



SHARED SCHOOL SERVICES



# 2022-23 ANNUAL REPORT

[www.cklass.ca](http://www.cklass.ca)



*Providing Shared School Services for the Lambton Kent  
and St. Clair Catholic District School Boards.*

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# Who are we and what do we do?

Chatham-Kent Lambton Administrative School Services “CLASS” is a shared services organization equally owned by the Lambton Kent District School Board and the St. Clair Catholic District School Board.

CLASS provides Shared Services for our Boards in these areas:



**Student Transportation** is responsible for all elements associated with the planning and provision of student transportation services.



**Community Use of Schools** promotes and coordinates community access to school space, outside regular school hours.



**Child Care Services** is committed to building strong child care partnerships to support students, families and communities.



**Energy & Environmental Services** provides consultative leadership, expertise, and support in the areas of energy conservation and sustainable stewardship for the Boards.

## How are we governed?

To ensure appropriate transparency for our separate legal entity, CLASS has two defined committees to provide oversight, direction and governance.

These committees are comprised of Senior Officials from both Boards who in turn report back to their respective Boards of Trustees on CLASS items.

**BD** **Board of Directors**  
Consisting of Directors of Education and Senior Business Officials from both Boards; they are responsible for policy, fiscal accountability, high level oversight and strategic direction.

**OC** **Operations Committee**  
Oversight areas include procedures, budget, operational items and contracts. This committee consists of Associate Directors of Corporate Services from both Boards, and the CLASS General Manager.

# Message from the GM



During the 2022-23 school year CLASS was able to fully operate each of its business units for the first time since 2020. While the resumption of operations was far from 'business as usual', each of the units achieved success in new and evolving climates to support our Boards, schools, families, community groups and students.

The CLASS cultural focus on continuous improvement, innovation and operational excellence was reflected in many initiatives and results that readers will find in the following report.

I invite you to browse the following pages which are intended to provide highlights on key business unit initiatives and operational metrics to both quantify results and the associated relevant context.

Kent Orr, CLASS General Manager

“ CLASS is in the people business and our people make the difference in our service quality. ”

## Meet the Team



Michelle Johnston  
Finance



Theresa McFadden  
Child Care  
Services



Kris Davis  
Community Use  
of Schools



Patty Authier  
Student  
Transportation



Pat Teahan  
Student  
Transportation



Scott Hall  
Student  
Transportation



Katie Hurst  
Student  
Transportation



# Student Transportation

## 2022-23 school year in review

### Financial Perspective Initiatives

- ✓ Leveraged efficiency routing practices and technologies to mitigate student transportation service costs.
- ✓ Analysed transportation cost service factors and developed routing solution simulations to explore potential cost savings and service impacts.

### Stakeholder Value Initiatives

- ✓ Developed robust Vehicles Passing School Bus reporting mechanism.
- ✓ Adapted social media platforms to communicate initiatives and operations with all stakeholders.

### Continuous Improvement Initiatives

- ✓ Promoted driver appreciation during school bus safety week and recognition throughout the year for exemplary drivers.
- ✓ Updated website/communication re: 8 Lamp Amber-Red Warning System.

### Organizational Excellence Initiatives

- ✓ Supported Bus Driver Retention through hosting a separate website to promote bus driver highlights, hiring applications etc.
- ✓ Supported student safety through daily change notifications sent to schools.



17,672 students  
bussed daily



274 school  
buses utilized



44,381 kms  
travelled daily



21 minute  
average ride time



# Community Use of Schools

## 2022-23 school year in review

### Financial Perspective Initiatives

- ✓ Maximized rental use of school facilities to support community groups and generated revenues to offset program administration.
- ✓ Administered third-party tenant lease renewals to ensure the program is operating on a cost recovery basis.

### Stakeholder Value Initiatives

- ✓ Surveyed all large and/or 'unique' rentals to evaluate and help improve the rental experience.
- ✓ Engaged large or 'unique' event rentals in scheduled site visits prior to bookings to proactively address any issues/concerns.

### Continuous Improvement Initiatives

- ✓ Developed Strategic Marketing Plan to proactively increase community use of underutilized school rental spaces.
- ✓ Updated the back-end of the booking software to further assist schools and community groups with the permitting process.

### Organizational Excellence Initiatives

- ✓ Assisted the Boards with the development of administrative procedures directly related to community use of their schools.
- ✓ Supported the Boards with the additional administrative pressure that auditorium rentals place on their schools.



18,883 hours of community use of indoor spaces



3,793 hours of community use of outdoor spaces

72%

of rental hours were for sport & rec programs

64%

of rental hours were for programs for youth <18

### ***Financial Perspective Initiatives***

- ✓ Ensured accurate and timely child care lease & licence invoicing following CPI annual increases to rent.
- ✓ Supported Board facilities departments to ensure cost recovery for additional child care custodial services provided.

### ***Stakeholder Value Initiatives***

- ✓ Supported Boards with the development and submission of their Early Year Leadership Strategy Reports.
- ✓ Provided training to new child care and board facility supervisors around child care / school relationships & services.

### ***Continuous Improvement Initiatives***

- ✓ Liaised with facilities and child cares regarding building improvements and construction projects.
- ✓ Collaborated with facilities in relocating child care programs for more involved summer construction projects.

### ***Organizational Excellence Initiatives***

- ✓ Attended community training for Early Childhood Educators to ensure CLASS remains relevant in the field.
- ✓ Remain an active member at both Municipal Child & Youth Planning Tables demonstrating the boards commitment to partnerships.



92% of elementary schools offer B & A school programs



44% of schools offer some form of a full day child care program




43 lease agreements covering 120,000+ square feet





11 EarlyOn programs offered in school locations



### ***Financial Perspective Initiatives***

-  Administered applications for incentive / rebate / grant opportunities associated with Board capital & retrofit facility projects through available programs with utility providers.
-  Prepared and submitted grant application proposals on behalf of the Boards with Natural Resources Canada for Zero Emission Vehicle Infrastructure and Zero Emission Vehicle Awareness Initiative programs.


### ***Stakeholder Value Initiatives***

-  Ensured legislated Greenhouse Gas reporting requirement compliance for both Boards through timely submission of utility consumption reports to Ontario Ministry of the Environment.
-  Conducted waste audits at 5 schools, in accordance with O. Reg 102/94: *'Waste Audits and Waste Reduction Work Plans'*.

### ***Continuous Improvement Initiatives***

-  Liaised with the Boards in exploring energy conservation technologies in facilities on areas including water consumption and building automation & real-time energy data collection.
-  Hosted and Chaired Energy Steering Committee meetings and assisted in the development of short and long term goals and objectives.

### ***Organizational Excellence Initiatives***

-  Sought out opportunities to improve energy consumption analysis and develop user friendly reporting templates and framework for the Boards to support ongoing conservation efforts.
-  Coordinated and chaired quarterly multi-disciplinary 'Green Team' meetings comprised of representatives from both school Boards with the purpose of expanding ECO initiatives within schools across the district.

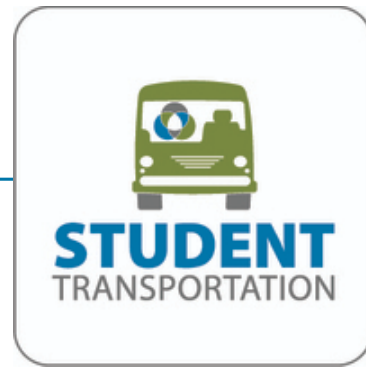


Conducted 9 elementary environmental education sessions, reaching an estimated 400+ classes



# Looking Ahead

Throughout the 2023-24 school year, in addition to ongoing operations we will also pursue continuous improvement in the following areas:



## Student Transportation Services

The main focus in the upcoming year will be centred around building knowledge and understanding of the new Ministry of Education funding formulas and to implement learnings to align operations and expenditures within the new framework.



## Community Use of Schools

A continued focus on effective services and collaboration with community groups will be supplemented with the implementation of a marketing strategy to maximize facility after-hour use and ensure continued financial viability of the business unit.



## Child Care Services

Collaboration will continue to be a tenet moving forward in this business unit with focus on supporting stakeholders as they work to leverage school facilities to meet demands for quality licensed child care in our communities.



## Energy & Environment

Through leveraging the success and momentum created in this area over the past number of years, we will look to refocus our efforts and define strategies and objectives to best support our Boards in their environmental stewardship goals.

2023 - 2024



[www.cklass.ca](http://www.cklass.ca)



Corporate Inquiries

Tel: 519-627-6860

Toll Free: 877-330-4287



Student Transportation

Tel: 519-627-6860

Toll Free: 877-330-4287



Community Use of Schools

Tel: 519-627-0835

Toll Free: 877-887-4025



Child Care Programming

Tel: 519-627-1763

Toll Free: 877-887-4025



Energy & Environment

Tel: 519-627-1763

Toll Free: 877-887-4025

**Chatham-Kent Lambton  
Administrative School Services  
Financial Statements  
(Unaudited)  
For the year ended August 31, 2023**

**Chatham-Kent Lambton  
Administrative School Services**

**Financial Statements**

**(Unaudited)**

**For the year ended August 31, 2023**

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3630 Rhodes Drive, Building 100  
Windsor, Ontario  
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## Independent Practitioner's Review Engagement Report

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### To the Directors of Chatham-Kent Lambton Administrative School Services

We have reviewed the accompanying financial statements of Chatham-Kent Lambton Administrative School Services that comprise the statement of financial position as at August 31, 2023, and the statements of operations, cash flows and changes in net debt 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 public sector accounting standards, 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.

#### **Practitioner's Responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Chatham-Kent Lambton Administrative School Services as at August 31, 2023, and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Windsor, Ontario  
November 7, 2023

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## Chatham-Kent Lambton Administrative School Services

### Statement of Financial Position (Unaudited)

August 31,	2023	2022
<b>Financial Assets</b>		
<b>Current</b>		
Cash	\$ 2,832,541	\$ 3,016,257
Accounts receivable	69,725	94,627
	<b>\$ 2,902,266</b>	<b>\$ 3,110,884</b>
 <b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 115,418	\$ 108,983
Due to Lambton Kent District School Board (Note 3 and 4)	104,199	411,429
Due to St. Clair Catholic District School Board (Note 3 and 4)	120,998	202,152
Deferred revenue (Note 2)	2,576,155	2,407,633
	<b>2,916,770</b>	<b>3,130,197</b>
 <b>Net Debt</b>	 <b>(14,504)</b>	 <b>(19,313)</b>
<b>Non-Financial assets</b>		
Prepaid expenses	14,504	19,313
<b>Accumulated Surplus</b>	<b>\$ -</b>	<b>\$ -</b>

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# Chatham-Kent Lambton Administrative School Services

## Statement of Operations (Unaudited)

For the year ended August 31,	2023	2022
<b>Revenues</b>		
Transportation (Note 3)	\$ 22,988,366	\$ 22,732,346
Child care lease and licenses	1,186,644	1,140,448
Community use of schools	113,452	40,659
Child care services (Note 3)	107,683	103,525
Interest income	54,622	18,150
Energy and environmental services (Note 3)	50,684	98,392
	<u>24,501,451</u>	<u>24,133,520</u>
<b>Expenses</b>		
Contract services (Note 3)	22,043,477	21,770,531
Child care lease and licenses (Note 3)	1,186,644	1,140,448
Salaries and benefits (Note 3)	885,168	904,827
Software fees and licenses	102,802	103,508
Supplies	84,800	69,111
Equipment	69,293	61,332
Training	46,973	49,441
Professional fees	38,200	5,000
Insurance	12,807	10,137
Professional development	12,699	6,461
Travel expenses	9,696	4,589
Rental	8,892	8,135
	<u>24,501,451</u>	<u>24,133,520</u>
<b>Annual surplus</b>	-	-
<b>Accumulated surplus, beginning of year</b>	-	-
<b>Accumulated surplus, end of year</b>	\$ -	\$ -

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## Chatham-Kent Lambton Administrative School Services

### Statement of Cash Flows (Unaudited)

For the year ended August 31,	2023	2022
Annual surplus	\$ -	\$ -
<b>Changes in non-cash working capital components</b>		
Due to Lambton Kent District School Board	(307,230)	(298,087)
Due to St. Clair Catholic District School Board	(81,154)	(190,622)
Accounts receivable	24,902	(48,638)
Accounts payable and accrued liabilities	6,435	2,178
Prepaid expenses	4,809	(7,387)
Deferred revenue	168,522	79,046
<b>Net decrease in cash during the year</b>	<b>(183,716)</b>	<b>(463,510)</b>
Cash, beginning of year	3,016,257	3,479,767
Cash, end of year	\$ 2,832,541	\$ 3,016,257

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## Chatham-Kent Lambton Administrative School Services

### Statement of Changes in Net Debt (Unaudited)

<u>For the year ended August 31,</u>	<u>2023</u>	<u>2022</u>
<b>Annual surplus</b>	\$ -	\$ -
Non-financial asset activity		
Prepaid expenses incurred	(14,504)	(19,313)
Prepaid expenses applied	<u>19,313</u>	<u>11,926</u>
	<b>4,809</b>	<b>(7,387)</b>
<b>Net debt, beginning of year</b>	<u>(19,313)</u>	<u>11,926</u>
<b>Net debt, end of year</b>	<u>\$ (14,504)</u>	<u>\$ (19,313)</u>

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# Chatham-Kent Lambton Administrative School Services

## Notes to the Financial Statements (Unaudited)

August 31, 2023

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### 1. Significant accounting policies

<b>Nature of business</b>	Chatham-Kent Lambton Administrative School Services (the "Organization") was incorporated on February 22, 2006 under the Corporations Act of Ontario as a non-profit corporation without share capital and is exempt from income taxes.
<b>Basis of accounting</b>	The financial statements have been prepared using Canadian public sector accounting standards. Revenues and expenditures are reported on an accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenditures are the cost of goods and services acquired in the period whether or not payment has been made or invoices received.
<b>Use of estimates</b>	The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.
<b>Revenue recognition</b>	The Organization recognizes revenue when persuasive evidence of an arrangement exists, services have been provided, pricing is fixed or determinable and collection is reasonably assured.

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# Chatham-Kent Lambton Administrative School Services

## Notes to the Financial Statements (Unaudited)

**August 31, 2023**

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### 2. Deferred revenue

The balance represents prepayments made by the school boards for the upcoming school year.

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### 3. Related party transactions

Amounts due from related parties are non-interest bearing and will be repaid within the year. The parties are related through voting rights.

During the year, the following transactions occurred with each related party:

	<u>2023</u>	<u>2022</u>
<b>St. Clair Catholic District School Board</b>		
Revenue:		
Transportation	\$ 7,741,038	\$ 7,787,251
Child care services	\$ 35,385	\$ 33,066
Energy and environmental services	\$ 13,680	\$ 24,008
Expense:		
Child care lease and licenses	\$ 545,869	\$ 517,141
Salaries and benefits	\$ 55,456	\$ 51,238
<b>Lambton Kent District School Board</b>		
Revenue:		
Transportation	\$ 15,247,328	\$ 14,945,096
Child care services	\$ 72,298	\$ 70,459
Energy and environmental services	\$ 37,004	\$ 74,384
Expense:		
Child care lease and licenses	\$ 640,775	\$ 623,307
Contract services	\$ 56,600	\$ 180,875

These transactions are in the normal course of operations and are recorded at the exchange amount, which was established and agreed to by the related parties.

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# Chatham-Kent Lambton Administrative School Services

## Notes to the Financial Statements (Unaudited)

**August 31, 2023**

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### 4. Financial instruments

#### (a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk through its cash and accounts receivable. The Organization mitigates their credit risk by managing the credit limits of their customers.

#### (b) Liquidity risk

Liquidity risk is the risk of being unable to meet a demand for cash or fund obligations as they become due. The Organization manages its liquidity risk by constantly monitoring forecasted and actual cash flow and financial liability maturities.

There have been no changes to the Organization's financial instrument risk exposure from the prior year.

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Bldg. 100  
Windsor, Ontario  
N8W 5A4

November 7, 2023

Board of Directors  
Chatham-Kent Lambton Administrative School Services

Board of Directors:

At the core of the provision of external review engagement services is the concept of independence. We are communicating all relationships between BDO Canada LLP and its related entities and Chatham-Kent Lambton Administrative School Services (the "Entity") and its related entities that, in our professional judgment, may reasonably be thought to have influenced our independence during the review engagement.

In determining which relationships to report, we have considered the applicable legislation and relevant rules of professional conduct and related interpretations prescribed by the appropriate provincial institute/order covering such matters as the following:

- Holding a financial interest, either directly or indirectly in a client;
- Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- Economic dependence on a client; and
- Provision of services in addition to the review engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters.

We are aware of the following relationships between the Entity and us that, in our professional judgment, may reasonably be thought to have influenced our independence. The following relationships represent matters that have occurred from October 5, 2023 to October 31, 2023.

- We have provided assistance in the preparation of the financial statements, including adjusting journal entries and/or bookkeeping services. These services created a self-review threat to our independence since we subsequently performed a review engagement on the financial statements.
- We, therefore, require that the following safeguards be put in place related to the above:
  - Management provided us with a trial balance, including notes, prior to completion of our review engagement.
  - Management created the source data for all the accounting entries.
  - Management developed any underlying assumptions required with respect to the accounting treatment and measurement of the entries.
  - Management reviewed advice and comments provided and undertook their own analysis considering the Entity's circumstances and generally accepted accounting principles.



- Management reviewed and approved all journal entries prepared by us, as well as changes to financial statements presentation and disclosure.
- Someone other than the preparer reviewed the proposed journal entries and financial statements.

We hereby confirm that we are independent with respect to the Entity within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario as of November 15, 2019.

This letter is intended solely for the use of the Board of Directors, management and those charged with governance of the Entity and should not be used for any other purpose.

Yours truly,

*BDO Canada LLP*

Chartered Professional Accountants



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August 17, 2023

Chatham-Kent Lambton Administrative School Services  
420 Creek Street  
Wallaceburg, Ontario  
N8A 4C4

Dear Amy Janssens,

We understand that you wish to engage us as the practitioners to review Chatham-Kent Lambton Administrative School Services's financial statements for its fiscal year ended August 31, 2023 and subsequent years.

We are pleased to perform the engagement subject to the terms and conditions of this Agreement, to which the attached Standard Terms and Conditions form an integral part. The definitions set out in the Standard Terms and Conditions are applicable throughout this Agreement. This Agreement will remain in place and fully effective for future years until varied or replaced by another relevant written agreement.

Silvana Slavik will be the Engagement Partner for the review work we perform for you. The Engagement Partner will call upon other individuals with specialized knowledge to assist in the performance of services.

### **Our Role as Practitioners**

We will conduct our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. We will perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. We will also perform additional procedures if we become aware of matters that cause us to believe the financial statements as a whole may be materially misstated. These procedures are performed to enable us to express our conclusion on the financial statements in accordance with Canadian generally accepted standards for review engagements. The procedures selected will depend on what we consider necessary applying our professional judgment, based on our understanding of Chatham-Kent Lambton Administrative School Services and its environment, and our understanding of Canadian Public Sector Accounting Standards and its application in the industry context.

A review is not an audit of the financial statements, therefore:

- (a) There is a commensurate higher risk than there would be in an audit, that any material misstatements that exist in the financial statements reviewed may not be revealed by the review, even though the review is properly performed in accordance with Canadian generally accepted standards for review engagements.
- (b) In expressing our conclusion from the review of the financial statements, our report on the financial statements will expressly disclaim any audit opinion on the financial statements.

We will communicate matters required by professional standards, to the extent that such matters come to our attention, to you, those charged with governance and/or the board of directors.



Since the scope and objectives of a review are different from those of an audit, there is less likelihood that we will become aware of all matters to communicate to those charged with governance. We use professional judgement in determining with whom to communicate, and the guidance required by Canadian generally accepted standards for review engagements in determining the substance of the communications.

It is possible that we may determine that we cannot render a report or complete the engagement. If, in our professional judgment, the circumstances require, we will notify you of our resignation from this Agreement which shall conform to all applicable laws.

## **Reporting**

Our independent practitioner's review engagement report will be substantially in the form set out in Canadian Standard on Review Engagements (CSRE) 2400. The form and content of our report may need to be amended in light of our findings. If we are unable to issue or decline to issue a report, we will discuss the reasons with you and seek to resolve any differences of view that may exist.

## **Role of Management**

You are responsible for:

- (a) the preparation and fair presentation of Chatham-Kent Lambton Administrative School Services's financial statements in accordance with Canadian Public Sector Accounting Standards. The review of the financial statements does not relieve you of your responsibilities;
- (b) such internal controls as you determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- (c) in providing us with:
  - access, in a timely manner, to all information of which you are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements;
  - information relating to any illegal or possibly illegal acts, and all facts related thereto;
  - information regarding all related parties and related party transactions;
  - additional information that we may request for the purpose of our review;
  - unrestricted access to persons within the entity from whom we determine it is necessary to obtain evidence; and
  - written confirmation concerning representations made to us in connection with our review. If appropriate and adequate written representations are not provided to us, professional standards require that we disclaim a conclusion in our independent practitioner's review engagement report.





## Financial Statement Services

We will obtain your approval, if during the course of our engagement we:

- (a) prepare or change a journal entry; or
- (b) prepare or change an account code or a classification for a transaction.

As agreed, we will provide assistance in the preparation of the financial statements.

These services create a threat to our independence. We, therefore, require that the following safeguards be put into place:

- (a) that you create the source data for all accounting entries;
- (b) that you develop any underlying assumptions for the accounting treatment and measurement entries; and
- (c) that you review and approve the draft financial statements, including the notes to the financial statements.

## Tax Services

Our review of the financial statements is a limited assurance engagement. The review process is not designed to provide us with a full understanding of your tax situation and in particular, to allow us to determine whether the entity has specific tax compliance issues. We understand that you are not looking to BDO to provide you with any guidance or advice in regard to tax planning or compliance.

## Additional Services

We are available to provide a wide range of services beyond those outlined in this Agreement. To the extent that any additional services that we provide to you that are not provided under a separate written engagement agreement, the provisions of this Agreement will apply to the services.

## Fee Estimation

The estimated fee for this engagement is as follows:

- Review services: \$5,000
- Additional services: to be determined when necessary

For each future year we will issue a Summary of Services providing details of our Services and fees.

Our estimated fee is based on an assumed level of quality of your accounting records, the agreed upon level of preparation and assistance from your personnel and adherence to the agreed-upon timetable. Our estimated fee also assumes that your financial statements are in accordance with Canadian Public Sector Accounting Standards and that there are no significant new or changed accounting policies or issues or internal control or other reporting issues. We will inform you on a timely basis if these factors are not in place. Should our assumptions with respect to the quality of your accounting records be incorrect or should the conditions of the records, degree of cooperation, results of review procedures, or other matters beyond our reasonable control



require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.

Our professional fees will be based on our billing rates which depend on the means by which and by whom our Services are provided. Our billing rates may be subject to change from time to time at our discretion with or without notice to you.

We will also bill you for our out-of-pocket expenses, our administrative and technology charge, and applicable Goods and Services Sales Tax, Harmonized Sales Tax, Quebec Sales Tax and Provincial Sales Tax. Our administrative and technology charge is calculated as 7% of our professional fee and represents an allocation of estimated costs associated with our technology infrastructure and support staff time costs.

Our fees will be invoiced and payable as follows:

- 50% interim payment;
- 50% within 10 days after issuance of our final invoice along with any additional required final payments.

Our accounts are due when rendered and invoiced amounts are deemed to be earned when paid. BDO may suspend the performance of Services in the event that you fail to pay an invoice when it is due. Fees that are not paid within 30 days of an invoice or by a specified payment deadline will be considered delinquent. Interest may be charged at the rate of 12% per annum on all accounts outstanding for more than 30 days.

### **Standard Terms and Conditions**

A copy of our Standard Terms and Conditions is attached as Appendix 1. You should ensure that you read and understand them. **The Standard Terms and Conditions include clauses that limit our professional liability.**

Please sign and return the attached copy of this Agreement to indicate your agreement with it. If you have any questions concerning this Agreement, please contact us before signing it.

It is a pleasure for us to be of service and we look forward to many future years of association with you.



Yours truly,

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Agreement of all the terms and conditions in this Agreement is hereby acknowledged by:

DocuSigned by:

*Amy Jassens*

9113F2E578CA44E

2023-09-12 | 05:32:10 PDT

Signature

Date

Amy Jassens

Associate Director - Corporate Services

Name (please print)

Position

Please carefully review this Agreement, which includes the attached Standard Terms and Conditions, prior to signing it. A complete copy of the signed engagement letter should be returned to us.



## **Appendix 1 - Standard Terms and Conditions**

### **1 Overview and Interpretation**

1.1 This Agreement sets forth the entire agreement between the parties in relation to Services and it supersedes all prior agreements, negotiations or understandings, whether oral or written, with respect to Services, including without limitation any non-disclosure agreements entered into in advance of this Agreement. This Agreement applies to Services whenever performed (including before the date of this Agreement). To the extent that any of the provisions of the accompanying letter conflict with these Standard Terms and Conditions, these Standard Terms and Conditions shall prevail. This Agreement may not be changed, modified or waived in whole or part except by an instrument in writing signed by both parties.

1.2 In this Agreement, the following words and expressions have the meanings set out below:

**This Agreement** - these Standard Terms and Conditions, the letter to which they are attached, supporting schedules or other appendices to the letter, and any Summary of Services letters issued in future years

**Services** - the services provided or to be provided under this Agreement, and any other services which we agree to provide to you subsequent to the date of this Agreement that are not covered by a separate engagement letter

**We, us, our, BDO** - refer to BDO Canada LLP, a Canadian limited liability partnership organized under the laws of the Province of Ontario

**You, your** - the party or parties contracting with BDO under this Agreement. You and your does not include BDO, its affiliates or BDO Member Firms

**BDO Member Firm or Firms** - any firm or firms that form part of the international network of independent firms that are members of BDO International Limited

**Confidential Information** - all non-public proprietary or confidential information and Personal Information, including Client Documents

**Personal Information** - personal information that is or could be attributed to identifiable individuals

**Client Documents** - information (including internal financial information and internal records and reports) provided to us by you or on your behalf in connection with the performance of the Services

### **2 BDO Network and Sole Recourse**

2.1 BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international network of independent member firms (i.e. BDO Member Firms), each of which is a separate legal entity.

2.2 We may use other BDO Member Firms or subcontractors to provide Services; however, we remain solely responsible for Services. You agree not to bring any claim or action against another BDO Member Firm (or their partners, members, directors, employees or subcontractors) or our subcontractors in respect of any liability relating to the provision of Services.



- 2.3 You agree that any of our affiliates, subcontractors, and other BDO Member Firms and any subcontractors thereof whom we directly or indirectly involve in providing Services have the right to rely on and enforce Section 2.2 above, as well as all liability protections contained herein, as if they were a party to this Agreement. For greater certainty, you agree that other BDO Member Firms that are subcontractors may enforce any limitations or exclusions of liability available to us under this Agreement.

### **3 Respective Responsibilities**

- 3.1 We will use reasonable efforts to complete, within any agreed-upon time frame, the performance of Services.
- 3.2 You shall be responsible for your personnel's compliance with your obligations under this Agreement. We will not be responsible for any delays or other consequences arising from you not fulfilling your obligations.

### **4 Working Papers and Deliverables**

- 4.1 **Ownership** - All reports (including assurance reports where applicable), written advice, working papers, and internal materials created or developed by us pursuant to this Agreement are owned by us, and we retain all property rights therein. All Client Documents continue to be your property, provided that we retain copies of such documents as necessary for our internal record keeping (including as required to comply with our professional obligations).
- 4.2 **Oral advice and draft deliverables** - You should not rely upon any draft deliverables or oral advice provided by us. Should you wish to rely upon something we have said to you, please let us know and, if possible, we will provide the information that you require in writing.
- 4.3 **Translated documents** - If you engage us to translate any documents, advice, opinions, reports or other work product of BDO from one language to another, you are responsible for the accuracy of the translation work.
- 4.4 **Reliance by Third Parties** - Our Services will not be planned or conducted in contemplation of or for the purpose of reliance by any party other than you, and are intended for the benefit of only you. Items of possible interest to a third party will not be addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction. The receipt by any third parties of any advice, opinions, reports or other work product is not intended to create any duty of care, professional relationship or any present or future liability between such third parties and us. For greater certainty, we expressly disclaim any liability of any nature or kind resulting from the disclosure to or unauthorized reliance by any third party on our advice, opinions, reports or other work product.
- 4.5 **Consent to use the Report** - Nothing in this Agreement shall be construed as consent to the use of our report in connection with a continuous disclosure document, a public or private offering document, an annual report or any other document and we expressly do not provide such consent. If you request consent for the use of our report, we will consider, at the relevant time, providing consent and any conditions that we may attach to such consent. Our consent must be in writing.
- 4.6 **Consent requests** - In order to provide consent, professional standards require that we read the other information in the related document and consider whether such information



is materially inconsistent with the related financial statements. Any consent request must be made on a sufficiently timely basis to allow us to consider your identification and resolution of events occurring in the period since the date of our report, and to obtain updated written representation letters. Such procedures will be performed at your cost and will be documented in a separate engagement letter.

## **5 Confidentiality**

- 5.1 We will use Confidential Information provided by you only in relation to the Services or for internal and administrative purposes. You agree, however, that we may use such Confidential Information for predictive analytics to provide you with key performance indicators and other analysis and insights. We will not disclose any Confidential Information, except where required by law, regulation or professional obligation. You agree, however, that we may disclose Confidential Information to other BDO Member Firms or other subcontractors assisting us in providing Services, provided that such parties are bound by reasonable confidentiality obligations no less stringent than in this Agreement.

## **6 Analytics**

- 6.1 You agree that we may use anonymized and aggregated usage metrics, metadata or other tag identifiers, and Confidential Information that will not include any personally identifiable information, related to your use of BDO products and/or services to develop, modify and improve tools, services and offerings and for data analytics and other insight generation. Information developed in connection with these purposes may be used or disclosed to current or prospective clients as part of service offerings, however we will not use or disclose your name or any Confidential Information in a way that would permit you to be identified.

## **7 Privacy and Consent for Use of Personal Information**

- 7.1 In order to provide our Services, we may be required to access and collect Personal Information of individuals that is in your custody. You agree that we may collect, use, store, transfer, disclose and otherwise process Personal Information as required for the purpose of providing the Services. Personal Information may be processed in various jurisdictions in which we or applicable BDO Member Firms and subcontractors providing Services operate and as such Personal Information may be subject to the laws of such jurisdictions. Personal Information will at all times be collected, used, stored, transferred, disclosed or processed in accordance with applicable laws and professional regulations and we will require any service providers and BDO Members that process Personal Information on our behalf to adhere to such requirements. Any collection, use, storage, transfer or disclosure of Personal Information is subject to BDO's Privacy Statement available at <https://www.bdo.ca/en-ca/legal-privacy/legal/privacy-policy/>.
- 7.2 You represent and warrant that:
- (a) you have the authority to provide the Personal Information to us in connection with the performance of our Services, and
  - (b) the Personal Information provided to us has been provided in accordance with applicable law, and you have obtained all required consents of the individuals to whom such Personal Information relates in order to permit BDO to collect, use and disclose the Personal Information in the course of providing the Services.



## **8 Independence**

- 8.1 Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to our clients in the performance of our Services. We will communicate to you any relationships between BDO (including its related entities) and you that, in our professional judgment, may reasonably be thought to bear on our independence.

## **9 Offers of Employment**

- 9.1 Any discussions that you, or any party acting on your behalf, have with professional personnel of our Firm regarding employment could pose a threat to our independence. Your recruitment of an engagement team member from the current or prior year's engagement may compromise our independence and our ability to render agreed Services to you. Engagement team members may include current and former partners and staff of BDO, other BDO Member Firms and other firms who work under our direction. Therefore, you agree to inform us prior to any such discussions so that you and we can implement appropriate safeguards to maintain our independence.

## **10 Professional and Regulatory Oversight and Legal Processes**

- 10.1 As required by legal, regulatory, or professional authorities (both in Canada and abroad) and by BDO policy, our client files must periodically be reviewed by practice inspectors to ensure that we are adhering to professional and BDO standards. It is understood that by entering into this Agreement, you provide your consent to us providing our files relating to your engagement to the practice inspectors for the sole purpose of their inspection.
- 10.2 Certain law enforcement, regulatory and other governmental bodies may also have the right under law or regulation to conduct investigations of you, including the Services provided by us. To the extent practicable and permitted by law or regulation, we will advise you of any such document request or production order we receive in connection with any such investigation prior to providing any documents in response to such request or order.
- 10.3 We are sometimes required by law, regulation, subpoena or other legal process, or upon your request, to produce documents or personnel as witnesses in connection with legal or regulatory proceedings. Where BDO is not a party to such proceedings, you shall reimburse us at our current standard billing rates for professional time and expenses, including without limitation, reasonable legal fees, expenses and taxes incurred in responding to such compelled assistance or request by you.

## **11 Electronic Communications**

- 11.1 Both parties recognize and accept the security risks associated with email communications, including but not limited to the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless you request in writing that we do not communicate by internet email, you assume all responsibility and liability in respect of risk associated with its use.

## **12 Limitation of Liability**

- 12.1 In any dispute, action, claim, demand for losses or damages arising out of the Services performed by BDO pursuant to this Agreement, BDO's liability will be several, and not joint and several, and BDO shall only be liable for its proportionate share of the total liability



based on degree of fault as determined by a court of competent jurisdiction or by an independent arbitrator, notwithstanding the provisions of any statute or rule of common law which create, or purport to create, joint and several liability.

- 12.2 In no event shall BDO be liable for indirect, consequential, special, incidental, aggravated, punitive or exemplary damages, losses or expenses, or for any loss of revenues or profits, loss of opportunity, loss of data, or other commercial or economic loss or failure to realize expected savings, including without limitation expected tax savings, whether or not the likelihood of such loss or damage was contemplated.
- 12.3 BDO shall in no event be liable under this Agreement or otherwise in connection with the Services for any actions, damages, claims, fines, penalties, complaints, demands, suits, proceedings, liabilities, costs, expenses, or losses (collectively, "Liabilities") in any way arising out of or relating to the Services performed hereunder for an aggregate amount of more than the higher of:
  - (a) three times the fees paid to BDO by you, in a twelve consecutive month period, for the Services provided pursuant to this Agreement giving rise to the claim; and
  - (b) \$25,000.
- 12.4 The limitations of liability in this section apply whether or not the Liabilities asserted by you against BDO are incurred by you directly or as a result of a claim or demand against you by a third party.
- 12.5 No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.
- 12.6 You agree claims or actions relating to the delivery of Services shall be brought against us alone, and not against any individual. Where our individuals are described as partners, they are acting as one of our members.
- 12.7 For purposes of this Section, the term "BDO" shall include BDO Canada LLP and its subsidiaries, associated and affiliated entities and their respective current and former partners, directors, officers, employees, agents and representatives. The provisions of this Section shall apply to the fullest extent of the law, regardless of the form of the claim, whether in contract, statute, tort (including without limitation, negligence) or otherwise.

### **13 Indemnity**

- 13.1 To the fullest extent permitted by applicable laws, in the event of a claim or demand by a third party against BDO that arises out of or relates to the Services, you agree to indemnify and hold harmless BDO from and against all losses, costs (including solicitors' fees), damages, or expenses resulting from such third party claim or demand, except to the extent that the same is finally determined to have resulted from BDO's negligence or intentional misconduct.

### **14 Alternative Dispute Resolution**

- 14.1 Both parties agree that they will first attempt to settle any dispute arising out of or relating to this Agreement, including any question regarding its existence, interpretation,





validity, breach or termination, or the Services provided hereunder, through good faith negotiations.

- 14.2 In the event that the parties are unable to settle or resolve their dispute through negotiation, such dispute shall be subject to mediation using a mediator chosen by mutual agreement of the parties.
- 14.3 All disputes remaining unsettled for more than 60 days following the parties first mediation session with a mediator, or such longer period as the parties mutually agree upon, shall be referred to and finally resolved by arbitration. The parties agree that one arbitrator shall be appointed within twenty (20) days of receipt of the request for arbitration. If the parties cannot agree on the appointment of an arbitrator in such period then either party may immediately apply for the appointment of an arbitrator to a court of competent jurisdiction in the Province of the governing law as contained herein pursuant to such Province's applicable *Arbitration Act*. The place of arbitration shall be in the capital of the Province of the governing law as contained herein. Unless the arbitrator otherwise determines, the fees of the arbitrator and the costs and expenses of the arbitration will be borne and paid equally by the parties. Such arbitration shall be final, conclusive and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision whatsoever. The parties hereby waive any such right of appeal or judicial review which may otherwise be provided for in any provincial arbitration statute. Judgement upon the award, including any interim award, rendered by the arbitrator may be entered in any court having jurisdiction. The arbitration shall be kept confidential and the existence of the arbitration proceeding and any element thereof (including but not limited to any pleadings, briefs or other documents submitted and exchanged and testimony and other oral submissions and any awards made) shall not be disclosed beyond the arbitrator(s), the parties, their counsel and any person to whom disclosure is necessary to the conduct of the proceeding except as may be lawfully required in judicial proceedings relating to the arbitration or otherwise.

## 15 Limitation Period

- 15.1 You shall make any claim relating to Services or otherwise under this Agreement no later than one year after you became aware or ought reasonably to have become aware of the facts giving rise to any such claim.
- 15.2 You shall in no event make any claim relating to the Services or otherwise under this Agreement later than four years after the completion of the Services under this Agreement.
- 15.3 To the extent permitted by law, the parties to this Agreement agree that the limitation periods established in this Agreement replace any limitation periods under any limitations act and/or any other applicable legislation and any limitation periods under any limitations act and/or any other applicable legislation shall not alter the limitation periods specified in this Agreement.

## 16 Québec Personnel

- 16.1 We may sometimes have individual partners and employees performing Services within the Province of Québec who are members of the Ordre des comptables professionnels agréés du Québec. Any such members performing professional services hereunder assumes full personal civil liability arising from the practice of their profession, regardless of their status within our partnership. They may not invoke the liability of our partnership as



grounds for excluding or limiting their own liability. Any limitation of liability clauses in this Agreement shall therefore not apply to limit the personal civil liability of partners and employees who are members of the Ordre des comptables professionnels agréés du Québec.

## **17 Termination**

- 17.1 This Agreement applies to Services whenever performed (including before the date of this Agreement).
- 17.2 You or we may terminate this Agreement at any time upon written notice of such termination to the other party. We will not be liable for any loss, cost or expense arising from such termination. You agree to pay us for all Services performed up to the date of termination, including Services performed, work-in-progress and expenses incurred by us up to and including the effective date of the termination of this Agreement.

## **18 Governing Laws**

- 18.1 The terms of our engagement shall remain operative until amended, terminated, or superseded in writing. They shall be interpreted according to the laws of Ontario in which BDO's principal Canadian office performing the engagement is located, without regard to such province/territory's rules on conflicts of law.

## **19 Survival**

- 19.1 The provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement. Any clause that is meant to continue to apply after termination of this Agreement will do so.

## **20 Force Majeure**

- 20.1 We will not be liable for any delays or failures in performance or breach of contract due to events or circumstances beyond our reasonable control, including acts of God, war, acts by governments and regulators, acts of terrorism, accident, fire, flood or storm or civil disturbance.

## **21 Assignment**

- 21.1 No party may assign, transfer or delegate any of the rights or obligations hereunder without the written consent of the other party or parties. BDO may engage independent contractors and BDO Member Firms to assist us in performing the Services in this Agreement without your consent.

## **22 Severability**

- 22.1 The provisions of this Agreement shall only apply to the extent that they are not prohibited by a mandatory provision of applicable law, regulation or professional standards. If any of these provisions shall be held to be invalid, void or unenforceable, then the remainder of this Agreement shall not be affected, impaired or invalidated, and each such remaining provision shall be valid and enforceable to the fullest extent permitted by law.

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Chatham-Kent Lambton Administrative School Services  
420 Creek Street  
Wallaceburg, Ontario  
N8A 4C4

November 7, 2023

BDO Canada LLP  
Chartered Professional Accountants  
3630 Rhodes Drive,  
Bldg. 100  
Windsor, Ontario  
N8W 5A4

This representation letter is provided in connection with your review of the financial statements of Chatham-Kent Lambton Administrative School Services for the year ended August 31, 2023, for the purpose of you expressing a conclusion that, based on your review, nothing has come to your attention that causes you to believe that the financial statements do not present fairly, in all material respects, the financial position as at August 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

We confirm, to the best of our knowledge and belief, the following representations made to you during your review.

### **Financial Statements**

We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated August 30, 2023, for the preparation of the financial statements in accordance with Canadian Public Sector Accounting Standards; in particular, the financial statements are fairly presented in accordance therewith.

- The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and/or disclosure that are reasonable in accordance with Canadian Public Sector Accounting Standards.
- All events subsequent to the date of the financial statements and for which Canadian Public Sector Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
- The financial statements of the entity use appropriate accounting policies that have been properly disclosed and consistently applied.
- We have reviewed and approved all journal entries recommended by the practitioners during the review. A list of the journal entries is attached to the representation letter.

### **Information Provided**

- We have provided you with:
  - access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - additional information that you have requested from us for the purpose of the review; and
  - unrestricted access to persons within the entity from whom you determined it necessary to obtain evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- We have disclosed to you significant facts relating to any frauds or suspected frauds known to us that may have affected the entity.
- We have disclosed to you all known actual or possible non-compliance with laws and regulations for which the effects of non-compliance affect the financial statements of the entity.
- We have disclosed to you all information relevant to the use of the going concern assumption in the financial statements.
- We have disclosed to you material commitments, contractual obligations or contingencies that have affected or may affect the entity's financial statements, including disclosures.
- We have disclosed to you material non-monetary transactions or transactions for no consideration undertaken by the entity in the financial reporting period under consideration.

**General Representations**

- We have provided you with significant assumptions that in our opinion are reasonable and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity when relevant to the use of fair value measurements or disclosures in the financial statements.
- There have been no plans or intentions that may materially affect the recognition, measurement, presentation or disclosure of assets and liabilities (actual and contingent).
- The nature of all material uncertainties have been appropriately measured and disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

**Other Representations Where the Situation Exists**

- We have informed you of all known actual or possible litigation and claims, whether or not they have been discussed with legal counsel. Since there are no actual, outstanding or possible litigation and claims, no disclosure is required in the financial statements.

Yours truly,

DocuSigned by:  
*Amy Jassens*  
9113E2E578CA44E

Associate Director - Corporate Services

Signature

Position