

**KELYNIAM GLOBAL, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2019**

**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 June 30, 2019, and the related statements of income and other comprehensive income, changes in stockholders' equity and cash flows for the six 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.

The accompanying supplementary information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide an assurance on such information.

Respectfully,



LaQuerre Audi, LLC  
Certified Public Accountants  
Plainville, CT 06062

August 16, 2019

**KELYNIAM GLOBAL, INC.**  
**BALANCE SHEET**  
**JUNE 30, 2019**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 2,708
Accounts receivable	201,972
Inventory	52,857
Investment securities available for sale	32,858
Prepaid taxes	8,866

**TOTAL CURRENT ASSETS** 299,261

**PROPERTY AND EQUIPMENT**

Manufacturing equipment	555,007
Computer equipment	60,820
Furniture and fixtures	8,043
Leasehold improvements	257,044

Less: Accumulated depreciation (466,410)

**TOTAL PROPERTY AND EQUIPMENT** 414,504

**OTHER ASSETS**

License, net of accumulated amortization	19,861
Security deposit	8,000
Deferred income tax asset	398,400

**TOTAL OTHER ASSETS** 426,261

**TOTAL ASSETS** \$ 1,140,026

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**KELYNIAM GLOBAL, INC.**  
**BALANCE SHEET**  
**JUNE 30, 2019**

**LIABILITIES & STOCKHOLDERS' EQUITY**

**CURRENT LIABILITIES**

Line of credit	\$ 191,123
Accounts payable	170,163
Accrued expenses	22,591
Current portion of note payable	<u>72,745</u>

**TOTAL CURRENT LIABILITIES** 456,622

**LONG-TERM LIABILITIES**

Officer loan	63,785
Note payable, less current portion	<u>199,515</u>

**TOTAL LONG-TERM LIABILITIES** 263,300

**TOTAL LIABILITIES** 719,922

**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)	(2,144,053)
Accumulated other comprehensive income	<u>18,577</u>

**TOTAL STOCKHOLDERS' EQUITY** 420,104

**TOTAL LIABILITIES & STOCKHOLDERS' EQUITY** \$ 1,140,026

**See independent accountant's compilation report**

**KELYNIAM GLOBAL, INC.**  
**STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2019**

<b>Sales</b>	\$ 931,894
<b>Cost of Sales</b>	<u>469,234</u>
Gross Profit	462,660
<b>General and Administrative Expenses</b>	<u>644,055</u>
Income (Loss) from operations	<u>(181,395)</u>
<b>Other Income (Expenses)</b>	
Interest expense	(8,209)
Dividend income	<u>1</u>
	<u>(8,208)</u>
Income (Loss) Before Provision for Income Taxes	(189,603)
<b>Provision for Income Tax Expense</b>	<u>6,781</u>
Net Income (Loss)	(196,384)
<b>Other Comprehensive Income</b>	
Unrealized Gain on Investment Securities	<u>11,817</u>
Total Comprehensive Income (Loss)	<u><u>\$ (184,567)</u></u>

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**KELYNIAM GLOBAL, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**JUNE 30, 2019**

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
Balance, January 1, 2019	\$ 19,867	\$ 2,525,713	\$ (1,947,669)	\$ 6,760	604,671
Net income (loss)	-	-	(196,384)	-	(196,384)
Unrealized investment holding gain	-	-	-	11,817	11,817
Balance, June 30, 2019	<u>\$ 19,867</u>	<u>\$ 2,525,713</u>	<u>\$ (2,144,053)</u>	<u>\$ 18,577</u>	<u>\$ 420,104</u>

**See independent accountant's compilation report**

**KELYNIAM GLOBAL, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net income (loss)	\$ (196,384)
Adjustments needed to reconcile net income to net cash provided by (used in) operating activities:	
Depreciation	7,112
Amortization	1,528
(Increase) Decrease in accounts receivable	79,324
(Increase) Decrease in inventory	(2,434)
(Increase) Decrease in prepaid taxes	750
(Increase) Decrease in deferred income taxes	5,500
Increase (Decrease) in accounts payable	9,164
Increase (Decrease) in accrued expenses	(40,183)
Net Cash Provided By (Used In) Operating Activities	(135,623)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	(8,833)
Net Cash Provided By (Used In) Investing Activities	(8,833)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Net proceeds (repayment) on line of credit	54,365
Principal payments on note payable	(16,375)
Repayments to officer loans	(20,000)
Proceeds from officer loans	83,785
Net Cash Provided by (Used In) Financing Activities	101,775

Net Increase (Decrease) in Cash and Cash Equivalents	(42,681)
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Cash and Cash Equivalents at Beginning of Period	45,389
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Cash and Cash Equivalents at End of Period	\$ 2,708
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**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash paid during the year for	
Interest	\$ 8,209

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**SUPPLEMENTARY INFORMATION**

**KELYNIAM GLOBAL, INC.**  
**SCHEDULE I - COST OF SALES**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2019**

Amortization	\$ 1,528
Commission expense	275,443
Depreciation	474
Direct labor	74,891
Payroll taxes	6,676
Raw materials	69,716
Rent	11,376
Repairs and maintenance	1,836
Shipping, freight and delivery	14,047
Shop supplies	2,275
Subcontracting	5,810
Utilities	5,162
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<b>Total Cost of Sales</b>	<b><u><u>\$ 469,234</u></u></b>

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**KELYNIAM GLOBAL, INC.**  
**SCHEDULE II - GENERAL AND ADMINISTRATIVE EXPENSES**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2019**

Advertising	\$ 41,082
Bank and credit card fees	7,593
Consulting	12,480
Depreciation	6,638
Equipment rental	279
License and registration	350
Insurance	127,375
Officer's compensation	145,866
Office expenses	16,177
Payroll service	1,108
Payroll taxes	21,329
Pension expense	9,501
Professional fees	37,794
Property and other taxes	386
Rent expense	11,376
Repairs and maintenance	25,743
Salaries and wages	93,397
Seminars	19,718
Telephone	4,915
Travel and entertainment expenses	38,050
Utilities	5,192
Web services	17,706
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<b>Total General and Administrative Expenses</b>	<b>\$ 644,055</b>
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