# Dig-it Underground, Inc.

Consolidated Financial Statements

For the 3rd Quarter Ended September 30, 2015 (Unaudited)

**Dig-it Underground, Inc.**
For the 3rd Quarter Ended September 30, 2015

The financial statements and accompanying notes present fairly, in all material aspects, the financial position of the company and the results of its operations, cash flows, profit and loss, balance sheet and changes in stockholders' equity/deficit for the period presented, in conformity with accounting principles generally accepted in the United States, consistently applied and hereby certified by Leonid Chernyakhovsky, President of Dig-it Underground, Inc.

Dated this 16th day of October 2015.

Certified by: /s/ Leonid Chernyakhovsky
Leonid Chernyakhovsky,
President

# DIG-IT UNDERGROUND, INC.
# CONSOLIDATED BALANCE SHEET
# FOR THE 3RD QUARTER JULY-SEPT 2015

| | | |
|---|---|---|
| **ASSETS** | | |
| **CURRENT ASSETS** | | |
| CASH IN BANK | $ | 817.94 |
| MISC CURRENT ASSETS | $ | 254.00 |
| **TOTAL ASSETS** | **$** | **1,071.94** |
| **CURRENT LIABILITIES** | | |
| ACCOUNTS PAYABLE | $ | (900.34) |
| PAYROLL | $ | (1,414.00) |
| **TOTAL LIABILITIES** | **$** | **(2,314.34)** |
| **EQUITY** | | |
| OPEN BALANCE EQUITY | $ | - |
| PAID IN CAPITAL | $ | 1,000.00 |
| RETAINED EARNINGS | $ | 29,795.00 |
| SHAREHOLDERS DRAWINGS | $ | (55,922.71) |
| NET INCOME | $ | 23,885.31 |
| **TOTAL EQUITY** | **$** | **(1,242.40)** |
| **TOTAL LIABILITIES AND EQUITY** | **$** | **1,071.94** |

# DIG-IT UNDERGROUND, INC.
# CONSOLIDATED PROFIT & LOSS STATEMENT
# FOR THE 3RD QUARTER JULY - SEPT 2015

| | | |
|---|---|---|
| **GROSS REVENUES** | | **76,677.56** |
| LESS COST OF GOODS SOLD | | **2,643.43** |
| **GROSS PROFITS** | | **$ 74,034.13** |
| **EXPENSES** | | |
| WAGES | $ 16,181.74 | |
| OFFICER'S SALARIES | $ 12,115.00 | |
| EMPLOYER PAYROLL TAX | $ 2,928.08 | |
| INSURANCE | $ 4,065.84 | |
| LEGAL/ACCOUNTING | $ 1,089.20 | |
| RENT | $ 8,310.00 | |
| ADVERTISING | $ 2,738.00 | |
| OUTSIDE LABOR | $ 8,978.51 | |
| TRAVEL/ENTERTAINMENT | $ 1,897.08 | |
| UTILITIES | $ 1,581.04 | |
| REPAIRS/MAINTENANCE | $ 728.60 | |
| OFFICE SUPPLIES | $ 2,737.30 | |
| TELEPHONE/INTERNET | $ 1,526.33 | |
| MISC | $ 94.00 | |
| **TOTAL OPERATIONAL EXPENSES** | | **$ 64,970.72** |
| **NET OPERATIONAL INCOME** | | **$ 9,063.41** |
| **NET INCOME PROFIT (LOSS)** | | **$ 9,063.41** |

# DIG-IT UNDERGROUND, INC.
# CONSOLIDATED STATEMENT OF CASH FLOW
# FOR THE 3RD QUARTER JULY-SEPT 2015

| | | |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| **NET INCOME** | **$** | **9,063.41** |
| **NET CASH FOR THE PERIOD** | **$** | **9,063.41** |
| **CASH AT END OF PERIOD** | **$** | **9,063.41** |

# Dig-It Underground, Inc.

## Statement of changes in Shareholders Equity/Deficit

**For The 3rd Quarter Ended September 30, 2015**

| | PREFERRED STOCK | | COMMON STOCK | | Addt'l Paid in Capital | Accumulated Deficit | Total Equity |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | | | |
| Net Income (Loss) Dec. 31, 2012 | | | | | | 28,505 | 28,505 |
| Balance for Dec. 31, 2012 | **20,000,000** | **20,000** | **406,812,000** | **406,812** | **40,338** | **751,680** | **1,202,637** |
| Net Income (Loss) Mar. 31, 2013 | | | | | | 7,869 | 7,869 |
| Balance for Mar. 31, 2013 | **20,000,000** | **20,000** | **406,812,000** | **406,812** | **40,338** | **759,549** | **1,210,506** |
| Net Income (Loss) June 30, 2013 | | | | | | 11,931 | 11,931 |
| Balance for June 30, 2013 | **20,000,000** | **20,000** | **406,812,000** | **406,812** | **40,338** | **771,480** | **1,222,437** |
| Net Income (Loss) Sept. 30, 2013 | | | | | | 10,047 | 10,047 |
| Balance for Sept. 30, 2013 | **20,000,000** | **20,000** | **406,812,000** | **406,812** | **40,338** | **781,507** | **1,232,484** |
| Net Income (Loss) Dec. 31, 2013 | | | | | | 5,218 | 5,218 |
| Balance for Dec. 31, 2013 | **20,000,000** | **20,000** | **406,812,000** | **406,812** | **40,338** | **786,725** | **1,237,702** |
| Stock Issuance for Exec. Svc Feb 2014 | | | 350,000,000 | 350,000 | | | 350,000 |
| Stock Issuance for Exec. Svc Feb 2014 | | | 350,000,000 | 350,000 | | | 350,000 |
| Stock Issuance for Consult Svc Feb 2014 | | | 300,000,000 | 300,000 | | | 300,000 |
| Stock Issuance for Consult Svc Mar 2014 | | | 300,000,000 | 300,000 | | | 300,000 |
| Net Income (Loss) Mar. 31, 2014 | | | | | | 15,546 | 15,546 |
| Balance for Mar. 31, 2014 | **20,000,000** | **20,000** | **1,706,812,000** | **1,706,812** | **40,338** | **802,271** | **2,553,248** |
| Stock return to Treas June 2014 | | | -350,000,000 | -350,000 | | | -350,000 |
| Stock Issuance for Exec. Svc June 2014 | | | 350,000,000 | 350,000 | | | 350,000 |
| Net Income (Loss) June 30, 2014 | | | | | | 20,053 | 20,053 |
| Balance for June 30, 2014 | **20,000,000** | **20,000** | **1,706,812,000** | **1,706,812** | **40,338** | **822,324** | **2,573,301** |
| Stock Issuance for Exec. Svc July 2014 | | | 30,000,000 | 30,000 | | | 30,000 |
| Stock Issuance for Consult Svc Sept 2014 | | | 2,400,000 | 2,400 | | | 2,400 |
| Net Income (Loss) Sept. 30, 2014 | | | | | | 15,638 | 15,638 |
| Balance Sept. 30, 2014 | **20,000,000** | **20,000** | **1,739,212,000** | **1,739,212** | **40,338** | **837,962** | **2,621,339** |
| Stock Issuance for Exec. Svc Nov 2014 | | | 150,000,000 | 150,000 | | | 150,000 |
| Net Income (Loss) Dec. 31, 2014 | | | | | | 15,212 | 15,212 |
| Balance Dec. 31, 2014 | **20,000,000** | **20,000** | **1,889,212,000** | **1,889,212** | **40,338** | **853,174** | **2,786,551** |
| Net Income (Loss) Mar. 31, 2015 | | | | | | 15,552 | **15,552** |
| Balance for Mar. 31, 2015 | **20,000,000** | **20,000** | **1,889,212,000** | **1,889,212** | **40,338** | **868,726** | **2,802,103** |
| Stock Issuance for Consult Svc June 2015 | | | 2,400,000 | 2,400 | | | 2,400 |
| Net Income (Loss) June 30, 2015 | | | | | | 13,436 | **13,436** |
| Balance for June. 30, 2015 | **20,000,000** | **20,000** | **1,889,212,000** | **1,891,612** | **40,338** | **882,162** | **2,817,939** |
| Comm Stock Issuance for Exec. Svc Aug 2015 | | | 40,000,000 | 40,000 | | | 40,000 |
| Return to Treasury Preferred Stock Aug 2015 | -20,000,000 | -20,000 | | | | | -20,000 |
| Pref. Stock Issuance for Exec. Svc Aug 2015 | 30,000,000 | 30,000 | | | | | 30,000 |
| Comm Stock Issuance for Exec. Svc Sept. 2015 | | | 250,000,000 | 250,000 | | | 250,000 |
| Net Income (Loss) Sept. 30, 2015 | | | | | | 9,063 | 9,063 |
| Balance for Sept. 30, 2015 | **30,000,000** | **30,000** | **2,151,612,000** | **2,151,612** | **40,338** | **891,225** | **3,127,002** |

In the 1st Quarter ended Mar. 31, 2014 the Company issued 350,000,000 shares of Restricted common stock for Executive Services

In the 1st Quarter ended Mar. 31, 2014 the Company issued 350,000,000 shares of Restricted common stock for Executive Services

In the 1st Quarter ended Mar. 31, 2014 the Company issued 300,000,000 shares of Restricted common stock for Consulting Services

In the 1st Quarter ended Mar. 31, 2014 the Company issued 300,000,000 shares of Restricted common stock for Consulting Services

In the 2nd Quarter ended June 30, 2014 a shareholder vol. cxl.'d & ret.'d to Treas. 350,000,000 shares of common stock.

In the 2nd Quarter ended June 30, 2014 the Company issued 350,000,000 shares of Restricted common stock for Executive Services

In the 3rd Quarter ended Sept. 30, 2014 the Company issued 30,000,000 shares of Restricted common stock for Executive Services

In the 3rd Quarter ended Sept. 30, 2014 the Company issued 2,400,000 shares of restricted common stock for for consulting services

In the 4th Quarter ended Dec. 31, 2014 the Company issued 150,000,000 shares of Restricted common stock for Executive Services

In the 2nd Quarter ended June 30, 2015 the Company issued 2,400,000 shares of restricted common stock for for consulting services

In the 3rd Quarter ended Sept. 30, 2015 the Company issued 260,000,000 shares of restricted common stock for Executive Services

In the 3rd Quarter ended Sept. 30, 2015 a shareholder vol. cxl.'d & ret.'d to Treas. 20,000,000 shares of preferred stock.

In the 3rd Quarter ended Sept. 30, 2015 the Company issued 30,000,000 shares of preferred stock for Executive Services

# Dig-it Underground, Inc.

**Notes to Financial Statement**
**For the 3rd Quarter Ended September 30, 2015 (Unaudited)**

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## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

Accounting policies and procedures are listed below. The Company has adopted a December 31 year end.

Accounting Basis

We have prepared the consolidated financial statements according to generally accepted accounting principles (GAAP).

Cash and Cash Equivalents

The company considers all highly liquid investments with original maturities of three months or less as cash equivalents. As of September 30, 2015, the company had no cash or cash equivalent balances in excess of the federally insured amounts. The company's policy is to invest excess funds in only well capitalized financial institutions.

Earnings per share

The company adopted the provisions of SFAS No. 128, "Earnings per Share." SFAS No. 128 requires the presentation of basic and diluted earnings per share ("EPS"). Basic EPS is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS includes the potential dilution that could occur if options or other contracts to issue common stock were exercised or converted.

The company has not issued any options or warrants or similar securities since inception.

Stock Based Compensation

As permitted by statement of Financial Accounting Standards ("SFAS") No. 148, "Accounting Based Compensation", the company has elected to continue to follow the intrinsic value method in accounting for its' stock-based compensation arrangements as defined by Accounting Principles Board Opinion (APB") No. 25, "Accounting for Stock Issued Employees", and related Interpretations including "Financial Accounting Standards Board Interpretations" No. 44, "Accounting for Certain Transactions Involving Stock Compensation", and interpretation of

APB No. 25. At September 30, 2015 the company has not formed a Stock Option Plan and has not issued any options.

Fixed Assets

Fixed assets are carried at cost. Depreciation is computed using the straight-line method of depreciation over the assets' estimated useful lives. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of fixed assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Income Taxes

The provision for income taxes is the total of the current taxes payable and the net of the change in the deferred income taxes. Provision is made for the deferred income taxes where differences exist between the period in which transactions affect current taxable income and the period in which they enter into the determination of net income in the financial statements.

Advertising

Advertising is expensed when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principals 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Goodwill

Goodwill is created when we acquire a business. It is calculated by deducted the fair value of the net assets acquired from the consideration given and represents the value of factors that contribute to greater earning power, such as a good reputation, customer loyalty or intellectual capital.

We assess goodwill of individual subsidiaries for impairment in the fourth quarter of every year, and when circumstances indicate that goodwill might be impaired.

**NOTE 2. GOING CONCERN**

The accompanying financial statements have been prepared assuming that the company will continue as a going concern.

## NOTE 3. RECENTLY ISSUED ACCOUNTING STANDARDS

Management does not believe that any recently issued but not yet adopted accounting will have a material effect on the Company's results of operation or on the reported amounted of its assets and liabilities upon adoption.

## NOTE 4. PROVISION FOR INCOME TAXES

The company provides for income taxes under Statement of Financial Standards No. 109, Accounting for Income Taxes. SFAS No. 109 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse.

SFAS No. 109 requires the reduction of deferred tax assets by a valuation if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The provision for income taxes is comprised of the changes in deferred taxes less the valuation account plus the current taxes payable.