

**KELYNIAM GLOBAL, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2018**

**KELYNIAM GLOBAL, INC.**  
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# LaQuerreAudi

certified public accountants

## Independent Accountant's Compilation Report

To the Board of Directors  
Kelyniam Global, Inc.  
Collinsville, CT

Management is responsible for the accompanying financial statements of Kelyniam Global, Inc., (a Corporation), which comprise the balance sheet as of December 31, 2018, and the related statements of income and other comprehensive income, changes in stockholders' equity and cash flows for the twelve months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements in Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Sincerely Yours,



LaQuerre Audi, LLC  
Certified Public Accountants

February 21, 2019

**KELYNIAM GLOBAL, INC.**  
**BALANCE SHEET**  
**DECEMBER 31, 2018**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 45,389
Accounts receivable	281,296
Inventory	50,423
Investment securities available for sale	21,040
Prepaid taxes	9,616

**TOTAL CURRENT ASSETS** 407,764

**PROPERTY AND EQUIPMENT**

Manufacturing equipment	552,442
Computer equipment	56,929
Furniture and fixtures	8,043
Leasehold improvements	254,669

872,083

Less: Accumulated depreciation (459,299)

**TOTAL PROPERTY AND EQUIPMENT** 412,784

**OTHER ASSETS**

License, net of accumulated amortization	21,388
Security deposit	8,000
Deferred income tax asset	403,900

433,288

**TOTAL OTHER ASSETS** 433,288

**TOTAL ASSETS** \$ 1,253,836

**See independent accountant's compilation report**

**KELYNIAM GLOBAL, INC.**  
**BALANCE SHEET**  
**DECEMBER 31, 2018**

**LIABILITIES & STOCKHOLDERS' EQUITY**

**CURRENT LIABILITIES**

Line of credit	\$ 136,758
Accounts payable	160,999
Accrued expenses	62,774
Current portion of note payable	<u>69,468</u>

**TOTAL CURRENT LIABILITIES** 429,999

**LONG-TERM LIABILITIES**

Note payable, less current portion	<u>219,166</u>
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**TOTAL LIABILITIES** 649,165

**STOCKHOLDERS' EQUITY**

Common stock \$.001 par value, 60,000,000 shares authorized, 25,726,800 shares issued and outstanding	19,867
Additional paid in-capital	2,525,713
Retained earnings (accumulated deficit)	(1,947,669)
Accumulated other comprehensive income (loss)	<u>6,760</u>

**TOTAL STOCKHOLDERS' EQUITY** 604,671

**TOTAL LIABILITIES & STOCKHOLDERS' EQUITY** \$ 1,253,836

**See independent accountant's compilation report**

**KELYNIAM GLOBAL, INC.**  
**STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

<b>Sales</b>	\$ 2,123,699
<b>Cost of Sales</b>	<u>956,020</u>
Gross Profit	1,167,679
<b>General and Administrative Expenses</b>	<u>1,188,530</u>
Income (Loss) from operations	<u>(20,851)</u>
<b>Other Income (Expenses)</b>	
Interest income	76
Interest expense	(14,202)
Dividend income	1,373
	<u>(12,753)</u>
Income (Loss) Before Provision for Income Taxes	(33,604)
<b>Provision for Income Tax Expense</b>	<u>(18,300)</u>
Net Income (Loss)	(15,304)
<b>Other Comprehensive Income</b>	
Unrealized Gain on Investment Securities	<u>9,674</u>
Total Comprehensive Income (Loss)	<u><u>\$ (5,630)</u></u>

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**KELYNIAM GLOBAL, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**DECEMBER 31, 2018**

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>				
Balance, January 1	20,376,800	\$ 19,867	\$ 2,525,713	\$ (1,932,365)	\$ (2,914)	610,301
Net income (loss)	-	-	-	(15,304)	-	(15,304)
Unrealized investment holding gain	-	-	-	-	9,674	9,674
Balance, December 31, 2018	<u>20,376,800</u>	<u>\$ 19,867</u>	<u>\$ 2,525,713</u>	<u>\$ (1,947,669)</u>	<u>\$ 6,760</u>	<u>\$ 604,671</u>

See independent accountant's compilation report

**KELYNIAM GLOBAL, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net income (loss)	\$ (15,304)
Adjustments needed to reconcile net income to net cash provided by (used in) operating activities:	
Depreciation	12,016
Amortization	3,056
(Increase) Decrease in accounts receivable	81,950
(Increase) Decrease in inventory	(16,199)
(Increase) Decrease in prepaid taxes	(9,616)
(Increase) Decrease in deferred income taxes	(20,800)
Increase (Decrease) in accounts payable	136,468
Increase (Decrease) in accrued expenses	(152,355)
Increase (Decrease) in income tax payable	(4,214)
Net Cash Provided By (Used In) Operating Activities	15,002

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	(99,531)
Proceeds from sale of investments	42,259
Net Cash Provided By (Used In) Investing Activities	(57,272)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Net repayment on line of credit	(25,865)
Principal payments on note payable	(31,756)
Net Cash Provided by (Used In) Financing Activities	(57,621)

Net Increase (Decrease) in Cash and Cash Equivalents (99,891)

Cash and Cash Equivalents at Beginning of Period 145,280

Cash and Cash Equivalents at End of Period \$ 45,389

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash paid during the year for interest was \$14,202.

Equipment was financed in the amount of \$169,138 in a noncash financing arrangement.

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**SUPPLEMENTARY INFORMATION**

**KELYNIAM GLOBAL, INC.**  
**SCHEDULE I - COST OF SALES**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

Amortization	\$ 3,056
Commission expense	538,652
Depreciation	424
Direct labor	164,213
Payroll taxes	14,058
Raw materials	167,670
Rent	22,752
Shipping, freight and delivery	15,125
Shop supplies	19,998
Utilities	10,072
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<b>Total Cost of Sales</b>	<b>\$ 956,020</b>
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**KELYNIAM GLOBAL, INC.**  
**SCHEDULE II - GENERAL AND ADMINISTRATIVE EXPENSES**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

Advertising	\$ 42,749
Bank and credit card fees	13,278
Consulting	86,184
Depreciation	11,592
Equipment rental	1,780
Insurance	159,591
Licenses and permits	9,615
Officer's compensation	306,123
Office expenses	16,651
Other taxes	386
Payroll service	2,134
Payroll taxes	35,858
Pension expense	21,148
Professional fees	52,893
Property taxes	4,660
Rent expense	22,752
Repairs and maintenance	110,874
Salaries and wages	112,722
Seminars	18,181
Software	36,775
Telephone	9,591
Travel and entertainment expenses	84,094
Utilities	10,072
Web services	18,827
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<b>Total General and Administrative Expenses</b>	<b><u><u>\$ 1,188,530</u></u></b>

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