



# AGENT INFORMATION SOFTWARE, INC.

**Quarterly Reports**  
Quarter Ended March 31, 2016  
Trading Symbol: AIFS

**AGENT INFORMATION SOFTWARE, INC.**  
**Quarterly Report**  
**March 31, 2016 and 2015**

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**AGENT INFORMATION SOFTWARE, INC.**  
**Quarterly Report**

**Unaudited Consolidated Balance Sheets**

**March 31, 2016 and 2015**

	March 31 2016	March 31 2015
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 782,283	\$ 757,675
Restricted cash	-	265,001
Accounts receivable, trade	85,135	46,428
Deferred income taxes, current	105,000	96,000
Other current assets	151,660	194,685
Total current assets	1,124,078	1,359,789
Capitalized software, net	2,253,502	2,076,992
Equipment, net	133,780	191,498
Total assets	\$ 3,511,360	\$ 3,628,279
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current maturities on long-term debt	\$ 7,963	\$ 26,926
Accounts payable, trade	35,022	80,612
Deferred revenue	1,187,046	1,198,097
Accrued payroll and related liabilities	128,678	149,933
Other accrued liabilities	110,097	116,062
Total current liabilities	1,468,806	1,571,630
Long-term debt	-	52,151
Deferred income taxes	51,000	67,000
Total liabilities	1,519,806	1,690,781
Stockholders' equity:		
Common stock, \$0.001 par value, 12,000,000 shares authorized, 4,269,610 shares issued and outstanding	3,280,671	3,278,784
Accumulated other comprehensive income (loss)	(105,871)	(50,863)
Accumulated deficit	(1,183,246)	(1,290,423)
Total stockholders' equity	1,991,554	1,937,498
Total liabilities and stockholders' equity	\$ 3,511,360	\$ 3,628,279

See accompanying notes to Unaudited Consolidated Financial Statements

**AGENT INFORMATION SOFTWARE, INC.**  
**Quarterly Report**

**Unaudited Consolidated Statements of Operations**

**For the Three Months Ended March 31, 2016 and 2015**

	<u>March 31</u> 2016	<u>March 31</u> 2015
Sales:		
Recurring sales	\$ 1,097,031	\$ 1,148,326
Non-recurring sales	65,072	58,773
Total net sales	<u>1,162,103</u>	<u>1,207,099</u>
Cost and expenses:		
Cost of sales	396,170	401,827
Research and development	90,683	69,932
Sales, marketing and customer service	443,705	389,744
General and administrative	251,310	255,982
Total costs and expenses	<u>1,181,868</u>	<u>1,117,485</u>
Income from operations	(19,765)	89,614
Other income (expense):		
Other income (expense), net	285	(213)
Total other income (expense):	<u>285</u>	<u>(213)</u>
Income before provision for income taxes	(19,480)	89,401
Provision for income taxes	<u>(21,000)</u>	<u>4,000</u>
Net income (loss)	<u>\$ 1,520</u>	<u>\$ 85,401</u>
Earnings per share - Basic	\$ 0.00	\$ 0.02
Weighted average shares outstanding - Basic	4,269,610	4,269,610
Earnings per share - Diluted	\$ 0.00	\$ 0.02
Weighted average shares outstanding - Diluted	4,869,277	4,542,610

See accompanying notes to Unaudited Consolidated Financial Statements

**AGENT INFORMATION SOFTWARE, INC.**

**Unaudited Consolidated Statements of Changes in Stockholders' Equity**

**For the Three Months Ended March 31, 2016 and 2015**

	Common Stock		Retained Earnings/ (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount			
Balance, December 31, 2014	4,269,610	\$ 3,278,417	\$ (1,375,824)	\$ (52,459)	\$ 1,850,134
Net loss			85,401		85,401
Foreign currency translation				1,596	1,596
Comprehensive income					86,997
Stock option expense		367			367
Balance, March 31, 2015	4,269,610	\$ 3,278,784	\$ (1,290,423)	\$ (50,863)	\$ 1,937,498
Net income			191,058		191,058
Foreign currency translation				(53,412)	(53,412)
Comprehensive income					137,646
Stock option expense		1,683			1,683
Balance, December 31, 2015	4,269,610	\$ 3,280,100	\$ (1,184,766)	\$ (105,871)	\$ 1,989,463
Net income			1,520		1,520
Foreign currency translation				-	-
Comprehensive income					1,520
Stock option expense		571			571
Balance, March 31, 2016	4,269,610	\$ 3,280,671	\$ (1,183,246)	\$ (105,871)	\$ 1,991,554

See accompanying notes to Unaudited Consolidated Financial Statements

**AGENT INFORMATION SOFTWARE, INC.****Quarterly Report****Unaudited Consolidated Statements of Cash Flows****For the Three Months Ended March 31, 2016 and 2015**

	March 31 2016	March 31 2015
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 1,520	\$ 85,401
Adjustments to reconcile net income (loss) to net cash provided by operations:		
Depreciation and amortization	130,687	171,169
Stock option expense	571	367
Deferred income tax benefit	(25,000)	-
Changes in operating assets and liabilities:	(171,673)	(76,950)
Net cash provided by operating activities	<u>(63,895)</u>	<u>179,987</u>
<b>Cash flows from investing activities:</b>		
Acquisitions of property and equipment	(28,863)	-
Capitalized software development	(155,000)	(125,000)
Net cash used in investing activities	<u>(183,863)</u>	<u>(125,000)</u>
<b>Cash flows from financing activities:</b>		
Payments of long-term debt	(2,986)	(6,679)
Common stock redemption	-	-
Net cash used in financing activities	<u>(2,986)</u>	<u>(6,679)</u>
Effect of exchange rate changes on cash	-	1,596
Net increase (decrease) in cash	(250,744)	49,904
Cash and cash equivalents, beginning of year	1,033,027	707,771
Cash and cash equivalents, March 31, 2016 and 2015	<u>\$ 782,283</u>	<u>\$ 757,675</u>

See accompanying notes to Unaudited Consolidated Financial Statements