

FLEXIBLE SOLUTIONS INTERNATIONAL INC
Form 10-Q/A
October 14, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q/A

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

For the quarterly period ended June 30, 2008

OR

TRANSITION REPORT PURSUANT TO 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-2969

FLEXIBLE SOLUTIONS INTERNATIONAL INC.
(Exact Name of Issuer as Specified in Its Charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

91-1922863
(I.R.S. Employer Identification
No.)

615 Discovery St.
Victoria, British Columbia,
Canada
(Address of Issuer's Principal Executive
Offices)

V8T 5G4
(Zip Code)

Issuer's telephone number: (250) 477-9969

N/A

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

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 preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) had been subject to such filing requirements for the past 90 days.

Yes No

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Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, 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. (Check One):

Large accelerated filer []

Accelerated filer []

Non-accelerated filer []

Smaller reporting company [X]

(Do not check if a smaller reporting company)

Indicate by check mark whether the Registrant is a shell company (as defined in Exchange Act Rule 12b-2 of the Exchange Act).

Yes No X

Class of Stock	No. Shares Outstanding	Date
Common	14,057,567	October 1, 2008

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are “forward-looking statements” for the purposes of the federal and state securities laws, including, but not limited to any projections of earnings, revenue or other financials items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements may include the words “may,” “could,” “will,” “estimate,” “intend,” “continue,” “believe,” “expect,” “anticipate” or other similar words. These forward-looking statements present our estimates and assumptions only as of the date of this report. Except for our ongoing obligation to disclose material information as required by the federal securities laws, we do not intend, and undertake no obligation, to update any forward-looking statement.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. The factors impacting these risks and uncertainties include but are not limited to:

- Increased competitive pressures from existing competitors and new entrants;
- Increases in interest rate or our cost of borrowing or a default under any material debt agreement;
- Deterioration in general or regional economic conditions;
- Adverse state or federal legislation or regulation that increases the costs of compliance, or adverse findings by a regulator with respect to existing operations;
- Loss of customers or sales weakness;
- Inability to achieve future sales levels or other operating results;
- The unavailability of funds for capital expenditures; and
- Operational inefficiencies in distribution or other systems.

For a detailed description of these and other factors that could cause actual results to differ materially from those expressed in any forward-looking statement, please see “Risk Factors” in our Annual Report on Form 10-KSB for the year ended December 31, 2007.

PART I FINANCIAL INFORMATION

Item Financial Statements.

1.

FLEXIBLE SOLUTIONS INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEETS
At June 30, 2008
(U.S. Dollars)

	June 30, 2008 (Unaudited)	December 31, 2007
Assets		
Current		
Cash and cash equivalents	\$ 1,107,960	\$ 3,355,854
Accounts receivable	2,202,205	1,051,056
Inventory	2,914,164	2,361,270
Prepaid expenses	86,061	115,353
	6,310,390	6,883,533
Property, equipment and leaseholds	5,687,371	4,612,571
Patents	224,288	230,438
Long term deposits	34,900	48,034
	\$ 12,256,949	\$ 11,774,576
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 584,876	\$ 385,792
Deferred revenue	-	9,870
	584,876	395,662
Mortgage	-	452,018
	\$ 584,876	\$ 847,680
Stockholders' Equity		
Capital stock		
Authorized		
50,000,000 Common shares with a par value of \$0.001 each		
1,000,000 Preferred shares with a par value of \$0.01 each		
Issued and outstanding		
14,057,567 (2007: 14,057,567) common shares	14,058	14,058
Capital in excess of par value	16,079,694	15,914,303
Other comprehensive income	316,279	394,289
Deficit	(4,737,958)	(5,396,754)
Total Stockholders' Equity	11,672,073	10,926,896
Total Liabilities and Stockholders' Equity	\$ 12,256,949	\$ 11,774,576

Commitments, Contingencies and Subsequent events (Notes 12, 13 & 14)

-- See Notes to Unaudited Consolidated Financial Statements --

FLEXIBLE SOLUTIONS INTERNATIONAL, INC.
 CONSOLIDATED STATEMENTS OF OPERATIONS
 For the Three Months Ended June 30, 2008 and 2007
 (U.S. Dollars -- Unaudited)

	Three Months Ended June 30,	
	2008	2007
Sales	\$ 2,922,616	\$ 2,143,107
Cost of sales	1,648,373	1,260,324
Gross profit	1,274,243	882,783
Operating expenses		
Wages	322,029	259,272
Administrative salaries and benefits	80,885	124,485
Advertising and promotion		