

From: Katha Kissman
Sent: Wednesday, October 17, 2018 5:21 PM
To: C. Amos Bussmann; John A. Papa; Michael Brown Sr.; Michael Toner
Cc: Debbie Dutton
Subject: Cybersecurity Memo, BDO Proposal, and scheduling an Audit Committee meeting
Attachments: Audit Committee Minutes 8.13.15.docx; RFP Response -- Cross, Fernandez & Riley, LLP -- second updated.pdf; MEMO - Cybersecurity Question from 10.9.18 Audit Committee Meeting.docx; Proposal_HBOIF.PDF

Dear Members of the Audit Committee,

Please do not REPLY ALL. Reply to me individually regarding my scheduling question below.

1. Attached please find a Memo addressing the Cybersecurity question raised at the last meeting. Also see <https://information.marshmma.com/acton/attachment/5250/f-05aa/1/-/-/-/2018%20MMA%20Cyber%20Report.pdf>. We can discuss this at our next meeting.
2. Per your direction at the last Audit Committee, we asked BDO to present a proposal for future services. BDO's Melanie Fernandez was pleased to hear that the Foundation was interested in engaging BDO for five more years (FY19, FY20, FY21, FY22, FY23 Audits), with the stipulation of a lead audit partner rotation with the FY21 Audit. She explained that rules prevent them from entering into a five year engagement contract; engagement contracts have to be signed on a year by year basis. However, she told me she could provide a proposal of fees for five years (attached) which I believe is what we were most interested in securing at this time. She also concurred that a lead audit partner rotation would be done and you will note in the proposal that she has built in a flat fee for out-of-pocket travel costs related to mileage, meal allowances and hotel which not will not exceed the fee as quoted for each year.

For your convenience, attached please find the original proposal from Cross, Fernandez, and Riley, LLC which we received prior to their merger with BDO. Please note that they have quoted the same fee for FY19 as we paid for FY18 (which was less than originally proposed) and are proposing an approximately 3% (rounded) increase in the following 4 years for both Audit and 990 Prep.

3. We will need to convene the Audit Committee to discuss this proposal. As long as we do this prior to our January Board Meeting, we are in good shape – I suggest we find a time in December or early January to have this meeting. Would any of the following dates and times work for you:

December 13 – 10:00-10:30, 10:30-11:00, 11:00-11:30, 11:30-12:00, 4:00-4:30, 4:30-5:00
January 10 -- 10:00-10:30, 10:30-11:00, 11:00-11:30, 11:30-12:00, 4:00-4:30, 4:30-5:00

I look forward to hearing from you.

Katha

Katha Kissman | President & CEO

Harbor Branch Oceanographic Institute Foundation

5600 US 1 North | Fort Pierce | FL 34946

772-466-9876, x 200 – office; 202-669-4423 – cell; 772-466-9878 -- fax

kkissman@hboifoundation.org | www.hboifoundation.org

HARBOR BRANCH OCEANOGRAPHIC INSTITUTE
FOUNDATION