

# FUSION

CLAY + GLASS ONTARIO



Annual Report  
2021-2022

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On the Cover: Creative Directions final exhibition, *Gaining Ground*, led by mentor Lesley McNally at Satellite Project Space in London, Ontario.

# Board of Directors

**Catharina Goldnau**

**President**

**Magazine, FACES of FUSION, Database and Website Chair**

**2021-2023**

**Alison Brannen**

**Secretary**

**Conference and Exhibitions Chair**

**2021-2023**

**Mike Thome**

**Treasurer**

**2021-2023**

**Danielle Skentzos**

**Creative Directions and Membership Chair**

**2021-2023**

**Karen Franzen**

**Outreach and The Clay and Glass Show Chair**

**2021-2023**

## Staff

**Lucie Grys, Executive Director**



**FUSION: The Ontario Clay and Glass Association**

**1444 Queen St. East**

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**[@fusionclayglass](https://www.instagram.com/fusionclayglass)**

# President's Message

*Catharina Goldnau*

It has been a year of transition for FUSION - as it has with many of us.

In May of 2021, Deb Freeman, the Executive Director, and Wendy Hutchinson, the board president, both resigned from FUSION. Wendy's resignation was immediate and Deb's resignation was to take effect in July 2021 after the AGM. Gene Timpany, a long-time board member, stepped in as the interim president but made it clear that he did not want to keep the position past the AGM in July.

I was voted in as president of FUSION in July of 2021. After finding and hiring a part-time administrator in August with the help of the Executive (Alison Brannen and Bep Schippers) we faced the challenge of familiarizing ourselves with the organization under completely new leadership and administration. We were still not able to continue the regular programming, such as the Clay and Glass Show, as the country slipped into another wave of COVID restrictions in the fall of 2021 and the population was still afraid or not able to meet each other at in-person events.



With the help of the new editor for FUSION magazine, Lucie Grys, who was hired in August to replace Margot Lettner, FUSION was able to produce and send out the first on-line copy of a re-envisioned Ontario-based magazine celebrating our members and their successes.

In keeping with our mission to promote clay and glass art, the board decided to use the magazine as a tool to advertise FUSION programs, and exclusively feature FUSION members as well as relevant Ontario art events.

- continued

December 2021 was a pivotal month for the organization: Bep Schippers retired as treasurer and Mike Thome joined us in her stead. Also, the FUSION board terminated the contract with the part-time administrator who was still on probation, and hired instead Lucie Grys as the Administrator/Director of Operations. Lucie immediately went to work on the OAC operating grant application which was due in March.

Starting in January 2022, the FUSION board decided to take a leap of faith and plan a conference for May 2022 in Toronto, which was spearheaded by Alison Brannen. We expected to have to deal with COVID restrictions such as reduced attendance numbers, as well as a Breakthrough Plus exhibition to take place alongside the conference.

As a member-based organization without a physical presence, the board realized that the FUSION website needed to be revitalized and reorganized, and our old web platform, Wild Apricot, is outdated and its limited functionality was preventing it to fulfil today's expectations of a visually complex and versatile website. After researching different platforms and services, a web-designer was hired to transfer our existing website to Wix in time for our next AGM in September and before the Wild Apricot platform is due for renewal in October.

After consultation with Jeffrey Milgram, our auditor and Mike Thome, FUSION's treasurer, the executive decided to change our membership structure to concur with the fiscal year from April 1st to March 31st in order to save costs for financial report and streamline the membership process. We have also introduced a recurring yearly payment options to help members automate the payment process.

In an effort to fulfill our mandate to provide student memberships, we are working with colleges to extend free student memberships to all currently enrolled students in all three educational clay/glass programs: Sheridan College, Lakehead University and Fleming College. In return they take out an Institutional Membership reship for their departments. In addition I have collaborated with all clay and glass program heads and initiated the first two "Grad Newsletters" featuring every new graduate in 2021 and 2022 with a picture, their IG handle and a short statement.

- continued

The pandemic has been a severe blow to the FUSION organization. During two years of lockdowns where traditional FUSION programs (such as the Clay and Glass Show and the conference) had to be cancelled, the Association did not immediately institute alternate programming and – consequentially - has suffered a loss of membership numbers.

During this time, many separate art initiatives led by individual artists have sprung up throughout the province, making spontaneous use of new technologies (Zoom workshops, Instagram Live and Facebook workshops) and proving how much individual creativity and engagement can accomplish.

While being a positive and creative development, it also seems to have somewhat fractured the provincial clay network into insular groups that operate on their own.

It is my goal as the president to bring FUSION back to occupying a central seat in the ceramic and glass community, to join other creative endeavors, foster networking and reconnect artists and organizations on a common platform. This is an ongoing effort and includes efforts to reach out to educational institutions such as Sheridan College, Lakehead University and Fleming College to engage students and involve them in FUSION programming early on.

Networking, getting to know artists and introducing myself and FUSION has been my mission at every exhibition and workshop I have attended in the past year. I want to thank the wonderful FUSION board and particularly Lucie Grys, our Executive Director, for always being positive and working so hard on FUSION programming.

We have lots of work ahead of us and are excited to tackle new projects together to support FUSION members and invite new makers, collectors and supporters to be a part of this organization with enormous potential.

The logo for FUSION Clay + Glass Ontario. The word "FUSION" is written in a large, bold, red, sans-serif font. The letters "F", "U", and "O" are slightly overlapping. Below "FUSION" is the text "CLAY + GLASS ONTARIO" in a smaller, bold, black, sans-serif font. The entire logo is set against a white background.

In March 2022, a new logo designed by Derek Chung was launched. The overlap of colours symbolizes glazes, the hint of transparency represents our glass community and the strength in the letters signifies our history - and the future of FUSION.

# Creative Directions Report

## Angelo di Petta and Lesley McNally

*Silvana Michetti, Past Chair*

**Dynamic Design** with Angelo di Petta, based in the Peterborough area, continued beyond the originally scheduled time, and the culmination of this process was a collection of functional ceramics, called *Cultivate*. This exhibition was published by the Gardiner as a virtual catalogue and the ceramic work was installed June 2021 with some pandemic related restrictions. The closing reception was held in July 2021, on the Terrace for a small celebratory group of participants and guests, in accordance with the Gardiner Museum opening procedures.

As a way of engaging the public, the Gardiner Shop hosted a series of two virtual artist talks scheduled for June and July, with three artists in each panel, discussing their experiences and creative process in the program. They are both available for viewing on the Gardiner YouTube channel.



Many thanks to mentor Angelo di Petta for his extra work, flexibility and strong commitment to the group over this extended period, and also to Adeline La, the manager of the Shop at the Gardiner Museum, for her professional expertise and guidance through all the details of planning the show and the outreach events.

Both of these Creative Directions programs overlapped as they extended into the second year, in response to changing health guidelines. Much appreciation for Danielle Skentzos, our present Creative Directions Chair for her supportive participation and most especially for taking on the challenge and responsibility for these FUSION programs in the coming years.

Image: Juana Bernstein walks through the *Cultivate* exhibition at the Gardiner Shop.



Creative Directions final exhibition, *Gaining Ground*, at Satellite Project Space in London, Ontario.

*Creative Pathways* with Lesley McInally continued after some pandemic delays, with 14 participants in the group, meeting at the London Clay Art Centre. There was a pause in planned sessions for the summer, as participants continue developing their ideas, and the sessions continued in the fall. This program culminated with an exhibition of the resulting work, *Gaining Ground*, at the Satellite Project Space Gallery in London Ontario from May 4 – 14, 2022. The closing reception was a well-attended celebratory occasion. There was also an online exhibition catalogue prepared by Gene Timpany and Catharina Goldnau, which is on the FUSION website.

Many thanks to mentor Lesley McInally for her flexibility and willingness to travel, reschedule meetings and employ alternate formats to deliver the program, and for her leadership and hard work with the exhibition installation.

Thanks also to Shannon Taylor-Jones, gallery coordinator of Satellite Project Space, Gene Timpany for his photography and design work, Chris Sneddon and Catharina Goldnau, for their assistance, and the support of Darlene Pratt at the London Clay Art Centre, in rescheduling meetings, general troubleshooting, and assistance with the installation logistics. Barbara Banfield was the guiding constant support throughout this program, as she initiated it and generously volunteered her time to ensure the successful completion of this program and the resulting installation of the ceramic work and the gallery reception.



Creative Directions  
Mentor, Lesley McInally



# FACES of FUSION Report

*Catharina Goldnau*

In April 2021, the entire country was in the midst of another COVID related lockdown and many people were isolating in their homes once again. With all FUSION events and programs cancelled as well as public laws that prevented gatherings from taking place, many artists were isolated and some also had no access to their studios. The internet became the only place to meet others and to exchange ideas. The need to reach out to the community and other artists gave birth to the weekly FACES of FUSION interview series on the Instagram Live platform.

At first this program was conceived in order to showcase the “faces” behind the organization, the idea was to introduce FUSION board members to the membership and show that they were artists in their own right volunteering for the organization. The program quickly evolved into interviewing other FUSION artist members and inviting them to show and talk about their work.

Image: Catharina speaks with Donn Zver, FUSION's founder and artist, on FACES of FUSION

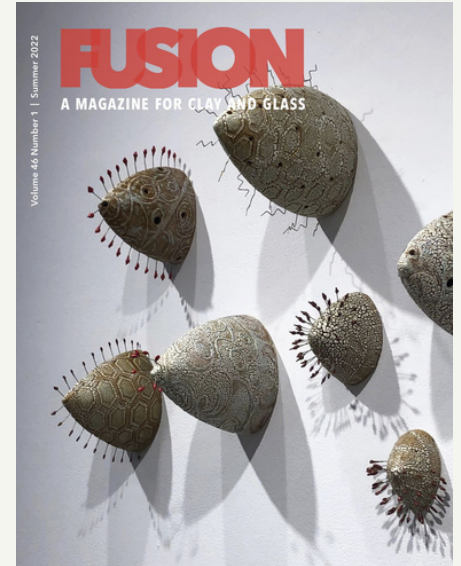
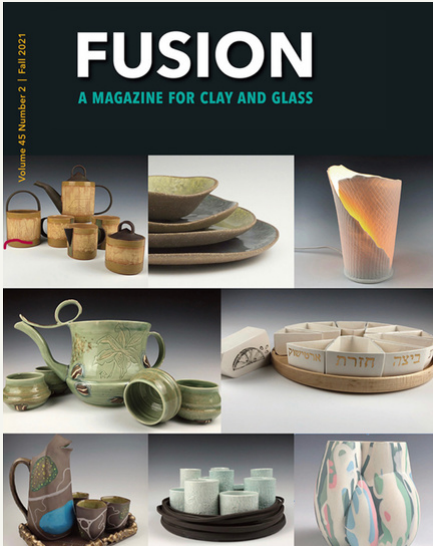


Over time, the interviews have taken on a certain rhythm: at first the artists are asked about their personal connection to FUSION, then they are encouraged to tell their story about how they found their way to clay or glass. Finally they show their work, their studio and talk about their process.

Interviewees generally are required to be FUSION members (this is a membership perk) with few exceptions of renowned artists who are considered to have something else to offer to the FUSION community or are convening a workshop with FUSION such as John Britt this October.

The interviews are saved to the @fusionclayglass Instagram account and are all available for viewing. The episodes get about 100 to 250 views over time and the feedback from many members is very positive. To date I have interviewed more than 50 artists, ranging from students to professional or experienced working artists.

# Magazine Report



## *Catharina Goldnau*

FUSION magazine shares the work of clay and glass artists within the craft community - and beyond. It is published three times a year and distributed electronically as a digital document.

In 2021, Lucie Grys was hired as the magazine editor - a role she held in the late 1990s. As part of the strategic vision for the magazine and in response to feedback FUSION received from surveying the membership, the focus was changed to celebrate the work of FUSION members, profile more makers, guilds and organizations and promote contemporary craft in Ontario and Canada.

A stronger emphasis has been placed on featuring artists at all stages of their careers with spotlights for emerging and established artists - as well as students embarking on their paths. The magazine is now available on the FUSION website and is emailed as a PDF document to 2000 artists, collectors, museums, guilds and schools. Chronicling clay and glass in Ontario and recognizing the artists and organizations who are FUSION members will remain a prime focus in the coming year.

FUSION thanks all of the advertisers for their commitment and we wish to acknowledge Derek Chung, the magazine's designer, for his continued support and vision.

# Outreach Report

*Karen Franzen*



My first term on the FUSION board began in September as Outreach/Social Media Chair - a new board position. My goal: to engage and connect with members, non members and organizations via Instagram and Facebook, about upcoming events as well as sharing their news to a broader community. In many ways the pandemic helped forge online connections with makers who were not able to meet in person.

I consulted with Andrew Duff, a social media advisor for guidance. He suggested we switch to a free Instagram business account that allows us to track our audience and easily connects to our Facebook account. Andrew's expertise was so helpful that in early December we hosted a one hour online workshop where Andrew presented to our members. Social media is a huge job for one person.

Social media is a huge job for one person. I was happy to get input from several of our wonderful board members, especially Danielle Skentzos who suggested we do an on-line holiday gift exchange to engage our members. The idea, #FUSIONgiftexchange2022, was launched in December with great success and gifts began arriving in mailboxes and doorsteps in early February.

In the 7 months since taking on this role, FUSION has doubled our reach to 1800 plus followers. In the future, I envision our budget to include funds to allow some targeted advertising via social media to promote upcoming events, mentorship services and exhibitions.

## Insights

- 80% from Canada
- 12% from USA
- 80% are women

2070

Instagram followers

1743

Facebook followers

*Data as of August 2022*

# Makers Meet

*Alison Brannen*



'Clay Conversations from Across the Seas' was FUSION's first live international Zoom workshop featuring established artist Adam Russell from Key West Florida and emerging potter Karl Burnett from Tortola British Virgin Islands. It took place in April 2021, in the middle of the pandemic and offered a safe diversion from lockdowns.

Forty two participants registered from as close as Toronto, Mississauga, Minden, Caledon, Paris, Kingston, Peterborough, Ottawa and Val de Monte, Quebec and from as far away as Torrence, California, Columbia, South America and Turks and Caicos. Adam and Karl each demonstrated and talked about their processes followed by an open discussion with FUSION participants moderated by Alison Brannen.

Gene Timpany managed the Zoom technical support and Jeanne Longman contributed to advertising design and social media. Members commented that it was a "fantastic talk with two artists," "well done and organized," "I liked the two artists presentations followed by the dialogue at the end."

Karl and Adam, who had never met, developed a great rapport and the moderator's questions flowed well within the presentation.

# Awards and Scholarships

This past year, FUSION launched a new Awards and Scholarships Program with over \$8000 available to clay and glass artists at all career stages. As in previous years, FUSION also gave awards to Sheridan's graduating class for their accomplishments. The Awards Program is a benefit of FUSION membership and the scholarships that FUSION offers are open to all clay and glass artists.

The Awards and Scholarships are largely funded by the interest earned from the Ontario Arts Endowment fund in 2021-2022 and donations.

FUSION thanks the 2022 Awards Committee:

- **Brenda Nieves, Chair**
- **Donn Zver**
- **Bruce Cochrane**
- **Judy Donaldson**
- **Siobhan Lynch**



Sami Tsang was one of the recipients of the FUSION Award for New Generation artists. *The Bathroom Nightmare*, stoneware, glaze, engobe, resin, nail art, fake lashes, rice paper, clay, epoxy, tissue paper 47 x 28 x 15 cm.

# 2022 Award and Scholarship Recipients

The Mary Lou Gilchrist Award for Clay and Glass Artists - \$2000

**Jane Garcia**

FUSION Award for Clay or Glass New Generation Artist - \$1000

**\$500 to Sami Tsang and \$500 to Zihao Xiong**

FUSION Award for Clay or Glass Artists - \$1000

**Heidi McKenzie**

FUSION Award for Arts Educators and Administrators - \$500

**Paul Stewart**

FUSION Scholarships - \$500 each

**Jerre Davidson (2021)**

**Amy Bell (2022)**

**Stefanie Smith (2022)**

FUSION Volunteer of the Year Award

**Barbara Banfield**

Design Awards

**Brenda Nieves - Toronto Potters**

**Monica Rosenthal - Ottawa Guild of Potters**

Monica Rosenthal received a 2021 FUSION Design Award for *The Indigo Project*. Monica is a member of the Ottawa Guild of Potters.

Stoneware and underglaze, glaze and oxide washes, embroidered with waxed cotton cording. 9 plaques 9" x 7" x 1.5".



# FUSION's Award Recipients at Sheridan's Craft and Design Program 2021-2022

## FUSION Technical Achievement

- Sydni Weatherson (glass)
- Emma Kip (ceramics)

## FUSION Community Involvement Award

- Heather Phillips (glass)
- Mads Christianson-Walker (ceramics)

## FUSION Award of Merit

- Zeer Liu (glass)
- Yue Brook Xing (ceramics)

Sydni Weatherson, *Blue Point II (detail)*,  
23.5 x 12.5 cm, 2022, blown and engraved  
glass.

Sydni was a recipient of FUSION's  
Technical Achievement Award at  
Sheridan's Craft and Design program.



# Treasurer's Report

*Mike Thome*

The continued impact of the COVID pandemic resulted in another very challenging year for FUSION in fiscal 2022. Traditional programs such as the annual conference and the Clay and Glass Show continued to be deferred, and programs that could be offered were largely limited to on-line attendance. FUSION incurred a loss of \$16,919 this past year, due to declining revenues. Revenues in fiscal 2021 at \$121,857 shrank significantly over the previous year as a result of COVID and fell by another \$57 thousand in fiscal 2022 to \$65,090. The bulk of this latest decrease was due to lower Federal Government COVID subsidies and assistance received in fiscal 2022. Subsidy rates were lower in fiscal 2022 and were eliminated partway through the year.

Expenses for this fiscal year were \$82,009, down from the previous year's expenses of \$86,438. FUSION attempted to reduce costs wherever possible, however a base level of overhead is required to keep FUSION operational. This includes bookkeeping and salary costs for FUSION's part-time staff, office rent, insurance, and legal and audit.

FUSION is reviving a number of in-person programs in fiscal 2023.

Breakthrough PLUS and the annual conference have already taken place, and the Clay and Glass Show is scheduled for this coming November. With the revenues associated with these programs, an expanding membership base and the continued support of our sponsors and donors, the board is confident that we can return to breakeven or positive results. FUSION had the financial stability to see us through this difficult past year and still maintain sufficient cash reserves for future years.

We would like thank our partners including members, guilds, sponsors and donors, the Ontario Arts Council and other government agencies for their continued financial support.



# 2021 AGM Minutes

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

**MINUTES OF THE ANNUAL GENERAL MEETING**

**July 29, 2021**

**Via Zoom**

## **1. PRESIDENT'S WELCOME AND INTRODUCTION OF BOARD MEMBERS**

President Gene Timpany called the meeting to order at 7:05 pm and welcomed conference delegates and thanked board members for their work and dedication to FUSION.

Board members and staff who were present were introduced:

President and Nominations Committee Chair: Gene Timpany

Director of Creative Directions and Mentorship Programs: Barb Banfield

Treasurer: Bep Schippers

Secretary: Alison Brannen

Magazine Chair: Catharina Goldnau

Membership & Guild Engagement Chair: Ameer Raval

Director at Large: Silvana Michetti

Executive Director and Bookkeeper: Deborah Freeman

## **2. APPROVAL OF THE MINUTES OF THE ANNUAL GENERAL MEETING for fiscal 2019-2020**

MOTION: Chris Snedden moved, Darlene Pratt seconded that the minutes for the Annual General Meeting of December 15, 2020 be accepted.

Motion carried.

## **3. ANNUAL BOARD OF DIRECTORS REPORTS**

Board of director reports were presented. Please see attached annual [report](#).

#### **4. ELECTION OF DIRECTORS**

President Gene Timpany presented the following names as nominations for the board of directors:

- Karen Franzen
- Danielle Skentzos

MOTION: Rhonda Uppington moved, and Darlene Pratt seconded that the following slate of nominees be elected to the FUSION Board of Directors for a two-year term:

- Alison Brannen – re-election
- Amee Raval re- election
- Bep Schippers- re-election
- Catharina Goldnau-re-election
- Silvana Michetti – re-election
- Karen Franzen
- Danielle Skentzos

Motion carried.

#### **5. FINANCIAL REPORT AND AUDITED FINANCIAL STATEMENTS**

Bep Schippers presented the financial report and the audited financial statements for 2020-2021.

MOTION: Chris Snedden moved, and Anne Allen seconded that the financial report be accepted as presented.

Motion carried.

#### **6. APPOINTMENT OF THE AUDITOR**

MOTION: Chris Snedden moved, and Catharina Goldnau seconded that the firm of Jeffery D. Milgram, Professional Corporation be appointed to audit the accounts of the Association for fiscal year 2021–2022.

Motion carried.

#### **7. VOLUNTEER OF THE YEAR AWARDS**

Gene Timpany thanked Chris Snedden for his exceptional volunteer work on behalf of FUSION and presented him with the Volunteer of the Year Award.

#### **8. NEW BUSINESS**

None.

#### **9. ADJOURNMENT**

MOTION: Rhonda Uppington moved, and Hettie seconded that the Annual General Meeting be adjourned.

Motion carried.

Meeting adjourned at 7: 40 pm

# Supporters

FUSION is grateful to all members who have supported the organization and continue to contribute to the success and growth of the organization, especially during the past years.

Thank you to those who made donations during 2021-2022.

**Anonymous Donors**

**Elizabeth Davies**

**Michael Filosa**

**Catharina Goldnau**

**Nancy Hillborn**

**Jeffrey and Naomi Milgram**

FUSION acknowledges funding support from the Ontario Arts Council, an agency of the Government of Ontario.



**ONTARIO ARTS COUNCIL**  
**CONSEIL DES ARTS DE L'ONTARIO**

an Ontario government agency  
un organisme du gouvernement de l'Ontario



# AUDITED STATEMENTS

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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**MARCH 31, 2022**

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

**MARCH 31, 2022**

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**JEFFREY D. MILGRAM PROFESSIONAL CORPORATION**  
**Chartered Professional Accountant/Licensed Public Accountant**

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Telephone: 416-221-3298 ext.127 Fax: 416-221-7005 E-Mail: jmilgram@milgramandmilgram.com

**INDEPENDENT AUDITOR'S REPORT**

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

**Opinion**

I have audited the financial statements of Fusion: The Ontario Clay and Glass Association which comprises the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Fusion: The Ontario Clay and Glass Association as at March 31, 2022, 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 Opinion**

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Organization'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 Organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Jeffrey D. Milgram, CPA, CA, LPA.

**Matter of Emphasis**

As further detailed in Note 10 of these financial statements, certain aspects of the Organization's operations temporarily ceased effective March 13, 2020 in response to the Coronavirus -19 pandemic.



**JEFFREY D. MILGRAM PROFESSIONAL CORPORATION**  
Authorized to practise public accounting by  
The Institute of Chartered Professional Accountants of Ontario

**TORONTO, ONTARIO**  
**AUGUST 21, 2022**



**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2022**

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	113,812	119,842
Accounts receivable	186	7,982
Government excise tax recoverable	299	3,378
Prepaid expenses	<u>4,068</u>	<u>4,227</u>
	118,365	135,429
<b>CAPITAL</b>		
Pottery collection (Note 3)	<u>1</u>	<u>1</u>
	<u>118,366</u>	<u>135,430</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	7,154	9,520
Government remittances payable	<u>2,971</u>	<u>3,438</u>
	<u>10,125</u>	<u>12,958</u>
<b>DEFERRED (Note 4)</b>		
Deferred conference and fee revenue	14,117	9,425
Deferred contributions	<u>9,709</u>	<u>12,421</u>
	<u>23,826</u>	<u>21,846</u>
<b>LONG TERM LIABILITY</b>		
Canada Emergency Business Account (Note 6)	<u>38,759</u>	<u>38,051</u>
	<u>72,710</u>	<u>72,855</u>
<b>NET ASSETS</b>		
Unrestricted	-	-
Internally restricted (Note 5)	37,401	54,320
The Fireworks Henry Goodman Best in Show Award Endowment Fund	5,600	5,600
Scarborough Potters' Guild Fireworks Award Fund	<u>2,655</u>	<u>2,655</u>
	<u>45,656</u>	<u>62,575</u>
	<u>118,366</u>	<u>135,430</u>

**APPROVED ON BEHALF OF THE BOARD:**

\_\_\_\_\_ DIRECTOR \_\_\_\_\_ DATE

\_\_\_\_\_ DIRECTOR \_\_\_\_\_ DATE

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

**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

	The Fireworks Henry Goodman Best in Show Award Endowment		Internally Restricted		Fireworks Award Fund	Total 2022	Total 2021
	<u>Fund</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Award Fund</u>			
	\$	\$	\$	\$	\$	\$	\$
<b>BALANCE, at beginning of year</b>	5,600	-	54,320	2,655	62,575	27,156	
<b>Excess of revenues over expenses (expenses over revenue) for the year</b>	<u>-</u>	<u>(16,919)</u>	<u>-</u>	<u>-</u>	<u>(16,919)</u>	<u>35,419</u>	
	5,600	(16,919)	54,320	2,655	45,656	62,575	
<b>Transfers</b>	<u>-</u>	<u>16,919</u>	<u>(16,919)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>BALANCE, at end of year</b>	<u>5,600</u>	<u>-</u>	<u>37,401</u>	<u>2,655</u>	<u>45,656</u>	<u>62,575</u>	

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

**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>REVENUE</b>		
Activities (Schedule – Page 15)	10,068	20,758
Grants:		
• Federal - Covid-19 (Note 6)		
○ Canada Emergency Wage Subsidy	8,927	27,135
○ Temporary Emergency Wage Subsidy	-	791
○ Canada Emergency Rent Subsidy	1,098	1,518
○ Canada Emergency Business Account	-	22,793
• Provincial - Ontario Arts Council	21,200	21,200
Memberships	10,065	14,119
Interest and other (Note 7)	4,282	5,549
Publications	6,195	3,537
Awards and bursaries	1,150	1,400
Donations	<u>2,105</u>	<u>3,057</u>
	<u>65,090</u>	<u>121,857</u>
<b>EXPENSES</b>		
Activities (Schedule – Page 15)	5,499	9,518
Wages and benefits	42,267	43,218
Publications	7,753	9,411
Office and general	7,803	7,509
Interest on long term debt (Note 6)	708	843
Rent (Note 9)	5,698	5,633
Professional fees	7,141	5,800
Insurance	3,640	3,256
Awards and bursaries	<u>1,500</u>	<u>1,250</u>
	<u>82,009</u>	<u>86,438</u>
Excess of expenses over revenues for the year	<u>(16,919)</u>	<u>35,419</u>

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

**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	(16,919)	35,419
Adjustment:		
Deferred revenue – prior year contributions	<u>(21,846)</u>	<u>(35,969)</u>
	<u>(38,765)</u>	<u>(550)</u>
Net change in non-cash working capital items		
Accounts receivable	7,796	(7,302)
Government remittances	3,079	1,912
Prepaid expenses	159	1,975
Accounts payable and accrued liabilities	(2,833)	(784)
Deferred revenue – current year contributions	<u>23,826</u>	<u>21,846</u>
	<u>32,027</u>	<u>17,647</u>
Net cash (used) provided by operating activities	<u>(6,738)</u>	<u>17,097</u>
<b>FUNANCING ACTIVITIES</b>		
Canada Emergency Business Account	<u>708</u>	<u>38,051</u>
Net cash provided by financing activities	<u>708</u>	<u>38,051</u>
Net (decrease) increase in cash during the year	(6,030)	55,148
Cash, beginning of year	<u>119,842</u>	<u>64,694</u>
Cash, end of year	<u>113,812</u>	<u>119,842</u>

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

**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2022**

**1. Basis of Organization**

**FUSION: The Ontario Clay and Glass Association (the “Association” or “FUSION”) is a not-for-profit organization incorporated in 1975 under the laws of the Province of Ontario without share capital and is a registered charity under the Income Tax Act (Canada).**

**The Association’s mandate is to encourage and promote quality in clay and glass and to provide educational resources and community based programming.**

**2. Summary of Significant Accounting Policies**

**The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, the more significant of which are outlined below:**

**Accounting Framework**

**The Organization prepares its financial statements in accordance with the Institute of Chartered Professional Accountants of Canada (CPA, Canada) Handbook, Part III, Canadian accounting standards for not-for-profit organizations (ASNPO).**

**Basis of Accounting**

**These financial statements were prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.**

**Fund Accounting**

**The organization follows the fund method of accounting for contributions. Restricted contributions are recognized in the appropriate fund, as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be estimated and collection is reasonably assured. The following funds are maintained:**

**Endowment Fund**

**Restricted contributions which are to be held in perpetuity are recorded in the Organization’s endowment fund. The Fireworks Henry Goodman Best in Show Award Endowment Fund was established in fiscal 2000 for ongoing support of The Fireworks Henry Goodman Best in Show Award. Investment income derived from the endowment fund is made available for The Fireworks Henry Goodman Best in Show Award.**

**Operation Fund**

**Any contributions on which there is no restriction are allocated to general operation revenues.**

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

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2022**

**2. Summary of Significant Accounting Policies – Continued**

**Fund Accounting - Continued**

**Scarborough Potters' Guild Fireworks Award Fund**

In fiscal 2005, the Association received a gift in the amount of \$6,275 from the Scarborough Potter's Guild to fund a purchase award program. Since 2005, awards and expenses totaling \$3,620 have been granted from this fund.

**Management Reserve**

The Board has imposed an internal restriction on net assets which may be allocated to awards, capital, or to fund contingencies for future operations; including recovery of operations from the effects of the Covid-19 pandemic.

**Cash**

Cash includes current bank deposits, deposits held by virtual on-line accounts, cash on hand, and investments with a maturity date of less than 90 days from the year end date.

**Pottery Collection**

The pottery collection represents the Association's collection of art work from shows. The value of the works of art has been excluded from the statement of financial position except for a nominal value of \$1. Accessions of art for the collection, both purchased and those gifted, are expensed in the year of acquisition. Gifted works of art are recorded as revenue at values based on appraisals by independent appraisers for valuations in excess of \$1,000 or by management for items of lesser value. As a collection of art, this asset is not subject to amortization as works of art have cultural and historical value that is worth preserving and the Association has the commitment and resources to protect and preserve them.

**Contributed Services**

The work of the Association is heavily dependent on the voluntary service of its members. Since these services are not normally purchased by the Association, and because of the difficulty of determining their fair value, the value of donated volunteer services is not recognized in these statements.

**Capital Assets**

Purchased capital assets are recorded at cost. The Association periodically reviews its capital assets to eliminate obsolete items. Amortization is provided over the assets' estimated useful lives as follows:

Computer equipment and software	45%
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**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2022**

**2. Summary of Significant Accounting Policies - Continued**

**Revenue and Expense Recognition**

The Association follows the deferral method of accounting for contributions.

- Restricted contributions are recognized as revenue in the year in which the related expenses are incurred where no restricted fund has been set up by management.
- Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- Membership revenue is recognized over the period of membership year
- Conference fees are recognized when the event is held and completed
- Publication and merchandise sales are recorded as revenue when received or receivable.
- Fees or grants received in advance are recorded as either deferred conference revenue, deferred fee revenue or deferred contributions, as applicable.
- Government assistance received towards continuing operations is included in determining net revenue for the year when approved. Subsidies and grants awarded under Coronavirus 19 pandemic (Covid-19) legislation, whether government or privately funded, is recognized as approved by the funding agency.
- Donations are recognized as revenue when the amounts are received or receivable.
- Investment income is recognized as revenue when earned.
- Expenses are recorded when goods or services are consumed.

**Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. During the year, management booked estimates to the accounts pertaining to prepaid expenses, certain accrued liabilities, and deferred revenues. Additional estimates pertaining to subsidies applied for under Covid-19 pandemic legislation, include estimates of the qualifying revenue and wages used in the determination of subsidy revenue claims.

**Income Tax Status**

The association is a registered charitable organization pursuant to Section 149.1(1) of the Income Tax Act (Canada) and is, accordingly, exempt from tax.

**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2022**

**2. Summary of Significant Accounting Policies - Continued**

**Financial Assets and Financial Liabilities**

**(i) Measurement of financial instruments**

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statements of operations in the period incurred. Financial assets measured at amortized cost include cash, short term investments and amounts receivable. Financial liabilities measured at amortized cost include accounts payable, accrued liabilities and deferred revenues.

**(ii) Impairment**

At the end of each reporting period, the Association assesses whether there are any indications that a financial asset measured at amortized cost may be impaired.

When there is an indication of impairment, the Association determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

When the Association identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the asset to the highest of the following:

- a) the present value of the cash flows expected to be generated by holding the asset discounted using a current market rate of interest appropriate to the asset;
- b) the amount that could be realized by selling the asset at the statement of financial position date; and
- c) the amount the Association expects to realize by exercising its rights to any collection action less the costs necessary to exercise those actions.

The amount of any reduction is recognized as an impairment loss in the statements of operations or an impairment reversal of gain if reversed at any time in the future.

**3. Collection**

There were no additions and no purchased accessions to the collection in 2022 (2021 - \$nil). In addition, there were no deaccessions from the collection during in the 2022 fiscal year (2021 - \$nil). The total historical cost of the collection to the end of the current year is \$15,107 (2021 - \$15,107).



**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2022**

**4. Deferred Revenue**

Deferred contributions consist of the following designated donations which remain unspent at year end or fees paid in advance of an event or workshop:

	<u>2022</u>	<u>2021</u>
	\$	\$
<b><u>Designated Contributions:</u></b>		
Bursaries and Awards	2,943	4,093
Entry fees	95	-
Creative Directions	<u>6,671</u>	<u>8,328</u>
	<u>9,709</u>	<u>12,421</u>
<b><u>Earned Revenue:</u></b>		
Conference	3,139	1,655
Memberships	<u>10,978</u>	<u>7,770</u>
	<u>14,117</u>	<u>9,425</u>

**5. Internally Restricted Net Assets**

The Board has transferred the net amount of \$37,401 (2021 - \$54,320) into the internally restricted reserve towards the ongoing operations of the Organization's programming which may be allocated to awards, capital, or to fund contingencies for future operations. During the current year, the management reserve was drawn down by \$16,919 in support of operations.

**6. Government Loan Assistance under Covid-19 Legislation**

Under the Covid-19 relief provisions announced by the Federal government and as administered by the Canada Revenue Agency (CRA), the Organization applied for the following programs;

**Temporary Emergency Wage Subsidy (TEWS)**

Under the program, the Organization received a 10% subsidy, based on gross payroll during the claim period from which the recovery is obtained by a reduction of tax paid at source to the Canada Revenue Agency, applied to the Organization's payroll for the claim periods #1 through #4; The total claimed under this program amounted to \$791 in the 2021 fiscal year; no claim was forthcoming in fiscal 2022 as the program terminated in the summer of 2020 and was replaced by the Canada Emergency Wage Subsidy (CEWS) program.

**Canada Emergency Wage Subsidy (CEWS)**

Organization was entitled to claim a percentage of wage subsidy, with restriction and limitations, for those employees retained on payroll, including any employees furloughed, during a closure period. The total claimed under this program amounted to \$8,927 in the 2022 fiscal year (2020 - \$27,135); as the program ceased on October 23, 2021, no further funds are to be received under this federal program.

**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2022**

**6. Government Loan Assistance under Covid-19 Legislation - Continued**

**Canada Emergency Rent Subsidy (CERS)**

Canada Emergency Rent Subsidy (CERS) - Government Assistance – Under the Covid-19 relief provisions announced by the Federal government and as administered by the CRA, the Organization applied for rent subsidy from the effective day of Period #1, September 27, 2020. This program is not reliant on landlord participation, but follows the CEWS filing periods and is reliant on the percentage revenue drop for the period. The total claimed under this program amounted to \$1,098 in the 2022 fiscal year (2020 - \$1,518). There are no further claims under this program after October 23, 2021 as the program came to an end at the same time as the CEWS program, as noted above.

**Canada Emergency Business Account (CEBA)**

In the fiscal 2021 year, the Organization applied for and received an initial \$40,000 loan under the Canada Emergency Business Account (CEBA) as part of the Federal government's Covid-19 relief legislation. Later in the 2021 year, the government program was expanded such that additional funds, in the amount of \$20,000, were made available to the Organization under the same terms and conditions, which allowed for an additional \$10,000 forgivable portion of the loan proceeds. The loan is interest-free and if paid by December 31, 2023 (formerly December 31, 2022), \$20,000 of the loan is forgivable. The Organization's management believes that the Organization will be in a position to allow for the repayment of the loan by above specified date; therefore, the loan's forgivable portion of \$20,000 has been recognized as revenue in the year of receipt.

In addition, as a long term financial liability, the debt has been stated at its fair value taking into account the estimated cost of borrowing of 3% per annum at the time funds were advanced. The differential between the fair value as at the year end date and the \$40,000 face value of the repayable portion of the loan, has also been included in revenue in the year funds were advanced and are being amortized as imputed interest to the date of maturity at a rate of \$59.06 monthly.

**7. Arts Endowment Fund**

The Organization has established the Fusion: The Ontario Clay and Glass Association Endowment Fund, which is administered by the Ontario Arts Council Foundation (OACF) under the terms of the Arts Endowment Fund (AEF) Program. The AEF is a program of the Government of Ontario through the Ministry of Citizenship, Culture and Recreation. Money contributed and matched under the AEF program is held in perpetuity and is non-expendable; accordingly, the assets in the endowment fund are excluded from these financial statements. Investment income earned is made available to the Organization for ongoing programming

**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2022**

**7. Arts Endowment Fund -Continued**

Income received from the fund during the year amounted to \$4,124 (2021 - \$5,549) and is included with interest and other revenue in these financial statements. The market value of the Fund at year end is approximately \$78,721 (2021 - \$79,296).

**8. Risk**

**General**

The Organization holds financial assets in the form of cash and accounts receivable. It is management's opinion that the fair value of these financial instruments approximates their stated value, plus accrued interest where applicable, due to the short term to maturity for the items held at year end.

The Organization also holds liquid financial liabilities in the form of accounts payable and accrued liabilities, and deferred revenue. Unless otherwise noted, the fair value and stated carrying value of the financial liabilities approximate each other at year end due to the short term to maturity of the liabilities and debts held at March 31, 2022.

The Organization also holds long term debt in the form of a government loan (Note 7). The fair value of the long term debt is stated at a discounted value which approximates its fair value as at the year end.

**Liquidity Risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with its financial liabilities. The Organization expects to meet these obligations as they come due by generating sufficient cash flows from operations, grants and fundraising.

**Credit Risk**

Credit risk is the risk that one part to a financial instrument will cause a financial loss for the other party by failing to meet its funding obligation. This risk is mitigated by the Association through ensuring revenue is derived from qualified sources. No allowance for doubtful accounts in relation to accounts receivable has been booked in either the current or prior fiscal year.

**Other Risks**

It is management's opinion that the Association is not exposed to significant currency, interest, credit or market risks arising from its financial instruments held at year end.

**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2022**

**9. Lease Commitment and Subsequent Event**

The Association renewed its lease agreement for its operating premises which expired on October 31, 2021. The renewed lease is for a period of three years commencing November 1, 2021 and ending on October 31, 2024. There is no option to renew under the current arrangement. Minimum lease commitments, which provide for an annual escalation of 2 percent each year, are as follows:

<u>Rental Year Rent</u>	<u>Rate/psf</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
1. Nov. 1/21 - Oct. 31/22	\$27.97	\$5,482.12	\$456.84
2. Nov. 1/22 - Oct. 31/23	\$28.53	\$5,591.88	\$465.99
3. Nov. 1/23 - Oct. 31/24	\$29.10	\$5,703.60	\$475.30

**10. Matter of Emphasis – Coronavirus -19 Pandemic**

The introduction of the Coronavirus (Covid-19) into Canada in January 2020, ultimately resulted in the closure of most businesses operating on March 13, 2020. In addition, the Municipal and Provincial governments mandated new legislation prohibiting the operation of all businesses other than essential services; accordingly, all exhibitions, conferences, and fundraising events held by the Organization were forced to cease on March 13, 2020, including the 2020 and 2021 conference events slated over the past two fiscal years.

While the Organization has remained closed for all in-person programming until it is permitted by the Provincial Ministry of Health and the City of Toronto, to reopen, or management considers the risk of Covid-19 to have subsided, continued programming is being offered through a web based format.

The Organization continues to manage and respond to Covid-19 and has continued operations, but at a reduced capacity since March, 2020.

The duration and impact of the Covid-19 pandemic is unknown at this time, and it is not possible to reliably estimate the impact that the severity and length of the pandemic will have on the financial results of the Organization in future periods.

As the Organization has sufficient resources to maintain active operations until such time as operations return to normal pre-pandemic levels, management does not anticipate any going concern issues as a result of the forced closure and reduction to membership services.

**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2022**

Schedule of Activities

	<u>2022</u>	<u>2021</u>
	\$	\$
<b>REVENUE</b>		
Creative Directions	7,496	9,550
Exhibitions	-	1,262
Workshops	<u>2,572</u>	<u>9,946</u>
	<u>10,068</u>	<u>20,758</u>
<b>EXPENSES</b>		
Annual conference	-	41
Clay and glass show	397	70
Creative Directions	4,056	5,280
Exhibitions	-	799
Workshops	<u>1,046</u>	<u>3,328</u>
	<u>5,499</u>	<u>9,518</u>
	<u>4,569</u>	<u>11,240</u>