

**HARBOR BRANCH OCEANOGRAPHIC INSTITUTE FOUNDATION, INC**  
**5600 U.S. 1 North**  
**Fort Pierce, Florida 34946**

October 7, 2014

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
600 Citrus Avenue, Suite 200  
Fort Pierce, Florida 34950

This representation letter is provided in connection with your audit of the statement of financial position of Harbor Branch Oceanographic Institute Foundation, Inc. as of June 30, 2014 and the related statements of activities, cash flows and functional expenses for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the statements of assets and net assets, support and expenses and changes in net assets, changes in cash and functional expenses of Harbor Branch Oceanographic Institute Foundation, Inc., in accordance with the cash basis of accounting.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, as of June 30, 2014:

***Financial Statements***

1. We have fulfilled our responsibility, as set out in the terms of the audit engagement dated March 11, 2014, for the preparation and fair presentation of the financial statements, in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosures have been adjusted or disclosed.
7. The effects of unadjusted misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.

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8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
9. The following have been properly recorded and/or disclosed in the financial statements:
  - Guarantees, whether written or oral, under which the Foundation is contingently liable.
  - Amounts of contractual obligations for plant construction and/or purchase of real property, equipment, other assets, and intangibles.
  - All significant estimates known to management that are required to be disclosed in accordance with the FAS ASC 275, *Risks and Uncertainties*. Significant estimates are estimates at the balance sheet date that could change materially within the next year.
  - Assets and liabilities measured at fair value in accordance with FAS ASC 820, *Fair Value Measurements and Disclosures*.

**Information Provided**

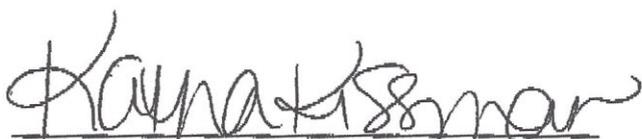
10. We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and related data.
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - Minutes of the meetings of directors, and committees of directors, and summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All transactions have been recorded in the accounting records and are reflected in the financial statements.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of allegations of fraud or suspected fraud, affecting the Foundation involving:
  - a. Management or employees who have significant roles in the internal control, or any former employees.
  - b. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the Foundation's financial statements received in communications from employees, former employees, or others.

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15. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
16. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.
18. We are not aware of any significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Foundation's ability to record, process, summarize, and report financial data.
19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. Other than discussed with you, Harbor Branch Oceanographic Institute Foundation, Inc. has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities or net asset balances.
21. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and my assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
  - a. To reduce receivables to their estimated net collectible amounts.
22. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that *near term* means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Foundation vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
23. There are no:
  - a. Violations or possible violations of laws, regulations or provisions of contracts and grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by FAS ASC 450, *Contingencies*.
24. Harbor Branch Oceanographic Institute Foundation, Inc. has satisfactory title to all owned assets.

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25. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
26. With respects to supplementary information presented in relation to the financial statements as a whole:
  1. We acknowledge our responsibility for the presentation of such information.
  2. We believe such information, including its form and content, is fairly presented in accordance with the cash basis of accounting.
27. We are responsible for determining that significant events or transactions that have occurred since the balance sheet date and through the date that the financial statements were issued have been recognized or disclosed in the financial statements. No events or transactions, other than those disclosed in the financial statements, have occurred subsequent to the balance sheet date and through the date that the financial statements were issued, that would require recognition or disclosure in the financial statements. We further represent that as of the date the financial statements were issued, the financial statements were complete in a form and format that complied with the cash basis of accounting, and all approvals necessary for issuance of the financial statements had been obtained.



Katha Kissman, President & CEO  
Harbor Branch Oceanographic Institute Foundation, Inc.



Colleen Brennan, Director of Operations  
Harbor Branch Oceanographic Institute Foundation, Inc.