

LE JARDIN COMMUNITY CENTER, INC.
HOMESTEAD, FLORIDA

**FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2017

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of
Le Jardin Community Center, Inc.
Homestead, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Le Jardin Community Center, Inc. (the "Organization"), (a non profit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2017 and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

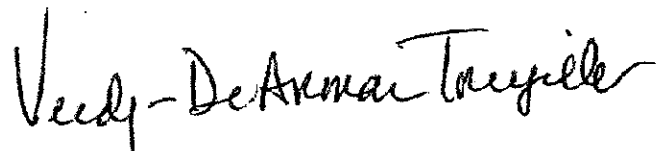
Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Organization taken as a whole. The accompanying schedule of expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2018 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
May 24, 2018

**LE JARDIN COMMUNITY CENTER, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017**

ASSETS

CURRENT ASSETS

Cash	\$ 191,859
Grants receivable	675,335
Prepaid expenses and other assets	101,886
TOTAL CURRENT ASSETS	<u>969,080</u>

PROPERTY AND EQUIPMENT, net of accumulated depreciation
of \$1,957,429

4,473,471

TOTAL ASSETS

\$ 5,442,551

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 118,225
Accrued expenses	241,787
Deferred revenues	494,431
Line of credit	157,788
Current maturities of long-term debt	119,006
TOTAL CURRENT LIABILITIES	<u>1,131,237</u>

Long-term debt, less current maturities, net of
unamortized debt issuance cost of \$106,038

2,181,379

TOTAL LIABILITIES

3,312,616

NET ASSETS, unrestricted

2,129,935

TOTAL LIABILITIES AND NET ASSETS

\$ 5,442,551

The accompanying notes are an integral
part of these financial statements.

LE JARDIN COMMUNITY CENTER, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017

CHANGES IN UNRESTRICTED NET ASSETS

PUBLIC SUPPORT AND REVENUE

Federal, state and local grants	\$ 6,798,178
Donated services and materials	170,488
Miscellaneous revenue	37,750
TOTAL PUBLIC SUPPORT AND REVENUE	<u>7,006,416</u>

EXPENSES

Child care, program service	5,983,377
Management and general, supporting service	884,950
TOTAL EXPENSES	<u>6,868,327</u>

CHANGE IN NET ASSETS 138,089

Net assets, Unrestricted:

Beginning	1,991,846
Ending	<u>\$ 2,129,935</u>

The accompanying notes are an integral part of these financial statements.

**LE JARDIN COMMUNITY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	PROGRAM CHILD CARE	SUPPORTING MANAGEMENT AND GENERAL	TOTAL
SALARIES AND RELATED BENEFITS			
Salaries	\$ 3,234,726	\$ 517,502	\$ 3,752,228
Employee benefits	452,458	51,221	503,679
Payroll taxes	307,086	39,108	346,194
TOTAL SALARIES AND RELATED BENEFITS	3,994,270	607,831	4,602,101
OTHER EXPENSES			
Professional fees	135,577	79,508	215,085
Professional services - inkind	70,263	-	70,263
Rent	69,062	52,206	121,268
Building repairs and maintenance	115,518	23,115	138,633
Food	356,993	120	357,113
Classroom supplies and trips	187,512	1,949	189,461
Classroom supplies - inkind	100,225	-	100,225
Other supplies	24,816	14,471	39,287
Utilities	233,210	20,042	253,252
Postage	41	609	650
Conference and meetings	63,741	19,616	83,357
Membership and licensing	85,466	3,947	89,413
Insurance	118,542	11,268	129,810
Miscellaneous	12,413	1,136	13,549
Interest	111,376	38,421	149,797
Office expenses	3,900	105	4,005
Janitorial services and supplies	42,448	794	43,242
Travel	8,300	9,050	17,350
Loss on disposal of assets	20,134	-	20,134
TOTAL EXPENSES BEFORE DEPRECIATION	5,753,807	884,188	6,637,995
Depreciation	229,570	762	230,332
TOTAL EXPENSES AFTER DEPRECIATION	\$ 5,983,377	\$ 884,950	\$ 6,868,327

The accompanying notes are an integral part of these financial statements.

LE JARDIN COMMUNITY CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 138,089
Adjustment to reconcile changes in net cash provided by operating activities:	
Depreciation	230,332
Loss on disposal of fixed assets	20,134
Changes in Assets:	
Increase in grants receivable	(70,659)
Increase prepaid expenses and other assets	(41,662)
Changes in Liabilities:	
Increase in accounts payable	59,746
Increase in accrued expenses	8,596
Increase in deferred revenues	6,499
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>351,075</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net purchases of fixed assets	(368,522)
NET CASH USED IN INVESTING ACTIVITIES	<u>(368,522)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on long-term debt, including debt issuance cost interest expense	(125,223)
Proceeds from long-term debt	99,831
Payments on line of credit	(1,299,923)
Proceeds of line of credit	1,457,711
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>132,396</u>
NET INCREASE IN CASH:	114,949
CASH:	
Beginning	76,910
Ending	<u>\$ 191,859</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash paid for interest	<u>\$ 149,797</u>

The accompanying notes are an integral part of these financial statements.

**LE JARDIN COMMUNITY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Le Jardin Community Center, Inc. (the "Organization") is a private non-profit Florida organization, dedicated to providing quality educational and social services to low-income families in the South Dade Community. The Organization focuses on providing high caliber, multicultural, early childhood development education, from the ages of six weeks to five years.

A summary of the Organization's significant accounting policies follows:

Basis of Accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). In September 2009, the Financial Accounting Standards Board ("FASB") implemented the Accounting Standards Codification ("ASC") which establishes FASB ASC as the source of authoritative U.S. accounting and reporting standards for nongovernmental entities. Presented below is a summary of significant accounting principles followed in the preparation of the accompanying financial statements.

Financial Statement Presentation

These financial statements are prepared in accordance with FASB ASC. In accordance with these standards, net assets, revenues, expenses, gains and losses are classified as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restrictions. Funds, including contributions and grants, received by the Organization were either unrestricted or, if restricted, were expended in the year received. It is the Organization's policy to report revenues expended in the year received as unrestricted revenue. Net assets at December 31, 2017 which are not subject to donor-imposed stipulation are accordingly classified as unrestricted in the accompanying financial statements.

Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Organization receives various grants from federal and local agencies for program and supporting service expenses. These grants are on a cost reimbursement basis or fee for service, including recoverable overhead. Revenue from grants is deemed earned and recognized in the statement of activities when expenditures are made for the purpose specified for allowed costs. Advances received on cost reimbursement grants are reflected as deferred revenue until expended.

LE JARDIN COMMUNITY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

The Organization maintains its cash in bank deposit accounts with a financial institution which, at times, may exceed federally-insured limits. The Organization has not experienced any losses and believes it is not exposed to any significant risk with respect to cash. At December 31, 2017, the Organization did not have funds exceeding the federally-insured limit.

Revenue Concentration

The Organization receives approximately 50% of its annual budget from the Miami-Dade County Community Action and Human Services Head Start/Early Head Start Program, which is federally funded.

Donated Services and Material

Donated services are recognized as contributions in accordance with FASB ASC, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise have been purchased. During the year, many individuals and businesses donated materials and services to the Organization. The value of these goods and services is reflected in the financial statements at the estimated fair market value at the date of receipt. Additionally, many individuals volunteered their time to perform a variety of tasks. The value of these services is not required to be included for financial statement purposes.

Property and Equipment

Property and equipment is stated at cost or, if donated, at fair value at the date of donation. Depreciation is computed by the straight-line basis over the estimated useful lives of the assets:

Building and Improvements	Years <u>15-40</u>
Furniture and Equipment	5-15
Vehicles	5

Functional Allocation of Expenses

The costs of providing the program and other activities of the Organization have been summarized in the accompanying statements of activities on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Deferred Loan Costs

Costs incurred in connection with obtaining financing are being amortized using the interest method over the term of the mortgage.

Subsequent Events

The Organization has evaluated subsequent events through May 24, 2018, which is the date the financial statements were available to be issued.

LE JARDIN COMMUNITY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from income tax under Section 501(c) (3) of the Internal Revenue Code and therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 (b) (1) (A) and has been classified as an organization other than a private foundation under Section 509 (a) (2).

There are no reserves held for uncertain tax positions at December 31, 2017, respectively. Tax years that are open under the statute of limitations remain subject to examination by the IRS. The Organization is generally no longer subject to U.S. Federal or State examinations by tax authorities for years before 2014.

NOTE 2 – PROPERTY AND EQUIPMENT, NET

Property and equipment as of December 31, 2017 consists of the following:

	2017
Land	\$ 472,092
Building and Improvements	5,175,625
Furniture and Equipment	694,071
Security System	36,419
Vehicles	52,693
	<u>6,430,900</u>
Less Accumulated	
Depreciation	(1,957,429)
Property and equipment, net	<u>\$ 4,473,471</u>

As of December 31, 2017 depreciation was \$230,332.

As a condition of the grants, the Organization has no authority over the disposition of these assets and must receive permission from the grantor prior to selling or disposing of any of these assets.

NOTE 3 – SUPPORT FROM OUTSIDE AGENCIES/ECONOMIC DEPENDENCE/CONTINGENCY

The Organization receives approximately 99% of its total revenues from government funding and other granting agencies. Should any agency significantly reduce its level of contribution, it would have a substantial effect on the Organization's ability to provide services at the current level of operations. These grants require fulfillment of certain conditions and are periodically audited by the grantor to monitor compliance with the terms of the contract. Failure to fulfill the conditions of the agreements could result in the loss of funding and / or return of amounts previously received. No provision has been made in the accompanying financial statements for this uncertain future event.

LE JARDIN COMMUNITY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 – LONG TERM DEBT

The Organization entered into a loan agreement of \$433,993 for Site I and III, interest at 5.5% due in 24 monthly installments of principal and interest in the amount of \$43,005 through June 29, 2009, followed by 95 monthly payments of principal and interest of \$3,005 at an interest rate of Prime rate plus 1%, collateralized by substantially all of the Organization’s assets. The loan matures on June 2019. At December 31, 2017, the outstanding balance on this loan was \$315,345.

Under the terms of the loan agreements, the Organization is subject to a number of affirmative and negative covenants that must be complied with on a continuous basis.

On March 22, 2015, the Organization refinanced a prior loan agreement for a daycare facility in the amount of \$100,688, interest at 4.75%, collateralized by substantially all of the Organization’s assets. The loan must be paid in thirty six (36) monthly installments of principal and interest, beginning April 24, 2015. The loan matures on March 2020. At December 31, 2017, the outstanding balance on this loan was \$48,149.

On January 5, 2012, the Organization entered into a \$703,654 refinancing commitment with a financial institution for the construction of a daycare facility, interest at 6% due in one hundred and four (104) monthly installments of principal and interest in the amount of \$5,054 and one monthly payment of principal and interest of \$469,131 at maturity date. The loan is collateralized by substantially all of the Organization’s assets. The loan matures on November 15, 2020. The outstanding balance as of December 31, 2017 was \$554,004.

On December 12, 2013, the Organization entered into a \$1,300,000 loan agreement with a financial institution for the construction of a private school, interest at 4.75% due in thirty six (36) monthly installments of principal and interest in the amount of \$10,224, beginning January 2015. On November 16, 2016 the financial institution approved an increased to the loan in the amount of \$240,000. The loan is collateralized by substantially all of the Organization’s assets. The loan matures on June 12, 2025. The outstanding balance as of December 31, 2017 was \$1,488,925.

Long-term debt at December 31, 2017 consisted of the following:

	<u>2017</u>
Long-term debt payable, payable in monthly installments of \$10,224, (4.75% interest at December 31, 2017), due on June, 2025.	\$ 1,488,925
Long-term debt payable, payable in monthly installments of \$3,005, (5.5% interest at December 31, 2017), due on June 2019.	315,345
Long-term debt payable, payable in monthly installments of \$1,892, (4.75% interest at December 31, 2017), due on March 2020.	48,149
Long-term debt payable, payable in monthly installments of \$5,054, (6% interest at December 31, 2017), due on November 2020.	554,004
Less: Unamortized debt issuance costs	<u>(106,038)</u>
Long-term debt, less unamortized debt issuance	2,300,385
Less: Current portion	<u>(119,006)</u>
Total Long-term debt, less current portion	<u>\$ 2,181,379</u>

LE JARDIN COMMUNITY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 – LONG TERM DEBT (Continued)

The principal payments under the above long term debt agreements through maturity are as follows:

Fiscal years ending December 31,	
2018	\$ 119,006
2019	390,817
2020	553,873
2021	56,225
Thereafter	<u>1,286,502</u>
	2,406,423
Less: Unamortized debt issuance cost	<u>(106,038)</u>
	<u>\$ 2,300,385</u>

For the year ended December 31, 2017, total interest expense on all indebtedness paid was approximately \$149,797.

NOTE 5 – LINE OF CREDIT

The Organization had a \$400,000 revolving line of credit. The line of credit bears interest of 5.5%. Interest is payable in monthly interest only payments with the entire principal balance and all accrued interest payable in full at maturity. The line of credit matured on November 15, 2016 and is renewable annually under the line of credit agreements. The line of credit was renewed on December 16, 2016 in the amount of \$400,000. The renewed line of credit bears interest of 5%. Amount outstanding on the line of credit was \$157,788 at December 31, 2017. Interest expense paid during the year on this line of credit was approximately \$13,000.

NOTE 6 – COMMITMENTS/ CONTINGENCIES

The Organization has a month-to-month operating lease for office equipment. The lease can be cancelled at any time. The Organizations rent expense was \$121,268 for the year ended December 31, 2017. The Organization has several leases for the use of facilities and a vacant parcel of land.

The minimum rental commitments under the operating leases approximate the following:

Fiscal years ending December 31,	
2018	\$ 145,362
2019	11,474
2020	2,000
2021	1,667
Thereafter	-
Total	<u>\$ 160,503</u>

NOTE 7 – MATCHING REQUIREMENTS

The Organization has until July 31, 2018 to meet the in-kind matching requirements as stated in the Head Start/Early Head Start Grant. The Head Start/ Early Head Start contract requires the Organization to provide non-federal resources in an amount equivalent to twenty-five percent (25%) of the total federal allocation. The non-federal resources may be in cash and/or in-kind but may not be from other federal sources. At December 31, 2017, the Organization has met approximately 17% of the matching requirements.

LE JARDIN COMMUNITY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 – PENSION PLAN

The Organization has a 401K defined contribution pension plan covering all full-time employees who meet the one year employment requirement. The contribution amount is at management's discretion based on availability of funds. The Organization contributed for the year ended December 31, 2017 an amount equal to 7% of the eligible employee's base salary into the plan. Contributions to the Plan were \$149,898 for the year ended December 31, 2017.

NOTE 9 – IN-KIND DONATIONS

It is the policy of the Organization to record contributed supplies and materials as contributions at their estimated values at date of receipt, when determinable. In addition, donated services are recognized at fair value, only if the service creates or enhances a non-financial asset, would typically have to be purchased, and or requires a special skill. As of December 31, 2017 total in-kind donations consisted of \$181,680.

SUPPLEMENTARY INFORMATION

LE JARDIN COMMUNITY CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

FEDERAL GRANTOR, PASS-THROUGH GRANTOR FEDERAL PROGRAM	GRANT PERIOD	CFDA NO.	GRANT / CONTRACT NO.	EXPENDITURES
U.S. Department of Health and Human Services:				
Early Head Start Program	3/1/17-8/31/18	93.600	O4HP000067-02-001	\$ 1,683,829
U.S. Department of Health and Human Services:				
Pass through program from the Miami-Dade County Community Action & Human Services Department				
Head Start Program	8/1/16-7/31/17	93.600	O4CH010192-02-001	1,921,599
Head Start Program	8/1/17-7/31/18	93.600	O4CH010192-03-001	1,199,325
Early Head Start Program	8/1/16-7/31/17	93.600	O4CH010192-02-201	267,497
Early Head Start Program	8/1/17-7/31/18	93.600	O4CH010192-03-201	139,002
Total U.S. Department of Health and Human Services				\$ 5,211,252
U.S. Department of Agriculture:				
Pass through from the State of Florida Department of Health				
U.S.D.A. Child Care Food Program	10/1/16-9/30/17	10.558	S-435	\$ 370,894
U.S.D.A. Child Care Food Program	10/1/17-9/30/18	10.558	S-435	187,040
Total U.S. Department of Agriculture				\$ 557,934
Total Expenditures of Federal Awards				\$ 5,769,186

See accompanying notes to the Schedule of
Expenditures of Federal Awards

LE JARDIN COMMUNITY CENTER, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal awards of Le Jardin Community Center, Inc. for the year ended December 31, 2017. This information in the schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The Organization has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors of
Le Jardin Community Center, Inc.
Homestead, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Le Jardin Community Center, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 24, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

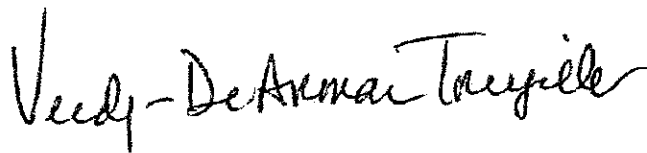
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
May 24, 2018



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

The Board of Directors of
Le Jardin Community Center, Inc.
Homestead, Florida

Report on Compliance for Each Major Federal Program

We have audited Le Jardin Community Center, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2017. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.


Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
May 24, 2018

**LE JARDIN COMMUNITY CENTER, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FEDERAL AWARDS PROGRAMS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Type of auditor's report issued on compliance for major program:

Unmodified

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance

yes no

Identification of major federal programs

Federal Program	CFDA Number	Expenditures
Head Start/Early Head Start Programs	93.600	\$ 5,211,252

**LE JARDIN COMMUNITY CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2017**

SECTION I - SUMMARY OF AUDITOR'S RESULTS (Continued)

Dollar threshold used to distinguish between type A and type B federal programs:

\$ 750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?

X yes no

SECTION II - FINDINGS - FINANCIAL STATEMENTS

The audit disclosed no matters that are reportable for the current year.

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAMS

The audit disclosed no matters that are reportable for the current year.

SECTION IV - OTHER ISSUES

1. A management letter was issued May 24, 2018.
2. No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to Federal awards programs.
3. No Corrective Action Plan is required because there were no findings required to be reported under the Uniform Guidance.