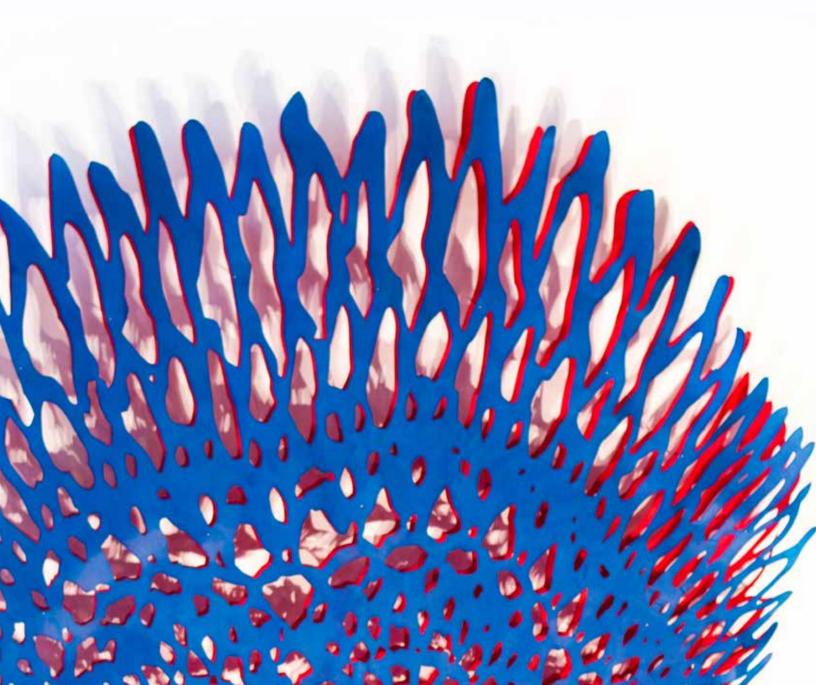


CRAFT ONTARIO

2014 IMPACT REPORT





Craft Ontario is a not-for-profit 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: II887 85II RR 000I

GALLERY & OFFICE

CRAFT ONTARIO SHOP

990 QUEEN ST. WEST TORONTO, ON, CANADA M6J IHI

> T 416-925-4222 F 416-925-4223

info@craftontario.com www.craftontario.com II8 CUMBERLAND ST. (YORKVILLE) TORONTO, ON, CANADA MSR IA6

> T 416-921-1721 F 416-921-3688

shop@craftontario.com www.craftontario.com



Craft Ontario gratefully acknowledges the generous support of Parker Pad & Printing Ltd. for sponsoring the 2014 Craft Ontario Annual Report. Designed by Rebecca Welbourn.

TABLE OF CONTENTS

Message from the President 4

6 Message from the CEO

Our Achievements 8

- 8 Craft Ontario - Rebranded
- 9 Naked Craft
- Citizens of Craft $|0\rangle$
- Annual Craft Show 12
- Craft Export Readiness 12

Our Pillars of Business 14

- Service Organization 14
- Public Gallery 15
- Retailer 16
- Magazine Publisher 18

Our Community 19

Celebrating Excellence in Craft 20

- Craft Awards Program 20
- 21 Affiliate Awards
- John and Barbara Mather Award 22
 - for Lifetime Achievement

Thinking Forward 23

24 **Key Stakeholders**

- Members 24
- Staff & Board 24
- 25 Committees
- Volunteers 26
- 28 Interns
- Partners & Collaborators 29
- Media Partners 29
- 30 2014 Donors
- **Treasurer's Report** 32
- 33 **Financial Statements**



Left: Julie Moon, Animal Thoughts, 2014. Porcelain, glaze. Cover: Lizz Aston, Anaglyph 3D - Installation in Studious,

MESSAGE FROM THE PRESIDENT

This past year has been a momentous year for craft in Ontario and across Canada. Craft Ontario members, staff and the Board of Directors have worked tirelessly to realize the vision of our organization and to move our mandate forward. It has been my sincere honour and pleasure to serve as President of the Board of the Directors. I would like to take the opportunity to reflect on our strides and successes over the past year.

Craft Ontario has a mandate to be the lead advocate for Ontario craft makers, maximize opportunities for craft makers, provide a forum for critical debate and enhance the public's enjoyment and access to craft.

Over the past year, Craft Ontario has fully embraced its mandate and launched a number of largescale initiatives that will have a long lasting impact on craft in Ontario, and Canada. Since our last AGM, Craft Ontario has delivered the Craft Export Readiness project, led the Citizen of Craft movement - a national marketing project to rebrand craft, organized and hosted our biennial craft conference around the theme of Crafting Sustainability, and launched our first annual Craft Show at Artscape's Wychwood Barns. These are substantial initiatives and accomplishments that have provided the opportunity to reach out into our communities with the goal of sharing craft, educating about craft, and enhancing access to craft.

2014 also welcomed the return of perennial favourites for Craft Ontario; the Maker Shaker event and the Craft Awards. This past October, 20 award recipients were celebrated and honoured at Artscape's Wychwood Barns. At the award ceremony, Lois Etherington Betteridge received the John and Barbara Mather Award for Lifetime Achievement, a truly deserving award for a master maker who has inspired and mentored many in the field of metalsmithing. The Maker Shaker and Awards Ceremony were followed by a three-day craft show that showcased over forty craft makers.

It has been one exciting year for craft! Many of Craft Ontario's projects and events will have a lasting impact beyond our provincial boundaries. It is fitting because in addition to all that has been happening in our world of craft, 2015 is also being celebrated as Canada's Craft Year. I have highlighted our larger initiatives, which have occurred alongside of our continued operations, including; publishing Studio Magazine, Canada's only national craft periodical; operating a highly successful Craft Ontario Shop in Toronto; and providing an outstanding roster of craft based exhibitions in our Craft Ontario Gallery on Queen St. West, in Toronto. These operations are the foundation of our organization and we look forward to continuing to evolve in these areas.

There is much thanks to share with those who contribute to the continuing success of Craft Ontario. On behalf of the Board of Directors, I would like to thank Emma Quin and the staff of Craft Ontario for all their work, dedication and commitment to our organization. The amazing things that have been achieved would not be possible without your collective efforts. I would also like to thank our many volunteers who give selflessly to make our organization the best that it can be. You are a very important part of our organization and we value your service greatly.

Of course, an organization such as Craft Ontario with large projects and initiatives could not move forward without the generosity of our financial supporters. From patrons to government organizations to our members, it takes many contributors to deliver professional, quality programming. Craft Ontario is fortunate to have many supporters, as you can see within the pages of this report. To all who have contributed in one form or another, thank you. We could not do what we do without you. As I leave my post and pass along the torch to the incoming President, I would like to thank the Board of Directors who have served and those who will continue to serve our organization. I would especially like to thank Gord Thompson, Past President, for his contribution to our organization over the past seven years. Gord, you have been a wonderful body of knowledge and addition to our board. Thank you for all that you have done for Craft Ontario. You will be missed around the table.

In closing, I would like to thank all associated in one way or another to Craft Ontario for their contributions and an exciting year. As we enter a new year, I invite you to join me in the Citizens of Craft movement.

Sandra Dupret President



MESSAGE FROM THE CEO

2014 was a significant year and marked a historic moment in the organization's history. It is the year the organization adopted the name Craft Ontario, the year we took a strong stance on public engagement, and the year we began to implement long-range objectives to change and challenge the way that people understand craft.

This report focuses on Craft Ontario's successes throughout 2014 and presents important facts and figures. It also offers a glimpse into the future in order to demonstrate where our strategic thinking is taking us. In particular, I'd like to bring your attention to the launch of Citizens of Craft (please see Page 10). Our commitment to broaden and deepen public awareness and understanding about craft led to the launch of this movement. The manifesto that accompanies Citizens of Craft resonates with our beliefs, and we're confident it will resonate with a growing audience of self-declared Citizens who understand the collective worth of community and appreciate the enduring value of the handmade. If you're reading this report, we already hope you're a Citizen of Craft, and if not, we invite you to join this movement and our growing network of supporters, champions, advocates, patrons and friends. You have a meaningful role to play in the vibrancy of this sector.

To conclude, I'd like to recognize a number of significant people, organizations and funding bodies whose collective energy and support allow Craft Ontario to deliver on its mandate.

Thank you to our Board of Directors, and specifically to the President, Sandra Dupret, for her leadership; thank you to our Volunteer Committee and the volunteers that contribute their services throughout the year; to Bec Groves and Danielle Sanders who completed their school practicums with Craft Ontario, and to our dedicated staff, all of whom believe in and work towards our vision with energy and excitement every day.

Very special thanks go to Ronn Battaglia and Mark Hickmott of SOS Design, and Zak Baird of Digital Chaos, for their commitment to realizing our ideas. Finally, we extend our sincerest thanks to those who invest in our organization with grants and donations: the Ontario Arts Council, the Canada Council for the Arts, the Toronto Arts Council, Canadian Heritage, the Ontario Trillium Foundation, Service Canada, the J.P. Bickell Foundation, the Henry White Kinnear Foundation, and the numerous individual donors listed within the pages of this report – our endless thanks for your support.

Emma Quin Chief Executive Officer



7

OUR ACHIEVEMENTS

CRAFT ONTARIO - REBRANDED

We received overwhelming support from our members and the public for our organizational rebrand, and transitioned from the Ontario Crafts Council to Craft Ontario. This rebrand marked a critical highlight for 2014, and re-energized the organization to more positively reflect who we are and what our members, stakeholders, and community believe about us. Supported by a refreshed website that is focused on functionality and ease of use, our new brand is an enjoyable experience for both consumers and producers of craft.



Craft Ontario used its Transformation Funds to finance the rebrand, which was a decision that was made to allow for the largest impact. This fund was launched in October 2011 for the OCC's 35th Anniversary, and was ear-marked to support future planning, strategic growth and the ongoing sustainability of the organization. It was established to provide a foundation for future expansion, large-scale initiatives and visionary new directions. The board confidently committed these funds to the re-visioning exemplified by the transition to the Craft Ontario brand.

NAKED CRAFT



Above: Naked Craft Lumsden MAKE/WORKshop, 2013

In 2014 we also continued work on our international collaboration, Naked Craft, which is a project developed in partnership between Craft Ontario, the Art Gallery of Burlington, NSCAD University and the Edinburgh College of Art. Through workshops and residencies, a touring exhibition, digital archive, an international symposium and a publication, this project explores relationships between regional identities and the reciprocal role that the production of craft plays in building, maintaining and disseminating these identities in a global arena. Naked Craft has a national reach, and the touring exhibition will be hosted at the Art Gallery of Burlington (Burlington, ON), Centre Materia (Quebec City, QC), and the Art Gallery of Nova Scotia, (Halifax, NS).

CITIZENS OF CRAFT

Craft Ontario's dynamic organizational rebrand led to success with applications to Canadian Heritage and the Ontario Ministry of Culture for a project titled 'Rematerializing Craft'. While national in scope, the project also addresses Craft Ontario's goals to grow awareness of craft in Ontario, and improve the economic environment for Ontario craftspeople.

As a \$565,000 national endeavor, the project was developed in collaboration with the Canadian Crafts Federation, all Provincial and Territorial Craft Councils and sector partners. Strategies focused on creating a uniquely Canadian brand identity to be used by craft-related organizations across Canada, including those in remote communities. Our initial goal was to accomplish this through a national marketing campaign that incorporated social media and digital technologies.

While the initial results of the project were launched in 2015 as the exciting movement Citizens of Craft, 2014 involved critical focus on community consultations, committee meetings and feedback structures. These processes were crucial for ensuring the fact that today Citizens of Craft has been wholeheartedly embraced, and that there is now a dynamic national platform for organizations and individuals to celebrate and promote craft. The current phase of the project has moved on to build a new online portal that can be used to navigate and find craft, craftspeople, and craft organizations across Canada.

Citizens of Craft was generously supported by a number of funders and partners – our thanks to Canadian Heritage and the Government of Ontario.







Maker: Grace Eun Mi Lee, Creatures, 2013 Photo: Grace Eun Mi Lee

OUR ACHIEVEMENTS

ANNUAL CRAFT SHOW

A key success in 2014 was the inaugural launch of our Craft Show, a brand-new program for our organization in direct response to member requests. This event, which also aligned with our Craft Awards Ceremony and Maker Shaker Fundraiser, allowed us to provide a new marketing opportunity to our members while also acting as a catalyst to leverage long-term media sponsorships.



Above: Dog Bite Steel, 2014 Craft Show

CRAFT EXPORT READINESS

Another substantial project for 2014 was the successful launch of the Craft Export Readiness (CER) database. We developed this program to provide knowledge and research that would aid craftspeople in expanding their sales markets, specifically in the US. The online format of our CER ensures that people in communities outside of the GTA can more easily take advantage of export data and opportunities. The CER database is about online engagement, learning and access to relevant information. It levels the playing field, as reliable export information requires talking to the right people, and finding the correct procedure for each unique and individual situation. Craft Ontario's interactive CER database is a giant rolodex with footnotes of inside information from industry professionals, and members can access it from their own home at any time. This online tool is key to the ongoing development of craft artists in Toronto, Ontario and Canada; having good export information allows makers to expand their career networks, drastically expand their income earning potential, and diversity their sales opportunities.



SERVICE PROVIDER

Our services and programs provide support for craft makers at all career levels, while raising awareness of, providing access to, and growing appreciation for their work.

Our annual Craft Awards Program is a key piece that supports makers across the spectrum of Craft Ontario's membership, from emerging to senior career levels, and throughout all disciplines. Makers are recognized for excellence and afforded new opportunities to develop their studios, undertake training, and have their work promoted throughout the year.

Another popular programming piece is Craft Talks, which is presented in partnership with other Toronto arts organizations such as the Gardiner Museum and OCAD University. Craft Talks is an annual series of lectures and presentations related to craft topics that draw on craft-related expertise. In 2014, and in partnership with the Gardiner Museum, we co-presented three talks with national and international craft scholars, Ezra Shales, Sandra Alfoldy and Susan Surette, which explored various facets of contemporary craft practice in North America.

Finally, we have a regular roster of newsletters and online content that connect our members to retail, residency and exhibition opportunities. These services have been one of Craft Ontario's longest standing service pieces for our members, and are vital to the healthy growth of their careers. We also offer our members discounted rates on health and liability insurance, merchant services, discounts on supplies and provide a myriad of promotional opportunities. The service-oriented arm of our business is a key focus for our work, and we are constantly re-evaluating what benefits we can pass on to our membership base to help further their careers.



Above: 2014 Craft Awards Ceremony. Opposite, top to bottom: Sonia Tyagi with Building Ties at Materialize opening reception. Bottom: Valerie McLean at opening reception of Hand & Machine.

PUBLIC GALLERY

The Craft Ontario Gallery hosted five exhibitions in 2014, and wrapped up the year with its second Holiday Pop-Up Shop. While not technically part of the exhibition schedule, it is a successful new revenue generating initiative for the Gallery. Since moving our exhibition space to Queen St. in 2006, our exhibitions have been increasingly well attended and are gaining positive critical attention.

To kick off our 2014 programming we hosted Hand & Machine as part of the Toronto Offsite Design Festival, and which also took place as Craft Ontario's Cultural Partner exhibition during the 2014 Interior Design Show. Co-curated by Rebecca Horwitz and Tomas Rojcik, the exhibition pushed the boundaries of where craft practice meets digital production. We presented Gather, a dual exhibition exploring fantastical worlds and fabricated landscapes through ceramics, puppets and stop-motion film, featuring the work of Janet Macpherson and Lindsay Montgomery. In an effort to foster a new generation of makers we presented Materialize, a juried exhibition of emerging talent. We also hosted Art of the Book 2013 in partnership with The Canadian Bookbinders and Book Artists Guild (CBBAG), and which also marked the 30th anniversary of CBBAG's travelling exhibition. Of note in 2014 was Chimera, an interdisciplinary exhibition about the interplay of taxidermy, ceramic figurines, and embroidery, creating a visual discourse on the relationship between nature and culture. It featured the work of Julie Moon, David R. Harper and Morgan Mavis. Chimera received widespread media attention, including a video review in Canadian Art.

Craft Ontario Gallery is a key exhibition space within the Queen West and Ossington area of Toronto. We regularly feature craft from GTA artists, as well as prominent provincial, national and international craft artists. The gallery performs a dual function of highlighting local talent to local audiences, and enriching the local arts scene through the presentation of diverse art, craft and design from outside the city. Throughout 2014 we also focused on developing online content related to our exhibitions, furthering the promotional and educational potential of the Gallery.





15 exhibitions (Gallery & Shop)*238* Canadian exhibitors*42,000+* vistors to the Gallery & Shop

OUR PILLARS OF BUSINESS

RETAILER

Retail is a key area in which we serve members in order to help sell and promote their work. In 2014 our core programs in this area consisted of the Craft Ontario Shop, which is now in its 84th year of operation, the inaugural Craft Show, and the Holiday Pop-Up Shop at the 990 Queen Street location.

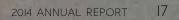
The Craft Ontario Shop, formerly The Guild Shop, represents distinctive, handmade, and one-of-a-kind Canadian craft from more than 300 craftspeople. Every purchase made through the Shop directly supports the craft professionals it serves. 2014 marked a year of reflection and analysis for the Shop, which involved recognizing shifts in the retail landscape, and noting the decreases in traffic within the Yorkville area. Consultants J.C. Williams Group were retained to develop both a move-forward strategy, as well as a short term plan to improve the shop's financial performance. We were presented with cost saving initiatives for the interim and long-range strategies that include the possibility of relocating the store. The board and senior management continue to strategize on the organization's long-term retail business model.

Overall, the consultant's report pointed to the high value of the shopping experience at Craft Ontario, particularly in that a visit to our store engages clientele with stories of the makers and their work, and offers them unique objects. At the same time, the customer service we offer was acknowledged as compelling and engaging, with staff acting as both educator and host for visiting clientele.

35 members and 2 Inuit artists featured through 10 programs & events
21 new members represented, for a total of 244 members
143 artists represented in the Inuit & Native Gallery



Above, left to right: Craft Ontario Shop window, Craft Ontario Shop display. Opposite: Hana Balaban-Pommier, *Dreamscape*, 2014. Slip trailed porcelain, cone 6 oxidation.



OUR PILLARS OF BUSINESS

MAGAZINE PUBLISHER

In addition to our regular roster of member publications, we continued to publish Studio: Craft and Design in Canada. Studio is a leading craft publication in Canada, and is a key platform for developing and sustaining a critical dialogue for the sector. We publish two issues of the magazine per year, which feature diverse articles from makers and writers across Canada. In Spring 2014, we commissioned a range of articles including two from Canada's most celebrated academics in the field: Sandra Alfoldy's history of Canadian design and Michael Prokopow's investigation into the curatorial mandates of Canada's major design collections. In Fall/Winter 2014-2015, our issue explored how craft intersects with society to improve, educate and better our lives.



"Studio has slowly and surely developed into a thoughtful, relevant magazine that has national and international reach. Its content spans the old guard and the new, conceptual issues such as nationhood, the impact of digital technologies on a variety of media, and the continuing and necessary synergies between design, art and craft. It's in the right place at the right time."

– Peter Fleming

Above: Studio Magazine 2014 F/W and S/S covers Opposite: Zimra Beiner, Domestic Still, 2011. Stoneware, Glaze, Plywood, Papier-Mache, Paint

OUR COMMUNITY

in Toronto. Within the GTA, Craft Ontario collaborates regularly with other art and craft focused organizations to present programming and develop new initiatives including Harbourfront Centre's Craft Studios, the Gardiner Museum, IDS 2014, Toronto Offsite Design Festival and Artscape Wychwood Barns. Craft Ontario also regularly partners with OCAD University, Fleming College and Sheridan College in presenting conferences, workshops and talks to the student community, and the wider alumni and interested arts community.

Craft Ontario is active within multiple levels of the arts community

At the local and regional level Craft Ontario has been actively involved with the Provincial Arts Service Organization coalition (PASO), comprised of clients of the OAC's ASO program, among others. The group exchanges ideas, shares experiences and explores the potential for a united advocacy effort. Provincially Craft Ontario holds memberships with the Ontario Associations of Art Galleries, CARFAC Ontario, and Magazines Canada. Craft Ontario is also a regular contributor to the development of policy and programming at various regional craft educational institutions, notably, Sheridan College students in applicable programs receive membership into Craft Ontario or spart of their student fees. CEO, Emma Quin sits on Sheridan College's Program Advisory Committee for the VCAD program at the Haliburton Campus. She also sits on the board for WorkInCulture, on the Steering Committee for Artscape Launchpad and serves on several committees of the Canadian Crafts Federation.

Our annual Craft Awards Program is a key programming piece that supports and recognizes outstanding craft in this province. Craft Export Readiness delivers market access and export information in an easily accessible online format to members across the province. For artists throughout Ontario, we provide key information and services related to marketing and selling craft work to the public. We also regularly engage in distance projects that reach out to craftspeople, and throughout 2014 have been building on the past success of our Growing Ontario's Craft Communities project (2009-2012) in order to secure funding for a similar provincial-touring project that we anticipate launching in late 2015.

craft sector. Craft Ontario works very closely with our sister provincial and territorial counterparts and our national organization, the Canadian Crafts Federation/ Fédération canadienne des métiers d'art, to grow recognition for Canada's craft community and help build performance capacity by collaborative learning and exchanging ideas with each other. Collectively, we look to develop national and international opportunities for our respective memberships.

Nationally, Craft Ontario is a leader in defining the



VTERNATIONALLY

Internationally, Craft Ontario has a five year commitment to working with international partners. The current Naked Craft Network (NCN) project is an international research project that brings together the best of contemporary Canadian and Scottish craft. Naked Craft has spanned almost four years of research in two countries and includes two workshop/residencies, three symposiums, a touring exhibition and a publication. The NCN is interested in developing a better understanding of the relationships between the identities that are inherently attributed to geopolitical regions of practice, and the reciprocal role that the material production of craft plays in building, maintaining and disseminating these identities in a global arena of commerce and culture in the future

19

CELEBRATING EXCELLENCE IN CRAFT

2014 AWARD RECIPIENTS

Total Value - \$26,760

Allsun Campbell James H. McPherson Award in Woodworking

Anouk Desloges Helen Frances Gregor Scholarship

Brad Turner Craft Ontario Volunteer Committee Mid-Career Award for Excellence

Brett Lundy Craft Ontario Volunteer Committee Scholarship

Chris Pearsell Ross OOAK Craft Community Award & A & M Wood Specialty Supply Grant

Grace Eun Mi Lee Craft Ontario Volunteer Committee Emerging Professional Award

Hana Balaban-Pommier Tuckers Pottery Supplies Ltd. Clay Supply Grant

Janet Macpherson RBC Emerging Artists Studio Setup Award

Joanna Schleimer Kingcrafts/Lady Flavelle Scholarship

Joe Han Lee Lacy and Co. Ltd. Jewellery Supply Grant **Judith Martin** Mary Robertson Textile Scholarship

K. Claire McDonald Women's Association of the Mining Industry of Canada Scholarship

Lindsay Montgomery Helen Copeland Memorial Award in Ceramics

Lizz Aston Craft Ontario Award of Excellence

Mischa Couvrette Don McKinley Award for Excellence in Wood

Noelle Hamlyn Craft Ontario Volunteer Committee Scholarship

Paul McClure Lily Yung Memorial Award

Shuang Feng Craft Ontario Volunteer Committee Undergraduate Scholarship

Tracey Lawko Mary Diamond Butts Scholarship in Embroidery and Needlecraft

Zimra Beiner The Pottery Supply House Clay or Glass Supply Grant





2014 AFFILIATE AWARD RECIPIENTS

Jung Lee Do Presented by Arts Burlington

Jocelyn Gordon Presented by Ontario Hooking Craft Guild

Andrea Hildebrand Presented by Waterloo Potters Workshop

Chari Cohen Presented by Toronto Potters

Melissa Schooley Presented by Potters' Guild of Hamilton and Regions

Andrew Kellner Presented by Burlington Potter's Guild Andrée Chénier Presented by George Brown College

Rachel Greer Presented by Georgian College

Lindsey Adelman Presented by Haliburton School of the Arts, Fleming College

Robert Miller Presented by Mohawk College

Sylvia Bouchard Presented by Muskoka Arts & Crafts

Kim Lulashnyk, Presented by Ottaw Guild of Potters



Above: 2014 Craft Award Recipients Opposite, left to right: Judy Martin and Joanna Schleimer accepting their awards with Emma Quin

JOHN AND BARBARA MATHER AWARD FOR LIFETIME ACHIEVEMENT



Lois Etherington Betteridge

Lois's professional achievements have been at the forefront of Canadian silver and goldsmithing for more than half a century. Gail Crawford, in her history of Ontario studio craft claims that Lois has been "accorded more distinctions than almost anyone in the arts field."

Lois is a celebrated master maker, and absolutely instrumental to the development of Ontario Craft through her commitment to the crafts community – serving as board member or advisor to numerous crafts and arts organizations over the years–and through her teaching and mentorship of generations of makers, many of whom have spread out across the country and themselves worked as leading makers and teachers.

A major figure in the Canadian studio craft movement since its inception in the 1950s, Lois was one of a small number of women active in the Canadian movement at a time when the field was dominated by male artists and designers, many of whom had immigrated to Canada from the United States, the United Kingdom, and Europe. She has been referred to as the first modern Canadian silversmith to attain international stature in the studio craft movement. In 1978, Lois became the second recipient of the annual Saidye Bronfman Award, Canada's foremost national award for fine craft. In 1997, she was made a Member of the Order of Canada, the country's highest civilian honour, bestowed for a lifetime of distinguished service to the community. In 2010, Lois' impact in the metalsmithing community was recognized when she was awarded the Lifetime Achievement Award of the Society of North American Goldsmiths. These three honours reflect Lois' significance in Canadian arts and culture, and in North American metal arts.

Craft Ontario recognizes the importance of supporting the future of craft by recognizing the people who have worked hard to pave the way for new developments in the craft community. Recipients of the John and Barbara Mather Award are fully committed makers, administrators, academics, collectors or patrons that have made a real impact on fostering craftspeople and their work in Ontario.

LOOKING FORWARD

Our Vision is for a world where craft is acknowledged as a source of enrichment in life and valued for its artistic cultural and economic merit.

Overall, Craft Ontario strives to encourage the growth of Canadian craft discourse and make its role in contemporary culture more apparent to the general public. Creative industries are becoming a leading force in today's economy, and craft is a major component in contributing to the wealth of communities through tourism, job creation, and economic diversity.

A lead project in this respect is the upcoming second phase of the Craft Export Readiness, which has just been awarded a 24-month Ontario Trillium Foundation Grant of \$150,000. Focusing on research and development of critical export-themed online education and marketing initiatives, this phase will include advanced case-study videos, a series of online courses structured around the five main topics of the database: market readiness, marketing, markets, procedures, and compliance, as well as marketing materials promoting Ontario craftspeople to US markets and galleries.

Opposite: Lois Etherington Betteridge accepts her John and Barbara Mather Award for Lifetime Achievement with Emma Quin. Above: Chris Pearsell-Ross, *Slash and Burn*, 2014. Locally sourced ash, cloth bound cord, light fixture, LED lamp, lacquer.

KEY STAKEHOLDERS

MEMBERS

We are a member-based organization, and our members are key to the ongoing development of our vision. Our membership roster is diverse and consists of craftspeople at all different career levels, as well as supporters and champions of craft in Ontario. Feedback and input is collected directly from membership on a regular basis through community member surveys, and is used to develop and grow our programming. In particular, our programming in recent years has endeavored to incorporate widespread awareness of and appreciation for craft in the Canadian cultural landscape through strong exhibitions, talks and workshops, writing in our magazine, and cutting edge online content for the sector.

STAFF & BOARD

Our staff and board play an active role in shaping our vision and programming by carefully listening to the requests and needs of our membership. The visioning is led by the senior staff team with careful guidance and review from our Board of Directors. We've built teams of strong staff and board that are committed, are representative of the community and membership, and proactive in their leadership.

OFFICE & GALLERY

Emma Quin Chief Executive Officer

Meranda MacKenzie Finance & Membership Controller

Janna Hiemstra Curator & Director of Programming

Caitlin Plewes Head of Membership & Audience Engagement

Maxine Bell Head of Communications*

Bec Groves Communications Coordinator*

Sarah Prince Communications Assistant*

CRAFT ONTARIO SHOP

Yusun Ha Retail Manager

Matt Karvonen Retail Operations Manager

Blandina Makkik Director of the Inuit & Native Gallery

Monica Hayward Retail Programming Coordinator

PART-TIME SHOP STAFF

Caitlin Lawrence – Sales Representative Maurie Todd – Sales Representative Dora D'Angelo – Sales Representative Jo Anne Kittell – Sales Representative Kate Smalley – Sales Representative Ann Tompkins – Inuit & Native Gallery Director Emeritus

* Held position for part of year

COMMITTEES

STUDIO MAGAZINE EXECUTIVE EDITORIAL

Editor in Chief - Leopold Kowolik Managing Editor - Jenn Neufeld Senior Editor - Gord Thompson Designer - Dale Barrett Advertising - Julie Nicholson Publisher - Craft Ontario (Emma Quin)

STUDIO MAGAZINE NATIONAL EDITORIAL COMMITTEE

Sandra Alfoldy (NS) Melanie Egan (ON) Denis Longchamps (ON) Charles Lewton-Brian (AB) Michael Prokopow (ON) Tiana Roebuck (ON) Arno Verhoeven (Scotland)

STUDIO MAGAZINE REGIONAL EDITORIAL COMMITTEE

Nicole Bauberger (YK) Wilma Butts (NS) Brigitte Clavette (NB) Martha Cole (SK) Heather Komus (MB) Mary-Beth Laviolette (AB) Bettina Matzkuhn (BC) Daphne Scott (PEI)

CRAFT SHOW COMMITTEE

Taliaferro Jones Jane Bright Adrian Mann Van MacKenzie Kathleen Morris Milyda Scott Amir Sheikvand

NOMINATIONS COMMITTEE

Melanie Egan Robert Jekyll Gilles Latour Gord Thompson Emma Quin

FINANCE COMMITTEE

John Arnold* LeeAnn Janissen Stuart Reid Jay Richardson* Emma Quin

MEMBERSHIP COMMITTEE

Yusun Ha Heba Kandil Gilles Latour Kim McBrien Evans Caitlin Plewes Emma Quin Danielle Sanders Amir Sheikhvand

EXHIBITION COMMITTEE

Michael Prokopow, Chair Susan Jefferies Janna Hiemstra Julie Nicholson



Paul McClure, Antibodies IV Rings, 2012. Sterling silver, sapphires, garnets (fabricated).

VOLUNTEERS

Craft Ontario is extremely fortunate to have an invested, engaged and passionate Volunteer Committee. There is no doubt that this group is worth their weight in gold. They share their time and talents with our staff, they advocate for our organization and for craft in general, they plan annual trips to visit communities of craft makers, they purchase craft, and most significantly, they are the largest contributor to our annual Awards program. We extend our heartfelt thanks to this fabulous group.

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 Fern Hellard Sandra Hore Ona Humphreus Judy Kennedy

VOLUNTEERS

Carissa Ainslie Beth Alber Mary Baumstark Steve Blair Colin Campbell Ronald Chan Andrée Chénier Iris Chow Stephen Dalrymple Tine DeRuiter Claire Dunlop Laura Eustace Paula Greenberg Yoon Hee Nathan Heuvingh Wendy Hutchinson Joy Khammar Kenneth Kwok Becku Lauzon Joe Han Lee

Maggie McCutcheon Van McKenzie Val McLean Mike Sankeu Heather Mundle Julie Nicholson Fariba Nirouei Sarah Prince Malena Puentes Amanda Roth Caitlyn Ryall Shau Sanders Danielle Saunders Milyda Scott Amy Shindo Kate Smalley Olivia Spence Shanty Widyatmoko

Mary-Patricia Kielty

Cynthia Macdonald

Phyllis McTaggart

Ingrid Laidlaw

Kathy Lakatos

Adrian Mann

Pat Marshall

Joan Milburn Jane Moore

Carol Paine

Helen Paul

Monica Peel

Rosiane Read

Kay Saunders

Judith Strauss

Jennie Wilson

Frances Wright



Above: Shawna Tabacznik, *Tovah Bracelet*, 2013. Sterling Silver. Opposite: Janet MacPherson, *Guardian*, 2014. Slip-cast porcelain, paper clay, gold lustre.



KEY STAKEHOLDERS

INTERNS

Providing opportunities to emerging arts administrators to gain on-the-job experience has become very important for Craft Ontario, and through inviting arts industry students and graduates to work with us, we increase our human resources capacity.

Over the summer we worked with an intern from UofT's Art History program, who assisted with grant writing and member programs. From Fall 2014 to Spring 2015, we hosted a student from York's Department of Communication Studies, who developed a strategy to increase membership relations, researched best practices in communications and aided in the implementation of a comprehensive social media plan to promote the organization through current channels.

From April to August 2014, we worked with a Western Continuing Studies' diploma student completing a Practicum component of their Diploma in Arts Management. This student, on site full time for the 16 weeks, worked on communications and member relationships, with a special focus on our annual membership survey and was a part of the team for our inaugural Craft Show. These experiences are equally rewarding for both students and the organization, and help to create life-long advocates for contemporary craft practice.



Above: Grace Eun Mi Lee, *Creatures (Salt and Pepper Shaker)*, 2013. Porcelain, Gold luster. Opposite: Tomas Rojcik, *Lo-Def Mirror & Atoms*, 2014. Polished Sand Cast Aluminum, Maple, Brass, Alabaster.

PARTNERS & COLLABORATORS

Partnerships and collaborations are key to building sustainable programs and projects, and are at the heart of strategic and operational growth. Craft Ontario thanks its many partners, including:

The Canadian Craft Federation Our provincial and territorial counterparts The Art Gallery of Burlington NSCAD University Edinburgh College of Art OCAD University Sheridan College Fleming College Harbourfront Centre SOS Design Inc Artscape WorkinCulture CARFAC Ontario Fusion

We also thank all our affiliate organizations, and the many other organizations that have contributed to Craft Ontario programming.

AFFILIATE ORGANIZATIONS

260 Fingers Ceramic Exhibition ARCAF - Association of Russian-speaking Craft, Art and Fashion Art Gallery of Burlington Burlington Potters' Guild Cabbagetown Arts and Crafts Canadian Bookbinders & Book Artists Guild Capital Artisans Guild Glass Art Association Of Canada Guelph Creative Arts Association Haliburton School of The Arts-Fleming College Harbourfront Centre - Craft & Design Huronia Festival Of The Arts & Crafts Ingersoll Creative Arts Centre Kindred Spirits Artisans Of Paris

Kingcrafts Mississippi Valley Textile Museum Mohawk College of Applied Arts & Technology Muskoka Arts And Crafts Inc. Ontario Hooking Craft Guild Ottawa Artisans Guild Pine Tree Potters Guild Queen Elizabeth Park Community & Cultural Centre Simcoe County Arts & Crafts Association The Potters Guild of Hamilton and Region Thunder Bay Potters Guild Toronto Bead Society The Tweed and Area Studio Tour The Valley Artisans Co-op

MEDIA PARTNERS

Newly developed media partners allowed Craft Ontario to promote its programs and services to a much greater audience in 2014, and we're delighted that these relationships will continue and grow in the future. **Metroland Media** became our Community Media Partner and Nov Magazine became our Weekly Alternative Media Partner. We look forward to strengthening the appreciation of craft together.

2014 DONORS

Externally, Craft Ontario's relationships with funders, the community, and its membership are well established and strong. The following pages are dedicated to our supporters as thanks for your contributions.

FEDERAL, PROVINCIAL & MUNICIPAL PUBLIC SUPPORT

Canada Council for the Arts, Grant to Literary Art Magazines	\$11,400
Canada Council for the Arts, Jean Chalmers Fund for the Crafts	\$5,000
Canada Council for the Arts, Project Grant	\$8,000
Canada Council for the Arts, Project Grant	\$5,000
Canadian Heritage - Young Canada Works	\$7,179
Government of Canada, Canadian Heritage, Aid to Publishers	\$13,033
Government of Canada, Canadian Heritage, Strategic Initatives	\$57,990*
Government of Ontario, Cultural Development Fund	\$52,500*
Ontario Arts Council, ASO Operating Grant	\$93,000
Ontario Arts Council, Compass Program	\$7,500
Ontario Trillium Foundation	\$53,455**
Toronto Arts Council, Operating Grant	\$32,000

* Portion received in 2014 ** Portion used in 2015

PRIVATE SECTOR SUPPORT

J.P. Bickell Foundation	\$20,000
RBC Foundation	\$10,000
The George Lunan Foundation	\$2,000
The Henry White Kinnear Foundation	\$2,000

PATRON MEMBERS

Partners' Circle: Patron Level IV \$1,000 - \$4999

Gilles Latour Kent Farndale Lynda Hamilton

Craft Benefactor: Patron Level III \$500 - \$999

Margaret Rieger Melinda Mayhall

Craft Supporter: Patron Level II \$250 - \$499

Alice Fournier

Barbara Malcolm Adrian Mann Helen Paul Jane Moore Michael Barnstijn Paul Becker

Craft Collector: Patron Level I \$175 - \$249

Alice Hubbes Andrew R Dick Ann Hutchison Arax Acemyan Arthur Dalfen Ben Babcock Bernard Cummings Bombardier Aerospace Brenda Taylor Claudio Gatti David Vaskevitch Dennis Stern Donald Stuart Doug Leatherdale Edda Caldarone Elizabeth Irving Elizabeth Wyatt Ellis Kirkland Fred Demelis Graham Knope James Richardson Jane Bright Janice Warren Jocelun Allen Jonathon Freedman Julia Moulden Katherine Cummings Kathleen Ward Katia Omnes Linda Hodgson Lissa Paul Lynne Heller M Franceschetti Mary Trussel Maureen Simpson

Moira Phillips Barbara Goldring Naomi Kirshenbaum Nora Stearns Peter Essens Peter Watson Robert Graham Seemab Malik Stephanie Ruseckas Tennys Hanson Wendy MacKeigan Wilson Prichard Yveline Audemars

INDIVIDUAL DONORS

\$5,000 - \$9,999

Kenneth Greenberg

\$1000 - \$4999

Emily Yue Emma Quin & Mike Sankey Kingcrafts Melvyn Green Richard La Prairie

\$500 - \$999

David McPherson Gordon Thompson Ontario Crafts Council Volunteer Committee Susan Eckenwalder The Women's Association of the Mining Industry of Canada, Toronto (WAMIC)

\$250 - \$499

Diana Reitberger Helene Lavine The Potters Guild of Hamilton and Region

\$100 - \$249

Adrian Mann Barbara Bolin Barbara Payne Bill Angus Caitlin Lawrence Canadian Bookbinders & Book Artists Guild David Wilde Donald Stuart Elaine Johnson Elenna Monchesky Elvino Sauro, PROF. Gilles Latour Jo-Anne Young Judith Tinkl Kathleen Hallick Linda Gehrke Lois Etherington Betteridge Marion Britnell Martha Glennu Michael Fortune Patricia Robson Steve Heinemann Steven Irvine Tracey Lawko Wendy Shingler William Hall Ying-Yueh Chuang

\$20 - \$99

Angela Wemigwans Annette Hansen Charles H Crockford Cynthia Macdonald Diana Bennett Dr Gail E. Vanstone Heather Daymond Helen Paul Jeannie Pappas Joan Tooke Johnathon Ball Kaarina Talvila Liliana Botero Linda Hope Ponting Loominescence Lorraine Dawson Marian Jaworski Maurie Todd Micaela Fitzsimmons Monique Van Wel Reine Latour Robert Alton Rudolph Schafron Sandra Noble Goss Sarah Mulholland Sheila North Baker Susan Corrigan Trevor Lloyd William Angus

GIFT-IN-KIND DONORS

\$500 - \$999

David Thai The Glass Forge Wild Haliburton Elephant Weavers

\$250 - \$499

Dogbite Steel Elizabete Ludviks Milyda Scott Van McKenzie

\$100 - \$249

Jesse Bromm Lynda Smyth Steven Tippen Susan Card Wayne Muma

\$1 - \$99

Barbara Banfield Pottery Sparks Pottery

CRAFT ONTARIO TREASURER'S REPORT

2014 was again a challenging year for Craft Ontario but in all ways a positive one.

The benefits from the organizational changes implemented in 2013 began to be seen, including several exciting initiatives that promise to have long-range impacts on the marketability of Craft Ontario's brand, and thus present opportunities and exposure to new markets for our members.

From a financial perspective it remained another challenging year. The general health of the overall economy continued to weigh on sales at the Yorkville Shop; however, due to the judicious management of costs as well as a change to the pricing formula applied to products offered, the retail operation showed a net contribution of \$42,000 to the operations - a marked improvement over 2013.

Corporate grants and donations continue to lag as there is more and more demand from a myriad of organizations for assistance from the corporate world.

Fundraising and membership fees continued to be somewhat problematic, but are definitely starting to show results from increase in expenditure on membership and fundraising with a modest increase in the first quarter of 2015.

Management was particularly successful in negotiating extremely advantageous advertising arrangements which substantially reduced the actual cash costs and enabled Craft Ontario to reach a wider and more diversified audience.

We continue to question the viability of the Shop in the Yorkville district of Toronto. Rents are already very high and projected to go higher. We are investigating other alternatives to provide a viable outlet for our member's products while keeping fixed overheads at a manageable level. A very positive note is that we generated \$34,000 in net positive cash flow which helps to reduce our deficit, which will take a few more years to achieve.

Jay Richardson, our past Treasurer neatly summed up the situation around the funds owed to the Ontario Government in last year's report. There has been no change to this situation during 2014. On a final note, please have a look at our CEO's report. Our staff has done a wonderful job and we should all be very proud them!

John M. Arnold, Treasurer, Craft Ontario

FINANCIAL STATEMENTS OF CRAFT ONTARIO

FORMERLY ONTARIO CRAFTS COUNCIL

DECEMBER 31, 2014

TABLE OF CONTENTS

- 34-35 Independent Auditors' Report
- 36 Balance sheet
- 37 Statement of operations
- 38 Statement of changes in fund balances
- 39 Statement of cash flows
- 40-46 Notes to the financial statements
- 47 Schedule of retail operations



Deloitte LLP 5140 Yonge Street Suite 1700 Toronto ON M2N 6L7 Canada

Tel: 416-601-6150 Fax: 416-601-6151 www.deloitte.ca

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, 2014, 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, 2014, 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 \$201,711 as at December 31, 2014. 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.

Delaitte LLP

Chartered Professional Accountants, Chartered Accountants Licensed Public Accountants April 30, 2015

Ontario Crafts Council

(Operating as Craft Ontario) Balance sheet as at December 31, 2014

	2014	2013
	\$	\$
Assets		
Current assets		
Cash	366,323	332,177
Accounts receivable	44,139	25,965
Investments (Note 5)	1,255	1,228
Inventory of merchandise	128,342	171,420
Prepaid expenses and deposits	6,946	4,088
	547,005	534,878
Marketable securities - restricted (Note 6)	66,015	62,513
Capital assets (Note 7)	41,994	65,442
Total assets	655,014	662,833
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 16)	243,544	195,880
Deferred revenues (Note 8)	222,633	228,437
	466,177	424,317
Ministry of Culture loan - interest free, non-cumulative, no due date (Note 9)	120,000	120,000
Total liabilities	586,177	544,317
Fund balances		
Operating Funds		
Invested in capital assets (Note 11)	41,994	65,442
General	(222,355)	(228,172)
Total Operating Funds	(180,361)	(162,730)
	(100,001)	(102,100)
Trust Funds (Note 3) Awards Trust Funds	50 407	52 407
Bruce Cochrane Award Fund	53,497	53,497
	1,465	1,465
Helen Copeland Award Fund	17,150	18,150
Lily Yung Award Fund	39,429	39,179
Pattie Walker Award Fund Ontario Woodworkers' Association Fund	27,008	24,608
	2,305	2,305
Endowment Fund	69,552	66,050
Internally Restricted Fund	20 700	20 700
John Mather Fund	38,792	38,792
Transformation Fund	-	37,200
Total Trust, Endowment and Internally Restricted Funds	249,198	281,246
Total Fund balances	68,837	118,516
Total liabilities and fund balances	655,014	662,833

Approved by the Board

Director

Zourl _____ Director

Council	
$\mathbf{\cup}$	
Crafts	(
ntario (•
On	(

(Operating as Craft Ontario) Statement of operations year ended December 31, 2014

							2014	2013
				Trust Funds				
	Endowment	Coneland	l ilv Yund	Walker	Fund	Onerating		
	Fund	Award Fund	Award Fund	Award Fund	(Note 3)	Fund	Total	Total
	\$	s	s	\$		\$	\$	÷
Revenue								
Retail operations, net of expenses - Schedule	•	•	•	•	•	42,797	42,797	11,903
Donations and fundraising (Note 10)	•	•	1,250	2,400	•	78,494	82,144	114,885
Foundations/major gifts	•	•	•	•	•	22,000	22,000	2,200
Ontario Arts Council operating grant (Note 10)	•	•	•	•	•	93,000	93,000	93,000
Employment grants	•	•	•	•	•	7,179	7,179	8,613
Property tax rebate grants	•	•	•		•	4,261	4,261	3,734
Other revenue	•	•	•	•	•	20,379	20,379	25,551
Ontario Arts Council Arts Investment Fund		•			•			10,400
Interest revenue	3,502	•		•	•	2,712	6,214	7,661
	3,502		1,250	2,400		270,822	277,974	277,947
Membership fees revenue						75,798	75,798	89,474
Membership expenses	•	•			(835)	(38,781)	(39,616)	(27,087)
	•	•	•		(835)	37,017	36,182	62,387
Programs revenue	•					38.510	38.510	14,469
Programs expense	•	(1.000)	(1.000)		(13.763)	(92.700)	(108.463)	(70,496)
-		(1,000)	(1,000)		(13,763)	(54,190)	(69,953)	(56,027)
						470.466	470 465	1001
Special projects revenue		•	•	•	•	11 9,400	1/3,433	42,914 /20620)
operial projects expense					•	(+01,11)	7 7 34	11 775
	•	•	•			171,1	1,121	017,41
Studio magazine revenue	•	•	•	•		81,565	81,565	69,196
Studio magazine expenses					(570)	(51,906)	(52,476)	(56,341)
					(570)	29,659	29,089	12,855
Publications revenue	•			ı	•	7,973	7,973	9,479
Publications expense	•				•	(18,336)	(18,336)	(15,715)
	•	•	•			(10,363)	(10,363)	(6,236)
Gallery revenue						34.933	34.933	28.206
Gallery expenses		•	•	•	(2,500)	(83,144)	(88,644)	(77,322)
	•		•	•	(5,500)	(48,211)	(53,711)	(49,116)
Expenses (Note 13)								
Personnel		•	•	•	•	121,525	121,525	135,735
Fundraising (Note 10)	•				•	6,083	6,083	27,922
Rent and utilities	•	•	•	•	•	65,049	65,049	62,365
Administration	•	•	•		16,532	25,609	42,141	57,630
Professional fees	•		•	•	•	26,146	26,146	36,124
Amortization	•	•	•	•	•	5,674	5,674	3,670
					16,532	250,086	266,618	323,446
Total revenue	3,502	•	1,250	2,400	•	689,056	696,208	531,685
Total expenses	•	(1,000)	(1,000)	•	(37,200)	(706,687)	(745,887)	(599,046)
Excess of revenue over expenses								
(expenses over revenue)	3,502	(1,000)	250	2,400	(37,200)	(17,631)	(49,679)	(67,361)

Council	/
	(2 (
o Crafts	ζ
Dutario (•
0	C

(Operating as Craft Ontario) Statement of changes in fund balances year ended December 31, 2014

													2014	2013
									Internally			Operating		
						Trust Funds	ļ		Restricted			Funds	Total	Total
-						Ontario	I							
		Bruce	Helen		Pattie	-booM								
	Awards	Cochrane	Copeland	Lily Yung	Walker	workers	Endow-	John	Transform-	Invested				
	Trust	Award	Award	Award	Award	Association	ment	Mather	ation	in capital	General			
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	assets	Fund	Total		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	⇔
Balances, beginning														
of the year	53,497	1,465	18,150	39,179	24,608	2,305	66,050	38,792	37,200	65,442	(228,172)	(162,730)	118,516	185,877
Excess of revenue over														
expenses (expenses														
over revenue) for the year		•	(1,000)	250	2,400	•	3,502		(37,200)	(26,348)	8,717	(17,631)	(49,679)	(67,361)
Additions to capital assets		•	•		•	•	•		•	2,900	(2,900)	•		
Balances, end of														
the year	53,497	1,465	17,150	39,429	27,008	2,305	69,552	38,792	ı	41,994	(222,355)	(180,361)	68,837	118,516

(Operating as Craft Ontario) Statement of cash flows year ended December 31, 2014

	2014	2013
	\$	\$
Operating activities		
Excess of expenses over revenue	(49,679)	(67,361)
Items not affecting cash		
Amortization of capital assets	26,348	24,398
Change in non-cash components of working capital		
Accounts receivable	(18,174)	14,765
Inventory of merchandise	43,078	1,911
Prepaid expenses and deposits	(2,858)	3,779
Deferred revenues	(5,804)	48,517
Accounts payable and accrued liabilities	47,664	19,799
	40,575	45,808
Cash used in investing activities		
Additions to capital assets	(2,900)	(15,823)
Net increase in investments and marketable securities	(3,529)	(6,770)
	(6,429)	(22,593)
Net cash inflow	34,146	23,215
Cash, beginning of the year	332,177	308,962
Cash, end of the year	366,323	332,177

(Operating as Craft Ontario) Notes to the financial statements December 31, 2014

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 Organizations 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, 2014 of \$201,711 (2013 - \$228,172). 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 9).

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.

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

Fund accounting (continued)

<u>Trust Funds</u> (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.

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.

Transformation Fund

The Organization established the Transformation Fund in 2011 to mark the Organization's 35th Anniversary. The fund, ear-marked to support future planning, strategic growth and the ongoing sustainability of the Organization was established with an inaugural donation of \$35,000 from M. Joan Chalmers, C.C., O.Ont. The objectives of the fund are to provide a strong foundation for future expansion, large-scale initiatives and visionary new directions. The Organization can use the principal and interest earned on the fund at the discretion of the Executive Committee.

During the year, the Board of Directors authorized the use of the entire fund balance of \$37,200 to rebrand the Organization. Costs associated with the rebrand included creative development, website development, signage and marketing.

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.

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:

Asset/liability	Measurement
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 receives a significant amount of donated services from members and volunteers, the fair market value of which is not readily determinable and would be offset by a matching increase in costs of maintaining its operations. Accordingly, the value of donated services is not reflected in the financial statements.

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.

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.

(Operating as Craft Ontario) Notes to the financial statements December 31, 2014

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

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-forprofit 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 (2013 - \$5,000), none of which had been used during the year.

5. Investments

	2014	2013
	\$	\$
Shares	1,000	974
Mutual funds (money market fund)	255	254
	1,255	1,228

6. Marketable securities

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

(Operating as Craft Ontario) Notes to the financial statements December 31, 2014

7. Capital assets

			2014	2013
		Accumulated	Net book	Net book
	Cost	amortization	value	value
	\$	\$	\$	\$
Furniture, fixtures and equipment	27,716	(19,337)	8,379	11,639
Computer equipment	12,214	(6,194)	6,020	8,178
Leasehold improvements	148,663	(121,068)	27,595	45,625
	188,593	(146,599)	41,994	65,442

In 2014, assets with a cost of \$Nil (2013 - \$28,047) and an accumulated amortization of \$Nil (2013 - \$28,047) were written off.

8. Deferred revenues

	2014	2013
	\$	\$
Deferred donations and grants for future operations	181,029	177,129
Memberships (unexpired portion)	34,945	41,309
Subcriptions	6,659	7,619
Awards	-	2,380
	222,633	228,437

The Organization has received a grant for subsequent year operations of \$93,000 (2013 - \$93,000) from the Ontario Arts Council and \$32,000 (2013 - \$Nil) from the Toronto Arts Council, which are included above.

9. 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 noninterest 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.

10. Donations and fundraising revenue and fundraising expense

Included in donations and fundraising revenue are \$25,783 (2013 - \$19,227) of donated materials, with an offsetting charge included in fundraising expense.

(Operating as Craft Ontario) Notes to the financial statements December 31, 2014

11. Invested in capital assets

	2014	2013
	\$	\$
Net assets invested in capital assets,		
beginning of year	65,442	74,017
Capital assets acquired during year, less disposals	2,900	15,823
Amortization of capital assets	(26,348)	(24,398)
Net assets invested in capital assets, end of year	41,994	65,442

12. 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.

13. Allocation of expenses

The Organization has allocated payroll expenses of \$434,278 (2013 - \$496,547) as follows:

	2014	2013
	\$	\$
Expense line		
Programs	35,705	50,120
Communications	979	11,656
Membership	33,486	18,379
Special projects	9,637	-
Fundraising	-	1,237
Gallery	46,843	39,004
Administration	116,079	132,489
The Guild Shop	191,549	243,662
	434,278	496,547

In addition, insurance expense of \$4,860 (2013 - \$4,860) and audit fees of \$9,633 (2013 - \$9,974) have been allocated to the Guild Shop.

14. 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 polices.

15. Lease commitments

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

\$

2015	210,600
2016	142,950
	353,550

16. Government remittances

Included in accounts payable is an amount of \$1,142 (2013 - \$7,273) representing Harmonized Sales Tax due to the government.

(Operating as Craft Ontario) Schedule of retail operations year ended December 31, 2014

	2014	2013
	\$	\$
Revenue		
Sales of merchandise	1,110,597	1,199,292
Discounts allowed		
Staff discounts	(10,113)	(12,202)
Members' discounts	(25,552)	(28,611)
	1,074,932	1,158,479
Cost of sales	(542,778)	(607,386)
Gross margin (2014 - 48%; 2013 - 46%)	532,154	551,093
Expenses		
Personnel	191,789	244,833
Rent	165,600	165,600
Bank and charge card fees	25,526	26,591
Insurance and property tax	32,405	25,624
Amortization	20,674	20,728
Audit fees	9,633	9,974
Maintenance and utilities	9,900	10,863
Advertising and promotion	13,037	26,690
Supplies	5,657	6,592
Inventory shrinkage, breakage, and obsolescence	11,022	(2,929)
Postage and telephone	2,953	3,385
Travel	976	982
Equipment rental	185	257
	489,357	539,190
Net retail revenue	42,797	11,903

Retail operations comprise The Guild Shop. Retail operations exclude any allocations of expenses, except for payroll, insurance and audit costs (Note 13).

