



AGENT INFORMATION SOFTWARE, INC.

Quarterly Reports
Quarter Ended June 30, 2015
Trading Symbol: AIFS

AGENT INFORMATION SOFTWARE, INC.
Quarterly Report
June 30, 2015 and 2014

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AGENT INFORMATION SOFTWARE, INC.
Quarterly Report

Unaudited Consolidated Balance Sheets

June 30, 2015 and 2014

	June 30 2015	June 30 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 580,219	\$ 355,915
Restricted cash	246,961	275,668
Accounts receivable, trade	69,425	50,322
Deferred income taxes, current	96,000	105,000
Other current assets	148,651	136,885
Total current assets	1,141,256	923,790
Capitalized software, net	2,076,125	1,930,932
Equipment, net	166,196	260,666
Total assets	\$ 3,383,577	\$ 3,115,388
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities on long-term debt	\$ 26,926	\$ 26,352
Accounts payable, trade	57,663	93,196
Deferred revenue	911,897	866,762
Accrued payroll and related liabilities	172,580	205,202
Other accrued liabilities	129,578	192,588
Total current liabilities	1,298,644	1,384,100
Long-term debt	45,437	72,648
Deferred income taxes	67,000	105,000
Total liabilities	1,411,081	1,561,748
Stockholders' equity:		
Common stock, \$0.001 par value, 12,000,000 shares authorized, 4,269,610 shares issued and outstanding	3,279,150	3,277,289
Accumulated other comprehensive income (loss)	(72,996)	(37,295)
Accumulated deficit	(1,233,658)	(1,686,354)
Total stockholders' equity	1,972,496	1,553,640
Total liabilities and stockholders' equity	\$ 3,383,577	\$ 3,115,388

See accompanying notes to Unaudited Consolidated Financial Statements

AGENT INFORMATION SOFTWARE, INC.
Quarterly Report

Unaudited Consolidated Statements of Operations

For the Six Months Ended June 30, 2015 and 2014

	<u>June 30</u> <u>2015</u>	<u>June 30</u> <u>2014</u>
Sales:		
Recurring sales	\$ 2,313,042	\$ 2,044,485
Non-recurring sales	172,786	87,863
Total net sales	<u>2,485,828</u>	<u>2,132,348</u>
Cost and expenses:		
Cost of sales	848,691	701,610
Research and development	137,644	223,929
Sales, marketing and customer service	837,561	832,430
General and administrative	509,839	505,261
Total costs and expenses	<u>2,333,735</u>	<u>2,263,230</u>
Income from operations	152,093	(130,882)
Other income (expense):		
Other income (expense), net	<u>(427)</u>	<u>1,989</u>
Total other income (expense):	(427)	1,989
Income before provision for income taxes	151,666	(128,893)
Provision for income taxes	<u>9,500</u>	<u>9,500</u>
Net income (loss)	<u>\$ 142,166</u>	<u>\$ (138,393)</u>
Earnings per share - Basic	\$ 0.03	\$ (0.03)
Weighted average shares outstanding - Basic	4,269,610	4,269,610
Earnings per share - Diluted	\$ 0.03	\$ (0.03)
Weighted average shares outstanding - Diluted	4,679,277	4,510,943

See accompanying notes to Unaudited Consolidated Financial Statements

AGENT INFORMATION SOFTWARE, INC.

Unaudited Consolidated Statements of Changes in Stockholders' Equity

For the Six Months Ended June 30, 2015 and 2014

	Common Stock		Retained Earnings/ (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount			
Balance, December 31, 2013	4,269,610	\$ 3,276,162	\$ (1,547,961)	\$ (20,682)	\$ 1,707,519
Net loss			(138,393)		(138,393)
Foreign currency translation Comprehensive loss				(16,613)	(16,613)
					(155,006)
Stock option expense		1,127			1,127
Balance, June 30, 2014	4,269,610	\$ 3,277,289	\$ (1,686,354)	\$ (37,295)	\$ 1,553,640
Net income			172,137		172,137
Foreign currency translation Comprehensive loss				(31,777)	(31,777)
					140,360
Stock option expense		2,255			2,255
Balance, December 31, 2014	4,269,610	\$ 3,278,417	\$ (1,375,824)	\$ (52,459)	\$ 1,850,134
Net income			142,166		142,166
Foreign currency translation Comprehensive loss				(20,537)	(20,537)
					121,629
Stock option expense		733			733
Balance, June 30, 2015	4,269,610	\$ 3,279,150	\$ (1,233,658)	\$ (72,996)	\$ 1,972,496

See accompanying notes to Unaudited Consolidated Financial Statements

AGENT INFORMATION SOFTWARE, INC.**Quarterly Report****Unaudited Consolidated Statements of Cash Flows****For the Six Months Ended June 30, 2015 and 2014**

	June 30 2015	June 30 2014
Cash flows from operating activities:		
Net income (loss)	\$ 142,166	\$ (138,393)
Adjustments to reconcile net income (loss) to net cash provided by operations:		
Depreciation and amortization	342,338	294,186
Stock option expense	733	1,127
Changes in operating assets and liabilities:	(44,380)	19,992
Net cash provided by operating activities	<u>440,857</u>	<u>176,912</u>
Cash flows from investing activities:		
Acquisitions of property and equipment	-	(8,309)
Capitalized software development	(270,000)	(350,000)
Net cash used in investing activities	<u>(270,000)</u>	<u>(358,309)</u>
Cash flows from financing activities:		
Payments of long-term debt	(13,393)	(13,072)
Common stock redemption	-	-
Net cash used in financing activities	<u>(13,393)</u>	<u>(13,072)</u>
Effect of exchange rate changes on cash	<u>(20,537)</u>	<u>(16,613)</u>
Net increase (decrease) in cash	136,927	(211,082)
Cash and cash equivalents, beginning of year	443,292	566,997
Cash and cash equivalents, June 30, 2015 and 2014	<u>\$ 580,219</u>	<u>\$ 355,915</u>

See accompanying notes to Unaudited Consolidated Financial Statements