

Fusion

THE ONTARIO
CLAY AND GLASS
ASSOCIATION



Andrea Vuletin / Ladybug Teapot Set

Chari Cohen / Dancing Birch

FIREWORKS 2011

ANNUAL REPORT

April 1, 2010 – March 31, 2011

FUSION Board 2010-2011

Current Board of Directors

PRESIDENT	Vickie Salinas
PAST PRESIDENT	Derek Chung
SECRETARY	Janet Cox
TREASURER	Deborah Freeman
ADVOCACY/EXTERNAL RELATIONS	Judy Donaldson
GUILD RELATIONS	Barb Banfield
MEMBERSHIP	Jane Klarer-Lackey
PUBLICATIONS/MARKETING	Derek Chung
PROGRAMMING & EDUCATION	Chris Snedden
POTTERY & GLASS SHOW	Chiho Tokita
GLASS PROGRAMMING	Heather Wood
DIRECTOR AT LARGE	Cynthia Dron
DIRECTOR AT LARGE	Carol Holmes Kerr
DIRECTOR AT LARGE	Arlene Kushnir
FUSION OFFICE ADMINISTRATOR	Jenanne Longman
CENTRAL REGION REPRESENTATIVE	Susan Card, Gerri Orwin
EASTERN REGION REPRESENTATIVE	Susan Roston
NORTHERN REGION REPRESENTATIVES	Keith Campbell Lynden Pond
SOUTHWEST REGION REPRESENTATIVE	Teresa Ainsworth



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Table of Contents

President’s Report 4

Secretary’s Report 5

Finance Report 5

Nominations Report 6

Membership Report 7

Publications and Marketing Report 7

Advocacy/External Relations Report 8

Guild Relations Report 9

Minutes from AGM 2010 10

Auditors Report 12

Front Cover: FIREWORKS 2011 Exhibition Announcement

President's Report

Vickie Salinas, President

This has been a very good year for FUSION, full of changes and good news. Most significantly, just before our last AGM, after a year of work, our Charitable Status was reinstated. This was the result of a great deal of work by many of our board members.

Our new website, magazine, e-news, winter workshop, conference, sale and exhibition have continued to provide our members information, education and opportunities to sell and exhibit their work. I would like to thank the board and all other volunteers who worked so hard to make all of our programs successful this year.

We had a great conference in Ottawa with Sam Chung and Joan Bruneau. Thank you to Susan Card and Carol Badenoch and her team in Ottawa for all their hard work. It was at this conference that we initiated several new events, including a very successful fundraising mug sale. We also saw some very interesting and well received FUSION aprons and t-shirts thanks to Barb Banfield. Lillian Forester once again organized a great winter workshop with Simon Leach in Peterborough. Most recently, thanks to Jane Klarer-Lackey, FUSION initiated a fantastic new database. We are also, for the first time, on

Facebook. Derek Chung has kept us all informed with our regular E-News. Jane Thewell organized the Clay and Glass Show, and Susan Card with help from many board members has been organizing this years Fireworks.

The FUSION office has had several changes this year. We have reduced the number of hours the office is open for most of the year to reflect the amount of work needing to be done in the office. We also have a new office administrator, Jenanne Longman.

The FUSION board has had some positive changes. We have several new, and very active members. Chiho Tokita, Arlene Kushnir, Cindy Dron, Carol Holmes-Kerr, Heather Wood, and Chris Snedden have joined the board.

Your board, both new and returning members, look forward to a new year, the upcoming Fireworks Exhibition, new workshops, and an expansion of the our new website. ■

Secretary's Report

Janet Cox, Secretary

I have been Secretary to the FUSION Board of Directors for some 18 months now. In that time I have been largely engaged in the usual work of the Secretary to the Board. In addition, in the absence of a Director of Development, I have been looking for funding and writing grant applications on behalf of FUSION. Our operating funding from the Ontario Arts Council is holding firm. We have been successful in getting funding to significantly increase the budget available to promote the Pottery & Glass Show, and we are aggressively looking for funding for FUSION's new mentorship programme.

I have had an opportunity to review, with the help of pro bono legal services, all of FUSION's contracts to ensure they comply with the by-laws, they are binding and enforceable, and address any areas of potential liability FUSION.

Next year, I will turn my attention to the by-laws, which need to be updated, simplified and brought into line with FUSION's evolving practices. I expect to be looking to you to ratify a new set of by-laws at the Annual General Meeting in London in May 2012.

■

Finance Report

Deborah Freeman, Director

FUSION's fiscal 2011 operations have resulted in a small surplus before amortization of capital property expenses (a non-cash expense). This good news is due to several factors. FUSION board members ran the office for six months; we updated our database to a system that is less time consuming to use resulting in further administrative time savings as well as reduced technical support costs. The modest increase in membership fees from 2010 to 2011 is also helping to cover expenses that do not vary directly with the organization's level of activity such as insurance, audit fees, phone, internet and office rent.

In fiscal 2011, we took the opportunity to clean-up some old liabilities that were sitting on the books. We wrote off the remaining \$910 worth of cookbooks we have not sold (in fiscal 2010, we wrote off the first half at \$910 as well) and because

we've upgraded our database, we recognized the \$9,175 of remaining value of the older database as an additional amortization expense. These two actions will enable our future statements to more accurately reflect the state of the organization.

Our cash position has stabilized. We are no longer drawing heavily on cash reserves for day-to-day operations. We are using these reserves to move forward with new initiatives such as the Mentorship Program while new funding is sought for these programs.

Moving forward, our goal remains to find ways to operate FUSION in a manner that creates fiscal stability which will enable us to continue delivering and developing innovative programs to serve our members better. ■

Nominations Report

Derek Chung, Past President

ELECTION OF DIRECTORS

Current Board of Directors

President	Vickie Salinas	2010-2012
Past President/Nominations		
Derek Chung		2010-2012
Advocacy/External Relations		
Judy Donaldson		2010-2012
Secretary	Janet Cox	2010-2012
Publications/Marketing		
Derek Chung		2010-2012
Treasurer	Deborah Freeman	2009-2011
Guild Relations	Barb Banfield	2009-2011
Membership	Jane Klarer-Lackey	2009-2011
Programming & Education	Chris Snedden	
Pottery & Glass Show	Chiho Tokita	
Glass Programming	Heather Wood	
At Large	Cynthia Dron	
At Large	Carol Holmes Kerr	
At Large	Arlene Kushnir	

2011 Slate of Nominees

Barb Banfield – re-election	
Deborah Freeman – re-election	
Cynthia Dron	2011-2013
Carol Holmes Kerr	2011-2013
Arlene Kushnir	2011-2013
Chris Snedden	2011-2013
Chiho Tokita	2011-2013
Heather Wood	2011-2013

This year we say a heartfelt “Thank You” to Judy Donaldson and Jane Klarer-Lackey as they step down from formal board duties although they will be still working behind the scene and assisting the current board where possible. Both Judy and Jane have contributed immense amount of time, energy, and expertise to the advancement of our organization and it is most appreciated. We also welcome those new members joining the board and look forward to their contributions.

FUSION presented FUSION DESIGN AWARDS to the following organizations:

Ottawa Guild of Potters
Toronto Potters
Potters’ Guild of Hamilton and Region,
Burlington Potters’ Guild
Waterloo Potters’ Workshop.

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

Recognition was given to FUSION volunteers at the Annual Conference, May 2010 in Ottawa. ‘Volunteer of the Year’ certificates were awarded to Susan Card, Paul Peddle, Lillian Forester, Ian Chung, Ana-Paula Leandro, and Guida Pirita.

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

Membership Report

Jane Klarer-Lackey, Director

It's been a great year and we have accomplished a lot. We have transferred our membership system over to an online content/membership management system that is purchased as a service. This change has significantly brought down the cost of managing the website, online membership renewals and event registrations. The system also has a number of features that will be implemented in the future.

New and renewing members can now purchase their memberships online. Emails reminders are sent out automatically one month, two weeks prior and the day of expiry. We can also review the membership numbers daily through a dashboard that gives us an overview for each membership level.

This system also provides us with more accurate history of payments, search and reporting features for auditing and reporting to the Ontario Arts Council and the ability to search for contact/members to send out emails.

The current membership stands at approximately 425. Although this is a healthy membership we hope that our new programs will help retain and increase our membership numbers.

This year I will be retiring as the Director of Membership and would like to thank everyone on the FUSION team for the support, hard work and team effort. It truly has been a wonderful experience and a delight to work with everyone. I will miss being part of this team. ■

Publications/Marketing Report

Derek Chung, Director

Helen Rudin (FUSION Magazine editor) continues, with the assistance of a roster of writers, to produce the FUSION magazine with diverse and interesting articles about clay and glass artists and subject matter. She is also supported by Patrick Kilbourn (Designer) with the magazine design and layout. The goal is maintaining and increasing our readership and the content, along with the much needed advertising revenue. Thanks to both Helen and Patrick for their continued good work.

The FUSION website has seen a new look evolving as the front end aspect of the database system. The website will continue to evolve and offer even more features (also mentioned in the above Membership Report) to the FUSION membership – such as an online forums, online event registrations, calendar of events, etc.

The new system also allows FUSION to broadcast information not just to current FUSION members but to a large list of Contacts so everyone is aware of upcoming events, call for entries, and news. This allows for a greater readership of the FUSION emails and enews with live weblinks.

FUSION on Facebook is a recent development for the organization in keeping with the social media trend and using this communication tool as another vehicle for both informing those connected FUSION members and 'fans' about ongoing and upcoming events, news and information and ultimately reaching a wider online audience both local and international ■

Advocacy/External Relations Report

Judy Donaldson, Director

My work this year on behalf of FUSION included attending board meetings to participate in the myriad discussion and decisions that continually form the organization. It's a new "Fireworks" year with funding for the awards to be secured from stalwart supporters such as the Hamilton and Region Guild, and new supporter of the exhibition, the Waterloo Potters' Workshop. There were requests regarding grants such as letters of recommendation for our affiliate guilds and proofreading of applications written from within FUSION, (all successful so far as I've heard to date which is good news for all of us!)

With exciting new programs such as the Mentorship Program, I wrote a letter outlining our current programs that was sent out to ~500 former members entitled "Baby Come Back! (to FUSION)". Some of you may have received it, if so, welcome back! It netted some interesting responses and renewals which is also always good news for everyone.

I continue to assist Susan Card with the organization of the Annual Conference and Workshops: proofreading that fantastic poster that she and Derek Chung put together each year with a million pieces of information in it, getting the conference pin made (this year in the likeness of one of Audrey Killoran's amazing pots), seeing to all the artists' needs on stage in concert with Ian

Chung from Tucker's Pottery Supplies, and miscellaneous go-fer jobs during the weekend itself. It's always a pleasure to work with all of the above and the other board members and conference volunteers each year.

Looking back on the 2010/2011 year at FUSION, I am once again struck by the optimism and determination with which the current board members approach every job. We are all very lucky to have this group, some of them very recent additions, continuing their work on our behalf.

This is the last FUSION Annual Report I anticipate writing as I step down from the board as of this weekend. My close involvement with the board (if not always actually "on" it) dates back to 1996. The organization has grown and changed and has at times risen above significant challenges over these many years, all with the unwavering support of so many FUSION members and supporters in our wider community. I have learned so much from my experiences as a board member, and have gained valuable professional and cherished personal contacts through helping with FUSION programs and events.

I thank you all for the opportunity to serve FUSION this last while, and I urge you to consider offering some of your time and wisdom to this fine organization. ■

Guild Relations Report

Barbara Banfield, Director

This year has been busy, as FUSION has introduced a new mentorship program. This will begin September 2011, one in the South Central Ontario Region, mentored by Bruce Cochrane and the other in South Eastern Ontario, mentored by Angelo di Petta. This program will run throughout 2011 and into 2012. The response to both mentorships was wonderful and we are excited that we can provide this to our membership. At this time, we are reviewing applications and the selected participants will be advised by the end of May. We are hopeful that we will be able to continue to grow this program.

This year we were extremely fortunate to receive the OCC Curators Award for 2012. This confirms that the exhibition will take place at the OCC Gallery, in Toronto, August 2012. It will be a grand finale to the first two Mentorships Program.

I cannot take full ownership for this program coming to fruition, our secretary Janet Cox has been extremely instrumental in making it happen. Without her, I am not sure it would have gotten off the ground and a huge amount of gratitude must go to her.

Lastly, I have attempted to continue to communicate with our FUSION representatives and through them have started a growing list of Guild Presenters. It was felt that such a list, would be a useful resource tool for the guild program coordinator and something that we could share amongst all the guilds. If you are someone who would like to present to the guilds, or if you know of someone who you feel should be added to the list please send their name to us. I appreciate all your help in supporting each other. ■

FUSION Representatives, May 2010-11

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tainsworth@odyssey.on.ca

Rosemary Arthurs
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Jennifer Assinck
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Keith Campbell
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Susan Card
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Amanda Skalski
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FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

MINUTES OF THE ANNUAL GENERAL MEETING

Carleton University, Ottawa ON

May 30, 2010

Time: 1:20 p.m.

1. WELCOME

President Vickie Salinas welcomed everyone and thanked the members of the Board for their work and support over the past year. She announced that FUSION had just received word that its charitable status had been restored back to 2006.

Board members who were present were introduced:

PRESIDENT: Vickie Salinas

DIRECTOR of MEMBERSHIP: Jane Klarer-Lackey

DIRECTOR OF GUILD ENGAGEMENT: Barbara Banfield

TREASURER: Deborah Freeman

SECRETARY: Janet Cox

DIRECTOR of EDUCATION AND PROGRAMS: Carol Badenoch

Vickie Salinas extended regrets on behalf of absent board members:

PAST PRESIDENT and Director of Marketing and

Publications: Derek Chung

DIRECTOR of PUBLIC EVENTS: Jane Thelwell

DIRECTOR of ADVOCACY/EXTERNAL RELATIONS: Judy Donaldson

2. MINUTES OF THE PREVIOUS GENERAL ANNUAL MEETING: MAY 24, 2009, Victoria College, University of Toronto

MOTION: Nancy Coley moved and Anne Armstrong seconded a motion to accept the minutes as circulated. Motion carried.

3. MINUTES OF THE GENERAL MEETING, October 3, 2009, Gardiner Museum, Toronto

Vickie Salinas thanked everyone who had come out for the October General Meeting, as well as those who had sent their support by proxy.

MOTION: Barbara Banfield moved and Donna Thomson seconded a motion to accept the minutes as circulated. Motion carried.

4. ANNUAL REPORTS OF DIRECTORS

The Annual Reports of Directors were presented as circulated in "FUSION ANNUAL REPORT 2010". Deborah

Freeman read the Treasurer's Report that Members might best understand FUSION's financial position.

5. AUDITED FINANCIAL STATEMENTS

MOTION: Deborah Freeman moved and Cynthia Dron seconded that the audited financial statements presented by the firm of PKF Hill LLP be accepted. Motion carried.

6. APPOINTMENT OF AUDITOR

MOTION: Deborah Freeman moved and Cynthia Dron seconded that the firm of PKF Hill LLP be appointed to audit the accounts of the Association for fiscal 2011. Motion carried.

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 2011

Deborah Freeman 2011

Jane Klarer-Lackey 2011

The following are the slate of nominees for board positions 2010-2012:

Vickie Salinas 2012

Judy Donaldson 2012

Derek Chung 2012

Janet Cox 2012

Jane Thelwell 2012

MOTION: Susan Card moved and Peter Macnaughton seconded the following nominees be elected to the FUSION's Board of Directors for a two-year term:

Vickie Salinas

Judy Donaldson

Derek Chung

Janet Cox

Jane Thelwell

Motion carried.

8. MEMBERSHIP FEE INCREASE

Jane Klarer-Lackey explained that FUSION is operating at a loss and must boost revenues to offset costs. Among the initiatives the Board is proposing is a modest increase to membership fees. Current fees have been in place since 1996. The proposed motion would read that all membership category fees be increased by \$5 across the board. As a result the new fee schedule would be:

Regular membership – one-year	\$ 60
Regular membership – two-year	\$110
Affiliated Society Membership – one-year	\$ 55
Affiliated Society Membership – two-year	\$ 95
Senior and Student – one-year	\$ 35
Senior and Student – two-year	\$ 60
Affiliated Society and Co-operating Institution – one-year	\$ 80
Affiliated Society and Co-operating Institution – two-year	\$160
Outside of Canada – one-year	\$ 85
Outside of Canada – two-year	\$160

MOTION TO AMEND: Susan Card moved and Helen Rudin seconded that the motion be amended so that all membership category fees be increased as proposed except for student fees that would remain the same. A show of hands indicated 25 members in support, 15 members against, and 2 abstentions. Motion carried.

MOTION: Peter Macnaughton moved and Wendy Vervoort seconded that the membership vote on the motion as amended so that the new membership fee schedule would be:

Regular membership – one-year	\$ 60
Regular membership – two-year	\$110
Affiliated Society Membership – one-year	\$ 55
Affiliated Society Membership – two-year	\$ 95
Senior – one-year	\$ 35
Senior – two-year	\$ 60
Student – one-year	\$ 30
Student – two-year	\$ 55
Affiliated Society and Co-operating Institution – one-year	\$ 80
Affiliated Society and Co-operating Institution – two-year	\$160
Outside of Canada – one-year	\$ 85
Outside of Canada – two-year	\$160

Motion carried.

MOTION: Peter Macnaughton moved and Wade Vienneau seconded that the Annual General Meeting be adjourned. Motion carried.

Time: 1:45 p.m.
Minutes by Janet Cox ■



Financial Statements

FUSION: The Ontario Clay and Glass Association

March 31, 2011

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
2011 Financial Statements

Contents

	Page
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8
Schedule of Activities	9

Independent Auditor's Report

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

We 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, 2011, and the statements of operations, changes in net assets and 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 generally accepted accounting principles, 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 judgement, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of FUSION: The Ontario Clay and Glass Association as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants, Licensed Public Accountants
Toronto, Canada
May 20, 2011

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

	2011	2010
ASSETS		
Current assets		
Cash	\$ 65,957	\$ 43,900
Short-term investments	70,979	90,761
Accounts receivable	168	4,270
Prepaid expenses	9,838	8,799
	<hr/>	<hr/>
	146,942	147,730
Equipment (note 3)	3,746	23,395
Pottery collection	11,791	11,791
	<hr/>	<hr/>
	\$ 162,479	\$ 182,916
	<hr/>	<hr/>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 14,863	\$ 19,027
Deferred revenue	17,430	19,531
	<hr/>	<hr/>
	32,293	38,558
Net assets		
Invested in equipment	3,746	23,395
Unrestricted	12,618	(38,517)
Internally restricted	113,822	159,480
	<hr/>	<hr/>
	130,186	144,358
	<hr/>	<hr/>
	\$ 162,479	\$ 182,916
	<hr/>	<hr/>

See accompanying notes

On behalf of the Board

Member

Member

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

Statement of Operations

Year ended March 31

	2011	2010
Revenue		
Activities (schedule 1)	\$ 73,844	\$ 109,076
Grants - Ontario Arts Council	43,145	35,000
Membership fees	13,700	16,858
Interest and other	7,095	3,130
Publications	6,328	5,800
Merchandise sales	2,171	333
	<hr/>	<hr/>
	146,283	170,197
	<hr/>	<hr/>
Expenses		
Activities (schedule 1)	73,086	103,162
Publications	21,873	20,767
Office and general	12,641	21,608
Wages and benefits	9,797	28,343
Rent	8,043	7,886
Insurance	7,102	7,728
Professional fees	5,900	8,624
Website	2,364	5,172
	<hr/>	<hr/>
	140,806	203,290
	<hr/>	<hr/>
Excess (deficiency) of revenue over expenses before undernoted items	5,477	(33,093)
	<hr/>	<hr/>
Amortization	10,473	18,222
Loss on write down of equipment	9,176	-
	<hr/>	<hr/>
	19,649	18,222
	<hr/>	<hr/>
Deficiency of revenue over expenses	\$ (14,172)	\$ (51,315)

See accompanying notes

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

	Invested in equipment	Unrestricted	Internally restricted	2011 Total	2010 Total
Balance, beginning of year	\$ 23,395	\$ (38,517)	\$ 159,480	\$ 144,358	\$ 195,673
Excess (deficiency) of revenue over expenses	(19,649)	5,477	-	(14,172)	(51,315)
Approved transfers to fund programs	-	45,658	(45,658)	-	-
Balance, end of year	\$ 3,746	\$ 12,618	\$ 113,822	\$ 130,186	\$ 144,358

See accompanying notes

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

Statement of Cash Flows

Year ended March 31

	2011	2010
Operating activities		
Deficiency of revenue over expenses	\$ (14,172)	\$ (51,315)
Items not involving cash		
Amortization	10,473	18,222
Loss on write down of equipment	9,176	-
	<hr/>	<hr/>
	5,477	(33,093)
	<hr/>	<hr/>
Net change in non-cash working capital items		
Accounts receivable	4,102	(12)
Prepaid expenses	(1,039)	12,404
Accounts payable and accrued liabilities	(4,164)	6,194
Deferred revenue	(2,101)	(12,315)
	<hr/>	<hr/>
	(3,202)	6,271
	<hr/>	<hr/>
Cash flows from operating activities	2,275	(26,822)
	<hr/>	<hr/>
Investing activities		
Purchase of equipment	-	(1,945)
Proceeds from maturity of short-term investments	19,782	52,630
	<hr/>	<hr/>
Cash flows from investing activities	19,782	50,685
	<hr/>	<hr/>
Net change in cash during the year	22,057	23,863
Cash, beginning of year	43,900	20,037
	<hr/>	<hr/>
Cash, end of year	\$ 65,957	\$ 43,900

See accompanying notes

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2011

1. Nature 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.

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 generally accepted accounting principles, the more significant of which are outlined below.

Accounting estimates

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

Short-term investments

Short-term investments consist of money market funds and are recorded at cost. Short-term investments are written down where there has been a loss in value of an investment that is other than temporary. The market value of the short-term investments at year end is \$70,979 (2009 - \$90,761).

Equipment

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

Office equipment	20%
Computer equipment and software	45%

Pottery collection

The pottery collection is recorded at cost and represents the Association's collection of over 100 pieces of art works from shows.

Revenue recognition

Membership fees, grants, publication and merchandise sales are recorded as revenue in the fiscal year to which they relate. Fees or grants received in advance are recorded as deferred revenue.

Fees from activities are recorded as revenue in the period in which the activity occurs.

Contributed services

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

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2011

2. Summary of significant accounting policies — continued

Financial instruments

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

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

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

Management of capital

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

Invested in equipment

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

Internally restricted net assets

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

Unrestricted net assets

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

Future accounting standards

The Accounting Standards Board has issued the new accounting standards for not-for-profit organizations for fiscal years beginning on or after January 1, 2012, with early adoption permitted. The Association does not expect the impact of the new standards to be significant.

3. Equipment

	Cost	2011 Accumulated amortization	Net	2010 Net
Office equipment	\$ 13,617	\$ 13,442	\$ 175	\$ 218
Computer equipment and software	17,035	13,464	3,571	23,177
	<u>\$ 30,652</u>	<u>\$ 26,906</u>	<u>\$ 3,746</u>	<u>\$ 23,395</u>

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2011

4. Arts Endowment Fund

An Arts Endowment Fund (the "Fund") is held by the Ontario Arts Council Foundation in perpetuity on the Association's behalf. The amounts are invested in pooled funds within the Fund's own portfolio which is managed by Burgundy Asset Management and Letko Brosseau. The Association is only entitled to the annual income generated from the Fund to spend on its operations. Income received from the Fund during the year amounted to \$2,711 (2010 - \$Nil) and the market value of the Fund at year end was \$58,701.

5. Lease commitment

The Association has a lease commitment with respect to its premises until October 31, 2012. The minimum lease payments required, excluding operating costs, will be \$8,000 for fiscal 2012 and \$4,700 for 2013.

6. Comparative amounts

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2011 financial statements.

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

Activities	Schedule 1	
	2011	2010
Revenue		
Pottery sales	\$ 44,742	\$ 60,324
Annual conference	27,912	42,155
Exhibitions and awards	1,190	1,997
Workshops	-	4,600
	<hr/>	<hr/>
	73,844	109,076
	<hr/>	<hr/>
Expenses		
Pottery sales	51,242	62,026
Annual conference	21,153	36,620
Exhibitions and awards	900	326
Workshops	(209)	4,190
	<hr/>	<hr/>
	73,086	103,162
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Excess of revenue over expenses	\$ 758	\$ 5,914
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See accompanying notes