

LE JARDIN COMMUNITY CENTER, INC.
HOMESTEAD, FLORIDA

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

DECEMBER 31, 2015

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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, 2015, 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, 2015 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.

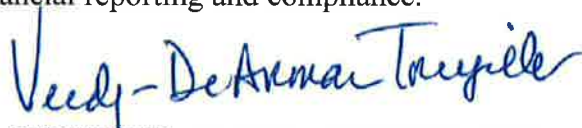
Other Matters

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 and State Financial Assistance, 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, and Chapter 10.650 Rules of the Auditor General of the State of Florida*, 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 15, 2016 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
March 15, 2016

**LE JARDIN COMMUNITY CENTER, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015**

ASSETS

CURRENT ASSETS

Cash	\$ 17,157
Grants receivable	562,829
Prepaid expenses and other assets	<u>23,097</u>
TOTAL CURRENT ASSETS	603,083

PROPERTY AND EQUIPMENT, net of accumulated depreciation
and amortization of \$1,766,068

3,418,627

TOTAL ASSETS

\$ 4,021,710

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 90,733
Accrued expenses	189,946
Deferred revenues	84,425
Current maturities of long-term debt	<u>63,375</u>
TOTAL CURRENT LIABILITIES	428,479

Long-term debt, less current maturities

1,549,214

TOTAL LIABILITIES

1,977,693

NET ASSETS, unrestricted

2,044,017

TOTAL LIABILITIES AND NET ASSETS

\$ 4,021,710

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, 2015

CHANGES IN UNRESTRICTED NET ASSETS

PUBLIC SUPPORT AND REVENUE

Federal, state and local grants	4,606,014
Donated services and materials	140,279
Miscellaneous revenue	26,609
TOTAL PUBLIC SUPPORT AND REVENUE	<u>4,772,902</u>

EXPENSES

Child care, program service	4,196,646
Management and general, supporting service	727,325
TOTAL EXPENSES	<u>4,923,971</u>

CHANGE IN NET ASSETS (151,069)

Net assets, Unrestricted:

Beginning	<u>2,195,086</u>
Ending	<u>\$ 2,044,017</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, 2015

	<u>PROGRAM</u> CHILD CARE	<u>SUPPORTING</u> MANAGEMENT AND GENERAL	<u>TOTAL</u>
SALARIES AND RELATED BENEFITS			
Salaries	\$ 2,220,755	\$ 440,949	\$ 2,661,704
Employee benefits	476,457	55,781	532,238
Payroll taxes	202,371	31,916	234,287
TOTAL SALARIES AND RELATED BENEFITS	2,899,583	528,646	3,428,229
OTHER EXPENSES			
Professional fees	101,454	59,373	160,827
Professional services - inkind	70,974	-	70,974
Rent	9,383	2,398	11,781
Building repairs and maintenance	64,805	19,771	84,576
Food	331,303	-	331,303
Classroom supplies and trips	57,699	487	58,186
Classroom supplies - inkind	69,304	-	69,304
Other supplies	16,847	8,419	25,266
Utilities	143,113	44,353	187,466
Postage	12	958	970
Conference and meetings	9,109	230	9,339
Membership and licensing	16,596	3,400	19,996
Insurance	101,681	20,789	122,470
Miscellaneous	6,147	555	6,702
Interest	59,366	25,481	84,847
Office expenses	980	175	1,155
Janitorial services and supplies	39,919	524	40,443
Travel	4,102	1,515	5,617
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	4,002,377	717,074	4,719,451
Depreciation and amortization	194,269	10,251	204,520
TOTAL EXPENSES AFTER DEPRECIATION AND AMORTIZATION	\$ 4,196,646	\$ 727,325	\$ 4,923,971

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, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (151,069)
Adjustment to reconcile changes in net cash used in operating activities:	
Depreciation and amortization	204,520
Changes in Assets:	
Increase in grants receivable	(173,065)
Decrease prepaid expenses and other assets	33,763
Changes in Liabilities:	
Increase in accounts payable	23,860
Increase in accrued expenses	61,424
Increase in deferred revenue	39,391
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>38,824</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Net purchases of fixed assets	<u>(244,625)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(244,625)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on line of credit/long term debt	(158,895)
Advances of line of credit/long term debt	349,912
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>191,017</u>

NET DECREASE IN CASH: (14,784)

CASH:

Beginning	31,941
Ending	<u>\$ 17,157</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid for Interest	<u>\$ 84,847</u>
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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, 2015**

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, 2015 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, 2015**

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, 2015, the Organization did not have funds exceeding the federally-insured limit.

Revenue Concentration

The Organization receives approximately 73% 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:

	<u>Years</u>
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 15, 2016, 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, 2015

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, 2015, 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 2012.

NOTE 2 – PROPERTY AND EQUIPMENT, NET

Property and equipment as of December 31, 2015 consists of the following:

	<u>2015</u>
Land	\$ 472,092
Building and Improvements	3,527,868
Furniture and Equipment	605,050
Security System	20,200
Vehicles	52,693
Closing Costs	153,783
Construction in progress	<u>353,009</u>
	5,184,695
Less Accumulated Depreciation	(1,737,938)
Less Accumulated Amortization	(28,130)
Property and equipment, net	<u><u>\$ 3,418,627</u></u>

As of December 31, 2015 depreciation and amortization expense was \$204,520.

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 97% 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, 2015

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, 2015, the outstanding balance on this loan was \$341,360.

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

<u>Year ending December 31,</u>	<u>Loan Payable</u>
2016	\$ 17,409
2017	18,460
2018	19,516
2019	285,975
	<u>\$ 341,360</u>

As of December 31, 2015, interest expense for this loan was approximately \$18,000.

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, 2015, the outstanding balance on this loan was \$87,105.

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

<u>Year ending December 31,</u>	<u>Loan Payable</u>
2016	\$ 18,914
2017	19,857
2018	20,834
2019	21,880
2020	5,620
	<u>\$ 87,105</u>

As of December 31, 2015, interest expense for this loan was approximately \$4,600.

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, 2015 was \$610,529.

LE JARDIN COMMUNITY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 4 – LONG TERM DEBT (Continued)

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

<u>Year ending December 31,</u>	<u>Loan Payable</u>
2016	\$ 27,051
2017	28,696
2018	30,338
2019	32,073
2020	492,371
	<u>\$ 610,529</u>

As of December 31, 2015, interest expense for this loan was approximately \$35,000.

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. 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, 2015 was \$279,034. The Organization paid interest during the year of approximately \$6,500. The Organization will begin to pay principal until January 12, 2017.

NOTE 5 – LINE OF CREDIT

The Organization has 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 matures on November 15, 2016 and is renewable annually under the line of credit agreements. Amount outstanding on the line of credit was \$294,561 at December 31, 2015. Interest expense paid during the year on this line of credit was approximately \$19,000.

NOTE 6 – OPERATING LEASE

The Organization has a month-to-month operating lease for office equipment. The lease can be cancelled at anytime.

NOTE 7 – MATCHING REQUIREMENTS

The Organization has until July 31, 2016 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 (20%) 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, 2015, the Organization has met approximately 10% 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, 2015 an amount equal to 7% of the eligible employee’s base salary into the plan. Contributions to the Plan were \$144,453 for the year ended December 31, 2015.

**LE JARDIN COMMUNITY CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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, 2015 total in-kind donations consisted of \$140,279.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

As of December 31, 2015, Site V, a private school, was under construction. The estimated cost to complete construction of Site V is approximately \$1,300,000. Costs incurred through December 31, 2015, of approximately \$353,000 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.

SUPPLEMENTARY INFORMATION

**LE JARDIN COMMUNITY CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

FEDERAL GRANTOR, PASS-THROUGH GRANTOR FEDERAL PROGRAM	GRANT PERIOD	CFDA NO.	GRANT / CONTRACT NO.	EXPENDITURES
U.S. Department of Health and Human Services:				
Pass through from Miami-Dade County Community Action Agency				
Head Start Program	08/01/14-07/31/15	93.600	04CH0119	\$ 1,781,985
Head Start Program	08/01/15-07/31/16	93.600	04CH010192-01-00	1,199,379
Early Head Start Program	08/01/14-07/31/15	93.600	04CH0119	253,515
Early Head Start Program	08/01/15-07/31/16	93.600	04CH010192-01-00	<u>140,001</u>
Total U.S. Department of Health and Human Services				\$ 3,374,880
U.S. Department of Agriculture:				
Pass through from the State of Florida Department of Health				
U.S.D.A. Child Care Food Program	10/01/14-09/30/15	10.558	S-435	\$ 314,913
U.S.D.A. Child Care Food Program	10/01/15-09/30/16	10.558	S-435	<u>135,285</u>
Total U.S. Department of Agriculture				\$ 450,198
Total Expenditures of Federal Awards				\$ 3,825,078
STATE AGENCY, PASS-THROUGH GRANTOR FEDERAL PROGRAM	GRANT PERIOD	CSFA NO.	CONTRACT NUMBER	EXPENDITURES
Florida Department of Education				
<i>Pass-thru Department of Children and Families</i>				
Voluntary Pre-Kindergarten Education Program	01/01/15 - 12/31/15	48.108	VPK	<u>\$ 514,777</u>
Total Expenditures of State Funds				\$ 514,777
Total Federal Awards and State Funds				\$ 4,339,855

See accompanying notes to the Schedule of
Expenditures of Federal Awards and State Financial Assistance

LE JARDIN COMMUNITY CENTER, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") presents the activity of all federal awards and state projects of Le Jardin Community Center, Inc. for the year ended December 31, 2015, on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, as well as, the State of Florida Rules of the Auditor General Chapter 10.650, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 - REIMBURSEMENT OF ADMINISTRATION COSTS

The Organization is reimbursed administration costs based on a negotiated rate with its grantor. The negotiated rate is in accordance with 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, 2015, 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 15, 2016.

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 15, 2016



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* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the Organization's major federal programs and state projects for the year ended December 31, 2015. The Organization's major federal programs and state projects 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 and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs and state projects 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), and Chapter 10.650, *Rules of the Auditor General*. Those standards and the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General*, 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 or state project 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 and state project. 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 and state projects for the year ended December 31, 2015.

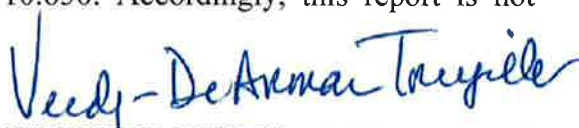
Report on Internal Control Over Compliance

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 and state project 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 state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, 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 or state project 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 or state project 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 and state project 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 and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
March 15, 2016

**LE JARDIN COMMUNITY CENTER, INC.
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2015**

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 and State Projects

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 or Chapter 10.650, *Rules of the Auditor General*? yes no

Identification of major federal programs and state projects:

Federal Program/State Project or Cluster	CFDA/CSFA Number	Expenditures
Head Start/Early Head Start Programs	93.600	\$ 3,374,880
Florida Department of Education Voluntary Pre-Kindergarten Education Program	48.108	\$ 514,777

**LE JARDIN COMMUNITY CENTER, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

Dollar threshold used to distinguish between type A and
type B federal programs: \$ 500,000

Auditee qualified as low-risk auditee pursuant to the
Uniform Guidance? X yes no

Dollar threshold used to distinguished between type A and
type B state projects: \$ 300,000

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
AND STATE PROJECTS**

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

SECTION IV - OTHER ISSUES

1. A management letter was issued March 15, 2016.
2. No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to Federal awards programs or State financial assistance projects.
3. No Corrective Action Plan is required because there were no findings required to be reported under the Uniform Guidance or the Department of Financial Services' State Compliance Supplement.