



CRAFT ONTARIO
2016
ANNUAL REPORT



**CRAFT
ONTARIO**

A not-for-profit arts-service organization that works to have craft recognized as a valuable part of life. We promote and celebrate professional craft through providing member opportunities, and advocate for craft practice by educating and empowering diverse audiences.

CHARITABLE TAX NUMBER: 11887 8511 RR 0001

1106 QUEEN STREET WEST, TORONTO ON M6J 1H9

416-925-4222 INFO@CRAFTONTARIO.COM

WWW.CRAFTONTARIO.COM

CONTENTS

CHAIR'S MESSAGE.	2
INTERIM-CEO'S MESSAGE.	3
NEW LOCATION.	4
40TH ANNIVERSARY.	5
PROGRAMS.	6-7
CRAFT AWARDS.	8-10
EXHIBITIONS.	11
SHOP.	12
STUDIO MAGAZINE.	13
COMMUNITY.	14
DONORS.	16
TREASURER'S REPORT.	18
FINANCIAL STATEMENTS.	19-33

CHAIR'S MESSAGE

2016 MARKED CRAFT ONTARIO'S 40th anniversary, and was a year in which we celebrated the organization's longevity and commitment to craft while simultaneously seeking a renewed vision. It was a year of transformation, and a time to shake things up in order to reshape our future. Just under a year ago we held a fabulous fundraising event to usher in a new era, which was fittingly held in the organization's new home at 1106 Queen Street West. Thank you to all who made it a spectacular evening – to everyone that came out to celebrate, and to all of the generous members and businesses that supported the auction through donations. The love was palpable. May it grow.

From the time we leased 1106 Queen West, the path of transformation was fast and furious in order to manage tight renovation deadlines so that the Shop, administrative offices and Gallery could move in by the fall. We said goodbye to a long history of being located in Yorkville and hello to Queen West for the Shop. Like many of our own individual projects of creation, the move is an ongoing work in progress, and we are grateful for your support.

Craft Ontario's mandate is to be the lead provincial advocate and support for craft professionals, provide a forum for critical discourse, as well as enhance the public's enjoyment and access to craft. As part of fostering new growth and stability for the organization, 2016 involved embarking on the creation of a new strategic plan. I am honoured to have had the opportunity serve as Chair of the Board of Directors during this time of critical strategic transition, ensuring we are putting our best foot forward for the future.

In October, we formally celebrated our 40th anniversary with a Gala at the Vaughn Estates. It was a wonderful evening of stories from patrons and award honourees alike. Congratulations to Robert Jekyll as the recipient of

the *Joan Chalmers Award*, Kent and Douglas Farndale as the recipients of the *Mary and Bill Corcoran Award*, Michael Fortune as recipient of the *John and Barbara Mather Award for Lifetime Achievement*, and Jessica Steinhäuser as the recipient of the *Craft Ontario Volunteer Committee 40th Anniversary Award*. Thank you to all who made it such a spectacular night.

I want to offer my deep gratitude to the members of Craft Ontario for your incredible work, and commitment to the organization. I would also like to acknowledge the many individuals who generously volunteer their time, energy, and expertise to help sustain the important initiatives of Craft Ontario. Furthermore, I wish to thank all the members of the Craft Ontario Board of Directors for their commitment to this organization.

Further thanks go to our many supporters, including government organizations, patrons and members. It is only through such incredible collective generosity that Craft Ontario can achieve its mission and mandate – we could not have come this far without you all. Thank you!

Finally, a sincere thank you to Craft Ontario's talented and dedicated staff. Emma Quin's long tenure with the organization recently came to an end, and we are eternally grateful for her brilliant 25 years of service. We wish Emma well with her new role, and welcome Janna Hiemstra as the Interim-CEO for the upcoming year. Given the amazing step forward that the organization has taken, I hope that you will join me in continuing to celebrate the revitalization of Craft Ontario in the years to come.

Sincerely,



Taliaferro Jones
Chair, Craft Ontario Board of Directors

INTERIM-CEO'S MESSAGE

2016 TRULY WAS A YEAR OF CHANGE for Craft Ontario. As recently appointed Interim-CEO, I am honoured to serve the organization at this time, and to share what has been accomplished over the past year.

Two milestones were achieved in 2016: Craft Ontario celebrated its 40th anniversary as an organization that has deep roots in a dynamic community of makers and supporters, and at the same time, worked to bring all aspects of the organization's operations together into one new location at 1106 Queen Street West in Toronto.

Needless to say, it was a busy year that brought many challenges, but that also presented opportunities. The difficulties of moving two locations into one, managing renovations, all while continuing with the coordination of programming, retail, events and publications, required the tireless efforts of staff and volunteers. Despite delays with moving into the new space, the Shop opened in October, which was shortly followed by the Anniversary Awards Gala, both of which marked the beginning of a new era for the organization. With the foundation of an abundant forty years of history and a new space, Craft Ontario has the ability to continue to grow as a vital source of support for members, and to deliver education and enrichment for diverse audiences.

The move to the new location would not have taken place without the leadership of Emma Quin, past CEO, and the incredible support of the Board of Directors throughout a year that required many hard decisions and strategic thinking. Thanks also go to Canadian Heritage and the City of Toronto for their support in renovating the space through the *Canada Cultural Spaces Fund* and the *Culture Build Investment Program*. Special thanks goes to Anthony Simone, who generously supported Craft Ontario throughout the renovation, and into the launch of the space.

Sincere thanks are due to so many individuals, organizations and funding bodies that made it possible for Craft Ontario to undertake a transitional year in 2016, and to lay the groundwork for moving into the future. I encourage you to read on to discover everyone who has contributed time, work, financial support, and creativity in order to allow us to look back on 2016 as a success.

One group in particular, the Craft Ontario Volunteer Committee, has been essential to the organization since the very beginning. In 2016 the Committee wrapped up its operations as an official association, with a commitment to continue supporting Craft Ontario on an individual basis, and to generously support the Volunteer Committee Awards until 2019. On behalf of Craft Ontario, our endless thanks for your many hours of time, financial support, and for being pillars in our community.

Special thanks also go to staff and volunteers for their incredible hard work, which resulted in a fantastic year of programming and events, all while coordinating the massive undertaking of moving the Shop, offices and Gallery.

Finally, sincere thanks go to all of Craft Ontario's members, who are the reason the organization is here today. Let us celebrate and build on our collective past, and confidently move forward to grow and strengthen the craft community!



Janna Hiemstra
Interim-CEO

NEW HOME

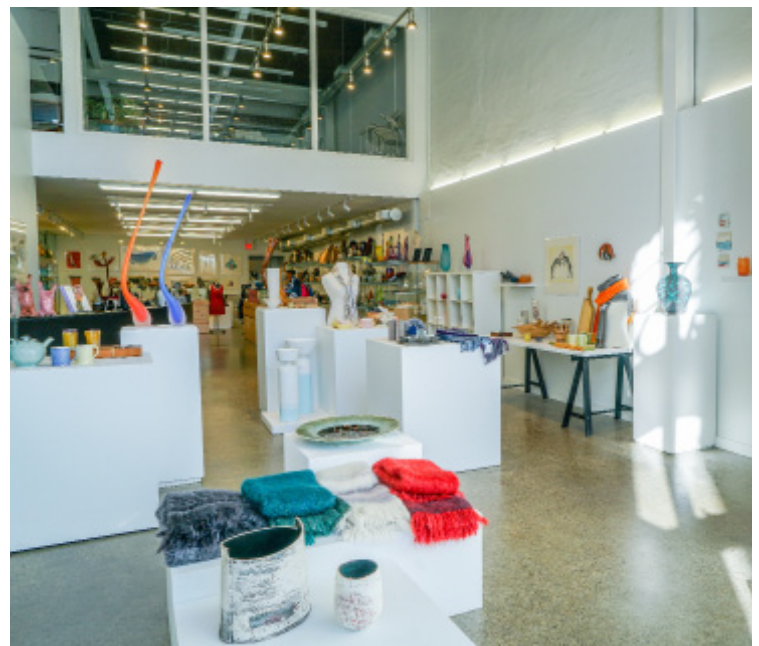
On Thursday, October 13, Craft Ontario held the Grand Opening of its new location at 1106 Queen Street West in Toronto. With the Shop on display throughout the entire main floor, the event showcased the work of members, while hosting guests to celebrate this momentous event.

Opening the doors at the new location involved moving the Shop from 118 Cumberland Street in Yorkville, the Gallery and offices from 990 Queen Street West, and combining all operations into one venue. This move was planned to not only strengthen audience engagement with the organization, but to allow for greater stability in programming and a reduction in expenses on an annual basis.

On the main floor, the Gallery is presented in the front area with a roster of four exhibitions a year between January and September. The Shop is presented in the back area, and then operates across the full space between October and December during the peak retail season of the year. On the second floor mezzanine are the administrative offices, and the new Craft Education Centre, a flexible space that allows for presentation and workshop programming, and that is available for member use.

MAKER SHAKER

Prior to launching renovations, Craft Ontario was able to host its annual fundraising event, the Maker Shaker, in the raw space at 1106 Queen Street West on June 7. Many thanks to everyone that attended, donated, volunteered, contributed to entertainment, and made the evening a success. It was a wonderful opportunity to share the new space with the community, and to celebrate next steps for the organization. The event raised \$16,697 towards Craft Ontario's annual fundraising efforts.



40TH ANNIVERSARY

On the evening of Wednesday, October 19, Craft Ontario's 40th Anniversary Gala took place at The Estates of Sunnybrook. As the official celebration of the organization's anniversary, it was a wonderful evening that recognized the many dedicated volunteers, donors and members that have worked to foster Craft Ontario throughout its forty years of supporting and advocating for contemporary craft practice. Many thanks to those that donated work for the silent auction and table settings, and to all of the staff and volunteers that ensured the evening ran smoothly, and was enjoyed by all.



Congratulations to the 40th Anniversary Award Series Recipients, and deepest thanks for their contributions to Craft Ontario:

ROBERT JEKYL

Joan Chalmers Award

KENT & DOUGLAS FARNDALE

Mary & Bill Corcoran Award

Special thanks also goes to member Suzanne Carlsen for the design and creation of the personalized awards for the Anniversary Award Series Recipients.



VOLUNTEER COMMITTEE

The Volunteer Committee has given over eighty years of service to craft in Ontario. Their support and contributions have had a profound impact on both the organization and individual craftspeople across the province.

The Volunteer Committee's history goes back to the early 1930's, when a dynamic group of men and women founded the Handicrafts Association of Canada. Since that time they have been integral to supporting the development of the Shop, Awards Program, fundraising initiatives, and programming. The hours they have generously given to Craft Ontario over the past decades are innumerable and indispensable.

In the fall of 2016, the Craft Ontario Volunteer Committee wrapped up its operations as an official association, with a commitment to continue supporting Craft Ontario on an individual basis. Many members of the Committee continue to volunteer in order to pursue a love of craft and support the community.

Craft Ontario is deeply grateful for the role that the Volunteer Committee has played in establishing the organization today.

PROGRAMS

CRAFT EXPORT READINESS

With the generous support of the Ontario Trillium Foundation, the second phase of the Craft Export Readiness project continued to roll out under the direction of Project Manager, Sara Washbush. In addition to intensive research and production put into the development of an online series of courses that will launch in July 2017, several in-person information sessions were presented throughout the province, as well as the production of how-to webinars and mentor videos.



CRAFT TALKS

In 2016 Craft Ontario was pleased to be able to partner with the Subtle Technologies Festival to present *Seamless Visions: Mobile Studio Tour*, which took place on May 15. As an informative bus-tour that visited three member studios to explore the relationship between science and textiles, we had the pleasure of learning more about the work of Amanda McCavour (digital embroidery), Line Dufour (weaving and fibre-optics) and Thea Haines (natural dyes).



CRAFT SMARTS

Three workshops took place in the first few months of 2016, and included a Craft Awards Information Session on February 25 (presented by Janna Hiemstra and Rebecca Welbourn); an info session on how to apply for Ontario Arts Council Craft Grants on February 29 (presented by Lisa Wöhrle, OAC Associate Officer); and *Hand meets Machine: Scaling Production and Profits Sustainably* on March 1 (presented by Buying Miao, cofounder of Hot Pop Factory).

CRAFT SHOW

The third annual Craft Show took place between Friday November 4 and Sunday November 6, at Artscape Daniels Spectrum. With a mission to





support members by connecting them with new audiences and opportunities for sales and promotion, the Craft Show had an attendance of approximately 2,000 visitors, and was generously sponsored by NOW Magazine and Metroland Media. The Craft Show included the work of:

ALM CONTEMPORARY JEWELLERY
 AMPARO FINDLAY
 ANDRÉE CHÉNIER
 ANNIKA HOEFS CERAMICS
 ANU RAINA
 ARMSTRONG AND CARTER IRON-
 WORKS
 AURORA DARWIN
 CAPTVE
 CHRISTINA PUPO/KATRINA TOMP-
 KINS
 CS JONAS STUDIO
 DAVID DUNKLEY FINE MILLINERY
 FIONA MACINTYRE DESIGN
 GRAVEN FEATHER
 HEIDI MCKENZIE
 IAN STEWART DESIGN
 JB+DG
 JJSTUDIO
 KADE'S CUSTOM CANES AND
 CARVINGS
 KINSLEY VEY DESIGNS

KRISTIAN SPREEN
 LEVELSEVEN
 LUDVIKS DESIGNS
 MARNI MARTIN FIBRE STUDIO
 META4 GALLERY
 MICHÈLE GUEVARA
 LUNATAFELT
 OHMYINSPIRED
 PASHA DESIGNS
 PETROFF GALLERY
 PENUMBRA GLASSWORKS
 SARAH DE GASPERIS JEWEL-
 LERY
 SARAH ROSE WOODS
 SASKIAKNITS
 STUDIOSOPHIASOPHIA
 TERESA DUNLOP
 THE DESIGNER GLASS STUDIO
 THE POLITICAL CIRCUS
 VICTORIA SHARP DESIGN
 VIVASMITH
 WENZI



CRAFT AWARDS: CELEBRATING EXCELLENCE

Craft Awards recipients are accomplished practitioners in the field of craft and design. From makers that create innovative and exceptional work to administrators, writers and volunteers who support the craft community, each recipient is recognized as an important contributor to contemporary craft practice. Since the 1980s, over 500 Craft Ontario members have been recognized, and in 2016, over \$32,000 was awarded to 21 deserving recipients. Special thanks to the 2016 jury: Scott Barnim, Joy Charbonneau, Scott Eunson, Shannon Gerard, Martha Glenny, Rachel Miller, and Susan Rankin.

Through the generous support of the Craft Ontario Volunteer Committee, a one-time

award was established in recognition of contributions to Craft Ontario through gifts of volunteer time and expertise: the *CRAFT ONTARIO VOLUNTEER COMMITTEE MARGARET REID AWARD* for \$2,500, awarded to past Craft Ontario Presidents **MARK LEWIS** and **GORDON THOMPSON**.

The Craft Awards program is only made possible with the support of many generous donors and contributors, and sincere thanks go to the following organizations and people: The RBC Foundation, the Craft Ontario Volunteer Committee, the One of a Kind Spring Show & Sale, The Pottery Supply House, Tuckers Pottery Supplies Ltd., Lacy and Co. Ltd, and the Copeland, Walker, Gregor, Yung, McPherson, and Robertson families and friends.

PAMELA ALLEN

Lily Yung Memorial Award

AMANDA MCCALOUR

Mary Robertson Textile Award

MARIE-EVE G. CASTONGUAY

Lacy West Supplies. Ltd. Jewellery Supply Grant

ANDRÉE CHÉNIER

Craft Ontario Volunteer Committee Emerging Professional Award

NAOMI CLEMENT

Helen Copeland Memorial Award in Ceramics

LISA CRESKEY

Craft Ontario Volunteer Committee Mid-Career Award for Excellence

STEPHEN DALRYMPLE

James H. McPherson Award in Woodworking

JERRE DAVIDSON

Craft Ontario Volunteer Committee Award

REID FERGUSON

Craft Ontario Volunteer Committee Undergraduate Award

SUENDRINI GOONESEKERA

Helen Frances Gregor Award

CLAYTON HAIGH

Pattie Walker Memorial Award in Architectural Glass

JOON HEE KIM

Craft Ontario Volunteer Committee Award

JING HUANG

The Pottery Supply House Clay or Glass Supply Grant

HEIDI MCKENZIE

One of a Kind Show Craft Community of Canada Award

LINDSAY STEAD

RBC Emerging Artists Studio Setup Award

JESSICA STEINHAUSER

Craft Ontario Volunteer Committee 40th Anniversary Award

NURIELLE STERN

Tuckers Pottery Supplies Ltd. Clay Supply Grant

JAKE WHILLANS

Don McKinley Award for Excellence in Wood

The **JOHN AND BARBARA MATHER AWARD FOR LIFETIME ACHIEVEMENT** honours those who work tirelessly to grow the craft community, and the 2016 recipient is **MICHAEL FORTUNE**.

Michael Fortune is an internationally recognized designer and master furniture maker who maintains an active studio near his residence in Peterborough Ontario. Since receiving his diploma in furniture design from Sheridan College in 1974, Fortune has been designing and creating innovative one of a kind objects in wood, commissioned residential furnishings and items in limited editions. His reputation and outstanding craftsmanship has attracted an international clientele. Nationally, Fortune's work can be found in the public collections of the Craft Ontario, Museum of Civilization (Ottawa), Royal Ontario Museum, Claridge Collection of Canadian Art and Craft (Montreal), Massey Foundation Permanent Collection, Fleming College - Haliburton School of Art + Design, and The National Capital Collection at Rideau Hall, as well as numerous private collections.

In addition to Fortune's incredible studio practice and reputation as one of Canada's most talented furniture makers, he is also an outstanding teacher and mentor to many aspiring designers and makers across the globe. In the classroom, he openly shares his talent, knowledge and experiences with students. He is inspirational and has been instrumental in enticing others into the tradition of making and doing with their hands.

Fortune also believes in the importance of giving back and contributing to the social economy. He has been working with governments, international aid agencies and private investors to create wood based manufacturing opportunities for developing economies such as Trinidad, Belize, Mexico and Guyana. Identifying local and sustainable source materials, then designing wood products that would use the source materials, and finally providing onsite training by Michael himself, means that underdeveloped

countries can learn to be self-sustaining through the act of making.

With over 40 years of making, teaching and mentoring, Fortune has accumulated a number of awards including the Award of Distinction from the Furniture Society (2007), Queens Jubilee Award (2003), Induction into Royal Academy of the Arts (2000), and the Prix Saidye Bronfman (1993) to name a few. Additionally, he has participated in numerous exhibitions, been showcased in a variety of publications, provided consultations to many organizations and institutions around the world, and served on a variety of important craft related boards such as Craft Ontario across North America.





AFFILIATE AWARDS

Chosen and presented each year by Craft Ontario Affiliate Organization Members through juried exhibitions and award presentations, *Affiliate Awards* celebrate excellence, and offer a one-year Craft Professional membership to accomplished makers in all different media.

CIRVAN HAMILTON

Presented by Muskoka Arts & Crafts

SUSAN CLARK

Presented by Ingersol Creative Arts Centre

GUNDA GAMBLE

Presented by Ontario Hooking Craft Guild

LOUISE MCCANN

*Presented by the Potters' Guild
of Hamilton & Region*

MICHELLE BERTRAND

Presented by Ottawa Guild of Potters

JILLIAN FIDDES

Presented by Georgian College

KIM ROSS

Presented by Burlington Potters' Guild

JUDY DONALDSON

*Presented by Waterloo Potters'
Workshop*

RENATE MIN-OO

Presented by Arts Burlington

SCOTT WALLING

*Presented by Haliburton School of
Art + Design*

EDEN DANIELLE BENDER

Presented by Toronto Potters' Guild

AUDREY NIMMO

Presented by Mohawk College

HELEN GARLAND

Presented by Fibrations

Image: Andrée Chénier, recipient of the Craft Ontario Volunteer Committee Emerging Professional Award. Feather Necklace (detail), Sterling silver, sapphires, feathers.

EXHIBITIONS

REVEAL, JANUARY 14 – 30: an exhibition of work from the graduating class of the Craft and Design Furniture Program at Sheridan College. Featuring skillfully crafted furniture prototypes by sixteen emerging makers and designers, the exhibition highlighted the culmination of three years of dedicated study by.

WHEN HORSES WALKED ON WATER, MARCH 10 – APRIL 30: A solo show of ceramic and mixed media work by Lisa Creskey. Exploring the potential of clay as a sculptural medium and as a painted surface, Creskey investigated concepts of land, landscape, and belonging. Through clay, her collected body of work focused on how social and cultural identities evolves with our sense of belonging to a landscape, and how we manufacture that belonging by transforming nature.

THE MENDING LOUNGE, MAY 7-8: The Mending Lounge featured nine local artists and designers reviving the art of mending through experimentation, innovation and signature styles over a weekend pop-up event at Craft Ontario. This public event took a participatory approach as it aimed to increase attention to a fading practice.

CRAFT AWARDS 2016, JULY 26 – AUG 19: Craft Awards recipients are accomplished and dedicated practitioners in the field of craft and design. As part of Craft Ontario's 40th Anniver-

sary celebrations, and through the generous support of the Craft Ontario Volunteer Committee, the 2016 award recipients had their work on display as part of a special exhibition at the John B. Aird Gallery

MATERIALIZE, SEPT 23 – NOV 28: Hosted at the Art Gallery of Burlington's Perry Gallery, the third annual Materialize exhibition highlighted a collection of emerging work that celebrates a diversity of creative, innovative and skilled incarnations of material culture.



SHOP

2016 continued to demonstrate that the downturn in both traffic and sales in the Yorkville neighborhood required a change in location, and with tremendous effort on the part of Shop staff and volunteers, the move to 1106 Queen Street West was completed in early October.

During the spring, the Craft Ontario Shop presented and partnered on three features of work, which included:

IN BLOSSOM, a solo textile feature by Lorraine Roy, April 14 - May 5

LOVE BIRDS - a ceramic collection presented by Thomas Aitken & Kate Hyde, May 19 - June 9

INDIAN GIVER: Setsuné Indigenous Fashion Incubator Collective Creation Project, which featured work by: Erika Iserhoff, Jodi Lynn Maracle, Jeneen Frei Njootli, Rodrigo Hernandez-Gomez, Sage Paul, Lido Pimienta, J'net AyAy Qwa Yak Sheelth and Louise Solomon, June 10 - 19

In September the Toronto Star featured an article on the Shop's move that garnered attention for the opening in October, which took place with a varied selection of member work, aligned with the launch of the 2016 Cape Dorset Print Series. The remainder of the year featured the Holiday Collection and introduced the work of several new members. While delays in renovations meant that a soft-launch of the Shop was not possible in September, and which resulted in lost sales potential, the final months of the holiday sales season came very close to meeting targets based on numbers projected by consultants J.C. Williams Group, which bodes well for future growth as the Shop becomes a destination point in the thriving Queen West neighborhood.

The Shop continued to be a go-to location for Yorkville clientele after the move, and as a unique member-based location that offers high-end objects and excellent service, we look forward to growing Shop representation, features, and sales.



STUDIO MAGAZINE

As the leading national publication on craft in Canada, Studio continued to deliver content that explores craft practice throughout the country, and engage in critical dialogue about craft and design's role in contemporary culture. With two issues published each year, the Spring/Summer issue focused on how craft and design operate as a means of income, and what that can mean within the sociopolitical economic system in which we live and work. The Fall/Winter issue examined the ways in which we migrate - geographically, emotionally and creatively. Highlights included:



From Custom Work to Commissioned Art: Public art commissions pose challenges to craft but the rewards are available. Ross Bradley considers the Alberta landscape.

Hardcore Craft: Gloria Hickey introduces us to contemporary tattoo culture, revealing another look at craft.

Mutations: An exhibition shows that 'métiers d'art' is not as simple a corollary to the word 'craft' as is sometimes presumed. Bruno Andrus discusses.

Rural Creativity: Kat Frick Miller tells of Nova Scotia's successes in migrating new creativity to the countryside.

In Conversation with Bruce Cochrane

by LINDA MORRIS

Before leaving Toronto to start teaching at Algonquin University, Linda Morris caught up with her professor and mentor Bruce Cochrane to discuss pottery, his lifestyle choices and his latest exhibition.

Wheat wheat planted in rows.
Strong verticals against gently rolling ridges.
Bales of hay, randomly positioned in a field
look down, draped.

BY
the Berkshire of only County

It is with these words that Bruce Cochrane describes to me the shapes and patterns surrounding his home and studio in southwestern Ontario. We are standing in Profile's 1st solo exhibition at David Ryer Gallery in Toronto, and I am captivated by the volume of production: 43 vases and 8 wall-mounted platters. 51 pots in total, about half of what was pulled from 3 successive kiln loads in his 48 cubic-foot wood kiln.

It is gently veined, and it can offer a hint of opacity and stony. A ball of clay that has been drawn across white in a single sweep, its grain seen along through that skin. With no limitation, observing white lines of porcelain plough through the porous surface. The platter started out as a flat plane, then for 24 hours it held its shape. Next, firing around the clay making its surface according to flame patterns and air deposits, forcing it to bow to surrender its topography to the uncompromising heat.

LINDA: 4 years ago, you built a wood kiln and established a studio two hours east west of Toronto. Was your work then influenced by your surroundings?

BRUCE: I'm engaged with agrarian storage facilities, the way these structures are built and renovated, and lateral extensions based solely on specific needs.



COMMUNITY

BOARD OF DIRECTORS

Executive:

Taliaferro Jones, Chair
Sandra Dupret, Past-Chair
Kim McBrien Evans, Vice-Chair
John Arnold, Treasurer
Kathleen Morris, Secretary

Directors at Large:

Heidi Earnshaw
Katarina Germani
Cliff Ledwos
Norma Menguzzi Spall
Christine Platt
Michael Prokopow
James A. Richardson
Stuart Reid
Amir Sheikhvand
Brandon Sousa

STUDIO MAGAZINE

Leopold Kowolik, Editor in Chief
Gord Thompson, Editor-at-Large
Dale Barrett, Art Director

Regional Editorial Committee:

Nicole Bauberger
Wilma Butts
Heather Komus
Mary-Beth Laviolette
Carlyn Yandle
Daphne Scott

National Editorial Committee:

Sandra Alfoldy
Melanie Egan
Denis Longchamps
Charles Lewton-Brain
Michael Prokopow
Tiana Roebuck
Arno Verhoeven

STAFF

Emma Quin, Chief Executive Officer
Janna Hiemstra, Curator & Director of Programs
Meranda MacKenzie, Finance and Membership Controller
Yusun Ha, Shop Manager
Blandina Makkik, Inuit and Native Gallery Director
Rebecca Welbourn, Head of Membership and Marketing*
Kaitlyn Patience, Events Manager*
Sara Washbush, Craft Export Readiness Project Manager
Caitlin Lawrence, Shop Sales Associate
Maurie Todd, Shop Sales Associate
Dora D'Angelo, Shop Sales Associate*
Michelle Gauthier, Programs Intern*
Diana Edelhauser, Communications Intern*

** indicates position was held for part of the year*

Image: Jing Huang, Recipient of the The Pottery Supply House Clay or Glass Supply Grant. *Hello-Wing* (2014), Glazed Stoneware.

COMMITTEES

Exhibitions:

Michael Prokopow
Rachel Gotlieb
Janna Hiemstra
Elise Hodson
Susan Jefferies
Julie Nicholson

Finance:

John Arnold
James A. Richardson
Stuart Reid
Meranda MacKenzie
Emma Quin

Strategic Planning

Task Force:

Taliaferro Jones
Christine Platt
David Saffran
Norma Menguzzi Spall
Stuart Reid
Emma Quin

VOLUNTEER COMMITTEE

Leslie Adamson
Jane Allen
Mary Brebner
Jane Bright
Mary Comi
Elsie Cooper
Mary Corcoran
Cherie Daitchman
Louise Dimma
Jacqueline Elton
Michèle Fordyce
Alice Fournier
Airdrie Thompson Guppy
Marcia Hays
Sandra Hore
Ona Humphreys
Mary-Patricia Kielty
Ingrid Laidlaw
Kathy Lakatos
Margaret Little

Cynthia Macdonald
Adrian Mann
Pat Marshall
Phyllis McTaggart
Joan Milburn
Jane Moore
Carol Paine
Helen Paul
Monica Peel
Rosiane Read
Damaris Robinson
Kay Saunders
Judith Strauss
Jennie Wilson
Frances Wright

VOLUNTEERS

Jade Ansley
Kimberly Barton
Aysegul Birol
Mary Callahan Baumstark
Stephen Dalrymple
Cassandra Griffin
Camilla Gryski
Fern Hellard
Ellen Hlozan
Lera Kotsyuba
Jared Lawee
Alexia Lawson
Stacey Lines
Heather Long
Tammy McClennan
Fiona McLean
Brenda Nieves
Danielle Saunders
Amanda Rataj
Ayman Shams
Olivia Spence
Sarah Rose Woods
Sylvia Zhang

AFFILIATE ORGANIZATIONS

260 Fingers Ceramic Exhibition
Art Gallery of Burlington
Art Gallery of Peterborough
Arts Burlington
Artscape Launchpad
Burlington Potters' Guild
Cabbagetown Arts and Crafts
Canadian Bookbinders & Book Artists Guild
Canadian Clay & Glass Gallery
Canadian Museum of History
Canadian Society For Creative Leathercraft
Fibrations
Fusion: The Ontario Clay And Glass Association
Gardiner Museum of Ceramic Art
Georgian College School of Design and Visual Art
Guelph Creative Arts Association
Haliburton School of Art + Design
Harbourfront Centre
Ingersoll Creative Arts Centre
Kindred Spirits Artisans Of Paris
Living Arts Centre
London Potters Guild
Mississippi Valley Textile Museum
Muskoka Arts And Crafts Inc.
Ontario Hooking Craft Guild
Ottawa Artisans Guild
Ottawa Guild of Potters
Pine Tree Potters Guild
Queen Elizabeth Park Community & Cultural Centre
Rails End Gallery & Arts Centre

Sarnia-Lambton Economic Partnership
Simcoe County Arts & Crafts Association
The Potters Guild of Hamilton and Region
Thunder Bay Potters Guild
Toronto Bead Society
Waterloo Potters' Workshop

PARTNERS & COLLABORATORS

Artscape Daniels Spectrum
CARFAC Ontario
Dittybag
Metroland Media
NOW Magazine
One of a Kind Spring Show
Sheridan College
Subtle Technologies Festival
SOS Design Inc.
Toronto Design Offsite Festival
Work in Culture



DONORS

FEDERAL, PROVINCIAL & MUNICIPAL PUBLIC SUPPORT

- Ontario Arts Council, *ASO Operating Grant*, \$88,350
- Government of Canada, Canadian Heritage, *Revitalizing Facilities Grant*, \$75,000
- City of Toronto, *Culture Building Investment Program*, \$63,000
- Toronto Arts Council, *Operating Grant*, \$32,000
- Ontario Trillium Foundation, *Craft Readiness Export Program*, \$26,000
- Government of Canada for the Arts, *Grant to Literary Art Magazines*, \$12,990
- Ontario Arts Council, *2017 Biennial*, \$10,000
- Government of Canada, Canadian Heritage, *Citizens of Craft Project*, \$3,000

PRIVATE SECTOR SUPPORT

- Love Family Fund, \$13,083
- RBC Foundation, \$5,000
- The Henry White Kinnear Foundation, \$5,000
- Kenneth Greenberg, \$2,500
- Mary Corcoran, in Honour of the Volunteer Committee, \$2,000
- The Council for Business and The Arts in Canada, \$1,288

PATRON LEVEL III \$500 - \$999

Michael Barnstijn
Gilles Latour

PATRON LEVEL II \$250 - \$499

Angelo Comi
Robert Graham
Jane Moore

PATRON LEVEL I \$175 - \$249

Arax Acemyan
Lawrin Armstrong
J W Ayton
Carla Azevedo
Ben Babcock
Robert K. Barrett
Ronald Beiner
Marjorie Bain
Jane Bright
Edda Caldarone
David Cherepacha
Rose Chui Wai Lui
Angelo Comi
Bernard Cummings
Dawn Davis
Andrew R Dick
Ann Dunlop-Shantz
A. Brian Dunn
Alex Frame
John B. Friedrichsen

Virginia Froman
Isabelle Graham-Hennessy
Gitte Granofsky
Miriam Greenbaum
Sharon Hanson
Sylvie Hatch
Susan Heath
Dr Frank Heidemann
Allan Kaplan
Naomi Kirshenbaum
Catherine Lawes
Dana Lengyel
Thomas Long
Adrian Mann
Nancy Mayer
Anne McAlear
Richard McAlpine
Marcellina Mian
Florence Minz
Bruce H. Mitchell

Susan McArthur
James P. McLoughlin, Jr.
Mohsin Mortada
Nana Nishimura
Garth Norbraten
Katia Omnes
John Pederson
William Pierce
Wilson Prichard
Anna Reisman
James Richardson
Wendy Rittenhouse
Marsha Rothstein
Ricki Sernick
Sara Stratton
Silvano Tardella
Jeannette Wiltse
Pheona Wright
Mickey M Yaksich
Judy Malkin & Elliott Jacobson

INDIVIDUAL DONORS

\$1,000 - \$5,000

Kent & Doug Farndale
Mary Corcoran
Emma J Quin

\$500 - \$999

Beth Alber
Nona Heaslip
David McPherson
Helene Lavine

\$250 - \$499

Ronald Fournier
William Hodge
Robert Jekyll
Diana Reitberger

\$100 - \$249

Anne Barros
Lois Etherington Betteridge
Marion Britnell
Ronald & Anne Davenport
Lillian Forester
Steve Heinemann
Darlene Hostrawser
Ann Hutchison
Judith John
Kathy Kranias
William Laskin
Caitlin Lawrence
Denis Longchamps
Eleanor K. Mack
Adrian Mann
Craig Mather
Metalworks Contemporary
Goldsmithing
Susan Moellers
Jane Moore
Kathleen Morris
Ann Mortimer, C.M.
Ann Roberts
Norma Menguzzi Spall
Donald Stuart
John Michael Thomas
Ken Vickerson

\$20 - \$99

John Arnold
Mona Arnott
Karen A Cantine
Susan Card
Yin Ming Chor
Charles H Crockford
Lorraine Dawson
Sandra Dupret
Christianna Ferguson
Harold Freeman
Francois Garneau
Jeremy Gawen
Katarina Germani
Kathleen Hallick
Janna Hiemstra
Irene Johnston
Taliaferro Jones
Toan Klein
Little Bee Art
Nancy Liston
Andrew Lokan
Susan Middleton
Caitlin Morrison
Judith Ostrower
Christine Platt
James & Louise Reed
Amir Sheikvand
William Sheren
Wendy Shingler
Brandon Sousa
Kaarina Talvila
John Michael Thomas
Malcolm Zander

GIFT IN KIND

\$1,000 - \$5,000

Susan Low-Ber
Wayne Muma

\$500 - \$999

David Dunkley
Renato Foti
Ted Harrison
Ray Prince
Amir Sheikvand
George Walker

\$250 - \$499

Alysha Alexandroff -
Appleton
Scott Barnim
Andrée Chénier
Bruce Cochrane
Line Dufour
Parker Pad & Printing
Lorraine Roy
Eric Tardif
Chiho Tokita
Wyatt Walkem
Kathryn Walter

\$100 - \$249

Emblem Flowers
Cynosure Jewellery
Grace Eun Mi Lee
Arouna Khounnoraj
Tania Love
Irina Rapaport
One Of A Kind Show
and Sale
Pasha Moezzi
Present Day Gifts
Rudolph Schafron
Ricky Shi
David Solomon
Katrina Tompkins
Factory Theatre
Shane Weaver
Susan Watson-Ellis
Gabriela Wilson

\$1 - \$99

Thomas M. Aitken
Anu Raina Batra
Carolyn Eady
Heba Kandil
Lit Espresso Bar
Elizabeth Ludviks
Jean Pierre Schoss
The Candy Bar
The Kitten and the Bear
The Theatre Centre
Gabe Thirlwall

TREASURER'S MESSAGE

2016 presented a new set of challenges for Craft Ontario, albeit somewhat different from the challenges we faced in 2015, but challenges nevertheless.

In mid-March of this year, Emma Quin, our long-standing CEO, announce her resignation as CEO, which your Board accepted with regret. Emma led the move from the Yorkville retail Shop and the Gallery/administrative offices at 990 Queen St. W. to newly renovated quarters at 1106 Queen St. W. As with most moves of this magnitude, there were many unanticipated renovation issues which led to time delays in opening the new location. This resulted in a later than planned opening, which in part contributed to lower than anticipated sales in the fourth quarter.

We anticipate improving sales and a material decrease in our operating costs at the new location due primarily to the reduced rent from closing the Yorkville location (where sales had declined a further \$90,000 from 2015 levels). Our lease in Yorkville expired September 30, 2016, and we were looking at a substantial increase in the already high rent, which was a significant reason in our decision to consolidate all operations in one location. By April of this year the new location had begun to hit its targets and we anticipate continued improvement in sales and a modest surplus for the 2017 year.

The Audited Financial Statements show that the retail sector continued to be a drag on Craft Ontario results. Operating and payroll costs were reduced during the year by approximately \$33,000, which is beginning to reflect some of the cost savings anticipated with the relocation of operations.

As I noted last year, there is a limit to cost reduction below which it is difficult to provide the service necessary to maintain a viable operation and we feel that we have, for all practical purposes, reached that level.

From a financial perspective, 2017 remains another challenging year. Our staff has designed a very conservative budget, which has been implemented and built to reduce our deficit significantly by 2018.

As in past years, accessing corporate grants and donations continues to be problematic as we compete with a myriad of not-for-profit and charitable organizations for assistance. We were fortunate to receive a gift in kind donation of \$190,000 as well as \$29,000 in material relating to the relocation of the operations. Donations of other material declined by \$29,000 over the prior year.

Membership fees declined a further \$9,000 to \$63,500 from 2015, and steps have been taken to strengthen membership services, which has already shown positive results so far in 2017. Media partnerships negotiated in 2014 continued to reduce costs by \$3,700, and still allowed Craft Ontario to reach a wider and more diversified audience.

There has been no change in the status of funds owed to the Ontario Government. This issue is clearly set out in the Notes to the 2016 Financial Statements and the accompanying notes, which I encourage everyone to read.

Finally, I hope you have also read about the further successes of the year as outlined in the full Annual Report. 2016 certainly presented challenges to the organization, but these have been surmounted for the most part due to our wonderful staff. We should all be very proud of them!



John M. Arnold
Treasurer, Craft Ontario

FINANCIAL STATEMENTS OF

ONTARIO CRAFTS COUNCIL

(Operating as Craft Ontario)

December 31, 2016

TABLE OF CONTENTS

Independent Auditor's Report	20 - 21
Balance Sheet	22
Statement of operations	23
Statement of changes in fund balances	24
Statement of cash flows	25
Notes to the financial statements	26 - 32
Schedule of retail operations	33

Independent Auditor's Report

To the Members of
Ontario Crafts Council
(Operating as Craft Ontario)

We have audited the accompanying financial statements of Ontario Crafts Council (Operating as Craft Ontario), which comprise the balance sheet as at December 31, 2016, the statements of operations, changes in fund balances, 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 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 Ontario Crafts Council as at December 31, 2016 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.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the financial statements which indicates that Ontario Crafts Council had a General Fund deficit of \$254,859 as at December 31, 2016. This condition, along with other matters as described in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about Ontario Crafts Council's ability to continue as a going concern.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
May 11, 2017

Ontario Crafts Council


(Operating as Craft Ontario)

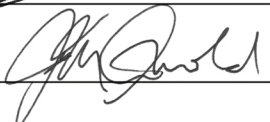
Balance sheet

as at December 31, 2016

	2016	2015
	\$	\$
Assets		
Current assets		
Cash	249,467	334,246
Accounts receivable	67,348	49,980
Investments (Note 5)	1,443	1,222
Inventory of merchandise	249,852	108,079
Prepaid expenses and deposits	30,607	6,177
	598,717	499,704
Marketable securities - restricted (Note 6)	70,620	67,610
Capital assets (Note 7)	146,847	15,788
	816,184	583,102
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 16)	341,619	232,035
Deferred revenues (Note 9)	189,303	253,022
	530,922	485,057
Deferred capital contributions (Note 8)	125,513	-
Deferred rent	20,621	-
Ministry of Culture loan - interest free, non-cumulative, no due date (Note 10)	120,000	120,000
	797,056	605,057
Fund balances		
Operating Funds		
Invested in capital assets (Note 12)	21,334	15,788
General	(254,859)	(287,586)
	(233,525)	(271,798)
Trust Funds (Note 3)		
Awards Trust Funds	54,497	55,747
Bruce Cochrane Award Fund	1,465	1,465
Helen Copeland Award Fund	14,850	16,000
Lily Yung Award Fund	37,629	38,279
Pattie Walker Award Fund	24,958	26,108
Kent & Douglas Farndale Award	4,000	-
Ontario Woodworkers' Association Fund	2,305	2,305
Endowment Fund	74,157	71,147
Internally Restricted Fund		
John Mather Fund	38,792	38,792
Total Trust, Endowment and Internally Restricted Funds	252,653	249,843
Total Fund balances	19,128	(21,955)
	816,184	583,102

Approved by the Board

 Director

 Director

The accompanying notes to the financial statements are an integral part of this financial statement.

Ontario Crafts Council
 (Operating as Craft Ontario)
 Statement of operations
 year ended December 31, 2016

	2016							2015						
	Endowment Fund	Awards			Trust Funds			Operating Fund	Total	Total	Total	Total		
		Trust Fund	Helen Copeland Award Fund	Lily Yung Award Fund	Pattie Walker Award Fund	Kent & Douglas Famdale Award Fund	Operating Fund							
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Revenue														
Retail operations, net of expenses - Schedule	-	-	-	-	-	-	-	(67,684)	(67,684)		(8,729)	(8,729)		
Donations and fundraising (Note 11)	-	5,250	-	500	-	-	-	347,702	357,452		135,840	135,840		
Foundations/major gifts	-	-	-	-	-	-	-	-	-		7,000	7,000		
Ontario Arts Council operating grant (Note 9)	-	-	-	-	-	-	-	88,350	88,350		93,000	93,000		
Property tax rebate grants	-	-	-	-	-	-	-	4,936	4,936		4,609	4,609		
Other revenue	-	-	-	-	-	-	-	48,575	48,575		9,207	9,207		
Other Grant revenue	-	-	-	-	-	-	-	32,004	32,004		40,504	40,504		
Amortization of deferred capital contributions	-	-	-	-	-	-	-	19,486	19,486		-	-		
Interest revenue	3,010	-	-	-	-	-	-	221	3,231		2,779	2,779		
	3,010	5,250	4,000	500	4,000	4,000	473,590	486,350	486,350		284,210	284,210		
Membership fees revenue	-	-	-	-	-	-	-	63,459	63,459		72,734	72,734		
Membership expenses	-	-	-	-	-	-	-	(22,309)	(22,309)		(33,413)	(33,413)		
	-	-	-	-	-	-	-	41,150	41,150		39,321	39,321		
Programs revenue	-	-	-	-	-	-	-	35,192	35,192		49,184	49,184		
Programs expense	-	(6,500)	(1,150)	(1,150)	(1,150)	(1,150)	(68,477)	(78,427)	(78,427)		(103,251)	(103,251)		
	-	(6,500)	(1,150)	(1,150)	(1,150)	(1,150)	(33,285)	(43,235)	(43,235)		(54,067)	(54,067)		
Special projects revenue	-	-	-	-	-	-	-	94,855	94,855		364,455	364,455		
Special projects expense	-	-	-	-	-	-	-	(98,370)	(98,370)		(364,455)	(364,455)		
	-	-	-	-	-	-	-	(3,515)	(3,515)		-	-		
Studio magazine revenue	-	-	-	-	-	-	-	79,153	79,153		81,171	81,171		
Studio magazine expenses	-	-	-	-	-	-	-	(70,268)	(70,268)		(47,153)	(47,153)		
	-	-	-	-	-	-	-	8,885	8,885		34,018	34,018		
Publications revenue	-	-	-	-	-	-	-	6,343	6,343		6,779	6,779		
Publications expense	-	-	-	-	-	-	-	(26,345)	(26,345)		(24,462)	(24,462)		
	-	-	-	-	-	-	-	(20,002)	(20,002)		(17,683)	(17,683)		
Gallery revenue	-	-	-	-	-	-	-	2,244	2,244		47,952	47,952		
Gallery expenses	-	-	-	-	-	-	-	(28,902)	(28,902)		(68,149)	(68,149)		
	-	-	-	-	-	-	-	(26,658)	(26,658)		(20,197)	(20,197)		
Expenses (Note 14)														
Personnel	-	-	-	-	-	-	-	86,405	86,405		129,051	129,051		
Fundraising (Note 11)	-	-	-	-	-	-	-	78,270	78,270		100,173	100,173		
Rent and utilities	-	-	-	-	-	-	-	146,342	146,342		67,585	67,585		
Administration	-	-	-	-	-	-	-	55,252	55,252		24,962	24,962		
Professional fees	-	-	-	-	-	-	-	24,268	24,268		29,091	29,091		
Amortization	-	-	-	-	-	-	-	11,355	11,355		5,532	5,532		
	-	-	-	-	-	-	-	401,892	401,892		356,394	356,394		
Total revenue	3,010	5,250	4,000	500	4,000	4,000	754,836	767,596	767,596		906,485	906,485		
Total expenses	-	(6,500)	(1,150)	(1,150)	(1,150)	(1,150)	(716,563)	(726,513)	(726,513)		(997,277)	(997,277)		
Excess of revenue over expenses	3,010	(1,250)	(1,150)	(650)	(1,150)	(1,150)	38,273	41,083	41,083		(90,792)	(90,792)		
(expenses over revenue)														

Ontario Crafts Council

(Operating as Craft Ontario)

Statement of changes in fund balances
year ended December 31, 2016

	2016										2015		
	Trust Funds					Internally Restricted		Operating Funds			Total	Total	
	Bruce Awards Trust Fund	Helen Copeland Award Fund	Lily Yung Award Fund	Pattie Walker Award Fund	Kent & Douglas Farndale Award Fund	Ontario Wood- workers Association Fund	Endow- ment Fund	John Mather Fund	Invested in capital assets	General Fund	Total	Total	
Balances, beginning of the year	\$ 55,747	\$ 16,000	\$ 38,279	\$ 26,108	\$ -	\$ 2,305	\$ 71,147	\$ 38,792	\$ 15,788	\$ (287,586)	\$ (271,798)	\$ (21,955)	\$ 68,837
Excess of revenue over expenses (expenses over revenue) for the year	(1,250)	(1,150)	(650)	(1,150)	4,000	-	3,010	-	(891)	39,164	38,273	41,083	(90,792)
Additions to capital assets	-	-	-	-	-	-	-	-	151,437	(151,437)	-	-	-
Contributions received	-	-	-	-	-	-	-	-	(145,000)	145,000	-	-	-
Balances, end of the year	\$ 54,497	\$ 14,850	\$ 37,629	\$ 24,958	\$ 4,000	\$ 2,305	\$ 74,157	\$ 38,792	\$ 21,334	\$ (254,859)	\$ (233,525)	\$ 19,128	\$ (21,955)

The accompanying notes to the financial statements are an integral part of this financial statement.

Ontario Crafts Council

(Operating as Craft Ontario)

Statement of cash flows

year ended December 31, 2016

	2016	2015
	\$	\$
Operating activities		
Excess of revenue over expenses (expenses over revenue)	41,083	(90,792)
Items not affecting cash		
Amortization of capital assets	20,378	26,206
Amortization of deferred capital contributions	(19,487)	-
Changes in non-cash components of working capital		
Accounts receivable	(17,368)	(5,841)
Inventory of merchandise	(141,773)	20,263
Prepaid expenses and deposits	(24,430)	769
Deferred rent	20,621	-
Deferred revenues	(63,719)	30,389
Accounts payable and accrued liabilities	109,584	(11,509)
	(75,111)	(30,515)
Investing activities		
Additions to capital assets	(151,437)	-
Additions to deferred capital contributions	145,000	-
Net increase in investments and marketable securities	(3,231)	(1,562)
	(9,668)	(1,562)
Net cash outflow	(84,779)	(32,077)
Cash, beginning of the year	334,246	366,323
Cash, end of the year	249,467	334,246

The accompanying notes to the financial statements are an integral part of this financial statement.

Ontario Crafts Council

(Operating as Craft Ontario)

Notes to the financial statements

December 31, 2016

1. Purpose of the Organization and mission statement

The vision of Ontario Crafts Council (the "Organization") is for a world where craft is acknowledged as a source of enrichment in life and valued for its artistic, cultural and economic merit.

The Organization's mission is to champion, promote and support craft by:

- Being the leading advocating voice for craft makers in Ontario;
- Maximizing craft makers' potential as artists and entrepreneurs;
- Providing a forum for critical debate; and
- Enhancing the public's enjoyment of craft through education and access and providing opportunities to commission, lease and purchase objects.

The Organization adopted the name Craft Ontario as its operating name on February 13, 2014.

The Organization is a registered charity and, as such, is exempt from income taxes.

2. Basis of presentation

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and the payment of liabilities in the normal course of operations and the achievement of positive cash flows. The General Fund had a deficit at December 31, 2016 of \$254,859 (2015 - \$287,586). The continuation of the Organization as a going concern is dependent upon the achievement of positive cash flows from operations and the discharge of its long-term debt, should repayment of that debt be enforced (Note 10).

3. Summary of significant accounting policies and description of Funds

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, published by the Chartered Professional Accountants of Canada, using the restricted fund method of accounting for contributions. The significant accounting policies are summarized below:

Fund accounting

The financial statements of the Organization segregate the following funds:

Trust Funds

(i) Awards Trust Fund

The interest from the Awards Trust fund is used to provide bursaries and grants to individual Ontario craftspeople to achieve or to recognize higher standards of excellence. The capital of this fund is not expendable.

(ii) Bruce Cochrane Award Fund

This fund was established by donations of \$605 in 2011 to honour Bruce Cochrane's long-standing commitment to the field of ceramics. The Organization has agreed to accept funds to be used for an annual award up to the amount of \$250, for as long as the fund allows. The capital of this fund is expendable.

(iii) Helen Copeland Award Fund

This fund was established by donations of \$19,150 in 2011 in memory of Helen Copeland. The Organization has agreed to accept funds to be used for an annual award up to the amount of \$1,000, for as long as the fund allows. The capital of this fund is expendable.

Ontario Crafts Council

(Operating as Craft Ontario)

Notes to the financial statements

December 31, 2016

3. Summary of significant accounting policies and description of Funds (continued)

Fund accounting (continued)

Trust Funds (continued)

(iv) Ontario Woodworkers Association fund

This fund was established when the net assets of the Ontario Woodworkers Association were transferred to the Organization. The fund is to be used annually towards a woodworking award up to the amount of \$175. The capital of this fund is not expendable.

(v) Lily Yung Award Fund

This fund was established in 2010 in memory of Lily Yung. The Organization has agreed to accept funds to be used for an annual award up to the amount of \$1,000. The capital of this fund is not expendable.

(vi) Pattie Walker Memorial Award Fund

This fund was established in 2013 in memory of Pattie Walker. The fund is to be used toward an architectural glass award to be granted to artists working in stained glass, glass painting, acid etching, leaded work, dalle de verre, and/or glass appliqué.

(vii) Kent & Douglas Farndale Award Fund

Generously sponsored by Kent and Doug Farndale, this award recognizes excellence in all craft-related media, and is open to established Craft Ontario members. As long-time supporters of Craft Ontario, Kent and Doug have been active in many aspects of the organization, from Committee and Board service to fundraising and promoting member work.

Ontario Crafts Council Arts Endowment Fund

The Endowment fund was established in 2003 by an agreement with the Ontario Arts Council Foundation ("The Foundation"). For 2003 only, the Government of Ontario, through the Ministry of Culture, provided matching funds to those raised by the Organization, which was permitted to retain 66% of funds raised for general operations. The Foundation holds the endowment in trust for the Organization.

Internally Restricted Fund

John Mather Fund

The Organization established the John Mather fund in memory, and in recognition, of Mr. Mather's contribution to the Organization as Director and Treasurer. The objectives of the John Mather fund are to encourage the development and furtherance of crafts. The Organization can use the principal and interest earned on the fund at the discretion of the Executive Committee.

Operating Funds

The Operating funds include the General fund and the Invested in Capital Assets fund.

The General fund represents the excesses of revenue over expenses (expenses over revenue) accumulated from the ongoing operations of the Organization since its inception.

The Invested in Capital Assets fund records the net book value of the Organization's capital assets, less deferred capital contributions.

Ontario Crafts Council

(Operating as Craft Ontario)

Notes to the financial statements

December 31, 2016

3. Summary of significant accounting policies and description of Funds (continued)

Financial instruments

The Organization records its financial instruments at fair value upon initial recognition. Subsequently, all financial investments are recorded in accordance with the following measurement bases:

<u>Asset/liability</u>	<u>Measurement</u>
Cash	Fair value
Investments and marketable securities	Fair value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost

For items measured at fair value, any changes in fair value subsequent to initial recognition are recognized in the Statement of operations.

Transaction costs are expensed as they are incurred.

Revenue recognition

The Organization uses the restricted fund method of recording contributions. Restricted donations or grants are recognized as revenue of the appropriate restricted funds. All other restricted donations or grants for which no restricted funds have been established are deferred and recognized as revenue in the years in which the related expenses are incurred. Unrestricted donations and grants are recognized as revenue of the Operating fund.

Accrual accounting

The Organization follows the accrual basis of accounting whereby:

- (i) Retail revenue is recorded when goods or services are provided.
- (ii) Membership revenue is recognized evenly over the term of the membership.
- (iii) Revenue for advertising in publications that are produced for free distribution to members is recognized when the publication is ready for distribution. Revenue for advertising in publications that are produced for sale is recognized when the publications are sold.
- (iv) Unrestricted investment income is recognized as revenue of the Operating Fund when earned. Investment income from trust and endowment funds is added to the related trust fund or endowment.

Donated materials and services

Donated materials and equipment are recorded at fair market value received. The Organization records donated services when the fair market value is determinable.

Deferred capital contributions

Deferred capital contributions relate to funds received for office leasehold improvements, furniture, fixtures and equipment, and computer equipment. These funds are amortized on the straight-line basis over the useful lives of the related assets.

Inventory of merchandise

Inventory of merchandise, consisting of finished goods purchased for resale and a limited amount of the Organization's publications produced for sale, is valued at the lower of cost and net realizable value. Cost is determined on a specific item basis.

Ontario Crafts Council

(Operating as Craft Ontario)

Notes to the financial statements

December 31, 2016

3. Summary of significant accounting policies and description of Funds (continued)

Inventory of merchandise (continued)

In addition to inventory purchased for resale, the Organization holds for resale a significant quantity and value of goods consigned by craftspeople. The value of consigned goods, which are not the property of the Organization, is not reflected in these financial statements. When consigned goods are sold, the retail value is recorded as sales of merchandise, and the related costs are recorded as cost of sales.

Donation pledges

The Organization receives, from time to time, pledges of donations from individual and corporate donors. The value of such pledges is generally recognized in the accounts of the Organization when the amounts are received, unless reasonable assurance exists with respect to the amount and collectibility of the pledge, in which case it is recognized in advance of collection.

Capital assets and amortization

Capital assets are recorded at cost. Amortization is provided annually over the estimated useful lives of the capital assets as follows:

Furniture, fixtures and equipment	5 years straight-line
Computer equipment	5 years straight-line
Computer application software	2 years straight-line
Leasehold improvements	Term of the related lease

Allocation of expenses

Management and employees perform a combination of functions; as a result, payroll costs are allocated to expense categories based on the estimated time dedicated to the functional activity. Such allocations are reviewed regularly by management.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Balances which require some degree of estimation and assumptions include the allowance for doubtful accounts, the inventory obsolescence provision, accrued liabilities and the allocation of expenses.

4. Credit facility

The Organization has available, an unsecured bank overdraft facility limited to \$5,000 (2015 - \$5,000), none of which had been used during the year.

5. Investments

	2016	2015
	\$	\$
Shares	1,186	966
Mutual funds (money market fund)	257	256
	1,443	1,222

6. Marketable securities

Marketable securities are held by the Ontario Arts Council Foundation on account of the Endowment fund.

Ontario Crafts Council

(Operating as Craft Ontario)

Notes to the financial statements

December 31, 2016

7. Capital assets

	2016			2015
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Furniture, fixtures and equipment	42,878	(27,371)	15,507	5,120
Computer equipment	14,298	(10,410)	3,888	4,005
Leasehold improvements	283,455	(156,003)	127,452	6,663
	340,631	(193,784)	146,847	15,788

8. Deferred capital contributions

	2016	2015
	\$	\$
Balance, beginning of year	-	-
Contributions received	145,000	-
Less amortization into revenue	(19,487)	-
Balance, end of year	125,513	-

9. Deferred revenue

	2016	2015
	\$	\$
Deferred donations and grants for future operations	157,471	214,366
Memberships (unexpired portion)	28,429	32,425
Subscriptions	3,403	6,231
	189,303	253,022

The Organization has received a grant for subsequent year operations of \$88,350 (2015 - \$88,350) from the Ontario Arts Council and \$32,000 (2015 - \$32,000) from the Toronto Arts Council, which are included above.

10. Ministry of Culture loan - interest free, non-cumulative, no due date

The loan is payable to the Province of Ontario through the Ministry of Culture (the "Ministry"), is non-interest bearing, and under the terms of the agreement with the Ministry, was payable in ten annual installments of \$24,000 commencing in 1997 and ending in 2006. Five annual payments totaling \$120,000 were made between 1997 and 2001. Pursuant to a Determination made on April 24, 2003 under the Ontario Financial Administration Act ("the Determination"), subsequently ratified in the October 28, 2003 amendment to the debt agreement, payment of the annual installments from 2002 to 2006 totaling \$120,000, are not currently being enforced, although the debt has not been forgiven. The Organization expects that repayment of the debt will not be enforced in the following year and accordingly the balance has been reflected as a non-current liability in these financial statements.

Substantially all the assets of the Organization have been pledged as collateral with respect to the debt to the Province of Ontario. The restriction originally placed on the Organization during the repayment period, which previously prevented the Organization from receiving any operating, capital, or accommodation funding from the Province, has been removed for such time as the Determination remains in force.

Ontario Crafts Council

(Operating as Craft Ontario)

Notes to the financial statements

December 31, 2016

11. Donations and fundraising revenue and fundraising expense

Donations and fundraising revenue include \$277,434, as follows:

	2016	2015
	\$	\$
Donated materials	57,918	86,653
Merchandise	190,350	-
Donated services re office relocation	29,166	-
	<u>277,434</u>	<u>86,653</u>

12. Invested in capital assets

	2016	2015
	\$	\$
Net assets invested in capital assets, beginning of year	15,788	41,994
Capital assets acquired during year, less disposals	151,437	-
Amortization of capital assets	(20,378)	(26,206)
Contributions received	(145,000)	-
Amortization into revenue	19,487	-
Net assets invested in capital assets, end of year	<u>21,334</u>	<u>15,788</u>

13. Guarantees

In the normal course of business, the Organization enters into agreements that meet the definition of a guarantee.

- (a) The Organization has provided indemnities under a lease agreement for the use of the occupied premises. Under the terms of this agreement, the Organization agrees to indemnify the counterparty for various items including, but not limited to, all liabilities, loss, suits and damages arising during, on or after the term of the agreement.
- (b) The Organization indemnifies all directors, officers, employees and volunteers acting on behalf of the Organization for various items, including but not limited to, all costs to settle suits or actions due to service provided to the Organization, subject to certain restrictions.

The nature of these indemnification agreements prevents the Organization from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Organization has not made any payments under such, or similar, indemnification agreements and therefore no amount has been accrued with respect to these agreements. The Organization has purchased liability insurance to mitigate the cost of any potential future suits or actions.

Ontario Crafts Council

(Operating as Craft Ontario)

Notes to the financial statements

December 31, 2016

14. Allocation of expenses

The Organization has allocated payroll expenses of \$362,954 (2015 - \$398,717) as follows:

	2016	2015
	\$	\$
Expense line		
Programs	28,396	22,360
Studio	19,583	-
Membership	15,598	27,857
Special projects	9,815	13,392
Gallery	19,465	35,175
Administration	81,835	117,615
Shop	188,262	182,318
	362,954	398,717

In addition, insurance expense of \$5,440 (2015 - \$4,860) and audit fees of \$6,370 (2015 - \$10,845) have been allocated to the Guild Shop.

15. Fair values and risk management

The fair value of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to their short-term maturity.

Short-term investments represent Guaranteed Investment Certificates and are recorded at cost plus accrued interest, which approximates fair value.

Investments are recorded at the year-end net asset value and bid price which represent fair value.

Interest rate risk

The Organization is exposed to interest rate risk on its investments. The Organization does not use any hedging instruments to manage this risk.

Credit rate risk

The Organization's credit risk is primarily attributable to its accounts receivables. The Organization manages this risk through proactive collection policies.

16. Lease commitments

The Organization's minimum annual lease payments for operating leases for premises to the end of the leases are as follows:

	\$
2017	183,212
2018	190,650
2019	195,963
2020	198,150
2021	168,188
Thereafter	717,500
	1,653,663

17. Government remittances

Included in accounts payable is an amount of \$Nil (2015 - \$Nil) representing Harmonized Sales Tax owed to the government.

Ontario Crafts Council

(Operating as Craft Ontario)

Schedule of retail operations
year ended December 31, 2016

	2016	2015
	\$	\$
Revenue		
Sales of merchandise	846,617	978,656
Discounts allowed		
Staff discounts	(7,135)	(7,832)
Members' discounts	(23,283)	(24,345)
	816,199	946,479
Cost of sales	(434,007)	(473,058)
Gross margin (2016 - 47%; 2015 - 50%)	382,192	473,421
Expenses		
Personnel	188,682	182,679
Rent	139,107	165,600
Bank and charge card fees	22,428	23,520
Insurance and property tax	29,425	35,989
Administrative cost sharing	11,376	-
Amortization	9,023	20,674
Audit fees	6,370	10,845
Maintenance and utilities	7,610	10,308
Advertising and promotion	13,187	16,855
Supplies	4,091	6,465
Inventory shrinkage, breakage, and obsolescence	14,498	4,588
Postage and telephone	2,726	2,746
Travel	1,353	1,881
	449,876	482,150
Net retail revenue	(67,684)	(8,729)

Retail operations comprise The Guild Shop. Retail operations exclude any allocations of expenses, except for payroll, insurance and audit costs (Note 14).

The accompanying notes to the financial statements are an integral part of this financial statement.



**CRAFT
ONTARIO**

FRONT COVER: MARIE-EVE G. CASTONGUAY (RECIPIENT OF THE 2016 LACY WEST SUPPLIES. LTD. JEWELLERY SUPPLY GRANT), *GARDEN AT SUNSET* (2016, DETAIL), FABRICATED STERLING SILVER, SEWN LASER-CUT PAPER ON COTTON, PIGMENTS. 6.5 X 33 X 1 CM.