

CYIOS CORP
Form 10-Q
August 14, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)

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

For the quarterly period ended
June 30, 2009

OR

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

For the transition period from to

Commission File No. 000-27243

CYIOS CORPORATION
(Exact name of Registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or
organization)

03-7392107
(I.R.S. Employer Identification Number)

1300 PENNSYLVANIA AVE, SUITE 700
WASHINGTON DC
(Address of principal executive offices)

20004
(Zip/Postal Code)

(202) 204-3006
(Telephone Number)

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) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO

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.

Large accelerated filer Accelerated filer

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Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

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

YES NO

State the number of shares outstanding of each of the Issuer's classes of common equity, as of the latest practicable date. There were 28,032,210 common stock shares and 29,713 preferred shared convertible to common at a 1:1 ratio, par value \$0.001, as of June 30, 2009.

Note Regarding FORWARD-LOOKING STATEMENTS

In addition to historical information, this Report contains forward-looking statements. Such forward-looking statements are generally accompanied by words such as "intends," "projects," "strategies," "believes," "anticipates," "plans," and similar terms that convey the uncertainty of future events or outcomes. The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Factors that might cause such a difference include, but are not limited to; those discussed in Part Item 2 of this Report, the section entitled "MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION and Part II Item 1a Risk Factors." Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof and are in all cases subject to the Company's ability to cure its current liquidity problems. There is no assurance that the Company will be able to generate sufficient revenues from its current business activities to meet day-to-day operation liabilities or to pursue the business objectives discussed herein.

The forward-looking statements contained in this Report also may be impacted by future economic conditions. Any adverse effect on general economic conditions and consumer confidence may adversely affect the business of the Company. CYIOS Corporation undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof. In addition, readers should carefully review the factors described in other documents the Company files from time to time with the Securities and Exchange Commission.

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Part I - FINANCIAL INFORMATION

Item 1. Financial Statements and Supplementary Information

In the opinion of management, the accompanying unaudited financial statements included in this Form 10-Q reflect all adjustments necessary for a fair presentation of the results of operations for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

CYIOS Corporation and Subsidiaries
Consolidated Balance Sheet (Unaudited)

	As of June 30, 2009	As of December 31, 2008 (Audited)
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$71,232	\$ 27,070
Accounts Receivable	182,736	23,181
Prepaid and Other Current Assets	24,345	16,117
TOTAL CURRENT ASSETS	278,313	66,368
FIXED ASSETS, NET	2,612	3,004
OTHER ASSETS		
Related Party Loan	238,016	262,512
TOTAL OTHER ASSETS	238,016	262,512
TOTAL ASSETS	\$518,941	\$ 331,884
LIABILITIES AND STOCKHOLDERS' DEFICIT		
LIABILITIES		
Current Liabilities:		
Line of Credit	\$84,385	\$ 88,392
Accounts Payable	46,125	46,113
Accruals and Other Payables	128,999	22,447
TOTAL LIABILITIES	259,509	156,952
STOCKHOLDERS' DEFICIT		
Convertible Preferred Stock (\$.001 par value, 5,000,000 authorized: 29,713 and 29,713 issued and outstanding)	30	30
Common Stock (\$.001 par value, 100,000,000 shares authorized: 28,032,210 and 26,857,210 shares issued and outstanding)	28,032	26,857
Additional Paid-in-Capital	24,080,988	24,014,663
Accumulated Deficit	-23,849,618	-23,866,618
TOTAL STOCKHOLDERS' DEFICIT	259,432	174,932
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$518,941	\$ 331,884

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

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CYIOS Corporation and Subsidiaries
Consolidated Statement of Operations (Unaudited)

	Three Months Ended June		Six Months Ended June	
	2009	2008	2009	2008
SALES AND COST OF SALES				
Sales	\$488,720	\$353,057	\$863,643	\$781,565
Cost of Sales	275,886	220,562	494,394	408,523
Gross Profit	212,834	132,495	369,249	373,042
EXPENSES				
Selling, general and administrative	18,604	33,665	40,986	55,939
Payroll Expense--Indirect Labor	130,466	134,676	247,399	281,711
Consulting and Professional Fees Expense	51,666	21,980	65,721	97,938
Depreciation	196	196	392	392
TOTAL EXPENSES	200,932	190,517	354,498	435,980
Net Income/(Loss) from Operations	11,902	(58,022)	14,751	(62,938)