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**CAMP MINI-YO-WE INC.**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members of  
Camp Mini-Yo-We Inc.  
PORT SYDNEY  
Ontario

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Camp Mini-Yo-We Inc., which comprise the statement of financial position as at September 30, 2018 and the statements of operations, changes in fund balances, and cash flows for the year then ended and 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.

### *Auditors' 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 qualified audit opinion.

### *Basis for Qualified Opinion*

As is common with many charitable organizations, the entity derives part of its revenue from the general public in the form of contributions, which are not susceptible to complete audit verification. Accordingly, our verification of revenue from this source was limited to the amounts recorded in the records of the entity and we were not able to determine whether any adjustments might be necessary to contribution revenues, excess (deficiency) of revenues over expenses, assets and fund balances.

### *Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Camp Mini-Yo-We Inc. as at September 30, 2018 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.

  
NORTON McMULLEN LLP

Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada

November 26, 2018

**CAMP MINI-YO-WE INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**As at September 30,**

	Operating Fund	Capital Asset Fund	Endowment Fund	Development Fund	Total 2018	Total 2017
<b>ASSETS</b>						
<b>Current</b>						
Cash	\$ 155,281	\$ -	\$ -	\$ -	\$ 155,281	\$ 221,020
Temporary investments (Note 2)	-	-	44,742	-	44,742	47,509
Receivables	83,804	-	-	-	83,804	156,460
Due from other funds	13,232	-	-	-	13,232	-
Inventory	37,900	-	-	-	37,900	31,632
Prepaid expenses (Note 3)	55,529	-	-	-	55,529	65,240
	<u>\$ 345,746</u>	<u>\$ -</u>	<u>\$ 44,742</u>	<u>\$ -</u>	<u>\$ 390,488</u>	<u>\$ 521,861</u>
<b>Capital Assets (Note 4)</b>	<u>-</u>	<u>2,282,230</u>	<u>-</u>	<u>-</u>	<u>2,282,230</u>	<u>2,252,847</u>
	<u><u>\$ 345,746</u></u>	<u><u>\$ 2,282,230</u></u>	<u><u>\$ 44,742</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,672,718</u></u>	<u><u>\$ 2,774,708</u></u>
<b>LIABILITIES</b>						
<b>Current</b>						
Accounts payable and accrued liabilities	\$ 72,288	\$ -	\$ -	\$ -	\$ 72,288	\$ 58,906
Government remittances payable	130,354	-	-	-	130,354	136,411
Deferred revenue (Note 6)	119,487	-	-	-	119,487	173,327
Due to other funds	-	-	-	13,232	13,232	-
Current portion of long-term debt (Note 7)	12,000	-	-	-	12,000	12,000
	<u>\$ 334,129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,232</u>	<u>\$ 347,361</u>	<u>\$ 380,644</u>
<b>Long-Term Debt (Note 7)</b>	<u>31,638</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,638</u>	<u>43,638</u>
	<u><u>\$ 365,767</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 13,232</u></u>	<u><u>\$ 378,999</u></u>	<u><u>\$ 424,282</u></u>
<b>Fund Balances</b>						
Unrestricted	\$ (20,021)	\$ -	\$ -	\$ -	\$ (20,021)	\$ 45,000
Internally restricted	-	2,282,230	-	(13,232)	2,268,998	2,257,917
Externally restricted	-	-	44,742	-	44,742	47,509
	<u>\$ (20,021)</u>	<u>\$ 2,282,230</u>	<u>\$ 44,742</u>	<u>\$ (13,232)</u>	<u>\$ 2,293,719</u>	<u>\$ 2,350,426</u>
	<u><u>\$ 345,746</u></u>	<u><u>\$ 2,282,230</u></u>	<u><u>\$ 44,742</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,672,718</u></u>	<u><u>\$ 2,774,708</u></u>
<b>Contingency (Note 10)</b>						

Approved by the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

See accompanying notes

**CAMP MINI-YO-WE INC.**  
**STATEMENT OF CHANGES IN FUND BALANCES**

For the year ended September 30, 2018

	Balance Beginning	Revenues	Expenses	Transfers (Note 9)	Balance Ending
<b>Unrestricted</b>					
Operating Fund	\$ 45,000	\$ 2,425,411	\$ 2,496,032	\$ 5,600	\$ (20,021)
<b>Internally Restricted</b>					
Development Fund	\$ 5,070	\$ 158,546	\$ 8,255	\$ (168,593)	\$ (13,232)
Capital Asset Fund	<u>2,252,847</u>	<u>-</u>	<u>139,210</u>	<u>168,593</u>	<u>2,282,230</u>
	<u>\$ 2,257,917</u>	<u>\$ 158,546</u>	<u>\$ 147,465</u>	<u>\$ -</u>	<u>\$ 2,268,998</u>
<b>Externally Restricted</b>					
Endowment Fund	<u>\$ 47,509</u>	<u>\$ 2,833</u>	<u>\$ -</u>	<u>\$ (5,600)</u>	<u>\$ 44,742</u>
<b>TOTALS</b>	<u>\$ 2,350,426</u>	<u>\$ 2,586,790</u>	<u>\$ 2,643,497</u>	<u>\$ -</u>	<u>\$ 2,293,719</u>
PRIOR YEAR TOTALS	<u>\$ 2,315,957</u>	<u>\$ 2,122,443</u>	<u>\$ 2,151,132</u>	<u>\$ -</u>	<u>\$ 2,287,268</u>

See accompanying notes

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**CAMP MINI-YO-WE INC.****OPERATING FUND****STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

For the year ended September 30,	2018	2017
<b>REVENUES</b>		
Summer camp fees and sponsorships	\$ 1,592,330	\$ 1,487,462
Outdoor Centre	429,151	388,715
Operating donations	218,382	255,455
Tuck shop	100,739	89,595
Seasonal staff donations	42,724	49,355
Bus/Van revenue	18,124	28,466
Miscellaneous	23,961	22,876
<b>TOTAL REVENUES</b>	<b>\$ 2,425,411</b>	<b>\$ 2,321,924</b>
<b>EXPENSES</b>		
Staff and benefits	\$ 1,071,124	\$ 1,019,635
Administration	324,959	243,559
Facility	274,009	222,424
Food and kitchen	255,982	220,175
Program	202,844	143,788
Outdoor center	187,640	183,295
Tuck shop	83,829	84,340
Promotion	74,599	90,829
Bus/Van expense	18,588	17,156
Interest on long-term debt	2,458	2,641
Special projects	-	22,486
<b>TOTAL EXPENSES</b>	<b>\$ 2,496,032</b>	<b>\$ 2,250,328</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (70,621)</b>	<b>\$ 71,596</b>
Interfund transfers (Note 9)	5,600	-
<b>NET CHANGE FOR THE YEAR</b>	<b>\$ (65,021)</b>	<b>\$ 71,596</b>
<b>FUND BALANCE - Beginning</b>	<b>45,000</b>	<b>(26,596)</b>
<b>FUND BALANCE - Ending</b>	<b>\$ (20,021)</b>	<b>\$ 45,000</b>

See accompanying notes

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**CAMP MINI-YO-WE INC.**  
**DEVELOPMENT AND CAPITAL ASSET FUNDS**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**

For the year ended September 30,

	Development Fund	Capital Asset Fund	Total 2018	Total 2017
<b>REVENUES</b>				
Donations	\$ 158,546	\$ -	\$ 158,546	\$ 144,763
Annual dinner tickets	-	-	-	16,393
	<u>\$ 158,546</u>	<u>\$ -</u>	<u>\$ 158,546</u>	<u>\$ 161,156</u>
<b>EXPENSES</b>				
Amortization	\$ -	\$ 139,210	\$ 139,210	\$ 126,162
Minor capital items	6,188	-	6,188	23,631
Promotion	2,067	-	2,067	51,833
	<u>\$ 8,255</u>	<u>\$ 139,210</u>	<u>\$ 147,465</u>	<u>\$ 201,626</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>				
	\$ 150,291	\$ (139,210)	\$ 11,081	\$ (40,470)
Interfund transfers (Note 9)	<u>(168,593)</u>	<u>168,593</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE FOR THE YEAR</b>				
	\$ (18,302)	\$ 29,383	\$ 11,081	\$ (40,470)
<b>FUND BALANCE - Beginning</b>				
	<u>5,070</u>	<u>2,252,847</u>	<u>2,257,917</u>	<u>2,298,387</u>
<b>FUND BALANCE - Ending</b>				
	<u>\$ (13,232)</u>	<u>\$ 2,282,230</u>	<u>\$ 2,268,998</u>	<u>\$ 2,257,917</u>

See accompanying notes

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**CAMP MINI-YO-WE INC.****STATEMENT OF CASH FLOWS**

For the year ended September 30,

**2018****2017**

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**CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):****OPERATING ACTIVITIES**

Excess (deficiency) of revenues over expenses:

Operating Fund	\$ (70,621)	\$ 71,596
Development Fund	150,291	85,692
Endowment Fund	2,833	3,342
Capital Asset Fund	(139,210)	(126,162)
	<u>\$ (56,707)</u>	<u>\$ 34,468</u>

Items not affecting cash:

Amortization	139,210	126,162
Gain on investments	(2,833)	(3,342)
	<u>\$ 79,670</u>	<u>\$ 157,288</u>

Net change in non-cash working capital balances:

Receivables	72,656	(102,539)
Inventory	(6,268)	(4,712)
Prepaid expenses	9,711	(12,180)
Accounts payable and accrued liabilities	13,382	2,792
Government remittances payable	(6,057)	23,108
Deferred revenue	(53,840)	101,594
	<u>\$ 109,254</u>	<u>\$ 165,351</u>

**INVESTMENT ACTIVITIES**

Purchase of capital assets	\$ (168,593)	\$ (77,084)
Sale of investments	5,600	-
	<u>\$ (162,993)</u>	<u>\$ (77,084)</u>

**FINANCING ACTIVITIES**

Payments on long-term debt	<u>\$ (12,000)</u>	<u>\$ (12,000)</u>
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**INCREASE (DECREASE) IN CASH****\$ (65,739) \$ 76,267****CASH - Beginning**221,020 144,753**CASH - Ending**\$ 155,281 \$ 221,020

See accompanying notes

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# CAMP MINI-YO-WE INC.

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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### NATURE OF OPERATIONS

Camp Mini-Yo-We Inc. (the "Camp") is a Christian camp whose mission is to develop tomorrow's leaders through life changing adventures in God's creation.

The Camp is incorporated as an organization without share capital under the laws of Ontario. It is a registered charitable organization (RN #11904 1721) under Paragraph 149.1(1) of The Income Tax Act (Canada) and is therefore exempt from income taxes.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### a) Fund Accounting

The Camp uses the fund accounting method. Revenues and expenses are reported according to the fund with which the amounts relate. The Operating Fund reports activity from operations and all other activities not reported in other funds.

Restricted funds are either internally restricted at the discretion of the Board of Directors or externally restricted reporting donations and other amounts over which the Camp does not have complete control and discretion due to restrictions imposed by donors, contributors or other outside parties according to the express purpose for which the funds were created. The restricted funds include the following:

#### i) Development Fund

Development contributions are reported in the Development Fund. The capital of the fund and the income earned on investments are to be expended on additional equipment, buildings or land. Minor capital items are recorded as expenses in the Development Fund.

#### ii) Capital Asset Fund

The Capital Asset Fund reports capital assets and expenses directly related to capital assets.

#### iii) Endowment Fund

Endowment contributions are reported in the Endowment Fund. Investment income and capital appreciation on investments in the Endowment Fund is to be expended on camper sponsorship. The capital of these funds is to be maintained under the terms of each endowment; in the event of a loss on investments, no sponsorships will be paid until the investments recover their original value of \$43,806.



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**CAMP MINI-YO-WE INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

b) **Revenue Recognition**

The Camp follows the restricted fund method of accounting for donations and contributions. Externally restricted donations are recognized as revenue in the fund corresponding to the purpose for which they were contributed. Unrestricted donations are recognized as revenue in the Operating Fund. Restricted contributions for which there is no fund are accounted for using the deferral method.

Summer camp fees, sponsorships, outdoor centre fees, tuck shop and bus/van revenues are recognized in the Operating Fund as revenue when the services are provided and collection is reasonably assured.

Revenue derived from annual dinner tickets is recognized in the Development Fund when received.

c) **Cash and Cash Equivalents**

Cash and cash equivalents consist of bank balances, including bank overdrafts when bank balances fluctuate from being positive to overdrawn.

d) **Inventory**

Inventory, consisting of tuck and food, is measured at the lower of cost and net realizable value with cost being determined on a first-in, first-out basis.

e) **Capital Assets**

Purchased capital assets are recorded in the Capital Asset Fund at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is being provided over the estimated useful life of the assets using the following annual rates and methods:

	<u>Rate</u>	<u>Method</u>
Buildings	10 to 40 years	Straight-line
Equipment	5 to 40 years	Straight-line
Automotive equipment	4 to 10 years	Straight-line

f) **Donations in Kind and Contributed Services**

Donations in kind are recorded at fair value when fair value can be reasonably estimated and in the case of materials and services, when the materials and services would be normally purchased by the Camp and would be paid for if not donated.

Volunteers contribute substantial amounts of time to assist the Camp in carrying out its activities. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

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**CAMP MINI-YO-WE INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

g) **Impairment of Capital Assets**

When a capital asset no longer has any long-term service potential to the Camp, the excess of its net carrying amount over any residual value is recognized as an expense in the Capital Asset Fund.

h) **Use of Estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used.

Significant estimates include the estimated useful life of capital assets.

i) **Financial Instruments**

**Measurement of Financial Instruments**

The Camp initially measures all of its financial assets and liabilities at fair value. The Camp subsequently measures all of its financial assets and liabilities at amortized cost, with the exception of temporary investments which are measured at fair value. Changes in fair value are recognized in the excess (deficiency) of revenues over expenses in the applicable fund.

Financial assets measured at amortized cost include cash and receivables. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and long-term debt.

Other than temporary investments, the Camp has no financial assets measured at fair value and has not elected to carry any other financial asset or liability at fair value.

**Impairment**

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in excess (deficiency) of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

**CAMP MINI-YO-WE INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**2. TEMPORARY INVESTMENTS**

Temporary investments of the Endowment Fund consist of a portfolio of balanced mutual funds.

**3. PREPAID EXPENSES**

Included in prepaid expenses is the cashable value of the life insurance policies of \$26,554 (2017 - \$23,566). See Note 10.

**4. CAPITAL ASSETS**

Capital assets consist of the following:

	2018			2017
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 58,900	\$ -	\$ 58,900	\$ 58,900
Buildings	3,038,397	1,119,494	1,918,903	1,990,064
Equipment	686,320	435,805	250,515	146,260
Automotive equipment	249,765	205,353	44,412	35,120
Assets under construction	9,500	-	9,500	22,503
	<b>\$ 4,042,882</b>	<b>\$ 1,760,652</b>	<b>\$ 2,282,230</b>	<b>\$ 2,252,847</b>

Assets under construction consist of capital projects not completed at year end. Accordingly, no amortization has been taken.

**5. BANK CREDIT FACILITY**

The Camp has an available bank credit facility in the amount of \$467,000. This has been made available in the form of the term loans as detailed in Note 7, with the remainder being allocated to a revolving demand operating loan bearing interest at prime + 1.25%. As security for the bank credit facility, the Camp has given a collateral first mortgage on the main property limited to \$500,000 and a general security agreement over the assets of the Camp.

At year end, the balance on the revolving demand operating loan is \$nil (2017 - \$nil).

**CAMP MINI-YO-WE INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**6. DEFERRED REVENUE**

Deferred revenue consists of deposits received for services to be provided in subsequent years. The change in the deferred revenue balance for the year is as follows:

	<b>2018</b>	2017
Balance - Beginning	\$ 173,327	\$ 50,269
Deferred revenue	<b>119,487</b>	173,327
Amounts recognized as revenue - Operating Fund	<u>(173,327)</u>	<u>(50,269)</u>
Balance - Ending	<u>\$ 119,487</u>	<u>\$ 173,327</u>

**7. LONG-TERM DEBT**

Long-term debt consists of the following:

	<b>2018</b>	2017
Term loan - prime + 1.5%, matures September 2027, secured by the main camp property with a net book value of \$1,977,803, principal payments of \$1,000 per month	\$ 43,638	\$ 55,638
Less: Current portion	<u>12,000</u>	<u>12,000</u>
	<u>\$ 31,638</u>	<u>\$ 43,638</u>

Principal payments over the next three years are as follows:

2019	\$ 12,000
2020	12,000
2021	<u>7,638</u>
	<u>\$ 31,638</u>

The loan includes a financial covenant which requires the Camp to maintain a debt service coverage ratio of 110%. As at September 30, 2018, the Camp is not compliant with this covenant.

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# CAMP MINI-YO-WE INC.

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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### 8. FINANCIAL INSTRUMENTS

#### Risks and Concentrations

The Camp is exposed to various risks through its financial instruments. The following analysis provides a summary of the Camp's exposure to and concentrations of risk at September 30, 2018:

#### a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Camp's main credit risks relate to its receivables. The Camp provides credit to its clients in the normal course of operations. There were no concentrations of credit risk as at September 30, 2018. There has been no change in the assessment of credit risk from the prior year.

#### b) Liquidity Risk

Liquidity risk is the risk that the Camp will encounter difficulty in meeting obligations associated with financial liabilities. The Camp is exposed to this risk mainly with respect to its accounts payable and accrued liabilities and long-term debt. The Camp manages this risk by managing its working capital, ensuring that sufficient credit is available, and by generating sufficient cash flow from operations. There has been no change in the assessment of liquidity risk from the prior year.

#### c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and price risk. The Camp is mainly exposed to interest rate risk and price risk as follows:

#### i) 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. As described in Notes 5 and 7, the Camp is exposed to interest rate risk with respect to its bank credit facility. The Camp does not currently hold any financial instruments to mitigate this risk. The exposure to this risk fluctuates as the debt and related interest rates change from year to year.

#### ii) Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Camp is exposed to price risk through its mutual fund holdings. The exposure to this risk fluctuates as the Camp's investments change from year to year.

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**CAMP MINI-YO-WE INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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**9. INTER-FUND TRANSFERS**

Inter-fund transfers during the year are as follows:

Reference	Operating Fund	Capital Asset Fund	Endowment Fund	Development Fund
a)	\$ -	\$ 168,593	\$ -	\$ (168,593)
b)	<u>5,600</u>	<u>-</u>	<u>(5,600)</u>	<u>-</u>
	<u>\$ 5,600</u>	<u>\$ 168,593</u>	<u>\$ (5,600)</u>	<u>\$ (168,593)</u>

a) The Development Fund transferred \$168,593 (2017 - \$77,084) to the Capital Asset Fund to cover the net capital asset acquisitions.

b) The Endowment Fund transferred \$5,600 (2017 - \$nil) to the Operating Fund to fund camp sponsorships.

**10. CONTINGENCY**

The Camp owns and is the beneficiary of life insurance policies worth approximately \$1,000,000. The face value of these policies will be taken into income when they mature.