

DRAFT

September XX, 2015

To the Board of Directors
Harbor Branch Oceanographic Institute Foundation, Inc.
Fort Pierce, Florida

In planning and performing our audit of the financial statements of the Harbor Branch Oceanographic Institute Foundation, Inc. for the years ended June 30, 2015 and June 30, 2014, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. However, we noted certain matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the Harbor Branch Oceanographic Institute Foundation, Inc.'s ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

Internal Control

The small size of the organization's accounting and administrative staff precludes certain internal controls that would be preferred if the staff were large enough to provide optimum segregation of function. We recommend that the Board of Director's remain active in the day to day operations of the Foundation.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the reportable conditions described above is believed to be a material weakness.

This report is intended solely for the information and use of the Harbor Branch Oceanographic Institute Foundation, Inc.'s Management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida