Student Media Corporation

A Component Unit of the University of Northern Colorado

Financial and Compliance Audit

June 30, 2005 and 2004

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Student Media Corporation
A Component Unit of the University of Northern Colorado
June 30, 2005 and 2004

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Student Media Corporation
A Component Unit of the University of Northern Colorado
Accountants' Findings and Recommendations

Segregation of Duties

Segregation of accounting duties is an essential element of effective internal controls, involving the separation of custody of assets from related recording of transactions. Segregation of conflicting duties within Student Media Corporation's (the Corporation) accounting department is difficult because there is only one full-time employee. While management must consider the costs versus benefits of additional control procedures or the addition of new personnel, it is important for management and the Board of Directors to be aware of this risk. This risk is increased due to the lack of monthly bank reconciliations noted in Recommendation No. 2.

Recommendation No. 1

Student Media Corporation should consider the costs versus benefits of additional control procedures or the addition of new personnel and the Board of Directors should consider potential risks related to conflicting duties when reviewing financial statements, transactions or other internal reports.

Bank Reconciliation

During our testing of unpredictability, we discovered that the Corporation has not been performing monthly bank reconciliations since the Corporation opened its own bank account and discontinued the use of the account "Cash held with UNC." Bank reconciliations are an important internal control. Without this control in place, there is a risk that errors and irregularities could go undetected.

Recommendation No. 2

The Corporation should perform monthly bank reconciliations of its bank account in a timely manner to help ensure that transactions are recorded accurately and in the correct period.

The Great Colorado Payback

During the testing of miscellaneous income, we discovered $1,444 recorded as miscellaneous income related to an outstanding check, which was cancelled due to the check being issued over one year ago.

Recommendation No. 3

The Corporation should record a liability to the Great Colorado Payback for the amount of the outstanding check and for other disbursements that remain outstanding for an extended period of time.

Student Media Corporation
A Component Unit of the University of Northern Colorado
Disposition of Prior Audit Recommendation

Summary of Progress in Implementing Prior Audit Recommendation

The audit report for year ended June 30, 2004 included one recommendation. The disposition of these audit recommendation as of September 13, 2005 was as follows:

	Recommendation	Disposition
1	Improve segregation of duties	Comment repeated

Independent Accountants' Report

Members of the Legislative Audit Committee:

We have audited the accompanying basic financial statements of Student Media Corporation (the Corporation), a component unit of the University of Northern Colorado (the University), as of and for the years ended June 30, 2005 and 2004, as listed in the table of contents. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Student Media Corporation as of June 30, 2005 and 2004, and its changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying management's discussion and analysis as listed in the table of contents is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

\s\ **BKD, LLP**

September 13, 2005

Student Media Corporation
A Component Unit of the University of Northern Colorado
Management's Discussion and Analysis
June 30, 2005 and 2004

Management's Discussion and Analysis

This section of the Student Media Corporation (the Corporation) annual financial report presents management's discussion and analysis of the financial performance of the Corporation during the fiscal year ended June 30, 2005. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with the financial statements and footnotes.

The discussion and analysis is designed to focus on current activities, resulting changes and currently known facts. The financial statements, footnotes and this discussion are the responsibility of management.

Financial Highlights

Selected financial highlights for the fiscal year ended June 30, 2005 include:

- Corporation assets totaled $167,955 with liabilities of $1,712 resulting in net assets of $166,243.
- Capital assets of $85,997 comprised 51% of the Corporation's assets.
- Total revenue was $317,935, made up of $279,410 in advertising revenue, $37,500 in student fees and $1,025 in interest income.
- Operating expenses totaled $280,639, including $149,707 in personnel expenses.
- Student-fee funding from the University of Northern Colorado (the University or UNC) in the amount of $37,500 was received and used to pay for part of the $53,742 it costs to print The Mirror.

Using This Annual Report

The three financial statements – the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows – present financial information using the economic resources measurement focus and the accrual basis of accounting. The information provided in these statements speaks to the financial health of the Corporation, with relevant non-financial facts provided in the Discussion and Analysis section.

The Statements of Net Assets includes all assets and liabilities. It is prepared under the accrual basis of accounting whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service regardless of when cash is exchanged.

The Statement of Revenues, Expenses and Changes in Net Assets presents revenues earned and expenses incurred during the fiscal year. Activities are reported as either operating or nonoperating, in accordance with GASB Statement 34.

The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash and cash equivalents resulting from four defined types of activities. It provides answers to such questions as, where did the cash come from, what was the cash used for and what was the change in cash and cash equivalents during the reporting period.

Statement of Net Assets

The Statement of Net Assets is a financial snapshot of Student Media Corporation. It presents the Corporation's assets, liabilities and net assets. Assets and liabilities are classified by liquidity as either current or non-current. Net assets are classified by the ways in which they may be used for future operations. The following is a condensed statement of the Corporation's net assets at June 30, 2005, 2004 and 2003:

Condensed Statement of Net Assets
June 30,

	2005	2004	2003
Assets			
Current assets	$ 81,958	$ 47,465	$ 32,138
Capital assets	85,997	91,181	96,893
Total assets	$ 167,955	$ 138,646	$ 129,031
Liabilities			
Current liabilities	$ 1,712	$ 9,699	$ 2,007
Net Assets			
Invested in capital assets, net of debt	85,997	91,181	96,893
Unrestricted	80,246	37,766	30,131
Total net assets	166,243	128,947	127,024
Total liabilities and net assets	$ 167,955	$ 138,646	$ 129,031

Cash and cash equivalents of $65,892 and $37,603 comprised 39% and 27%, respectively, of the Corporation's assets at June 30, 2005 and 2004, respectively.

The capital assets consist of the Corporation's single-largest fiscal resource, its building, land and equipment totaling $85,997 and $91,181 at June 30, 2005 and 2004, respectively. These amounts are net of accumulated depreciation of $67,085 and $59,802, respectively.

The Corporation's commitments of resources include amounts owed to vendors and accrued expenses.

Net assets which represent the difference between the Corporation's assets and liabilities, total $166,243. The Corporation's largest class of assets is its capital assets, which comprise approximately 52% of the Corporation's net assets.

Statement of Revenues, Expenses and Changes in Net Assets

This statement presents the financial activity of the Corporation during fiscal years 2005, 2004 and 2003. The focus is on operating revenues and expenses:

Condensed Statements of Revenues, Expenditures and Changes in Net Assets

	2005	2004	2003
Operating Revenues	$ 279,410	$ 219,615	$ 210,287
Operating Expenses			
Program services	195,493	177,515	171,493
Management and general	85,146	78,589	82,537
Total operating expenses	280,639	256,104	254,030
Operating Loss	(1,229)	(36,489)	(43,743)
Nonoperating Revenues			
Student fees	37,500	37,500	37,500
Other	1,025	912	1,800
Increase (Decrease) in Net Assets	37,296	1,923	(4,443)
Net Assets, Beginning of Year	128,947	127,024	131,467
Net Assets, End of Year	$ 166,243	$ 128,947	$ 127,024

Revenue in fiscal year 2005 from all sources total $317,935, with $279,410 or 88% of that being advertising revenue. Advertising revenue was up 27% from $219,615 in fiscal year 2004 primarily because of increased local advertising sales due to hard work by The Mirror staff members and the healthy Northern Colorado economy. In addition, classified ad rates were increased because a classified section was added to The Online Mirror.

Revenue in fiscal year 2004 from all sources totaled $258,027, with $219,615 or 85% of that being advertising revenue. Advertising revenue was up 4.4% from $210,287 in fiscal year 2003 due to increased local advertising sales and improvement to the Corporation's twice-yearly coupon book.

Operating expenses of $280,639 and $256,104 comprise the largest part of expenses during fiscal years 2005 and 2004:

	2005		2004	
Program services	$ 195,493	69.7%	$ 177,515	69.3%
Management and general	85,146	30.3	78,589	30.7
Total operating expenses	$ 280,639	100.0%	$ 256,104	100.0%

For a natural classification perspective, the largest expenditure in fiscal years 2005 and 2004 is for personnel.

	2005		2004	
Salaries and benefits	$ 149,707	53.3%	$ 142,800	55.8%
Other operating expenses	123,649	44.1	105,792	41.3
Depreciation	7,283	2.6	7,512	2.9
Total operating expenses	$ 280,639	100.0%	$ 256,104	100.0%

Other operating expenses were up due to a slight increase in printing expense during fiscal year 2005.

Statement of Cash Flows

This statement provides information about the cash activity in fiscal years 2005, 2004 and 2003. A summary is presented here with more detail on the actual statement:

	2005	2004	2003
Cash Flows Provided By (Used in)			
Operating activities	$ (8,137)	$ (30,171)	$ (25,658)
Noncapital financing activities	37,500	37,500	37,500
Capital financing activities	(2,099)	(1,800)	(32,746)
Investing	1,025	912	1,360
Net Increase (Decrease) in Cash	28,289	6,441	(19,544)
Cash, Beginning of Year	37,603	31,162	50,706
Cash, End of Year	$ 65,892	$ 37,603	$ 31,162

Economic Outlook

The Corporation's financial future depends on support from UNC and successful advertising sales by the students who work at The Mirror. Student-fee funding was $37,500 in fiscal year 2005 and fortunately is set for the next five years at $3.17 per student plus a CPI adjustment. Student fees are critical to The Mirror's financial stability because the students who work at the newspaper cannot sell enough advertising to cover all expenses, which increase every year.

A subscription fee contract between UNC and the Corporation that will start July 1, 2005, will help the financial stability of the Corporation because student-fee funding will remain consistent from year to year. This stable revenue stream should allow the Corporation to replace outdated technology, provide more training for students and put out a better product.

Successful advertising sales are also critical to the Corporation's financial future. UNC students sell all advertising in The Mirror. Depending on the talent of the student advertising staff in a given year, advertising revenues can go up or down. The health of the economy, both locally and nationally, also impacts sales.

The Corporation revised its bylaws and articles of incorporation in 2005 to eliminate UNC's ability to elect a majority of the Corporation's governing board.

Student Media Corporation
A Component Unit of the University of Northern Colorado
Statements of Net Assets
June 30, 2005 and 2004

Assets

	2005	2004
Current Assets		
Cash	$ 65,892	$ —
Cash on deposit with the University of Northern Colorado	—	37,603
Accounts receivable, net of allowance; 2005 – $498 and 2004 – $500	11,346	3,974
Prepaid deposit	4,720	5,888
Total current assets	81,958	47,465
Noncurrent Assets		
Capital assets, net	85,997	91,181
Total assets	$ 167,955	$ 138,646

Liabilities

	2005	2004
Accounts payable and accrued expenses	$ 1,712	$ 9,699
Total current liabilities	1,712	9,699
Net Assets		
Invested in capital assets	85,997	91,181
Unrestricted	80,246	37,766
Total net assets	166,243	128,947
Total liabilities and net assets	$ 167,955	$ 138,646

Student Media Corporation
A Component Unit of the University of Northern Colorado
Statements of Revenues, Expenses and Changes in Net Assets
For the Years Ended June 30, 2005 and 2004

	2005	2004
Operating Revenues		
Display	$ 254,371	$ 194,753
Classified	25,039	24,862
Total operating revenues	279,410	219,615
Operating Expenses		
Program services	195,493	177,515
Management and general	85,146	78,589
Total operating expenses	280,639	256,104
Operating Loss	(1,229)	(36,489)
Nonoperating Revenues		
Student fees	37,500	37,500
Interest income	1,025	912
Net nonoperating revenues	38,525	38,412
Increase in Net Assets	37,296	1,923
Net Assets, Beginning of Year	128,947	127,024
Net Assets, End of Year	$ 166,243	$ 128,947

Student Media Corporation
A Component Unit of the University of Northern Colorado
Statements of Cash Flows
For the Years Ended June 30, 2005 and 2004

	2005	2004
Operating Activities		
Cash received from customers	$ 272,038	$ 216,412
Payments to/for employees	(149,707)	(142,800)
Payments to suppliers	(130,468)	(103,783)
Net cash used in operating activities	(8,137)	(30,171)
Noncapital Financing Activities		
Student fees	37,500	37,500
Net cash provided by noncapital financing activities	37,500	37,500
Capital Financing Activities		
Purchase of property and equipment	(2,099)	(1,800)
Net cash used in capital financing activities	(2,099)	(1,800)
Investing Activities		
Interest received	1,025	912
Net cash provided by investing activities	1,025	912
Increase in Cash and Cash Equivalents	28,289	6,441
Cash and Cash Equivalents, Beginning of Year	37,603	31,162
Cash and Cash Equivalents, End of Year	$ 65,892	$ 37,603
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (1,229)	$ (36,489)
Depreciation	7,283	7,512
Changes in operating assets and liabilities		
Accounts receivable	(7,372)	(3,203)
Prepaid deposits and other	1,168	(5,683)
Accounts payable and accrued expenses	(7,987)	7,692
Net Cash Used In Operating Activities	$ (8,137)	$ (30,171)

Student Media Corporation
A Component Unit of the University of Northern Colorado
Notes to Financial Statements
June 30, 2005 and 2004

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Reporting Entity

Student Media Corporation (the Corporation), a component unit of the University of Northern Colorado (the University), was created in February 1989 as a not-for-profit Colorado organization and began operations on July 1, 1989. The Corporation's Board of Directors includes university students and faculty as well as community members. The Corporation publishes The Mirror, the official school newspaper of the University, three times a week during the academic year and weekly during summer sessions.

The Corporation grants unsecured credit to its advertising customers, substantially all of whom are local businesses or national agencies.

Basis of Accounting

For financial reporting purposes, the Corporation is considered a special-purpose government engaged only in business-type activities. Accordingly, the Corporation's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation is incurred.

The Corporation prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB). Pursuant to GASB Statement No. 20, the Corporation has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB) that were issued on or before November 30, 1989 and do not conflict with or contradict GASB pronouncements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Corporation considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2005, cash equivalents consisted primarily of funds placed in an operating cash bank account and at June 30, 2004 cash equivalents consisted primarily of funds invested by the University through the State Treasurer's Cash Pool.

Accounts Receivable

Accounts receivable consist of advertising fees charged to individuals and businesses. Accounts receivable are recorded net of estimated uncollectible amounts.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. For equipment, the Corporation's capitalization policy includes all items with a unit cost of $1,000 or more and an estimated useful life of greater than one year. Renovations to buildings and land improvements, that significantly increase the value or extend the useful life of the structure, are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 25 years for buildings, 10 years for land improvements and 3 to 5 years for equipment.

Net Assets

Net assets of the Corporation are classified in two components. Net assets invested in capital assets consist of capital assets net of accumulated depreciation. Unrestricted net assets are remaining assets less remaining liabilities that do not meet the definition of invested in capital assets, net of related debt or restricted expendable.

Classification of Revenues

The Corporation has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as display and classified advertisings sales.

Nonoperating revenues – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting*, and GASB No. 34, such as student fees allocated by the University and interest income.

Income Taxes

The Corporation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. Accordingly, no provision is made in these financial statements for income taxes.

Note 2: Cash on Deposit

At June 30, the Corporation had bank balances as follows:

	2005	2004
Insured by federal depository insurance (FDIC)	$ 69,630	$ 0
Carrying value	$ 65,892	$ 0

At June 30, 2005 and 2004, the Corporation had deposits with the University of $-0- and $37,603, respectively, which were interest-bearing.

Student Media Corporation

A Component Unit of the University of Northern Colorado

Notes to Financial Statements

June 30, 2005 and 2004

Note 3: Capital Assets

The following presents changes in capital assets and accumulated depreciation for the years ended June 30:

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
Land	$ 5,500	$ —	$ —	$ 5,500
Land improvements	9,735	—	—	9,735
Buildings	107,000	—	—	107,000
Equipment	28,748	2,099	—	30,847
	150,983	2,099	—	153,082
Less accumulated depreciation				
Land improvements	2,920	1,095	—	4,015
Building improvements	32,457	4,280	—	36,737
Equipment	24,425	1,908	—	26,333
	59,802	7,283	—	67,085
Net capital assets	$ 91,181	$ (5,184)	$ 0	$ 85,997

	Balance June 30, 2003	Additions	Deductions	Balance June 30, 2004
Land	$ 5,500	$ —	$ —	$ 5,500
Land improvements	9,735	—	—	9,735
Buildings	107,000	—	—	107,000
Equipment	42,186	1,800	(15,238)	28,748
	164,421	1,800	(15,238)	150,983
Less accumulated depreciation				
Land improvements	2,190	730	—	2,920
Building improvements	28,177	4,280	—	32,457
Equipment	37,161	2,502	(15,238)	24,425
	67,528	7,512	(15,238)	59,802
Net capital assets	$ 96,893	$ (5,712)	$ 0	$ 91,181

Student Media Corporation

A Component Unit of the University of Northern Colorado

Notes to Financial Statements

June 30, 2005 and 2004

Note 4: Related Party Transactions

Advertising revenue from University-related entities for 2005 and 2004 was approximately $36,881 and $35,387, respectively.

The University provides various accounting, purchasing, payroll and banking services to the Corporation at a rate of 10.0% of certain personnel costs. Administrative fees for 2005 and 2004 were $12,548 and $12,658, respectively.

Note 5: Schedule of Functional Expenses

	2005		
	Program Services	Management and General	Total
Personnel Expenses			
Salaries and benefits	$ 102,678	$ 42,000	$ 144,678
Payroll taxes	—	5,029	5,029
Total personnel expenses	102,678	47,029	149,707
Other Expenses			
Activities and travel	8,300	—	8,300
Administrative fees	—	12,548	12,548
Advertising	1,600	—	1,600
Books and subscriptions	280	—	280
Depreciation	7,283	—	7,283
Dues and memberships	584	—	584
Equipment maintenance	57	—	57
Building maintenance	51	—	51
Insurance	—	9,450	9,450
Miscellaneous	1,904	—	1,904
Postage	—	2,019	2,019
Professional fees	—	8,300	8,300
Printing	55,747	—	55,747
Publicity	2,932	—	2,932
Rent	30	—	30
Supplies	9,669	—	9,669
Telephone	—	3,422	3,422
Utilities	2,378	2,378	4,756
Purchased services	2,000	—	2,000
Total other expenses	92,815	38,117	130,932
Total operating expenses	$ 195,493	$ 85,146	$ 280,639

Student Media Corporation
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Notes to Financial Statements
June 30, 2005 and 2004

2004

	Program Services	Management and General	Total
Personnel Expenses			
Salaries and benefits	$ 99,501	$ 39,199	$ 138,700
Payroll taxes	—	4,100	4,100
Total personnel expenses	99,501	43,299	142,800
Other Expenses			
Activities and travel	3,229	—	3,229
Administrative fees	—	12,658	12,658
Advertising	124	—	124
Bad debts	416	—	416
Books and subscriptions	332	—	332
Depreciation	5,372	2,140	7,512
Dues and memberships	685	—	685
Equipment maintenance	251	—	251
Building maintenance	7,545	—	7,545
Insurance	—	6,547	6,547
Miscellaneous	—	366	366
Postage	—	1,461	1,461
Professional fees	—	5,198	5,198
Printing	44,404	—	44,404
Publicity	1,120	—	1,120
Rent	—	60	60
Supplies	8,903	—	8,903
Telephone	—	4,553	4,553
Property taxes	257	257	514
Utilities	2,050	2,050	4,100
Purchased services	3,326	—	3,326
Total other expenses	78,014	35,290	113,304
Total operating expenses	$ 177,515	$ 78,589	$ 256,104

Note 6: Risk Management

The Corporation is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Corporation carries commercial insurance for these and other risks of loss, including workers' compensation, employee fidelity and director liability. Settled claims have not exceeded this coverage since inception.

Note 7: Subsequent Event

The Corporation has a five year agreement starting July 1, 2005, with the University to receive subscription fees from the University until June 30, 2010. Subscription fees are based on the number of full-time students enrolled at the University.

Members of the Legislative Audit Committee:

As part of our audit of the financial statements of Student Media Corporation (the Corporation), a component unit of the University of Northern Colorado, as of and for the year ended June 30, 2005, we wish to communicate the following to you.

Auditor's Responsibility Under Generally Accepted Auditing Standards

An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. In performing GAAS procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction.

Significant Accounting Policies

The Corporation's significant accounting policies are described in Note 1 of the audited financial statements.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement presentation by management, based on its judgments. The following areas involve significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

Depreciation on capital assets and useful life of assets
Allowance for doubtful accounts

Audit Adjustments

During the course of any audit, an auditor will propose adjustments of financial statement amounts. Management evaluates our proposals and records those adjustments, which in its judgment, are required to prevent the financial statements from being materially misstated.

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Areas in which uncorrected misstatements were aggregated during the current engagement and pertaining to the latest period presented were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole, include accrual of payroll and vacation expenses, the increase of bad debt expense, reclassification of credit balances in accounts receivable, the reclassification of income as a liability and the removal of disposed assets. The effect of the uncorrected misstatements, had they been recorded, would have decreased net assets by $4,688, increased current assets by $7,515 and increased current liabilities by $12,203 for the year ended June 30, 2005.

This letter is intended for the information and use of the Legislative Audit Committee, the Board of Directors and management of the Corporation and is not intended to be and should not be used by anyone other than these specified parties.

\s\ **BKD, LLP**

September 13, 2005

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