EXHIBIT 5

Financial Statements

ALLOVER MEDIA FRANCHISING, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2005 AND 2004

ALLOVER MEDIA FRANCHISING, INC.
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

LarsonAllen

CPAs, Consultants & Advisors
www.larsonallen.com

INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
AllOver Media Franchising, Inc.
Minneapolis, Minnesota

We have audited the accompanying balance sheets of AllOver Media Franchising, Inc. as of December 31, 2005 and 2004, and the related statements of income and retained earnings (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Company'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 audit 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 AllOver Media Franchising, Inc. as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepting in the United States of America.

Larson Allen Weishair & Co LLP

LARSON, ALLEN, WEISHAIR & CO., LLP

Minneapolis, Minnesota
February 17, 2006

ALLOVER MEDIA FRANCHISING, INC.
BALANCE SHEETS
DECEMBER 31, 2005 AND 2004

	2005	2004
ASSETS		
CURRENT ASSETS		
Cash	$ -	$ 125,126
Accounts Receivable	137,946	148,309
Notes Receivable, Current Portion	184,000	202,000
Other Receivables	-	870
Inventories	18,958	29,738
Prepaid Expenses	14,298	-
Total Current Assets	355,202	506,043
OTHER ASSETS		
Notes Receivable, Net of Current Portion	137,990	380,460
Intangibles, Net	18,951	19,452
Total Other Assets	156,941	399,912
Total Assets	$ 512,143	$ 905,955
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Checks in Excess of Cash	$ 13,220	$ -
Accounts Payable	77,072	16,739
Accrued Expenses	14,379	8,224
Unearned Revenue	-	32,800
Total Current Liabilities	104,671	57,763
LONG-TERM LIABILITIES		
Due to Parent	547,321	616,267
Total Liabilities	651,992	674,030
STOCKHOLDER'S EQUITY		
Common Stock, 1,000,000 Shares, $.01 Par Value Authorized; 1,000 Shares Issued and Outstanding	100	100
Additional Paid-In Capital	81,000	81,000
Retained Earnings (Deficit)	(220,949)	150,825
Total Stockholder's Equity	(139,849)	231,925
Total Liabilities and Stockholder's Equity	$ 512,143	$ 905,955

See accompanying Notes to Financial Statements.

ALLOVER MEDIA FRANCHISING, INC.
STATEMENTS OF INCOME AND RETAINED EARNINGS (DEFICIT)
YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005		2004	
	Amount	Percent of Revenues	Amount	Percent of Revenues
REVENUES				
Franchise	$ 172,839	34.2 %	$ 488,698	54.0 %
Royalties	99,281	19.6	90,531	10.0
Advertising	73,991	14.6	43,182	4.8
Other	159,177	31.5	282,735	31.2
Total Revenues	505,288	100.0	905,146	100.0
COST OF REVENUES	124,036	24.5	415,728	45.9
GROSS PROFIT	381,252	75.5	489,418	54.1
OPERATING EXPENSES	761,013	150.6	409,820	45.3
INCOME (LOSS) FROM OPERATIONS	(379,761)	(75.2)	79,598	8.8
OTHER INCOME				
Interest Income	7,987	1.6	2,011	0.2
NET INCOME (LOSS)	(371,774)	(73.6)	81,609	9.0
Retained Earnings - Beginning	150,825		69,216	
RETAINED EARNINGS (DEFICIT) - ENDING	$ (220,949)		$ 150,825	

See accompanying Notes to Financial Statements.

ALLOVER MEDIA FRANCHISING, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	$ (371,774)	$ 81,609
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Amortization	4,943	4,025
Allocation of Expenses from Parent, Net of Allocated Revenues	604,500	279,286
(Increase) Decrease in Current Assets:		
Accounts Receivable	10,363	(129,060)
Franchise Notes Receivable	260,470	(241,074)
Accrued Interest on Notes Receivable	870	(463)
Inventories	10,780	(29,738)
Prepaid Expenses	(14,298)	-
Increase (Decrease) in Current Liabilities:		
Checks in Excess of Cash	13,220	-
Accounts Payable	60,333	(35,819)
Due to Parent	(677,888)	157,489
Accrued Expenses	(26,645)	38,868
Net Cash Provided (Used) by Operating Activities	(125,126)	125,123
NET INCREASE (DECREASE) IN CASH	(125,126)	125,123
Cash - Beginning of Year	125,126	3
CASH - END OF YEAR	$ -	$ 125,126
NONCASH TRANSACTIONS		
Allocation of Expenses included in Due to Parent	$ 604,500	$ 279,286
Transfer of Customer Contract Asset	$ 4,442	$ -

See accompanying Notes to Financial Statements.

ALLOVER MEDIA FRANCHISING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Company was organized as a Minnesota corporation in September 2002 and is a wholly-owned subsidiary of AllOver Media, Inc. The Company's operations are principally in the sale, development, support and promotion of indoor and outdoor advertising franchises throughout the United States. The Company also sells necessary supplies to these franchisees. The Company is currently dependent on the support of AllOver Media Inc. and its stockholders and investors. Continued financial support is expected and probable in the future as needed.

Accounts Receivable

The Company provides an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. Services are sold on a secured basis. Payment is due 30 days after receipt of the invoice. Accounts past due more than 60 days are individually analyzed for collectibility. In addition, an allowance will be provided for accounts when a significant pattern of uncollectibility has occurred. An allowance for uncollectible accounts in the amount of $4,000 has been provided at December 31, 2005 and 2004.

Accounts receivable consists of receivables from franchisees for franchise fees, franchise royalties, software support, ad production, supplies and other services. At times, significant receivables may exist with franchisees who are preparing for market openings.

Notes Receivable

Franchises are sold with negotiated down payments and extended note receivable terms on the remaining balance. These notes receivable are secured by the franchise territory and are guaranteed by the respective franchisee. The notes receivable can be collected in two different methods: cash payments with a stated interest rate or payments based on a percentage of the advertising revenue sold in the franchise territory. The percentages vary by franchise territory and are negotiated on a franchise by franchise basis. Currently, all notes with scheduled payments are at 7%. An allowance for uncollectible notes in the amount of $38,000 has been provided at December 31, 2005 and 2004.

Inventory

Inventories at December 31, 2005 and 2004 consist of software licenses, equipment and supplies and are valued at the lower of cost (first-in, first-out) or market method.

Intangibles

Intangibles consist of purchased franchise rights and are amortized based on an estimated useful life of 7 years. Franchise rights are being amortized using the straight-line method. These franchise rights include, but are not limited to, the continuing receipt of franchise fees, royalties, revenue related to software support, ad production, and supplies as well as the opportunity to continue to serve the franchisees. As of December 31, 2005 and 2004, franchise rights for 20 markets were in operation and included in intangible assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenue

Unearned revenue consists of unearned initial franchise fees. There were $-0- and $32,800 unearned initial franchise fees at December 31, 2005 and 2004, respectively.

Revenue Recognition

Revenue from the sale of individual franchises is recognized when substantially all significant products and services to be provided by the Company have been completed. When an individual franchise is sold, the Company agrees to provide certain services to the franchisee. Generally, these services include training, starter kit materials, advertising material and computer software installation. Initial franchise fees range from $35,000 to $123,750 based on market population. Initial franchise fees were $172,839 and $488,698 for the years ended December 31, 2005 and 2004, respectively.

The Company recognizes revenue from continuing franchise fees based on the monthly gross sales and computer software fees of the franchise. Other revenue is from product sales to the franchisee and is recognized when the sale is completed.

Continuing franchise royalties, product sales and software support included in income were $332,449 and $416,448 for the years ended December 31, 2005 and 2004, respectively.

Income Taxes

The Company, organized as an S Corporation, is not a taxpaying entity for federal and state income tax purposes, and therefore does not include a provision for income taxes. Income is reported by the stockholders on their respective income tax returns.

Advertising Costs

The Company expenses advertising costs when incurred. Advertising expenses incurred during 2005 and 2004 were approximately $45,300 and $5,700, respectively.

Concentrations of Credit Risk

The Company maintains cash balances at one financial institution in Minnesota. These deposits may be in excess of Federal Deposit Insurance Corporation limits of $100,000 on a temporary basis.

For the year ended December 31, 2005, one franchise accounted for 20% of total sales and five franchises accounted for 80% of ending accounts receivable. For the year ended December 31, 2004, one franchise accounted for 18% of total sales and three franchises accounted for 42% of ending accounts receivable.

ALLOVER MEDIA FRANCHISING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

NOTE 2 NOTES RECEIVABLE

Expected contractual collections on notes receivable are as follows:

Year Ending December 31,	Amount
2006	$ 184,000
2007	58,000
2008	32,000
2009	24,000
2010	11,000
Thereafter	50,990
Subtotal	359,990
Allowance for Doubtful Notes	(38,000)
Total	$ 321,990

NOTE 3 INTANGIBLES

Intangible assets consist of the following at December 31, 2005 and 2004:

	2005	2004
Franchise Rights	$ 32,614	$ 28,172
Less: Accumulated Amortization	13,663	8,720
Total	$ 18,951	$ 19,452

Amortization expense for 2005 and 2004 was $4,943 and $4,025, respectively.

NOTE 4 RELATED PARTY TRANSACTIONS

The Company has amounts due to AllOver Media, Inc. (Parent) for funds advanced to finance the purchase of the franchise rights and for various operating expenses. The balance Due to Parent at December 31, 2005 and 2004 was $547,321 and $616,267, respectively.

NOTE 4 RELATED PARTY TRANSACTIONS (CONTINUED)

The Company has a management agreement with the Parent. The agreement requires reimbursement of payroll and payroll related costs and other specifically identified and allocated expenses incurred by the Parent on behalf of AllOver Media Franchising, Inc. Specific and allocated expenses were $604,500 and $279,286 for the years ended December 31, 2005 and 2004, respectively.

The Company has amounts due from 1 franchisee, AOM Phoenix, which is wholly owned by a shareholder of AllOver Media, Inc. (Parent) for products and services provided by the Company. The balance due from the franchisee at December 31, 2005 and 2004 was $2,424 and $2,558, respectively. Total revenues received for initial franchise fees, products and services provided during 2005 and 2004 were approximately $40,000 and $228,000, respectively.

The Company has notes due from the same franchisee, AOM Phoenix, for the initial franchise sale. The interest rate on one note is 7% with principal and interest payments due monthly, maturing in December 2009. The second note is reduced by 50% of the national advertising revenue sold in the franchise territory. The notes are secured by the franchise territory and are guaranteed by the owner. The balance of the notes due from the franchisee at December 31, 2005 and 2004 was $75,292 and $100,500, respectively. Total interest related to these notes during 2005 and 2004 was $2,886 and $-0-, respectively.

NOTE 5 LITIGATION

The Company was involved in certain legal claims and disputes arising in the ordinary course of business. The Company was a defendant in a lawsuit, the nature of which was the definition of indoor advertising and the territorial franchise infringement and sales activities related thereto. The parties reached an agreement during 2005, and as of December 31, 2005, there were no liabilities related to the litigation.

ALLOVER MEDIA FRANCHISING, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2004 AND 2003

ALLOVER MEDIA FRANCHISING, INC.
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2004 AND 2003

LarsonAllen℠

CPAs, Consultants & Advisors
www.larsonallen.com

INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
AllOver Media Franchising, Inc.
Minneapolis, Minnesota

We have audited the accompanying balance sheets of AllOver Media Franchising, Inc. as of December 31, 2004 and 2003, and the related statements of income and retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company'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 audit 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 AllOver Media Franchising, Inc., as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepting in the United States of America.

Larson Allen Weishair & Co LLP

LARSON, ALLEN, WEISHAIR & CO., LLP

Minneapolis, Minnesota
February 18, 2005

Larson, Allen, Weishair & Co., LLP | An Independent Member of Baker Tilly International

ALLOVER MEDIA FRANCHISING, INC.
BALANCE SHEETS
DECEMBER 31, 2004 AND 2003

	2004	2003
ASSETS		
CURRENT ASSETS		
Cash	$ 125,126	$ 3
Accounts Receivable	148,309	19,249
Notes Receivable, Current Portion	202,000	95,000
Other Receivables	870	407
Inventories	29,738	-
Total Current Assets	506,043	114,659
OTHER ASSETS		
Notes Receivable, Net of Current Portion	380,460	246,386
Intangibles, Net	19,452	23,477
Total Other Assets	399,912	269,863
Total Assets	$ 905,955	$ 384,522
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 16,739	$ 52,558
Accrued Expenses	8,224	2,156
Unearned Revenue	32,800	-
Total Current Liabilities	57,763	54,714
LONG-TERM LIABILITIES		
Due to Parent	616,267	179,492
Total Liabilities	674,030	234,206
STOCKHOLDER'S EQUITY		
Common Stock, 1,000,000 Shares, $.01 Par Value Authorized; 1,000 Shares Issued and Outstanding	100	100
Additional Paid-In Capital	81,000	81,000
Retained Earnings	150,825	69,216
Total Stockholder's Equity	231,925	150,316
Total Liabilities and Stockholder's Equity	$ 905,955	$ 384,522

See accompanying Notes to Financial Statements.

ALLOVER MEDIA FRANCHISING, INC.
STATEMENTS OF INCOME AND RETAINED EARNINGS
YEARS ENDED DECEMBER 31, 2004 AND 2003

	2004		2003	
	Amount	Percent of Revenues	Amount	Percent of Revenues
REVENUES				
Franchise	$ 488,698	54.0 %	$ 502,107	82.1 %
Royalties	49,097	5.4	18,774	3.1
Advertising	43,182	4.8	25,287	4.1
Other	324,169	35.8	65,423	10.7
Total Revenues	905,146	100.0	611,591	100.0
COST OF REVENUES	415,728	45.9	104,203	17.0
GROSS PROFIT	489,418	54.1	507,388	83.0
OPERATING EXPENSES	409,820	45.3	412,044	67.4
INCOME FROM OPERATIONS	79,598	8.8	95,344	15.6
OTHER INCOME				
Interest Income	2,011	0.2	492	0.1
NET INCOME	81,609	9.0	95,836	15.7
Retained Earnings (Deficit) - Beginning	69,216		(26,620)	
RETAINED EARNINGS - ENDING	$ 150,825		$ 69,216	

See accompanying Notes to Financial Statements.

ALLOVER MEDIA FRANCHISING, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2004 AND 2003

	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 81,609	$ 95,836
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:		
Amortization	4,025	4,063
Allocation of Expenses from Parent, Net of Allocated Revenues	279,286	350,351
(Increase) Decrease in Current Assets:		
Accounts Receivable	(129,060)	(7,521)
Franchise Notes Receivable	(241,074)	(335,081)
Accrued Interest on Notes Receivable	(463)	(301)
Inventories	(29,738)	-
Increase (Decrease) in Current Liabilities:		
Accounts Payable	(35,819)	52,558
Due to Parent	157,489	(175,135)
Accrued Expenses	38,868	2,156
Net Cash Provided (Used) by Operating Activities	125,123	(13,074)
NET INCREASE (DECREASE) IN CASH	125,123	(13,074)
Cash - Beginning of Year	3	13,077
CASH - END OF YEAR	$ 125,126	$ 3
NONCASH TRANSACTIONS		
Allocation of Expenses included in Due to Parent	$ 279,286	$ 350,351

See accompanying Notes to Financial Statements.

ALLOVER MEDIA FRANCHISING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Company was organized as a Minnesota corporation in September 2002 and is a wholly-owned subsidiary of AllOver Media, Inc. The Company's operations are principally in the sale, development, support and promotion of indoor and outdoor advertising franchises throughout the United States. The Company also sells necessary supplies to these franchisees. The Company is currently dependent on the support of AllOver Media Inc. and its stockholders and investors. Continued financial support is expected and probable in the future as needed.

Accounts Receivable

The Company provides an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. Services are sold on a secured basis. Payment is due 30 days after receipt of the invoice. Accounts past due more than 60 days are individually analyzed for collectibility. In addition, an allowance will be provided for accounts when a significant pattern of uncollectibility has occurred. An allowance for uncollectible accounts in the amount of $4,000 has been provided at December 31, 2004 and 2003.

Accounts receivable consists of receivables from franchisees for franchise fees, franchise royalties, software support, ad production, supplies and other services. At times, significant receivables may exist with franchisees who are preparing for market openings.

Notes Receivable

Franchises are sold with negotiated down payments and extended note receivable terms on the remaining balance. These notes receivable are secured by the franchise territory and are guaranteed by the respective franchisee. The notes receivable can be collected in two different methods: cash payments with a stated interest rate or payments based on a percentage of the advertising revenue sold in the franchise territory. The percentages vary by franchise territory and are negotiated on a franchise by franchise basis. Currently, all notes with scheduled payments are at 7%. An allowance for uncollectible notes in the amount of $38,000 has been provided at December 31, 2004 and 2003.

Inventory

Inventories at December 31, 2004 and 2003 consist of software licenses, equipment and supplies and are valued at the lower of cost (first-in, first-out) or market method.

Intangibles

Intangibles consist of purchased franchise rights and are amortized based on an estimated useful life of 7 years. Franchise rights are being amortized using the straight-line method. These franchise rights include, but are not limited to, the continuing receipt of franchise fees, royalties, revenue related to software support, ad production, and supplies as well as the opportunity to continue to serve the franchisees. The Company did not purchase or sell any franchise rights during 2004. As of December 31, 2004 and 2003, franchise rights for 20 markets were in operation and included in intangible assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue

Deferred revenue consists of deferred initial franchise fees. There were no deferred initial franchise fees at December 31, 2004 and 2003.

Revenue Recognition

Revenue from the sale of individual franchises is recognized when substantially all significant products and services to be provided by the Company have been completed. When an individual franchise is sold, the Company agrees to provide certain services to the franchisee. Generally, these services include training, starter kit materials, advertising material and computer software installation. Initial franchise fees range from $35,000 to $123,750 based on market population. Initial franchise fees were $488,698 and $502,107 for the years ended December 31, 2004 and 2003, respectively.

The Company recognizes revenue from continuing franchise fees based on the monthly gross sales and computer software fees of the franchise. Other revenue is from product sales to the franchisee and is recognized when the sale is completed.

Continuing franchise royalties, product sales and software support included in income were $416,448 and $109,484 for the years ended December 31, 2004 and 2003, respectively.

Income Taxes

The Company, organized as an S Corporation, is not a taxpaying entity for federal and state income tax purposes, and therefore does not include a provision for income taxes. Income is reported by the stockholders on their respective income tax returns.

Advertising Costs

The Company expenses advertising costs when incurred. Advertising expenses incurred during 2004 and 2003 were approximately $5,700 and $800, respectively.

Concentrations of Credit Risk

The Company maintains cash balances at one financial institution in Minnesota. These deposits may be in excess of Federal Deposit Insurance Corporation limits of $100,000 on a temporary basis.

For the year ended December 31, 2004, one franchise accounted for 18% of total sales and three franchises accounted for 42% of ending accounts receivable. For the year ended December 31, 2003, four franchises accounted for 87% of ending accounts receivable.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

NOTE 2 NOTES RECEIVABLE

Expected contractual collections on notes receivable are as follows:

Year Ending December 31,	Amount
2005	$ 202,000
2006	107,000
2007	104,000
2008	63,000
2009	42,000
Thereafter	102,460
Subtotal	620,460
Allowance for Doubtful Notes	(38,000)
Total	$ 582,460

NOTE 3 INTANGIBLES

Intangible assets consist of the following at December 31, 2004 and 2003:

	2004	2003
Franchise Rights	$ 28,172	$ 28,172
Less: Accumulated Amortization	8,720	4,695
Total	$ 19,452	$ 23,477

Amortization expense for 2004 and 2003 was $4,025 and $4,063, respectively.

NOTE 4 RELATED PARTY TRANSACTIONS

Balance Sheet

The Company has amounts due to AllOver Media, Inc. (PARENT) for funds advanced to finance the purchase of the franchise rights and for various operating expenses. The balance Due to Parent at December 31, 2004 and 2003 was $616,267 and $179,492, respectively.

Income Statement Transactions

The Company has a management agreement with the Parent. The agreement requires reimbursement of payroll and payroll related costs and other specifically identified and allocated expenses incurred by the Parent on behalf of AllOver Media Franchising, Inc. Specific and allocated expenses were $279,286 and $350,351 for the years ended December 31, 2004 and 2003, respectively.

NOTE 5 LITIGATION

The Company is involved in certain legal claims and disputes arising in the ordinary course of business. The Company is a defendant in a lawsuit, the nature of which is the definition of indoor advertising and the territorial franchise infringement and sales activities related thereto. The parties have proceeded with litigation, and the case was in the deposition phase as of December 31, 2004. As litigation is inherently speculative, the outcome of the matter is unknown; however, management and legal counsel are fully prepared to aggressively defend the lawsuit. Estimated total damages if an unfavorable outcome were to occur are approximately $500,000.

ALLOVER MEDIA INDOOR FRANCHISING, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2003 AND 2002

ALLOVER MEDIA INDOOR FRANCHISING, INC.
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

LarsonAllen

CPAs, Consultants & Advisors
www.larsonallen.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Stockholder
AllOver Media Indoor Franchising, Inc.
Minneapolis, Minnesota

We have audited the accompanying balance sheets of AllOver Media Indoor Franchising, Inc. as of December 31, 2003 and 2002, and the related statements of operations and retained earnings (accumulated deficit), and cash flows for the year ended December 31, 2003 and the period from inception (September 27, 2002) to December 31, 2002. These financial statements are the responsibility of the Company'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 audit 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 AllOver Media Indoor Franchising, Inc., as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the year ended December 31, 2003 and the period from inception (September 27, 2002) to December 31, 2002 in conformity with accounting principles generally accepting in the United States of America.

Larson Allen Weishair & Co LLP

LARSON, ALLEN, WEISHAIR & CO., LLP

Minneapolis, Minnesota
March 5, 2004

ALLOVER MEDIA INDOOR FRANCHISING, INC.
BALANCE SHEETS
DECEMBER 31, 2003 AND 2002

	2003	2002
ASSETS		
CURRENT ASSETS		
Cash	$ 3	$ 13,077
Accounts Receivable	19,249	11,728
Notes Receivable, Current Portion	95,000	-
Other Receivables	407	6,411
Total Current Assets	114,659	31,216
OTHER ASSETS		
Notes Receivable, Net of Current Portion	246,386	-
Intangibles, Net	23,477	27,540
Total Current Assets	269,863	27,540
Total Assets	$ 384,522	$ 58,756
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 52,558	$ -
Due to Parent	-	4,276
Accrued Expenses	2,156	-
Total Current Liabilities	54,714	4,276
LONG TERM LIABILITIES		
Due to Parent	179,492	-
Total Liabilities.	234,206	4,276
STOCKHOLDER'S EQUITY		
Common Stock, 1,000,000 Shares, $.01 Par Value Authorized; 2,000 Shares Issued and Outstanding	100	100
Additional Paid-In Capital	81,000	81,000
Retained Earnings (Accumulated Deficit)	69,216	(26,620)
Total Stockholder's Equity	150,316	54,480
Total Liabilities and Stockholder's Equity	$ 384,522	$ 58,756

See accompanying Notes to Financial Statements.

ALLOVER MEDIA INDOOR FRANCHISING, INC.
STATEMENTS OF OPERATIONS AND RETAINED EARNINGS (ACCUMULATED DEFICIT)
YEAR ENDED DECEMBER 31, 2003 AND
THE PERIOD FROM INCEPTION (SEPTEMBER 27, 2002) TO DECEMBER 31, 2002

	2003		2002	
	Amount	Percent of Revenues	Amount	Percent of Revenues
REVENUES				
Franchise	$ 502,107	82.1 %	$ -	- %
Royalties	18,774	3.1	4,779	42.5
Advertising	25,287	4.1	-	-
Other	65,423	10.7	6,460	57.5
Total Revenues	611,591	100.0	11,239	100.0
COST OF REVENUES	104,203	17.0	12,935	115.1
GROSS PROFIT	507,388	83.0	(1,696)	(15.1)
OPERATING EXPENSES	412,044	67.4	25,030	222.7
INCOME (LOSS) FROM OPERATIONS	95,344	15.6	(26,726)	(237.8)
OTHER INCOME				
Interest Income	492	0.1	106	0.9
NET INCOME (LOSS)	95,836	15.7	(26,620)	(236.9)
Accumulated Deficit - Beginning	(26,620)		-	
RETAINED EARNINGS (ACCUMULATED DEFICIT) - ENDING	$ 69,216		$ (26,620)	

See accompanying Notes to Financial Statements.

ALLOVER MEDIA INDOOR FRANCHISING, INC.
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2003 AND
THE PERIOD FROM INCEPTION (SEPTEMBER 27, 2002) TO DECEMBER 31, 2002

	2003	2002
RECONCILIATION OF NET INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Net Income (Loss)	$ 95,836	$ (26,620)
Adjustments to Reconcile Net Income (Loss) to Net Cash Used by Operating Activities:		
Amortization	4,063	632
Allocation of Expenses from Parent, Net of Allocated Revenues	350,351	37,822
(Increase) Decrease in Current Assets:		
Accounts Receivable	(7,521)	(11,728)
Franchise Notes Receivable	(335,081)	-
Accrued Interest on Notes Receivable	(301)	(106)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	52,558	
Due to Parent	(175,135)	-
Accrued Expenses	2,156	-
Net Cash Used by Operating Activities	(13,074)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Sale of Common Stock	-	100
Financing of Franchises (Net)	-	-
Advances from Parent	-	25,000
Payments to Parent	-	(12,023)
Net Cash Provided by Financing Activities	-	13,077
NET INCREASE (DECREASE) IN CASH	(13,074)	13,077
Cash - Beginning of Year	13,077	-
CASH - END OF YEAR	$ 3	$ 13,077
NONCASH TRANSACTIONS		
Allocation of Expenses Included in Due to Parent	$ 350,351	$ 24,712
Acquisition of Franchise Rights and Receivables With Due to Parent	$ -	$ 34,476
Direct Expenses Paid by Parent	$ -	$ 13,110
Conversion of Note Payable Stockholder to Capital	$ -	$ 81,000

See accompanying Notes to Financial Statements.

ALLOVER MEDIA INDOOR FRANCHISING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Company was organized as a Minnesota corporation in September 2002 and is a wholly-owned subsidiary of AllOver Media, Inc. The Company's operations are principally in the sale, development, support and promotion of indoor advertising franchises throughout the United States. The Company also sells necessary supplies to these franchisees. The Company is currently dependent on the support of AllOver Media Inc. and its stockholders and investors. Continued financial support is expected and probable in the future as needed.

Accounts Receivable

The Company provides an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. Services are sold on a secured basis. Payment is due 30 days after receipt of the invoice. Accounts past due more than 60 days are individually analyzed for collectibility. In addition, an allowance will be provided for accounts when a significant pattern of uncollectibility has occurred. At December 31, 2003 an allowance of $4,000 was recorded. There was no allowance recorded as of December 31, 2002.

Accounts receivable consists of receivables from franchisees for franchise fees, franchise royalties, software support, ad production, supplies and other services. At times, significant receivables may exist with franchisees who are preparing for market openings.

Notes Receivable

Franchises are sold with negotiated down payments and extended note receivable terms on the remaining balance. These notes receivable are secured by the franchise territory and are guaranteed by the respective franchisee. The notes receivable can be collected in two different methods: cash payments with a stated interest rate or payments based on a percentage of the advertising revenue sold in the franchise territory. The percentages vary by franchise territory and are negotiated on a franchise by franchise basis. Currently, all notes with scheduled payments are at 7%. An allowance will be provided for notes receivable when a significant pattern of uncollectibility has occurred. At December 31, 2003 an allowance of $38,000 was recorded. There was no allowance recorded as of December 31, 2002.

Intangibles

Intangibles consist of purchased franchise rights and are amortized based on an estimated useful life of 7 years. Franchise rights are being amortized using the straight-line method. These franchise rights include but are not limited to the continuing receipt of franchise fees, royalties, revenue related to software support, ad production, and supplies as well as the opportunity to continue to serve the franchisees. Amortization for the years ended December 31, 2003 and 2002 was $4,603 and $632, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue

Deferred revenue consists of deferred initial franchise fees. There were no deferred initial franchise fees at December 31, 2003 and 2002.

Revenue Recognition

Revenue from the sale of individual franchises is recognized when substantially all significant products and services to be provided by the Company have been completed. When an individual franchise is sold, the Company agrees to provide certain services to the franchisee. Generally, these services include training, starter kit materials, advertising material and computer software installation. Initial franchise fees range from $15,000 to $113,700 based on market population. Initial franchise fees were $502,107 and $-0- for the year ended December 31, 2003 and the period ended December 31, 2002, respectively.

The Company recognizes revenue from continuing franchise fees based on the monthly gross sales and computer software fees of the franchise and the Company recognizes revenue from product sales to the franchisee when the sale is completed. Continuing franchise royalties, product sales and software support included in income were $109,484 and $11,239 for the year ended December 31, 2003 and the period ended December 31, 2002, respectively.

Income Taxes

The Company, organized as an S Corporation, is not a taxpaying entity for federal and state income tax purposes, and therefore does not include a provision for income taxes. Income is reported by the stockholders on their respective income tax returns.

Concentrations of Credit Risk

The Company maintains cash balances at one financial institution in Minnesota. These deposits may be in excess of Federal Deposit Insurance Corporation limits of $100,000.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

NOTE 2 NOTES RECEIVABLE

Expected contractual collections on notes receivable are as follows:

Year Ending December 31,	Amount
2004	$ 95,000
2005	126,000
2006	94,000
2007	50,000
2008	5,000
Thereafter	9,386
Allowance for Doubtful	(38,000)
Total	$ 341,386

NOTE 3 RELATED PARTY TRANSACTIONS

Balance Sheet

The Company has amounts due to AllOver Media, Inc. (PARENT) for funds advanced to finance the purchase of the franchise rights and for various operating expenses. During 2002, $81,000 of the amount was converted to capital. The balance Due to Parent at December 31, 2003 and 2002 was $179,492 and $4,276, respectively. The balance Due to Parent at December 31, 2003 is supported by a note payable with stated interest at the prime rate (4.00% at December 31, 2003) and is payable March 31, 2005.

Income Statement Transactions

The Company has a management agreement with the Parent. The agreement requires reimbursement of payroll and payroll related costs and other specifically identified and allocated expenses incurred by the Parent. Specific and allocated expenses were $350,351 and $37,822 for the year ended December 31, 2003 and the period ended December 31, 2002, respectively.

NOTE 4 SUMMARY OF FRANCHISES

The following is a summary of changes in the number of franchise markets during the year ended December 31, 2003 and the period ended December 31, 2002:

	2003	2002
Franchised Markets:		
In Operation, Beginning of Year	13	-
Franchises Purchased During the Year	-	13
New Franchises Sold During the Year	7	-
In Operation, End of Year	20	13

NOTE 5 LITIGATION

The Company is involved in certain legal claims and disputes arising in the ordinary course of business. The Company is a defendant in a lawsuit and has asserted a counterclaim against the plaintiffs for breach of agreement. The parties have agreed to stay litigation pending settlement discussions. If a settlement agreement is not reached as of mid-April 2004, the parties will proceed with litigation, in which case the Company will likely incur significant fees and expenses. Further, as litigation is inherently speculative, the outcome of the matter, should it proceed to trial, is unknown.