

Independent Accountants' Report
On Applying Agreed-Upon Procedures

School Board of Orange County, Florida
Orlando, Florida

We have performed the procedures enumerated below, which were agreed to by Orange County Public Schools ("OCPS" or the "specified party") on the billing, cash receipts, and attendance records of KCE Champions LLC ("Kindercare" or "Provider") relating to the outsourcing of the before and after school and full day service care programs for Orange County Public Schools from July 2018 through June 2019. Kindercare's management is responsible for the billing, cash receipts, and attendance records. The sufficiency of these procedures is solely the responsibility of OCPS. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.


Our procedures and associated findings are as follows:

<i>Step</i>	<i>Procedure Description</i>	<i>Findings</i>
1.	Obtain the following documents from OCPS: <ul style="list-style-type: none"> a. Copy of the contract between the School Board of Orange County, Florida and Kindercare. b. Copies of the School Age Services Attendance and Revenue Report for 2018 – 2019 for the months of July 2018 through June 2019 for Kindercare for each school where the Provider operates a before and after school and full day service care program. c. Approved tuition and other fee schedule. 	Documents obtained without exception.
2.	Haphazardly select a sample of three months and perform the following: <ul style="list-style-type: none"> a. Obtain copies of daily attendance records from Kindercare. 	The three months selected were November 2018, February 2019, and May 2019. <ul style="list-style-type: none"> a. All daily attendance records were obtained with the following exceptions: Engelwood Elementary, Forsyth Woods Elementary, Pinar Elementary, and Wedgefield K-8 (February 2019).

Step	Procedure Description	Findings
	<p>b. Compare the number of students in attendance from the daily attendance records obtained in step 2a above to the number of students in attendance as reported on the corresponding School Age Services Attendance and Revenue Report for 2018 – 2019 obtained in step 1b above.</p>	<p>b. See Exhibit A for the results of applying this procedure.</p>
3.	<p>For each of the three months selected in step 2 above, haphazardly select 5 students from the daily attendance records obtained in step 2a above for each school and perform the following:</p> <p>a. Obtain billing and payment history reports for each student for that month.</p> <p>b. Compare the fee charged to the student for that month to the approved tuition and other fee schedule obtained in step 1c above.</p> <p>c. For students whose tuition and fees were paid through a scholarship, examine the student’s registration form for evidence of scholarship approval.</p>	<p>a. Kindercare provided billing and payment reports for each student selected. We were unable to select students for the months we did not receive daily attendance records for, as noted in step 2a above.</p> <p>b. The fee charged to each selected student was the same as the fee in the approved tuition and other fee schedule other than the students noted in Exhibit B.</p> <p>c. Out of the 31 students who received a discount of fees, 24 of the registration forms did not provide evidence of scholarship approval. From discussions with the representatives of Kindercare, many scholarships are approved after the initial registration process and registration forms are not updated.</p> <p>Area Managers verify if a student is eligible for a scholarship and then request that a student’s status be changed to a scholarship student to the billing team in the corporate office of Kindercare. This can be done verbally or in writing so there is not always written evidence of the approval.</p>

<i>Step</i>	<i>Procedure Description</i>	<i>Findings</i>
	d. For students whose tuition and fees were paid through a grant, examine the grant document showing the selected student was included in the grant.	d. None of the selected students had tuition or fees paid through a grant.
4.	Perform the following procedures for each month from July 2018 through June 2019: a. Obtain a cash receipt report for each month for each school. b. Compare the amount of cash receipts on the cash receipt reports obtained in step 4a above to the amount included as gross revenue from families on the School Age Services Attendance and Revenue Report for 2018 – 2019 obtained in step 1b above.	a. Reports obtained without exception. b. See Exhibit C for the results of applying this procedure.
5.	Calculate the total gross cash receipts collected by Kindercare from individuals and from third parties for the period of July 2018 through June 2019 by adding the totals from the monthly cash receipt reports obtained in step 4a above.	The total gross cash receipts collected from individuals was \$2,715,116.29. There were no cash receipts from third parties.
6.	Calculate the portion of funds earned by OCPS from July 2018 through June 2019 by multiplying 13% by the total gross cash receipts collected by the Kindercare from individuals in step 5 above plus 3% of the total gross cash receipts collected by Kindercare from third parties in step 5 above.	See Exhibit D for the results of applying this procedure.
7.	Calculate the portion of funds forwarded to OCPS from July 2018 through June 2019 by adding the total remittance amount noted on the School Age Services Attendance and Revenue Report for 2018 – 2019 for the months of July 2018 through June 2019 obtained in step 1b above.	See Exhibit D for the results of applying this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the billing, cash receipts, and attendance records. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.



This report is intended solely for the information and use of the management of Orange County Public Schools and is not intended to be and should not be used by anyone other than the specified party.

Carri Riggs & Ingram, L.L.C.

Orlando, Florida
April 10, 2020

EXHIBIT A
Students in Attendance

<i>School</i>	<i>Month</i>	<i>Attendance from daily attendance records</i>	<i>Attendance from School Age Services Attendance and Revenue Report for 2018-2019</i>	<i>Difference</i>
Arbor Ridge K-8				
	November 2018	416	438	(22)
	February 2019	504	522	(18)
	May 2019	390	501	(111)
Endeavor Elementary				
	November 2018	509	492	17
	February 2019	675	682	(7)
	May 2019	622	629	(7)
Engelwood Elementary				
	November 2018	^	149	(149)
	February 2019	^	227	(227)
	May 2019	^	200	(200)
Forsyth Woods Elementary				
	November 2018	^	350	(350)
	February 2019	^	618	(618)
	May 2019	^	326	(326)
Lake Como School				
	November 2018	380	313	67
	February 2019	411	449	(38)
	May 2019	409	452	(43)
Killarney Elementary				
	November 2018	199	245	(46)
	February 2019	210	281	(71)
	May 2019	257	282	(25)
Lancaster Elementary				
	November 2018	152	143	9
	February 2019	172	200	(28)
	May 2019	175	227	(52)
Little River Elementary				
	November 2018	859	227	632
	February 2019	895	295	600
	May 2019	525	322	203
Pinar Elementary				
	November 2018	^	113	(113)
	February 2019	^	172	(172)
	May 2019	^	237	(237)

EXHIBIT A
Students in Attendance

<i>School</i>	<i>Month</i>	<i>Attendance from daily attendance records</i>	<i>Attendance from School Age Services Attendance and Revenue Report for 2018-2019</i>	<i>Difference</i>
Prairie Lake Elementary				
	November 2018	390	373	17
	February 2019	438	454	(16)
	May 2019	411	422	(11)
Sun Blaze Elementary				
	November 2018	454	466	(12)
	February 2019	661	639	22
	May 2019	618	653	(35)
Three Points Elementary				
	November 2018	186	150	36
	February 2019	223	243	(20)
	May 2019	146	253	(107)
Union Park Elementary				
	November 2018	380	382	(2)
	February 2019	516	522	(6)
	May 2019	494	540	(46)
Wedgefield K-8				
	November 2018	451	491	(40)
	February 2019	^	452	(452)
	May 2019	487	502	(15)
Wetherbee Elementary				
	November 2018	686	710	(24)
	February 2019	982	1,318	(336)
	May 2019	938	1,011	(73)
Zellwood Elementary				
	November 2018	244	357	(113)
	February 2019	242	858	(616)
	May 2019	411	891	(480)

^ Attendance reports were not provided for these months.

EXHIBIT B
Differences in Tuition Charged and Approved Tuition and Other Fee Schedule

<i>School</i>	<i>Student</i>	<i>Tuition amount charged</i>	<i>Reason for difference according to Kindergarten</i>
Arbor Ridge K-8			
	Sample #4	\$ 24.00	Student received 50% scholarship.
	Sample #10	\$ 48.00	Student received 50% scholarship.
	Sample #12	\$ -	Student was unenrolled from the system due to non-payment, but still attended in May 2019.
Endeavor Elementary			
	Sample #21	\$ 24.00	Student received 50% scholarship.
	Sample #25	\$ 24.00	Student received 50% scholarship.
	Sample #26	\$ 24.00	Student received 50% scholarship.
Killarney Elementary			
	Sample #188	\$ 24.00	Student received 50% scholarship.
	Sample #191	\$ -	There were no charges for this student in May 2019.
	Sample #194	\$ 24.00	Student received 50% scholarship.
Lake Como Elementary			
	Sample #31	\$ 45.00	Student received 50% scholarship; however, the gross charge for before and after school care was \$90.00 instead of the approved rate of \$48.00.
	Sample #37	\$ -	There were no charges for this student in February 2019.
	Sample #45	\$ 43.20	Student received the Child Care Select discount of 10%.
Lancaster Elementary			
	Sample #56	\$ 18.00	Student received 50% scholarship.
	Sample #60	\$ 8.00	Student was charged \$8.00 registration fee instead of the approved rate of \$12.00
Little River Elementary			
	Sample #64	\$ 24.00	Student received 50% scholarship.
Prairie Lake Elementary			
	Sample #81	\$ 24.00	Student received 50% scholarship.
	Sample #84	\$ 54.00	Student was charged \$54.00 for before and after school care instead of the approved rate of \$48.00
	Sample #85	\$ 54.00	Student was charged \$54.00 for before and after school care instead of the approved rate of \$48.00

EXHIBIT B
Differences in Tuition Charged and Approved Tuition and Other Fee Schedule

<i>School</i>	<i>Student</i>	<i>Tuition amount charged</i>	<i>Reason for difference according to Kindercare</i>
Sun Blaze Elementary			
	Sample #91	\$ 43.20	Student received the Child Care Select discount of 10%.
	Sample #92	\$ 43.20	Student received the Child Care Select discount of 10%.
	Sample #93	\$ 43.20	Student received military discount.
Three Points Elementary			
	Sample #170	\$ -	Student was unenrolled from the system due to non-payment, but still attended in November 2019.
	Sample #176	\$ 18.00	Student received 50% scholarship.
	Sample #179	\$ -	Student was unenrolled from the system due to non-payment, but still attended in May 2019.
Union Park Elementary			
	Sample #114	\$ 24.00	Student received 50% scholarship.
	Sample #115	\$ 24.00	Student received 50% scholarship.
	Sample #118	\$ 24.00	Student received 50% scholarship.
Wedgefield Elementary			
	Sample #121	\$ 24.00	Student received 50% scholarship.
	Sample #125	\$ 24.00	Student received 50% scholarship.
	Sample #133	\$ -	There were no charges for this student in May 2019.
	Sample #135	\$ -	Student could not be located in billing system.
Wetherbee Elementary			
	Sample #151	\$ -	There were no charges for this student in November 2018.
	Sample #155	\$ 18.00	Student received 50% discount because parent is a Kindercare employee.
Zellwood Elementary			
	Sample #142	\$ 24.00	Student received 50% scholarship.
	Sample #145	\$ 24.00	Student received 50% scholarship.
	Sample #146	\$ 8.00	Student was charged \$8.00 registration fee instead of the approved rate of \$12.00
	Sample #149	\$ 24.00	Student received 50% scholarship.

EXHIBIT C
Comparison of Cash Receipts from July 2018 through June 2019

<i>School</i>	<i>Total cash receipts from cash receipts reports</i>	<i>Total gross revenue from families from School Age Services Attendance and Revenue Report for 2018-2019</i>	<i>Difference</i>
Arbor Ridge K-8	\$ 244,897.68	\$ 248,256.90	\$ (3,359.22)
Endeavor Elementary	\$ 263,294.21	\$ 252,532.41	\$ 10,761.80
Engelwood Elementary	\$ 48,165.60	\$ 50,322.50	\$ (2,156.90)
Forsyth Woods Elementary	\$ 101,180.50	\$ 99,936.00	\$ 1,244.50
Lake Como Elementary	\$ 186,231.70	\$ 187,981.81	\$ (1,750.11)
Killarney Elementary	\$ 90,354.25	\$ 90,814.30	\$ (460.05)
Lancaster Elementary	\$ 64,878.68	\$ 67,576.08	\$ (2,697.40)
Little River Elementary	\$ 100,120.50	\$ 126,124.20	\$ (26,003.70)
Pinar Elementary	\$ 63,061.40	\$ 62,506.15	\$ 555.25
Prairie Lake Elementary	\$ 181,386.16	\$ 186,360.91	\$ (4,974.75)
Sun Blaze Elementary	\$ 266,175.70	\$ 234,689.20	\$ 31,486.50
Three Points Elementary	\$ 99,360.12	\$ 119,990.33	\$ (20,630.21)
Union Park Elementary	\$ 211,263.16	\$ 209,787.58	\$ 1,475.58
Wedgefield K-8	\$ 258,391.61	\$ 257,211.72	\$ 1,179.89
Wetherbee Elementary	\$ 424,381.92	\$ 420,217.35	\$ 4,164.57
Zellwood Elementary	\$ 111,973.10	\$ 110,836.30	\$ 1,136.80
	\$ 2,715,116.29	\$ 2,725,143.74	\$ (10,027.45)

EXHIBIT D
 Calculation of Funds Earned by OCPS and Remit Amounts Reported to OCPS
 from July 2018 through June 2019

<i>School</i>	<i>Total cash receipts from cash receipts report</i>	<i>Funds earned by OCPS (13% of cash receipts from cash receipts reports)</i>	<i>Total remit amount from School Age Services Attendance and Revenue Report for 2018-2019</i>
Arbor Ridge K-8	\$ 244,897.68	\$ 31,836.70	\$ 32,273.40
Endeavor Elementary	\$ 263,294.21	\$ 34,228.25	\$ 32,829.21
Engelwood Elementary	\$ 48,165.60	\$ 6,261.53	\$ 6,541.93
Forsyth Woods Elementary	\$ 101,180.50	\$ 13,153.47	\$ 12,991.68
Lake Como Elementary	\$ 186,231.70	\$ 24,210.12	\$ 24,437.64
Killarney Elementary	\$ 90,354.25	\$ 11,746.05	\$ 11,805.86
Lancaster Elementary	\$ 64,878.68	\$ 8,434.23	\$ 8,784.89
Little River Elementary	\$ 100,120.50	\$ 13,015.67	\$ 16,396.15
Pinar Elementary	\$ 63,061.40	\$ 8,197.98	\$ 8,125.80
Prairie Lake Elementary	\$ 181,386.16	\$ 23,580.20	\$ 24,226.92
Sun Blaze Elementary	\$ 266,175.70	\$ 34,602.84	\$ 30,509.60
Three Points Elementary	\$ 99,360.12	\$ 12,916.82	\$ 15,598.74
Union Park Elementary	\$ 211,263.16	\$ 27,464.21	\$ 27,272.39
Wedgefield K-8	\$ 258,391.61	\$ 33,590.91	\$ 33,437.52
Wetherbee Elementary	\$ 424,381.92	\$ 55,169.65	\$ 54,628.26
Zellwood Elementary	\$ 111,973.10	\$ 14,556.50	\$ 14,408.72
	\$ 2,715,116.29	\$ 352,965.13	\$ 354,268.71