

December, 2003

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the newsletter of Prentice Yates & Clark

## Retirement

The firm wishes to announce the retirement of John Yates and Ron Clark effective December 31, 2003.

Ron Clark started with the predecessor firm, Hutchins Mullin & Blair, in 1956 and obtained his CA designation in 1961. He worked in industry from 1962 to 1974 and then rejoined the firm. His service to the firm and its clients total 36 years.

John Yates started with the same predecessor firm in 1964 and obtained his CA designation in 1969. His years of service total almost 40.

Both Ron and John are proud of their long association with PYC and especially of the fact that no partner has ever left the firm except through normal retirement. They also are proud of the fact that the existing partners have all been with PYC for many years and almost all of them started here as students and obtained their CA designations with the firm. They are all fully dedicated to maintaining the same level of service and professionalism that their clients are used to receiving.

To ensure an orderly transition of their clients they have selected one of the continuing partners to be in charge of their individual clients. They will also be available on a limited basis for the next year or so to ensure an orderly transition.

After so many years of practice they have naturally developed some long lasting relationships and friendships which apply to clients going back many years as well as more recent ones. They both wish their clients continued success and happiness in their future endeavors both on a business and personal level. Both Ron and John will be taking away in their memories and hearts the personal relationships that have developed over the many years.

The continuing partners join Ron and John in the celebration of their retirement and wish them a happy and rewarding retirement.



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### Holiday Donations

In lieu of seasonal gifts to individual clients Prentice Yates & Clark made donations to the following charities:

- Kehilla Residential Programme
- Jessie's Centre for Teenagers
- Project Esperance
- Homes First Society
- Homeware Family Shelter
- Society of St. Vincent de Paul
- St. Hilda's Towers Foundation

# Changing Reporting Standards

The standards for financial reporting in Canada have changed. There are also new procedures in place to confirm the objectivity of auditors reporting on financial statements in Canada.



## Reporting

The Canadian Institute of Chartered Accountants (CICA) has released the new section 5600 of the CICA Handbook which lays out the new reporting requirements for entities (including social housing providers) reporting on a basis of accounting other than generally accepted accounting principles (GAAP).

With requirements from funders to prepare the accounts in a manner other than in accordance with GAAP, social housing providers will have an audit report that is different than last year's report. The changes were effective October 1, 2003.

This change compels reporting entities to abide by GAAP in their annual financial statements unless their funder imposes a specific requirement that violates GAAP. In this case the auditor must add a fourth paragraph to the Auditors' Report indicating that the financial statements are not prepared in accordance with GAAP and that the reader should take this into account when they read the statements.

This is the situation with many social housing providers in Canada.

This requirement will also necessitate a note to the financial statements explaining what the non-GAAP basis of accounting is. In many cases providers may already have this note in their financial statements.

This change will clarify the basis on which the figures are being reported. The changes are intended to inform the reader that the statements are not in accordance with GAAP. Rather, they are prepared using a non-GAAP basis of accounting, which is required by the provider and the funder. This new standard lays down a prescribed method for non-GAAP reporting that was previously being done using a variety of methods.

You should look for changes in the Auditors' Report, the engagement letter and the letter of management representations. These changes affect them all.

We are pleased with the introduction of these changes. In 1999 PYC made a presentation to the CICA about the then proposed changes to the reporting standards and these changes are in line with many of the points we made in our presentation.

We support the changes and believe they will improve the financial reporting to our clients.

## Independence

A fundamental principle of an auditor reporting on an organization's financial statements is that the auditors have no financial or other interest in that client's financial results and can therefore report objectively. They are independent of that client.

There are new requirements that the auditor communicate with each client at each year end that they are independent from that client in accordance with our rules of professional conduct for chartered accountants.

This communication has become known at PYC as the 'independence letter' and is included in our pre audit package which goes out to every one of our audit clients each year.

The history of this new requirement relates back to the problems that have occurred in the USA with a number of large public companies where the auditor's independence was questionable.

The change here relates to process only. We have always been required to be independent of any audit client we report on. We are now required to send a letter and actually analyze our objectivity and conclude that we are independent of the client and can report objectively on that client's annual financial statements.

If you have any questions about any of these changed standards please feel free to contact us at any time and we will be pleased to meet with you to address any of your concerns.Δ

We would like to welcome the following additions to our professional staff:

**Conor Kearns**  
**Kate MacIntosh**  
**Dionne Reid**

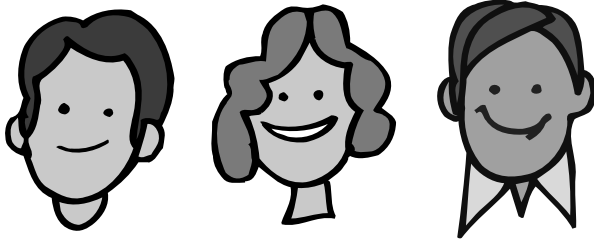
You may have met them already or you will in the near future as they become an integrated part of our audit team.

**visit our web site**

**[www.pyc.net](http://www.pyc.net)**

# Building Customer Relationships

Building relationships with your customers is the cornerstone of all businesses. Successful owner/managers know that beyond getting the right job or producing the right product, value-added customer service is the means to developing a loyal customer base.



LONG after the initial sale, a company should continue to build trust and maintain a customer service relationship. While special promotions, newsletters, direct mail and other marketing methods are all excellent ways to maintain communication with customers, do not forget the importance of one-on-one contact by phone and in person.

Here are some tips for providing the value-added customer contact that can improve customer retention and increase your company's revenue.

## Show Your Company Cares

Customers appreciate suppliers who show they understand and care about their business and can anticipate their needs. A telephone call to discuss a new product or service that would benefit their business or to inform them about special discounts lets them know that you are interested in helping them make their business succeed.

Do some preliminary work and be prepared to ask questions to find out more about the customer's situation. While you know that your company's products or services can add value, you need to convince your customers that your company's offerings can make a difference. Of course, you and your representatives must be able to demonstrate a solid knowledge of the products or services you offer as well as demonstrate your knowledge of your customer's business.

## Analyze the Customer's Needs

Analyze your customer's needs so that you are able to provide a synopsis of the specific benefits of your products or services in terms of their needs. Remember that your customers know what they want to achieve, but they may not know how your company's products or services can help them realize these goals.

## Listen to the Customer

Research, ask questions and above all, listen to the customer. Look for opportunities to point out additional ways your products or services can help your customers improve their productivity, service or sales. For instance, your product solution may be a bar code scanner to encode inventory as it is put on the shelf or removed for sale but the long-term need may require ideas for setting up the stockroom, retrieving inventory or minimizing access to prevent theft.

## PYC Briefs

### Deadline to Transfer Funds to PH&N

The deadline for prescribed non-profits and co-ops to invest their capital reserves in the Social Housing Investment Funds is December 31, 2003. If you have not transferred your funds to the Phillips Hager & North managed funds you do not have long.

If you have investments that were locked in before the Social Housing Investment Funds were available, contact the PH&N advisors at (1-888-771-7473) Your situation will be reviewed on a case-by-case basis; you will not be required to transfer locked in funds if doing so would result in loss or financial penalty.

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### Focus on the Customer's Business

When you call customers or take them for lunch, focus your discussion on the customer's business.

Ask about recent developments and plans for the future. Say, for example, a customer is planning to expand premises or move into larger premises. If your company sells workstations, software solutions or hardware or provides installation services, you have an opportunity to show how you can help the customer make a smooth transition. As well as selling products or services that they require, you may be able to tell them about products or services they may not have considered or identify areas of potential difficulty that your company can help them address.

### Keep Pace with Changes

Keep pace with the changes in your customer's technology, market and management strategies. Be prepared to provide them with the right information at the right time as to how your products or services can help them.

### Be Proactive

Customers want more than simple solutions. In our complex world, customers value companies that take the time to understand their vision and help them achieve their long-term goals. Take time to have one-on-one discussions with your customers so you are better prepared to show them how your company can help them improve processes, lower costs, or deliver a better product or service.

Demonstrating your genuine and responsive interest in your customers' current and future business operations will help you build customer loyalty and add to your bottom line. Δ

# Dual Monitors

While Mac users have enjoyed the ability to connect multiple monitors to their PCs for some years, you may not know that Windows 98 and up support the use of multiple monitors.

If you want to enhance your productivity by increasing your desktop area, you could purchase a 19 or 21-inch monitor to allow you to see more data on the screen. However, hooking up two monitors to your PC will effectively double your desktop size for very little investment. This set-up will increase your desktop display much more than if you purchased a single, larger monitor and toggled between two applications or used a split screen.

## The Dual Advantage

With two monitors side by side attached to your PC, you can work on a word processing document on one screen while doing your source research on the Internet on the other. There are many practical other uses for this set-up.

You can run an application for spreadsheets on one monitor while you work on a word processing document on the other. If you have ever done a comparative analysis by toggling from one program to the other, the advantage of a dual screen quickly becomes obvious. You can also drag data from one monitor to the other.

Presentations on a computer screen are not as effective when clients have to peer over your shoulder or from a side view to see the screen. With two monitors, you can display your presentation on both and have one turned towards the client for easier viewing.

Software applications that have several toolbars or views can greatly reduce the display size of your project. With dual monitors, you can have the toolbars and instructions on one monitor and have the full view of the project on the other screen.

If you are searching online or on a CD-ROM database to find business quotes, product descriptions or other resources, being able to keep the work-in-progress open on one monitor while searching on the other helps you focus on the task at hand rather than shifting from one window to another.

While you are working on one screen, you can have your e-mail open on the other.

## Hardware Requirements

You can use any of today's monitors for dual display. They do not have to be the same model or from the same manufacturer. While high-resolution display is advantageous, the monitors do not even have to have the same resolution.

To set up two monitors on one PC, you will need either one video card that supports the dual monitor output or two cards. Not all video cards will support dual monitors, so you first need to determine if your current card supports this feature. You can check the version of your video card by right clicking on My Computer and selecting the tab Properties and then Device Manager.

If you plan to install a second video card, you need to determine if your PC has an additional PCI slot and then select a card that matches, or is compatible to, the existing one. However, a video card that supports dual monitors provides plug-ins for two monitors. Another benefit is that the graphics software gives you greater control and flexibility for using each monitor than if you use the Windows application alone.

## Installation

If you are skilled at opening the box and installing hardware, be sure to get advice as to the specific video card your system requires. You then must configure Windows to assign a primary or master monitor. Most users, however, are well advised to have a computer technician install the card or cards, configure Windows for dual monitor support and test the set-up.

## Enhanced Productivity

Dual monitors are an economical way to increase your productivity. The two monitors do take up additional desk space and it may take some time to adapt to using two rather than one monitor. However, extending your desktop display across two monitors will mean you can do more work in less time.

When you consider the cost of upgrading one monitor to one that is 21 inches or more can be double the price of even a 19-inch monitor, the dual monitor set-up gives you much more for less outlay. There are even greater savings if you purchase a suitable refurbished monitor or retrieve a discarded one from your storage. Δ

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We hope that you find *info@pyc.net* a useful source of information. If you should ever have any specific questions or concerns regarding your own business or personal finances, please call us. We will gladly help in any way that we can. If you would like to

contact us by e-mail, we can be reached at *info@pyc.net*. Some of the articles appearing in this issue of *info@pyc.net* were prepared by the Canadian Institute of Chartered Accountants for the clients of its members.