,755,926	14,801,923
Monies held in trust (Note 5)	3,647,882	
<hr/>		
Total Long Term Investments	22,403,808	14,801,923

The fixed income securities have varying maturity dates and interest rates ranging from 2.15% to 9.75% (2018 1.68% to 11.80%) if held until maturity.

5. MONIES HELD IN TRUST

In 2005, the Foundation entered into a contract with Federal Granting Agencies, namely The Natural Sciences and Engineering Research Council (NSERC), the Social Sciences and Humanities Research Council (SSHRC) and the Canadian Institutes of Health Research (CIHR) to provide services on a trust basis as outlined in The Memorandum of Understanding between the parties. In 2015 this Memorandum of Understanding was extended for a further five years.

In 2018, the Foundation entered into a contract with the Principal's Office of the Royal Military College to provide services on a trust basis as outlined in the Agreement between the parties.

During the year, the provision of services under the aforementioned Memorandum of Understanding and Agreement resulted in net contributions to the operating fund of \$91,550 (2018 - \$92,822).

ROYAL MILITARY COLLEGES OF CANADA FOUNDATION INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

6. EXTERNALLY RESTRICTED - ENDOWMENT FUNDS

	Opening Balance \$	Donations \$	Inter-Fund Transfer \$	Endowed Capital Expended \$	Ending Balance \$
(a) Major Giving Endowed Funds					
Battlefield Tour	1,650,000	1,353,297			3,003,297
Captain Bart Leadership Award	41,594				41,594
Captain Bart Teamwork Prize	148,841				148,841
Carswell ROTP Gala Travel		170,000			170,000
Carswell TDV	98,010				98,010
Chaudry Operations Research Prize	40,000				40,000
Dacey Memorial Fund/ Chemical and Mechanical Engineering Fund	19,589				19,589
Danny McLeod Athletics	370,295	1,010			371,305
Howard B. Ripstein First Year Endowment Fund	60,000				60,000
Howard B. Ripstein Reserve Entry Fund	60,000				60,000
Howard B. Ripstein Third Year Endowment Fund	125,000				125,000
J.W. Brown Memorial Fund	11,086				11,086
James Carruthers Endowment Fund	625,559				625,559
Keyser Red & White	25,000				25,000
Mech Eng P.G. Scholarship Fund	210,174	12,000			222,174
Netherlands Liberation	166,165	6,200			172,365
No. 1 Fund - Wurtele	143,759				143,759
P Cadieux Memorial Award Fund	40,000				40,000
Phil Cowie Endowment	25,000				25,000
RG Haycock Grad Student Fund	35,575				35,575
Ripstein Library Endowment Fund	20,000				20,000
RMC Excellence in Research	110,820				110,820
Sandhurst Endowment Fund	23,450				23,450
Seath Endowment Fund	102,688				102,688
TDV Endowment Fund		80,115			80,115
Toronto Branch	25,655				25,655
UTPNM Fund (Otter Sq)	18,899	124			19,023
W.A. Ferguson	10,000				10,000
Wall of Honour	216,995	1,700			218,695
Young Memorial Fund	100,000				100,000
	4,524,154	1,624,446	NIL	NIL	6,148,600
(b) Endowed Class Funds					
Class of 56	120,355	1,200			121,555
Class of 57	44,160	475			44,635
Class of 59	86,808	1,100			87,908
Class of 60	136,912	25,340			162,252
Class of 62	206,656	650			207,306
Class of 62 - Recreation Club	217,612	414,938			632,550
Class of 64	346,067	4,494			350,561
Class of 65 - Teaching Excellence	474,010	3,240			477,250
Class of 66	1,016,517	100	147,239		1,163,856
Class of 68	132,855	800			133,655
Class of 69 - Bade Bursary	101,041	1,046			102,087
Class of 70	115,709	104,123			219,832
Class of 72	56,735				56,735
Class of 76	88,100	29,203			117,303
Class of 80	40,000	350			40,350
	3,183,537	587,059	147,239	NIL	3,917,835
Total Endowed Funds	7,707,691	2,211,505	147,239	NIL	10,066,435

**ROYAL MILITARY COLLEGES OF CANADA FOUNDATION INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

7. INTERFUND TRANSFERS

During 2019 the Foundation transferred a net total of \$147,239 from the restricted fund to the endowed class funds and a net total of \$2,623 from the major giving endowed restricted fund to the restricted funds. All transfers were approved by the Board of Directors of the Foundation or were in accordance with the Donor Agreements.

8. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash and bank, accounts receivable, short-term investments, long-term investments and accounts payable and accrued liabilities. The carrying amounts approximate their fair market value due to the immediate or short-term maturity of these financial instruments except for long-term investments which are disclosed in Note 4 to these financial statements.

(a) Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk, and equity risk.

(i) Currency Risk:

Currency risk relates to the Foundation operating in different currencies and converting non-Canadian earnings at different points in time at different foreign exchange levels when adverse changes in foreign currency exchange rates occur. The Foundation's foreign exchange risk is related to its investment portfolio of which approximately 27.5% is denominated in the United States dollar, and 0.3% in British pounds.

(ii) Interest Rate Risk:

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Foundation is exposed to interest rate risk through its interest bearing investments within the investment portfolio.

(iii) Equity Risk:

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Foundation is exposed to this risk through its equity holdings within its investment portfolio.

**ROYAL MILITARY COLLEGES OF CANADA FOUNDATION INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

8. FINANCIAL INSTRUMENTS (Cont'd)

(b) Credit Risk:

Credit risk is the risk of financial loss to the Foundation if a party to the Foundation's financial instruments fails to discharge an obligation or make payments of interest and principal when due. The Foundation is exposed to this risk relating to its debt holdings in its investment portfolio and in accounts receivable.

(c) Liquidity Risk:

Liquidity risk is the risk that the Foundation will not be able to meet all cash outflow obligations as they come due. The Foundation mitigates this risk by monitoring cash activities and expected outflows.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure the risk.

9. CAPITAL DISCLOSURE

The Foundation's objectives with respect to capital management are to maintain a minimum capital base that allows the Foundation to continue with and execute its overall purpose as outlined in the fund accounting policy in Note 2. The Foundation's Board of Directors performs periodic reviews of the Foundation's capital needs to ensure they remain consistent with the risk tolerance that is acceptable to the Foundation.

10. RELATED PARTY TRANSACTIONS

During the year, the Foundation shared selected services with the Royal Military Colleges Club of Canada (the "Club"), a related party to the Foundation. The result is a net annual transfer from the Foundation to the Club in the amount of \$13,293 (2018 - \$10,617).

In a previous year, the Foundation made an arrangement with the Club to repay the amount owing to the Foundation. The amount owing is not subject to interest and the repayment is expected to occur over a ten-year period with annual payments of approximately \$3,250 commencing in 2014. The current portion of the amount due to the Foundation is \$3,250 with the balance being presented as a long-term asset.