LE JARDIN COMMUNITY CENTER, INC.
HOMESTEAD, FLORIDA

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2016

TABLE OF CONTENTS PAGE

INDEPENDENT AUDITORS' REPORT 1-2

FINANCIAL STATEMENTS

Statement of Financial Position 3

Statement of Activities and Change in Net Assets 4

Statement of Functional Expenses 5

Statement of Cash Flows 6

Notes to Financial Statements 7-12

SUPPLEMENTARY INFORMATION:

Schedule of Expenditures of Federal Awards 13

Notes to Schedule of Expenditures of Federal Awards 14

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* 15-16

Independent Auditors' Report on Compliance for each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance 17-18

Schedule of Findings and Questioned Costs –Federal Awards Programs 19-20

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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, 2016, and the related statements of activities, 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 control 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, 2016 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 March 23, 2017 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.

Vesly-DeArmas Torrijos

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
March 23, 2017

LE JARDIN COMMUNITY CENTER, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

ASSETS

CURRENT ASSETS	
Cash	$ 76,910
Grants receivable	604,676
Prepaid expenses and other assets	60,224
TOTAL CURRENT ASSETS	741,810
PROPERTY AND EQUIPMENT, net of accumulated depreciation and amortization of $1,959,360	4,470,393
TOTAL ASSETS	$ 5,212,203

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	58,479
Accrued expenses	233,191
Deferred revenues	487,932
Current maturities of long-term debt	105,701
TOTAL CURRENT LIABILITIES	885,303
Long-term debt, less current maturities	2,335,054
TOTAL LIABILITIES	3,220,357
NET ASSETS, unrestricted	1,991,846
TOTAL LIABILITIES AND NET ASSETS	$ 5,212,203

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, 2016

CHANGES IN UNRESTRICTED NET ASSETS		
PUBLIC SUPPORT AND REVENUE		
Federal, state and local grants	$	5,092,619
Donated services and materials		205,716
Miscellaneous revenue		22,161
TOTAL PUBLIC SUPPORT AND REVENUE		5,320,496
EXPENSES		
Child care, program service		4,588,130
Management and general, supporting service		784,537
TOTAL EXPENSES		5,372,667
CHANGE IN NET ASSETS		(52,171)
Net assets, Unrestricted:		
Beginning		2,044,017
Ending	$	1,991,846

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, 2016

	PROGRAM CHILD CARE	SUPPORTING MANAGEMENT AND GENERAL	TOTAL
SALARIES AND RELATED BENEFITS			
Salaries	$ 2,403,944	$ 433,623	$ 2,837,567
Employee benefits	387,860	45,057	432,917
Payroll taxes	222,558	32,882	255,440
TOTAL SALARIES AND RELATED BENEFITS	3,014,362	511,562	3,525,924
OTHER EXPENSES			
Professional fees	134,446	98,077	232,523
Professional services - inkind	145,169	-	145,169
Rent	14,769	39,174	53,943
Building repairs and maintenance	76,460	19,603	96,063
Food	317,356	-	317,356
Classroom supplies and trips	135,280	701	135,981
Classroom supplies - inkind	60,548	-	60,548
Other supplies	20,317	9,338	29,655
Utilities	189,847	20,430	210,277
Postage	58	1,043	1,101
Conference and meetings	33,871	11,016	44,887
Membership and licensing	17,940	3,275	21,215
Insurance	94,093	15,076	109,169
Miscellaneous	4,956	1,811	6,767
Interest	59,785	51,667	111,452
Tuition reimbursement	1,187	-	1,187
Office expenses	1,969	380	2,349
Janitorial services and supplies	52,211	205	52,416
Travel	8,672	630	9,302
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	4,383,296	783,988	5,167,284
Depreciation and amortization	204,834	549	205,383
TOTAL EXPENSES AFTER DEPRECIATION AND AMORTIZATION	$ 4,588,130	$ 784,537	$ 5,372,667

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, 2016

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$	(52,171)
Adjustment to reconcile changes in net cash used in operating activities:		
Depreciation and amortization		205,383
Changes in Assets:		
Increase in grants receivable		(41,847)
Increase prepaid expenses and other assets		(37,127)
Changes in Liabilities:		
Decrease in accounts payable		(32,254)
Increase in accrued expenses		43,245
Increase in deferred revenue		403,507
NET CASH PROVIDED BY OPERATING ACTIVITIES		488,736
CASH FLOWS FROM INVESTING ACTIVITIES		
Net purchases of fixed assets		(1,257,149)
NET CASH USED IN INVESTING ACTIVITIES		(1,257,149)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on line of credit/long term debt		(483,462)
Advances of line of credit/long term debt		1,311,628
NET CASH PROVIDED BY FINANCING ACTIVITIES		828,166
NET INCREASE IN CASH:		59,753
CASH:		
Beginning		17,157
Ending	$	76,910
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for Interest	$	111,452

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

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, 2016 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.

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, 2016, the Organization did not have funds exceeding the federally-insured limit.

Revenue Concentration

The Organization receives approximately 87% 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:

	Years
Building and Improvements	15-40
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 March 23, 2017, which is the date the financial statements were available to be issued.

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, 2016, 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 2013.

NOTE 2 – PROPERTY AND EQUIPMENT, NET

Property and equipment as of December 31, 2016 consists of the following:

	2016
Land	$ 472,092
Building and Improvements	3,561,948
Furniture and Equipment	602,571
Security System	46,554
Vehicles	52,693
Closing Costs	165,953
Construction in progress	1,527,942
	6,429,753
Less Accumulated Depreciation	(1,908,385)
Less Accumulated Amortization	(50,975)
Property and equipment, net	$ 4,470,393

As of December 31, 2016 depreciation and amortization expense was $205,383.

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.

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, 2016, the outstanding balance on this loan was $327,185.

Minimum principal payments required on this debt for the next four years are as follows:

Year ending December 31,	Loan Payable
2017	$ 18,460
2018	19,516
2019	289,208
	$ 327,185

As of December 31, 2016, interest expense for this loan was approximately $20,300.

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, 2016, the outstanding balance on this loan was $68,105.

Minimum principal payments required on this debt for the next five years are as follows:

Year ending December 31,	Loan Payable
2017	$ 19,857
2018	20,834
2019	21,860
2020	5,554
	$ 68,105

As of December 31, 2016, interest expense for this loan was approximately $4,100.

NOTE 4 – LONG TERM DEBT (Continued)
On January 5, 2012, the Organization entered into a $705,170 refinancing commitment with a financial institution for the construction of a daycare facility, interest at 5.5% 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, 2016 was $582,304.

Minimum principal payments required on this debt for the next five years are as follows:

Year ending December 31,	Loan Payable
2017	28,696
2018	30,338
2019	32,073
2020	491,197
	$ 582,304

As of December 31, 2016, interest expense for this loan was approximately $33,436.

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 $8,632, 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, 2016 was $1,463,161.

Year ending December 31,	Loan Payable
2017	$ 38,688
2018	48,317
2019	50,824
2020	53,262
2021	56,225
Thereafter	1,215,845
	$ 1,463,161

The Organization paid interest during the year of approximately $38,420. The Organization will begin to pay principal until January 12, 2017.

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 $0 at December 31, 2016. Interest expense paid during the year on this line of credit was approximately $15,000.

NOTE 6 – OPERATING LEASE
The Organization has a month-to-month operating lease for office equipment. The lease can be cancelled at any time.

NOTE 7 – MATCHING REQUIREMENTS

The Organization has until July 31, 2017 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, 2016, the Organization has met approximately 13% of the matching requirements.

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, 2016 an amount equal to 7% of the eligible employee's base salary into the plan. Contributions to the Plan were $145,807 for the year ended December 31, 2016.

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, 2016 total in-kind donations consisted of $205,716.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

As of December 31, 2016, Site 5B, a private school, was under construction. The estimated cost to complete construction of Site 5B is approximately $1,540,000. Costs incurred through December 31, 2016, of approximately $1,174,933 are included in construction in progress. Construction is being funded by long term debt with a financial institution. The estimated completion date is January 2017.

NOTE 11 – SUBSEQUENT EVENTS

Subsequent to year-end, the Organization applied for a competitive EHS Expansion grant. In March 2017, the Organization was awarded the grant to serve the 144 infants and toddlers.

Verdeja • De Armas • Trujillo
Certified Public Accountants

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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, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 23, 2017.

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.

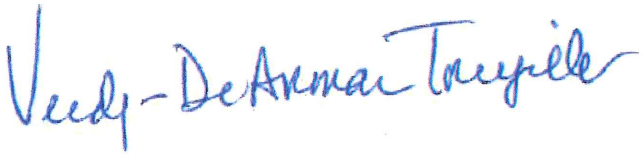
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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
March 23, 2017

Verdeja • De Armas • Trujillo
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*

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

Report on Compliance for Each Major Federal Program and State Project

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, 2016. 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 and State Project

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, 2016.

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.

Vedy-DeArmas Trujillo

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
March 23, 2017

LE JARDIN COMMUNITY CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2016

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 __X__ no
• Significant deficiencies identified that are not considered to be material weaknesses?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	____ yes __X__ 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 __X__ no
• Significant deficiencies identified that are not considered to be material weaknesses?	____ yes __X__ none reported
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	____ yes __X__ no

Identification of major federal programs

Federal Program	CFDA/CSFA Number	Expenditures
Head Start/Early Head Start Programs	93.600	$ 3,504,583

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 March 23, 2017.
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.