

PRESIDENT'S CORNER



Azam Foda, President,
FEI Canada SGH Chapter

This summer we have busted the myth that finance folks are boring! The Golf tournament at Cutten Fields was a resounding success on all fronts and it was indeed a fun event. In addition, the SGH Board was present in full strength at the National Conference in Ottawa and took the lead in spontaneously driving an after dinner party with music and dance. This was attended by just too many conference attendees... and boy was that enjoyable!

We begin the year with a proposed expanded board of directors consisting of 11 members which will be formalized at the upcoming AGM. I'd like to first of all congratulate Elysia Estee for stepping up as Vice President of the Board.

I also extend a warm welcome to Florian, Ananth, Norm and Bob Murison to the expanded chapter board. I will continue as President for one more year and look forward to working with us all. Your chapter board is actively supported by Jenny Jayavel as Chapter Administrator who keeps us all on track.

I am excited to see the Southern Golden Horseshoe Chapter rapidly achieve many milestones. If you have not attended an SGH dinner event for a while, I invite you to come and experience the change and feel the vibrancy.

RECOGNITIONS

2011 Chapter Leadership Award

The board is pleased to announce that Vic Wells has been awarded the 2011 Chapter Leadership Award in recognition of his years of service on the Chapter Executive and particularly his significant contribution to the revitalization of the Hamilton Chapter and its talent and membership growth as it emerged as the Southern Golden Horseshoe Chapter. Coincidentally, Vic was also recognized this past spring for his contribution to FEI Canada by being named co-recipient of the Frank S. Capon Distinguished Service Award which was presented at this year's national conference.



The Chapter award will be presented at our upcoming dinner meeting on September 14th.

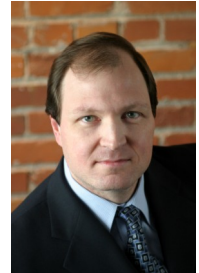
Congratulations Vic!

RECOGNITIONS *con't.*

FCA Leadership Award

Last year's SGH Chapter Leadership Award winner Howard Johnson, Managing Director of Veracap Corporate Finance was recently awarded the FCA Leadership Award.

Nominees for the Fellow Leadership Award from the Chartered Accountants of Ontario are evaluated on career achievements, participation in career-related organizations, career-related communications, volunteer leadership, contributions to community service, CA profession service and contributions to the work of the Ontario Institute, CICA, and other provincial institutes or related bodies



Congratulations Howard!

Do you know someone that would benefit from being a member of the leading financial association in Canada?

Please refer to the link below for important information to provide to that individual.

[Membership Application & Benefits of Membership](#)

Events At-a-Glance

14-Sep-11	Dinner & AGM with Speaker "Current Emerging Technologies and Trends"	Burlington Golf & Country Club
5-Oct-11	Career Services FE Eye Opener	Deloitte's Offices 1005 Skyview Drive, Suite 201, Burlington, ON
20-Oct-11	Dinner Event "From Donations to Corporate Foundations: Corporate Philanthropy at SMEs (Small and Medium Enterprises)"	Burlington Golf & Country Club
10-Nov-11	SME Conference	Mississauga Convention Centre 75 Derry Road West, Mississauga, ON
11-Nov-11 12-Nov-11	Best in Class Case Competition	Ted Rogers School of Management Ryerson University 575 Bay St. (entrance at 55 Dundas St. W.)
06-Dec-11	Dinner Event "2012 Economic Outlook "	Burlington Golf & Country Club

Visit FEI Canada, [SGH Chapter of events](#) for further details.

ARTICLES

Accounting Standards for Private Enterprises: It's Time for Action

Bob Young, KPMG Enterprise



Most of Canada's private companies will be adopting Canada's new Accounting Standards for Private Enterprises (ASPE) as their financial reporting framework. For calendar year-end companies, the first reporting year under the new standards will end on December 31, 2011. Some companies are well advanced or have even completed their transition to ASPE; others are in process while some are yet to begin. Act now to ensure that you have sufficient time to properly evaluate the options, their relative impact on your company and implement the changes well in advance.

There are a number of accounting policy choices and transition options available when adopting ASPE. Key accounting policy choices that must be made include whether to:

- consolidate subsidiaries or to account for them using the equity or cost method¹
- account for investments subject to significant influence using the equity or cost method¹
- account for interests in joint ventures using proportionate consolidation, the equity or cost method
- capitalize or expense expenditures on internally generated intangible assets during the development phase
- ascribe zero value to the equity component of any compound financial instrument
- account for defined benefit plans using the immediate recognition or the deferral and amortization approach, and
- account for income taxes using the taxes payable or future income taxes method.

Transition options that must be addressed include:

- selecting the application date for the new business combination rules
- determining whether to fair value any items of property, plant and equipment or any financial instruments, and considering the opportunity to clear foreign currency cumulative translation accounts, as well as accumulated actuarial gains and losses and past service costs for defined benefit plans, to retained earnings.

Companies transitioning to ASPE will also need to consider the first round of "annual" improvements recently proposed by the Accounting Standards Board (AcSB), as any changes ultimately adopted must be implemented as part of the transition to ASPE.

A number of the improvements proposed by the AcSB are of a clerical nature and will have minimal, if any, impact on preparers of financial statements. Some proposals, however, will impact those who prepare the financial statements of private enterprises and public accountants who audit or review these statements. The more significant proposals are outlined below.

Subsequent Events

The AcSB is proposing to amend Section 3820 of Part II of the CICA Handbook - Accounting (ASPE). The proposed changes will make management's responsibilities for identifying and recording or disclosing subsequent events the same as those of the auditor or public accountant. Whereas management may have previously interpreted the date of completion of financial statements (i.e. the date to which subsequent

events must be considered) as the date when the audit or review engagement fieldwork was complete, the proposals clarify that financial statements are only considered complete when:



- the financial statements, including all note disclosures, have been prepared
- all year-end closing journal entries, including bonuses and income taxes, have been recorded
- no further changes are anticipated, and
- the financial statements have been approved in accordance with the entity's process.

General Standards of Financial Statement Presentation

ASPE allows for choices amongst acceptable alternative accounting policies. When an entity prepares an alternative set of financial statements for a specified use, the AcSB is proposing that these "specified use" financial statements disclose to the user that "general purpose" financial statements have also been prepared. This proposed change would also impact not-for-profit organizations when they adopt Part III of the CICA Handbook - Accounting as their new financial reporting framework in 2012.

Goodwill and Intangible Assets

The AcSB is proposing to amend this standard to confirm that costs related to mail order catalogues and other similar documents intended to advertise goods, services or events to customers must be expensed as incurred. This clarification would also impact not-for-profit organizations when they adopt Part III of the CICA Handbook - Accounting as their new financial reporting framework in 2012. For example, a not-for-profit organization would not be able to capitalize and amortize the costs of printing and distributing a catalogue of upcoming events.

Financial Instruments - Hedging

The AcSB is proposing amendments to the ASPE standards for hedging to ensure that the standards reflect the AcSB's intention when ASPE was published in late 2009. The following proposed changes are designed to ensure that hedge accounting is available for qualifying hedge relationships that are typically used by private enterprises:

- Hedge accounting would be allowed for qualifying relationships so long as the hedging instrument matures within 30 days of the hedged transaction. The window was previously 14 days.
- Hedge accounting would be available for qualifying interest rate swaps when the hedged instrument is prepayable but the swap is not prepayable, so long as it is probable that the hedged instrument will not be prepaid
- A single derivative contract could be designated as hedging a group of qualifying transactions
- For hedges of commodity prices, the AcSB is proposing removal of the location parameter and adding a requirement that the forward contract be for the purchase or sale of a similar grade or purity.

Some of these proposed changes will mean additional disclosures in your company's 2011 financial statements. Others, such as the proposed changes to the hedging standards, may provide opportunity to consider alternative accounting for existing relationships. Preparers of financial statements will need to consider the proposed improvements as a part of their plan to transition to ASPE.

KPMG Enterprise practitioners are skilled in ASPE and the proposed changes. They are ready to help you with your transition project now to ensure you have the time to consider your accounting policy choices and transition options and select and implement those that are best for your company.

Should you have any questions, please do not hesitate to contact adviser KPMG Enterprise professional directly or our Concierge Services at **1-888-99-ADVSR**. To read previous communiqués regarding ASPE and keep abreast of developments relating to accounting standards for private enterprises, visit www.kpmg.ca/aspe.

¹The cost method is only available when the securities are not quoted in an active market.

BOARD OF DIRECTORS' MEETING MINUTES

David Street and Jane Southren, LLP



Everyone knows that keeping minutes of board meetings is tedious. In addition to that, no one really knows how to do it properly. For example, how detailed should they be? What has to be included and what doesn't? Can the minutes get you into trouble? Can they get you out of trouble?

By law, corporations are required to keep minutes of meetings of directors. But what the law does not spell out is how to do it or even the risks and rewards of recording minutes. Here are some.

ADVANTAGES OF MINUTES

- Minutes direct officers to take actions.
- They serve as proof that the board gave its officers the authority to take actions necessary for the business.
- In the event of litigation, the minutes can be used as evidence in support of corporate defences, such as due diligence and business judgment.
- They can also establish that a lawyer was instructed to start a lawsuit.

DISADVANTAGES OF MINUTES

- Except in rare circumstances, minutes are not privileged. As such, if they are considered relevant to a case, the minutes will have to be produced to any adverse party in a lawsuit or a regulatory proceeding.
- An adverse party can use your minutes to show that insufficient steps were taken to establish a corporate defence you may wish to put forth.
- Minutes can be problematic in a lawsuit if there are contradicting notes or other evidence from the same time period.

CAUTIONARY POINTS REGARDING MINUTES

- Consider interpreting your minutes from the perspective of an adverse party in a lawsuit and then write your minutes accordingly.
- While accuracy is important, you have to have flexibility in deciding what to include.
- Ensure that the person writing the minutes is trained. Leaving it to an inexperienced administrative assistant is not wise.
- Record that a decision was made, but do not forget to include the process and discussion surrounding how that decision was ultimately reached.
- There is no need to transcribe what was exactly said and by whom. A general record of the discussions and comments made is enough. Meetings discuss issues that are quite preliminary and not well-thought out, leading to members making uninformed comments. Having those types of discussions recorded with attribution may be more harmful than good. That being said, there are limited circumstances where having a transcript may be beneficial.
- Make the minutes promptly after the meeting and circulate them for approval. Have the minutes formally approved at the next board meeting.



- Consider making it a policy that upon formal approval, all personal notes of directors made during the meeting are destroyed. Personal notes are not privileged, and in the event of litigation they must be produced. Thus, if inconsistent or contradictory notes of a board member remain available, the benefit of having kept good meeting minutes is defeated.
- Dissent from a decision insulates a director for liability for that decision but you must dissent properly. If you are present at a meeting, or abstain from voting, you are deemed to have consented unless your dissent is recorded in the minutes. You can send in a written dissent to the secretary before the meeting ends or by mail to the registered office immediately after the meeting is terminated. If you were not present, you must mail in your dissent within 7 days of becoming aware of a resolution after the meeting.

People often take minutes of other sorts of meetings as well. These sorts of minutes are generally not regulated by statutes and therefore may not be subject to the same standards as minutes of directors meetings. However, if you have taken minutes they will be producible in litigation so you are well advised to follow best practices in relation to those minutes as well.

Save the date!



SME CONFERENCE 2011
DRIVING GROWTH AND EXPANSION
THURSDAY NOVEMBER 10TH, 2011

WWW.FEICANADA.ORG/PAGE/EVENTS/SME-CONFERENCE-2011

OTHER NEWS & EVENTS

Golf Tournament

This past May, the SGH Chapter held its first annual annual golf tournament at Cutten Fields in Guelph, which was co-hosted by Robert Half Management Group, and followed by a lovely dinner and prizes. The day was an outstanding success enjoyed by all attendees. .

Mark your calendars for our upcoming 2nd Annual Golf Tournament set for **May 28, 2012**. More information to follow in our next newsletter.



Raising Chapter Awareness - Women in Business Campaign Kicks Off

Capitalizing on the ongoing media attention focusing on the need and importance of having women at the executive table, we kicked off a spring awareness building with our Women in Business campaign. The campaign, which included traditional and social media outreach, launched May 31, 2011 and focused on the experience of our three spokeswomen, Elysia Estee, Tammy LeBlanc and Rita Middleton.

Our terrific members shared their experiences as women in senior financial roles and how they've achieved success while striving to balance their careers with their personal lives (not always at the same time), and offering tips for getting on the path to becoming a top executive. A key part of the discussion of course was an examination on how a professional membership organization such as FEI Canada, SGH Chapter can help one along the way.

Our social media release and the member videos can be viewed and tweeted from Pitchengine.com at <http://pitch.pe/149836>. To date there have been 328 views and the number continues to grow. Be sure to help drive these numbers - so visit and tweet!

The campaign garnered strong media coverage including a full interview segment featuring Elysia Estee and Tammy LeBlanc on Hamilton's For The Record, Cable 14 (<http://youtu.be/K9vphqurH18>), an interview with Elysia Estee in the Flamborough Review (<http://www.flamboroughreview.com/news/article/297642>), a brief on Yahoo.com, as well as an interview with the Hamilton Spectator.

In the final leg of the campaign, Elysia Estee will be a panelist at a Company of Women, www.companyofwomen.ca. Elysia will share further insights on her role as a successful business woman and demonstrate the clear value found in peer networking groups.

Thanks to the Chapter members who participated in this successful campaign and stay tuned for our continued fall awareness building campaign.

Save the date!

**September 14
Dinner & AGM**

Join us at Burlington Golf and Country Club for our annual chapter AGM. The evening will include a presentation on Current and Emerging Technologies and Trends by Mauro Lollo, Co-Founder of [UNIS LUMIN](http://www.unislumin.com) Inc.

Company of Women

Get Connected. Be Inspired. Energize Your Life.

About our Organization

Welcome to the Southern Golden Horseshoe Chapter of Financial Executives International Canada.

Our chapter provides a great forum for peer networking by CFOs and other senior financial executives who want to meet quality people and share with others solutions to the crucial issues that confront them daily.

Our FEI dinner meetings, professional development seminars and informal outings focus on the highest quality speakers and entertainment to facilitate the flow of new ideas, perspectives as well as sound career and business decisions.



southern golden
horseshoe chapter

Financial Executives International—Canada's pre-eminent association connecting financial executives through networking, knowledge exchange, advocacy and ethical leadership.

Proposed SGH Chapter Board for 2011-2012

Director & President

Azam Foda
Director of Financial Planning and Analysis,
Armtec Ltd Partnership
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Director & Vice-President; Chair, Market Development & Communications

Elysia Estee
CFO, Unis Lumin
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Director & Past President; Chair, Nominating & Governance Committee & Chair, Leadership Award Committee

Bob Rollwagen
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Director & Secretary-Treasurer

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Director; Chair, Sponsorship Committee

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Director; Vice-Chair, Membership Committee

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Director; Chair, SME Committee

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*With THANKS to our
Chapter Sponsors*



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