KAYENTA KREATIONS INC
Form 10KSB
March 30, 2006

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-KSB

[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2005   Commission File No. 333-4066

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from   to   .

KAYENTA KREATIONS, INC.
(Name of small business issuer in its charter)

Nevada	87-0554463
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)

311 South State Street, Suite 460, Salt Lake City, Utah 84111
(Address of principal executive offices) (zip code)

Issuer's telephone number, including area code: (801) 364-9262

(Former name, former address and former fiscal year, if changed since last report)

Securities registered under Section 12(b) of the Exchange Act: None
Securities registered under Section 12(g) of the Exchange Act: None

Check whether the Issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Issuer was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.   Yes X   No

Check if no disclosure of delinquent filers in response to Item 405 of Regulation S-B is contained in this form, and no disclosure will be contained, to the best of the Issuer's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. (Not applicable)   [ ]

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

The Issuer's revenues for its most recent fiscal year. $ -0-
As of February 8, 2006, the aggregate market value of voting stock held by non-affiliates was approximately $221,089. (See Item 5 herein).

The number of shares outstanding of the Issuer's common stock at December 31, 2005: 1,316,292

PART I

ITEM 1. DESCRIPTION OF BUSINESS

(A) BUSINESS DEVELOPMENT.

Kayenta Kreations, Inc. (the "Company") was incorporated under the laws of the State of Nevada on December 26, 1995. In connection with its organization, the President and founders of the Company contributed $8,000 cash to initially capitalize the Company in exchange for 800,000 shares of Common Stock.

The Company then registered a public offering of its securities to raise funds from such offering with which to commence business operations. The Company filed with the Securities and Exchange Commission a registration statement on Form SB-2, Commission File No. 333-4066, which became effective October 21, 1996. Pursuant thereto the Company sold 218,900 shares of its common stock to the public at $.25 per share and raised gross proceeds of $54,725.

The offering was completed in February, 1997. The Company then used the net proceeds from this offering to provide the working capital necessary to commence business operations. However, the Company did not generate any significant revenues from operations and is still considered a development stage company.

(B) BUSINESS OF COMPANY.

The Company was engaged in the business of producing and marketing specialty children's coloring art books and art coloring pencils. This business was not successful and operations were eventually discontinued. The Company is not presently engaged in any significant business activities and has no operations. Presently the Company's principal activity has been to investigate potential acquisitions. However, the Company has not located any suitable potential business acquisition and has no plans, commitments or arrangements with respect to any potential business venture. There is no assurance the Company could become involved with any business venture, especially any business venture requiring significant capital. There is no written agreement with respect to any potential business acquisition. If any suitable potential business acquisition is located and completed, it will in all likelihood involve a change in management and shareholder control of the company.

EMPLOYEES

The Company presently has no salaried employees, and does not presently anticipate the need to hire employees. The sole officer of the Company will not be employed full time presently and will not receive a regular salary, wage or other cash compensation for her time, unless and until the Company's business operations develop to the point where a full time or other extensive time commitment is required.

ITEM 2. PROPERTIES

The Company presently has no office facilities but for the time being will use the office address of Ms. Brenda White, its President, in Salt Lake City, Utah, on a rent free basis as its principal business address. Management does not intend to seek other office arrangements immediately, but will seek such arrangements at such time in the future as the Company's business requires more extensive facilities, which is not anticipated in the immediate future.

ITEM 3. LEGAL PROCEEDINGS.

The Company is not a party to any material pending legal proceedings and, to the best of its knowledge, no action has been threatened by or against the Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

No matter was submitted to a vote of security holders through the solicitation of proxies or otherwise during the fourth quarter of the fiscal year covered by this report.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

(A) MARKET INFORMATION.

The Company's public offering closed in February, 1997 and the Common Stock of the Company was eligible for trading in the over-the-counter market after that time. The common stock is quoted under the symbol "KKRI", but has not been traded in the over-the-counter market except on a very limited and sporadic basis. The following sets forth high and low bid price quotations for each calendar quarter during the last two fiscal years that trading occurred or quotations were available. Such quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

Quarter Ended	High	Low
March 31, 2004	.75	.45
June 30, 2004	1.01	.75
September 30, 2004	.72	.15
December 31, 2004	.77	.70
March 31, 2005	.77	.77
June 30, 2005	1.01	.77
September 30, 2005	.95	.95
December 31, 2005	.95	.95

(B) HOLDERS.

As of March 7, 2006, there were approximately 18 record holders of the Company's Common Stock.

(C) DIVIDENDS.

The Company has not previously paid any cash dividends on common stock and does not anticipate or contemplate paying dividends on common stock in the foreseeable future. It is the present intention of management to utilize all available funds for the development of the Company's business. The only restrictions that limit the ability to pay dividends on common equity or that are likely to do so in the future, are those restrictions imposed by law. Under Nevada corporate law, no dividends or other distributions may be made which would render the Company insolvent or reduce assets to less than the sum of its liabilities plus the amount needed to satisfy any outstanding liquidation preferences.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

The Company was incorporated on December 26, 1995. The Company has not yet generated any significant revenues from operations and is considered a development stage company. Management's plan of operation for the next twelve months is to continue to receive shareholder advances to provide general working capital. The Company's current operating plan is to (i) handle the administrative and reporting requirements of a public company, and (ii) search for potential businesses, products, technologies and companies for acquisition. The Company has experienced losses from its inception. The Company was engaged in the business of producing and marketing specialty children's coloring art books and art coloring pencils. This business was not successful and operations were eventually discontinued. The Company is not presently engaged in any significant business activities and has no operations. Presently the Company's principal activity has been to investigate potential acquisitions. However, the Company has not located any suitable potential business acquisition and has no plans, commitments or arrangements with respect to any potential business venture. There is no assurance the Company could become involved with any business venture, especially any business venture requiring significant capital. There is no written agreement with respect to any potential business acquisition. If any suitable potential business acquisition is located and completed, it will in all likelihood involve a change in management and shareholder control of the company. At December 31, 2004, indebtedness of the Company to certain shareholders in the amount of $9,242 was forgiven and contributed to capital. The Company has no operating capital or income producing assets. In light of these circumstances, the ability of the Company to continue as a going concern is substantially in doubt. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Management believes their plans will provide the corporation with the ability to continue in existence. Management plans to maintain its filings and curtail operations and activities to keep it in existence. This may require additional advances from stockholders to pay accounting and legal fees associated with its filings.

ITEM 7. FINANCIAL STATEMENTS.

See attached Financial Statements and Schedules.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

There are not and have not been any disagreements between the Company and its accountants on any matter of accounting principles or practices or financial statement disclosure.

ITEM 8A. CONTROLS AND PROCEDURES.

The issuer's principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, are 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 13a-15(f) and 15d-15(f)) for the issuer and have:

designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under their supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the periodic reports are being prepared;

designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under their 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;

evaluated the effectiveness of the issuer's disclosure controls and procedures as of the end of the fiscal year (the "Evaluation Date").

Based on their evaluation as of the Evaluation Date, their conclusions about the effectiveness of the disclosure controls and procedures were that nothing indicated:

any significant deficiencies in the design or operation of internal controls which could adversely affect the issuer's ability to record, process, summarize and report financial data;

any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal controls; or

any material weaknesses in internal controls that have been or should be identified for the issuer's auditors and disclosed to the issuer's auditors and the audit committee of the board of directors (or persons fulfilling the equivalent function).

Changes in internal control over financial reporting. There was no significant change in the issuer's internal control over financial reporting that occurred during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

(A) IDENTIFY DIRECTORS AND EXECUTIVE OFFICERS.

The following table sets forth the sole director and executive officer of the Company, her age, and all offices and positions with the Company. A director is elected for a period of one year and thereafter serves until his or her successor is duly elected by the stockholders and qualifies. Officers and other employees serve at the will of the Board of Directors.

Name of Director	Age	Term Served As Director/Officer	Positions With Company
Brenda White	46	Since February 15, 2002	President & Secretary/Treasurer

Michelle Barlow resigned February 15, 2002, as the sole director and executive officer of the Company, and appointed Brenda White to replace her. Brenda White now serves as management of the Company. A brief description of her background and business experience is as follows:

Brenda White serves as President, Secretary/Treasurer and Director of the Company. She has been employed since 1995 as the secretary of Lynn Dixon, a principal shareholder of the Company, and serves at his request. Ms. White holds no directorships in any other company subject to the reporting requirements of the Securities Exchange Act of 1934.

(B) IDENTIFY SIGNIFICANT EMPLOYEES.

None other than the person previously identified.

(C) FAMILY RELATIONSHIPS.

None

(D) INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS.

Except as described herein above, no present officer or director of the Company; 1) has had any petition filed, within the past five years, in Federal Bankruptcy or state insolvency proceedings on such person's behalf or on behalf of any entity of which such person was an officer or general partner within two years of filing; or 2) has been convicted in a criminal proceeding within the past five years or is currently a named subject of a pending criminal proceeding; or 3) has been the subject, within the past five years, of any order, judgment, decree or finding (not subsequently reversed, suspended or vacated) of any court or regulatory authority involving violation of securities or commodities laws, or barring, suspending, enjoining or limiting any activity relating to securities, commodities or other business practice.

(E) AUDIT COMMITTEE FINANCIAL EXPERT. The issuer does not have an audit committee financial expert serving on its audit committee, due to lack of funds. The Company is not presently engaged in any significant business activities and has no operations or assets.

COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT. Section 16(a) is inapplicable.

CODE OF ETHICS. The issuer has adopted a code of ethics that applies to the issuer's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. For purposes of this Item, the term code of ethics means written standards that are reasonably designed to deter wrongdoing and to promote: Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; Full, fair, accurate, timely, and understandable disclosure in reports and documents that the issuer files with, or submits to, the Commission and in other public communications made by the issuer; Compliance with applicable governmental laws, rules and regulations; The prompt internal reporting of violations of the code to the board of directors or another appropriate person or persons; and Accountability for adherence to the code. The issuer hereby undertakes to provide to any person without charge, upon request, a copy of such code of ethics. Such request may be made in writing to the board of directors at the address of the issuer.

ITEM 10. EXECUTIVE COMPENSATION.

The sole officer/director is entitled to reimbursement of any out of pocket expenses reasonably and actually incurred on behalf of the Company. Presently, the officer only devotes a portion of her time to the affairs of the Company. She is not employed full time and does not receive a regular salary, wage for her time, and will not unless and until the Company's business operations develop to the point where a full time or other extensive time commitment is required. The Company presently has no formal employment agreements or other arrangements or understandings with the officer regarding the commitment of time or the payment of salaries or other compensation. However, the officer is prepared to devote such time as may be necessary to the development of the Company's business. The amounts of compensation and other terms of any full time employment arrangements with Ms. White would be determined if and when such arrangements become necessary.

COMPENSATION OF DIRECTORS None

EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT AND CHANGE-IN-CONTROL ARRANGEMENTS

The Company has not entered into any contracts or arrangements with any named executive officer which would provide such individual with a form of compensation resulting from such individual's resignation, retirement or any other termination of such executive officer's employment with the Company or its subsidiary, or from a change-in-control of the Company or a change in the named executive officer's responsibilities following a change-in-control.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth certain information with respect to the beneficial ownership of the Company's common stock with respect to each director of the Company, each person known to the Company to be the beneficial owner of more than five percent (5%) of said securities, and all directors and executive officers of the Company as a group:

Name and Address	Title of Class	Amount and Nature of Beneficial Ownership	Percent of Class
Brenda White 311 S. State, #460 Salt Lake City, UT 84111	Common	10,000 shares	0.8%
Lynn Dixon 311 S. State, #460 Salt Lake City, UT 84111	Common	577,392 shares	43.9%
Thomas G. Kimble 311 S. State, #460 Salt Lake City, UT 84111	Common	500,000 shares	38%
All officers and directors as a group (1 person)	Common	10,000 shares	0.8%

The foregoing amounts include all shares these persons are deemed to beneficially own regardless of the form of ownership. All shares are owned beneficially and of record except 275,000 shares owned beneficially by Lynn Dixon in the name of Elvena, Inc., a corporation solely owned by him. On April 12, 2005, Lynn Dixon sold 500,000 of the shares registered in his name to Thomas G. Kimble and 10,000 shares to Van Butler.

CHANGES IN CONTROL

Presently the Company's principal activity has been to investigate potential acquisitions as referred to in item 1 of this Form 10-KSB. However, the Company has not located any suitable potential business acquisition and has no plans, commitments or arrangements with respect to any potential business venture. There is no assurance the Company could become involved with any business venture, especially any business venture requiring significant capital.

There is no written agreement with respect to any potential business acquisition. If any suitable potential business acquisition is located and completed, it will in all likelihood involve a change in management and shareholder control of the company. In the event of completion of an acquisition, it is likely that shareholders of the Company, listed above, will sell a substantial portion of their shares of the Company's stock at or about the time of closing the acquisition at prices which may be less than prices quoted in the OTC market place, if any. There is no written agreement with respect to any such sales.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The Company has entered into certain transactions with officers, directors or affiliates of the Company which include the following:

In connection with the organization of the Company, its founding shareholders paid an aggregate of $8,000 cash to purchase 800,000 shares of Common Stock of the Company. Upon incorporation, $5,000 was initially contributed in exchange for 500,000 shares of Common Stock. Subsequently in March of 1996, an additional $3,000 was contributed in exchange for 300,000 shares of Common Stock.

On February 27, 2002, additional common stock was issued to Lynn Dixon; 100,000 shares in exchange for $10,000 cash, and 130,142 shares in cancellation of indebtedness totaling $13,014.17 of principal and accrued interest. Also, 67,250 shares were issued to an entity controlled by Eslie Barlow in cancellation of indebtedness totaling $6,179.64 of principal and accrued interest. This increased the total issued and outstanding common stock to 1,316,292 shares.

The Company presently has no office facilities but for the time being will use as its business address the office address of Ms. Brenda White on a rent free basis, until such time as the Company may require more extensive facilities and the Company has the financial ability to rent commercial office space. There is presently no formal written agreement for the use of such facilities, and no assurance that such facilities will be available to the Company on such a basis for any specific length of time.

Except as disclosed in this item, in notes to the financial statements or elsewhere in this report, the Company is not aware of any indebtedness or other transaction in which the amount involved exceeds $60,000 between the Company and any officer, director, nominee for director, or 5% or greater beneficial owner of the Company or an immediate family member of such person; nor is the Company aware of any relationship in which a director or nominee for director of the Company was also an officer, director, nominee for director, greater than 10% equity owner, partner, or member of any firm or other entity which received from or paid the Company, for property or services, amounts exceeding 5% of the gross annual revenues or total assets of the Company or such other firm or entity.

ITEM 13. EXHIBITS.

EXHIBITS to this report are all documents previously filed which are incorporated herein as exhibits to this report by reference to registration statements and other reports previously filed by the Company pursuant to the Securities Act of 1933 and the Securities Exchange Act of 1934.

Exhibits required by Item 601 of Regulation S-B.

31. Certifications required by Rules 13a-14(a) or 15d-14(a).

32. Section 1350 Certifications

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

(1) AUDIT FEES

The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the Company's annual financial statements and review of financial statements included in the Company's Form 10-Q (17 CFR 249.308a) or 10-QSB (17 CFR 249.308b) or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years was $4,340 for the fiscal year ended December 31, 2004, and $3,840 for the fiscal year ended December 31, 2005.

(2) AUDIT-RELATED FEES

The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the Company's financial statements was $-0- for the fiscal year ended December 31, 2004 and $-0- for the fiscal year ended December 31, 2005.

(3) TAX FEES

The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning was $250 for the fiscal year ended December 31, 2004 and $250 for the fiscal year ended December 31, 2005.

(4) ALL OTHER FEES

The aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported above was $-0- for the fiscal year ended December 31, 2003 and $-0- for the fiscal year ended December 31, 2005.

(5) PRE-APPROVAL POLICIES AND PROCEDURES

Before the accountant is engaged by the issuer to render audit or non-audit services, the engagement is approved by the company's board of directors acting as the audit committee.

KAYENTA KREATIONS, INC.
[A Development Stage Company]

FINANCIAL STATEMENTS

DECEMBER 31, 2005

KAYENTA KREATIONS, INC.
[A Development Stage Company]

CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
KAYENTA KREATIONS, INC.
Salt Lake City, Utah

We have audited the accompanying balance sheet of Kayenta Kreations, Inc. [a development stage company] as of December 31, 2005 and the related statements of operations, stockholders' equity (deficit) and cash flows for the years ended December 31, 2005 and 2004 and for the period from inception on December 26, 1995 through December 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kayenta Kreations, Inc. [a development stage company] as of December 31, 2005 and the results of its operations and its cash flows for the years ended December 31, 2005 and 2004 and for the period from inception on December 26, 1995 through December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 5 to the financial statements, the Company has incurred losses since its inception and has no on-going operations. Further, the Company has current liabilities in excess of current assets. These factors raise substantial doubt about the ability of the Company to continue as a going concern. Management's plans in regards to these matters are also described in Note 5. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

PRITCHETT, SILER & HARDY, P.C.

Salt Lake City, Utah
March 14, 2006

KAYENTA KREATIONS, INC.
[A Development Stage Company]

BALANCE SHEET

ASSETS

	December 31, 2005
CURRENT ASSETS:	
Cash	$ -
Total Current Assets	-
	$ -

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES:	
Accounts payable	$ 1,293
Advances from related party	-
Accrued interest - related party	-
Total Current Liabilities	1,293
STOCKHOLDERS' EQUITY (DEFICIT):	
Preferred stock, $.001 par value, 5,000,000 shares authorized, no shares issued and outstanding	-

Common stock, $.001 par value, 50,000,000 shares authorized, 1,316,292 shares issued and outstanding	1,316
Capital in excess of par value	95,006
Deficit accumulated during the development stage	(97,615)
Total Stockholders' Equity (Deficit)	(1,293)
	$ -

The accompanying notes are an integral part of these financial statements.

KAYENTA KREATIONS, INC.
[A Development Stage Company]

STATEMENTS OF OPERATIONS

	For the Year Ended December 31, 2005	For the Year Ended December 31, 2004	From Inception on December 26, 1995 Through December 31, 2005
REVENUE	$ -	$ -	$ -
EXPENSES:			
General and administrative	7,803	7,383	28,322
LOSS BEFORE OTHER INCOME (EXPENSE)	(7,803)	(7,383)	(28,322)
OTHER INCOME (EXPENSE)			
Interest expense	(456)	(423)	(3,971)
LOSS BEFORE INCOME TAXES	(8,259)	(7,806)	(32,293)
CURRENT TAX EXPENSE	-	-	-
DEFERRED TAX EXPENSE	-	-	-
LOSS FROM CONTINUING OPERATIONS	(8,259)	(7,806)	(32,293)
DISCONTINUED OPERATIONS:			
Loss from operations of discontinued coloring art book business (including gain on disposal of $0, $0, and $0 respectively)	-	-	(64,924)
Income tax benefit	-	-	-

LOSS FROM DISCONTINUED OPERATIONS	-	-	(64,924)
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	-	-	(398)
NET LOSS	$ (8,259)	$ (7,806)	$ (97,615)
LOSS PER COMMON SHARE:			
Continuing operations	$ (.01)	$ (.01)	
Discontinued operations	-	-	
Cumulative effect of change in accounting principle	-	-	
Net Loss Per Common Share	$ (.01)	$ (.01)	

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The accompanying notes are an integral part of these financial statements.

KAYENTA KREATIONS, INC.
[A Development Stage Company]

STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

FROM THE DATE OF INCEPTION ON DECEMBER 26, 1995

THROUGH DECEMBER 31, 2005

	Preferred Stock		Common Stock		Capital in Excess of Par Value	Deficit Accumulated During the Development Stage
	Shares	Amount	Shares	Amount		
BALANCE, December 26, 1995	-	$ -	-	$ -	$ -	$ -
Issuance of 500,000 shares of common stock for cash of $5,000, or $.01 per share, December 1995	-	-	500,000	500	4,500	-
Net loss for the period ended December 31, 1995	-	-	-	-	-	(2)
BALANCE, December 31, 1995	-	-	500,000	500	4,500	(2)
Issuance of 300,000						

shares of common stock for cash of $3,000, or $.01 per share, March 1996	-	-	300,000	300	2,700	-
Capital contribution	-	-	-	-	20	-
Net loss for the year ended December 31, 1996	-	-	-	-	-	(365)
BALANCE, December 31, 1996	-	-	800,000	800	7,220	(367)
Issuance of 218,900 shares of common stock for cash of $54,725, or $.25 per share, net of stock offering costs of $14,533, February 1997	-	-	218,900	219	39,973	-
Net loss for the year ended December 31, 1997	-	-	-	-	-	(21,705)
BALANCE, December 31, 1997	-	-	1,018,900	1,019	47,193	(22,072)
Net loss for the year ended December 31, 1998	-	-	-	-	-	(10,755)
BALANCE, December 31, 1998	-	-	1,018,900	1,019	47,193	(32,827)
Net loss for the year ended December 31, 1999	-	-	-	-	-	(10,993)
BALANCE, December 31, 1999	-	-	1,018,900	1,019	47,193	(43,820)
Net loss for the year ended December 31, 2000	-	-	-	-	-	(13,014)

[Continued]

KAYENTA KREATIONS, INC.
[A Development Stage Company]

STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

FROM THE DATE OF INCEPTION ON DECEMBER 26, 1995

THROUGH DECEMBER 31, 2005

[Continued]

	Preferred Stock		Common Stock		Capital in Excess of Par Value	Deficit Accumulated During the Development Stage
	Shares	Amount	Shares	Amount		
BALANCE, December 31, 2000	-	-	1,018,900	1,019	47,193	(56,834)
Capital distribution on assets exchanged for debt	-	-	-	-	(280)	-
Net loss for the year ended December 31, 2001	-	-	-	-	-	(10,842)
BALANCE, December 31, 2001	-	-	1,018,900	1,019	46,913	(67,676)
Issuance of 100,000 shares of common stock for cash of $10,000, or $.10 per share, February 2002	-	-	100,000	100	9,900	-
Issuance of 197,392 shares of common stock to repay debt and accrued interest totaling $19,742, or approximately $.10 per share, February 2002	-	-	197,392	197	19,545	-
Net loss for the year ended December 31, 2002	-	-	-	-	-	(6,559)
BALANCE, December 31, 2002	-	-	1,316,292	1,316	76,358	(74,235)
Net loss for the year ended December 31, 2003	-	-	-	-	-	(7,315)
BALANCE, December 31, 2003	-	-	1,316,292	1,316	76,358	(81,550)
Forgiveness of Debt to related party, December 31, 2004	-	-	-	-	9,762	-
Net loss for the year ended December 31, 2004	-	-	-	-	-	(7,806)

BALANCE, December 31, 2004	-	-	1,316,292	1,316	86,120	(89,356)

[Continued]

KAYENTA KREATIONS, INC.
[A Development Stage Company]

STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

FROM THE DATE OF INCEPTION ON DECEMBER 26, 1995

THROUGH DECEMBER 31, 2005

[Continued]

	Preferred Stock		Common Stock		Capital in Excess of Par Value	Deficit Accumulated During the Development Stage
	Shares	Amount	Shares	Amount		
Forgiveness of Debt to related party, December 31, 2005	-	-	-	-	8,886	-
Net loss for the year ended December 31, 2005	-	-	-	-	-	(8,259)
BALANCE, December 31, 2005	-	$ -	1,316,292	$ 1,316	$ 95,006	$ (97,615)

The accompanying notes are an integral part of these financial statements.

KAYENTA KREATIONS, INC.
[A Development Stage Company]

STATEMENTS OF CASH FLOWS

	For the Year Ended December 31, 2005	For the Year Ended December 31, 2004	From Inception on December 26, 1995 Through December 31, 2005
Cash Flows from Operating Activities:			
Net loss	$ (8,259)	$ (7,806)	$ (97,615)
Adjustments to reconcile net loss to net cash used by operating activities:			
Amortization expense	-	-	602
Depreciation	-	-	9,610
Effect of change in accounting principle	-	-	398
Loss on disposal of assets	-	-	4,485
Changes in assets and liabilities:			
Increase (decrease) in accounts payable	(627)	1,035	1,293
Increase in accrued interest - related party	456	423	1,617
Net Cash (Used) by Operating Activities	(8,430)	(6,348)	(79,610)
Cash Flows from Investing Activities:			
Payment of organization costs	-	-	(1,000)
Purchase of equipment	-	-	(13,323)
Net Cash (Used) by Investing Activities	-	-	(14,323)
Cash Flows from Financing Activities:			
Proceeds from shareholder loans	8,430	4,601	35,721
Proceeds from common stock issuance	-	-	72,725
Stock offering costs	-	-	(14,533)

Capital contributions	-	-	20
Net Cash Provided by Financing Activities	8,430	4,601	93,933
Net Increase (Decrease) in Cash	-	(1,747)	-
Cash at Beginning of Period	-	1,747	-
Cash at End of Period	$ -	$ -	$ -

Supplemental Disclosures of Cash Flow Information:
Cash paid during the periods for:

Interest	$ -	$ -	$ 80
Income taxes	$ -	$ -	$ -

Supplemental Schedule of Non-cash Investing and Financing Activities:

For the year ended December 31, 2005:
In December 2005, related parties forgave debt totaling $8,886 which is accounted for as a capital contribution.

For the year ended December 31, 2004:
In December 2004, related parties forgave debt totaling $9,762 which is accounted for as a capital contribution.

The accompanying notes are an integral part of these financial statements.

KAYENTA KREATIONS, INC.
[A Development Stage Company]

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Kayenta Kreations, Inc. ("the Company") was organized under the laws of the State of Nevada on December 26, 1995. The Company previously produced and marketed a children's coloring art book depicting various aspects of life in the Southwestern and Western United States. The Company discontinued its coloring art book business effective December 30, 2001 [See Note 2]. The Company is currently seeking other business opportunities. The Company has not generated significant revenues and is considered a development stage company as defined in Statement of Financial Accounting Standards No. 7. The Company has, at the present time, not paid any dividends and any dividends that may be paid in the future will depend upon the financial requirements of the Company and other relevant factors.

Cash and Cash Equivalents - The Company considers all highly liquid debt investments purchased with a maturity of three months or less to be cash equivalents.

Inventory - Inventory is carried at the lower of cost or market using the first-in, first-out (FIFO) method.

Revenue Recognition - The Company recognizes revenue from sales upon delivery of the product.

Income Taxes - The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." This statement requires an asset and liability approach for accounting for income taxes [See Note 4].

Discontinued Operations - The Company has adopted Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS No. 144 modifies previous disclosures and requires additional disclosures for discontinued operations and the assets associated with discontinued operations [See Note 2].

Loss Per Share - The Company computes loss per share in accordance with Statement of Financial Accounting Standards No. 128 "Earnings Per Share," which requires the Company to present basic and dilutive loss per share when the effect is dilutive [See Note 8].

Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated by management.

KAYENTA KREATIONS, INC.
[A Development Stage Company]

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [Continued]

Recently Enacted Accounting Standards - Statement of Financial Accounting Standards ("SFAS") No. 151, "Inventory Costs - an amendment of ARB No. 43, Chapter 4". SFAS No. 152, "Accounting for Real Estate Time-Sharing Transactions - an amendment of FASB Statements No. 66 and 67", SFAS No. 153, `Exchanges of Nonmonetary Assets - an amendment of APB Opinion No. 29", SFAS No. 123 (revised 2004), "Share-Based Payment", SFAS No. 154, "Accounting Changes and Error Corrections - a replacement of APB Opinion No. 20 and FASB Statement No. 3", and SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments - an amendment of FASB Statements No. 133 and 140", were recently issued. SFAS No. 151, 152, 153, 123 (revised 2004), 154 and 155 have no current applicability to the Company or their effect on the financial statements would not have been significant.

Reclassification - The financial statements for periods prior to December 31, 2005 have been reclassified to conform to the headings and classifications used in the December 31, 2005 financial statements.

NOTE 2 - DISCONTINUED OPERATIONS

On December 30, 2001, the Company discontinued all its existing coloring art book business and sold its remaining assets to repay debt [See Note 6]. The Company has accounted for this disposal in accordance with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". At December 31, 2005, the Company had no assets or liabilities associated with its discontinued business operations.

The following is a summary of the results of operations of the Company's discontinued business operations:

	For the Year Ended December 31, 2005	For the Year Ended December 31, 2004	From Inception on December 26, 1995, Through December 31, 2005
Revenue	$ -	$ -	$ 2,814
Cost of goods sold	-	-	(1,518)
General and administrative	-	-	(64,410)
Other income (expense)	-	-	(1,810)
Net loss	$ -	$ -	$ (64,924)

NOTE 3 - CAPITAL STOCK

Preferred Stock - The Company has authorized 5,000,000 shares of preferred stock, $.001 par value, with such rights, preferences and designations and to be issued in such series as determined by the Board of Directors. No shares are issued and outstanding at December 31, 2005.

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KAYENTA KREATIONS, INC.
[A Development Stage Company]

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CAPITAL STOCK [Continued]

Common Stock - In December 1995, in connection with its organization, the Company issued 500,000 shares of its previously authorized but unissued common stock. Total proceeds from the sale of stock amounted to $5,000 (or $.01 per share).

In March 1996, the Company issued 300,000 shares of its previously authorized but unissued common stock. Total proceeds from the sale of stock amounted to $3,000 (or $.01 per share).

In February 1997, the Company issued 218,900 shares of its previously authorized, but unissued common stock. Total proceeds from the sale of stock amounted to $54,725 (or $.25 per share). Stock offering costs of $14,533 were netted against the proceeds as a reduction to capital in excess of par value.

In February 2002, the Company issued 197,392 shares of its previously authorized but unissued common stock to repay loans and accrued interest totaling $19,742 owed to shareholders of the Company (or approximately $.10 per share).

In February 2002, the Company issued 100,000 shares of its previously authorized but unissued common stock to a shareholder of the Company. Total proceeds from the sale of stock amounted to $10,000 (or $.10 per share).

Capital Contribution / Distribution - In 1996, an officer/shareholder of the Company contributed $20 to the Company. In 2001, the Company repaid a loan and accrued interest totaling $1,219 owed to an officer/shareholder of the Company by transferring equipment with a net book value of $1,499. The difference of $280 was recorded as a capital distribution [See Note 6].

In December 2004, an officer of the Company forgave debt and accrued interest in the amount of $9,762. In accordance with AICPA Technical Practice Aids, Practice Alert 00-1, "Accounting for Certain Equity Transactions", Extinguishment of Related Party Debt, the forgiveness has been charged to Capital in excess of par value.

In December 2005, an officer of the Company forgave debt and accrued interest in the amount of $8,886. In accordance with AICPA Technical Practice Aids, Practice Alert 00-1, "Accounting for Certain Equity Transactions", the forgiveness has been charged to Capital in excess of par value.

NOTE 4 - INCOME TAXES

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes". SFAS No. 109 requires the Company to provide a net deferred tax asset/liability equal to the expected future tax benefit/expense of temporary reporting differences between book and tax accounting methods and any available operating loss or tax credit carryforwards. The Company has available at December 31, 2005, an operating loss carryforward of approximately $94,900, which may be applied against future taxable income and which expires in various years through 2025.

The amount of and ultimate realization of the benefits from the operating loss carryforwards for income tax purposes is dependent, in part, upon the tax laws in effect,

KAYENTA KREATIONS, INC.
[A Development Stage Company]

NOTES TO FINANCIAL STATEMENTS

NOTE - INCOME TAXES [Continued]

the future earnings of the Company, and other future events, the effects of which cannot be determined. Because of the uncertainty surrounding the realization of the loss carryforwards, the Company has established a valuation allowance equal to the tax effect of the loss carryforwards and, therefore, no deferred tax asset has been recognized for the loss carryforwards. The net deferred tax asset is approximately $32,300 and

$29,400 as of December 31, 2005 and December 31, 2004, respectively, with an offsetting valuation allowance of the same amount. The change in the valuation allowance for the year ended December 31, 2005 is approximately $2,900.

NOTE 5 - GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America, which contemplate continuation of the Company as a going concern. However, the Company has incurred losses since its inception and has no on-going operations. Further, the Company has current liabilities in excess of current assets. These factors raise substantial doubt about the ability of the Company to continue as a going concern. In this regard, management is proposing to raise any necessary additional funds not provided by operations through loans or through additional sales of its common stock. There is no assurance that the Company will be successful in raising this additional capital or in achieving profitable operations. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

NOTE 6 - RELATED PARTY TRANSACTIONS

Management Compensation - The Company has not paid any compensation to its officers and directors, as the services provided by them to date have only been nominal.

Office Space - The Company has not had a need to rent office space. An officer/shareholder of the Company is allowing the Company to use her office as a mailing address, as needed, at no expense to the Company.

Shareholder Loans - During the years ended December 31, 2005 and 2004 an officer/shareholder of the Company loaned a total of $8,430 and $8,601, respectively, to the Company. The advances are due on demand and bear interest at 10% per annum. Accrued interest for the years ended December 31, 2005 and 2004 were $456 and $1,161, respectively. In December 2005 and 2004 the shareholder forgave the loans and related interest which was accounted for as a capital contribution in the amount of $8,886 and $9,762, respectively [See Note 3].

Stock Issuances - In February 2002, the Company issued 197,392 shares of common stock to repay loans and accrued interest totaling $19,742 owed to shareholders of the Company [See Note 3].

In February 2002, the Company issued 100,000 shares of common stock to a shareholder of the Company for $10,000 [See Note 3].

Capital Distribution - In December 2001, the Company discontinued its existing business operations and sold its remaining assets, having a net book value of $1,499,

NOTE 6 - RELATED PARTY TRANSACTIONS [Continued]

to an officer and stockholder in exchange for cancellation of a loan and accrued interest owed to the officer and stockholder in the total amount of $1,219. The assets were assigned, sold and transferred to the officer in satisfaction of the debt. The difference between the net book value of the assets and the amount of the debt was $280 and has been recorded as a capital distribution in the financial statements [See Note 3].

NOTE 7 - CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

The Company was previously amortizing its organization costs, which reflect amounts expended to organize the Company, but during 1999, in accordance with Statement of Position 98-5, the Company expensed the remaining $398 in organization costs which has been accounted for as a change in accounting principle.

NOTE 8 - LOSS PER SHARE

The following data show the amounts used in computing loss per share for the periods presented:

	For the Year Ended December 31,	
	2005	2004
Loss from continuing operations (numerator)	$ (8,259)	$ (7,806)
Loss from discontinued operations (numerator)	-	-
Cumulative effect of change in accounting principle (numerator)	-	-
Loss available to common shareholders (numerator)	$ (8,259)	$ (7,806)
Weighted average number of common shares outstanding during the period used in loss per share (denominator)	1,316,292	1,316,292

Dilutive loss per share was not presented, as the Company had no common equivalent shares for all periods presented that would affect the computation of diluted loss per share.

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SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Kayenta Kreations, Inc.

By: /s/ Brenda White Date: March 20, 2006

Brenda White, President and Secretary/Treasurer
Chief Executive Officer and
Chief Financial Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and the dates indicated.

By: /s/ Brenda White Date: March 20, 2006
Brenda White, President and Secretary/Treasurer
Chief Executive Officer and
Chief Financial Officer

Supplemental Information to be Furnished With Reports Filed Pursuant to Section 15(d) of the Exchange Act by Non Reporting Issuers

No annual report or proxy statement has been sent to security holders.