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January 14, 2016

Board of Directors
 Friends of Moku'ula and Ka Lua O Kiha, Inc.
 505 Front Street, Suite 221
 Lahaina, HI 96761

Re: Audit of Financial Statements for the years ended June 30, 2015, 2016, and 2017

Board of Directors:

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

THE OBJECTIVE AND SCOPE OF THE AUDIT

We will audit the financial statements of Friends of Moku'ula and related entity Ka Lua O Kiha, Inc., which is comprised of the statement of financial position as of June 30, 2015, 2016, and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

THE RESPONSIBILITIES OF THE AUDITOR

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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 the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. In making our risk assessments, we consider internal control relevant to the entity'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 opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning and significant deficiencies or material

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weaknesses in internal control relevant to the audit of the financial statements that we have identified in the audit.

THE RESPONSIBILITIES OF MANAGEMENT AND IDENTIFICATION OF THE APPLICABLE FINANCIAL REPORTING FRAMEWORK

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility

- a. for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. for 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; and
- c. to provide us with
 - i. access to all information which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - ii. additional information that we may request from management for the purpose of the audit; and
 - iii. unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management, written confirmation concerning representations made to us in connection with the audit.

TIMING OF SERVICES

The timing of our accounting work will be coordinated with the personnel of the Organizations to avoid as many disruptions to normal work flow as is practical. However, we need timely access to complete financial records and other information and we expect a significant amount of help from personnel of the Organizations, including possibly preparation of schedules and analyses of accounts. We expect to begin our audit as records become available. If all of the requested accounting records are provided to us by January 22, 2016, we expect to complete the audit by March 4, 2016. If the requested records are provided to us at a later date, we will communicate to you at that time the date the audit is expected to be completed. However, should unforeseen circumstances arise that cause a delay in the completion of the audit, we will communicate such delay to management.

BOOKKEEPING SERVICES

The Organizations may require our firm to perform bookkeeping services. Such services will be limited to the adjustment of material balance sheet accounts to the "full accrual" basis of accounting following accounting principles generally accepted in the United States of America based on information management provides to us. We will not perform any procedures to verify or corroborate the information supplied to us by management nor will we audit the information. As such, the management of the Organizations, not our firm, is responsible for the accuracy of the information we use to adjust the balance sheet account balances.



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The performance of a "bookkeeping service" is deemed to be a "non-attest service" by our professional standards. For our firm to maintain its independence, the Organizations must agree to fulfill the following responsibilities:

- a. Make all management decisions and perform all management functions;
- b. Designate an individual who possesses suitable skill, knowledge, and/or experience preferably within senior management, to oversee the service;
- c. Evaluate the adequacy and results of the services performed; and
- d. Accept responsibility for the results

Should you decide to engage our firm for bookkeeping services, we will submit a separate engagement letter for those services.

TAX SERVICES

In matters relating to the compliance with federal and state income tax law, we will prepare the necessary federal and state income tax returns and supporting schedules for Friends of Moku'ula and Ka Lua O Kiha, Inc. We will not be responsible for determining the applicability of any other tax laws to Friends of Moku'ula and Ka Lua O Kiha, Inc., for the compliance with any other tax laws, nor for the preparation of any other returns required of Friends of Moku'ula and Ka Lua O Kiha, Inc. by any taxing authority. This engagement does not include tax planning or the rendering of advice on tax savings opportunities.

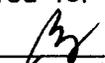
The preparation of a tax return is deemed to be a "non-attest service" in our professional standards. For our firm to maintain its independence Friends of Moku'ula and Ka Lua O Kiha, Inc. must fulfill certain responsibilities and our firm must fulfill certain responsibilities. Please reference to the enclosed tax engagement letter that outlines these responsibilities.

FEES

Mimi Hu will be the partner in charge of the audit for Friends of Moku'ula. Leizl Tabon will be primarily responsible for this engagement. These two individuals will be assisted by other staff in our firm as necessary. We estimate that our fees for the audit and tax services for each of the years for both Organizations will be \$12,000. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees, plus Hawaii General Excise Tax, will be rendered periodically as work progresses and are payable on presentation. If, for any reason, we are unable to complete our audit of these financial statements, we will not issue a report on them; the Organizations will still be responsible for the time and expenses incurred by our firm in performing the audit.

REPRESENTATION LETTER

Before we issue our report and the financial statements we have prepared for the entity, we will require a letter known as a representation letter from the Organizations confirming oral representations made to our firm by the Organizations' personnel during the course of our engagement. This representation letter must be signed by the Executive Director. You agree that our report on the financial statements and the financial statements we have prepared for the



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Organization will not be issued or delivered to the company until the representation letter has been appropriately signed.

REPORTING

We will issue a written report upon completion of our audit of Friends of Moku'ula's financial statements. Our report will be addressed to the board of directors the Organization. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis of matter or other matter paragraph(s), or withdraw from the engagement.

PRIVACY

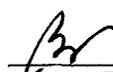
CPAs, like all providers of personal financial services, are required by law to inform their clients of their policies regarding privacy of client information. We consider your privacy extremely important. We collect nonpublic information about you that is provided to us by you or obtained by us from third parties with your authorization. It is our policy not to disclose any nonpublic personal or privileged financial information to any third parties without your permission as required or permitted by law, except as noted below. Legally permitted disclosures include, for instance, providing information to our employees, and in limited situations, to unrelated third parties who need to know that information to assist us in providing services to you. In all such situations, we stress the confidential nature of information being shared.

LIMITATION OF LIABILITY AND/OR LIABILITY CAP

You hereby agree that in all claims or lawsuits or legal proceedings against Levin & Hu LLP by you for breach of contract and/or professional malpractice or negligence resulting in any federal/state tax penalties and interest, consequential, indirect, lost profit or monetary or pecuniary damages, the total amount of damages or money to be paid by Levin & Hu LLP for all such claims shall be limited to and shall not exceed and amount equal to three (3) times the amount of professional fees paid by you to Levin & Hu LLP for this engagement. You agree that this liability cap is a reasonable amount and shall not request, demand or claim more than said figure in the case of any claim, lawsuit or proceeding for breach of contract and/or professional negligence and malpractice.

INDEMNIFICATION, DEFEND, PROTECT, AND HOLD HARMLESS

You agree to fully defend, protect, hold harmless and indemnify Levin & Hu LLP against any and all liabilities or lawsuits or claims or legal proceedings arising from this engagement and services performed that are in any way caused or related to either in whole or in part by any misrepresentation or erroneous or false information or inaccurate or unsupported financial figures provided or supplied to Levin & Hu LLP by either you, your employee, or director and/or officer. You understand that the accuracy of information and representations obtained from you are your responsibility to substantiate or verify and that Levin & Hu LLP is relying upon said information in order to perform and complete this engagement.



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MEDIATION, ARBITRATION, AND ETHICAL STANDARDS

Any other controversy, claim, or dispute between you (client) and us (Levin & Hu LLP) relating in any way to our services, expenses or charges; any claims of professional negligence, malpractice, or breach of contractual, legal, fiduciary or ethical duty; this agreement or Scope of Engagement Letter or any related matters shall be first submitted to mediation administered by either Dispute Prevention & Resolution, Inc. ("DPR") in Honolulu or by any other mediator or mediation service as agreed to between you and us pursuant to its then-applicable rules for such a mediation. Any claim, dispute or controversy between you and us that is not resolved by mediation will be finally and bindingly determined by arbitration administered by DPR in Honolulu, Hawaii under its then-applicable rules for the arbitration of such disputes or by any other arbitrator or arbitration services as agreed to between you and us. The arbitrator will have the authority and discretion to determine and award reasonable attorneys' fees, arbitration fees and costs to the prevailing party. The decision of the arbitrator will be final, binding, and enforceable as and by a judgment of any court with jurisdiction over it pursuant to Chapter 658A of the Hawaii Revised Statutes, as amended. You and we understand and agree that in agreeing to final and binding arbitration of any disputes, claims, and controversies between us, we are giving up rights to obtain information before the arbitration hearing, to trial by jury and to appeal as provided in the legal rules and procedures that apply to court lawsuits, and that we make this arbitration agreement knowingly and voluntarily to obtain the informality and finality of the arbitration process.

SUBPOENA OF DOCUMENTS

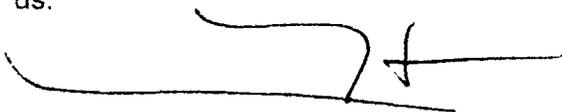
As a result of our services to you, we may be required or requested to provide information or documents to you or a third-party in connection with governmental regulations or activities, or a legal, arbitration, or administrative proceeding, in which we are not a party. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we will construe your inaction or failure as consent to comply with the request. Our efforts in complying with such requests or demands will be deemed a part of this engagement and we shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

DOCUMENTATION RETENTION POLICY

At the conclusion of this engagement, we will return to you all original records you supplied to us and any other records we deem to be part of your accounting system. Your Organization records are the primary records for your operations and comprise the backup and support for the results of this engagement. Our records and files, including our engagement documentations, whether kept on paper or electronic media, are our property and are not a substitute for your own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify you that our records relating to your Organizations are to be destroyed. We reserve the right to modify the retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being available before the expiration of the above retention period.

Except as set forth above, you agree that our firm may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements, and representation letters, and retain only digital images thereof.

We appreciate the opportunity to be of service and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

A handwritten signature in black ink, appearing to be "Levin & Hu", written over a horizontal line.

Very truly yours,
Levin & Hu, LLP, CPAs

Acknowledged:

This letter correctly sets forth the understanding of the Management of Friends of Moku'ula and Ka Lua O Kiha, Inc.

Signature: 

Title: EXECUTIVE DIRECTOR

Date: 02.29.2016