CPAS / ADVISORS

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April 30, 2019

Board of Directors
Indiana Association of REALTORS®, Inc.
Indianapolis, Indiana

Dear Members of the Board:

We have audited the consolidated financial statements of Indiana Association of REALTORS®, Inc. (the Organization) for the year ended December 31, 2018, and have issued our report thereon dated as of the date of this letter. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 5, 2019. Professional standards also require that we communicate to you the following information related to our audit.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

As stated in our engagement letter dated December 21, 2018 our responsibility, as described by professional standards, was to express an opinion about whether the consolidated financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our responsibility was to plan and perform the audit to obtain reasonable, but not absolute, assurance that the consolidated financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Organization. Such consideration was solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we were not required to design procedures specifically to identify such matters. Our audit of the consolidated financial statements does not relieve you or management of your responsibilities.

SIGNIFICANT AUDIT FINDINGS

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Organization are described in Note 2 to the consolidated financial statements. As discussed in Note 3 to the consolidated financial statements, effective January 1, 2018, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update 2016-14, *Not-for-Profit Entities –*

Presentation of Financial Statements of Not-for-Profit Entities. No other 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 Organization during the year for which there is a lack of authoritative guidance or consensus. We noted no significant transactions that have been recognized in the consolidated financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based upon 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 consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

We believe the disclosures in the consolidated financial statements are neutral, consistent and clear.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We identified no material misstatements as a result of our audit procedures.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the consolidated financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated as of the date of this letter.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principle to the Organization's consolidated financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all of the relevant facts. To our knowledge, there were no such consultations.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER INFORMATION IN DOCUMENTS CONTAINING CONSOLIDATED AUDITED FINANCIAL STATEMENTS

With respect to the supplementary information accompanying the consolidated financial statements, we made certain inquiries of management and evaluated the form, content, methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the consolidated financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

OUR RECOMMENDATIONS FOR YOUR ORGANIZATION

During the course of an audit, we frequently become aware of matters which are opportunities to strengthen internal controls or improve operating efficiency or effectiveness.

FOLLOW-UP TO RECOMMENDATIONS MADE DURING THE 2017 AUDIT

We would like to briefly follow up on our recommendation that was included in our management letter to you dated April 17, 2018.

Implement Processes to Properly Monitor and Comply with Covenants

Given the significant expansion of activities and complexities that arose as a result of the organizational restructure, there were several new compliance requirements for the Organization to be aware of. Some of those compliance requirements are summarized below:

- External debt covenants, including quarterly and annual financial reporting requirements as well as the maintenance of several financial ratios

- Internal intercompany debt covenants, including financial ratios

- External investor covenants, including quarterly and annual financial reporting requirements, construction progress reports, cost certification reports, as well as the maintenance of several financial ratios and adherence and analysis of actual expenditures to approved budget amounts

We recommended that management work to clearly identify all specific reporting and compliance requirements, develop a process by which those requirements can be tracked and reported on in a timely manner, and designate responsibilities and time budgets for completion accordingly. It is important that management and accounting personnel work together to understand all requirements and develop this process.

We again recommend that requirements are reviewed and considered by management moving forward to ensure all requirements are being met in a timely manner.

CURRENT YEAR RECOMMENDATION

During the course of our 2018 audit, we have developed the following recommendation for your consideration.

Periodic Review of Authorized Administrators and Signers

We recommend the Organization consider implementing a control to formally review and approve the authorized signers on each bank account, as well as credit card accounts. Due to turnover of key management personnel this year, as well as normal term transitions at the Board level, the authorized signers on accounts are often updated to add new signers. However, it is not uncommon to discover that formerly authorized signers remain on accounts because the institution was not instructed to remove the individual(s) or the institution failed to remove the individual(s) upon request. As a result, we recommend the Organization obtain a current listing of authorized signers on each account to review and approve. The Organization should then consider a implementing a policy to periodically review and update the authorized signers.

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

We appreciate this opportunity to be of service and extend our thanks to everyone at the Organization for their cooperation and assistance. We would be pleased to discuss any of the above matters with you at your convenience.

Very truly yours,

Blue & Co., LLC