

Independent Accountant’s 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 2017 through April 2018. 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: <ol 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 2017 – 2018 for the months of July 2017 through April 2018 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: <ol style="list-style-type: none"> a. Obtain copies of daily attendance records from Kindercare. 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 2017 – 2018 obtained in step 1b above. 	The three months selected were July 2017, December 2017, and March 2018. <ol style="list-style-type: none"> a. Records were obtained without exception. b. See Exhibit A for the results of applying this procedure.

<i>Step</i>	<i>Procedure Description</i>	<i>Findings</i>
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> <ul style="list-style-type: none"> a. Obtain billing and payment history reports for each student for that month. b. Compare the fee charged to the student for that month to the approved tuition and other fee schedule obtained in step 1c above. c. For students whose tuition and fees were paid through a scholarship, examine the student’s registration form for evidence of scholarship approval. 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. 	<ul style="list-style-type: none"> a. Reports obtained without exception. b. The fee charged to each sampled student was the same amount as the fee in the approved tuition and other fee schedule other than the students noted in Exhibit B. c. Registration forms were not provided to document evidence of scholarship approval. Instead, Kindercare provided a screenshot from their billing system that showed the date the students were entered into the system as a scholarship student. From discussions with representatives of Kindercare, only Area Managers can request that a student’s status be changed to a scholarship student to the billing team in the corporate office of Kindercare. d. None of the selected students had tuition or fees paid through a grant.
4.	<p>Perform the following procedures for each month from July 2017 through April 2018:</p> <ul style="list-style-type: none"> a. Obtain a cash receipt report for each month for each school. b. Compare the amount of cash receipts on the cash receipt report obtained in step 4a above to the amount included as gross revenue from families on the School Age Services Attendance and Revenue Report for 2017 – 2018 obtained in step 1b above. 	<ul style="list-style-type: none"> a. Reports obtained without exception. b. See Exhibit C for the results of applying this procedure. According to Kindercare, there are differences between these two amounts because the School Age Services Attendance and Revenue Report for 2017 – 2018 is prepared on the accrual basis.

<i>Step</i>	<i>Procedure Description</i>	<i>Findings</i>
5.	Calculate the total gross cash receipts collected by Kindercare from individuals and from third parties for the period of July 2017 through April 2018 by adding the totals from the monthly cash receipt reports obtained in step 4a above.	The total gross cash receipts collected from individuals was \$1,696,996.16. There were no cash receipts from third parties.
6.	Calculate the portion of funds earned by OCPS from July 2017 through April 2018 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 2017 through April 2018 by adding the total remittance amount noted on the School Age Services Attendance and Revenue Report for 2017 – 2018 for the months of July 2017 through April 2018 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. The purpose of this report is to aid in management's review of compliance with certain provisions in the contract for outsourcing of the before and after school and full day service care programs with Kindercare and is not suitable for any other purpose.

Cary Riggs & Ingram, L.L.C.

Orlando, Florida
November 28, 2018

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 2017-2018</i>	<i>Difference</i>
Arbor Ridge K-8				
	July 2017	-	-	-
	December 2017	455	452	3
	March 2018	443	393	50
Conway Elementary				
	July 2017	-	-	-
	December 2017	378	343	35
	March 2018	287	277	10
Endeavor Elementary				
	July 2017	-	-	-
	December 2017	575	576	(1)
	March 2018	624	601	23
Englewood Elementary				
	July 2017	-	-	-
	December 2017	130	156	(26)
	March 2018	119	162	(43)
Killarney Elementary				
	July 2017	-	-	-
	December 2017	179	201	(22)
	March 2018	232	250	(18)
Lancaster Elementary				
	July 2017	-	-	-
	December 2017	161	165	(4)
	March 2018	185	202	(17)
Little River Elementary				
	July 2017	-	-	-
	December 2017	243	246	(3)
	March 2018	279	300	(21)
Pinar Elementary				
	July 2017	-	-	-
	December 2017	188	183	5
	March 2018	178	169	9
Sun Blaze Elementary				
	July 2017	-	-	-
	December 2017	674	599	75
	March 2018	678	750	(72)

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 2017-2018</i>	<i>Difference</i>
Three Points Elementary				
	July 2017	-	-	-
	December 2017	209	230	(21)
	March 2018	273	200	73
Union Park Elementary				
	July 2017	-	-	-
	December 2017	466	454	12
	March 2018	519	478	41
Wedgefield K-8				
	July 2017	141	126	15
	December 2017	547	643	(96)
	March 2018	550	620	(70)
Wetherbee Elementary				
	July 2017	210	207	3
	December 2017	933	927	6
	March 2018	802	793	9
Zellwood Elementary				
	July 2017	35	37	(2)
	December 2017	263	330	(67)
	March 2018	290	399	(109)

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>
Englewood Elementary			
	Sample #39	\$ -	Student was on scholarship.
Killarney Elementary			
	Sample #47	\$ -	Student was on scholarship.
Lancaster Elementary			
	Sample #56	\$ -	Student was on scholarship.
Union Park Elementary			
	Sample #104	\$ -	Student was on scholarship.
Wetherbee Elementary			
	Sample #120	\$ 18	Student was child of OCPS employee

EXHIBIT C
Comparison of Cash Receipts from July 2017 through April 2018

<i>School</i>	<i>Total cash receipts from Cash Receipts Report</i>	<i>Total gross revenue from School Age Service Attendance and Revenue Report for 2017-2018</i>	<i>Difference</i>
Arbor Ridge K-8	\$ 161,860.98	\$ 150,977.18	\$ 10,883.80
Conway Elementary	\$ 99,131.57	\$ 113,569.55	\$ (14,437.98)
Endeavor Elementary	\$ 197,682.00	\$ 195,563.28	\$ 2,118.72
Englewood Elementary	\$ 31,171.91	\$ 31,822.76	\$ (650.85)
Killarney Elementary	\$ 73,048.48	\$ 74,624.07	\$ (1,575.59)
Lancaster Elementary	\$ 55,572.25	\$ 56,674.02	\$ (1,101.77)
Little River Elementary	\$ 83,361.66	\$ 83,236.51	\$ 125.15
Pinar Elementary	\$ 52,772.12	\$ 55,043.80	\$ (2,271.68)
Sun Blaze Elementary	\$ 176,677.66	\$ 195,188.95	\$ (18,511.29)
Three Points Elementary	\$ 66,867.34	\$ 64,119.60	\$ 2,747.74
Union Park Elementary	\$ 150,873.88	\$ 150,244.12	\$ 629.76
Wedgefield K-8	\$ 186,942.23	\$ 170,664.52	\$ 16,277.71
Wetherbee Elementary	\$ 272,420.42	\$ 263,911.42	\$ 8,509.00
Zellwood Elementary	\$ 88,613.66	\$ 86,562.04	\$ 2,051.62
	\$ 1,696,996.16	\$ 1,692,201.82	\$ 4,794.34

EXHIBIT D

Calculation of Funds Earned by OCPS and Remit Amounts Reported to OCPS from July 2017 through April 2018

<i>School</i>	<i>Total cash receipts from Cash Receipts Report</i>	<i>Funds earned by OCPS (13% of cash receipts from Cash Receipts Report)</i>	<i>Total remit amount from School Age Services Attendance and Revenue Report for 2017-2018</i>
Arbor Ridge K-8	\$ 161,860.98	\$ 21,041.93	\$ 19,627.03
Conway Elementary	\$ 99,131.57	\$ 12,887.10	\$ 14,764.04
Endeavor Elementary	\$ 197,682.00	\$ 25,698.66	\$ 25,423.23
Englewood Elementary	\$ 31,171.91	\$ 4,052.35	\$ 4,136.96
Killarney Elementary	\$ 73,048.48	\$ 9,496.30	\$ 9,701.13
Lancaster Elementary	\$ 55,572.25	\$ 7,224.39	\$ 7,367.62
Little River Elementary	\$ 83,361.66	\$ 10,837.02	\$ 10,820.75
Pinar Elementary	\$ 52,772.12	\$ 6,860.38	\$ 7,155.69
Sun Blaze Elementary	\$ 176,677.66	\$ 22,968.10	\$ 25,374.56
Three Points Elementary	\$ 66,867.34	\$ 8,692.75	\$ 8,335.55
Union Park Elementary	\$ 150,873.88	\$ 19,613.60	\$ 19,531.74
Wedgefield K-8	\$ 186,942.23	\$ 24,302.49	\$ 22,186.39
Wetherbee Elementary	\$ 272,420.42	\$ 35,414.65	\$ 34,308.48
Zellwood Elementary	\$ 88,613.66	\$ 11,519.78	\$ 11,253.07
	\$ 1,696,996.16	\$ 220,609.50	\$ 219,986.24