



ANNUAL REPORT

APRIL 1, 2020 - MARCH 31, 2021

Fusion
THE ONTARIO
CLAY AND GLASS
ASSOCIATION

Cover Images

Amee Raval (winner of 2021 glass scholarship) Erin Berry (winner of 2021 ceramic scholarship)

FUSION BOARD OF DIRECTORS 2020-2021

President	Wendy Hutchinson	2020-2022
Past President	Ann Allen	2018-2020
Secretary	Alison Brannen	2020-2022
Treasurer	Bep Schippers	2020-2022
Awards & Scholarships	Chris Snedden	2019-2021
Breakthrough Exhibition	Chris Snedden	2019-2021
Clay & Glass Show	Wendy Hutchinson	2020-2022
Conference	Wendy Hutchinson	2020-2022
Creative Directions, Co-chair	Barbara Banfield	2019-2021
Creative Directions, Co-chair	Silvana Michetti	2020-2022
Glass Programming	Amee Ravel	2020-2022
Magazine	Catharina Goldnau	2020-2022
Makers Meet	Chris Snedden	2019-2021
Makers Meet	Gene Timpany	2019-2021
Membership & Guild Engagement	Amee Ravel	2020-2022
Mentorship	Barbara Banfield	2019-2021
Website and Database	Gene Timpany	2019-2021
Executive Director & Bookkeeper	Deborah Freeman	
Office, Website & Social Media Administrator	Jenanne Longman	



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PRESIDENT'S REPORT

Wendy Hutchinson, (Immediate Past) President

To say it's been an ongoing challenging time since our last AGM is an immense understatement. As you will see from the other reports herein, certain programs were able to continue in an online format whilst it was necessary to delay other programs until an online/in-person hybrid format could be suitably structured.

Thanks to various government Covid recovery programs, we had a somewhat positive financial year, enabling us to stay the course in spite of everything. As we tried to sustain those programs that we did, we became ever more mindful of the changing landscape of program delivery and, like everyone else, were in constant state of flux - the irony for a clay and glass group! - in keeping up with the changing guidelines and adjusting accordingly. My sincere gratitude for the commitment of all involved in that regard, particularly to Barb Banfield for one of our signature programs, Creative Directions, which had two cohorts concurrently running.

We also continued to be well supported by our dedicated staff, Deborah Freeman, Executive Director, and Jenanne Longman, Office/Social Media/Website Administrator. My thanks to both of them for their efforts in keeping us on point.

Having been confirmed President in November 2020, I was grateful and optimistic for the opportunity to help carry FUSION through the present uncertain times and reimagine the way to future better times. My primary objectives were to identify issues that FUSION faced as an arts service organization, to exchange genuine and considered suggestions with Board members in addressing those issues, to assist Board members in fulfilling their roles and setting ideas into action - all with our collective aim to improve the function of FUSION in fulfilling its mandate.

Regrettably, it was not meant to be, as you will know or have surmised, I stepped down as President and as Board member, effective May 23, 2021; it was a decision not made lightly. My thanks to Gene Timpany for having invited me to join the Board, for offering his continued support, and for stepping up to take on the role. I am pleased to see three new Board nominees on the slate, and wish everyone - and FUSION - all the best.

TREASURER'S REPORT

Bep Schippers, Treasurer

After a very challenging year, FUSION ended the 2021 fiscal year on stable footing, despite the impact of the pandemic. Activity revenues shrank compared to 2020 by 79%, yet our situation at year end resulted in an excess of \$35,419 revenue overall; total revenue was \$121,857 and total expenses were \$86,438.

Two key factors of note are the support received from federal government subsidies and reduced expenses. Wage and rent subsidies (total of \$29,444) contributed to the continuation of general operations. Lower levels of expenditures compared to the previous year was mainly caused by the pandemic which resulted in the cancellation of several in-person activities.

Overall, FUSION successfully balanced expenditures in relation to changing revenue expectations and ended the year with a small surplus and healthy cash flow to confidently meet the challenges of 2022.

While planned activity resurgence continues as a core area of concern, we remain confident in FUSION's ability to respond and adapt in the year ahead. FUSION remains committed to maintaining its financial stability to ensure it can deliver on its mandate for many years to come. Our sincere gratitude goes to everyone that contributed to FUSION's financial wellbeing in 2021: members, donors, guilds, and government agencies.

CREATIVE DIRECTIONS REPORT

*Barbara Banfield and Silvana Michetti,
Creative Directions Co-Chairs*

There are two Creative Directions programs running concurrently, because of pandemic related delays.

"Dynamic Design" with Angelo di Petta, based in Peterborough, continued beyond the originally scheduled time, into December 2020, with delayed in person meetings and alternative sessions delivered by Zoom to the eight participants of this group. In addition, Angelo di Petta offered individual critique discussions by phone in response to emailed images of developing functional work. Future plans include an exhibition of resulting ceramic work in Toronto at the Gardiner Museum Shop in the summer 2021 with an on line catalogue and a series of artist talks.

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.

The current program, "Creative Pathways" with Lesley McNally, began in October with 14 participants in the group, meeting at the London Clay Art Centre. This program is in a similar extended situation, with some in person sessions and some live virtual workshops documented and available to the participants for reviewing. There will be a pause in planned sessions for the summer, as participants continue developing their ideas, and the sessions will continue in the fall. There are plans for an exhibition of the resulting work at the Satellite Gallery in London ON in May 2022.

Many thanks to Lesley McNally for her flexibility and willingness to travel, reschedule meetings and employ alternate formats to deliver the program. Thanks also to Chris Snedden and Gene Timpany for their expertise and assistance with recording the live virtual sessions. FUSION is grateful for the financial support received for this program from the Potters' Guild of Hamilton and Region.

Both Creative Directions programs have been reorganized by necessity, in response to changing health guidelines, thus various hybrid models for delivering these programs have evolved. There are significant benefits to decreasing geographic barriers and more cost effective delivery of instructional modules or critical feedback. A hybrid model with some important in person meeting sessions and a combination of Zoom, recorded sessions, digital sharing platforms and direct phone conversations is being considered for future program development.

FIREWORKS

Fireworks 2019 was launched in June 2019, with a planned closing date of May 2021. It was scheduled to be exhibited at several galleries in 2020/21, including the Art Gallery of Thunder Bay and the Canadian Clay and Glass Gallery in Waterloo, but the pandemic forced a number of cancellations. In the end it was only displayed at Rails End Gallery in Haliburton in 2020/21.

FUSION would like to thank the many donors and supporters that helped make Fireworks 2019 a success:

- Gilda Goodman, for provision of the Henry Goodman Best in Show Award
- Tucker's Pottery Supplies - Award
- The Pottery Supply House - Award and transport of show
- Potters Guild of Hamilton and Region - Award
- Craft Ontario - Award
- Derek Chung - Promotions and Creative
- Earls Court Gallery, Hamilton

We look forward to planning another Fireworks Exhibition soon!

MAGAZINE

Catharina Goldnau, Magazine Committee Chair

The magazine has been published as planned three times this past year: Vol. 44 No.2 on October 5, 2020, Vol. 44 No. 3 on February 2 2021 and Vol. 45 No. 1 on June 1, 2021. Every edition was skillfully crafted by editor Margot Lettner in collaboration with graphic designer Derek Chung. Margot's contract ended with the last edition and is slated to be renewed at the same terms on July 1, 2021 to June 30 2022 for another year.

MAKERS MEET

Chris Snedden, Makers Meet Chair

In January of 2020 FUSION started a pilot program aptly named by Deb Freeman as "Makers Meet." The idea of the program was to have live streamed demonstrations by prominent Ontario ceramic and glass artists, that people could watch from the comfort of their own studios or home offices. Our original intent was to provide these workshops to people from remote areas of the province and beyond. With the advent of the Covid 19 pandemic, and subsequent shutdown, it became patently obvious that this online format was needed by the membership for inspiration and community building.

Tony Clennell was our presenter in June 2020 coming as a live presentation from his studio in Aylmer, Ontario. Tony showed us how he makes his drop rimmed bowls, and regaled us with stories, anecdotes, and jokes.

In July 2020 we had an excellent glass presentation by Jane Cornellis from Delaware, Ontario. Jayne showed us the ins and outs of casting in glass and how to make glass casting moulds in several different ways. She was very generous with her information and even revealed her firing schedules.

September 2020 brought us the incomparable Bruce Cochran showing us his thrown cut and assembled forms. October 2020 brought Tony Clennell back to the London Clay Art Centre where he presented the making of sectional pots. In November 2020 we had the wonderful and charming Daumante Styrbite showing us how she uses press and slip casting moulds to make her wild bugs and blobs.

Needless to say, the pandemic caught us all off guard and no one thought that it would go on for so long. Makers Meet is one program that is very relevant with the restrictions that we are facing today. Look out for more Makers Meet programs in the future.

FUSION GRAD SPOTLIGHT

Catharina Goldnau

The central part of FUSION'S mission statement is "[to] encourage and promote excellence and quality in clay and glass, provide opportunities for fellowship and a sense of community involvement, provide continuing education resources for members and people interested in clay and glass and to reach out..." In the spirit of reaching out to celebrate Ontario's newest graduates from clay and glass programs, I designed a "FUSION Grad Spotlight," introducing new graduates from Fleming College Ceramics (10), Lakehead University Ceramics (3), Sheridan College Ceramics (8), and Sheridan College Glass (5) to the clay and glass community. Each student submitted a picture of themselves and a short sentence about their work.

The newsletter was received very well by students as well as their professors and instructors, and introduced all the students to the FUSION organization. Several of them subsequently claimed their free student membership. It is my hope that over the years, FUSION will become, and stay, an integral part connecting them to their art community.

SCHOLARSHIPS AND AWARDS

Chris Snedden, Chair, Scholarships and Awards Committee

FUSION 2020/21 Student Awards

This year FUSION was pleased to provide nine awards for the 2021 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.

Award of Merit:

1-year FUSION membership.

FUSION 2020/21 Student Award Recipients

Sheridan College:

Technical Achievement Award (glass):

Gordon Boyd

Technical Achievement Award (ceramics):

Erin Roundsky

Award of Merit (glass): Ameer Raval

Award of Merit (ceramics): Zipei Wu

Community Involvement Award (glass):

Eric Di Mascio

Community Involvement Award (ceramics):

Kleio Maher

FUSION 2020/21 Guild Design Awards

Craft Ontario: Erin Berry

Mississauga Potters Guild: Mili Roy

Ottawa Guild of Potters: Monica Rosenthal

Volunteer of the Year Award

Chris Snedden

Scholarships

FUSION is grateful for Laurie Jones' efforts in jurying the 2021 scholarships.

This year's recipients were:

Ameer Raval (glass)

Erin Berry (ceramics)

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
MINUTES OF THE ANNUAL GENERAL MEETING
December 15, 2020
Via Zoom

1. PRESIDENT’S WELCOME AND INTRODUCTION OF BOARD MEMBERS

President Wendy Hutchinson called the meeting to order at 5:30 pm
She gave a quick tutorial of the use of the Chat function for questions, motions, seconding of motions and comments. Wendy welcomed all present to the meeting.

2. APPROVAL OF THE MINUTES OF THE ANNUAL GENERAL MEETING for fiscal 2018-2019

MOTION: Rhonda Uppington moved, and Chris Snedden seconded that the minutes for the Annual General Meeting of June 01, 2019, be accepted.

Motion carried.

3. ELECTION OF DIRECTORS

President Wendy Hutchinson called for nominations from the floor three times. No nominations being received she closed nominations.

MOTION: Hette Hillsdon moved, and Paige Deboro 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
- Bep Schippers
- Catharina Goldnau
- Silvana Michetti - re-election
- Wendy Hutchinson

Motion carried.

4. FINANCIAL REPORT AND AUDITED FINANCIAL STATEMENTS

Gene Timpany presented the financial report and the audited financial statements for 2019-2020.

MOTION: Gene Timpany moved, and Catharina Goldnau seconded that the financial report be accepted as presented.

Motion carried.

5. 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 2020-2021.

Motion carried.

6. BY-LAW AMENDMENTS

MOTION: Hette Hillsdon moved, and Teresa Ainsworth seconded that bylaw numbers 60, 67, and 69 be amended as per Board recommendation.

Current By-Law 60:

The annual meeting of Members shall be held at the head office of the Association or elsewhere in Ontario, as the Board may determine, not later than September 30. The annual general meeting shall be for the purpose of receiving reports and statements required to be placed before the annual general meeting by law, electing Directors, appointing auditors, and for the transaction of such business as may be properly brought before the meeting.

Proposed By-Law 60:

The annual meeting of Members shall be held at the head office of the Association or elsewhere in Ontario, or by electronic means, as the Board may determine, not later than September 30. The annual general meeting shall be for the purpose of receiving reports and statements required to be placed before the annual general meeting by law, electing Directors, appointing auditors, and for the transaction of such business as may be properly brought before the meeting.

Current By-Law 67:

A quorum for the transaction of any business at any meeting of Members shall be twenty persons present in person or by proxy and each entitled to vote thereat.

Proposed By-Law 67:

A quorum for the transaction of any business at any meeting of Members shall be twenty persons present in person, by proxy, or by electronic means, and each entitled to vote thereat.

Current By-Law 69:

Members may vote by mail ballot to decide any issue in respect of which they are entitled to vote.

Proposed By-Law 69:

Members may vote by mail ballot, or by electronic means, to decide any issue in respect of which they are entitled to vote.

Motion carried.

7. NEW BUSINESS

None.

8. ADJOURNMENT

MOTION: Catharina Goldnau moved, and Teresa Dunlop seconded that the Annual General Meeting be adjourned.

Motion carried.

Meeting adjourned at 6:03 pm

ACKNOWLEDGEMENTS

FUSION gratefully acknowledges the contributions of the following generous supporters:



Anonymous donor
Derek Chung Communications
Michael Filosa
Catharina Goldnau
Gilda Goodman
Jeffrey and Naomi Milgram
Frank Tucker
Jiaying Xu

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2021

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

MARCH 31, 2021

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Chartered Professional 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

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, 2021, 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, 2021, 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
JULY 26, 2021

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
ASSETS		
CURRENT		
Cash	119,842	64,694
Government excise tax recoverable	3,378	5,290
Accounts receivable	7,982	680
Prepaid expenses	<u>4,227</u>	<u>6,202</u>
	135,429	76,866
CAPITAL		
Pottery collection (Note 3)	<u>1</u>	<u>1</u>
	<u>135,430</u>	<u>76,867</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	9,520	10,308
Government remittances payable	<u>3,438</u>	<u>3,434</u>
	<u>12,958</u>	<u>13,742</u>
DEFERRED (Note 4)		
Deferred conference and fee revenue	9,425	32,102
Deferred contributions	<u>12,421</u>	<u>3,867</u>
	<u>21,846</u>	<u>35,969</u>
LONG TERM LIABILITY		
Canada Emergency Business Account (Note 6)	<u>38,051</u>	<u>-</u>
	<u>72,855</u>	<u>49,711</u>
NET ASSETS		
Unrestricted	-	-
Internally restricted (Note 5)	54,320	18,901
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>62,575</u>	<u>27,156</u>
	<u>135,430</u>	<u>76,867</u>

APPROVED ON BEHALF OF THE BOARD:

Sere Jempis DIRECTOR *July 27/21* DATE

B. Lyp DIRECTOR *July 28/21* 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, 2021

	The Fireworks Henry Goodman Best in Show Award Endowment		Internally Restricted	Scarborough Potters' Guild Fireworks Award Fund		Total 2021	Total 2020
	<u>Fund</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Award Fund</u>	<u>2021</u>	<u>2020</u>	
	\$	\$	\$	\$	\$	\$	\$
BALANCE, at beginning of year	5,600	-	18,901	2,655	27,156	52,836	
Excess of revenues over expenses (expenses over revenue) for the year	<u>-</u>	<u>35,419</u>	<u>-</u>	<u>-</u>	<u>35,419</u>	<u>(25,680)</u>	
	5,600	35,419	18,901	2,655	62,575	27,156	
Transfers	<u>-</u>	<u>(35,419)</u>	<u>35,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	
BALANCE, at end of year	<u>5,600</u>	<u>-</u>	<u>54,320</u>	<u>2,655</u>	<u>62,575</u>	<u>27,156</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, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
REVENUE		
Activities (Schedule – Page 15)	20,758	95,804
Grants:		
• Federal - Covid-19 (Note 6)		
○ Canada Emergency Wage Subsidy	27,135	-
○ Temporary Emergency Wage Subsidy	791	-
○ Canada Emergency Rent Subsidy	1,518	-
○ Canada Emergency Business Account	22,793	
• Provincial - Ontario Arts Council	21,200	21,200
Memberships	14,119	17,589
Interest and other (Note 7)	5,549	3,571
Publications	3,537	3,748
Awards and bursaries	1,400	2,273
Donations	<u>3,057</u>	<u>6,089</u>
	<u>121,857</u>	<u>150,274</u>
EXPENSES		
Activities (Schedule – Page 15)	9,518	74,694
Wages and benefits	43,218	63,968
Publications	9,411	9,251
Office and general	7,509	11,688
Interest on long term debt (Note 6)	843	-
Rent (Note 9)	5,633	5,522
Professional fees	5,800	5,087
Insurance	3,256	3,471
Awards and bursaries	<u>1,250</u>	<u>2,273</u>
	<u>86,438</u>	<u>175,954</u>
Excess of expenses over revenues for the year	<u>35,419</u>	<u>(25,680)</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, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses	35,419	(25,680)
Adjustment:		
Deferred revenue – prior year contributions	<u>(35,969)</u>	<u>(27,198)</u>
	<u>(550)</u>	<u>(52,878)</u>
Net change in non-cash working capital items		
Accounts receivable	(7,302)	807
Government remittances	1,912	1,178
Prepaid expenses	1,975	(1,732)
Accounts payable and accrued liabilities	(784)	4,609
Deferred revenue – current year contributions	<u>21,846</u>	<u>35,969</u>
	<u>17,647</u>	<u>40,831</u>
Net cash provided (used) by operating activities	<u>17,097</u>	<u>(12,047)</u>
FUNANCING ACTIVITIES		
Canada Emergency Business Account	<u>38,051</u>	-
Net cash provided by financing activities	<u>38,051</u>	-
Net increase (decrease) in cash during the year	55,148	(12,047)
Cash, beginning of year	<u>64,694</u>	<u>76,741</u>
Cash, end of year	<u>119,842</u>	<u>64,694</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, 2021

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, 2021

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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NOTES TO THE FINANCIAL STATEMENTS
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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, conference fees, 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.

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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 2021 (2020 - \$400). In addition, there were no deaccessions from the collection during in the 2021 fiscal year (2020 - \$nil). The total historical cost of the collection to the end of the current year is \$15,107 (2020 - \$15,107).

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4. Deferred Revenue

Deferred contributions consist of the following designated donations which remain unspent at year end:

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Designated Donations:</u>		
Bursaries and Awards	4,093	2,867
Creative Directions - restricted donations	<u>8,328</u>	<u>1,000</u>
	<u>12,421</u>	<u>3,867</u>
<u>Earned Revenue:</u>		
Conference	1,655	15,754
Creative Directions – participant fees	-	3,331
Sponsorships and other	-	359
Fireworks	-	1,262
Memberships	7,770	9,845
Publications	<u>-</u>	<u>1,551</u>
	<u>9,425</u>	<u>32,102</u>

5. Internally Restricted Net Assets

The Board has transferred \$35,419 (2020 - \$20,599) 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.

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.

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 the closure period, to the fiscal year end. The total claimed under this program amounted to \$27,135 in the 2021 fiscal year, including \$6,008 which is included in the year end receivable balance.

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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 \$1,518 in the 2021 fiscal year. Further claims under this program are pending management's determination of eligibility of the Organization to further participate and benefit from this program.

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 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, 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 current year.

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. The differential between the fair value as at the year end date and the \$40,000 face value of the re-payable portion of the loan, has also been included in revenue in the current year. The difference between the fair value and repayment amount is amortized as interest expense over the duration of the loan at a rate of \$96.32 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

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NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021

7. Arts Endowment Fund -Continued

Income received from the fund during the year amounted to \$5,549 (2020 - \$3,376) and is included with interest and other revenue in these financial statements. The market value of the Fund at year end is approximately \$79,296 (2020 - \$63,357).

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, 2021.

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. The allowance for doubtful accounts in relation to accounts receivable is \$nil (2020 - \$nil).

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.

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9. Lease Commitment and Subsequent Event

The Association renewed its lease agreement for its operating premises which expired on October 31, 2018. The renewed lease is for a period of three years commencing November 1, 2018 and ending on October 31, 2021 but provides for a single option to renew for a further three year period at a rate to be negotiated at that time. 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. 1/18 - Oct. 31/19	\$26.88	\$5,268.48	\$439.04
2. Nov. 1/19 - Oct. 31/20	\$27.42	\$5,374.32	\$447.86
3. Nov. 1/20 - Oct. 31/21	\$27.97	\$5,482.12	\$456.84

Subsequent to the 2021 year end, management exercised its option to renew the lease for a further 3 year term 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, 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.

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Schedule of Activities

	<u>2021</u>	<u>2020</u>
	\$	\$
REVENUE		
Annual conference	-	22,848
Clay and glass show	-	46,576
Creative Directions	9,550	6,663
Exhibitions	1,262	6,275
Fundraising	-	9,114
Mentorship	-	3,473
Workshops	<u>9,946</u>	<u>855</u>
	<u>20,758</u>	<u>95,804</u>
EXPENSES		
Annual conference	41	18,453
Clay and glass show	70	44,736
Creative Directions	5,280	4,106
Exhibitions	799	4,506
Mentorship	-	2,255
Workshops	<u>3,328</u>	<u>638</u>
	<u>9,518</u>	<u>74,694</u>
	<u>11,240</u>	<u>21,110</u>