

Fusion

THE ONTARIO
CLAY AND GLASS
ASSOCIATION



Linda Williams / Shuffle



Sarah Lawless / Diatomaceous Dinner

FIREWORKS 2013

ANNUAL REPORT

April 1, 2012 – March 31, 2013

FUSION Board 2012-2013

Current Board of Directors

PRESIDENT	Vickie Salinas
PAST PRESIDENT	Derek Chung
SECRETARY	Carol Holmes-Kerr
TREASURER	Cynthia Dron
GUILD RELATIONS	Barb Banfield
MEMBERSHIP	Carol Holmes-Kerr
PUBLICATIONS/MARKETING	Derek Chung
PROGRAMMING & EDUCATION	Chris Snedden
POTTERY & GLASS SHOW	vacant
Fireworks	Andrea Vuletin
GLASS PROGRAMMING	Jen Van Herten
DIRECTOR AT LARGE (Glass)	vacant
DIRECTOR AT LARGE	Noel Keag
EXECUTIVE DIRECTOR AND BOOKKEEPER	Deborah Freeman
FUSION OFFICE ADMINISTRATOR	Jenanne Longman



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Front Cover: FUSION Fireworks 2013 Promotional Postcard

President's Report

Vickie Salinas, President

I would like to thank the FUSION Board and staff for another great year.

Our programs, website, magazine, enews and Facebook page have continued to provide our members, and others interested in clay and glass, with information, advice, education and opportunities to sell and exhibit work.

In May of 2012, London hosted a fantastic FUSION conference. with Fong Choo and Deborah Schwarzkopf. We not only learned a great deal from these talented presenters, we saw many of the studios, galleries and programs in London which support clay and glass and enjoyed the hospitality of the London Potters Guild.

This year also saw the continuation of our mentorship program. We have two clay mentorships this year: one in Ottawa, with Leta Cormier, and one in North Bay with Keith Campbell. And for the first time ever, a glass mentorship program in the Toronto area, with Koen Vanderstukken.

The Pottery and Glass show moved to Wynchwood Barns in Toronto this year. This is an interesting new location with much to offer. We will be holding the show there this coming year as well with the show happening during Nuit Blanche.

Our magazine has added some new features including an emerging artist issue. We will continue with a student issue and an established artist issue.

The winter workshop in 2012 continued the format started last year. We ran hands on workshops in

three locations. Phil Rogers, from the UK, conducted workshops in Thunder Bay, London, Aurora and Oakville.

While the Fireworks 2011 exhibition continues to travel, we are in the midst of organizing the 2013 exhibition, which will open at this year's conference in Oakville.

We are also in the process of updating our bylaws. The proposed changes will bring our bylaws into line with present practices and legal requirements.

All of these programs have required the work of a dedicated board and staff. Our extremely hard working FUSION board: Andrea Vuletin, is responsible for our exhibition; Barb Banfield is responsible for the mentorship program and designs our FUSION merchandise; Derek Chung, is responsible for publications, awards and bursaries and nominations; Cindy Dron is our treasurer; Jen Van Herten is responsible for glass programs; Carol Holmes-Kerr is our secretary and membership director; Noel Keag is a director at large; and Chris Snedden is responsible for educational programs including the winter workshop and the conference. Our staff: Jenanne Longman is our office administrator and the person we all talk to when we call the office. Deborah Freeman is our bookkeeper and executive director – a double job and one that is invaluable to FUSION. Helen Rudin is our long serving magazine editor.

FUSION's board and staff look forward to another year of continuing and expanding programs for our members. ■

Secretary's Report

Carol Holmes-Kerr, Secretary

In January 2013, I stepped in as secretary for FUSION following the departure of Janet Cox who had finished her term. I agreed to do this in the interim until the board is able to find someone to take on this position.

The board met five times over the past year at the FUSION office in Toronto.

The two major projects that the board completed in the 2012-2013 year was the review and updating of the FUSION Policy and Procedure manual and the review of the FUSION bylaws. The board thanks Janet Cox for her legal assistance with the bylaw review. ■

Treasurer's Report

Cynthia Dron, Director

In the past fiscal year, in order to meet the programming goals of the Board of Directors and increase efficiency, structure and communication for our membership, FUSION committed to increasing its paid administration. We also recommitted to recognizing the efforts and achievements of outstanding ceramic and glass students and members of our community. Although revenue increased to cover these additional expenses to some extent, we are reporting a small deficit for the year ending March 31, 2013.

I would like to point out an anomaly in our financial statements this year due to the adoption of new Canadian accounting standards for not-for-profit organizations (ASNPO). In the past, we were audited under GAAP (Generally Accepted Accounting Principles) as was everyone else. Our choice this year was to incur a greater expense to have the previous year (2012) re-audited by the new standards or to have 2012 designated as "unaudited" for the purposes of this statement. You may note that we chose the later. ■

Programming and Education Report

Chris Snedden, Director

This year at the continued urging of members, FUSION ran a four stop touring workshop series with Phil Rogers from the UK and his wife Ha Jeong Lee. The first stop was the Thunder Bay Guild, at Lakehead University, and the Thunder Bay Potters Guild where in minus 27 degree weather Phil conducted a two-day participatory workshop. The second stop was in London where the London Potters Guild hosted another two-day workshop in the London Clay Art Centre. The third stop was at Sheridan College for a day long demonstration and evening slide lecture, hosted by the students Sheridan Clay Club. The tour wrapped up as the Pine Tree Potters of Aurora hosted another two-day participatory workshop with one of the most important potters working in the Leachian tradition today. Thank you to all of our participants, sponsoring guilds, organizations, and businesses for making this tour such a resounding success. Your generosity and hospitality are exemplary of the spirit in which this workshop series was conceived. Phil and Ha Jeong were inspirational, genuine, and technically masterful. The general feedback I got was positive and that FUSION should continue this Winter Workshop format of participatory workshops with big name presenters. It certainly drew potters together from very diverse areas of Ontario. If any guilds, members or institutional members are willing to host a Winter Workshop event please contact the office.

The Annual FUSION Conference in 2012 was held at Fanshawe College in London, Ontario. In addition to a number of smaller workshops offered, many of

them glass workshops, our main presenters were Fong Choo and Deborah Schwartzkopf. Fong Choo demonstrated his making of teapot sculptures, and Deborah impressed everyone with her sculptural vessel forms. The London Guild pulled out all the stops and hosted a party and Biannual Exhibition opening on the Friday night, (complete with Scottish Highland Dancing!) in their wonderful facility the London Clay Art Centre. Fanshawe College was a great venue for the conference, and the staff were very helpful.

We re-established a meeting of Guild Representatives from all over Ontario to help advise the direction of the organization and the services FUSION can offer the membership. The Conference weekend highlights also included the annual AGM, the banquet and main presenters slide show, where we were fortunate to also have Jamie Gray, the President of the Glass Arts Association of Canada speak as well. For the members we had dealer displays and a mug sale to raise money for the FUSION Scholarship Fund. One highlight was the "Heads or Tails" draw for a mug made by Steven Hill which raised \$280 dollars for the fund.

Generally the feedback I received on the 2012 conference was positive. The presenters were great and everyone enjoyed the hospitality of the London Potters Guild. Thank you to the organizing committee for all your hard work and really making everyone feel welcome. The next conference is planned with Gertrude Graham Smith and Laurie Rolland, being held at Sheridan Institute, in Oakville, Ontario. ■

Nominations Report

Derek Chung, Past President

ELECTION OF DIRECTORS

Current Board of Directors

President

Vickie Salinas 2012-2013

Past President/Nominations

Derek Chung 2012-2014

Publications/Marketing

Derek Chung 2012-2014

Treasurer

Cynthia Dron 2011-2013

Secretary

Carol Holmes-Kerr 2012-2013

Programming & Education

Chris Snedden 2011-2013

Mentorship

Barb Banfield 2011-2013

Membership

Carol Holmes Kerr 2011-2013

Glass Programming

Jen van Herten 2012-2014

Fireworks

Andrea Vuletin 2012-2013

Director At Large

Noel Keag

2013 Slate of Nominees

Vickie Salinas 2013-2014

Ann Allen 2013-2015

Gene Timpany 2013-2015

Noel Keag 2013-2015

Barbara Banfield 2013-2015

Chris Snedden 2013-2015

Cynthia Dron 2013-2015

Andrea Vuletin 2013-2015

On behalf of FUSION, I would like to say “Thank You” to Carol Holmes-Kerr – outgoing Secretary and Membership Director. 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
Burlington Potters’ Guild
Waterloo Potters’ Workshop
Toronto Potters
Potter’s Guild of Hamilton and Region
Mississauga Potters Guild.

The 2012 FUSION Scholarship Awards were given to the following recipients:

Ying-Yueh Chang
Kirsty Wilson
Jordan Scott

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 2012 in London.

‘Volunteer of the Year’ certificates were awarded to:

Sylva Lesser
Susan Card
Ian Chung
Lillian Forester

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

Carol Holmes-Kerr, Director

The FUSION database currently shows a membership of 440. Our membership has remained consistent over the past two years. We have 67 senior members (65 or over) and 41 student members. We also have 20 Institutional memberships. These are organizations other than Guilds.

In 2012 a postcard distribution campaign was implemented to reach out to potters and glass artists who are not members of FUSION. Postcards outlining the advantages of joining FUSION were distributed to guilds and pottery and glass supply companies participated by including cards with customer orders.

The most important change that took place in 2012-2013 was the reinstatement of the guild rep meeting at the annual FUSION conference. The first meeting was well attended and received. This meeting provides a forum for representatives from guilds across Ontario to bring their concerns and needs to the table, and to share news of what is happening in their area. It's hoped that it will continue in future years.

This year ends my term as Director of Membership Engagement. I thank FUSION for the opportunity to serve you in this capacity. ■

Publications/Marketing Report

Derek Chung, Director

The FUSION magazine is published three times a year with the help of Helen Rudin, editor, and Patrick Kilbourn, designer, who prepares the magazine design and layout. Helen (with the assistance of freelance contributors) is responsible for the inclusion of varied and interesting articles about clay and glass artists, and related subject matter. As always, the continued goal for the direction of FUSION Magazine is maintaining and increasing our readership and content, along with the challenge of finding much needed advertising revenue. Thanks to both Helen and Patrick for their continued good work.

Once again, FUSION was able to offer online registration for the Winter Workshop 2013. We are encouraged by how many members now use the system, especially to renew their memberships

online and participate in the Members Gallery section.

FUSION continues to broadcast information not just to current FUSION members but to a large list of contacts (past members, Arts Organizations, etc.) so everyone is aware of upcoming events, call for entries, and news.

Participation continues on FUSION's Facebook site and growing steadily with the help of FUSION Administrator, Jenanne Longman. FUSION uses this communication tool as another vehicle for both informing those connected FUSION members about ongoing and upcoming events, news and information and ultimately reaching a wider online audience both local and international scale. ■

Mentorship Report

Barbara Banfield, Director

Following the success of the Mentorships of 2012, we saw the beginning of three more Mentorship groups throughout the Province of Ontario. Keith Campbell is the mentor of the North Bay group, Leta Cormier will guide the Ottawa group and our inaugural Glass Mentorship is with Koen Vanderstukken from Sheridan College in Oakville. Each of these mentors bring an incredible passion and a wonderful depth of knowledge to support and encourage the growth and development of all the participants. I have heard nothing but good feedback from many of the participants.

The group meetings all started in the fall of 2012 and will wrap up in June 2013. An exhibition for each group has been planned to highlight the cumulative work that has developed out of the ten month program. They are as follows:

North Bay: “AN ODYSSEY IN CLAY” will be held at the Kennedy Gallery in North Bay from October 15th – October 31, 2013. The opening will be held Saturday October 19th from 1 pm – 4 pm.

Ottawa Group: “TRANSITIONS” will be held at the Trinity Gallery in Ottawa. The exhibition is confirmed for January 9th – February 14th, 2014. The opening will take place on Saturday January 12, 2014.

Glass Mentorship: “PUSH” will be held at the Living Arts Center in Mississauga. This exhibition will take place from November 23, 2013 – January 19, 2014. The opening will take place on November 28th 2013.

Each of these exhibitions promises to illustrate the hard work and dedication that has taken place over the last year. It isn't necessarily an easy task to take on the work and challenge of a mentorship but the results are worth it. Anyone is welcome to come to any of the openings and I encourage you to try and visit any exhibition that you can.

I cannot thank the Ontario Arts Council enough for their continued financial support. As well, a huge thank you to the dedicated mentors, all the hard work of the participants and my supporting committee: Bruce Cochrane, Angelo di Petta, Janet Cox and Barbara Rose. We are looking forward to the continuation of the success of the FUSION Mentorship Program. ■

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

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

Fanshawe College, Toronto ON

May 27, 2012

Time: 1:05 pm

1. WELCOME

President Vickie Salinas welcomed everyone and thanked Chris Snedden and members of the London Guild for their work on the Conference this year.

Board members who were present and introduced:

PRESIDENT: Vickie Salinas

TREASURER: Cindy Dron

DIRECTOR of Education and Programs: Chris Snedden

DIRECTOR of Guild Engagement: Barbara Banfield

PAST PRESIDENT and Director of Marketing and

Publications: Derek Chung

DIRECTOR of Membership: Carol Holmes Kerr

DIRECTOR of Glass Programming: Jen van Herten

2. MINUTES OF THE PREVIOUS GENERAL ANNUAL

MEETING: May 29, 2011, Innis College, Toronto

MOTION: Theresa Ainsworth moved and Nancy Coley seconded that the minutes for the Annual General Meeting of May 29, 2011, as circulated, be accepted.

Motion carried.

3. ANNUAL REPORTS OF DIRECTORS

The Annual Reports of Directors were presented and circulated in "FUSION ANNUAL REPORT 2012".

4. AUDITED FINANCIAL STATEMENTS

Vickie introduces Cindy Dron, as the newly appointed Treasurer. Cindy extends her thanks to Deborah Freeman for her tireless efforts and diligence in her role as the Treasurer and now as the newly appointed Executive Director of FUSION.

MOTION: Cindy Dron moved and Marg Killey seconded that the financial statement as presented by the firm Grant Thornton LLP be accepted.

Motion carried

5. APPOINTMENT OF AUDITOR

MOTION: Cynthia Dron moved and Wendy Vervoort seconded that the firm of Grant Thornton LLP be appointed to audit the accounts of the Association for fiscal 2013. Motion carried.

6. VOLUNTEER AWARDS

Chris Snedden thanks Ian Chung for his outstanding commitment to FUSION and honours him with the Volunteer Award.

7. ELECTION OF NEW OFFICERS

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

Vickie Salinas – 2013

Barb Banfield – 2013

Cynthia Dron – 2013

Carol Holmes Kerr – 2013

Chris Snedden – 2013

The following are the slate of nominees for board positions 2012-2014:

Bronwen McKnight – 2014

Jen van Herten – 2014

Andrea Vuletin – 2014

MOTION: Derek Chung moved and Theresa Dunlop seconded the following nominees be elected to the FUSION's Board of Directors for a two-year term:

Bronwen McKnight – 2014

Jen van Herten – 2014

Andrea Vuletin – 2014

Motion carried.

8. 2 YEAR INSTITUTIONAL MEMBERSHIP RATE

Carol Holmes Kerr moved to accept the rate of \$160 + HST as the 2 year Institutional Membership rate to correct previous mistake. Marg Killey seconded

Motion carried.

9. FINANCIAL FISCAL YEAR END

Deborah Freeman moved that we change FUSION's financial fiscal year end date to June. Maria Drangova moved to amend Deborah's motion to change the FUSION By-law to state that the AGM must be held within 6 months of FUSION's financial fiscal year end. Barb Blackburn seconded.

Motion carried.

10. A student from Central Technical School thanks FUSION for offering the student rate, making it possible for her group to attend the Conference.

11. Shirley Clifford moved and Alice Nagus seconded that the Annual General Meeting be adjourned.

Motion carried.

Time: 1:45 p.m.

Minutes by Jenanne Longman ■



Financial Statements

FUSION: The Ontario Clay and Glass Association

March 31, 2013

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
2013 Financial Statements

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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, 2013, 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 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian accounting standards for not-for-profit organizations. 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, 2013, 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.

Comparative information

Without modifying our opinion, we draw your attention to note 2 to the financial statements which describes that Fusion: The Ontario Clay and Glass Association adopted Canadian accounting standards for not-for-profit organizations on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at March 31, 2012 and April 1, 2011, and the statements of operations and changes in fund balances and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the comparative information, and as such, it is unaudited.



Chartered Accountants, Licensed Public Accountants
Toronto, Canada
May 26, 2013

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

Statement of Financial Position

As at March 31, 2013

	March 31, 2013	March 31, 2012 (unaudited) (note 2)	April 1, 2011 (unaudited) (note 2)
ASSETS			
Current assets			
Cash	\$ 74,303	\$ 95,496	\$ 65,957
Short-term investments	71,906	71,452	70,979
Accounts receivable	5,609	62	168
Prepaid expenses	6,244	7,588	9,838
	158,062	174,598	146,942
Equipment (note 4)	1,658	2,105	3,746
Pottery collection	12,127	12,127	11,791
Arts Endowment Fund (note 5)	1	1	1
	\$ 171,848	\$ 188,831	\$ 162,480
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable and accrued liabilities (note 7)	\$ 22,594	\$ 24,887	\$ 13,132
Deferred conference and fee revenue	26,364	26,277	17,430
Deferred contributions (note 6)	3,950	4,388	1,732
	52,908	55,552	32,294
Net assets			
Invested in equipment	1,658	2,105	3,746
Unrestricted	(2,015)	11,877	6,743
Internally restricted	113,822	113,822	113,822
Scarborough Potters' Guild Fireworks Award fund	5,475	5,475	5,875
	118,940	133,279	130,186
	\$ 171,848	\$ 188,831	\$ 162,480

See accompanying notes

On behalf of the Board

Director

Director

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

Statement of Operations

Year ended March 31, 2013

	2013	2012 (unaudited) (note 2)
Revenue		
Activities (schedule 1)	\$ 97,050	\$ 87,859
Grants - Ontario Arts Council	45,080	43,804
Memberships	20,243	19,685
Interest and other (note 5)	8,105	3,218
Publications	7,186	6,567
Awards and bursaries	1,000	-
Donations	650	2,056
Merchandise sales	305	777
	<hr/> 179,619	<hr/> 163,966
Expenses		
Activities (schedule 1)	102,415	93,738
Wages and benefits	34,323	10,957
Publications	21,836	21,361
Office and general	13,832	13,161
Rent	8,369	8,205
Professional fees	5,800	6,200
Insurance	4,586	5,610
Awards and bursaries	1,750	-
	<hr/> 192,911	<hr/> 159,232
Excess (deficiency) of revenue over expenses before undernoted item	(13,292)	4,734
Amortization	1,047	1,641
Excess (deficiency) of revenue over expenses	<hr/> \$ (14,339)	<hr/> \$ 3,093

See accompanying notes

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

Statement of Changes in Net Assets

Year ended March 31, 2013

	Invested in equipment	Unrestricted	Internally restricted	Scarborough Potters' Guild Fireworks Award fund	Total 2013	Total 2012 (unaudited) (note 2)
Balance, beginning of year	\$ 2,105	\$ 11,877	\$ 113,822	\$ 5,475	\$ 133,279	\$ 130,186
Excess (deficiency) of revenue over expenses	(1,047)	(13,292)	-	-	(14,339)	3,093
Purchase of equipment	600	(600)	-	-	-	-
Balance, end of year	\$ 1,658	\$ (2,015)	\$ 113,822	\$ 5,475	\$ 118,940	\$ 133,279

See accompanying notes

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

Statement of Cash Flows Year ended March 31, 2013

	2013	2012 (unaudited) (note 2)
Operating activities		
Excess (deficiency) of revenue over expenses	\$ (14,339)	\$ 3,093
Items not involving cash		
Amortization	1,047	1,641
Reinvested investment income	(454)	(473)
	(13,746)	4,261
Net change in non-cash working capital items		
Accounts receivable	(5,547)	106
Prepaid expenses	1,344	2,250
Accounts payable and accrued liabilities	(2,293)	11,755
Deferred conference and fee revenue	87	8,847
Deferred contributions	(438)	2,656
	(6,847)	25,614
Cash flows from operating activities	(20,593)	29,875
Investing activities		
Purchase of equipment	(600)	-
Purchase of item for pottery collection	-	(336)
Cash flows from investing activities	(600)	(336)
Net change in cash during the year	(21,193)	29,539
Cash, beginning of year	95,496	65,957
Cash, end of year	\$ 74,303	\$ 95,496

See accompanying notes

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2013

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 (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. First-time adoption of accounting standards for not for profit organizations

These financial statements are the first financial statements for which the Association applied Canadian accounting standards for not-for-profit organizations ("ASNPO"). Comparative period information was prepared in accordance with ASNPO and the provisions set out in Section 1501 of the Canadian Institute of Chartered Accountants Handbook - First-time adoption by Not-For-Profit Organizations.

The date of transition to ASNPO is April 1, 2011. The Centre's transition from Canadian Generally Accepted Accounting Principles ("previous GAAP") to ASNPO has had no impact on the opening net assets as at April 1, 2011 or the statements of operations and changes in fund balances or cash flows for the year ended March 31, 2012. As a result, the reconciliations and disclosures required by Section 1501, First-Time Adoption for Not-for-Profit Organizations are not necessary and have not been presented in these financial statement notes.

The statements of financial position at March 31, 2012 and April 1, 2011, and the statements of operations and changes in net assets and cash flows for the year ended March 31, 2012, were audited under the previous GAAP. They have not been audited under the ASNPO framework and, accordingly, are required to be designated as unaudited.

3. Summary of significant accounting policies

As indicated in Note 2, 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 estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 market value.

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:

Computer equipment and software	45%
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FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2013

3. Summary of significant accounting policies — continued

Pottery collection

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

Revenue recognition

Membership, conference fees, grants, publication and merchandise sales are recorded as revenue when received, or receivable if collectability is reasonably assured. Fees or grants received in advance are recorded as either deferred conference and fee revenue or deferred contributions. Designated donations are recorded as revenue in the period in which the designated disbursements are made.

Contributed services

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

Financial instruments

The Association's financial instruments are comprised of cash, short-term investments, accounts receivable and accounts payable. Financial assets and liabilities are initially measured at their fair value. The Association subsequently measures all of its financial assets and financial liabilities at amortized cost.

Invested in equipment

Invested in equipment represents the net book value of the Associations' equipment, net of any debt thereon.

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 totalling \$800 have been granted from this fund.

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2013

4. Equipment

			March 31, 2013	March 31, 2012 (unaudited) (note 2)	April 1, 2011 (unaudited) (note 2)
	Cost	Accumulated amortization	Net	Net	Net
Computer equipment and software	\$ 31,252	\$ 29,594	\$ 1,658	\$ 2,105	\$ 3,746

5. Arts Endowment Fund

An Arts Endowment Fund (the "Fund") is held by the Ontario Arts Council Foundation in perpetuity. The Fund is invested in pooled funds which is 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 \$2,392 (2012 - \$1,717) and is included with interest and other revenue in these financial statements. The market value of the Fund at year end is \$62,794 (2012 - \$58,580). As the Association has no access to the capital, it is recorded in these financial statements at nominal value.

6. Deferred contributions

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

	2013	2012 (unaudited) (note 2)	2011 (unaudited) (note 2)
Bursaries	\$ 3,225	\$ 3,238	\$ 1,732
Mentorship program	725	700	-
Awards	-	450	-
	<u>\$ 3,950</u>	<u>\$ 4,388</u>	<u>\$ 1,732</u>

7. Financial instruments

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. Included in accounts payable and accrued liabilities are government remittances owing of \$8,065 (March 31, 2012 - \$7,378, April 1, 2011 - \$2,545).

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.

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2013

7. Financial instruments — continued

Credit risk

Credit risk is the risk that one party 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 (2012 - \$Nil).

Other risks

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

8. Lease commitment

The Association has a lease commitment with respect to its premises expiring October 31, 2015. The minimum lease payments required, excluding operating costs, are as follows:

2014	\$	8,538
2015		5,140
2016		5,140

FUSION: THE ONTARIO CLAY AND GLASS ASSOCIATION
Schedule to Financial Statements
Year ended March 31, 2013

Activities	Schedule 1	
	2013	2012 (unaudited) (note 2)
Revenue		
Pottery and glass show	\$ 42,541	\$ 40,245
Annual conference	30,255	22,565
Workshops	13,959	20,411
Mentorship income	7,000	1,750
Exhibitions and awards	3,295	2,888
	<hr/>	<hr/>
	97,050	87,859
	<hr/>	<hr/>
Expenses		
Pottery and glass show	50,549	44,883
Annual conference	23,376	15,455
Workshops	12,945	16,635
Exhibitions and awards	917	10,661
Mentorship	14,628	6,104
	<hr/>	<hr/>
	102,415	93,738
	<hr/>	<hr/>
	\$ (5,365)	\$ (5,879)
	<hr/>	<hr/>

See accompanying notes