

November 20, 2017

Plante & Moran, PLLC  
537 E. Pete Rose Way  
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Cincinnati, OH 45202

Auditors:

We are providing this letter in connection with your audit of the financial statements of WBAA AM/FM Radio Station (the "Station") as of June 30, 2017 and 2016 and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, changes in net assets, and cash flows of WBAA AM/FM Radio Station in accordance with accounting principles generally accepted in the United States (U.S. GAAP). We accept responsibility for the preparation and fair presentation of the statements of financial position, changes in net assets, and cash flows in accordance with U.S. GAAP. We also confirm that we are responsible for the presentation of any required supplemental (RSI) or supplementary information (SI) to which you have provided an opinion in relation to the financial statements as a whole. We believe that this information, including its form and content, is fairly presented in accordance with the applicable criteria.

We acknowledge our responsibility for the completeness of the financial statements, and 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 and for the design, implementation, and maintenance of internal control to prevent and detect fraud. 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. We also acknowledge our responsibility for providing you with all relevant information and access.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

For purposes of disclosure in this letter, individual matters related to financial amounts and disclosures should be considered material if in excess of \$8,000. However, materiality limits do not apply to representations that are not directly related to amounts included in the financial statements or to any item regarding fraud by management or employees who have significant roles in internal control.

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 the date of this letter, the following representations made to you during your audit.

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, as extended through amendment #2 and dated June 23, 2016, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We are unaware of any violations of U.S. GAAP in the Station's accounting principles and the practices and methods followed in applying them.
3. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
4. There have been no changes during the year in the Station's accounting principles and practices or in the methods of applying them.
5. We are not aware of any litigation, claims, unasserted claims or assessments that should be accrued or disclosed in the financial statements in accordance with Accounting Standards Codification Topic

Section 450, "*Contingencies*", and we have not consulted a lawyer concerning any litigation, claims or assessments, asserted or unasserted.

6. The Station has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
7. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
8. There are no:
  - a. Related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing agreements, guarantees and pledges of Station assets as collateral, including the provision of products or services without charge except for those with Purdue University and the Purdue University Research Foundation.
  - b. Guarantees and pledges of Station assets as collateral, whether written or oral, under which the Station is contingently liable.
  - c. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
  - d. Lines-of-credit or similar arrangements.
  - e. Agreements to repurchase assets previously sold.
  - f. Violations or possible violations of laws or regulations whose effect should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - g. Circumstances that we are aware of that make it reasonably possible that the Station would be named a responsible party in the remediation of environmental contamination.
  - h. Other material liabilities or loss contingencies for which the risk that the Station will suffer a loss in excess of \$8,000 is more than remote.
  - i. Designations of net assets disclosed to you that were not properly authorized and approved.
9. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
10. Adequate provision has been made to cover possible losses that may result from:
  - a. The collection of receivables.
  - b. Purchase or sales commitments.
  - c. Impairments of long-lived assets.
11. The Station has satisfactory title to all owned assets and there are no liens or encumbrances on such assets nor has any asset been pledged.
12. All significant contracts and contracts not in the normal course of business entered into by the Station have been presented to you for your evaluation.
13. The Station has no deferred compensation plans or share based compensation plans sponsored by the Station, or any related party.
14. The Station has complied with all aspects of contractual agreements, grants, and donor restrictions that would have a material effect on the financial statements in the event of noncompliance, including:
  - a. Financial and operating regulations of funding agencies.
  - b. Restrictions on the use of gifts, bequests, endowment funds and other resources, including maintaining an appropriate composition of assets in amounts needed to comply with all donor restrictions.

15. All significant estimates and material concentrations, as hereinafter defined, known to us have been disclosed to you. Significant estimates are those estimates used in the development of accounting information that could change materially within the next year. Material concentrations refer to concentrations in the volume of business, revenue sources, the sources of supply, and markets in which we operate, that make us vulnerable to events that could occur within the next year that would have a significant disruptive effect on the Station.
16. All net position balances have been properly classified as investment in capital assets, restricted expendable, and unrestricted.
17. We believe that the actuarial assumptions and methods used to measure pension liabilities, post-retirement liabilities, and malpractice liabilities for financial accounting purposes are appropriate in the circumstances. We have adequately considered the qualifications of the actuary in determining the amounts and disclosures used in the financial statements and underlying accounting records. We are not aware of any matters that have had an impact on the independence or objectivity of the actuary.
18. There are no interim financial statements available as of a date subsequent to the date of the statements you are auditing.
19. If we publish our financial statements in any manner that includes your auditor's report or any other reference to Plante Moran, it is understood that we will allow you to review such publication prior to production.
20. We are responsible for the basis of allocation of functional expenses and the basis of allocation is a reasonable and acceptable method.
21. We are responsible for the allocation of indirect costs and the basis of allocation is a reasonable and acceptable method.

### **Information Provided**

1. We have provided you with:
  - a. 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 other matters;
  - b. Additional information that you have requested from us for the purpose of the audit;
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have no knowledge of any fraud or suspected fraud that affects the Station and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others when the fraud could have a material effect on the financial statements.
4. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Station's financial statements communicated by employees, former employees, analysts, regulators or others.
5. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
6. We have disclosed to you all significant assumptions or interpretations underlying the measurement or presentation of the RSI and SI.