

February 14, 2017

Mr. Mark McDonald
California-Nevada-Hawaii District of Kiwanis
8360 Red Oak St., Suite #201
Rancho Cucamonga, CA 91730

Dear Mr. McDonald:

We are pleased to confirm our understanding of the services we are to provide for the California-Nevada-Hawaii District of Kiwanis for the year ended September 30, 2017.

We will audit the statement of financial position of the organizations listed above, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. We will also prepare the federal and state information returns and unrelated business income tax returns for California-Nevada-Hawaii District of Kiwanis for the year ended September 30, 2017.

Audit Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with U.S. generally accepted auditing standards. Our audit will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. 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 or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the organizations or to acts by management or employees acting on behalf of the organizations. Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the organizations and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

The audit documentation for this engagement is the property of Vicenti, Lloyd and Stutzman, LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the Cognizant Agency, Oversight Agency for Audit, Pass-through Entity or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Vicenti, Lloyd and Stutzman, LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Cognizant Agency, Oversight Agency for Audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Management Responsibilities

We understand that you agree to assume all management responsibilities for the tax services and any other nonattest services we will provide oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

We understand that you are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the organizations from whom we determine it necessary to obtain audit evidence. We will advise you about appropriate accounting principles and their applications and will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with you. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in a management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the organizations involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the organizations received in communications from employees, former employees, grantors, regulators, or others. In addition, you are also responsible for identifying and ensuring that the organizations comply with applicable laws and regulations.

You are responsible for the preparation of schedules and other documentation requested during each major phase of audit work. Requested documents will be uploaded to the secure portal hosted by Vicenti, Lloyd & Stutzman LLP five business day prior to the start of fieldwork, provide adequate work space and internet connection, locate any documents selected by us for testing and prepare any confirmations requested.

Informational Tax Returns

We will prepare the Federal Form 990, California Form 199 and RRF-1 informational tax returns for California-Nevada-Hawaii District of Kiwanis for the year ended September 30, 2017. These returns will be prepared using information you provide. The initial due dates for the returns is February 15, 2018. Depending on the progress of the audit and the preparation of the returns, we may extend the returns to May 16, 2018 or August 15, 2018 as necessary. In order to meet the February 15th due date, the audit must be complete and we must have all of the requested information no later than January 15, 2018. In order to meet extended due dates in May and November, we need to have the audit complete and all information received no later than one month prior to the due date.

We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. We will resolve such question in your favor, whenever possible, after discussion of possible alternatives with you. Management has the final responsibility for the information returns, and, therefore, you should review them carefully before you sign and file them.

Your returns may be selected for review by taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred.

Unless requested or unavailable, the federal and state informational returns will be electronically filed. This requires an authorization form to be completed by you once the return is complete.

Administration, Fees, and Other Matters

We understand that your employees will prepare schedules we may request and will locate any documents selected by us for testing.

Derrick DeBruyne is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another CPA to sign it. We expect our audit work to begin in November 2017.

During the term of this Agreement and for twelve months following its termination, the organizations shall not employ any Vicenti, Lloyd & Stutzman LLP employees or partners use by Vicenti, Lloyd & Stutzman LLP in the performance under this agreement, without the prior written consent of Vicenti, Lloyd & Stutzman LLP. Vicenti, Lloyd & Stutzman LLP shall be entitled, in addition to any other remedies it may have at law or in equity, to a payment from the organizations in an amount equal to one year's salary of any partner or employee the organizations employs in violation of this paragraph.

We estimate that our audit fees for the year ended September 30, 2017 will range between \$9,000 and \$10,000. You will also be billed for expenses and other out-of-pocket costs such as postage not to exceed \$100. 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. The fee estimate for the federal and state information tax returns is \$1,400. Our invoices for these fees will be rendered as work progresses and are payable on presentation.

We appreciate the opportunity to be of service to you 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.

Sincerely,



Derrick DeBruyne, CPA, CFE
Partner

RESPONSE: This letter correctly sets forth the understanding of California-Nevada-Hawaii District of Kiwanis.

Officer signature: _____

Title: _____