

# Fusion

THE ONTARIO  
CLAY AND GLASS  
ASSOCIATION



Teresa O'Grady-Dunlop



Jerre Davidson

**FIREWORKS 2015**

## ANNUAL REPORT

April 1, 2014 – March 31, 2015

# FUSION Board 2014-2015

## Current Board of Directors

<i>President</i>	Barbara Banfield	2013-2015
<i>Vice-President, Programming &amp; Education</i>	Chris Snedden	2013-2015
<i>Past President/Nominations</i>	Vacant	
<i>Treasurer</i>	Cynthia Dron	2013-2015
<i>Secretary</i>	Janet Cox	2014-2015
<i>Conference</i>	Ann Allen	2014-2016
<i>Workshops</i>	Jen Leis	2014-2016
<i>Fireworks &amp; Glass Programming</i>	Valerie Dennis	2014-2016
<i>Database, Website &amp; Publications</i>	Gene Timpany	2013-2015
<i>Membership &amp; Guild Engagement</i>	Jenny Rushforth	2014-2016

EXECUTIVE DIRECTOR AND BOOKKEEPER	Deborah Freeman
FUSION OFFICE ADMINISTRATOR	Jenanne Longman



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# Table of Contents

President’s Report ..... 4

Treasurer’s Report ..... 5

Programming and Education Report ..... 5

Programming and Education Report ..... 6

Winter Workshop Report ..... 6

Pottery and Glass Show Report ..... 7

Mentorship Report ..... 7

Fireworks Report ..... 8

Publications / Website / Database Report ..... 9

Nominations Report ..... 10

Minutes from AGM 2014 ..... 11

Front Cover: FUSION Fireworks 2015 Invitation

# President's Report

Barbara Banfield, President

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

Our programs and services delivered through our web site, publications, E-news, scholarships, mentorships, sales, awards, workshops and exhibitions 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 we ran a very successful conference featuring Jennifer McCurdy and Kathryn Koop at Fleming College in Peterborough. Not only was it extremely informative but it was a wonderful opportunity to visit the Kawartha Potters' Guild new gallery and studio space. They graciously hosted a wonderful opening and gallery exhibition of their work. We appreciate all that they did to support FUSION throughout the conference.

This fall saw the start of the "Linda Sormin" mentorship in Toronto. Individuals are traveling from as far as London and Kingston to participate. It is a diverse group of artists and the exhibition called "Small Transgressions" promises to showcase exciting new and innovative work. Opening at Craft Ontario on September 3, 2015. We are excited to see this program continue to grow.

The winter workshop, featuring Carole Epp from Saskatchewan, was a great success. Everyone who attended was most impressed with the generous sharing of her knowledge and her wonderful narrative style and technique. Thank you to Ken Gangbar for hosting us in his studio space.

The 2014 Pottery and Glass Show took place once again at the Wychwood Barns in Toronto and will do so again this year. Combined with the farmers' market in this lovely neighborhood space, we

managed a modest increase in sales. We gave a variety of hands-on demos of wheel working and hand building that the general public found interesting and engaging. With a dynamic new sales committee in place, we are looking forward to continuing at this venue with some exciting new changes on the way.

Our magazine will take on a whole new presence with our next issue, as we embrace the digital world and deliver it to you on the web. The original print format was no longer financially sustainable. After much deliberation and hours of discussion it was decided to go forward with the new and exciting format.

This year, Fireworks 2015 will open at the Carnegie Gallery in Dundas, Ontario, on Friday June 5. We had a fantastic number of applications. I am sure it will be a fabulous exhibition and will make for a fun Friday evening at the conference.

All of these programs have required the work of a dedicated board and staff. I cannot thank the following enough: FUSION Board Members: Chris Snedden, Vice President; Ann Allen, Director of Conference; Jen Leis, Director of Winter Workshop; Valerie Dennis, Director of Fireworks; Gene Timpany, Director of Data Base, Web Site and Publications; Jenny Rushforth, Director of Membership and Guild Relations; Noel Keag Director of Northern Programming; Cynthia Dron Treasurer; and Janet Cox, Secretary. Supporting us all is Jenanne Longman, our office administrator, and Deborah Freeman, bookkeeper and executive director. These two hard working individuals are the backbone of FUSION. I extend my sincere thanks and gratitude to everyone.

FUSION'S Board and staff look forward to another year of providing programming and support to our members. ■

## Treasurer's Report

Cynthia Dron, Director

In FUSION's fiscal year ending March 31, 2015, revenues increased significantly over the prior year. FUSION enjoyed greater participation this year in the Annual Conference and sales were up at the Pottery & Glass Show. As well, FUSION ran a successful Winter Workshop, Mentorship Program and the provincial tour of Fireworks 2013. However, along with increased activity came a corresponding increase in expenses, particularly in regards to staff time in order to successfully administer the programming. This resulted in a deficit again this year.

The board has already taken steps to rectify this situation for the upcoming year. The magazine is now offered online which eliminates the cost of printing and changes are being implemented to the format of the 2015 Pottery and Glass Show and the Annual Conference in 2016. It is our hope that these changes will stimulate more interest in FUSION, increasing membership and the participation of our community. ■

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## Programming and Education Report

Chris Snedden, Director

### Conference 2014

Jennifer McCurdy from Vineyard Haven, Massachusetts, and Kathrynne Koop, from Winnipeg, Manitoba, worked together on stage to create an exciting and fun atmosphere at the 2014 Annual Conference that was held at Sir Sandford Fleming College in Peterborough.

Jennifer showed us how she creates her exquisite pierced thrown and altered pieces. While Kathrynne

demonstrated how she creates her fantastic porcelain work.

Thank you to the Kawartha Potters Guild for the generous donation of time and labour to make the conference a success.

FUSION would like to thank all the conference sponsors for their on-going support! ■

# Programming and Education Report

Ann Allen, Director

## Conference 2015

This is my first year on the board and I have very much enjoyed the learning process. The majority of the year was spent organizing this year's conference. I hope you enjoy all it has to offer. I want to thank Chris Snedden for making my job easy. Also many thanks to Chris de Takacsy from the conference's host guild, The Potters' Guild of Hamilton and Region, for her assistance and participation. Deborah Freeman was always there to help guide me as well. I am very lucky to have so

much support. Thank you all.

I have also begun to plan for next year which is shaping up to be very special with many twists, turns and surprises for the membership. We will be giving you hints very shortly as we have a few details to work out before we let you in on the plans.

I look forward to continuing in the position, working with the other members of the team, and striving to make next year very special for all of you. ■

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## Winter Workshop Report

Jen Leis, Director

The 2015 winter workshop with Carole Epp, held February 28 – March 1, was a lot of fun. This workshop addressed different approaches to presenting narrative in ceramics and technical processes that Carole uses in her sculptural and functional work.

Demonstrations included: an easy method of making casting slip; basic mold making; methods of combining slipcast and handbuilt components;

functional and sculptural design considerations; Mishima technique; handmade stamp design and construction; and the use of underglaze and china paints for decoration.

Carole led the group in hands-on components including: creating templates out of foam sheets for stamping; sketching and design drawing; and the Mishima process. ■

## Pottery and Glass Show Report

Deborah Freeman, Executive Director

The 2014 Pottery and Glass Show was held at the Wychwood Barns in Toronto on October 18-19. We had the same number as participants as the previous year: 33. All the participants pulled together to create a great sale.

Sales were up 25% from the previous year. We organized wheel and hand-building demonstrations, and again partnered with the Gardiner Museum to make bowls for their Empty Bowls fundraising event. Unfortunately, our site and advertising costs remained very high and

despite the increase in sales, FUSION experienced a net loss on the show.

Recently, we changed the name of the Pottery and Glass Show to the FUSION Clay and Glass Show. This change reflects the change in direction of the show from a table top display show towards individual artistic displays. In 2015 we are planning on bringing back the Friday night opening and hope to have awards for Best in Show, Best in Glass and Best in Ceramics. ■

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## Mentorship Report

Barbara Banfield, Director

This past fall saw the beginning of FUSION's 6th Mentorship Program, led by the accomplished and most enthusiastic Linda Sormin, the current Head of the clay program at Sheridan College. The group has been meeting regularly over the fall and winter months at Ashbridge's Bay House on Queen St. East in Toronto. The Ontario Artist Society generously allowed us to use their space for a stipend. Individuals traveled from as far as London and Kingston.

The group is an exciting combination of fourteen clay artists working primarily in the form of sculpture. The combination and the cross pollination of ideas is generating some very exciting new work. Participants are taking risks and pushing their ideas and medium in new directions.

You will see clay emerge in innovative ways in the upcoming exhibition called "Small Transgressions." Sculpture, installation, video and sound and more will be presented at Craft Ontario Gallery opening September 3, 2015.

We are looking forward to continuing this program in the fall of 2016/17. We are just in the preliminary stages of planning.

We appreciate all the support we have received from the Ontario Arts Council, Craft Ontario, The Potters' Guild of Hamilton and Region, Mississauga Potters Guild, Ontario Artists Society and all the individuals that have helped in little ways to make this program such a success. ■

# Fireworks Report

Valerie Dennis, Director

Fireworks 2013 continued to tour. This year it travelled to The Rails End Gallery in Haliburton, and to the Timmins Museum, in their National Exhibition Centre. The Exhibition's final site will be at the Art Gallery of Burlington in April and May of 2015.

Fireworks 2015 is well underway. Early 2015 saw us busy contracting the jurors, Melanie Egan and David Kaye. We updated the Call for Entry and distributed it widely. The result was a large number of entrants. Fireworks 2015 is set to open at the Carnegie Gallery in Dundas, Ontario.

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;
- Anonymous donor for their support for the Best in Show Award 2013.
- 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 and Purchase Award funds;
- The Potters' Guild of Hamilton and Region for its Award of Merit donation ■



# Publications/Website/Database Report

Gene Timpany, Director

This year has been a year of change. I started out as Secretary and then moved to Director of Publications, Website and Database; what is generally known as the information side of our organization. Information coming into our organization and information going out in an understandable form to you, the members, in a fiscally responsible way was my priority.

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

The committee spent a lot of time researching funding sources and options for the magazine and we concluded that the best way to cut our costs and still provide a value added benefit for each member was for the magazine to transition from a print version to a digital version.

We are excited about all the new possibilities that exist by using the new on-line format. The entire issue will now be in colour; direct links to suppliers can be provided; ads from retailers, guilds and

individual advertisers are now possible; and we still retain control of the content giving you the quality publication that you have come to expect. With the new format we are also able to offer very good advertising rates for anyone from individuals to guilds, galleries and retailers.

Our website is a product of our database, and updates made to the database program this year are going to allow us to access better information. An overhaul of the website is planned shortly. More functionality is being added to allow us to make our website more mobile friendly.

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.

I would like take this opportunity to thank Derek Chung for all his years' experience which he has and continues to share with me when I have a question or problem. ■

# Nominations Report

Barbara Banfield, Chris Snedden

## Current Board of Directors

<i>President</i>	Barbara Banfield	2013-2015
<i>Vice-President, Programming &amp; Education</i>	Chris Snedden	2013-2015
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<i>Membership &amp; Guild Engagement</i>	Jenny Rushforth	2014-2016

## 2015 Slate of Nominees

Barbara Banfield – re-election  
Christopher Reid Flock  
Chris Snedden – re-election  
Gene Timpany – re-election  
Steven (Woody) Woodruff

## Awards

FUSION is pleased to have provided the following awards in 2014/15.

### FUSION Student Awards

*Technical Achievement Award (glass):*

Courtney Downman

*Community Involvement Award (glass):*

Rebecca Lauzon

*Award of Merit (glass):*

Gabriela Wilson

*Technical Achievement Award (ceramics):*

Huang Jing

*Community Involvement Award (ceramics):*

Yu Cheng'ou

*Award of Merit (ceramics):*

Michelle Landriault

### FUSION Guild Design Awards

Toronto Potters Association | Eden Bender  
Burlington Potters' Guild | Nikola Wojewoda-Patti  
Mississauga Potters Guild | Frieda Pereira  
Ottawa Guild of Potters  
Waterloo Potters' Workshop

### Scholarships

Cheryl Wilson-Smith (glass)

Debra Sloan (ceramics)

**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION  
MINUTES OF THE ANNUAL GENERAL MEETING**

**Fleming College, Peterborough ON  
May 31, 2014 Time: 1:05 pm**

**1. WELCOME**

President Vickie Salinas welcomed conference delegates and thanked Chris Snedden and FUSION board members for all their hard work this year.

Board members who were present and introduced:

PRESIDENT: Vickie Salinas

TREASURER: Cindy Dron

SECRETARY: Gene Timpany

DIRECTOR of Education and Programs: Chris Snedden

PAST PRESIDENT and DIRECTOR of Marketing and Publications: Derek Chung

DIRECTOR of Mentorship: Barb Banfield

DIRECTOR of Winter Workshop: Noel

Keag

Employees present and introduced:

Executive Director: Deborah Freeman

Office Administrator: Jenanne Longman

**2. MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING:**

June 1, 2013, Sheridan College, Oakville.

Vickie asked for additions or correction of last year's minutes.

MOTION: Lillian Forester moved and Teresa Ainsworth seconded that the minutes for the Annual General Meeting of June 1, 2013 as circulated, be accepted.

Motion carried

**3. AUDITED FINANCIAL STATEMENTS**

Cindy Dron presented her financial reports and the audited statements.

MOTION: Teresa Dunlop moved and Heidi McKenzie seconded to accept the audited financial statements as presented.

Motion carried

**4. APPOINTMENT OF AUDITOR**

MOTION: Nancy Coley moved and Anne Armstrong seconded that the firm of Jeffrey Milgram be appointed to audit the accounts of the Association for fiscal 2015.

Motion carried

**5. By-Law Amendments**

Gene Timpany presented several by-law amendments recommended by the board of directors.

**By-law #4 Corporate Seal**

"The Association may have a corporate seal, which shall be adapted and may be changed by the Directors."

The board recommended that the word Directors be changed to Board. The current wording seems to indicate that a Director can change the seal. The intention is that it is a Board decision.

MOTION: Gene Timpany moved and Cindy Dron seconded that by-law #4 be changed to read: "The Association may have a corporate seal, which shall be adapted and may be changed by the Board."

Motion carried

**By-law #5 Execution of Instruments**

"...In addition, the Directors may from time to time by resolution direct the manner in which and the person or persons by whom any particular instrument or class of documents or instruments may or shall be signed."

The board recommended that the word Directors be changed to Board. The current wording seems to indicate that a Director can change the signing authorization. The intention is that it is a Board decision.

MOTION: Gene Timpany moved and Nancy Redwood seconded that by-law #5 be changed to read: "...In addition, the Board may from time to time by resolution direct the manner in which and the person or persons by whom any particular instrument or class of documents or instruments may or shall be signed."

Motion carried

**By-law #49 Past President**

"The Past President shall be a Member of the Board of Directors in an ex-officio, non-voting capacity, not eligible to make up a quorum of Directors for the term of

the President who succeeds him. He shall perform such duties as the Board may prescribe."

The board recommended that the Past President be allowed to vote on issues.

MOTION: Gene Timpany moved and Mary Zintel seconded that by-law #49 be changed to read: "The Past President shall be a full member of the Board of Directors, able to vote and eligible to count towards quorum of directors for the term of the President who succeeds him. He shall perform such duties as the Board may prescribe."

1 opposition 1 abstention

Motion carried

**6. VOLUNTEER AWARDS**

Chris Snedden acknowledged the contributions of Anne Pederson and Koen Vanderstukken for their contributions in the past year and presented their volunteer awards.

**7. ELECTION OF NEW OFFICERS**

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

Barb Banfield:	2015
Cynthia Dron:	2015
Chris Snedden:	2015
Gene Timpany:	2015
Noel Kaeg:	2015

MOTION: Derek Chung moved and Wayne Rose seconded the following nominees

be elected to the FUSION's Board of Directors for a two-year term:

Valerie Anne Dennis: Ann Allen:

Jenny Rushforth: Jen Leis:

Vickie Salinas:

Motion carried

**8. AJOURNMENT**

Barb Banfield motioned and Teresa Ainsworth seconded that the Annual General Meeting be adjourned.

Motion carried

Time: 1:45 p.m. Minutes respectfully submitted by Gene Timpany.

**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**MARCH 31, 2015**

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

**MARCH 31, 2015**

**CONTENTS**

	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1</b>
<b>AUDITED FINANCIAL STATEMENTS</b>	
<b>Statement of Financial Position</b>	<b>2</b>
<b>Statement of Operations</b>	<b>3</b>
<b>Statement of Changes in Net Assets</b>	<b>4</b>
<b>Statement of Cash Flows</b>	<b>5</b>
<b>Notes to the Financial Statements</b>	<b>6 – 11</b>
<b>Schedule to Financial Statements</b>	<b>12</b>

**JEFFREY D. MILGRAM B.Comm.**  
**Chartered Accountant/Licensed Public Accountant**

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**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, 2015 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, 2015 and the results of its operations and cash flows for the year ended in accordance with Canadian accounting standards for not-for-profit organizations.



**CHARTERED ACCOUNTANT**  
**LICENSED PUBLIC ACCOUNTANT**  
**TORONTO, ONTARIO**  
**MAY 26, 2014**

**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2015**

	<u>2015</u>	<u>2014</u>
	\$	\$
		(Note 9)
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	98,186	107,036
Government excise tax recoverable	2,576	4,947
Accounts receivable	1,055	5,692
Prepaid expenses	<u>3,139</u>	<u>6,322</u>
	<u>104,956</u>	<u>123,997</u>
<b>CAPITAL</b>		
Equipment (Note 3)	458	940
Pottery collection (Note 4)	<u>1</u>	<u>1</u>
	<u>459</u>	<u>941</u>
	<u>105,415</u>	<u>124,938</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	<u>9,738</u>	<u>6,137</u>
<b>DEFERRED</b>		
Deferred conference and fee revenue	39,142	42,191
Deferred contributions (Note 6)	<u>5,014</u>	<u>3,231</u>
	<u>44,156</u>	<u>45,422</u>
<b>NET ASSETS</b>		
Invested in capital assets	458	940
Unrestricted	(39,668)	(18,139)
Internally restricted	85,256	85,256
Scarborough Potters' Guild Fireworks Award Fund	<u>5,475</u>	<u>5,475</u>
	<u>51,521</u>	<u>73,379</u>
	<u>105,415</u>	<u>124,938</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, 2015**

	<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>2015</u>	<u>Total</u> <u>2014</u>
	\$	\$	\$	\$	\$	\$
						(Note 9)
<b>BALANCE, at beginning of year as originally stated</b>	<b>940</b>	<b>(18,292)</b>	<b>85,256</b>	<b>5,475</b>	<b>73,379</b>	<b>106,813</b>
<b>Restatement (Note 9)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>
<b>BALANCE, at beginning of year as restated</b>	<b>940</b>	<b>(18,292)</b>	<b>85,256</b>	<b>5,475</b>	<b>73,379</b>	<b>96,813</b>
<b>Deficiency of revenue over expenses for the year</b>	<b>(482)</b>	<b>(21,376)</b>	<b>-</b>	<b>-</b>	<b>(21,858)</b>	<b>(23,434)</b>
<b>Interfund transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>BALANCE, at end of year</b>	<u><b>458</b></u>	<u><b>(39,668)</b></u>	<u><b>85,256</b></u>	<u><b>5,475</b></u>	<u><b>51,521</b></u>	<u><b>73,379</b></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, 2015**

	<u>2015</u>	<u>2014</u>
	\$	\$
		(Note 9)
<b>REVENUE</b>		
Activities (Schedule – Page 12)	85,376	58,773
Grants – Ontario Arts Council	36,000	31,500
Memberships	18,143	17,605
Interest and other (Note 5)	3,679	5,948
Publications	4,540	8,583
Awards and bursaries	1,730	1,200
Donations	511	4,830
Merchandise sales	<u>-</u>	<u>20</u>
	<b><u>149,979</u></b>	<b><u>128,459</u></b>
<b>EXPENSES</b>		
Activities (Schedule – Page 12)	78,651	64,876
Wages and benefits	41,311	33,799
Publications	21,386	21,667
Office and general	10,582	11,872
Rent	9,053	8,538
Professional fees	4,261	4,000
Insurance	4,262	4,310
Awards and bursaries	<u>1,849</u>	<u>2,113</u>
	<b><u>171,355</u></b>	<b><u>151,175</u></b>
Deficiency of revenue over expenses before undernoted item	(21,376)	(22,716)
Amortization	<u>482</u>	<u>718</u>
Deficiency of revenue over expenses for the year	<b><u>(21,858)</u></b>	<b><u>(23,434)</u></b>

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, 2015**

	<u>2015</u> \$	<u>2014</u> \$ (Note 9)
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenses	(21,858)	(23,434)
Item not involving cash:		
Amortization	482	718
Deferred revenue	<u>(44,077)</u>	<u>(40,314)</u>
	<u>(65,453)</u>	<u>(63,030)</u>
Net change in non-cash working capital items		
Accounts receivable	4,637	(83)
Government remittances	2,371	(10,384)
Prepaid expenses	3,183	(78)
Accounts payable and accrued liabilities	3,601	(11,020)
Deferred revenue	<u>42,811</u>	<u>45,422</u>
	<u>56,603</u>	<u>23,857</u>
Net cash used by operating activities	<u>(8,850)</u>	<u>(39,173)</u>
Net change in cash during the year	(8,850)	(39,173)
Cash and cash equivalents, beginning of year	<u>107,036</u>	<u>146,209</u>
Cash and cash equivalents, end of year	<u>98,186</u>	<u>107,036</u>
<b>COMPRISED AS FOLLOWS:</b>		
Cash on line and in bank	25,396	34,746
Short term investment – Money market funds	<u>72,790</u>	<u>72,350</u>
Cash and equivalents end of year	<u>98,186</u>	<u>107,036</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, 2015**

**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 corporation prepares its financial statements in accordance with the Chartered Professional Accountants of Ontario (CPAON) 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, 2015**

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, 2015**

**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.

**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**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 \$800 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**

	<b>2015</b>		<b>2014</b>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	<b>Net Book Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Computer equipment and software	<b><u>31,252</u></b>	<b><u>30,794</u></b>	<b><u>458</u></b>	<b><u>940</u></b>

**4. Collection**

There were no accessions or deaccessions from the collection during the Association's 2015 fiscal year (2014 - \$nil). The total historical cost of the collection to the end of the current year is \$12,127 (2014 - \$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 \$3,034 (2014 - \$2,968) and is included with interest and other revenue in these financial statements. The market value of the Fund at year end is \$73,691 (2014 - \$67,796). As the Association has no access to the capital, no amount is recorded in these financial statements in the current or prior years.

**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**6. Deferred Contributions**

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

	<u>2015</u>	<u>2014</u>
	\$	\$
Bursaries	<u>5,014</u>	<u>3,231</u>

**7. Risk**

**Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is therefore exposed to liquidity risk with respect to its accounts payable. The Association reduces its exposure to liquidity risk by ensuring that it documents when authorized payments are due and maintains adequate cash reserves to pay vendors.

**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 is exposed to interest rate price risk with respect to investments with fixed interest rates. The risk is mitigated by the Association investing in instruments which have a low susceptibility to significant fluctuations in the market.

**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 (2014 - \$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.

**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**8. Lease Commitment**

The Association is committed to a lease agreement for its operating premises expiring on October 31, 2015. 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 2016    \$ 4,406

**9. Comparative Figures and Restatement**

**Comparative Figures**

Certain 2014 comparative balances may have been reallocated to conform to the current year's presentation format.

**Deferred Revenue Adjustment**

Comparative figures have also been restated to account for a change in accounting policy on how the Association accounts for its memberships and its disclosure for financial statement purposes. Previously, memberships were recognized on a cash basis regardless of when the membership period commenced or ended. Since membership revenue of the Association is earned over the term of the membership though services rendered to and publication made available to the membership, the Association has amended its policies to recognize membership revenue over the term of the membership, spanning from 12 to 24 months from the date of registration and application by the member, as applicable. This change in policy has been applied retrospectively. Accordingly, opening surplus for fiscal 2014 was reduced by \$153 and the opening surplus for fiscal 2013 was reduced by a further \$10,000.



**FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>2015</u>	<u>2014</u>
	\$	\$
<b>REVENUE</b>		
Pottery and glass show	36,464	28,134
Annual conference	42,439	22,571
Workshops	4,396	-
Mentorship income	183	3,250
Exhibitions and awards	<u>1,894</u>	<u>4,818</u>
	<u>85,376</u>	<u>58,773</u>
<b>EXPENSES</b>		
Pottery and glass show	41,286	34,243
Annual conference	31,337	19,282
Workshops	3,644	388
Exhibitions and awards	172	5,546
Mentorship	<u>2,212</u>	<u>5,417</u>
	<u>78,651</u>	<u>64,876</u>
	<u>6,725</u>	<u>(6,103)</u>

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