

Partners

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Dig-It Underground, Inc.
Las Vegas, NV

We have compiled the accompanying balance sheet of Dig-It Underground, Inc. (a corporation) as of 3rd Quarter ended September 30, 2011, and the related statements of operations, and retained earnings for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Accounting principles generally accepted in the United States of America requires that depreciable property purchased over the useful life of the asset. Management has informed us that depreciation on additions to plant and equipment during the interim period ended September 30, 2011, has not been computed. The effect of this departure from accounting principles generally accepted in the United States of America on the accompanying financial statements has not been determined.



Swan & Gardiner CPAs, LLC
November 10, 2011
Las Vegas, Nevada

Dig-It Underground, Inc.
Consolidated Balance Sheet
For the 3rd Quarter Ended September 30, 2011

ASSETS

Current Assets

Cash	4,295.72	
Inventory	118,854.63	
Accounts Receivable	108,278.71	
Loan to GFA	111,155.02	
Contracts and Trademarks	64,318.96	
Total Current Assets		406,903.04

Fixed Assets

Furniture and Fixtures	20,411.49	
Leasehold Improvements	24,766.47	
Accumulated Depreciation	(34,157.00)	
Total Fixed Assets		11,020.96

Other Assets

Deposits	4,054.00	
Total Other Assets		4,054.00

TOTAL ASSETS

\$ 421,978.00

LIABILITIES

Current Liabilities

Accounts Payable	48,672.81	
Credit Card Debt	131,812.05	
Loans Due Within 1 Year	12,142.41	
Total Current Liabilities		192,627.27

Long Term Liabilities

Loans from Shareholder	316,122.71	
Total Long Term Liabilities		316,122.71

TOTAL LIABILITIES

\$ 508,749.98

SHAREHOLDER EQUITY

Retained Earnings	(108,049.40)	
Net Income	21,277.42	

TOTAL SHAREHOLDER EQUITY

\$ (86,771.98)

TOTAL SHAREHOLDER EQUITY & LIABILITIES

\$ 421,978.00

Dig-It Underground, Inc.
 Consolidated Statement of Operations
 For the 3rd Quarter Ended September 30, 2011

	3rd Quarter Ending
REVENUE	
Gross Receipts	151,645.62
Less Cost of Goods Sold	63,853.30
Gross Profits	\$ 87,792.32
EXPENSES	
Allowance for Doubtful A/R Expense	293.91
Automobile Expense	3,136.12
Bank Service Charge Expense	16.90
Business License & Fees Expense	125.57
Computer Graphics Design Expense	6,625.00
Computer Repairs Expense	105.00
Depreciation Expense	763.00
Insurance Expense	3,227.42
Interest Expense	7,886.66
Marketing Expense	2,549.92
Office Supplies Expense	2,656.63
Postage Expense	88.44
Printing & Reproduction Expense	1,889.98
Professional Fees Expense	90.00
Promotional Expense	286.00
Rent Expense	6,099.00
Repairs & Maintenance Expense	6,894.53
Royalty Expense	14,356.76
Supplies Expense	1,754.70
Telephone Expense	2,661.34
Travel Expense	200.00
Utilities Expense	1,004.35
TOTAL EXPENSES	\$ 62,711.23
NET PROFIT	\$ 25,081.09

Dig-It Underground, Inc.
Consolidated Statement of Cash Flows
For the 3rd Quarter Ended September 30, 2011

Operating Activities	\$ 25,081.09
Net Income	
Adjustments to Reconcile Net Income to	
Net Cash Provided By Operations	
Accounts Receivable	(36,315.29)
Accounts Payable	20,575.18
Credit Card Debt	40,445.25
Depreciation	763.00
Loans	14,396.81
Inventory	(27,487.17)
Divestment of Subsidiary	(42,414.15)
Net Cash Provided by Operating Activities	\$ (30,036.37)
Net Cash Decrease for Period	\$ (4,955.28)
Cash at Beginning of Period	\$ 9,251.00
Cash at End of Period	\$ 4,295.72

Dig-it Underground, Inc.
NOTES TO FINANCIAL STATEMENTS
FOR THE 3RD QUARTER ENDED SEPTEMBER 30, 2011 (Unaudited)

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, 2011, 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, 2011, 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 amount 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.

Dig-It Underground, Inc.

Statement of changes in Shareholders Equity/Deficit

FOR THE 3 MONTHS ENDED SEPTEMBER 30, 2011

	PREFERRED STOCK		COMMON STOCK		Add'l Paid in Capital	Accumulated Deficit	Total Equity
	Shares	Amount	Shares	Amount			
Stock Issuance to Founders Mar. 2001			11,050,000	11,050			11,050
Stock Issuance to Investors May 2001			162,000	162	40,338		40,338
Net Income (Loss) Dec. 31, 2001	0	0	11,212,000	11,212	40,338	28,452	28,452
Balance Dec. 31, 2001							79,840
Net Income (Loss) Dec. 31, 2002						31,830	31,830
Balance Dec. 31, 2002	0	0	11,212,000	11,212	40,338	60,282	111,670
Net Income (Loss) Dec. 31, 2003						0	0
Balance Dec. 31, 2003	0	0	11,212,000	11,212	40,338	60,282	111,670
Net Income (Loss) Dec. 31, 2004						0	0
Balance Dec. 31, 2004	0	0	11,212,000	11,212	40,338	60,282	111,670
Net Income (Loss) Dec. 31, 2005						89,960	89,960
Balance Dec. 31, 2005	0	0	11,212,000	11,212	40,338	150,242	201,630
Net Income (Loss) Dec. 31, 2006						110,804	110,804
Balance Dec. 31, 2006	0	0	11,212,000	11,212	40,338	261,046	312,434
Net Income (Loss) Dec. 31, 2007						92,553	91,553
Balance Dec. 31, 2007	0	0	11,212,000	16,850	40,338	353,599	403,987
Stock Issuance Share Exch. Agmt. Sept. 2008			30,000,000	30,000			30,000
Net Income (Loss) Dec. 31, 2008						75,201	75,201
Balance Dec. 31, 2008	0	0	41,212,000	41,212	40,338	428,600	509,188
Stock Issuance for Exec. Serv. Feb. 2009			5,000,000	5,000			5,000

Balance for 3 mos ended 9/30/11	20,000,000	20,000	185,612,000	185,612	40,338	657,664	887,411
In the year Ended Dec. 31, 2008 the Company issued 30,000,000 shares of Common Stock to satisfy the terms of a Share Exchange Agreement to acquire the Business Assets of Haydin Group Enterprises							
In the 1st Quarter ended Mar. 31, 2009 the Company issued 5,000,000 shares of restricted common stock for executive services							
In the 1st Quarter ended Mar. 31, 2010 the Company issued 7,500,000 shares of restricted common stock for consulting services							
In the 1st Quarter ended Mar. 31, 2010 the Company issued 1,750,000 shares of restricted stock for a \$1,750 Investment in the Company							
In the 1st Quarter ended Mar. 31, 2010 the Company issued 20,000,000 shares of restricted preferred stock for executive services							
In the 2nd Quarter ended June 30, 2010 the Company issued 4,500,000 shares of restricted stock for a \$4,500 Investment in the Company							
In the 2nd Quarter ended June 30, 2010 the Company issued 1,250,000 shares of restricted stock for a \$1,250 Investment in the Company							
In the 3rd Quarter ended Sept.30, 2010 the Company issued 9,000,000 shares of restricted common stock for consulting services							
In the 1st Quarter ended Mar. 31, 2011 the Company issued 9,000,000 shares of Restricted common stock for a \$9,000 Investment in the Company							
In the 2nd Quarter ended June 30, 2011 the Company issued 2,400,000 shares of restricted common stock for for consulting services							
In the 2nd Quarter ended June 30, 2011 the Company issued 5,000,000 shares of restricted common stock for executive services							
In the 2nd Quarter ended June 30, 2011 the Company issued 4,000,000 shares of restricted common stock for a \$4,000 Investment in the Company							
In the 3rd Quarter ended September 30, 2011 the Company issued 15,000,000 shares of restricted common stock for executive services							
In the 3rd Quarter ended September 30, 2011 the Company issued 80,000,000 shares of restricted common stock to satisfy the terms of a Share Exchange Agreement.							