

**MACKENZIE ART GALLERY
INCORPORATED**

Financial Statements

March 31, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of MacKenzie Art Gallery Incorporated

We have audited the accompanying financial statements of MacKenzie Art Gallery Incorporated, which comprise the balance sheet as at March 31, 2015, and the statement of revenues and expenses, changes in equity, 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.

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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of MacKenzie Art Gallery Incorporated as at March 31, 2015, 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.



Chartered Professional Accountants, Chartered Accountants
Licensed Professional Accountants

June 10, 2015
Regina, Saskatchewan

MacKenzie Art Gallery
Balance Sheet
As at March 31, 2015
(in CDN dollars)

	March 31, 2015	March 31, 2014
Assets		
Current assets		
Cash	\$ 447,560	\$ 649,623
Short-term investments (Note 3)	869,782	765,166
Accounts receivable	51,910	12,476
Government remittances receivable	722	5,929
Grants receivable	209,243	79,008
Inventories	113,760	108,211
Prepaid expenses	13,435	6,368
	<u>1,706,412</u>	<u>1,626,781</u>
Objects of art (Note 4)	1	1
Capital assets tangible (Note 5a)	87,600	547,587
Capital assets intangible (Note 5b)	1,571	4,160
Long-term investments (Note 3)	318,706	296,514
	<u>407,878</u>	<u>848,262</u>
	<u>\$ 2,114,290</u>	<u>\$ 2,475,043</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 368,821	\$ 439,530
Deferred revenue (Note 6)	354,408	358,783
	<u>723,229</u>	<u>798,313</u>
Equity		
Unrestricted	35,930	40,433
Externally restricted in long-term investments	50,000	50,000
Internally restricted (Note 7)	1,305,131	1,586,297
	<u>1,391,061</u>	<u>1,676,730</u>
	<u>\$ 2,114,290</u>	<u>\$ 2,475,043</u>


On behalf of the Board of Trustees


On behalf of the Board of Trustees

MacKenzie Art Gallery
Statement of Changes in Equity
As at March 31, 2015
(in CDN dollars)

	Externally Restricted	Internally Restricted (Note 7)	Unrestricted	Total
Balance as at April 1, 2013	\$ 50,000	\$ 2,011,032	\$ 43,565	\$ 2,104,597
Deficiency of revenue over expenses for the year	-	-	(427,867)	(427,867)
Interfund transfers	-	(424,735)	424,735	-
Balance as at March 31, 2014	\$ 50,000	\$ 1,586,297	\$ 40,433	\$ 1,676,730
Deficiency of revenue over expenses for the year	-	-	(285,669)	(285,669)
Interfund transfers	-	(281,166)	281,166	-
Balance as at March 31, 2015	\$ 50,000	\$ 1,305,131	\$ 35,930	\$ 1,391,061

MacKenzie Art Gallery
Statement of Revenues and Expenses
For the year ended March 31, 2015
(in CDN dollars)

	March 31, 2015	March 31, 2014
Revenue		
Operating grants (Schedule 1)	\$ 1,422,055	\$ 1,422,055
Programming grants (Schedule 2)	188,573	406,322
Fund raising (Schedule 3)	431,250	310,089
Earned (Schedule 4)	346,534	268,875
Gallery shop (Schedule 5)	97,629	26,225
Other (Note 8)	33,000	35,000
	\$ 2,519,041	\$ 2,468,566
Expenses		
Administration		
Salaries and benefits	\$ 1,522,879	\$ 1,470,639
Administrative	181,567	216,530
Amortization	484,544	531,607
	2,188,990	2,218,776
Marketing & Development		
Marketing and communications	92,688	83,339
Development	17,666	11,529
	110,354	94,868
Programming		
Education	78,058	98,816
Exhibitions	290,657	350,076
Art at Your Door	18,883	18,741
	387,598	467,633
Collection Management		
General	46,990	38,400
Acquisition shipping and appraisal	13,718	14,242
Permanent collection (Note 4)	57,060	62,514
	117,768	115,156
	\$ 2,804,710	\$ 2,896,433
Deficiency of revenue over expenses before the following	(285,669)	(427,867)
Donations of Art (Note 4)	440,605	320,515
Permanent Collection Donations (Note 4)	(440,605)	(320,515)
Deficiency of revenue over expenses for the year	\$ (285,669)	\$ (427,867)

MacKenzie Art Gallery
Statement of Cash Flows
For the year ended March 31, 2015
(in CDN dollars)

March 31, 2015 March 31, 2014

Cash provided by (used for) the following activities

Operating activities

Deficiency of revenue over expenses	\$ (285,669)	\$ (427,867)
Items not affecting cash		
Amortization	484,544	531,607
Unrealized gain on investments	(126,808)	(137,705)
	<u>72,067</u>	<u>(33,965)</u>

Change in working capital items

Accounts and government remittances receivable	(34,227)	(4,501)
Grants receivable	(130,235)	1,182
Inventories	(5,549)	(2,827)
Prepaid expenses	(7,067)	(5,779)
Accounts payable and accrued liabilities	(70,709)	58,164
Deferred revenue	(4,375)	239,920
	<u>\$ (180,095)</u>	<u>\$ 252,194</u>

Investing Activities

Purchase of capital assets	\$ (21,968)	\$ (51,908)
Proceeds on short term investments	-	102,195
	<u>\$ (21,968)</u>	<u>\$ 50,287</u>

(Decrease)increase in cash (202,063) 302,481

Cash, beginning of year	649,623	347,142
Cash, end of year	<u>\$ 447,560</u>	<u>\$ 649,623</u>

MacKenzie Art Gallery Incorporated
Notes to the Financial Statements
For the year ended March 31, 2015
(in CDN dollars)

1. Nature of organization

MacKenzie Art Gallery Incorporated (the "Gallery") is incorporated under the Saskatchewan Non Profit Corporations Act and is a registered Canadian charitable organization and is exempt from income tax under section 149 (1) (l) of the Income Tax Act. The Gallery's purpose is to connect the community with art through public exhibitions in the City of Regina and throughout the province of Saskatchewan.

Effective May 1, 1990, the Gallery became custodian of the permanent collection of the Norman MacKenzie Art Gallery, formerly associated with the University of Regina. The permanent collection, acquired prior to May 1, 1990, remains the property of the University of Regina, after which the Gallery began acquiring its own permanent collection.

2. 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 accounts of the Gallery are maintained in accordance with the principles of fund accounting, whereby the resources of the Gallery are classified into funds associated with specific activities or objectives.

The internally restricted fund represents amounts restricted by the Board of Trustees for certain strategic and operational activities as determined from time to time.

The externally restricted fund consists of an amount restricted by a donor where once the gift grew to \$50,000 any additional amounts earned could be used for operational activities. The Gallery is required to maintain the gift in perpetuity.

b) Objects of art

The value of objects of art has been excluded from the balance sheet except for a nominal carrying value of \$1. The disbursements for purchased additions are recorded as an expense at cost and donated art is recorded as revenue and expense at its appraised value.

c) Contributed materials and services

The Gallery does not recognize contributed materials other than art and services in its financial statements due to the difficulty of determining their fair values.

MacKenzie Art Gallery Incorporated
Notes to the Financial Statements
For the year ended March 31, 2015
(in CDN dollars)

2. Accounting policies (cont'd)

d) Capital assets

Capital assets are separated into tangible and intangible assets and are recorded at acquisition cost less government assistance and accumulated amortization.

e) Amortization

Amortization of capital assets, tangible and intangible, is provided using the straight-line method over the estimated useful life of the asset at the following rates:

Computer hardware	3 to 5 years
Computer software	3 to 5 years
Leasehold improvements	5 to 25 years
Furniture & fixtures	5 to 10 years
Vehicles	3 to 5 years
Technical equipment	4 to 5 years
Audio / video equipment	5 years
Storage racks	5 to 25 years
Website	3 years

f) Impairment of long-lived assets

Long-lived assets, such as tangible and intangible assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from the use or eventual disposition of the item. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value at the date of impairment.

g) Inventories

Inventories are recorded at the lower of cost and net realizable value. Cost of inventories is determined on an average cost basis. Inventories consist of products for sale in the gift shop.

MacKenzie Art Gallery Incorporated
Notes to the Financial Statements
For the year ended March 31, 2015
(in CDN dollars)

2. Accounting policies (cont'd)

h) Revenue recognition

The Gallery follows the deferral method of accounting for contributions. Grants, self-generated, sponsorship and other sources of revenue are recognized when granted or earned except to the extent that they relate to future fiscal periods, which are recorded as deferred revenue. Pledges are recorded when received. Revenue from the gift shop is recognized when the sale of the products occur. Revenue from grants for the acquisition of capital assets is recognized as the asset is utilized. Funds recognized that are restricted for purchase of capital assets are deferred and amortized over the useful life of the related asset.

Financial instruments

The Gallery initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost except the following financial assets which have elected to be recognized at fair value:

- i) Short term investments
- ii) Long term investments

Transaction costs related to financial instruments measured at fair value subsequent to initial recognition are expensed as incurred. Transaction costs related to financial instruments measured at amortized cost are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method.

i) Pension plans

The Gallery participates in two multi-employer pension plans. Although within the plans there is a defined contribution and defined benefit component, the Gallery accounts for the plans as defined contribution due to insufficient information being available to accrue the Gallery's share of the obligation arising from the defined benefit components. Contributions to the pension plans are expensed as funded.

j) Use of 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 revenues, expenses and amortization during the reporting period. Key components of the financial statements requiring management to make estimates include the useful lives of long-lived assets, the fair value of certain financial instruments, and the value of donations of art. Actual results could differ from these estimates.

MacKenzie Art Gallery Incorporated
Notes to the Financial Statements
For the year ended March 31, 2015
(in CDN dollars)

3. Investments

	2015	2014
Short-term investments		
University of Regina pooled investments	\$ 869,782	\$ 765,166
Total short-term investments	869,782	765,166
Long-term investments		
South Saskatchewan Community Foundation pooled investments	318,706	296,514
Total short-term and long-term investments	\$ 1,188,488	\$ 1,061,680

The Gallery has classified those investments which can be accessed on demand and are used to support the Gallery's operations as short-term. Investments which the Gallery is holding for future growth and has no intention of accessing in the near term have been classified as long-term.

4. Objects of art

During the year, the Gallery expensed acquisitions of objects of art in the following amounts:

	2015	2014
Purchased at cost	\$ 57,060	\$ 62,514
Donations received and approved by appraisal	440,605	320,515
	\$ 497,665	\$ 383,029

As at March 31, 2015, the combined objects of art owned by, or in the custody of, the Gallery were insured for \$25,080,604. The policy premium for this insurance coverage was \$11,017 (2014 - \$10,959).

MacKenzie Art Gallery Incorporated
Notes to the Financial Statements
For the year ended March 31, 2015
(in CDN dollars)

5. Capital assets

a) *Tangible assets*

			2015	2014
	Cost	Accumulated Amortization	Net	Net
Computer hardware	\$ 186,126	\$ 166,778	\$ 19,348	\$ 19,947
Leasehold improvements	10,936,773	10,936,773	-	444,481
Furniture and fixtures	322,302	301,825	20,477	25,410
Vehicles	62,280	62,280	-	-
Technical equipment	207,951	169,341	38,610	34,531
Audio/video equipment	52,097	46,475	5,622	8,528
Storage racks	224,949	221,406	3,543	14,690
	\$ 11,992,478	\$ 11,904,878	\$ 87,600	\$ 547,587

b) *Intangible assets*

			2015	2014
	Cost	Accumulated Amortization	Net	Net
Computer software	\$ 49,474	\$ 47,902	\$ 1,571	\$ 4,160
Website	149,995	149,995	-	-
	\$ 199,469	\$ 197,897	\$ 1,571	\$ 4,160

6. Deferred revenue

	2015	2014
Opening balance	\$ 358,783	\$ 118,863
Funds received relating to future periods		
Program contributions	272,211	290,292
Capital contributions	15,453	-
Other earned revenue	61,744	50,091
Prior amounts recognized in current period revenue	(353,783)	(62,434)
Amortization of capital grants	-	(38,029)
Closing Balance	\$ 354,408	\$ 358,783

MacKenzie Art Gallery Incorporated
Notes to the Financial Statements
For the year ended March 31, 2015
(in CDN dollars)

7. Internally restricted funds

	2015	2014
Reserved for future sustainability	\$ 1,037,319	\$ 874,739
Insurance reserve	5,000	5,000
Member lounge improvement reserve	5,000	5,000
Human resource contingency	54,881	41,600
Invested in inventory	113,760	108,211
Invested in capital assets	89,171	551,747
	<u>\$ 1,305,131</u>	<u>\$ 1,586,297</u>

Allocation or spending of program funds reserved for future sustainability requires Board of Trustee approval. The framework for these program funds is allocated as follows:

	2015	2014
Acquisitions	\$ 565,246	\$ 543,954
Capital	134,239	106,190
Sustaining	337,834	224,595
	<u>\$ 1,037,319</u>	<u>\$ 874,739</u>

8. MacKenzie Trust Fund Inc.

In 1990 the Gallery and the University of Regina entered into an Agreement relating to the administration of the Norman MacKenzie Foundation Fund and the Norman MacKenzie Art Works Fund (referred to collectively as the "MacKenzie Trust Funds"). The University of Regina is the Trustee of the MacKenzie Trust Funds. The total of the funds held by the University in 1990 had an approximate fund balance of \$71,000 and \$2,000 respectively.

Income and accumulated income earned from the MacKenzie Trust Funds shall be used by the Gallery solely for the purposes as follows:

- Purchasing works of art, artifacts or other objects for the MacKenzie Art Gallery, University of Regina Collection. All reasonable costs associated with the purchasing of the above noted items, such as travel.
- Cleaning, maintenance or restoration of any of the works of art, artifacts or objects that form part of the MacKenzie Art Gallery, University of Regina Collection.
- Providing building maintenance and upkeep required for the care of the MacKenzie Art Gallery, University of Regina Collection.

Income and accumulated income earned on the MacKenzie Trust Funds is disbursed to the Gallery upon request and upon approval by the University of Regina's President's Advisory Committee on Art.

MacKenzie Art Gallery Incorporated
Notes to the Financial Statements
For the year ended March 31, 2015
(in CDN dollars)

8. MacKenzie Trust Fund Inc. (cont'd)

During the year \$33,000 (2014 - \$35,000) was paid from the MacKenzie Trust Funds to the Gallery Inc. for the acquisition of art.

Norman MacKenzie Foundation Fund		Norman MacKenzie Art Works Fund	
Balance - April 1, 2014	\$259,768	Balance - April 1, 2014	\$14,783
Income earned	31,860	Income earned	2,021
Approved Disbursements	(33,000)	Approved Disbursements	-
Balance - March 31, 2015	\$258,629	Balance - March 31, 2015	\$16,804

9. Pension plans

Employees of the Gallery are eligible to participate in the University of Regina's Non-Academic Pension Plan (NAAP) and the Academic and Administrative Employees Pension Plan. These plans are administered by the University of Regina and are defined benefit final average pension plans. Contributions are made to the plans in accordance with the respective collective agreements in place as well as the employee benefit plans offered to out of scope employees. The Gallery is liable for its pro-rata share of any actuarial deficiency since May 1, 1990. In addition, effective January 1, 2000 a defined contribution component was added to the Academic and Administrative plans for all new Gallery employees and past members were given the choice to join the new plan.

The University of Regina and CUPE 5791 ratified an agreement on September 12, 2014 on the Non-Academic Pension Plan (NAAP) that would provide for a combination of increased contributions on pensionable earnings, a reduction in the benefit accrual and additional funding to address the annual deficit payments required during the valuation period.

The changes to address the financial sustainability of the NAAP taking effect January 1, 2014 include:

- Employee contributions will increase by 1% to 8.75% of pensionable earnings and the employer will match these contributions resulting in a total fixed rate contribution of 17.5% of pensionable earnings. (an increase from the current level of 15.5% combined),
- The current accrual rate of 1.75% (best 3 years pensionable earnings) will reduce to 1.5% (best 5 years pensionable earnings) for future service,
- Additional amounts necessary to satisfy the prescribed funding requirements of the *Saskatchewan Pension Benefits Act* and as recommended in December 31, 2012 actuarial valuation until such time as a subsequent valuation is filed. Based on the December 31, 2012 valuation, such additional amounts are 2.18% of pensionable earnings. With these changes incorporated, the plan's deficit position reduces to \$4.18 million.

MacKenzie Art Gallery Incorporated
Notes to the Financial Statements
For the year ended March 31, 2015
(in CDN dollars)

9. Pension plans (cont'd)

The Gallery records as pension expense its contributions to the pension plans. The expense recorded in 2015 was \$88,929 (2014 - \$87,890). Additional amounts paid by the Gallery in 2015 to address the going concern deficit was \$13,340 (2014 - \$3,791), and this amount will be due annually until the next actuarial valuation is completed.

10. Commitment

The Gallery entered into a lease agreement dated July 26, 1990 with the Province of Saskatchewan, which provides the Gallery with lease premises for twenty-five years at \$1 per year. This lease expires in 2015 at which time there is a ten year option renewal with the same terms and conditions. The facility operating costs of approximately \$1.7 million (2014 - \$ 1.6 million) are not recognized in the financial statement.

11. Financial instruments

The Gallery is exposed to various risks related to its financial instruments described in Note 2(i). The following analysis presents the Gallery's significant risk exposures as at March 31, 2015.

Credit risk

The Gallery is exposed to credit risk from potential non payment of amounts receivable. The Gallery's receivables are primarily from various government agencies whose credit risk is considered to be low.

Liquidity risk

The Gallery's objective is to have sufficient liquidity to meet its liabilities when due, and monitors its cash balance and cash flows to meet its requirements.

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. The Gallery is exposed to market risk through its pooled investments (Note 3) which consist of fixed income and equity investments whose fair values fluctuate with changes in the market. The Gallery's exposure is limited to the carrying value of these investments.

Interest rate risk

The Gallery is exposed to interest rate risk on its fixed income investments.

Mackenzie Art Gallery
Schedules
For the year ended March 31, 2015
(in CDN dollars)

Schedule of Operating Grants

Schedule 1

	March 31, 2015	March 31, 2014
Federal Grants		
Canada Council - Operating Grant	\$ 205,000	\$ 205,000
	\$ 205,000	\$ 205,000
Municipal and School Grants		
City of Regina	\$ 295,000	\$ 290,000
Regina Public School Board	10,000	15,000
Regina Catholic School Board	12,000	12,000
	\$ 317,000	\$ 317,000
Provincial Grants		
Saskatchewan Lotteries	\$ 332,580	\$ 332,580
Saskatchewan Arts Board	167,475	167,475
	\$ 500,055	\$ 500,055
University Grants		
University of Regina	\$ 400,000	\$ 400,000
	\$ 400,000	\$ 400,000
Total Operating Grants	\$ 1,422,055	\$ 1,422,055

Schedule of Programming Grants

Schedule 2

	Programs				March 31, 2015	March 31, 2014
	Operating	Acquisitions	Capital	Sustaining		
Federal Grants						
Canada Council - Artist & Community Collaboration	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
Canada Council - Acquisitions Assistance	-	26,500	-	-	26,500	28,900
Dept of Canadian Heritage - Museums Assistance Program	98,412	-	-	-	98,412	278,359
Dept of Canadian Heritage - Canada Interactive Fund	-	-	-	-	-	34,629
SSRHC U or R	15,953	-	-	-	15,953	-
Employment Grants	13,058	-	-	-	13,058	11,041
	\$ 142,423	\$ 26,500	\$ -	\$ -	\$ 168,923	\$ 352,929
Provincial Grants						
Sask Culture Inc. - Aboriginal Arts and Culture Leadership	\$ 7,964	\$ -	\$ -	\$ -	\$ 7,964	\$ 21,647
Saskatchewan Arts Board - Creative Partnerships	-	-	-	-	-	3,835
Saskatchewan Arts Board - Innovations Grant	11,686	-	-	-	11,686	24,000
Saskatchewan Arts Board - Special Initiatives Grant	-	-	-	-	-	3,911
	\$ 19,650	\$ -	\$ -	\$ -	\$ 19,650	\$ 53,393
Total Programming Grants	\$ 162,073	\$ 26,500	\$ -	\$ -	\$ 188,573	\$ 406,322

MacKenzie Art Gallery
Schedules
For the year ended March 31, 2015
(in CDN dollars)

Schedule of Fundraising Revenue

Schedule 3

	Programs				Expenses	March 31, 2015	March 31, 2014
	Operating	Acquisitions	Capital	Sustaining			
Donations	\$ 124,992	\$ -	\$ 8,263	\$ 20,000	\$ -	\$ 153,255	\$ 136,493
Total Donations	\$ 124,992	\$ -	\$ 8,263	\$ 20,000	\$ -	\$ 153,255	\$ 136,493
Sponsorship - Exhibitions and Programs	\$ 110,500	\$ -	\$ 1,000	\$ -	\$ -	\$ 111,500	\$ 49,200
Bazaar	76,331	-	-	-	17,923	58,408	49,529
Gala Art Auction	64,258	-	-	-	26,118	38,140	52,781
Insider Dinner Series	49,026	-	-	-	16,542	32,484	-
Art in Bloom	39,212	-	-	-	17,890	21,322	-
Holiday Bazaar	21,406	-	-	-	5,265	16,141	22,086
Total Sponsorship & Events	\$ 360,733	\$ -	\$ 1,000	\$ -	\$ 83,738	\$ 277,995	\$ 173,596
Total Fundraising	\$ 485,725	\$ -	\$ 9,263	\$ 20,000	\$ 83,738	\$ 431,250	\$ 310,089

Schedule of Earned Revenue

Schedule 4

	Programs				Expenses	March 31, 2015	March 31, 2014
	Operating	Acquisitions	Capital	Sustaining			
Unrealized gain on investments	\$ -	\$ 82,570	\$ 13,981	\$ 30,257	\$ -	\$ 126,808	\$ 136,681
Interest Income	788	-	-	-	-	788	1,024
Exhibition fees	68,575	-	-	-	-	68,575	13,813
Other	8,944	-	-	-	-	8,944	7,203
Facility Rental program	95,979	-	-	-	17,219	78,760	57,374
Memberships	18,130	-	-	-	-	18,130	18,875
Program fees	25,425	-	-	-	-	25,425	27,101
Conservation	19,104	-	-	-	-	19,104	6,804
Total	\$ 236,945	\$ 82,570	\$ 13,981	\$ 30,257	\$ 17,219	\$ 346,534	\$ 268,875

Schedule of Gallery Shop Revenue and Expenses

Schedule 5

	March 31, 2015	March 31, 2014
Sales	\$ 562,487	\$ 434,781
Other Earned Revenue	4,922	2,919
Cost of Goods Sold	278,720	237,900
Gross Profit	\$ 288,689	\$ 199,800
Less: Operating Expenses		
Salary and Benefits	\$ 138,097	\$ 133,484
Administrative	52,963	40,091
Total Operating Expenses	\$ 191,060	\$ 173,575
Net Gallery Shop Proceeds	\$ 97,629	\$ 26,225