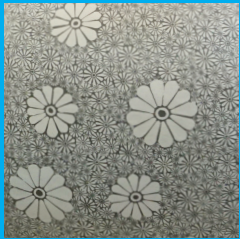


Fusion

THE ONTARIO
CLAY AND GLASS
ASSOCIATION



Mastering the Art of Clay

ANNUAL REPORT

April 1, 2015 – March 31, 2016

FUSION Board 2015-2016

Current Board

President	Barbara Banfield	2015-2017
Vice-President, Programming & Education	Chris Snedden	2015-2017
Past President/Nominations	Vacant	
Treasurer	Ann Allen	2014-2016
Secretary	Gene Timpany	2015-2017
Conference	Ann Allen	2014-2016
Workshops	Sara Atkins	2015-2017
Fireworks & Glass Programming	Valerie Anne Dennis	2014-2016
Database, Website & Publications	Gene Timpany	2015-2017
Membership & Guild Engagement	Jenny Rushforth	2014-2016
Clay & Glass Show	Christopher Reid Flock	2015-2017
Member at large	Jen Leis	2014-2016
Executive Director and Bookkeeper	Deborah Freeman	
Office Administrator	Jenanne Longman	



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Front Cover: Conference 2016 / Images from the 5 Korean Master Potters (detail)

President's Report

Barbara Banfield, President

I would like to take this opportunity to thank all the members of the FUSION Board and the staff for another successful year.

Our programs, the web site, publications, E-news, scholarships, awards and exhibitions just to mention a few, continue to provide our members, and others interested in clay and glass, with information, advice, education and opportunities to sell and exhibit work.

Last spring the Conference hosted Sunshine Cobb and Robin DuPont at Mohawk College in Hamilton, Ontario. The presenters were extremely informative, educational and definitely entertaining. The Friday night Conference event was a visit to Christine de Takacsy great new gallery in downtown Hamilton. We are thankful for the support of the Potters' Guild of Hamilton and Region who helped ensure another successful event.

Fireworks 2015 opened the Friday evening of the Conference at the Carnegie Gallery in Dundas, Ontario. Many thanks to the Carnegie Gallery for a fantastic exhibition opening and congratulations to all the award winners and the participants.

This past fall, in conjunction with the Kingston Potters' Guild, we hosted a workshop with Angelo di Petta, "Exploring the Ceramic Surface." It was extremely well attended and for those that were there, very informative. We appreciated partnering with the Kingston Potters' Guild with this interactive workshop and thank them very much for assisting in making it such a success.

Our Mentorship with Linda Sormin wrapped up with its final exhibition, called "Small Transgressions," at Craft Ontario Gallery in Toronto. The opening was extremely well attended and the exhibition attracted many visitors over the two months it was installed. The success of this exhibition will see it open at the Jonathon Bancroft -Snell Gallery in London June 2016. We are looking forward to our next Mentorship commencing in fall 2017 in the London/Sarnia Region.

This past year the Pottery & Glass Sale was revitalized and rebranded as the Clay & Glass Show. It featured a new format of invited as well as juried clay and glass artists and expanded spaces in which artists could display their work. With awards and an exciting opening evening, the event was a good success. We truly appreciate our donors for the awards as well as our patrons that continue to come out and support the artists who work so hard to deliver quality handmade goods.

We continue to deliver the magazine digitally and to work on improving the content and presentation. The digital world is extremely challenging and we are most appreciative to Derek Chung who continues to provide tremendous support to FUSION for all its design needs.

All of these programs have required the work of a dedicated board and staff. I cannot thank the following FUSION Board Members enough: Chris Snedden, Vice President; Ann Allen, Treasurer and Director of Conference; Jen Leis, Director at Large; Valerie Ann Dennis, Director of Fireworks; Gene Timpany, Secretary and Director of Database, Web Site and Publications; Jenny Rushford, Director of Membership and Guild Relations; Dianne Lee, Director at Large. Supporting us all is Jenanne Longman, Administrator and Deborah Freeman Executive Director and Bookkeeper. These two hard working individuals are the backbone of FUSION. I extend my sincere thanks and gratitude to everyone.

FUSION is extremely grateful for the continued support from the Ontario Arts Council, Potters' Guild of Hamilton and Region, the Kingston Potters' Guild, the Ontario Artist Society, Tucker's Pottery Supplies, Pottery Supply House, Craft Ontario, and all the volunteers that step in throughout the year right across Ontario. Most importantly, we sincerely appreciate all our members. FUSION's Board and staff look forward to another year of continuing to provide programming and support to you. ■

Treasurer's Report

Ann Allen, Director

The FUSION Board has been working hard to generate a balanced budget. This year we made some very difficult decisions that significantly reduced our expenditures. Not all of the savings are reflected in this year's financial report, but will be fully realized in 2016/2017.

The Board undertook the decision to downsize the office space by fifty per cent, resulting in a savings of \$1,600. The change did not take place until over halfway through the year. The savings will be fully realized in the next fiscal year and will result in \$4,500 in reduced expenses. Deborah Freeman and Jenanne Longman did an amazing job of clearing out the additional office room.

In 2015, the decision was made to publish the magazine in a digital format. Fiscal 2016 was the first full year of digital production, which has resulted in a net savings of \$9,000.

The Board changed the format of its meetings from five face-to-face per year, to conference calls on a regular basis, with two meetings per year still being held face-to-face. Fiscal 2016 is the first full year of our new board meeting schedule and we realized a savings of \$3,700 over the previous model.

FUSION has also been working hard to introduce new programming to increase revenue so that we make more use of our existing infrastructure. Fiscal 2016 saw the introduction of the Fall Workshop program. As well, the groundwork for a new long-term workshop program, Creative Directions, has been laid for our next fiscal year, with the call for entry having been released in May.

The Board of Directors has prepared a deficit reduction plan with the aim of having a break even budget by fiscal 2018. So far, we are making good progress. The 2016 fiscal deficit is 39% lower than 2015. Through increased programming offerings such as Creative Directions and the new Fall Workshops, plus increased donations and sponsorships, a proposed modest membership fee increase, and increasing the number of Clay and Glass Show artists, we are working hard to ensure FUSION is sustainable and able to serve the clay and glass community for a long time to come. ■

Conference 2015 Report

Ann Allen, Director

The Conference for 2015 took place at Mohawk College, Hamilton, Ontario. It was well attended with over 100 members coming out. It could not have been as successful without the help of Chris Snedden, Deborah Freeman, and Jenanne Longman.

Our 2015 presenters were Robin DuPont from British Columbia and Sunshine Cobb from California. Both presenters interacted extremely well together as they both attended the same university and are close friends.

Robin's knowledge of wood firing was of great interest to the Potters' Guild of Hamilton & Region as they were starting a mentorship program with wood-firing. Robin also demonstrated throwing large items in sections; a very talented potter for sure.

Sunshine was very humorous and demonstrated her unique hand building skills using the coil method. They challenged each other to a throwing contest to see who could make the most mugs; great fun. The Potters' Guild of Hamilton & Region, the hosting guild, were very helpful in organizing the event. A special thanks goes to Barbara Rose who organized the vases for the table arrangements at our Italian Feast Saturday Night Dinner. Great job Hamilton Guild.

Currently, we are well on our way in organizing the 2017 Conference with the Ottawa Guild of Potters to be held at Carleton University. It will coincide with Canada's 150th Birthday. So with that in mind, it is our intent to make the presenters all Canadian artists. ■

Fall Workshop Report

Chris Snedden, Director

In the Fall of 2015, FUSION initiated a new program called the "Fall Workshop." It was held in Kingston, Ontario at the Tett Centre for Creativity and Learning; a multi-purpose facility that houses several craft guilds, including the Kingston Potters' Guild, as well as a full theatre, a music lending library, and is the home of the Kingston Arts Council.

Held on the second weekend of September 2015, the workshop was attended by 29 people. This

workshop, entitled "Exploring the Ceramic Surface," was led by Angelo Di Petta. Angelo is a statesman of Canadian ceramics and his encyclopedic mastery of clay and glaze brought rave reviews.

FUSION wishes to thank the members of the Kingston Potters' Guild for hosting this event, and in particular Shelagh Mirski, and her husband, for all the effort they put into making this inaugural workshop a great success. ■

Publication/Website/Database Report

Gene Timpany, Director

FUSION Magazine is published with the assistance of Helen Rudin, editor, and Patrick Kilbourn, designer, who prepares the magazine design and layout. Thanks to both Helen and Patrick for their work. Thanks also to Derek Chung and the magazine committee for their support.

I hope that you are enjoying the new digital version of FUSION Magazine. There still exists many opportunities for you and your guilds to advertise upcoming events or promote your business with

the very good advertising rates for anyone from individuals up to guilds, galleries and retailers.

FUSION continues to broadcast information through the use of our E-News email blasts. Thanks to Jenanne Longman, our office administrator, for keeping both current FUSION members and a large list of contacts (past members, arts organizations, etc.) informed of upcoming events, call for entries, and news. ■

Mentorship Report

Barbara Banfield, Director

In the fall we saw the completion of 2014/15 mentorship program with Linda Sormin. This was our sixth mentorship program. The final exhibition opened September 3 and ran till October 30, 2015 at Craft Ontario Gallery, downtown Toronto.

The exhibition, titled “Small Transgressions,” was a combination of sculpture, functional work, installation and video. It was an exceptional body of work that was developed over the course of the

program by fourteen artists. The opening was extremely well attended and over the course of two months attracted a huge number of viewers. A portion of the work from this exhibition, as well as new work will, open June 2016 at Jonathon Bancroft-Snell Gallery in London, Ontario.

FUSION is excited as we look forward to our next Mentorship in the fall of 2017 in the London/Sarnia Region. ■

Fireworks Report

Valerie Dennis, Director

Fireworks 2015 launched at the Carnegie Gallery in Dundas, Ontario. The opening reception was held in conjunction with the FUSION 2015 Conference and well attended.

We received a very high number of submissions; 77 artists applied to the exhibition with 169 pieces. Our jurors, Melanie Egan and David Kaye, selected 38 pieces to exhibit from 33 artists.

We would like to thank the many supporters that make Fireworks a success:

- Gilda Goodman for her continued support of the Henry Goodman Best in Show Award for 2015;
- The Pottery Supply House for providing an Award of Merit and transporting the exhibition as it travels;
- Tucker's Pottery Supply for providing an Award of Merit;
- The Potters' Guild of Hamilton and Region for its Award of Merit donation
- Craft Ontario for providing a design award
- Derek Chung for promotions and creative ■

Clay and Glass Show Report

The 2015 Clay and Glass Show was held at the Wychwood Barns in Toronto on October 16-18. Thirty six invited and juried artists participated. This revisioned show provided all participants with a 6'x6' space in which to display their work. Juried participants and award winners were selected by Flavio Belli, Yusan Ha, and Jonathan Smith.

The event kicked-off with a wonderful reception and awards ceremony. FUSION thanks Steam

Whistle Brewery for their donation of beer for this event. FUSION extends a huge thank you to our award donors: The Greenrock Charitable Trust, Bill Poole, and one anonymous donor.

The 2016 Clay and Glass Show award winners were:
Best in Show: Jason Holly
Best in Ceramics: Janet Macpherson
Best in Glass: Shey Salehi ■

Membership and Guild Engagement Report

We are pleased to report that membership continues to grow. In June 2015, we hosted another successful Guild Representative Meeting in conjunction with our Conference. To assist with communication, we developed a forum on our

website that guilds can use to announce events and share information and best practices. FUSION would like to extend our grateful thanks to all our Guild Representatives for their involvement. ■

Scholarship and Awards Report

Barbara Banfield, Director

Our mug auction and other fundraising initiatives continue to replenish FUSION's Awards and Scholarship Fund. Since the mug auction inception in 2010, FUSION has assisted over twenty students and artists through this program.

Awards

This year FUSION was pleased to provide nine awards for the 2015 graduating glass and ceramics students at Sheridan College and the graduating ceramics students at Lakehead University.

Student awards were as follows:

Technical Achievement Award: \$250 + 1-year FUSION membership + ticket to FUSION's annual conference

Community Involvement Award: 1-year FUSION membership + ticket to FUSION's annual conference; and

Award of Merit: 1-year FUSION membership

The FUSION 2015 Student Award Recipients Sheridan College:

Technical Achievement Award (glass):
Caitlin Butterworth

Technical Achievement Award (ceramics):
Cassara Kennedy

Award of Merit (glass):
Kristian Spreen

Award of Merit (ceramics):
Karla Rivera

Community Involvement Award (glass):
Hannan Fayad

Community Involvement Award (ceramics):
Shawn Durant

Lakehead University:

Technical Achievement Award (ceramics):
Alex Borghesan

Award of Merit (ceramics):
Taylor Loney

Community Involvement Award (ceramics):
Mathew O'Reilly

FUSION 2015/2016 Guild Design Awards

Burlington Potters' Guild:	Frances Ward
Mississauga Potters' Guild:	Jolanta Jung
Ottawa Guild of Potters:	Arthur Petch
Waterloo Potters' Workshop:	Lynn Winter

Fireworks 2015 Awards

Henry Goodman Best in Show Award:

Teresa O'Grady-Dunlop

Scarborough Potters' Guild of Cedar Ridge Purchase Award:

Christopher Reid Flock

Hamilton Guild Award of Merit:

Paula Murray

PSH Award of Merit:

Claire Anderson

Tucker's Pottery Supply Award of Merit:

Christopher Reid Flock

Fireworks Emerging Artist Award:

Joon Hee Kim

Craft Ontario Design Award:

Cheryl Wilson Smith

Founders Award of Merit:

Maja Padrov

FUSION Education Award:

Heather Smit

FUSION Design Award:

Becky Lauzon

Volunteer of the Year Awards

Lillian Forester

Pat Mohan

Clay and Glass Show Awards

Best in Show: Jason Holley

Best in Clay: Janet Macpherson

Best in Glass: Shay Salehi

Scholarships

FUSION is grateful for Suzanne Greenaway's efforts in jurying the 2015/16 scholarships.

This year's recipients were:

Gabriela Wilson (glass)

Stephanie Flowers (ceramics) ■

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

MINUTES OF THE ANNUAL GENERAL MEETING

**Mohawk College, Hamilton, ON
June 6, 2015**

1. PRESIDENT'S WELCOME AND INTRODUCTION OF BOARD MEMBERS

President Barb Banfield called the meeting to order at 1:05pm and welcomed conference delegates and thanked FUSION board members for all their hard work this year.

Board members who were present and introduced:

DIRECTOR of Communications and Secretary: Gene Timpany

DIRECTOR of Education and Programs: Chris Snedden

DIRECTOR of Conference: Ann Allen

DIRECTOR of Membership & Guild Engagement: Jenny Rushforth

Employees present and introduced:

Executive Director: Deborah Freeman

Office Administrator: Jenanne Longman

2. MINUTES OF THE ANNUAL GENERAL MEETING, MAY 2014

May 31, 2014, Fleming College, Peterborough, ON.

Barb asked for additions or correction to the May 31, 2014 AGM minutes. None were given.

MOTION: Lynn Haslam moved and Betty Muir seconded that the minutes for the Annual General Meeting of May 31, 2014 be accepted as circulated.

Motion carried

3. ANNUAL BOARD OF DIRECTORS REPORTS

Board of director reports were presented.

4. FINANCIAL REPORT AND AUDITED FINANCIAL STATEMENTS

Deborah Freeman presented the financial reports and the audited statements.

MOTION: Ann Allen moved and Alice Nagus seconded to accept the financial report as written by Cynthia Dron and audited financial statements as presented.

Motion carried

5. ELECTION OF DIRECTORS

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

Ann Allen: 2016

Jenny Rushforth: 2016

Valerie Anne Dennis: 2016

Jen Leis: 2016

MOTION: Judy Donaldson moved and Gary DeRoche seconded the following nominees be (re)elected to the FUSION Board of Directors for a two-year term:

Barb Banfield: 2015-2017 (re-elected)

Gene Timpany: 2015-2017 (re-elected)

Chris Snedden: 2015-2017 (re-elected)

Christopher Reid Flock: 2015-2017

Steven Woodruff: 2015-2017

Motion carried

6. APPOINTMENT OF THE AUDITOR

MOTION: Christie Gruppe moved and Barbara Rose seconded that the firm of Jeffrey D. Milgram C.A. be appointed to audit the accounts of the Association for fiscal 2016.

Motion carried

7. HONOURARY MEMBERSHIP FOR DEREK CHUNG

Motion: Judy Donaldson motioned and Alice Nagus seconded to grant Derek Chung an honorary membership to FUSION.

Motion carried

8. HONOURARY MEMBERSHIP FOR VICKIE SALINAS

Motion: Carol Holmes Kerr motioned and Colette Beardall seconded to grant Vickie Salinas an honorary membership to FUSION.

Motion carried

9. NEW BUSINESS

Chris Snedden acknowledged the contributions of Lillian Forester and Pat Mohan in the past year and presented them with Volunteer of the Year Awards.

There was discussion about whether it was possible to post events to an online calendar on FUSION's website. It was agreed the board would work to find a solution.

10. ADJOURNMENT

At 1:40pm, Jenny Rushforth motioned and Barbara Rose seconded that the Annual General Meeting be adjourned.

Motion carried

Minutes respectfully submitted by Gene Timpany.

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2016

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

MARCH 31, 2016

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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

I have audited the accompanying financial statements of Fusion: The Ontario Clay and Glass Association, which comprise the statement of financial position as at March 31, 2016 and the statements of operations and changes in net assets and statement of 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

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

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of Fusion: The Ontario Clay and Glass Association as at March 31, 2016 and the results of its operations and cash flows for the year ended in accordance with Canadian accounting standards for not-for-profit organizations.



JEFFREY D. MILGRAM PROFESSIONAL CORPORATION
Authorized to practise public accounting by
The Institute of Chartered Professional Accountants of Ontario
TORONTO, ONTARIO
MAY 29, 2016

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
ASSETS		
CURRENT		
Cash and cash equivalents	142,443	98,186
Government excise tax recoverable	-	2,576
Accounts receivable	223	1,055
Prepaid expenses	<u>8,504</u>	<u>3,139</u>
	<u>151,170</u>	<u>104,956</u>
CAPITAL		
Equipment (Note 3)	-	458
Pottery collection (Note 4)	<u>1</u>	<u>1</u>
	<u>1</u>	<u>459</u>
	<u>151,171</u>	<u>105,415</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	12,064	9,738
Government excise tax payable	<u>6,743</u>	<u>-</u>
	<u>18,807</u>	<u>9,738</u>
DEFERRED		
Deferred conference and fee revenue	89,558	39,142
Deferred contributions (Note 6)	<u>4,741</u>	<u>5,014</u>
	<u>94,299</u>	<u>44,156</u>
NET ASSETS		
Invested in capital assets	-	458
Unrestricted	4,050	(39,668)
Internally restricted	29,500	85,256
Scarborough Potters' Guild Fireworks Award Fund	<u>4,515</u>	<u>5,475</u>
	<u>38,065</u>	<u>51,521</u>
	<u>151,171</u>	<u>105,415</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, 2016

	<u>Invested in</u> <u>Capital Assets</u> \$	<u>Unrestricted</u> \$	<u>Internally</u> <u>Restricted</u> \$	<u>Scarborough</u> <u>Potters' Guild</u> <u>Fireworks</u> <u>Award Fund</u> \$	<u>Total</u> <u>2016</u> \$	<u>Total</u> <u>2015</u> \$
BALANCE, at beginning of year	458	(39,668)	85,256	5,475	51,521	73,379
Deficiency of revenue over expenses for the year	(458)	(12,038)	-	(960)	(13,456)	(21,858)
Interfund transfers	-	55,756	(55,756)	-	-	-
BALANCE, at end of year	<u>-</u>	<u>4,050</u>	<u>29,500</u>	<u>4,515</u>	<u>38,065</u>	<u>51,521</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, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
REVENUE		
Activities (Schedule – Page 11)	89,312	85,376
Grants – Ontario Arts Council	29,925	36,000
Memberships	21,040	18,143
Interest and other (Note 5)	4,275	3,679
Publications	1,553	4,540
Awards and bursaries	2,221	1,730
Donations	4,414	511
Merchandise sales	<u>144</u>	<u>-</u>
	<u>152,884</u>	<u>149,979</u>
EXPENSES		
Activities (Schedule – Page 11)	79,572	78,651
Wages and benefits	48,141	41,311
Publications	9,229	21,386
Office and general	10,484	10,582
Rent	7,492	9,053
Professional fees	4,469	4,261
Insurance	4,274	4,262
Awards and bursaries	<u>2,221</u>	<u>1,849</u>
	<u>165,882</u>	<u>171,355</u>
Deficiency of revenue over expenses before undernoted item	(12,998)	(21,376)
Amortization	<u>458</u>	<u>482</u>
Deficiency of revenue over expenses for the year	<u>(13,456)</u>	<u>(21,858)</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, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	(13,456)	(21,858)
Item not involving cash:		
Amortization	458	482
Deferred revenue	<u>(10,686)</u>	<u>(44,077)</u>
	<u>(23,684)</u>	<u>(65,453)</u>
Net change in non-cash working capital items		
Accounts receivable	832	4,637
Government remittances	2,576	2,371
Prepaid expenses	(5,365)	3,183
Accounts payable and accrued liabilities	9,069	3,601
Deferred revenue	<u>60,829</u>	<u>42,811</u>
	<u>67,941</u>	<u>56,603</u>
Net cash used by operating activities	<u>44,257</u>	<u>(8,850)</u>
Net change in cash during the year	44,257	(8,850)
Cash and cash equivalents, beginning of year	<u>98,186</u>	<u>107,036</u>
Cash and cash equivalents, end of year	<u>142,443</u>	<u>98,186</u>
COMPRISED AS FOLLOWS:		
Cash on line and in bank	142,443	25,396
Short term investment – Money market funds	<u>-</u>	<u>72,790</u>
Cash and equivalents end of year	<u>142,443</u>	<u>98,186</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, 2016

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.

Cash and Cash Equivalents

Cash includes current bank deposits, deposits held by virtual on-line accounts, money market funds 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.

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016

2. Summary of Significant Accounting Policies - Continued

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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Revenue 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.
- 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, conference fees, grants, 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.
- Donations are recognized as revenue when the amounts are received or receivable.

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, deferred revenues and the estimated useful life over which the capital assets are amortized to operations.

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.

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016

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.

Invested in Capital Assets

The surplus amount labeled “invested in equipment” represents the net book value of the Associations’ equipment, net of any debt thereon.

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2. Summary of Significant Accounting Policies - Continued

Internally Restricted Net Assets

The Board has imposed an internal restriction on net assets which may be allocated to awards, capital, or to fund contingencies for future operations.

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 totaling \$1,760 have been granted from this fund.

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.

3. Capital Assets

	2016		2015
	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
Computer equipment and software	<u>31,252</u>	<u>31,252</u>	<u>458</u>

4. Collection

There was a single purchase accession of \$960 in 2016 (2015 - \$nil) to the collection. There were no deaccessions from the collection during the Association's 2016 fiscal year (2015 - \$nil). The total historical cost of the collection to the end of the current year is \$13,087 (2015 - \$12,127).

5. Arts Endowment Fund

An Arts Endowment Fund (the "Fund") is held by the Ontario Arts Foundation in perpetuity. The Fund is invested in pooled funds which are managed by Burgundy Asset Management and Letko Brosseau. The Association is entitled to the annual income generated from the fund. Income received from the fund during the year amounted to \$3,212 (2015 - \$3,034) and is included with interest and other revenue in these financial statements. The market value of the Fund at year end is \$70,180 (2015 - \$73,691). As the Association has no access to the capital, no amount is recorded in these financial statements in the current or prior years.

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NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016

6. Deferred Contributions

Deferred contributions consist of designated donations which remain unspent at year end, as follows:

	<u>2016</u>	<u>2015</u>
	\$	\$
Bursaries and Awards	3,441	3,654
Creative Directions	1,300	-
Fireworks	<u>-</u>	<u>1,360</u>
	<u>4,741</u>	<u>5,014</u>

7. Risk

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.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association liquidated its investment holdings during the year and is no longer exposed to interest rate fluctuations and the risk associated with investment holdings.

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. The allowance for doubtful accounts in relation to accounts receivable is \$nil (2015 - \$nil).

Other Risks

It is management's opinion that the Association is not exposed to significant currency, cash flow or market risks arising from its financial instruments.

8. Lease Commitment

The Association is committed to a lease agreement for its operating premises expiring on October 31, 2018. There is a single option available to extend the lease for an additional three years. Minimum lease commitments over residual period of the original lease are as follows:

Fiscal 2017 - \$ 5,004

Fiscal 2018 - \$ 5,105

Fiscal 2019 - \$ 3,013

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016

Schedule of Activities

	<u>2016</u>	<u>2015</u>
	\$	\$
REVENUE		
Clay and glass show	42,713	36,464
Annual conference	30,249	42,439
Workshops	4,399	4,396
Mentorship income	6,757	183
Exhibitions and awards	<u>5,194</u>	<u>1,894</u>
	<u>89,312</u>	<u>85,376</u>
EXPENSES		
Clay and glass show	46,654	41,286
Annual conference	20,503	31,337
Workshops	1,703	3,644
Exhibitions and awards	6,114	172
Mentorship	<u>4,598</u>	<u>2,212</u>
	<u>79,572</u>	<u>78,651</u>
	<u>9,740</u>	<u>6,725</u>