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CERTIFIED PUBLIC ACCOUNTANTS

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January 25, 2019

To the Texas Tech University System Board of Regents
Texas Tech Public Media
Lubbock, Texas

We have audited the financial statements of Texas Tech Public Media for the year ended August 31, 2018, and have issued our report thereon dated January 25, 2019. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated November 12, 2018, our responsibility, as described by professional standards, is to express an opinion about whether the 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 is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of Texas Tech Public Media. Such considerations were 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 are not required to design procedures specifically to identify such matters. Our audit of the financial statements does not relieve you or management of your responsibilities.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to management's discussion and analysis and net pension and other postemployment benefit (OPEB) liability information, which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining balance sheets, statements of revenues, expenses and changes in net position, and cash flows, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and 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 financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing Texas Tech Public Media's financial statements and report does not extend beyond the financial information identified in the report, in addition we do not have an obligation to perform any procedures to corroborate other information contained in these documents.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and meetings about planning matters.

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 Texas Tech Public Media are described in the notes to the financial statements. During the year Texas Tech Public Media adopted GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

We noted no transactions entered into by Texas Tech Public Media during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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. The most sensitive estimates affecting the financial statements were the rates used to calculate depreciation and the estimate of its proportionate share of the net pension liability and net OPEB liability. Management's estimate of the depreciation rate is a composite rate based on industry accepted guidelines and the rates are within those guidelines. We evaluated the key factors and assumptions used to develop the depreciation rate in determining that it is reasonable in relation to the financial statements taken as a whole. Management's estimate of their proportionate share for the pension and OPEB liabilities were based on various reports from Teacher Retirement System of Texas (TRS) and Employees Retirement System of Texas (ERS). The reports are based on the audited financial statements of the plans. We evaluated the key factors and assumptions used to develop the pension and OPEB liabilities and related amounts in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are disclosed in notes to the financial statements, which are related to Texas Tech Public Media's related party transactions and defined benefit pension plan and OPEB plan.

The disclosures in the 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. Management has corrected all such misstatements. All adjustments made as a part of this audit are attached to this letter.

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 financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 25, 2019.

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 application of an accounting principle to Texas Tech Public Media's 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 the relevant facts. To our knowledge, there were no such consultations with other accountants.

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 Texas Tech Public Media'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 Matters

We applied certain limited procedures to the Management Discussion and Analysis and information related to pension and other postemployment benefit (OPEB) liabilities, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of Texas Tech Public Media and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Client: **82240 - Texas Tech Public Media**
Engagement: **2018 Texas Tech Public Media**
Period Ending: **8/31/2018**
Trial Balance: **017 - Radio - Working Trial Balance**
Workpaper: **017b - Radio - Adjusting Journal Entries**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
To record pledges receivable				
20.1210	Pledges Receivable		12,234.00	
20.4000	Contributions			12,234.00
Total			12,234.00	12,234.00
Adjusting Journal Entries JE # 2				
To reclassify radio prepaid programming rights				
20.1310	Licensed Program Rights		5,492.00	
20.1300	Prepaid Expenses			5,492.00
Total			5,492.00	5,492.00
Adjusting Journal Entries JE # 3				
To reclassify accrued payroll				
20.1000	Cash and Cash Equivalents		46,118.00	
20.2200	Accrued Payroll			46,118.00
Total			46,118.00	46,118.00
Adjusting Journal Entries JE # 4				
To record GASB 68 amounts				
20.2800	Net Pension Liability		67,421.00	
20.1900	Pension Outflows			32,687.00
20.2900	Pension Inflows			21,861.00
20.5000	Programming and Production			5,282.00
20.5100	Broadcasting			1,302.00
20.5200	Program Information			1,420.00
20.5300	Management and General			2,605.00
20.5400	Fund Raising and Membership Development			2,264.00
Total			67,421.00	67,421.00
Adjusting Journal Entries JE # 5				
To record depreciation				
20.5000	Programming and Production		32,066.00	
20.5100	Broadcasting		12,694.00	
20.1510	Transmitter, antenna and tower			17,015.00
20.1520	Broadcasting and production equipment			25,727.00
20.1530	Office furniture, fixtures, & equipment			1,635.00
20.1600	Accumulated depreciation			383.00
Total			44,760.00	44,760.00
Adjusting Journal Entries JE # 6				
To record GASB 75				
20.1950	OPEB Outflows		11,124.00	
20.3000	Net Assets		443,729.00	
20.5000	Programming and Production		3,829.00	
20.5100	Broadcasting		943.00	
20.5200	Program Information		1,029.00	
20.5300	Management and General		1,889.00	
20.5400	Fund Raising and Membership Development		1,642.00	
20.2850	Net OPEB Liability			380,135.00
20.2950	OPEB Inflows			84,050.00
Total			464,185.00	464,185.00
Adjusting Journal Entries JE # 7				
To record accrual of compensated absences and record accrual amounts that should have been in prior year				
20.3000	Net Assets		32,209.00	
20.5000	Programming and Production		9,370.00	
20.5100	Broadcasting		4,341.00	
20.5200	Program Information		2,046.00	
20.5300	Management and General		4,581.00	
20.5400	Fund Raising and Membership Development		2,027.00	
20.2250	Accrued Employee Compensated Absences			32,209.00
20.2250	Accrued Employee Compensated Absences			22,365.00
Total			54,574.00	54,574.00
Adjusting Journal Entries JE # 8				
To record indirect admin support				
20.5300	Management and General		94,792.00	
20.4250	TTU Support Indirect			94,792.00
Total			94,792.00	94,792.00
Total Adjusting Journal Entries			789,576.00	789,576.00
Total All Journal Entries			789,576.00	789,576.00

Client: **82240 - Texas Tech Public Media**
Engagement: **2018 Texas Tech Public Media**
Period Ending: **8/31/2018**
Trial Balance: **017 - TV - Working Trial Balance**
Workpaper: **017b - TV - Adjusting Journal Entries**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
To record pledges receivable				
10.1210	Pledges Receivable		29,475.00	
10.4000	Individual Contributions			29,475.00
Total			29,475.00	29,475.00
Adjusting Journal Entries JE # 2				
To correct TV programming rights				
10.1310	Licensed Program Rights		269,340.00	
10.5000	Programming and Production		65,767.00	
10.1300	Prepaid Expenses			335,107.00
Total			335,107.00	335,107.00
Adjusting Journal Entries JE # 3				
To reclassify accrued payroll				
10.1000	Cash and Cash Equivalents		68,750.00	
10.2200	Accrued Payroll			68,750.00
Total			68,750.00	68,750.00
Adjusting Journal Entries JE # 4				
To record GASB 68 amounts				
10.2800	Net Pension Liability		88,410.00	
10.1900	Pension Outflows			42,863.00
10.2900	Pension Inflows			28,666.00
10.5000	Programming and Production			8,143.00
10.5100	Broadcasting			2,306.00
10.5200	Program Information			1,132.00
10.5300	Management and General			3,535.00
10.5400	Fund Raising and Membership Development			1,765.00
Total			88,410.00	88,410.00
Adjusting Journal Entries JE # 5				
To record depreciation				
10.1520	Broadcasting and production equipment		509,093.00	
10.1600	Accumulated depreciation		475,369.00	
10.5000	Programming and Production		9,018.00	
10.5100	Broadcasting		144,583.00	
10.5300	Management and General		28,190.00	
10.1500	Building			34,097.00
10.1510	Transmitter, antenna and tower			1,096,881.00
10.1530	Office equipment, furniture & fixtures			35,275.00
Total			1,166,253.00	1,166,253.00
Adjusting Journal Entries JE # 6				
To record GASB 75				
10.1950	OPEB Outflows		14,293.00	
10.3000	Net Assets		570,045.00	
10.5000	Programming and Production		5,783.00	
10.5100	Broadcasting		1,637.00	
10.5200	Program Information		804.00	
10.5300	Management and General		2,510.00	
10.5400	Fund Raising and Membership Development		1,252.00	
10.2850	Net OPEB Liability			488,348.00
10.2950	OPEB Inflows			107,976.00
Total			596,324.00	596,324.00
Adjusting Journal Entries JE # 7				
To record accrual of compensated absences and record accrual amounts that should have been in prior year				
10.3000	Net Assets		62,710.00	
10.5000	Programming and Production		4,032.00	
10.5100	Broadcasting		1,868.00	
10.5200	Program Information		880.00	
10.5300	Management and General		1,971.00	
10.5400	Fund Raising and Membership Development		873.00	
10.2250	Accrued Employee Compensated Absences			62,710.00
10.2250	Accrued Employee Compensated Absences			9,624.00
Total			72,334.00	72,334.00
Adjusting Journal Entries JE # 8				
To record indirect admin support				
10.5000	Programming and Production		17,788.00	
10.5300	Management and General		160,090.00	
10.4250	Donated indirect admin support (TTU)			177,878.00
Total			177,878.00	177,878.00
Total Adjusting Journal Entries			2,534,531.00	2,534,531.00
Total All Journal Entries			2,534,531.00	2,534,531.00