

Dig-it Underground, Inc.
Consolidated Financial Statements
For the Year Ended December 31, 2016 (Unaudited)

Dig-it Underground, Inc.

For the Year Ended December 31, 2016

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 31st day of March 2017.

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

DIG-IT UNDERGROUND, INC.
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2016

ASSETS

CURRENT ASSETS

CASH IN BANK/SAVINGS	\$	42,737.41
OTHER CURRENT ASSETS	\$	248,351.01
TOTAL CURRENT ASSETS	\$	291,088.42

FIXED ASSETS

ACCUMULATD DEPRECIATION	\$	(351,064.00)
FURNITURE AND EQUIPMENT	\$	83,968.23
TOTAL FIXED ASSETS	\$	(267,095.77)

OTHER ASSETS

ACCUMULATED AMORTIZATION	\$	(20,078.00)
BUILDINGS	\$	1,080,368.14
LAND	\$	57,400.00
DEPOSITS/LOAN/INVESTMENTS	\$	48,500.00
TOTAL OTHER ASSETS	\$	1,166,190.14

TOTAL ASSETS	\$	1,190,182.79
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LIABILITIES

CURRENT & LONG TERM LIABILITIES

PAYROLL LIABILITIES	\$	11,527.38
CREDIT CARDS	\$	(10,782.36)
CURRENT LIABILITIES	\$	70,979.59
LONG TERM LOANS	\$	1,153,023.31
TOTAL CURRENT LIABILITIES	\$	1,224,747.92

TOTAL LIABILITIES	\$	1,224,747.92
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SHAREHOLDER EQUITY

OPENING BALANCE EQUITY	\$	-
OWNERS CONTRIBUTION	\$	-
PAID-IN CAPITAL	\$	1,016.74
RETAINED EARNINGS	\$	49,176.79
DRAWS/DISTRIBUTIONS	\$	(325,355.23)
OWNERS EQUITY	\$	-
NET INCOME	\$	240,596.57
TOTAL SHAREHOLDER EQUITY	\$	(34,565.13)

TOTAL SHAREHOLDER EQUITY & LIABILITIES	\$	1,190,182.79
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DIG-IT UNDERGROUND, INC
CONSOLIDATED PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2016

GROSS REVENUES	\$ 1,765,011.41
COGS	\$ 5,717.08
REFUNDS	\$ (30,539.02)
GROSS PROFITS	<u>\$ 1,728,755.31</u>
OPERATIONAL EXPENSES	
ADVERTISING	\$ 23,243.37
AUTO	\$ 51,045.62
BANK CHARGES	\$ 301.50
CHARITABLE CONTRIBUTIONS	\$ 207.58
CLEANING SERVICE	\$ 664.00
COLLECTIONS	\$ 87,700.00
COMMISSIONS	\$ 45,091.16
CONSULTING	\$ (700.00)
CONTRACT LABOR	\$ 15,014.08
CONTRACT SERVICES	\$ 129,728.31
CONTINUING EDUCATION	\$ 7,567.92
CONTRIBUTIONS	\$ 18,243.54
COVERAGE	\$ 2,400.00
CREDIT CARD FEES	\$ 18,036.30
DUES & SUBSCRIPTIONS	\$ 31,859.39
EMPLOYER PAYROLL TAXES	\$ 8,109.56
EQUIPMENT RENTAL	\$ 1,664.05
GIFT EXPENSE	\$ 758.56
INSURANCE	\$ 86,244.32
INTEREST	\$ 43,299.00
LEGAL/ACCOUNTING	\$ 58,499.13
LICENSES/DUES/FEES	\$ 1,736.83
MARKETING	\$ 7,908.73
MEALS/ENTERTAINMENT	\$ 27,045.90
MEDICAL EXPENSES	\$ 28.98
MEDICAL RECORDS-SUPPLIES	\$ 16,429.22
OFFICE SUPPLIES	\$ 30,137.30
PHONE/INTERNET	\$ 27,317.50
POSTAGE AND SHIPPING	\$ 3,761.17
PROFESSIONAL FEES	\$ 3,460.26
PROPERTY MGMT FEES	\$ 66.11
PROPERTY TAX	\$ 16,101.47
RECONCILIATION DISCREPANCIES	\$ (7.34)
REFERENCE MATERIALS	\$ 48.75
REIMBURSEMENT	\$ (367.36)
RENTS	\$ 244,808.95
REPAIRS/MAINTENANCE	\$ 53,457.81
SECURITY	\$ 400.00
TAXES OTHER	\$ 23,230.88
TRAVEL	\$ 12,930.48
UNIFORMS	\$ 2,242.56
UTILITIES	\$ 22,961.53
WAGES	\$ 359,494.43
TOTAL OPERATIONAL EXPENSES	<u>\$ 1,482,171.55</u>
OPERATING INCOME	\$ 246,583.76
NET PROFIT	<u>\$ 246,583.76</u>

DIG-IT UNDERGROUND, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

OPERATING ACTIVITIES	
NET INCOME	\$246,583.76
NET CASH FOR THE PERIOD	\$246,583.76
CASH AT END OF PERIOD	\$246,583.76

Dig-It Underground, Inc.
Statement of changes in Shareholders Equity/Deficit
For The Year Ended December 31, 2016

	PREFERRED STOCK		COMMON STOCK		Addtl 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
Return to Treasury Common Stock Oct 2015			-300,000,000	-300,000			-30,000
Net Income (Loss) Dec. 31, 2015						12,089	12,089
Balance for Dec. 31, 2015	30,000,000	30,000	1,851,612,000	181,851,612	40,338	903,314	3,139,091
Net Income (Loss) Mar. 31, 2016						96,595	96,595
Balance for Mar. 31, 2016	30,000,000	30,000	1,851,612,000	181,851,612	40,338	999,909	3,235,686
Stock Iss Acquisition (Pref) May 2016	6,000,000	6,000					6,000
Stock Issuance for Consult Svc June 2016			24,000,000	24,000			24,000
Stock Issuance for Exec Svc June 2016			30,000,000	30,000			30,000
Stock Return to Treas June 2016			-90,000,000	-90,000			-90,000
Net Income (Loss) Jun 30, 2016						157,550	157,550
Balance for Jun. 30, 2016	36,000,000	36,000	1,815,612,000	1,815,612	40,338	1,157,459	3,363,236
Stock Issuance for Consult Svc Aug. 2016			15,000,000	15,000			15,000
Net Income (Loss) Sep. 30, 2016						118,760	118,760
Balance for Sep. 30, 2016	36,000,000	36,000	1,830,612,000	1,830,612	40,338	1,276,219	3,496,996
Net Income (Loss) Dec. 31, 2016						-126,322	-126,322
Balance for Dec. 31, 2016	36,000,000	36,000	1,830,612,000	1,830,612	40,338	1,149,897	3,370,674

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 250,000,000 shares of restricted common stock for Executive Services

In the 3rd Quarter ended Sept. 30, 2015 a shareholder vol. cxi.'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

In the 4th Quarter ended Dec. 31, 2015 a shareholder vol. cxi.'d & ret.'d to Treas. 300,000,000 shares of common stock.

In the 2nd Quarter ended Jun 30, 2016 the Company issued 6,000,000 shares of restricted preferred stock in a Share Exchange Agreement

In the 2nd Quarter ended Jun. 30, 2016 the Company issued 24,000,000 shares of restricted common stock for for Consulting Services

In the 2nd Quarter ended Jun. 30, 2016 the Company issued 30,000,000 shares of restricted common stock for for Executive Services

In the 2nd Quarter ended June 30, 2016 a shareholder vol. cxi.'d & ret.'d to Treas. 90,000,000 shares of common stock.

In the 3rd Quarter ended Sep. 30, 2016 the Company issued 15,000,000 shares of restricted common stock for for Consulting Services

Dig-it Underground, Inc.
Notes to Financial Statement
For the Year Ended December 31, 2016 (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 December 31, 2016, 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 December 31, 2016 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.