

COMPUTER SOFTWARE INNOVATIONS INC

Form 424B3

August 25, 2008

Table of Contents

PROSPECTUS SUPPLEMENT NO. 6

To Prospectus dated May 9, 2008

Filed Pursuant to Rule 424(b)(3)

Registration No. 333-129842

Computer Software Innovations, Inc.

14,435,472 SHARES OF COMMON STOCK

This Prospectus Supplement supplements the Prospectus dated May 9, 2008, as amended and supplemented, relating to the offer and sale by the selling stockholder identified in the Prospectus of up to 14,435,472 shares of common stock of Computer Software Innovations, Inc. (the Company).

This Prospectus Supplement includes the Company's Form 8-K dated August 13, 2008 filed with the Securities and Exchange Commission (the SEC) on August 13, 2008; Form 8-K dated August 8, 2008 and Form 10-Q (without exhibits) dated June 30, 2008, both of which were filed with the SEC on August 14, 2008; Form 8-K dated August 14, 2008 filed with the SEC on August 18, 2008; and Form 8-K dated August 18, 2008 filed with the SEC on August 20, 2008.

The information contained in the report included in this Prospectus Supplement is dated as of the period of such report. This Prospectus Supplement should be read in conjunction with the Prospectus dated May 9, 2008, as supplemented on June 4, 2008, July 2, 2008, July 16, 2008, July 17, 2008 and August 5, 2008, which Prospectus Supplements are to be delivered with this Prospectus Supplement. This Prospectus Supplement is qualified by reference to the Prospectus except to the extent that the information in this Prospectus Supplement updates and supersedes the information contained in the Prospectus dated May 9, 2008, including any supplements or amendments thereto.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus Supplement No. 6 is August 25, 2008.

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported) August 13, 2008

COMPUTER SOFTWARE INNOVATIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

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000-51758
(Commission File Number)

98-0216911
(IRS Employer Identification No.)

900 East Main Street, Suite T, Easley, South Carolina
(Address of principal executive offices)

29640
(Zip Code)

(864) 855-3900

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Table of Contents

Item 2.02. Results of Operations and Financial Condition.

On August 13, 2008, Computer Software Innovations, Inc. (the Company) issued a press release announcing its financial results for the quarter and six month periods ended June 30, 2008. A copy of the press release is furnished herewith as Exhibit 99.1.

Forward-Looking and Cautionary Statements

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Among other things, these statements relate to our financial condition, results of operations and future business plans, operations, opportunities and prospects. In addition, we and our representatives may from time to time make written or oral forward-looking statements, including statements contained in other filings with the Securities and Exchange Commission and in our reports to stockholders. These forward-looking statements are generally identified by the words or phrases may, could, should, expect, anticipate, plan, believe, seek, estimate, predict, project or words of similar import. These forward-looking statements are based upon our current knowledge, assumptions about future events and involve risks and uncertainties that could cause our actual results, performance or achievements to be materially different from any anticipated results, prospects, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are not guarantees of future performance. Many factors are beyond our ability to control or predict. You are accordingly cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date that we make them. We do not undertake to update any forward-looking statement that may be made from time to time by or on our behalf.

In our most recent Form 10-K, we have included risk factors and uncertainties that might cause differences between anticipated and actual future results. We have attempted to identify, in context, some of the factors that we currently believe may cause actual future experience and results to differ from our current expectations regarding the relevant matter or subject area. The operations and results of our software and systems integration businesses also may be subject to the effects of other risks and uncertainties, including, but not limited to:

a reduction in anticipated sales;

an inability to perform customer contracts at anticipated cost levels;

our ability to otherwise meet the operating goals established by our business plan;

market acceptance of our new software, technology and services offerings;

an economic downturn; and

changes in the competitive market place and/or customer requirements.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit is furnished as part of this report:

Exhibit Number	Description
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Exhibit 99.1 Press Release dated August 13, 2008.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COMPUTER SOFTWARE INNOVATIONS, INC.

By: /s/ David B. Dechant
David B. Dechant
Chief Financial Officer

Dated: August 13, 2008

Table of Contents

EXHIBIT INDEX

Exhibit

Number	Description
99.1	Press Release dated August 13, 2008.

Table of Contents

EXHIBIT 99.1

Computer Software Innovations, Inc. Announces Second Quarter 2008 Financial Results

Software Segment Revenues Increase 36.2% for the Second Quarter 2008

Revenues of \$29.6 Million for Six Months, up 3.0% versus \$28.8 million in 2007

Second Quarter Revenues Increase 2.6% to \$17.6 Million in Q2 2008 versus \$17.1 Million in Q2 2007

Second Quarter Net Income Increased 12% to \$1.0 Million in Q2 2008, versus \$0.9 million for Q2 2007

Computer Software Innovations, Inc. (OTCBB: CSWI), CSI Technology Outfitters(TM) (CSI) today announced its financial results for the second quarter and six months ended June 30, 2008.

Financial Results:

Second Quarter 2008 Results

CSI posted revenue of approximately \$17.6 million for the second quarter ended June 30, 2008, an increase of approximately \$0.4 million or 2.6% compared to the second quarter of 2007. CSI experienced significant growth in its software sector in the second quarter with an increase of \$1.0 million or 36.2% to \$3.8 million versus \$2.8 million for the same period in 2007, due to increased sales in all major areas for the software segment: software product sales, services and support. Of the increase, the acquisition of the CSI-Greensboro operations added \$0.2 million, with the remaining \$0.8 million generated from organic growth. Technology revenues decreased from second quarter 2007 by \$0.6 million or 3.9% to \$13.7 million for the second quarter of 2008. The decrease in new hardware sales was attributed to an increase in the number of smaller-dollar sales of interactive whiteboard systems being insufficient to surpass the impact of a large-dollar district-wide implementation in the prior year's same quarter.

Gross profit for the second quarter of 2008 was approximately \$4.6 million, an increase of \$0.6 million or 15.0% in comparison with the second quarter of 2007. The increase in gross margin was driven by increased sales in the software segment, partially offset by a decline in hardware gross profits primarily from decreased sales of interactive whiteboard solutions. Increased margin in the software segment added to the improvement from sales volume while increased margin in the technology segment partially offset the reduction from the impact of reduced technology sales volume. Operating income for the quarter was approximately \$1.81 million, a slight decrease compared to operating income of \$1.83 million for the same period in the prior year.

CSI posted net income for the quarter ended June 30, 2008 of approximately \$1.0 million or \$0.21 earnings per basic share and \$0.08 earnings per diluted share, compared to net income of approximately \$0.9 million and \$0.25 earnings per basic share and \$0.07 earnings per diluted share for the same period last year.

Six Months Results

CSI posted revenue of approximately \$29.6 million, an increase of \$0.9 million or 3.0% in comparison with the first six months of 2007. This net increase included a \$1.3 million increase in software sales and

Table of Contents

services, partially offset by a \$0.4 million decline in technology solutions segment sales. Technology solutions sales decreased primarily from reduced sales of interactive whiteboard solutions, partially offset by increased sales of other products including infrastructure solutions and increased engineering services. The increase in the software solutions segment was primarily due to increases in all areas including software product sales, services and support. The acquisition of the CSI-Greensboro operations in the second quarter of 2008 added \$0.2 million of software revenues, with the remaining \$1.1 million increase from organic growth.

Gross profit for the first six months was approximately \$7.7 million, an increase of \$1.1 million or 16.7% compared to 2007. The gross margin increased from 22.8% in 2007, to 25.8% in 2008 due to the higher volume of software product sales and shift in product mix in technology to higher margin infrastructure products and engineering services. Operating income for the first six months was approximately \$2.6 million compared to \$2.4 million for the same period in 2007. Net income was \$1.4 million or earnings of \$0.30 per basic share and \$0.12 per diluted share as compared to a net income of \$1.2 million or \$0.34 per basic share and \$0.09 per diluted share for the same period in 2007.

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased \$0.1 million to \$2.3 million for the quarter ended June 30, 2008, and increased \$0.4 million to \$3.6 million for the six months ended June 30, 2008. The increase in EBITDA was primarily due to the increase in net income over the prior year after adding back the related tax effects of those increases in net income. (EBITDA is a non-GAAP financial measure. See reconciliation to GAAP measure net income (loss) which follows below.)

Nancy Hedrick, CEO of CSI stated, We continue to be pleased with current year results. Once again we faced the challenge of a prior year quarter benefited by a district-wide solutions implementation; and without a similar deal in the current year s quarter we grew our top and bottom lines. We exceeded the prior year s results by achieving greater account penetration and customer diversification in both segments, while increasing our gross margin from 22.8% to 25.8%. This is a tribute to the continued hard work of all our teams, and we believe the expanded customer relationships will aid future growth.

Conference Call Reminder for Today

The Company will host a conference call today, Wednesday, August 13, 2008 at 11:00 a.m. Eastern Time to discuss the Company s financial and operational results for second quarter 2008.

Conference Call Details

Date: Wednesday, August 13, 2008

Time: 11:00 a.m. (EDT)

Dial-in Number: 1-800-762-8795

International Dial-in Number: 1-480-629-9041

It is recommended that participants phone-in approximately 5 to 10 minutes prior to the start of the 11:00 a.m. call. A replay of the conference call will be available approximately 3 hours after the completion of the call for 7 days, until August 20, 2008. To listen to the replay, dial 1-800-406-7325 if calling within the U.S., 1-303-590-3030 if calling internationally and enter the pass code 3909185.

The call is also being webcast and may be accessed at CSI s website at www.csioutfitters.com. The webcast will be archived and accessible until September 13, 2008 on the Company website.

About Computer Software Innovations, Inc.

CSI provides software and technology solutions primarily to public sector markets. CSI has more than doubled its revenue in the past two years to over \$55 million by using organic growth and acquisitions. Over 600 school, government, and non-profit organizations have CSI solutions that encompass financial

Table of Contents

management software specialized for the public sector, IT infrastructure, IP telephony, IP video surveillance, printing/imaging, and interactive classroom technologies. More information about CSI (OTCBB: CSWI.OB) is available at www.csioutfitters.com.

Forward-Looking and Cautionary Statements

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our ability to otherwise meet the operating goals established by our business plan;

market acceptance of our new software, technology and services offerings;

an economic downturn; and

changes in the competitive marketplace and/or customer requirements.

Contacts:

Company Contact:

Computer Software Innovations, Inc.

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Investor Contact:

Alliance Advisors, LLC

Mark McPartland, 910-221-1827

MarkMcp@allianceadvisors.net

Table of Contents**COMPUTER SOFTWARE INNOVATIONS, INC.****CONSOLIDATED STATEMENTS OF OPERATIONS****(UNAUDITED)**

	Three Months Ended		Six Months Ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
REVENUES				
Software applications segment	\$ 3,806,286	\$ 2,794,725	\$ 6,863,900	\$ 5,534,161
Technology solutions segment	13,744,230	14,306,570	22,749,610	23,218,866
Net sales and service revenue	17,550,516	17,101,295	29,613,510	28,753,027
COST OF SALES				
Software applications segment				
Cost of sales, excluding depreciation, amortization and capitalization	1,984,887	1,661,868	3,651,105	3,080,595
Depreciation	27,385	16,608	51,672	30,918
Amortization of capitalized software costs	314,190	259,125	598,002	498,322
Capitalization of software costs	(203,892)	(208,880)	(499,522)	(435,853)
Total software applications segment cost of sales	2,122,570	1,728,721	3,801,257	3,173,982
Technology solutions segment				
Cost of sales, excluding depreciation	10,770,911	11,327,634	18,102,643	18,979,240
Depreciation	30,292	22,270	58,940	43,734
Total technology solutions segment cost of sales	10,801,203	11,349,904	18,161,583	19,022,974
Total cost of sales	12,923,773	13,078,625	21,962,840	22,196,956
Gross profit	4,626,743	4,022,670	7,650,670	6,556,071
OPERATING EXPENSES				
Salaries, wages and benefits	1,804,972	1,390,359	3,123,316	2,457,563
Stock based compensation	4,691	5,027	9,383	90,813
Acquisition expenses	9,345	4,076	32,844	8,546
Compliance related costs	137,654	201,178	234,153	380,756
Sales consulting fees	55,625	48,000	118,502	96,000
Marketing costs	106,075	75,537	115,039	73,312
Travel and mobile costs	180,073	137,128	350,924	290,609
Depreciation and amortization	122,159	90,502	228,420	180,749
Other selling, general and administrative expenses	390,362	240,209	797,671	567,261
Total operating expenses	2,810,956	2,192,016	5,010,252	4,145,609
Operating income	1,815,787	1,830,654	2,640,418	2,410,462
OTHER INCOME (EXPENSE)				
Interest income	35	58	100	2,763
Interest expense	(130,697)	(152,036)	(263,022)	(286,055)
Loss on disposal of property and equipment				(1,218)
Net other income (expense)	(130,662)	(151,978)	(262,922)	(284,510)

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Income before income taxes	1,685,125	1,678,676	2,377,496	2,125,952
INCOME TAX EXPENSE	673,507	775,499	938,115	937,989
NET INCOME	\$ 1,011,618	\$ 903,177	\$ 1,439,381	\$ 1,187,963
BASIC EARNINGS PER SHARE	\$ 0.21	\$ 0.25	\$ 0.30	\$ 0.34
DILUTED EARNINGS PER SHARE	\$ 0.08	\$ 0.07	\$ 0.12	\$ 0.09
WEIGHTED AVERAGE SHARES OUTSTANDING:				
Basic	4,908,061	3,544,385	4,803,516	3,516,853
Diluted	12,366,568	13,255,883	12,262,023	13,248,383

Table of Contents**COMPUTER SOFTWARE INNOVATIONS, INC.****CONSOLIDATED BALANCE SHEETS**

	June 30, 2008 (Unaudited)	December 31, 2007
ASSETS		
CURRENT ASSETS		
Cash	\$	\$
Accounts receivable, net	13,420,118	8,697,036
Inventories	2,549,374	470,485
Prepaid expenses	152,008	42,832
Taxes receivable		177,147
Total current assets	16,121,500	9,387,500
PROPERTY AND EQUIPMENT, net	1,424,187	1,316,713
COMPUTER SOFTWARE COSTS, net	2,303,453	2,162,717
DEFERRED TAX ASSET	291,535	263,324
GOODWILL	2,430,437	1,480,587
OTHER ASSETS	1,970,132	1,574,809
	\$ 24,541,244	\$ 16,185,650

**LIABILITIES AND
SHAREHOLDERS
EQUITY****CURRENT LIABILITIES**

Accounts payable	\$ 6,553,141	\$ 4,023,936
Taxes payable	340,418	
Deferred revenue		June 1, 2010 - September 30, 2010
	6,565,440	

Franklin Templeton Fund**Allocator Series:**

Franklin
Templeton
2015
Retirement
Target
Fund June 1, 2010 - September 30, 2010
Franklin June 1, 2010 - September 30, 2010
Templeton
2025
Retirement
Target

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Fund
 Franklin
 Templeton
 2035
 Retirement
 Target
 Fund June 1, 2010 - September 30, 2010
 Franklin
 Templeton
 2045
 Retirement
 Target
 Fund June 1, 2010 - September 30, 2010
 Franklin
 Templeton
 Conservative
 Target
 Fund June 1, 2010 - September 30, 2010
 Franklin
 Templeton
 Corefolio
 Allocation
 Fund June 1, 2010 - September 30, 2010
 Franklin
 Templeton
 Founding
 Funds
 Allocation
 Fund June 1, 2010 - September 30, 2010
 Franklin
 Templeton
 Growth
 Target
 Fund June 1, 2010 - September 30, 2010
 Franklin
 Templeton
 Moderate
 Target
 Fund June 1, 2010 - September 30, 2010
 Franklin
 Templeton
 Perspectives
 Allocation
 Fund June 1, 2010 - September 30, 2010

**Franklin Templeton
 Variable Insurance
 Products Trust:**

Franklin June 1, 2010 - September 30, 2010
 Flex
 Cap

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Growth Securities Fund Franklin Founding Funds Allocation Fund	June 1, 2010 - September 30, 2010
Franklin Large Cap Value Securities Fund	June 1, 2010 - September 30, 2010
Franklin Rising Dividends Securities Fund	June 1, 2010 - September 30, 2010
Franklin Small Cap Value Securities Fund	June 1, 2010 - September 30, 2010
Franklin Small-Mid Cap Growth Securities Fund	June 1, 2010 - September 30, 2010
Franklin Strategic Income Securities Fund	June 1, 2010 - September 30, 2010
Templeton Developing Markets Securities Fund	June 1, 2010 - September 30, 2010
Templeton Foreign Securities Fund	June 1, 2010 - September 30, 2010
Templeton Dragon Fund, Inc.	June 1, 2010 - September 30, 2010
Templeton International Emerging Markets Fund	June 1, 2010 - September 30, 2010

**Templeton Institutional
Funds:**

Foreign Equity Series	June 1, 2010 - September 30, 2010
Emerging Markets Series	June 1, 2010 - September 30, 2010

Franklin Managed Trust:

Rising Dividends Fund	June 1, 2010 - September 30, 2010
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**Franklin Templeton
Founding Funds 529
Portfolio**
