

Independent Accountants' Report on Applying  
Agreed-Upon Procedures

**Department of Business, Economic Development & Tourism  
State of Hawai'i**

PA'I Foundation

As it relates to the 13<sup>th</sup> Festival of Pacific Arts and Culture

Contract No. 66554

Issued on: December 30, 2021

December 30, 2021

Mr. Mike McCartney, Director  
Department of Business, Economic Development & Tourism  
State of Hawai'i  
250 S. Hotel Street, Room 501  
Honolulu, HI 96813

Dear Mr. McCartney,

This is our report on applying agreed-upon procedures on behalf of the Department of Business, Economic Development & Tourism ("DBEDT") on the accounting records of the 13<sup>th</sup> Festival of Pacific Arts and Culture ("FestPac") as maintained by PA'I Foundation (PA'I).

### **Objectives**

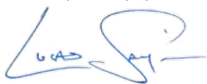
The purpose of the engagement is to apply procedures listed in the attached schedule that were specified and agreed to by DBEDT to be applied against the accounting records of FestPac as maintained by PA'I. Because the agreed-upon procedures do not constitute an examination or review, we will not express an opinion or conclusion on the accounting records or transactions of FestPac. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule.

### **Scope**

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The scope of our procedures was applied all accounting transactions related to FestPac occurring between February 28, 2018 to February 18, 2021.

We wish to express our sincere appreciation for the excellent cooperation and assistance extended by the staff of DBEDT and PA'I.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Lucas Sayin".

Lucas Sayin  
Partner

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## **Independent Accountants' Report on Applying Agreed-Upon Procedures**

Mr. Mike McCartney, Director  
Department of Business, Economic Development & Tourism  
State of Hawai'i

We have performed the procedures enumerated beginning on page two related to the accounting records of the 13<sup>th</sup> Festival of the Pacific Arts and Culture ("FestPac") as maintained by PA'I Foundation ("PA'I") occurring between February 28, 2018 to February 18, 2021 per the contract between PA'I and the Department of Business, Economic Development & Tourism ("DBEDT"). PA'I's management is responsible for the FestPac's accounting records.

DBEDT has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding the accounting records of FestPac as maintained by PA'I. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are presented beginning on page two of this report.

We were engaged by DBEDT to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records of FestPac as maintained by PA'I. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of PA'I and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of DBEDT and is not intended to be and should not be used by anyone other than the specified party.

*Spire Hawaii LLP*

Honolulu, Hawaii  
December 30, 2021

**Department of Business, Economic Development & Tourism  
State of Hawai'i**

PA'I Foundation – 13<sup>th</sup> Festival of Pacific Arts and Culture  
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The procedures and the associated findings are as follows:

1. Inspect all invoices over \$1,000 and vouch to invoice and payment support.  
**Results:** Inspected 38 invoices over \$1,000, no exceptions noted.
2. Verify that a separate PA'I Foundation bank account was opened to account for FestPac funds.  
**Results:** Confirmed, no exceptions noted.
3. Confirm the cash balance of account 0098-11863 with Bank of Hawaii as of January 31, 2021.  
**Results:** Confirmed, no exceptions noted.
4. Agree the confirmed balance as of January 31, 2021 to the amount shown on the bank reconciliation maintained by PA'I Foundation.  
**Results:** Agreed balance per confirmation to balance per bank reconciliation without exceptions.
5. Agree the cash balance of account 0098-11863 as of January 31, 2021 per bank statement to the reconciliation maintained by PA'I Foundation.  
**Results:** Agreed balance per bank statement to balance per bank reconciliation without exceptions.
6. Traced the transfer of principal and interest amounts from three certificate of deposit accounts to account 0098-11863 with Bank of Hawaii.  
**Results:** Confirmed, no exceptions noted.
7. Inspect all sponsorships over \$1,000 received and verify amount to the sponsorship agreement and bank statement.  
**Results:** Confirmed, no exceptions noted.
8. Examine transfer of sponsorship funds to DBEDT.  
**Results:** Confirmed, no exceptions noted.
9. Examine funds received from the State to PA'I Foundation to invoice submitted to DBEDT and payment received to bank statement.  
**Results:** Examined 13 deposits, no exceptions noted.

**Department of Business, Economic Development & Tourism  
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10. Inquire and document PA'I Foundation's contract expenditure processes and procedures.

**Results:** Confirmed, no exceptions noted.