

Fusion

THE ONTARIO
CLAY AND GLASS
ASSOCIATION



Lesley McNally

The Gardiner Museum Shop showcases the work of members of FUSION: The Ontario Clay and Glass Association, makers of fine hand-crafted works in clay and glass **May 20 - 30, 2010.**

Works featured are specifically crafted for the exhibition by FUSION members – Thomas Aitken, Susan Card, Shu-Chen Cheng, Florence Chik-Lau, Chari Cohen, Aneela Dias D'Souza, Iris Dorton, Tara Lynne Franco, Peta Hall, Celia Hirsh, Kate Hyde, Don McClennen, Lesley McNally, Ann Mortimer, Shane Norrie, Gerri Orwin, Barbara Rose, Chiho Tokita, Virginia Wilson, Miguel Zapata, and others.

The Gardiner Museum Shop
111 Queen's Park
Toronto, ON M5S 2C7
416-586-8080



ANNUAL REPORT

April 1, 2009 – March 31, 2010

FUSION Board 2009-2010

Current Board of Directors

PRESIDENT	Vickie Salinas
PAST PRESIDENT/NOMINATIONS	Derek Chung
SECRETARY	Janet Cox
TREASURER	Deborah Freeman
ADVOCACY/EXTERNAL RELATIONS	Judy Donaldson
GUILD RELATIONS	Barb Banfield
MEMBERSHIP	Jane Klarer-Lackey
PUBLICATIONS/MARKETING	Derek Chung
PROGRAMMING & EDUCATION	Carol Badenoch
PUBLIC EVENTS	Jane Thelwell
BOARD EFFECTIVENESS	vacant
DEVELOPMENT	vacant
FUSION OFFICE ADMINISTRATOR	Cindy Vroom
CENTRAL REGION REPRESENTATIVE	Susan Card, Gerri Orwin
EASTERN REGION REPRESENTATIVE	Susan Roston
NORTHERN REGION REPRESENTATIVES	Keith Campbell Lynden Pond
SOUTHWEST REGION REPRESENTATIVE	Teresa Ainsworth



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Front Cover: FUSION Members Exhibition at the Gardiner Museum Shop, 2010

President's Report

Vickie Salinas, President

FUSION has had a year of challenges, changes, surprises and success.

In June, 2009, we received notification from the Canada Revenue Agency that the loss of our charitable status would require us to pay a revocation tax equal to our total worth as of January 2006 (when our status was revoked) – less our legitimate cost of operating from January 2006 through January 2007. This would more than bankrupt our organization, it would put us in debt.

Your Board chose to reapply for charitable status. In order to meet today's criteria for charitable status, changes needed to be made to many of our governing and operating documents. We needed to provide clear criteria for participation in some of our programs, to open up some programs to non-members, and to change and clarify the wording of our objects in our letters patent. Several Board members worked on these changes. A lawyer was hired to rewrite the objects in our letters patent. In October 2009, a special general meeting was called in Toronto to present these letters patent to you, our members for your approval. The turn out at this meeting was fantastic. The changes were approved by you and then were sent to the Public Guardian of Ontario for their approval. The application and all

supporting documents were sent to the CRA. This has been a long process. It has also been successful. Our charitable status has been reinstated. I would like to thank Janet Cox, Derek Chung, Deborah Freeman and Cindy Vroom for their help in preparing this reapplication, and Barb Banfield for organizing the October general meeting.

The make up of our Board has changed this year. In the fall, Dolores Maki, Sam McKenna and Brenda Sullivan left the Board. In October, Janet Cox joined the Board and has taken on the job of Secretary. And, in April, Jane Thelwell joined the Board.

Our Website, Magazine, E-news, Winter Workshop, Conference, Sale and Exhibition have continued to provide our members information, education and opportunities to sell and exhibit their work. I would like to thank the Board and all other volunteers who worked so hard to make all of our programs successful this year.

In order to serve our members better in the coming years, we have been conducting an online survey. The information gained from this survey will be used to improve existing programs and potentially initiate new programs and services in the future. ■

Secretary's Report

Janet Cox, Secretary

I became Secretary to the FUSION Board of Directors in the wake of the general members' meeting held at the Gardiner in October 2009. I had come to know of the organization in my time at Sheridan College in the ceramics program, but I knew little of its history, or the breadth of programs and services it offered. The FUSION Board however, gave me a warm welcome.

Since then, I have been engaged in the usual work of a Secretary, as well as assisting Vickie Salinas on a couple of initiatives designed to regain FUSION's charitable status.

Most memorable in my short time with FUSION, however, has been the work involved in preparing FUSION's application for an operating grant from the Ontario Arts Council. This is a job tailor-made for a new director. It led me to begin to understand the role FUSION has played in the clay and glass community since 1975, to learn of FUSION events past and present, and to speak to a number of FUSION's many volunteers. The experience has led me to believe in the importance of the work FUSION does, and the need to re-vitalize the organization that it may continue to do its work in support of the clay and glass community. ■

Finance Report

Deborah Freeman, Director

My first term as Treasurer has certainly been intense, exciting and challenging.

At first glance, it appears that FUSION suffered a dramatic loss in Fiscal 2010, especially when compared to Fiscal 2009's small surplus. In reality both years are similar in their activity and their bottom lines. What makes them appear different is the manner in which a grant for capital purchases was treated in 2009. Here's what happened:

In 2009, FUSION was awarded a \$43,000 grant from the Trillium Foundation. The majority of that grant was used to purchase capital assets. Following usual accounting practices, only a portion of the cost of those assets was recorded as an expense in 2009 (\$11,000). Normally, the same amount of grant funds (\$11,000) would have been recorded as revenue against this expense. This would have resulted in no effect to the bottom line. However, in 2009 the entire \$42,000 was recorded as revenue. Thus, a \$31,000 profit was recorded on this activity. Had the Trillium grant funds been treated in the same manner as the expense, 2009 would have shown a \$23,000 loss.

As a result, Fiscal 2010 is showing a higher loss than it actually accrued. The decision to recognize the entire Trillium grant as revenue in 2009 has increased the deficit in 2010 by \$18,000. Here's why:

In Fiscal 2010 the assets purchased with the Trillium grant funds referred to above generated an \$18,000 non-cash expense in 2010. Normally, this expense would have been offset by recognizing a corresponding portion of the Trillium grant. This would have resulted in a break-even situation. Since, however, the entire Trillium grant was recognized as revenue in 2009, there is no offsetting revenue to be taken.

This issue will continue to affect FUSION'S financial statements. In 2011, there will be a \$10,000 Trillium capital expense for which there will be no offsetting grant revenue.

In addition to how grant funds from a previous period were stated, 2010 saw two extraordinary expenses that should not be repeated in future years. The first was \$3,900 in legal and application fees associated with our application to regain charitable status. The second was \$2,200 in addition to the Trillium grant obtained, which was needed to complete the new database and website.

The good news is that our events are being run responsibly, generating a small surplus overall.

The challenge that faces us is that the surplus from our activities plus our membership fees are not enough to cover our overhead expenses such as: office rent; website and database maintenance; insurance; phone; postage; audit fees; Board travel; and administrative services.

Currently, this cash shortfall is being covered with funds generated from past Pottery & Glass Shows. We are very fortunate and grateful that these surplus funds are available and thank the individuals who worked so hard to amass them. They are buying us time to determine how to adjust operations so that we are sustainable and relevant to you, the membership.

I am pleased to be a part of FUSION at this juncture and look forward to the opportunities that await as we restructure our activities so that FUSION can serve its members better for many years to come. ■

Nominations Report

Derek Chung, Past President

Current Board of Directors

President:

Vickie Salinas 2008-2010

Past President/Nominations:

Derek Chung 2008-2010

Publications/Marketing:

Derek Chung 2008-2010

Advocacy/External Relations:

Judy Donaldson 2008-2010

Treasurer:

Deborah Freeman 2009-2011

Guild Relations:

Barbara Banfield 2009-2011

Membership:

Jane Klarer-Lackey 2009-2011

Programming & Education:

Carol Badenoch 2009-2011

Secretary:

Janet Cox

Public Events:

Jane Thelwell

Board Effectiveness:

vacant

Development:

vacant

This year we have a number of Board positions to be filled. I would like to thank the following nominees who have agreed to stand for positions on the FUSION Board of Directors for the 2010 to 2012 term.

2010 -2012 Slate of Nominees

Vickie Salinas – re-election

Derek Chung – re-election

Judy Donaldson – re-election

Janet Cox

Jane Thelwell

FUSION says a “THANK YOU” to the former Directors – Dolores Maki, Deborah Kroch, Bonnie Silbert, Sam McKenna, and Brenda Sullivan, who have all contributed and been responsible for the continued progress of our organization.

FUSION submitted nominees for the OCC’s 2009 John Mather Award for Lifetime Achievement, and both of our nominees Lillian Forester and Jonathon Bancroft-Snell were recipients of this award.

FUSION presented FUSION DESIGN AWARDS to the following: Ottawa Guild of Potters; and Waterloo Potters’ Workshop.

FUSION also presented Awards to students in the Ceramics and Glass programs at Sheridan College, and the Ceramics program at Lakehead University.

Recognition was given to FUSION volunteers at the annual Conference, May 2009 in Toronto.

‘Volunteer of the Year’ certificates were awarded to Tara Lynne Franco, Denise Rainville, Barbara Taylor, Wendy Vervoort, Victor Levin, Gerri Orwin, Barbara Banfield, Paul Peddle, Brett Jones, Gregory Terakita, Robert Têtu, Susan Card, Christa Spencer, Guida Pirita, Ana-Paula Leandro, Lillian Forester, Ian Chung, and the Kingston Potters Guild.

FUSION also nominates people for awards within the Canadian Conference of the Arts, the Order of Ontario and the Saidye Bronfman Award. Names for future nominations of meritorious individuals are always welcomed by the Board. ■

Programming & Education Report

Carol Badenoch, Director

Winter Workshop 2009

On March 13 and 14, 2010, FUSION held its Winter Workshop with Leah Leitson at Wilfrid Laurier University in Waterloo. From a purely personal point of view, I consider this one of the best workshops we have had over the past number of years.

We had 34 members attend, as well as 5 non-members, including a young lady from Pittsburgh.

A special thank you has to go to Judy Donaldson who graciously hosted Leah over the weekend. Through a connection Judy had with the University, FUSION was able to save considerably on expenses. Thanks also to Cindy Vroom who did the videography over the weekend.

It has been my pleasure to organize FUSION'S Winter Workshops for the past 6 out of 7 years (one was cancelled). I would be most pleased to work with whomever accepts the challenge for next year.

Submitted by Lillian Forester

Conference 2009 in Toronto

The 2009 Conference held at University of Toronto featuring Meira Mathison and Tom Coleman was attended by 177 members, with 71 members registered for Pre-Conference workshops.

Of the nine advertised Pre-Conference workshops, one was cancelled and the Media Relations workshop was combined with the Marketing Workshop by Susan Sommers. Presenters were: Diane Creber, Steve Irvine, Robert Têtu, Amy Johnson, Heather Gentleman, Susan Sommers.

FUSION thanks Barbara Banfield for handling FUSION merchandise for sale, Derek Chung for designing the poster and Conference web pages and Judy Donaldson for designing the Conference pins once again.

FUSION also thanks the following Pre-Conference Workshops organizers, hosts and studios for contributing to a successful Conference: Pickering Potters' Studio – Ana Paula Leandro & Guida Pirita, Burlington Art Centre, Burlington Potters' Guild, Barbara Taylor, Mississauga Potters' Guild, Wendy Vervoort, Tank Studio, Hag Atelier.

Most importantly, FUSION thanks their constant supporters: Tuckers Pottery Supplies and Pottery Supply House. ■

Submitted by Susan Card and Judy Donaldson

Membership Report

Jane Klarer-Lackey, Director

Our main focus over the previous year has been the implementation of the FUSION Database Content Management system that manages the website pages, memberships, and the online registration for the workshops and Conference. Our office administrator, Cindy Vroom has spent an enormous amount of time learning the system and rebuilding the website within the database. Our “go live” date was September 27th, 2009. With the help of our service provider and developer Simon LeBrun from Thirty-five Solutions we managed to identify and correct a number of issues with the database – all normal processes with any new implementation; create the much needed reports;

and successfully provide our first online membership renewals and registrations for the Winter Workshop and Annual Conference. I would like to thank all of our members for being patient with us as we made this transition to our online services, Simon LeBrun for his technical support, and Cindy Vroom for her tenacity, perseverance and dedication in pulling it all together.

Moving ahead we look forward to refining the online processes and determining what new services we can provide. ■

Publications/Marketing Report

Derek Chung, Director

FUSION: A Magazine for Clay and Glass continues to be an important aspect of FUSION membership. The FUSION Magazine serves to support and promote ceramic and glass artists through its varied content, which includes artist profiles, current events in the clay and glass community, and information that is of interest to makers and collectors alike. The magazine is also available to the broader public via newsstands (including Chapters/Indigo and specialty magazine shops).

Thanks to Editor, Helen Rudin, for maintaining a roster of great contributing writers who provide well-written, diverse editorial content to the magazine. Helen continues her role as the Advertising Representative for FUSION Magazine. Helen has generated critical new advertising

revenue, while maintaining our current list of advertising clients. We also saw an increase in single sales due to back list orders. Thanks also to Patrick Kilborn for the design and print of the magazine.

The FUSION website has seen an increase in the addition of new individual member gallery pages. I would like remind and encourage all FUSION member guilds and members alike that this webpage gallery is available free of charge as a benefit of being a current FUSION member.

The FUSION e-news is currently broadcasted twice a month to keep members current of FUSION news, events, exhibitions, call for entry, etc. ■

Advocacy/External Relations Report

Judy Donaldson, Director

The current and incoming members of the FUSION Board are undoubtedly the most skilled, wise and experienced group I will have had the pleasure to meet with. We are truly lucky to have attracted such a talented collection of individuals, which will make advocating on behalf of the organization seem even more natural.

As in the past I will continue to be one of FUSION's many enthusiastic boosters, keeping positive relationships going, and forging new ones as they emerge. I look forward to staying involved through proofreading documents and assisting with some of the Annual Conference tasks as well.

During last year's Conference in Toronto, FUSION members enjoyed a reception, generously hosted by McKinsey & Company in their beautiful building as the result of consistent FUSION boosting.

In March, as Programs Convenor for the Waterloo Potters' Workshop, I was able to assist Lillian Forester with some of the arrangements for FUSION's Winter Workshop with Leah Leitson from North Carolina. Past experience with FUSION events prompted friends at the university to offer us the auditorium at no cost. Lillian's report covers this event in more detail.

It has been a privilege to work with the current FUSION Board, rejoining the tenacious few, persisting in their dedication, and getting to know the new and talented folks, just getting their teeth into the workings of this amazing organization. I look forward to a seat around the table for another term. ■

Guild Relations Report

Barbara Banfield, Director

My first responsibility was to contact all the existing FUSION Representatives and enlist their continued support in communicating and supporting FUSION to their respective Guild or community. It was great to contact everyone and in most cases to get continued support from the clay community including our Elders Representative Ann Mortimer and our Gardiner Representative Gerri Orwin. We also have many new guild representatives from all the different regions of Ontario. I have attached a list of all the representatives if you would like to know who your contact is for your area.

I have been in touch, primarily by email, with these individuals in order to update and keep them informed of any upcoming events, deadlines or changes to events that would be of special interest to their Guilds.

The Gardiner Museum has been very supportive and with Gerri Orwin's assistance we will be featuring again this year the FUSION Members show and sale in the Gardiner Gift Shop. This is a special event featuring new work of FUSION Members who are registered as Gardiner artists. We have twenty artists registered to participate this year and are hoping to grow this exhibition next year.

We have created some new "iPot" merchandise for FUSION members which will be on sale at the Conference. ■

FUSION Representatives, May 2010

Theresa Ainsworth
London Area
ph 519-432-7387
tainsworth@odyssey.on.ca

Rosemary Arthurs
Guelph, Kitchener Area
ph 519-696-2484 or 1-800-311-0806
dundee pottery@bell.net.ca

Jennifer Assinck
Pine Tree Potters, Aurora,
New Market
ph (905) 853-3521
jassinck@sympatico.ca

Keith Campbell
Northern Ontario
ph 705-472-3263
campbell001@sympatico.ca

Susan Card
Burlington Arts Center
ph 416-603-3474
ecard@interlog.com

Derek Chung
Northumberland Guild
ph 705-924-9709
dereko240@sympatico.ca

Judy Donaldson
Waterloo Area
ph 519-888-0003
donaldson@sympatico.ca

Eva Gallager
Deep River Potters Guild,
Northern Ontario
ph 613-584-2345
galla@magma.ca

Joyce Lemke
Ottawa
ph 613-226-4559
joyce.lemke@primus.ca

Dolores Maki
Thunder Bay Potters
ph 807-683-7069
dmaki@tbaytel.net

Ann Mortimer
Elders Representative, York
Region
Newmarket, ON L3Y 4V9
ph 905-895-2768
anmort@sympatico.ca

Gerri Orwin
Gardiner Museum
Representative
ph 416-323-3207
gerriorwin@rogers.com

Ana Paula Leandro
Durham Region
ph 905-831-1891
apl_artmisia@yahoo.ca

Susan Roston
Ottawa Area
ph 613-523-6099
sroston@rogers.com

Amanda Skalski
Glass Artist Representative
amandasglass@gmail.com

Brenda Sullivan
Kawartha Guild
ph 905-430-2898
mudder7@sympatico.ca

Andrea Vuletin
Hamilton Potters
ph 519-352-3423
andrevuletin@sympatico.ca

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
MINUTES OF THE ANNUAL GENERAL MEETING
Victoria College, University of Toronto
Toronto, ON
May 24, 2009
Time: 1:10

1. WELCOME

President Vickie Salinas welcomed everyone and thanked the members of the Board for their work and support over the past year. Board members who were present were introduced:

PRESIDENT and Director of Programs: Vickie Salinas
PAST PRESIDENT Director of Marketing and Publications:
Derek Chung
SECRETARY: Bonnie Silbert
DIRECTOR OF FINANCE: Deborah Kroch
DIRECTOR OF MEMBERSHIP: Sam McKenna
DIRECTOR OF EXTERNAL EVENTS Brenda Sullivan

Vickie extended regrets on behalf of absent Board members:

DIRECTOR OF DEVELOPMENT: Dolores Maki
DIRECTOR OF SPECIAL PROGRAMS: Jane Neff
DIRECTOR OF MEMBERSHIP: Sam McKenna

2. MINUTES OF THE PREVIOUS MEETING: MAY 27, 2007,
McMaster University, Hamilton

MOTION: Theresa Ainsworth moved and Barb Blackburn seconded a motion to accept the minutes as circulated. Motion carried.

3. ANNUAL REPORTS OF DIRECTORS

The Annual Reports of Directors were presented as circulated in "FUSION ANNUAL REPORTS 2009".

Derek Chung indicated that Ying-Yueh Chuang, Deborah Freeman, and Kasia Piech had been granted Bursary Awards of \$400.00 each for the coming year. Derek thanked Ann Mortimer for acting as the juror for the bursary applications.

Two people had been nominated to the John Mather Award: Lillian Forester and Jonathan Bancroft Snell.

Brenda Sullivan indicated that galleries are still being sought for Fireworks 2008. Anyone knowing of a gallery that might be interested in the show should contact the FUSION office or Brenda Sullivan directly.

4. ELECTION OF NEW OFFICERS

The following members will remain on the Board of Directors until the end of their term as listed:

Vickie Salinas 2010
Judy Donaldson 2010
Derek Chung 2010
Dolores Maki 2010
Brenda Sullivan 2010

The following are the slate of nominees for Board positions 2009-2011:

Carol Badenoch 2011
Barbara Banfield 2011
Deborah Freeman 2011
Jane Klarer-Lackey 2011
Sam McKenna 2011

MOTION: Brenda Sullivan moved and Kathy Matsushita seconded the following nominees be elected to the FUSION's Board of Directors for a two-year term:

Carol Badenoch
Barbara Banfield
Deborah Freeman
Jane Klarer-Lackey
Sam McKenna

Motion carried.

5. APPOINTMENT OF AUDITOR

MOTION: Deborah Kroch moved and Brenda Sullivan seconded that the firm of PKF Hill LLP be appointed to audit the accounts of the Association for the year 2009-2010. Motion carried.

MOTION: Alice Nagus moved and Derek Chung seconded that the Annual General Meeting be adjourned. Motion carried.

Time: 1:22
Minutes by Bonnie Silbert ■

**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
GENERAL MEETING**

SATURDAY, OCTOBER 3, 2009 MINUTES

Gardiner Museum
111 Queens Park
Toronto, Ontario
10:28 am

Board Members In Attendance:

Barbara Banfield, Derek Chung, Judy Donaldson,
Deborah Freeman, Jane Klarer-Lackey, Vickie Salinas

Regrets:

Carol Badenoch, Dolores Maki, Sam McKenna, Brenda
Sullivan

MOTIONS:

1. ACCEPTANCE OF LETTERS PATENT

MOTION: Moved by Brian Truscott

To accept and adopt the changes to the Letters
Patent

Seconded: Nancy Coley

Motion carried.

2. MEETING ADJOURNED at 10:35 am

Moved by Abbey Smith

Seconded: Barbara Banfield

To adjourn

Motion carried.

A group of over 50 members attended the meeting and
signed and voted for acceptance of the changes of the
Letters Patent. Over 90 Ballot Proxy votes were
presented.

Vickie Salinas updated all members regarding the
changes to the Letters Patent and the process for
regaining Charitable Status for FUSION.

Deborah Freeman updated all members on the financial
status of FUSION, indicating that all filings were up to
date. ■

Minutes by Jane Klarer-Lackey

The following members
submitted ballots by proxy:

Brenda Sullivan
Gay Liddell
Deanna Jones
Yoko Hirano
Ana Paula Leandro
Gary T. Dick
Maria Pirita
Janice Jalowica
Ian Chung
Lela Filipovski
C. Davis-Kerr
Theresa Gilhuly
J. A. Beyers
Marlen Moggach
Wanda Densmore
Mark Jaroszewicz
Carol Badenoch
Patsy Telpner
Susan Weaver
Hanna Back
Christina McCarthy
Mimi Cabri
Rosemary Molesworth
Brenda Mader
Alan J. Moon
Deanna Sakai
Judith Friedl
Marie Paquette
Olga Jurgens
Sheila Pattison
Wendy Balfour
Chiho Tokita
Iris Dorton
Ian MacMillan
Edith Bacon
Irene Sinclair
Phyllis Erwin
Stephanie Smalls
Jane Danic
Miguel Deras Zapata
Ann Crawford
Ilze Kalnins
Ligita Gulens
S. Joy Eliuk
Deborah MacIvor

Pauline Harman
Jennifer Anderson
Ute Fleischhacker
Joan Spears
Brett Jones
Jabette Bulin-Scott
Kai Eichenbaum
Carol Rossman
Janet Holson-Mazzer
Marlene Kawalez
Elizabeth Dingman
Wayne Cardinalli
Barbara Rose
Joyce Lemke
Donald Ray
Joan Dewar
Mary Zintel
Philip Yordy
Margaret Carter
Joy Hughes
Nancy Garvie
Cindy Carr
Antoinette Delisi-Cromwell
Sylva Leser
Bruce Cochrane
Elizabeth Ewashkiw
Leona Blake
Frank Friedman
Jennifer Assinck
Peter MacNaughton
Linda Rosen
Celia Hirsh
Steve Irvine
Dolores Maki
Robert Waltor
Bruce Jones
Betty Walter
Ann Mortimer
Judith Morsink
Anne Leekam
William P. Raymond
Kathleen Matsushita
Lesley Starnes
Irene Saibel
Yumiko Katsuyun
Paul Peddle

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

2010 Financial Statements

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
2010 Financial Statements

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Auditors' Report

To the Board of Directors of FUSION: The Ontario Clay and Glass Association

We have audited the statement of financial position of FUSION: The Ontario Clay and Glass Association as at March 31, 2010 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PKF Hill LLP

Chartered Accountants, Licensed Public Accountants
May 5, 2010

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
Statement of Financial Position
As at March 31

	2010	2009
ASSETS		
Current assets		
Cash	\$ 43,900	\$ 20,037
Short-term investments	90,761	143,391
Accounts receivable	4,269	4,257
Prepaid expenses	8,799	21,203
	<hr/>	<hr/>
	147,729	188,888
Equipment (note 3)	23,395	39,672
Pottery collection	11,791	11,791
Arts Endowment fund (note 4)	1	1
	<hr/>	<hr/>
	\$ 182,916	\$ 240,352
	<hr/>	<hr/>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued liabilities	\$ 15,673	\$ 9,479
Note payable (note 5)	3,354	3,354
Deferred revenue	19,531	31,846
	<hr/>	<hr/>
	38,558	44,679
Net assets	144,358	195,673
	<hr/>	<hr/>
	\$ 182,916	\$ 240,352
	<hr/>	<hr/>

See accompanying notes

On behalf of the Board

Member

Member

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

Statement of Operations

Year ended March 31

	2010	2009
Revenue		
Activities - revenue (schedule 1)	\$ 109,361	\$ 113,324
Grants - Ontario Arts Council	35,000	81,200
Memberships	16,858	19,894
Publications	5,848	6,528
Interest	2,727	4,256
	<hr/>	<hr/>
	169,794	225,202
	<hr/>	<hr/>
Expenses		
Activities - expenses (schedule 2)	102,595	102,447
Wages and benefits	28,343	26,664
Office and general	21,772	36,644
Publications	20,767	20,154
Amortization	18,222	11,705
Professional fees	8,624	4,850
Rent	7,886	7,729
Insurance	7,728	7,532
Website	5,172	832
	<hr/>	<hr/>
	221,109	218,557
	<hr/>	<hr/>
Excess (deficiency) of revenue over expenses	\$ (51,315)	\$ 6,645

See accompanying notes

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
Statement of Changes in Net Assets
Year ended March 31

	Invested in equipment	Unrestricted	Total 2010	Total 2009
Balance, beginning of year	\$ 39,672	\$ (3,479)	\$ 195,673	\$ 189,028
Excess (deficiency) of revenue over expenses	(18,222)	(33,093)	(51,315)	6,645
Purchase of equipment	1,945	(1,945)	-	-
Balance, end of year	\$ 23,395	\$ (38,517)	\$ 144,358	\$ 195,673

See accompanying notes

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

Statement of Cash Flows

Year ended March 31

	2010	2009
Operating activities		
Excess (deficiency) of revenue over expenses	\$ (51,315)	\$ 6,645
Item not involving cash		
Amortization	18,222	11,705
	(33,093)	18,350
Net change in non-cash working capital items		
Accounts receivable	(12)	(2,408)
Prepaid expenses	12,404	(9,032)
Accounts payable and accrued liabilities	6,194	(5,566)
Deferred revenue	(12,315)	(13,820)
	6,271	(30,826)
Cash flows from operating activities	(26,822)	(12,476)
Investing activity		
Purchase of equipment and cash flows from investing activity	(1,945)	(50,358)
Net change in cash during the year	(28,767)	(62,834)
Cash and cash equivalents, beginning of year	163,428	226,262
Cash and cash equivalents, end of year	\$ 134,661	\$ 163,428
Cash and cash equivalents consists of:		
Cash	\$ 43,900	\$ 20,037
Short-term investments	90,761	143,391
	\$ 134,661	\$ 163,428

See accompanying notes

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

Notes to Financial Statements

Year ended March 31

1. General

FUSION: The Ontario Clay and Glass Association (the "Association") is a not-for-profit organization which was incorporated in 1975 under the laws of the Province of Ontario without share capital.

FUSION's mandate is to encourage and promote quality in clay and glass and to provide educational resources and community based programming.

FUSION is operated by its members, who elect a board of directors annually.

2. Summary of significant accounting policies

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, the more significant of which are outlined below.

Going concern

These financial statements have been prepared using Canadian generally accepted accounting principles that are applicable to a going concern, which assumes that the Association will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Actual results could differ from these estimates.

Short-term investments

Short-term investments consist of money market funds, and a guaranteed investment certificate in the amount of \$20,117 bearing interest at a rate of 3.7% with a maturity date of August 9, 2010.

Equipment

Equipment is recorded at cost and is being amortized over its estimated useful life on a declining balance basis. The annual amortization rates are as follows:

Office equipment	20%
Computer equipment and software	45%

Pottery collection

The pottery collection is recorded at cost.

Revenue recognition

Membership fees and grants are recorded as revenue in the fiscal year to which they relate. Special event fees are recorded as revenue in the period in which the event occurs. Fees or grants received in advance are recorded as deferred revenue.

Contributed services

Volunteers contribute a substantial number of hours during the year to assist the Association in carrying out its mission. Because of the difficulty in determining the fair market value, contributed services are not recognized in the financial statements.

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

Notes to Financial Statements

Year ended March 31

2. Summary of significant accounting policies — continued

Financial instruments

The Association's financial instruments are comprised of cash, short-term investments, accounts receivable, accounts payable and note payable.

The carrying value of the Association's cash, accounts receivable, accounts payable and note payable approximates fair value due to their short-term maturities.

Investments are recorded at fair value. Any changes in fair value are recognized in excess of revenue over expenses for the year.

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency, or credit risks arising from financial instruments.

Management of capital

The Association's capital is comprised of the net amounts invested in equipment, internally restricted net assets and unrestricted net assets.

Invested in property and equipment

The Association invests in equipment in order to provide programming that assists its members. The Board is responsible for this investment and defines the policies to be followed in ensuring the smooth functioning of the Association's physical environment.

Internally restricted net assets

The Board of Directors have imposed an internal restriction on \$159,480 of net assets. These funds may be allocated to awards, capital or may be used to fund contingencies for future operations.

Unrestricted net assets

The Board's objective is to maintain an unrestricted net assets balance sufficient to meet the day to day working capital requirements. Management prepares the annual budget which projects the unrestricted net assets balance required. After the budget is approved by the Board, the Treasurer monitors the actual results against the budget and notifies the Board when changes to plans are required.

3. Equipment

	Cost	2010 Accumulated amortization	Net	2009 Net
Office equipment	\$ 13,617	\$ 13,399	\$ 218	\$ 272
Computer equipment and software	54,580	31,403	23,177	39,400
	<u>\$ 68,197</u>	<u>\$ 44,802</u>	<u>\$ 23,395</u>	<u>\$ 39,672</u>

4. Arts Endowment fund

The Arts Endowment fund is held by the Ontario Arts Council Foundation in perpetuity on the Association's behalf. The Association is entitled to the annual income generated from the endowment fund to be spent in its operations.

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
Notes to Financial Statements
Year ended March 31

5. Note payable

The note payable was issued May 1, 1976 to be repaid \$600 per year for nine years. Payments have not been made as outlined, as the terms are currently under review.

6. Lease commitment

The Association has a lease commitment with respect to its premises until October 31, 2012. The minimum annual lease payments, excluding operating costs, amount to approximately \$8,000 annually.

7. Comparative amounts

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2010 financial statements.

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
Schedules to Financial Statements
Year ended March 31

Activities - Revenue	Schedule 1	
	2010	2009
Annual conference	\$ 42,440	\$ 38,988
Pottery sale	60,324	58,010
Workshops	4,600	11,768
Exhibitions and awards	1,997	4,558
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	\$ 109,361	\$ 113,324
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Activities - Expenses	Schedule 2	
	2010	2009
Annual conference	\$ 36,620	\$ 25,391
Pottery sale	61,676	56,985
Workshops	3,973	11,825
Exhibitions and awards	326	8,246
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	\$ 102,595	\$ 102,447
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See accompanying notes