

24/7 Kid Doc, Inc.
Balance Sheets
As of December 31, 2016 and 2015
(Unaudited)

ASSETS

	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents	\$ 40,036	\$ 65,487
Accounts receivable	-	210,615
Prepaid expenses and other current assets	<u>-</u>	<u>23,967</u>
Total current assets	40,036	300,069
Property and equipment, at cost, net	18,872	117,580
Purchase note receivable	<u>200,000</u>	<u>-</u>
Total Assets	<u>\$ 258,908</u>	<u>\$ 417,649</u>

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

Current liabilities:		
Accounts payable	\$ -	\$ 48,556
Accrued expenses	-	155,578
Deferred revenue	-	838,803
Advances from shareholder	<u>210,291</u>	<u>105,731</u>
Total current liabilities	\$ 210,291	\$1,148,668
Stockholders' equity (deficit):		
Preferred stock, \$.0001 par value, 5,000,000 shares authorized, none issued	-	-
Common stock, \$.0001 par value, 200,000,000 shares authorized, 48,110,502 and 38,110,502 shares issued and outstanding	4,811	3,811
Additional paid-in capital	7,259,931	6,948,431
Treasury stock, 671,650 at cost	(39,009)	(39,009)
Accumulated deficit	<u>(7,177,116)</u>	<u>(7,644,252)</u>
Total stockholders' equity (deficit)	<u>48,617</u>	<u>(731,019)</u>
Total Liabilities and Stockholders' Equity (Deficit)	<u>\$ 258,908</u>	<u>\$ 417,649</u>

24/7 Kid Doc, Inc.
Statements of Operations
For the Years Ended December 31, 2016 and 2015
(Unaudited)

	<u>2016</u>	<u>2015</u>
Operating expenses:		
Non-cash compensation	\$ 312,500	\$ -
General and administrative expenses	<u>50,538</u>	<u>-</u>
Total operating expenses	<u>363,038</u>	<u>-</u>
Loss from Continued Operations	<u>(363,038)</u>	<u>-</u>
Discontinued operations:		
Gain/(Loss) from discontinued operations	<u>824,674</u>	<u>(428,899)</u>
Other income(expenses):		
Interest income	<u>5,500</u>	<u>-</u>
Net loss from continued operations	<u>\$ (357,538)</u>	<u>\$ -</u>
Net income (loss) from discontinued operations	<u>\$ 824,674</u>	<u>\$ (428,899)</u>
Per share information basic and diluted		
Loss from continuing operations	\$ (0.01)	\$ -
Gain (loss) from discontinued operations	<u>0.02</u>	<u>(0.01)</u>
Income (loss) per share – basic and diluted	<u>\$ 0.01</u>	<u>\$ (0.01)</u>
Weighted average shares outstanding	<u>45,842,742</u>	<u>37,290,830</u>

24/7 Kid Doc, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015
(Unaudited)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Net income (loss)	\$ 467,136	\$(428,899)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	4,673	55,123
Interest added to officer loans	225	5,621
Net gain on disposal of assets	(932,217)	(8,842)
Stock compensation for consultant	312,500	310,000
Changes in assets and liabilities:		
Accounts receivable	-	(198,133)
Spare parts and supplies	-	148,548
Prepaid expenses and other current assets	23,207	27,259
Deferred revenue	29,186	(30,818)
Accounts payable and accrued expenses	<u>(111,393)</u>	<u>(16,123)</u>
Total adjustments	<u>(673,819)</u>	<u>292,635</u>
Net cash used in operating activities – continuing operations	(44,851)	-
Net cash used in operating activities – discontinued operations	<u>(161,832)</u>	<u>(136,264)</u>
Net cash flow used in operating activities	<u>(206,683)</u>	<u>(136,264)</u>
Cash flows from investing activities:		
Cash received from sale of assets	-	28,313
Acquisition of property and equipment	<u>(19,059)</u>	<u>-</u>
Net cash used in investment activities – continuing operations	(19,059)	-
Net cash provided by investing activities – discontinued operations	<u>-</u>	<u>28,313</u>
Net cash flow provided by (used) in investing activities	<u>(19,059)</u>	<u>28,313</u>
Cash flows from financing activities:		
Repayment of shareholder advance	(10,000)	(10,000)
Repayment of long-term debt	-	(6,924)
Proceeds from shareholder advances	<u>210,291</u>	<u>-</u>
Net cash provided by financing activities – continuing operations	200,291	-
Net cash used in financing activities – discontinued operations	<u>-</u>	<u>(16,924)</u>
Net cash flow used in financing activities	<u>200,291</u>	<u>(16,924)</u>
Net increase in cash – continuing operations	<u>136,381</u>	<u>-</u>
Net decrease in cash – discontinued operations	<u>(161,832)</u>	<u>(124,875)</u>
Cash and cash equivalents, beginning – continuing operations	<u>-</u>	<u>-</u>
Cash and cash equivalents, beginning – discontinued operations	<u>65,487</u>	<u>190,362</u>

Cash and cash equivalents, ending –continuing operations	\$ 136,381	\$ _____ -
Cash and cash equivalents, ending – discontinued operations	<u>(96,345)</u>	<u>\$ 65,487</u>
Cash and cash equivalents, ending	\$ 40,036	\$ 65,487

Supplemental cash flow information:

Cash paid for interest	<u>\$ _____ -</u>	<u>\$ _____ -</u>
Cash paid for income taxes	<u>\$ _____ -</u>	<u>\$ _____ -</u>

24/7 Kid Doc, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 1. Organization, Significant Accounting Policies and Liquidity

24/7 Kid Doc, Inc. (referred to as “we”, “us”, “our” or the “Company”) was incorporated in Florida on November 24, 1998 under the name of The Jarrett/Favre Driving Adventure, Inc. The name of the Company was changed to Dale Jarrett Racing Adventure, Inc. in October 2002. The Company was originally a NASCAR Driving School that was in business for almost 18 years. In November 2015, the name of the Company was changed to 24/7 Kid Doc, Inc. The Company provides Telemedicine hardware and software to schools at no cost to the schools.

Revenue Recognition

In general, we record revenue when persuasive evidence of an arrangement exists, services have been rendered, the sales price is fixed or determinable, and collectability of the sales price is reasonably assured. The following policies reflect specific criteria for our various revenue streams:

- Revenue is recognized at the time the product is delivered or the service is performed. Provision for sales returns are estimated based on the Company’s historical return experience; however, sales returns have not been significant due to the nature of the services we provide.
- Deferred revenue is recorded for amounts received in advance of the time at which services are performed and included in revenue at the completion of the related services

Statements of Cash Flows

For purposes of the statements of cash flows, we consider all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at estimated net realizable value. Accounts receivable are comprised of balances due from customer net of estimated allowances for uncollectible accounts. In determining collectability, historical trends are evaluated and specific issues are reviewed to arrive at appropriate allowances. There was no allowance at December 31, 2016 and 2015.

Property and Equipment

Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the respective assets, ranging from 3 to 10 years. Major additions are capitalized, while minor additions and maintenance and repairs, which do not extend the useful life of an asset, are expensed as incurred.

Long Lived Assets

We review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition

is less than its carrying amount. No such impairment losses have been identified by the Company for the years ended December 31, 2016 and 2015.

Use of Estimates

The preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make certain 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. The reported amounts of revenues and expenses may be affected by the estimates management is required to make. Actual results could differ from those estimates.

Advertising Costs

Advertising costs are charged to operations when the advertising first takes place. Advertising costs charged to operations were \$0 and \$23,197 for the years ended December 31, 2016 and 2015, respectively.

Fair Value of Financial Instruments

At December 31, 2016, our short-term financial instruments consist primarily of purchased note receivable and the advance from shareholders. The carrying amounts of these financial instruments approximate fair value because of their short-term nature.

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents. As of December 31, 2016 and 2015, and periodically throughout such years, balances in various operating accounts exceeded federally insured limits. We monitor our positions with, and the credit quality of, the financial institutions in which we maintain cash balances and we have not experienced any losses in such accounts. We do not hold or issue financial instruments for trading purposes nor do we hold or issue interest rate or leveraged derivative financial instruments.

Segment Information

The Company follows Financial Accounting Standards Board (FASB) ASC 280-10, Segment Reporting. Under ASC 280-10, certain information is disclosed based on the way management organizes financial information for making operating decisions and assessing performance. We currently operate in a single segment and will evaluate additional segment disclosure requirements if we expand our operations.

Income Taxes

We compute income taxes in accordance with FASB ASC Topic 740, Income Taxes. Under ASC-740, deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability each period. Also, the effect on deferred taxes of a change in tax rates is recognized in income in the period that included the enactment date. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change.

We follow guidance in FASB ASC Topic 740-10, Accounting for Uncertainty in Income Taxes, which prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement.

We do not believe we have taken any uncertain tax positions on any of our open income tax returns filed through the year ended December 31, 2016. Our methods of tax accounting are based on established income tax principles in the Internal Revenue Code and are properly calculated and reflected within our income tax returns. Due to the carryforwards of net operating losses, all our federal and state income tax returns remain subject to audit.

Stock-Based Compensation

We recognize stock based compensation in accordance with FASB ASC 718, Stock Compensation. ASC 718 requires that the cost resulting from all share-based transactions be recorded in the financial statements. It establishes fair value as the measurement objective in accounting for share-based payment arrangements and requires all entities to apply a fair-value-based measurement in accounting for share-based payment transactions with employees. The Statement also establishes fair value as the measurement objective for transactions in which an entity acquires goods or services from non-employees in share-based payment transactions.

Net Loss Per Common Share

We calculate net loss per share in accordance with ASC Topic 260, Earnings per Share. Basic loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding for the period. Diluted loss per share is calculated by dividing net loss by the weighted average number of common shares and dilutive common stock equivalents outstanding.

During periods in which we incur losses, common stock equivalents, if any, are not considered, as their effect would be anti-dilutive. At December 31, 2016 and 2015, we had no dilutive shares outstanding.

Recent Accounting Pronouncements

We do not believe any recently issued accounting standards will have a material impact on our financial statements.

Note 2. Property and Equipment

Property and equipment consist of the following at December 31, 2016 and 2015:

	2016	2015
Race vehicles	\$ 0	\$ 396,484
Vehicles – other	0	255,128
Shop and track equipment	0	173,740
Connect-A-Doc Kits	17,395	0
Office furniture and equipment	1,664	54,363
Software	0	26,398
DJ Graphics Equipment	0	24,271
	<u>19,059</u>	<u>930,384</u>

Less accumulated depreciation	(187)	(812,804)
	<u>\$ 18,872</u>	<u>\$ 117,580</u>

Note 3. Long-term Debt

At December 31, 2016 and 2015, we were obligated under no long-term debt.

Note 4. Stockholders' Deficit

In February 2016, the Board authorized issuance of 9,000,000 shares of common stock to the Directors and Consultants of 24/7 Kid Doc, Inc. for services performed and to be performed. This issuance was recorded to compensation expense at a value of \$279,000 as the stock price on that day was \$.031.

In November 2016, the Board authorized issuance of 1,000,000 shares of common stock to Brian Rosenbloom for services to be performed. This issuance was recorded to compensation expense at a value of \$31,000 as the stock price on that day was \$.031.

In December 2014, we agreed to grant 10,000,000 shares of our stock to Dr. Norberto Benitez, CEO of Pediatric Care Associates of Jacksonville, FL as consideration for his assistance with the development of a new business opportunity. The shares were issued in 2015. We recognized stock based compensation expense of approximately \$300,000 under this arrangement in 2015.

Note 5. Income Taxes

We have not provided for income taxes in 2016 or 2015 because of operating and tax losses. We have net operating loss carryforwards at December 31, 2016 of approximately \$3,640,000 that expire in various years through 2036. We have fully reserved our net deferred income tax asset since we are uncertain as to whether future income from operations will be available to utilize it. The approximate deferred tax assets and liabilities, assuming a blended state and federal rate of 40%, and the related allowance are as follows:

	2016	2015
Non-current deferred tax assets (liabilities), net:		
Tax benefit of net operating loss carryforwards	\$ 1,456,000	\$ 1,700,000
Property and equipment	(7,500)	(47,000)
Less valuation allowance	(1,448,500)	(1,653,000)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

The provision (benefit) for income taxes differs from the amount computed by applying the statutory federal income tax rate to our loss before income taxes for the years ended December 31, 2016 and 2015. Our combined federal and state effective tax rate as a percentage before taxes for the years ended December 31, 2016 and 2015, approximated 40%. The following are reconciliations of the income tax at the effective tax rate with the income tax at the U.S. federal statutory tax rate for the years ended December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Income tax provision at the federal statutory rate	34%	34%
Effect of operating losses and other temporary differences	(34)%	(34)%
Effective tax rates	0%	0%

Note 6. Commitments

Operating Leases: None
Employment Agreements: None
Vendor Agreements: None

Note 7 – Discontinued Operations

In November 2015, the Company discontinued its NASCAR Driving School that was in business for almost 18 years. In November 2015, the name of the Company was changed to 24/7 Kid Doc, Inc. The Company provides Telemedicine hardware and software to schools at no cost to the schools. The financial results of the driving school operations are presented as discontinued operations.

Note 8. Other Related Party Transaction

During the year ended December 31, 2016, we received \$50,000 of advances from shareholders accruing interest at 3% per year with no payment terms specified.

In January 2016, we sold our racing school assets and liabilities to the President of the Company in exchange for a \$200,000 note with interest at 3% per year with no payment terms specified.

During the year ended December 31, 2016, we received \$160,291 of advances from the President of the Company.

During 2012, we received a \$100,000 advance from a shareholder accruing interest at 5% per year with no payment terms specified. Principal payments were made in the amount of \$10,000 and \$10,000 during the years ended December 31, 2016 and 2015, respectively. The note balance included accrued interest of \$15,731 and \$15,731, respectively.

Note 9. Other Subsequent Events

We evaluated subsequent events through June 15, 2017 and, to the extent applicable, have incorporated such events into these financial statements.