



Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

(850) 837-3141
(850) 654-4619 (fax)
CRlcpa.com

August 8, 2017

The Board of Directors and Management
Emerald Coast Association of Realtors, Inc.

We are pleased to present the results of our audit of the 2016 financial statements of Emerald Coast Association of Realtors, Inc. ("ECAR").

This report to the Board of Directors and management summarizes our audit, the report issued and various analyses and observations related to ECAR's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express an opinion on ECAR's 2016 financial statements. We considered ECAR's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of ECAR personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the Board of Directors, management and others within ECAR and should not be used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 850-837-3141 or bnunnally@cricpa.com.

Very truly yours,

A handwritten signature in blue ink that reads "Bruce A. Nunnally".

Bruce Nunnally, CPA
Partner

Required Communications

As discussed with the Board of Directors and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for ECAR. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board of Directors, in accordance with auditing standards generally accepted in the United States of America, in order to express an opinion on the ECAR's financial statements for the year ended December 31, 2016;
- Communicate directly with the Board of Directors and management regarding the results of our procedures; and
- Address with the Board of Directors and management any accounting and financial reporting issues.

We have audited the financial statements of Emerald Coast Association of Realtors, Inc. for the year ended December 31, 2016, and have issued our report thereon dated August 8, 2017. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Auditor's responsibility under Generally Accepted Auditing Standards	See our engagement letter dated November 28, 2016.
Client's responsibility	See our engagement letter dated November 28, 2016.
Planned scope and timing of the audit	See our engagement letter dated November 28, 2016.
Significant accounting policies, sensitive estimates, and significant disclosures	See the following section titled "Accounting Policies, Sensitive Estimates and Significant Disclosures."
Significant difficulties encountered in the audit	None.
Disagreements with management	None.
Other findings or issues	Please see the following section titled "Management Letter Comments."
Corrected and uncorrected misstatements	Please see the following section titled "Summary of Audit Adjustments."

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Matters arising from the audit that were discussed with, or the subject of correspondence with, management	None.
Consultations with other accountants	None of which we are aware.
Written representations	We have requested certain representations from management that are included in the management representation letter dated August 8, 2017.

Accounting Policies, Sensitive Estimates and Significant Disclosures

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Association are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. In addition, certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The following table identifies sensitive estimates and significant disclosures.

MATTER TO BE COMMUNICATED	SENSITIVE ESTIMATE OR SIGNIFICANT DISCLOSURE
Note 7 – Concentration of cash credit risk	Significant disclosure

Summary of Audit Adjustments

During the course of our audit, we accumulate differences between amounts recorded by the Association and amounts that we believe are required to be recorded under GAAP. Those adjustments are either recorded (corrected) by the Association or passed (uncorrected). In connection with our audit, we proposed the following material adjustments which were corrected by management:

- An adjustment totaling approximately \$104,000 to record current year depreciation expense.
- An adjustment totaling approximately \$28,000 to record current year disposals.
- An adjustment totaling approximately \$28,000 to record capital lease and related obligation.
- An adjustment totaling approximately \$22,000 to accrue 2016 MLS expenses incurred as of year-end.

In connection with our audit, we identified no uncorrected adjustments in the current year.

Management Letter Comments

The Board of Directors of
Emerald Coast Association of Realtors, Inc.

In planning and performing our audit of the financial statements of Emerald Coast Association of Realtors, Inc. ("the Association") as of and for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Association's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

However, during our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. The table that accompanies this letter summarizes our comment and suggestion regarding that matter. This letter does not affect our report dated August 8, 2017, on the financial statements of Emerald Coast Association of Realtors, Inc.

We will review the status of our comment during our next audit engagement. We have already discussed the comment and suggestion with various Association personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management and Board of Directors, and is not intended to be, and should not be, used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
August 8, 2017

Management Letter Comments

The following legend should be used in conjunction with reviewing the significance of each of the identified internal control items:

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness
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ITEM	RATING	AREA	ITEM NOTED	SUGGESTION
1	IP	Cash Deposits	During our audit procedures, we noted that certain member cash receipts and check payments were not being deposited in a timely manner.	CRI recommends that ECAR makes it a policy and practice to deposit all cash receipts and checks within five business days in order to prevent potential theft, fraud, accounting errors, or risk that checks are never deposited.