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## **QUARTERLY REPORT**

**For the Period ending June 30, 2011**

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**KELYNIAM GLOBAL, INCORPORATED**  
**Condensed Balance Sheets (Unaudited)**

	<b>June 30, 2011</b>	<b>December 31, 2010</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 687,789	\$ ( 26,923)
Accounts receivable	51,024	60,189
Provision for doubtful accounts	( 2,000)	( 3,000)
Inventory:		
Merchandise	630	33,431
Manufacturing	100,193	100,166
Note Receivable	<u>63,403</u>	<u>65,898</u>
<b>Total Current Assets</b>	901,039	229,761
Fixed assets, net of accumulated depreciation of \$305,432, and \$315,276 respectively	591,044	220,196
Building improvements, net of accumulated depreciation of \$1,011, and \$847 respectively	6,285	6,449
Other assets	<u>33,606</u>	<u>486</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,531,974</u>	<u>\$ 456,892</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of notes payable	\$ 67,890	\$ 42,473
Accounts payable and accrued expenses	120,609	244,721
Current portion of loans payable – related parties	<u>--</u>	<u>--</u>
<b>Total Current Liabilities</b>	<u>188,499</u>	<u>287,194</u>
<b>LONG-TERM LIABILITIES</b>		
Notes payable, net of current portion	258,147	160,556
Loans payable – related parties, net of current portion	<u>346,581</u>	<u>2,360</u>
<b>Total Long-Term Liabilities</b>	<u>604,728</u>	<u>162,916</u>
<b>TOTAL LIABILITIES</b>	<u>793,227</u>	<u>450,110</u>
<b>SHAREHOLDERS' EQUITY</b>		
Common stock, \$.001 Par Value, 20,000,000 shares authorized 15,415,000 and 12,600,000 shares issued and outstanding respectively	1,609,144	759,144
Additional paid-in capital	346,270	346,270
Treasury Stock, at cost, 264,000 shares in 2011 and 2010	( 81,780)	( 81,780)
Stock Subscription Receivable	( 100,000)	( 100,000)
Retained deficit	<u>(1,034,887)</u>	<u>( 916,852)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u>738,747</u>	<u>6,782</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u>\$ 1,531,974</u>	<u>\$ 456,892</u>

**KELYNIAM GLOBAL INCORPORATED**  
**Condensed Statements of Income (Loss)**  
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
<b>OPERATING REVENUES</b>				
Revenues	\$ 14,430	\$ 61,254	\$ 108,485	\$ 93,651
Cost of revenue	<u>( 14,500)</u>	<u>( 24,466)</u>	<u>( 57,898)</u>	<u>( 66,159)</u>
<b>Gross profit</b>	( 70)	36,788	50,587	27,492
<b>OPERATING EXPENSES</b>				
General, administrative and selling expenses	105,328	84,264	147,751	163,325
Professional fees	11,707	1,845	11,917	4,185
Total operating expenses	<u>117,035</u>	<u>86,109</u>	<u>159,668</u>	<u>167,510</u>
<b>OPERATING LOSS</b>	( 117,105)	( 49,321)	( 109,081)	( 140,018)
<b>OTHER INCOME (EXPENSE)</b>				
Interest expense (net)	( 3,783)	( 3,582)	( 8,955)	( 6,765)
Loss on sale of securities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total other income (expense)	<u>( 3,783)</u>	<u>( 3,582)</u>	<u>( 8,955)</u>	<u>( 6,765)</u>
<b>NET LOSS</b>	<u>\$ (120,888)</u>	<u>\$ ( 52,903)</u>	<u>\$ ( 118,036)</u>	<u>\$ ( 146,783)</u>
Other comprehensive loss:				
Unrealized loss on investment securities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total comprehensive income (loss)	<u>\$ (120,888)</u>	<u>\$ ( 52,903)</u>	<u>\$ ( 118,036)</u>	<u>\$ ( 146,783)</u>
Shares issued and outstanding:				
Basic	15,415,000	11,649,706	15,415,000	11,649,706
(Loss) available to common shareholders per share				
Basic	\$ ( .008)	\$ ( .005)	\$ ( .008)	\$ ( .013)

**SHARE STRUCTURE STATEMENT FOR PERIOD ENDING JUNE 30, 2011**

Authorized shares	20,000,000
Issued and Outstanding	15,415,000

**SIGNATURES**

Date: August 16, 2011

**KELYNIAM GLOBAL, INC.**

By: /s/ James Ketner

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James Ketner  
President/CEO/Chairman  
Principal Financial Officer and Principal Accounting Officer