# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 10-Q

**[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: **September 30, 2017**

**OR**

**[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

**Commission File No. 333-202959**

# BALANCE LABS, INC.
(Exact name of registrant as specified in its charter)

| **Delaware** | **47-1146785** |
|---|---|
| (State or other jurisdiction of incorporation) | (IRS Employer Identification No.) |

**350 Lincoln Road, 2nd Floor**
**Miami Beach, Florida**
(Address of principal executive offices)

**(305) 907-7600**
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Sec.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files. Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

| | | | |
|---|---|---|---|
| Large accelerated filer | [ ] | Accelerated filer | [ ] |
| Non-accelerated filer | [ ] | Smaller reporting company | [ ] |
| Emerging growth company | [X] | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

As of November 13, 2017, there were 21,620,000 shares outstanding of the registrant's common stock.

**BALANCE LABS, INC. AND SUBSIDIARIES**
**FORM 10-Q**

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**PART I – FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

Balance Labs Inc and Subsidiaries
Condensed Consolidated Balance Sheets

| | September 30, 2017 (unaudited) | December 31, 2016 |
|---|---|---|
| Assets | | |
| | | |
| Current Assets | | |
| Cash | $ 13,134 | $ 16,057 |
| Prepaid expenses | 32,375 | 36,273 |
| Total Current Assets | 45,509 | 52,330 |
| | | |
| Property and Equipment , net | 5,925 | 8,653 |
| | | |
| Investments | | |
| Investment | 2,000 | 2,000 |
| Investment at Fair Value-related party | 235,000 | 892,250 |
| | | |
| Total Assets | $ 288,434 | $ 955,233 |
| | | |
| Liabilities and Stockholder's Equity(Deficit) | | |
| | | |
| Current Liabilities | | |
| Accounts Payable-related parties | $ 341,660 | $ 251,659 |
| Accounts Payable and accrued expenses | 203,324 | 95,305 |
| Note payable-net of discount of $ 0 and $125,000 | 525,000 | 400,000 |
| Convertible Note Payable-related party | 120,000 | 36,429 |
| Short term advance related party, net of discount of 83,571 | 252,489 | 659 |
| Notes Payable, related party | 40,000 | 45,000 |
| | | |
| Total Current Liabilities | 1,482,473 | 829,052 |
| | | |
| Commitments and contingencies(see note 6) | | |
| | | |
| Stockholder's Equity | | |
| Preferred stock, $.0001 par value: Authorized 50,000,000 shares, none issued and outstanding as of September 30, 2017 and December 31, 2016 | - | - |
| | | |
| Common stock, $.0001 par value: Authorized 500,000,000 shares. 21,620,000 issued and outstanding as of September 30, 2017 and December 31, 2016 | 2,162 | 2,162 |
| Additional Paid in Capital | 741,271 | 741,271 |
| Accumulated Deficit | (2,171,972) | (1,509,002) |
| Accumulated other comprehensive income | 234,500 | 891,750 |
| Total Stockholder's Equity(Deficit) | (1,194,039) | 126,181 |
| | | |
| Total Liabilities and Stockholder's Equity(Deficit) | $ 288,434 | $ 955,233 |

See the accompanying notes to these unaudited condensed consolidated financial statements

Balance Labs Inc and Subsidiaries
Condensed Consolidated Statement of Operations
(unaudited)

| | For the three Months Ended September 30, 2017 | For the three Months Ended September 30, 2016 | For the nine Months Ended September 30, 2017 | For the nine Months Ended September 30, 2016 |
|---|---|---|---|---|
| Revenue - related party | $ - | $ - | $ 500 | $ - |
| | | | | |
| General and Administrative expenses | 21,806 | 46,764 | 75,576 | 98,346 |
| Professional Fees | 17,137 | 38,034 | 39,469 | 76,792 |
| Salaries and Wages | 65,437 | 38,414 | 160,618 | 106,746 |
| General and Administrative expenses - related party | 37,500 | 50,000 | 112,500 | 140,000 |
| | | | | |
| Total Operating Expenses | 141,880 | 173,212 | 388,163 | 421,884 |
| | | | | |
| Loss from Operations | (141,880) | (173,212) | (387,663) | (421,884) |
| | | | | |
| Other Expenses | | | | |
| Interest expense(includes amortization of warrants on note) | (60,808) | (138,001) | (275,307) | (295,408) |
| | | | | |
| Net Loss | (202,688) | (311,263) | (662,970) | (717,292) |
| | | | | |
| Other Comprehensive Gain(Loss) | (215,000) | (35,000) | (657,250) | 714,500 |
| | | | | |
| Comprehensive Loss | $ (417,688) | $ (346,263) | $ (1,320,220) | $ (2,792) |
| | | | | |
| Net Loss per share Basic and Diluted | $ (0.01) | $ (0.01) | $ (0.03) | $ (0.03) |
| | | | | |
| Weighted average Number of Common Shares Outstanding-Basic and Diluted | 21,620,000 | 21,620,000 | 21,620,000 | 21,287,000 |

See the accompanying notes to these unaudited condensed consolidated financial statements

Balance Labs Inc and Subsidiaries
Condensed Statement of Cash Flows
(Unaudited)

| | For the Nine Months Ended September 30, 2017 | For the Nine Months Ended September 30, 2016 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Net loss | $ (662,970) | $ (717,292) |
| Adjustments to reconcile Net loss to net cash used in operations: | | |
| Amortization of Debt Discount | 208,571 | 268,190 |
| Depreciation expense | 2,728 | 720 |
| Changes in Operating Assets and Liabilities: | | |
| Other Receivables | - | (30,000) |
| Prepaid Expenses | 3,898 | (39,772) |
| Accounts Payable and Accrued Expenses | 83,520 | 17,351 |
| Accounts Payable and Accrued Expenses - Related Party | 90,000 | 21,980 |
| **Net cash used in Operating Activities** | (274,253) | (478,823) |
| | | |
| **Cash Flows from Investing Activities** | | |
| | | |
| Purchase of Equipment | - | (5,474) |
| Purchase of Investments | - | (2,000) |
| **Net cash used in Investing Activities** | - | (7,474) |
| | | |
| **Cash Flows from Financing Activities** | | |
| Notes Payable, related party | - | 120,000 |
| Note Payable | - | 500,000 |
| Proceeds from short term advances -related parties | 271,330 | - |
| Repayments of loans -related party | - | (20,961) |
| **Net cash provided by Financing Activities** | 271,330 | 599,039 |
| **Net cash increase (decrease) for period** | (2,923) | 112,742 |
| **Cash at beginning of period** | 16,057 | 19,071 |
| **Cash at end of period** | $ 13,134 | $ 131,813 |
| | | |
| Supplemental Disclosure for Cash Flow information: | | |
| Cash paid for interest | $ - | $ - |
| Cash paid for income taxes | $ - | $ - |
| | | |
| Supplemental Disclosure for Non-cash investing and financing activities: | | |
| Reclassification of short-term advances against Notes Payable | $ 25,000 | $ - |

See the accompanying notes to these unaudited condensed consolidated financial statements

**BALANCE LABS, INC. and Subsidiaries**
**Notes to Condensed Consolidated Financial Statements**
**As of September 30, 2017**
**(unaudited)**

**Note 1 – Business Organization and Nature of Operations**

Balance Labs, Inc. ("Balance Labs" or the "Company") was incorporated on June 5, 2014 under the laws of the State of Delaware. Balance Labs is a consulting firm that provides business development and consulting services to start up and development stage businesses. The Company offers services to help businesses in various industries improve and fine tune their business models, sales and marketing plans and internal operations as well as make introductions to professional services such as business plan writing, accounting firms and legal service providers.

The Company leverages its knowledge in developing businesses with entrepreneurs and start up companies' management whereby it creates a customized plan for them to overcome obstacles so that they can focus on marketing their product(s) and/or service(s) to their potential customers.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the unaudited condensed consolidated financial position of Balance Labs as of September 30, 2017 and the unaudited condensed consolidated results of its operations and cash flows for the three and nine months ended September 30, 2017. The unaudited condensed consolidated results of operations for the three and nine months ended September 30, 2017 are not necessarily indicative of the operating results for the full year. It is recommended that these unaudited condensed consolidated financial statements be read in conjunction with the audited financial statements and related disclosures of the Company for the year ended December 31, 2016, which was filed with the Securities and Exchange Commission on April 17, 2017.

**Note 2 – Going Concern**

The condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern. The Company has suffered losses from operations and has a working capital deficiency that raises substantial doubt about its ability to continue as a going concern. The Company used $274,253 of cash in operating activities and currently has $13,134 in cash. This will not sustain the Company without additional funds. Management plans to raise additional capital within the next twelve months that will sustain its operations for the next year. In addition, the company will begin an active marketing campaign to market its services.

**Note 3 – Summary of Significant Accounting Policies**

*Cash and Cash Equivalents*

The Company considers all highly liquid temporary cash investments with an original maturity of three months or less to be cash equivalents. At September 30, 2017 and December 31, 2016, the Company had no cash equivalents.

*Use of Estimates*

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") 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 revenues and expenses during the reporting periods. Estimates may include those pertaining to stock-based compensation and deferred tax assets. Actual results could materially differ from those estimates.

*Revenue Recognition*

The Company recognizes revenue related to its professional services to its customers when (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the sales price is fixed or determinable; and (iv) collectability is reasonably assured.

Beginning in 2017 the Company began marketing products for a related company on a commission basis. The Company recognizes revenue when products it has sold have been invoiced to the customer. The sales commission is fixed and the collectability is reasonably assured.

*Income Taxes*

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of items that have been included or excluded in the financial statements or tax returns. Deferred tax assets and liabilities are determined on the basis of the difference between the tax basis of assets and liabilities and their respective financial reporting amounts ("temporary differences") at enacted tax rates in effect for the years in which the temporary differences are expected to reverse.

The Company adopted the provisions of Accounting Standards Codification ("ASC") Topic 740-10, which prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Management has evaluated and concluded that there are no material tax positions requiring recognition in the Company's financial statements as of September 30, 2017. The Company does not expect any significant changes in its unrecognized tax benefits within twelve months of the reporting date. The Company's 2014, 2015 and 2016 tax returns remain open for audit for Federal and State taxing authorities.

The Company's policy is to classify assessments, if any, for tax related interest as interest expense and penalties as general and administrative expenses in the statement of operations.

*Marketable Securities*

Investments are recorded at fair value on September 30, 2017 and December 31, 2016.

The Company holds marketable securities including common shares of BANG Holdings, Corp. which is currently listed on the Over-the-Counter Bulletin Board (OTCBB). The Company classifies all of its marketable securities as other assets on the balance sheets because they are available-for-sale and not available to fund current operations, marketable securities are stated at fair value with their unrealized gains and losses included as a component of accumulated other comprehensive income (loss), which is a separate component of stockholders' equity, until such gains and losses are realized. If a decline in the fair value is considered other-than-temporary, based on available evidence, the unrealized loss is transferred from other comprehensive income (loss) to the statements of operations. Realized gains and losses are determined on the specific identification method and are included in investment and other income, net.

*Concentration of Credit Risk*

Financial instruments that potentially subject the Company to concentrations of credit risk primarily consist of cash, cash equivalents and marketable securities. As of September 30, the carrying value of marketable securities was $235,000 which consist of common shares held in one (1) investment which currently is listed on the Over-the-Counter Bulletin Board (OTCBB). The Company has classified this investment as a Level 3 of the fair value hierarchy because the investment is valued using unobservable inputs, due to the fact that observable inputs are not available, or situations in which there is little, if any, market activity for the asset or liability at the measurement date.

*Other Investment*

The Company has $2,000 in overnight cash deposits with COR Clearing.

*Principles of Consolidation*

The consolidated financial statements include the Company and its wholly owned corporate subsidiaries (Balance Labs LLC., Balance AgroTech Co., from July 11, 2016, Advanced Auto Tech Co., from May 10, 2016, Balance Cannabis Co., from May 13, 2016, and Balance Medical Marijuana Co. All significant intercompany transactions are eliminated. The Company's four subsidiaries, Balance AgroTech Co., Advanced AutoTech Co., Balance Cannabis Co., and Balance Medical Marijuana Co. are dormant.

Net Loss Per Common Share

Basic and diluted loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the periods. The effect of 2,920,000 and 320,000 warrants and 2,496,887 and 0 shares from convertible notes payable for the nine months ended September 30, 2017 and 2016, respectively were anti-dilutive and not included in loss per share.

Stock-Based Compensation

The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees, the fair value of the award is measured on the grant date and for non-employees, the fair value of the award is generally re-measured on vesting dates and financial reporting dates until the service period is complete. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. Awards granted to directors are treated on the same basis as awards granted to employees.

The Company has computed the fair value of warrants granted using the Black-Scholes option pricing model. The expected term used for warrants is the contractual life. Since the Company's stock has not been publicly traded for a sufficiently long period, the Company is utilizing an expected volatility figure based on a review of the historical volatilities, over a period of time, equivalent to the expected life of the instrument being valued, of similarly positioned public companies within its industry. The risk-free interest rate was determined from the implied yields from U.S. Treasury zero-coupon bonds with a remaining term consistent with the expected term of the instrument being valued.

*Fair Value of Financial Instruments*

The Company measures its financial assets and liabilities in accordance with GAAP. For certain of our financial instruments, including cash, accounts payable, and the short-term portion of long-term debt, the carrying amounts approximate fair value due to their short maturities.

We adopted accounting guidance for financial and non-financial assets and liabilities (ASC 820). This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements. This guidance does not apply to measurements related to share-based payments. This guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs in which little or no market data exists, therefore developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

The following table presents certain assets of the Company's measured and recorded at fair value on the Company's balance sheet on a recurring basis and their level within the fair value hierarchy as of December 31, 2016.

| | Total | (Level 1) | (Level 2) | (Level 3) |
|---|---|---|---|---|
| Fair-value – equity securities | $ 892,250 | $ - | $ - | $ 892,250 |
| Overnight sweep deposits | $ 2,000 | $ 2,000 | $ - | $ - |
| Total Assets measured at fair value | $ 894,250 | $ 2,000 | $ - | $ 892,250 |

The following table presents certain assets of the Company's measured and recorded at fair value on the Company's balance sheet on a recurring basis and their level within the fair value hierarchy as of September 30, 2017.

| | Total | (Level 1) | (Level 2) | (Level 3) |
|---|---|---|---|---|
| Fair-value – equity securities | $ 235,000 | $ - | $ - | $ 235,000 |
| Overnight sweep deposits | $ 2,000 | $ 2,000 | $ - | $ - |
| Total Assets measured at fair value | $ 237,000 | $ 2,000 | $ - | $ 235,000 |

The following is a reconciliation of the level 3 Assets:

| | |
|---|---|
| Beginning Balance as of December 31, 2016 | $ 892,250 |
| Unrealized loss on (level 3) investments September 30, 2017 | (657,250) |
| Ending Balance as of September 30, 2017 | $ 235,000 |

*Business Segments*

The Company operates in one segment and therefore segment information is not presented.

*Advertising, Marketing and Promotional Costs*

Advertising, marketing and promotional expenses are expensed as incurred and are included in selling, general and administrative expenses on the accompanying statement of operations. For the nine months ended September 30, 2017 and September 30, 2016, advertising, marketing and promotion expense was $489 in 2017 and $6,595 in 2016, respectively.

*Property and equipment*

Property and equipment consists of furniture and office equipment and is stated at cost less accumulated depreciation. Depreciation is determined by using the straight-line method for furniture and office equipment, over the estimated useful lives of the related assets generally three to five years.

Expenditures for repairs and maintenance of equipment are charged to expense as incurred. Major replacements and betterments are capitalized and depreciated over the remaining useful lives of the related assets.

Property and equipment as of September 30, 2017 and December 31, 2016 consisted of the following:

| | **Estimated Useful Lives** | **2017** | **2016** |
|---|---|---|---|
| Computer equipment & Software | 3 yrs SL | $ 5,358 | $ 5,358 |
| Furniture | 3 yrs SL | 4,622 | 4,622 |
| Total | | 9,980 | 9,980 |
| Less Accumulated Depreciation | | 4,055 | 1,327 |
| Property and Equipment, net | | 5,925 | $ 8,653 |

Depreciation expense for the nine months ended September 30, 2017 and 2016 totaled $2,728 and $604 respectively.

*Reclassifications*

Certain 2016 amounts have been reclassified for comparative purposes to conform to the fiscal 2017 presentation. These reclassifications have no impact on the previously reported net loss.

*Recently Issued Accounting Pronouncements*

The Company has evaluated all new accounting standards that are in effect and may impact its condensed consolidated financial statements and does not believe that there are any other new accounting standards that have been issued that might have a material impact on its financial position or results of operations.

In February 2016, the FASB issued ASU 2016-02, *Leases*, which will amend current lease accounting to require lessees to recognize (i) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and (ii) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. ASU 2016-02 does not significantly change lease accounting requirements applicable to lessors; however, certain changes were made to align, where necessary, lessor accounting with the lessee accounting model. This standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. We are currently evaluating the impact of this standard on our financial statements.

In March 2016, the FASB issued ASU 2016-09, *Compensation – Stock Compensation: Improvements to Employee Share-Based Payment Accounting*, which relates to the accounting for employee share-based payments. This standard addresses several aspects of the accounting for share-based payment award transactions, including: (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification on the statement of cash flows. This standard will be effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The adoption of this standard did not have any impact on our results of operations, cash flows or financial condition.

In April 2016, the FASB issued ASU 2016–10 Revenue from Contract with Customers (Topic 606): identifying Performance Obligations and Licensing". The amendments in this Update do not change the core principle of the guidance in Topic 606. Rather, the amendments in this Update clarify the following two aspects of Topic 606: identifying performance obligations and the licensing implementation guidance, while retaining the related principles for those areas. Topic 606 includes implementation guidance on (a) contracts with customers to transfer goods and services in exchange for consideration and (b) determining whether an entity's promise to grant a license provides a customer with either a right to use the entity's intellectual property (which is satisfied at a point in time) or a right to access the entity's intellectual property (which is satisfied over time). The amendments in this Update are intended render more detailed implementation guidance with the expectation to reduce the degree of judgement necessary to comply with Topic 606. We are currently evaluating the impact of this standard on our financial statements.

**Note 4 – Stockholders' Equity**

Authorized Capital

The Company is authorized to issue 500,000,000 shares of common stock, $0.0001 par value, and 50,000,000 shares of preferred stock, $0.0001 par value.

Common Stock and Warrant Offering

On September 17, 2015, the Company issued an aggregate of 220,000 shares of common stock at $0.50 per unit to investors for aggregate gross proceeds of $110,000. In connection with the purchases, the Company issued three-year warrants to purchase an aggregate of 220,000 shares of common stock at an exercise price of $2.00 per share. The warrants expire September 17, 2018.

Warrants

During 2015, the Company issued 100,000 warrants as part of a convertible note offering. The fair value of the warrants was $19,965. The warrants expire December 23, 2020. Under an investment agreement dated April 1, 2016, warrants to purchase 2,000,000 shares of the Company's common stock at an exercise price of $3.50 per share expiring on March 23, 2019. On September 30, 2016, The Company's CEO loaned the Company $120,000 in addition to paying interest at 10%, the Company issued 600,000 warrants at an exercise price of $1.00 per share.

| | 2017 | 2016 |
|---|---|---|
| Risk-free interest rate | - | 1.14% |
| Expected dividend yield | - | - |
| Expected term (in years) | - | 2 - 5 |
| Expected volatility | - | 514% |

The following table summarizes warrants outstanding as of September 30, 2017 and 2016, and the related changes during the periods are presented below.

| | Number of Warrants | Weighted Average Exercise Price |
|---|---|---|
| **Balance at December 31, 2016** | 2,920,000 | 2.77 |
| Granted | - | - |
| Exercised | - | - |
| Forfeited | - | - |
| **Balance at September 30, 2017** | 2,920,000 | $ 2.77 |

There has been no equity transactions since December 31, 2016.

**Note 5 – Related Party Transactions**

The Company's CEO earned $10,000 per month. The following compensation was recorded within general and administrative expenses – related parties on the statements of operations: $90,000 and $90,000 for the nine months ended September 30, 2017 and 2016, respectively. As of September 30, 2017, $336,659 of compensation was unpaid and was included in accounts payable – related parties on the balance sheet.

For the nine months ended Sept 30, 2017 and 2016, the Company expensed $0 and $35,000, respectively, for rent and office services which are included in general and administrative expenses related party to Balance Holdings LLC, an entity controlled by the Company's CEO. As of Sept 30, 2017, $5,000 was owed.

On September 30, 2016, the CEO loaned $120,000 as a convertible note payable to the Company at an interest rate of 10%, due on October 1, 2017. In addition, the Company issued 600,000 warrants at an execution price of $1.00 which expire on October 1, 2019. (See Note 7). $12,025 in interest has been accrued as of September 30, 2017. The loan is in default as of September 30, 2017.

On December 5, 2016, the CEO loaned $5,000 to the company and an additional $40,000 on December 9, 2016. Both notes were at an interest rate of 8% and are due on October 1, 2017. For the nine months ended September 30, 2017, the company accrued interest of $2,924. Both loans are in default as of September 30, 2017.

On May 4, 2016, the company began compensating its board member Aviv Hillo, $2,500 per month for his consulting and advisory services. The expense for the nine months ended September 30, 2017 was $22,500 compared to $22,500 for 2016. In addition, Mr. Hillo was paid $4,000 for legal services related to the purchase of Pimi Agro in 2016.

During the nine months ended September 30, 2017, the company's CEO and entities controlled by the Company's CEO made loans to the company in the amount of $213,800. The loans have an interest rate of 8% and mature in one year from the date of the loan. $4,282 has been accrued as of September 30, 2017. As of September 30, 2017 $15,000 of these loans are now in default.

During the nine months ended September 30, 2017 a company controlled by the company's CEO made loans to the company in the amount of $57,530. The loans have a rate of interest of 8% and mature on December 31, 2017. $2,976 has been accrued in interest as of September 30, 2017.

The company on July 27, 2016 signed a sublease with an entity partially owned by a related party to sub-lease approximately 2,200 square feet 1691 Michigan Ave, Miami Beach, Fl. 33139, beginning August 1, 2016 and ending December 31, 2018 at a monthly base rental of $7,741 per month until July 31, 2017, $7,973 per month from August 1, 2017 to July 31, 2018, and $8,212 from August 1, 2018 to the sublease termination date. In addition to base rent, the company will have to pay 50% of the CAM charges as additional rent. On or about January 15, 2017, The Company was made aware that the master lease for the office space was in default. Consequently, the Company ceased payments. On or about March, 31, 2017, The Company was served with an eviction notice as the Master Lease was still in default. The Company owes two months' rent to the master lease holder which has been accrued. The Company has used its security deposit to partially pay its delinquent rent. On Friday, May 12, 2017 the Company moved its headquarters to 350 Lincoln Road, 2nd Floor, Miami Beach, FL 33139. The Company pays $2,248 per month rent and is committed to pay rent until October 31, 2017. Beginning November 1, 2017, the Company will occupy the space on a month to month basis. In addition, the company had to pay a security deposit of $7,375. The company is currently looking for permanent office space to relocate.

**Note 6 – Commitments and Contingencies**

Litigation, Claims and Assessments

In the normal course of business, the Company may be involved in legal proceedings, claims and assessments arising in the ordinary course of business. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position or results of operations.

Consulting Fees

The Company will continue to pay its CEO $10,000 per month as compensation on a month to month basis. In addition, the company pays Aviv Hillo, a director, $2,500 per month as compensation. They will be recorded in general and administrative expenses-related parties on the statement of operations.

Rent

The Company has discontinued paying a related company $5,000 a month as rent on a month to month basis as of July 31, 2016. It has been recorded in general and administrative expenses-related parties on the statement of operations for the year ended December 31, 2016. The company on July 27, 2016 signed a sublease with entity partially owned by a related party to sub-lease approximately 2200 square feet 1691 Michigan Ave, Miami Beach, Fl. 33139, beginning August 1, 2016 and ending December 31, 2018 at a monthly base rental of $7,741 per month until July 31, 2017, $7,973 per month from August 1, 2017 to July 31, 2018, and $8,212 from August 1, 2018 to the sublease termination date. In addition to base rent, the company will have to pay 50% of the CAM charges as additional rent. However, this lease is no longer in effect as the Master Lease has been terminated as of May 15, 2017.
The company has an action pending in the 11th Judicial Circuit Court of Miami-Dade County, Case # 17-000447-CC-24, for procession and damages of its offices at 1691 Michigan Avenue, Miami Beach, FL 33139, Suite 601. This is an action for eviction from the company's offices at 1691 Michigan Ave., Miami Beach, FL 33139. The master tenant under the lease has defaulted under the lease by failing to pay the monthly rent. The lessor has demanded judgement for possession of the leased premises. The company has accrued $12,306 to cover any losses. The company vacated the premises on May 15, 2017. However, the action is still pending for monetary damages.

On May 18, 2017, the company moved to a temporary office located at 350 Lincoln Road, Miami Beach, FL 33139, while it looks for a permanent office. It occupies approximately 1,500 square feet of space at a monthly rate of $2,240. As of November 1, 2017, the space is leased on a month to months basis.

**Note 7 – Notes Payable**

*Convertible Notes Payable*

On December 23, 2015, the Company issued a secured convertible promissory note in the amount of $25,000. The note carries a rate of 8% and was due on March 23, 2016. It is secured by all the assets of the Company. The note further contains a provision that the lender may convert any part of the note, including accrued interest, that is unpaid into the Company's common stock at an exercise price of $0.50 per share. The note also contains a five-year warrant to purchase 100,000 shares of common stock at an exercise price of $0.50 per share until December 23, 2020. As of March 23, 2016, the note is in default. As of September 30, 2017, the accrued interest on the note is $7,363.

On April 1, 2016, the Company received $500,000 in exchange for a convertible debenture due April 2, 2017 bearing interest at 10% and convertible into common stock at $.25 per share unless the note is paid by the Company prior to the election of the holder to convert. The Company recognized a beneficial conversion feature expense of $500,000 that will be amortized over the life of the note. The Company expensed $500,000 of the debt discount. As of September 30, 2017, accrued interest on the note is $75,000 and the debt discount has been fully amortized.

On April 1, 2016, the Company entered into an investment agreement (the "Investment Agreement") with Newel Trading Group LLC, a Delaware limited liability company ("Newel") whereby Newel is obligated, providing the Company has met certain conditions including the filing of a Registration Statement for the shares to be acquired, to purchase up to Twenty-Five Million Dollars ($25,000,000) of the Company's common stock at the rates set forth in the Investment Agreement. Under the Investment Agreement, the shares are purchased at the discretion of the Company by issuing a Put Notice when funds are needed. In consideration for the execution and delivery of the Investment Agreement, Company issued 1,000,000 non-registrable shares of Company's common stock with a fair value of $125,000 and three year warrants to purchase 2,000,000 shares of the Company's common stock at an exercise price of $3.50 per share, expiring March 23, 2019. The black scholes option pricing model with the following assumptions were used to value the warrants. Expected volatility of 559%, expected life of 3 years, risk free rate of return of 0.9% and expected dividend yield of 0%. The warrants had a fair value of $250,000.

On September 30, 2016 the Company's CEO loaned the Company $120,000 with an interest rate of 10% and is convertible into common stock at $1.00. In addition, the Company issued the CEO 600,000 warrants with a value of $111,428. The Company valued the warrants using the Black-Scholes option pricing model with the following assumptions: Expected volatility of 514%, expected life of five years, risk free rate of return of 1.14% and an expected divided yield of 0%. The warrants had a fair value of $85,714. The Company also has a beneficial conversion discount of $25,714 related to the note issuance. The Company has expensed $111,428 of the debt discount and has an unamortized balance of $0 as of September 30, 2017.

*Notes Payable*

During the nine months ended September 30, 2017, the company's CEO loaned the Company an additional $213,800, of which $25,000 was repaid. The loans have an interest rate of 8% and mature one year from the date of issue. $4,282 has been accrued in interest as of September 30, 2017.

On December 5, 2016, the CEO loaned $5,000 to the company and an additional $40,000 on December 9, 2016. Both notes were at an interest rate of 8% and are due on October 1, 2017. For the nine months ended September 30, 2017, the company accrued interest of $2,924. Both loans are in default as of September 30, 2017.

During the nine months ended September 30, 2017 a company controlled by the company's CEO made loans to the company in the amount of $57,530. The loans have a rate of interest of 8% and mature on December 31, 2017. $2,976 has been accrued in interest as of September 30, 2017. As of September 30, 2017 $15,000 of these loans are now in default.

**Note 8 - Subsequent Events**

On October 1, 2017 the company's CEO made an additional advance to the company of $2,500. These funds have an interest rate of 8% and are due one year from the date of receipt of the funds.

On October 3, 2017 the company's CEO made an additional advance to the company of $1,000. These funds have an interest rate of 8% and are due one year from the date of receipt of the funds.

On October 5, 2017 the company's CEO made an additional advance to the company of $1,000. These funds have an Interest of 8% and are due one year from the date of receipt.

On October 6, 2017 the company's CEO made an additional advance to the company of $600. These funds have an interest rate of 8% and are due one year from the date of receipt.

On October 10-12, 2017 the company's CEO made an additional advance to the company of $750. These funds have an Interest of 8% and are due one year from the date of receipt.

On October 19, 2017 the company's CEO made an additional advance to the company of $1,500. These funds have an Interest of 8% and are due one year from the date of receipt.

On October 20, 2017 the company's CEO made an additional advance to the company of $10,000. These funds have an Interest of 8% and are due one year from the date of receipt.

On October 27, 2017 the company's CEO made an additional advance to the company of $10,000. These funds have an Interest of 8% and are due one year from the date of receipt.

On November 2, 2017 the company's CEO made an additional advance to the company of $3,000. These funds have an Interest of 8% and are due one year from the date of receipt.

On November 8, 2017 the company's CEO made an additional advance to the company of $1,500. These funds have an Interest of 8% and are due one year from the date of receipt.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

The following discussion and analysis of the condensed results of operations and financial condition of Balance Labs, Inc. ("Balance Labs" or the "Company") for the nine months ended September 30, 2017 should be read in conjunction with our condensed financial statements and the notes thereto that are included elsewhere in this Quarterly Report on Form 10-Q. References in this Management's Discussion and Analysis of Financial Condition and Results of Operations to "us," "we," "our," and similar terms refer to Balance Labs. This Quarterly Report includes forward-looking statements, as that term is defined in the federal securities laws, based upon current expectations that involve risks and uncertainties, such as plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. Words such as "anticipate," "estimate," "plan," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions are used to identify forward-looking statements. We caution you that these statements are not guarantees of future performance or events and are subject to a number of uncertainties, risks and other influences, many of which are beyond our control, which may influence the accuracy of the statements and the projections upon which the statements are based. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of certain risk factors discussed in our registration statement on Amendment No. 3 to Form S-1 (the "Risk Factors") filed with the Securities and Exchange Commission (the "SEC") on June 5, 2015 and declared effective by the SEC on June 15, 2015. Any one or more of these uncertainties, risks and other influences could materially affect our results of operations and whether forward-looking statements made by us ultimately prove to be accurate. Our actual results, performance and achievements could differ materially from those expressed or implied in these forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether from new information, future events or otherwise.

**Overview**

We were incorporated on June 5, 2014 under the laws of the State of Delaware. We are a consulting firm that provides business development and consulting services to startup and development-stage companies. We provide businesses in various industries with customized consulting services to meet their business needs and help them improve their business models, sales and marketing plans and internal operations, as well as introduce these businesses to experienced professional contacts that would be vital to the success of these companies.

The Company is not a registered investment company under the Investment Company Act of 1940, as amended (the "1940 Act") and does not engage primarily, in the business of investing, reinvesting, or trading in securities. The Company is not managed like an active investment vehicle, is not an investment company registered under the 1940 Act, and is not required to register under the 1940 Act.

Additionally, in accordance with the 1940 Act, Section 3(c)(1), the Company is not an Investment Company as defined by the 1940 Act because the Company does not have outstanding securities beneficially owned by more than one hundred persons and, at this time, the Company is not making and does not presently propose to make a public offering of its securities. Additionally, the Company has not and has no plans to purchase or acquire any securities issued by any registered investment company.

Our business focuses on providing advisement services to entrepreneurs and assisting business owners so that their ideas can be fully developed and implemented. Due to limited resources, lack of experienced management and competing priorities, startup and developmental stage companies are not operating as efficiently as they can be, and therefore would benefit from an outside party that could assist in developing and executing certain strategies. We utilize our knowledge in developing businesses, share practical experiences with our clients and introduce the business owners to experienced professionals who could help these inexperienced entrepreneurs further implement their ideas. Startups and development stage businesses across all industries commonly experience these certain "growing pains".

**Plan of Operations**

Our plan is to prepare our clients for the many inevitable challenges they will encounter and to develop a customized plan for them to help overcome these obstacles, so that they can focus on marketing their product(s) and/or service(s) to their potential customers.

Although we've only worked with one client since inception, our goal is to add and service a minimum of two to three new clients between now and the end of 2017. We're marketing our services through both personal contact and online by (a) mining our existing network of professional contacts via personal outreach programs, which will also target international prospects that may wish to enter the US market; (b) expanding our network by attending targeted conferences and professional gatherings; and (c) utilizing our website at www.balancelabs.co, plus engaging potential clients on social media, including LinkedIn, Facebook and Twitter. However, because we have a limited budget allocated for an on-line marketing campaign, we anticipate that professionals within our professional network and personal referrals from companies that are satisfied with our professional services are likely to be our most significant and efficient near-term form of marketing.

The Company activated five subsidiaries since 2016, BalanceLabs, LLC., Balance AgroTech Co., Advanced AutoTech Co., Balance Cannabis Co., and Balance Medical Marijuana Co. BalanceLabs LLC, is strictly a management company that provides necessary administrative services to small companies. The Company's four subsidiaries, Balance Agrotech Co., Advanced AutoTech Co., Balance Cannabis Co., and Balance Medical Marijuana Co. are dormant as of September 30, 2017.

We believe that we can support our year one clients with our existing full-time staff, supplemented with part-time sub-contracted professionals and service providers, as necessary. Between now and the end of 2017, we intend to formalize our relationships with these sub-contractors so that we can offer our clients turn-key business development products and services.

Our primary requirement for funding is for working capital in order to accommodate temporary imbalances between cash receipts and cash expenditures (see "Liquidity and Capital Resources").

**Results of Operations**

**Nine months Ended September 30, 2017 with the nine months Ended September 30, 2016 and Three Months Ended September 30, 2017 with the three months Ended September 30, 2016.**

*Overview*

We reported a net loss of $662,970 and $717,292 for the nine months ended September 30, 2017 and 2016, respectively, a decrease of $54,322 or 8%, primarily due to a $50,270 decrease in General and administrative expenses, a $37,323 decrease in professional fees and $20,101 decrease in interest expense offset by a $53,872 increase in salaries.

For the three months ended September 30, 2017 and 2016, we reported a net loss of $202,688 and $311,263, respectively a decrease of $108,575 or $35% due to a $77,193 decrease in interest and amortization.

*Revenues*

For the nine months ended September 30, 2017, we generated $500 in revenue from a related party, for the nine months ended September 30, 2016 we generated $0. No revenue was generated for the three months ended September 30, 2017, or September 30, 2016.

*General and administrative expenses*

General and administrative expenses were $188,076 and $238,346 for the nine months ended September 30, 2017 and 2016, respectively, a decrease of $50,270 or 21%. The decrease in cost was a result of lower consulting fees and rent.

General and Administrative expenses were $59,306 and $96,764 for the three months ended September 30, 2017 and 2016, respectively, a decrease of $37,458. This is a result of lower consulting fees, office expenses and rent.

*Interest expense*

Interest expense for the nine months ended September 30, 2017 and 2016 was $275,307 and $295,408, respectively, which was attributable to the amortization on the debt discounts recorded on the various notes payable in 2017 and $268,190 in 2016, partially offset by an increase in interest due to additional borrowings.

Interest expense for the three months ended September 30, 2017 and 2016 was $60,808 and $138,001, respectively, which was attributable to $27,857 of amortization on the debt discounts recorded on the various notes payable in 2017 and $125,000 in 2016, partially offset by an increase in interest due to additional borrowings.

**Liquidity and Capital Resources**

We measure our liquidity in a number of ways, including the following:

| | September 30, 2017 | December 31, 2016 |
|---|---|---|
| Cash | $ 13,134 | $ 16,057 |
| Working capital (deficiency) | (1,436,964) | $ (776,722) |

*Investment Agreement*

On April 1, 2016, the Company entered into an investment agreement (the "Investment Agreement") with Newel Trading Group LLC, a Delaware limited liability company ("Newel") whereby Newel is obligated, providing the Company has met certain conditions including the filing of a Form S-1 Registration Statement for the shares to be acquired, to purchase up to Twenty-Five Million Dollars ($25,000,000) of the Company's common stock at the rates set forth in the Investment Agreement. Under the Investment Agreement, the shares are purchased at the discretion of the Company by issuing a Put Notice when funds are needed. In consideration for the execution and delivery of the Investment Agreement, Company issued 1,000,000 non-registrable shares of Company's common stock. The Company also issued Newel 2,000,000 warrants at an exercise price of $3.50.

*Availability of Additional Funds*

Except for the monthly consulting fee to our Chief Executive Officer and Chairman of the Board and the lease of our office space, as described elsewhere in this Quarterly Report, we currently do not have any material commitments for capital expenditures. In addition, as of September 30, 2017, with regards to our professional service agreement that provided 99% of our revenues since inception, we and our client have fully satisfied our professional service and payment obligations under the agreement, respectively. We are actively pursuing new client relationships. Even if we were to add a new client(s), due to our current lack of a diversified client base, there could be temporary imbalances between cash receipts and cash operating expenditures, which means that we may need additional capital. The engagement revenues associated with most client engagements will self-fund the in-house and sub-contractor services we need in order to supply products and services to our clients.

As of September 30, 2017, the Company had a working capital deficiency of $1,436,964. The Company's cash flow used in operating cash flows was $274,253 for the nine months ended September 30, 2017. The Company has raised $271,330 in debt financing from related parties during the nine months ended September 30, 2017. In addition, the Company is working to manage its current liabilities while it continues to make changes in operations to further improve its cash flow and liquidity position. Based upon the Company's current cash flow projections, management believes the Company will need additional capital resources to meet projected cash flow requirements for the next twelve months.

During the period ended September 30, 2017, our sources and uses of cash were as follows:

***Net Cash Used in Operating Activities***

We experienced negative cash flow from operating activities for the nine months ended September 30, 2017 in the amount of $274,253. The net cash used in operating activities was primarily due to cash used to fund a net loss of $662,970 adjusted for non-cash expenses of $211,299, an increase in accounts payable and accrued expenses by $173,520 and a $3,898 decrease in prepaid expenses.

In 2016, we experienced negative cash flow from operating activities for the same nine months ended September 30, 2016 in the amount of $478,823. The net cash used in operating activities was primarily due to cash used to fund a net loss of $717,292 adjusted for non cash expenses of $268,910, a decrease in prepaid expenses of $39,772, a decrease in receivables and payables-related parties of $30,000, and a decrease in accounts payable and accrued expenses of $39,331.

***Net Cash Provided by Financing Activities***

Net cash provided by financing activities during the nine months ended September 30, 2017 and September 30, 2016 was $271,330 and $599,039 from related parties and others, respectively. In 2016, cash received by financing activities as of September 30, 2016 was $500,000 from an institutional investor, and $120,000 from related parties, of which $20,961 was repaid.

***Net Cash Used in Investing Activities***

Net cash used in investing activities during the nine months ended September 30, 2017 and September 30, 2016 was $0 and $7,474, respectively. In 2016 cash used in investing activities was $2,000 in investment purchases and $5,474 in equipment purchases.

**Our Auditors Have Issued a Going Concern Opinion**

The Company's independent registered public accounting firm has expressed substantial doubt as to the Company's ability to continue as a going concern as of December 31, 2016. The financial statements in this quarterly report on Form 10-Q have been prepared assuming that the Company will continue as a going concern. As discussed in the notes to the financial statements, these conditions raise substantial doubt from our independent auditor about the Company's ability to continue as a going concern. The Company's plans in regard to these matters are also described in the notes to the Company's financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

The Company may require additional capital to implement the Company's business plan and support its operations. Currently, the Company has no established bank-financing arrangements. Therefore, depending on the revenue growth rate, the Company may need to seek additional financing through a future private offering of the Company's equity or debt securities, or through strategic partnerships and other arrangements with corporate partners. The Company believes it will be successful in these efforts; however, there can be no assurance the Company will meet its internal revenue forecasts or, if necessary, be successful in raising additional debt or equity financing to fund the Company's operations on terms agreeable to the Company. These matters raise substantial doubt from the Company's independent auditor about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might be necessary if the Company were unable to continue as a going concern. The Company presently does not have enough cash on hand to sustain our operations. The Company anticipates the receipt of funding within such period, but there can be no assurance that it will occur. If the Company is unable to meet its internal revenue forecasts or obtain additional financing on a timely basis, it may have to delay vendor payments and/or initiate cost reductions, which would have a material adverse effect on the Company's business, financial condition and results of operations, and ultimately it could be forced to discontinue the Company's operations, liquidate, and/or seek reorganization under the U.S. bankruptcy code.

**Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements.

**Critical Accounting Policies and Estimates**

*Use of Estimates*

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires us 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 revenues and expenses during the reporting periods. Estimates may include those pertaining to accruals, stock-based compensation and income taxes. Actual results could materially differ from those estimates.

*Revenue Recognition*

The Company recognizes revenue related to its professional services to its customers when (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the sales price is fixed or determinable; and (iv) collectability is reasonably assured.

**Recent Accounting Standards**

We have implemented all new accounting standards that are in effect and may impact our financial statements and do not believe that there are any other new accounting standards that have been issued that might have a material impact on our financial position or results of operations.

In February 2016, the FASB issued ASU 2016-02, *Leases*, which will amend current lease accounting to require lessees to recognize (i) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and (ii) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. ASU 2016-02 does not significantly change lease accounting requirements applicable to lessors; however, certain changes were made to align, where necessary, lessor accounting with the lessee accounting model. This standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. We are currently evaluating the impact of this standard on our financial statements.

In March 2016, the FASB issued ASU 2016-09, *Compensation – Stock Compensation: Improvements to Employee Share-Based Payment Accounting*, which relates to the accounting for employee share-based payments. This standard addresses several aspects of the accounting for share-based payment award transactions, including: (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification on the statement of cash flows. This standard will be effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years.

In April 2016, the FASB issued ASU 2016–10 Revenue from Contract with Customers (Topic 606): identifying Performance Obligations and Licensing". The amendments in this Update do not change the core principle of the guidance in Topic 606. Rather, the amendments in this Update clarify the following two aspects of Topic 606: identifying performance obligations and the licensing implementation guidance, while retaining the related principles for those areas. Topic 606 includes implementation guidance on (a) contracts with customers to transfer goods and services in exchange for consideration and (b) determining whether an entity's promise to grant a license provides a customer with either a right to use the entity's intellectual property (which is satisfied at a point in time) or a right to access the entity's intellectual property (which is satisfied over time). The amendments in this Update are intended render more detailed implementation guidance with the expectation to reduce the degree of judgement necessary to comply with Topic 606. We are currently reviewing the provisions of this ASU to determine if there will be any impact on our results of operations, cash flows or financial condition.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

Not applicable.

**Item 4. Controls and Procedures.**

*(a) Evaluation of Disclosure and Control Procedures*

Based on their evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q, our Principal Executive Officer and Principal Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(c) and 15d-15(e) under the Exchange Act) are not effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms and to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

*(b) Management's Report on Internal Control over Financial Reporting*

This Company's management is responsible for establishing and maintaining internal controls over financial reporting and disclosure controls. Internal Control Over Financial Reporting is a process designed by, or under the supervision of, the Company's Principal Executive Officer and Principal Financial Officer, or persons performing similar functions, and effected by the board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

(1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the registrant; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the financial statements.

Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is appropriately recorded, processed, summarized and reported within the specified time periods.

Management has conducted an evaluation of the effectiveness of our internal control over financial reporting as of the end of the period covered by this Quarterly Report on Form 10-Q, based on the framework established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Based on this assessment, management concluded that as of the period covered by this Quarterly Report on Form 10-Q, it had material weaknesses in its internal control procedures.

As of the period covered by this Quarterly Report on Form 10-Q, we have concluded that our internal control over financial reporting was ineffective. The Company's assessment identified certain material weaknesses which are set forth below:

**Functional Controls, Lack of Audit Committee and Segregation of Duties**

Because of the Company's limited resources, there are limited controls over information processing.

The Company does not have an audit committee and therefore there is no independent review and independent oversight over the Company's financial reporting.

There is an inadequate segregation of duties consistent with control objectives. Our Company's management is composed of a small number of individuals resulting in a situation where limitations on segregation of duties exist. In order to remedy this situation, we would need to hire additional staff to provide greater segregation of duties. Currently, it is not feasible to hire additional staff to obtain optimal segregation of duties. Management will reassess this matter at end of the fiscal year to determine whether improvement in segregation of duty is feasible.

Accordingly, as the result of identifying the above material weakness we have concluded that these control deficiencies resulted in a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis by the Company's internal controls.

Management believes that the material weaknesses set forth above were the result of the scale of our operations and are intrinsic to our small size. Management believes these weaknesses did not have a material effect on our financial results and intends to take remedial actions upon receiving funding for the Company's business operations.

This Quarterly Report on Form 10-Q does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only management's report herein.

*(c) Changes in Internal Control over Financial Reporting*

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings.

On March 20, 2017, a complaint for eviction was filed by CLPF-Lincoln LLC, a Delaware limited liability company (the "Plaintiff") in the County Court in and for Miami-Dade County, Florida (the "County Court") against the Company and a co-defendant. The complaint alleges the co-defendant defaulted on the Lease Agreement with the Plaintiff by failing to pay rent, operating expenses and sales tax on the date rent was due. On March 28, 2017, the Company filed an answer to the complaint in the County Court vehemently denying the allegations in the complaint and defending itself against such actions.

Other than as disclosed above, we are currently not aware of any such legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results. From time to time, we may become involved in various lawsuits and legal proceedings, which arise, in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters that may harm our business could arise from time to time.

### Item 1A. Risk Factors.

Not applicable.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Other than the information previously reported in a Current Report on Form 8-K or Form 10-Q, there were no unregistered sales of the Company's equity securities during the quarter ended September 30, 2017.

### Item 3. Defaults Upon Senior Securities.

On December 23, 2015, the Company issued a secured convertible promissory note in the amount of $25,000 (the "Note") in favor of Chase Mortgage LLC. The Note became due on March 23, 2016 and is now in default. The Note carries a default interest rate of $18% and contains a provision that the lender may convert any part of the Note, including accrued interest that is unpaid into the Company's common stock at an exercise price of $0.50 per share.

On April 1, 2016, the Company received $500,000 in exchange for the issuance of a convertible debenture due April 2, 2017 (the "Debenture") in favor of Newel Trading Group LLC. This Debenture is now in default. The Debenture contains a provision that the lender may convert any part of the Debenture into the Company's common stock at $0.25 per share, unless the note is paid by the company prior to the holder's election to convert. The accrued interest on the convertible debenture as of September 30, 2017, is $76,000.

On September 30, 2016, the CEO loaned $120,000 as a convertible note payable to the Company at an interest rate of 10%, due on October 1, 2017. In addition, the Company issued 600,000 warrants at an execution price of $1.00 which expire on October 1, 2019. (See Note 7). $12,025 in interest has been accrued as of September 30, 2017. The loan is in default as of September 30, 2017.

On December 5, 2016, the CEO loaned $5,000 to the company and an additional $40,000 on December 9, 2016. Both notes were at an interest rate of 8% and are due on October 1, 2017. For the nine months ended September 30, 2017, the company accrued interest of $2,924. Both loans are in default as of September 30, 2017.

During the nine months ended September 30, 2017, the company's CEO and entities controlled by the Company's CEO made loans to the company in the amount of $213,800. The loans have an interest rate of 8% and mature in one year from the date of the loan. $4,282 has been accrued as of September 30, 2017. As of September 30, 2017 $15,000 of these loans are now in default.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

None.

**Item 6. Exhibits**

| Exhibit No. | Description |
|---|---|
| 31.1 | Certification of Principal Executive Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 302 of 2002* |
| 31.2 | Certification of Principal Financial Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 302 of 2002* |
| 32.1 | Certification of Principal Executive Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002* |
| 32.2 | Certification of Principal Financial Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002* |
| 101.INS | XBRL Instance Document* |
| 101.SCH | XBRL Taxonomy Extension Schema Document* |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document* |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document* |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document* |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document* |

*Filed herewith

## SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**BALANCE LABS, INC.**

Date: November 14, 2017

By: */s/ Michael D. Farkas*
Michael D. Farkas
President, Chief Executive Officer
Chief Financial Officer
(Principal Executive Officer and Principal Financial Officer)

**Exhibit 31.1**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**
**PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO SECTION 302 OF**
**THE SARBANES-OXLEY ACT OF 2002**

I, Michael D. Farkas, certify that:

1. I have reviewed this Form 10-Q of Balance Labs, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financing reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2017

By: */s/ Michael D. Farkas*
Michael D. Farkas
Principal Executive Officer
Balance Labs, Inc.

**Exhibit 31.2**

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**
**PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO SECTION 302 OF**
**THE SARBANES-OXLEY ACT OF 2002**

I, Michael D. Farkas, certify that:

1. I have reviewed this Form 10-Q of Balance Labs, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financing reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2017

By: */s/ Michael D. Farkas*
Michael D. Farkas
Principal Financial Officer
Balance Labs, Inc.

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report of Balance Labs, Inc. (the "Company"), on Form 10-Q for the period ended September 30, 2017, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Michael D. Farkas, Principal Executive Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) Such Quarterly Report on Form 10-Q for the period ended September 30, 2017, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in such Quarterly Report on Form 10-Q for the period ended September 30, 2017, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2017

By: */s/ Michael D. Farkas*
Michael D. Farkas
Principal Executive Officer
Balance Labs, Inc.

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report of Balance Labs, Inc. (the "Company"), on Form 10-Q for the period ended September 30, 2017, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Michael D. Farkas, Principal Financial Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) Such Quarterly Report on Form 10-Q for the period ended September 30, 2017, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in such Quarterly Report on Form 10-Q for the period ended September 30, 2017, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2017

By: */s/ Michael D. Farkas*
Michael D. Farkas
Principal Financial Officer
Balance Labs, Inc.