



# AGENT INFORMATION SOFTWARE, INC.

**Quarterly Reports**  
Quarter Ended March 31, 2014  
Trading Symbol: AIFS

**AGENT INFORMATION SOFTWARE, INC.**  
**Quarterly Report**  
**March 31, 2014 and 2013**

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

**Unaudited Consolidated Balance Sheets**

**March 31, 2014 and 2013**

	March 31 2014	March 31 2013
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 379,227	\$ 472,239
Restricted cash	275,102	282,024
Accounts receivable, trade	206,471	347,216
Deferred income taxes, current	105,000	174,000
Other current assets	136,517	168,090
Total current assets	1,102,317	1,443,569
Capitalized software, net	1,873,842	1,773,754
Equipment, net	286,745	283,229
Total assets	\$ 3,262,904	\$ 3,500,552
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current maturities on long-term debt	\$ 26,352	\$ 11,945
Accounts payable, trade	101,994	45,790
Deferred revenue	1,006,258	1,256,170
Accrued payroll and related liabilities	167,429	184,661
Other accrued liabilities	171,092	95,034
Total current liabilities	1,473,125	1,593,600
Long-term debt	79,187	31,852
Deferred income taxes	105,000	174,000
Total liabilities	1,657,312	1,799,452
Stockholders' equity:		
Common stock, \$0.001 par value, 12,000,000 shares authorized, 4,269,610 and 4,272,610 shares issued and outstanding, respectively	3,276,767	3,274,757
Accumulated other comprehensive income (loss)	(43,234)	(15,061)
Accumulated deficit	(1,627,941)	(1,558,596)
Total stockholders' equity	1,605,592	1,701,100
Total liabilities and stockholders' equity	\$ 3,262,904	\$ 3,500,552

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, 2014 and 2013**

	March 31 2014	March 31 2013
	<u>                    </u>	<u>                    </u>
Sales:		
Recurring sales	\$ 1,023,229	\$ 1,058,233
Non-recurring sales	25,700	109,297
Total net sales	<u>1,048,929</u>	<u>1,167,530</u>
Cost and expenses:		
Cost of sales	329,518	372,013
Research and development	113,881	133,613
Sales, marketing and customer service	428,931	390,010
General and administrative	252,339	257,000
Total costs and expenses	<u>1,124,669</u>	<u>1,152,636</u>
Income from operations	(75,740)	14,894
Other income (expense):		
Other income (expense), net	<u>(240)</u>	<u>(337)</u>
Total other income (expense):	(240)	(337)
Income before provision for income taxes	(75,980)	14,557
Provision for income taxes	<u>4,000</u>	<u>4,000</u>
Net income (loss)	<u><u>\$ (79,980)</u></u>	<u><u>\$ 10,557</u></u>
Earnings per share - Basic	\$ (0.02)	\$ 0.00
Weighted average shares outstanding - Basic	4,269,610	4,269,610
Earnings per share - Diluted	\$ (0.02)	\$ 0.00
Weighted average shares outstanding - Diluted	4,512,610	4,746,610

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, 2014 and 2013**

	Common Stock		Retained Earnings/ (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount			
Balance, December 31, 2012	4,269,610	\$ 3,273,752	\$ (1,569,153)	\$ 16,091	\$ 1,720,690
Net income			10,557		10,557
Foreign currency translation Comprehensive loss				(31,152)	(31,152)
					(20,595)
Stock option expense		1,005			1,005
Balance, March 31, 2013	4,269,610	\$ 3,274,757	\$ (1,558,596)	\$ (15,061)	\$ 1,701,100
Net income			21,192		21,192
Foreign currency translation Comprehensive loss				(36,773)	(36,773)
					(15,581)
Stock option expense		2,410			2,410
Balance, December 31, 2013	4,269,610	\$ 3,276,162	\$ (1,547,961)	\$ (20,682)	\$ 1,707,519
Net loss			(79,980)		(79,980)
Foreign currency translation Comprehensive loss				(22,552)	(22,552)
					(102,532)
Stock option expense		605			605
Balance, March 31, 2014	4,269,610	\$ 3,276,767	\$ (1,627,941)	\$ (43,234)	\$ 1,605,592

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, 2014 and 2013**

	March 31 2014	March 31 2013
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ (79,980)	\$ 10,557
Adjustments to reconcile net income (loss) to net cash provided by operations:		
Depreciation and amortization	147,038	172,135
Stock option expense	605	1,005
Changes in operating assets and liabilities:	(46,198)	274,517
Net cash provided by operating activities	<u>21,465</u>	<u>458,214</u>
<b>Cash flows from investing activities:</b>		
Acquisitions of property and equipment	(5,150)	(112,900)
Capitalized software development	(175,000)	(134,006)
Net cash used in investing activities	<u>(180,150)</u>	<u>(246,906)</u>
<b>Cash flows from financing activities:</b>		
Payments of long-term debt	(6,533)	(2,987)
Common stock redemption	-	-
Net cash used in financing activities	<u>(6,533)</u>	<u>(2,987)</u>
Effect of exchange rate changes on cash	<u>(22,552)</u>	<u>(31,152)</u>
Net increase (decrease) in cash	(187,770)	177,169
Cash and cash equivalents, beginning of year	566,997	295,070
Cash and cash equivalents, March 31, 2014 and 2013	<u>\$ 379,227</u>	<u>\$ 472,239</u>

See accompanying notes to Unaudited Consolidated Financial Statements