

QUARTERLY FINANCIAL REPORT

For the Quarter ended
December 31st, 2014

Cistera Networks, Inc.
5045 Lorimar Drive Suite 180
Plano, TX, 75093-5707

We previously were a shell company, therefore the exemption offered pursuant to Rule 144 is not available. Anyone who purchased securities directly or indirectly from us or any of our affiliates in a transaction or chain of transactions not involving a public offering cannot sell such securities in an open market transaction.

Part A General Company Information

On August 16 2010, the company filed its notice of termination of registration under Section 12(g) of the Securities Exchange Act of 1934. The company subsequently will continue to follow the International Reporting Standard or Alternative Reporting Standard to meet the requirements for Pink Sheets Current Information.

Additional historical information may be obtained from the SEC EDGAR system (http://www.sec.gov).

Item 1. The exact name of the issuer and its predecessor (if any).

Cistera Networks, Inc. ("we" or "the Company" or "Cistera") was incorporated in Delaware on April 15, 1987, under the name of I.S.B.C. Corp. The Company subsequently changed its name first to Coral Companies, Inc., and then to CNH Holdings Company. Domicile was changed to Nevada in 1997. The Company conducted an initial public and secondary offerings during the 1980's. On June 15, 1998, the Company acquired Southport Environmental and Development, Inc. This acquisition, however, was subsequently rescinded by agreement between the parties and made a formal order of the court effective April 19, 2000. This order put the Company in the position that it occupied at June 14, 1998, as if none of the actions that had occurred from that time to the date of rescission had transpired.

The Company was in the development stage from January 1, 1992 to May 5, 2003. On May 5, 2003, the Company formed Corvero Networks, Inc., a Florida corporation as a wholly owned subsidiary to acquire the use of certain technology known as the XBridge Technology. This technology was used as its principal component of the Corvero Convergence Platform. The acquisition was accomplished by entering into a license agreement with XBridge Software, Inc., a Delaware corporation.

On August 31, 2004, as part of a corporate restructuring aimed at simplifying the Company's operating structure, Corvero Networks merged into CNH Holdings and began doing business as Cistera Networks. As a continuation of this restructuring, effective May 27, 2005, the Company acquired XBridge in a merger of XBridge with a newly formed Company subsidiary.

On September 27, 2005, we changed our name to Cistera Networks, Inc.

On January 1st, 2010, Cistera Networks restructured the company around three core operating markets and channels. Cistera Federal Systems, Inc. provides sales and marketing for the US Federal Government market. Telmarine Communications, Inc. develops and markets public safety wireless communications solutions and Cistera Networks Inc, develops and markets solutions for the Cisco technology channels and partners.

Item 2. The address of the issuer's principal executive offices.

5045 Lorimar Drive Suite 180
Plano, TX, 75093-5707
UNITED STATES OF AMERICA

Phone +1-972-381-4699
Fax +1972-381-4635
Website: http://www.cistera.com

IR Contact:

Mark Gundy
+1-972-240-1873

Item 3. Security Information.

Trading Symbol: CNWT

Exact title and class of securities outstanding: Common Stock

CUSIP: 17284Q202

Par or Stated Value: 0.01c

Total shares authorized: The number of shares authorized is 50,000,000 shares of common stock and 10,000,000 shares of preferred shares.

Total shares outstanding: 37,746,707

Freely tradable shares (public float): 2,602,860
Total number of beneficial shareholders: 185 Shareholders
Total number of shareholders of record: 185 Shareholders

Transfer Agent Name:

Corporate Stock Transfer
3200 Cherry Creek Dr. South
Suite 430
Denver, CO 80209
Phone (303) 282-4800

Is the Transfer Agent registered under the Exchange Act? YES

List any restrictions on the transfer of security: NONE

Describe any trading suspension orders issued by the SEC in the past 12 months: NONE

List any stock split, stock dividend, recapitalization, merger acquisition, spin-off, or reorganization either currently anticipated or that occurred in the last 12 months: NONE

Item 4. Issuance History

In March of 2011, the Company issued 800,076 shares of common stock upon conversion of accrued interest and principal on a previously issued convertible notes with an aggregate principal of $50,000. The amount of accrued interest converted was $30,076.26. The principal and interest was converted at $0.07 per share.

In March of 2011, the Company issued 262,555 shares of common stock upon conversion of accrued interest and principal on a previously issued convertible notes with an aggregate principal of $15,000. The amount of accrued interest converted was $8,630. The principal and interest was converted at $0.09 per share.

In July 2011, the Company issued 1,140,879 shares of common stock to Capital Solutions LLC of Sausalito CA for investor relation services for a period of 12 months.

In December 2011, the Company issued 278, 847 shares of common stock to Blue Kiwi Group Ltd upon conversion of principal on a previously issued promissory note for the aggregate amount of $13,942.38. Blue Kiwi Group agreed to forgive outstanding interest on the note.

In March 2012, the Company issued 1,429,069 shares of common stock to Blue Kiwi Group Ltd upon conversion of principal and interest on a previously issued promissory note for the aggregate amount of $71,453.43.

On April 24, 2012 the Company issued 271,164 shares of common stock to Blue Kiwi Group Ltd to satisfy the outstanding obligation to Gregory Royal for options resulting from the post merger conversion of XBridge Software Inc. This obligation is now complete.

On April 24, 2012 the Company issued 331,199 shares of common stock to James T Miller to satisfy the outstanding obligation for options resulting from the post merger conversion of XBridge Software Inc. This obligation is now complete.

On April 24, 2012 the Company cancelled and returned to the Employee Stock Pool, options granted to the following individuals. These performance bonuses were replaced with Restricted Stock.

Blue Kiwi Group Ltd	300,000 shares
James T Miller	200,000 shares
Katherine Mendenhall	180,000 shares
Shane Jorgenson	150,000 shares

On April 24, the Company issued the follow Restricted Stock for performance bonuses for FY2012.

Blue Kiwi Group Ltd	500,000 shares
James T Miller	500,000 shares
Shane Jorgenson	350,000 shares
Katherine Mendenhall	150,000 shares

On June 8 2013, the Company issued the follow Restricted Stock for performance bonuses for FY201.

Blue Kiwi Group Ltd	1,500,000 shares
James T Miller	1,500,000 shares
Shane Jorgenson	300,000 shares
John Nielsen	200,000 shares

On June 8 2013, the Company issued the follow Restricted Stock for performance bonuses for FY2013.

Blue Kiwi Group Ltd	1,500,000 shares
James T Miller	1,500,000 shares
Shane Jorgenson	300,000 shares
John Nielsen	200,000 shares

On May 15 2014, the Company issued the follow Restricted Stock for performance bonuses for FY2014.

Blue Kiwi Group Ltd	2,000,000 shares
James T Miller	2,000,000 shares
John Nielsen	500,000 shares

On 17th July 2012 the company reached an agreement with ROARING FORK CAPITAL SBIC, LP ("Roaring Fork") for the conversion of outstanding PP2 notes of $200,000 and associated interest cost. The company has issues 4,500,000 shares of restricted common stock at a conversion price of $0.099 per share in satisfaction of outstanding obligations to Roaring Fork.

The issuance of the shares of our common stock described above were made in private transactions or private placements intending to meet the requirements of one or more exemptions from registration. In addition to any noted exemption below, we relied upon Regulation D and Section 4(2) of the Securities Act of 1933, as amended (the "Act"). The investors were not solicited through any form of general solicitation or advertising, the transactions being non-public offerings, and the sales were conducted in private transactions where the investor identified an investment intent as to the transaction without a view to an immediate resale of the securities; the shares were "restricted securities" in that they were both legend with reference to Rule 144 as such and the investors identified they were sophisticated as to the investment decision and in most cases we reasonably believed the investors were "accredited investors" as such term is defined under Regulation D based upon statements and information supplied to us in writing and verbally in connection with the transactions. We never utilized an underwriter for an offering of our securities and no sales commissions were paid to any third party in connection with the above-referenced sales. Other than the securities mentioned above, we have not issued or sold any securities during the period covered by this Report.

Item 5. Financial Statements

CISTERA NETWORKS, INC. & SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

	December 31, 2014	March 31, 2014
Current assets:		
Cash and cash equivalents	$26,881	$13,894
Accounts receivable, net of allowance for doubtful accounts $-0-	169,869	167,809
Inventory	0	0
Prepaid expenses	113,452	60,571
Total current assets	310,202	242,274
Property and equipment, net	15,033	11,121
Intangible assets, net	609,557	675,842
Benefit from Tax NOL Loss Carry-forward	1,795,925	1,795,925
Total long-term assets	2,420,515	2,482,888
TOTAL ASSETS	$2,730,717	$2,725,162
Current liabilities:		
Accounts payable	$203,427	$257,742
Accrued liquidated damages – outside investors		
Accrued liabilities	393,184	342,893
Deferred revenue	609,311	592,784
Related party payables		
Note payable		
Convertible promissory notes – outside investors, net of discount	242,737	242,737
Total current liabilities	1,448,659	1,436,156
Convertible promissory notes – outside investors, net of discount	41,500	41,500
Convertible promissory notes – related parties, net of discount		
Deferred revenue	64,805	45,240
Other long-term liabilities		
Total long-term liabilities	106,305	86,740
TOTAL LIABILITIES	1,554,964	1,522,896
Commitments and Contingencies (Note 5)		
Stockholders' deficit:		
Preferred stock, $0.001 par value; 1,000,000 shares authorized;		
-0- shares issued and outstanding		
Common stock, $0.001 par value; 50,000,000 shares authorized;		

37,746,707 shares issued and outstanding	37,747	33,247
Additional paid-in capital	20,216,576	20,221,076
Accumulated deficit	-19,078,570	-19,052,057
Total stockholders' deficit	1,175,753	1,202,266
TOTAL LIABILITIES AND STOCKHOLDERS'DEFICIT	$2,730,717	$2,725,162

The accompanying notes are an integral part of these consolidated financial statements.

CISTERA NETWORKS, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Quarter To Date			
	December 31, 2014		**December 31, 2013**	
Revenues				
Convergence Solutions	$101,943	24%	$116,397	24%
Professional Services	15,020	4%	14,436	3%
Support and Maintenance	311,207	73%	358,953	73%
Total revenues	428,170	100%	489,786	100%
Cost of revenues				
Convergence Solutions	38,331	9%	98,659	20%
Professional Services	26,807	6%	13,934	3%
Support and Maintenance	20,996	5%	16,935	3%
Total cost of revenues	86,134	20%	129,528	26%
Gross Profit	342,036	80%	360,258	74%
Expenses:				
Sales and marketing	46,657	11%	25,992	5%
Software development	12,050	3%	17,189	4%
Engineering and support	95,053	22%	76,883	16%
General and administrative	122,387	29%	185,411	38%
Depreciation and amortization	1,249	0%	7,623	2%
Total expenses	277,396	65%	313,098	64%
Profit (Loss) from operations	64,640	15%	47,160	10%
Other income (expense)				
Interest income		0%	1	0%
Interest expense	41,104	10%	-17,488	-4%
Other income (expense)	-11,436	-3%	-	0%
Total other income (expense)	29,668	7%	-17,488	-4%
Net Income / (Loss)	$34,972	8%	$29,672	6%
Basic & diluted net loss per share	$0.00		$(0.00)	
Weighted average shares outstanding – basic and diluted	37,746,707		33,246,707	

The accompanying notes are an integral part of these consolidated financial statements.

CISTERA NETWORKS, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	December 31, 2014	YTD	December 31, 2013	
Revenues				
Convergence Solutions	$324,513	26%	$336,684	24%
Professional Services	10,600	1%	34,131	2%
Support and Maintenance	906,151	73%	1,045,353	74%
Total revenues	1,241,264	100%	1,416,168	100%
Cost of revenues				
Convergence Solutions	223,614	18%	258,226	18%
Professional Services	84,710	7%	48,622	3%
Support and Maintenance	69,888	6%	70,593	5%
Total cost of revenues	378,212	30%	377,441	27%
Gross Profit	863,052	70%	1,038,727	73%
Expenses:				
Sales and marketing	111,856	9%	94,786	7%
Software development	38,930	3%	26,649	2%
Engineering and support	281,444	23%	263,005	19%
General and administrative	386,574	31%	593,373	42%
Depreciation and amortization	4,025	0%	26,332	2%
Total expenses	822,829	66%	1,004,145	71%
Profit (Loss) from operations	40,223	3%	34,583	2%
Other income (expense)				
Interest income		0%	0	0%
Interest expense	68,556	6%	-34,428	-2%
Amortization of discount on convertible notes – outside investors	-	0%	-	0%
Amortization of discount on convertible notes – related parties	-	0%	-	0%
Charge for inducements related to stock issued to convertible note holders	-	0%	-	0%
Charge for estimated liquidated damages – outside investors	-	0%	50,000	4%
Benefit from Tax NOL Carry-forward	-	0%	-	0%
Other income (expense)	-1,822	0%	97,962	7%
Total other income (expense)	66,734	5%	113,534	8%
Net Income / (Loss)	($26,511)	-2%	$148,117	10%
Basic & diluted net loss per share	$(0.00)		$0.00	

Weighted average shares outstanding – basic and diluted	37,746,707	33,246,707

The accompanying notes are an integral part of these consolidated financial statements.

CISTERA NETWORKS, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

	Preferred Stock		Common Stock		Additional paid-in	Accumulated	Total stockholders' equity
	Shares	Amount	Shares	Amount	Capital	deficit	(deficit)
Balances at March 31, 2013			29,746,707	29,746	20,224,576	-19,078,370	1,175,952
Stock Option Issuance							-
Net income / (loss)						127,429	127,429
Balances at June 30, 2013			29,746,707	29,746	20,224,576	(18,950,941)	1,303,381 -
Stock Option Issuance			3,500,000	3,500	(3,500)		
Net income / (loss)						(8,984)	(8,984)
Balances at Sept. 31, 2013			33,246,707	33,246	20,221,076	(18,959,925)	1,294,397
L-T Debt to Equity transaction							-
Net income / (loss)						29,672	29,672
Balances at Dec 31, 2013			33,246,707	33,246	20,221,076	(18,930,253)	1,324,069
L-T Debt to Equity transaction							-
Net income / (loss)						(121,803)	(121,803)
Balances at Mar. 31, 2014			33,246,707	33,246	20,221,076	(19,052,057)	1,202,266
Stock Option Issuance			4,500,000	4,500	(4,500)		
Net income / (loss)						(127,991)	(127,991)
Balances at June 30, 2014			37,746,707	37,746	20,216,576	(19,180,049)	1,074,275
L-T Debt to Equity transaction							-
Net income / (loss)						$66,508	66,508

Balances at Sept 30, 2014			37,746,707	37,746	20,216,576	(19,113,542)	1,140,783
L-T Debt to Equity transaction							
Net income / (loss)						$34,972	34,972
Balances at Dec 31, 2014			37,746,707	37,746	20,216,576	(19,078,570)	1,175,755

CISTERA NETWORKS, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period ending	
	December 2014	March 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Gain/loss	($26,511)	$26,314
Adjustments used to reconcile net loss to net cash used in operating activities:		
Adjustment for litigation reserve not a cash equivalent		-148,377
Adjustment for NOL Carry-Forward non cash		
Adjustment for conversion of promissory not a cash equivalent		
Amortization of discount on convertible promissory notes – related parties		
Charge (credit) for estimated liquidated damages – outside investors		
Share-based compensation		
Asset Disposition		2,061
Depreciation and amortization	96,560	302,842
Changes in operating assets and liabilities:		
Accounts receivable	-2,060	91,028
Related party receivables		
Inventory		22,220
Prepaid expenses	-52,881	-71,621
Accounts payable	-54,315	54,411
Related party payables		
Accrued sales commissions		
Note Payable		
Other accrued liabilities	50,291	-34,289
Deferred revenue	36,092	-192,225
Other long-tem liabilities		
Net cash used in operating activities	47,176	52,364
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment, net	-7,939	-5,244
Proceeds from Sale of Furniture & Equipment		7,250
Increase in software development costs	-26,250	-68,304
Net cash used in investing activities	-34,189	-66,298
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Increase)Decrease in restricted cash		
Net proceeds from short-term advances		
Net borrowings (payments) on line of credit		
Net proceeds from exercise of warrants		
Disposed convertible promissory notes and other loans		-3,000
Payments on other notes payable and capital lease		
Net cash provided by financing activities		-3,000
Net increase (decrease) in cash and cash equivalents	12,987	(16,934)

Cash and cash equivalents at beginning of year	13,894	30,828
Cash and cash equivalents at end of year	26,881	13,894

CISTERA NETWORKS, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(continued)

	Period Ending	
	December 2014	March 31, 2014
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest		
Income taxes	-	-
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Conversion of convertible promissory notes and related accrued interest to common stock		
Conversion of accounts payable and other accrued liabilities to convertible promissory notes	-	-
Conversion of other notes payable to common stock		
Allocation of discount on convertible promissory notes to warrants	-	-
Conversion of accrued liabilities to common stock	-	-
Discount related to beneficial conversion feature on convertible promissory Notes	-	-
OTHER NON-CASH TRANSACTIONS:		

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 – BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements of Cistera Networks, Inc. ("Cistera" the "Company" or "we") and its wholly-owned subsidiaries have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). All significant intercompany transactions and balances have been eliminated in consolidation. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the unaudited consolidated financial statements have been prepared on the same basis as the annual audited consolidated financial statements, and reflect all adjustments, consisting only of normal, recurring adjustments necessary for a fair presentation in accordance with US GAAP. The results of operations for interim period presented are not necessarily indicative of the operating results for the full year. These unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report for the fiscal year ended March 31, 2014.

Significant Accounting Policies

The Company prepares its financial statements in accordance with US GAAP. The accounting policies most fundamental to understanding our financial statements are those relating to recognition of revenue, our use of estimates and the accounting for convertible debt and warrants. For a detailed discussion on the application of these accounting policies, see Note 2 to our consolidated financial statements contained in our 2012 Annual Report.

Recently Issued Accounting Pronouncements

In April 2009, the FASB updated ASC 820 to provide additional guidance for estimating fair value when the volume and level of activity for the asset or liability have decreased significantly. ASC 820 also provides guidance on identifying circumstances that indicate a transaction is not orderly. The implementation of ASC 820 did not have a material effect on the Company's financial statements.

In April 2009, the FASB updated ASC 825 regarding interim disclosures about fair value of financial instruments. ASC 825 requires disclosures about fair value of financial instruments in interim reporting periods of publicly traded companies that were previously only required to be disclosed in annual financial statements. The implementation of ASC 825 did not have a material effect on the Company's financial statements.

In April 2009, the FASB updated ASC 320 for proper recognition and presentation of other-than-temporary impairments. ASC 320 provides additional guidance designed to create greater clarity and consistency in accounting for and presenting impairment losses on securities. The implementation of ASC 320 did not have a material effect on the Company's consolidated financial statements.

In June 2009, the FASB created the Accounting Standards Codification, which is codified as ASC 105. ASC 105 establishes the codification as the single official non-governmental source of authoritative accounting principles (other than guidance issued by the SEC) and supersedes and effectively replaces previously issued GAAP hierarchy framework. All other literature that is not part of the codification will be considered non-authoritative. The codification is effective for interim and annual periods ending on or after September 15, 2009. The Company has applied the codification, as required, beginning with the 2009 Form 10-K. The adoption of the codification did not have a material impact on the Company's financial position, results of operations or cash flows.

In June 2009, the FASB updated ASC 855, which established principles and requirements for subsequent events. This guidance details the period after the balance sheet date which the Company should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which the Company should recognize events or transactions occurring after the balance sheet date in its financial statements and the required disclosures for such events. ASC 855 is effective for interim and annual periods ending after June 15, 2009. The implementation of ASC 855 did not have a material effect on the Company's financial statements.

In October 2009, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2009-13 (ASU 2009-13), which provided an update to ASC 605. ASU 2009-13 addresses how to separate deliverables and how to measure and allocate arrangement consideration to one or more units of accounting in multiple-deliverable arrangements. The amendments in this update will be effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. The Company is currently evaluating the impact that this update will have on its Financial Statements.

Balance Sheet Accounts

Accounts receivable are comprised of the following:

	December 31, 2014	March 31, 2014
Non-factored Accounts Receivable	169,869	167,809
Total accounts receivable	$169,869	$167,809

Accrued liabilities are comprised of the following:

	September 30, 2014	March 31, 2014
Accrued expenses	$ 1,828	$ 667
Accrued compensation and payroll taxes	5,017	11,443
Accrued Interest	386,339	330,783
Customer Deposits	0	0
Total Accrued liabilities	$393,184	$342,893

Other long-term liabilities are comprised of the following:

	September 30, 2014	March 31, 2014
Deferred rent	$ 0	$ 0
	$ 0	$ 0

Earnings per Share

Basic earnings (loss) per share is based on the weighted average number of common shares outstanding.

Diluted earnings (loss) per share is computed using the weighted average number of common shares outstanding plus the number of common shares that would be issued assuming exercise or conversion of all potentially dilutive common stock equivalents.

Accounts receivable and concentration of credit risk

The Company has no significant off-balance sheet concentrations of credit risk such as foreign exchange contracts, options contracts or other foreign hedging arrangements.

The Company is subject to credit risk from accounts receivable with its customers. The Company's accounts receivable are due from both governmental and commercial entities. Credit is extended based on evaluation of the customers'

financial condition and, generally, collateral is not required. Accounts receivable are generally due within 30 to 60 days and are stated at amounts due from customers net of an allowance for doubtful accounts. Accounts outstanding longer than the contractual payment terms are considered past due.

The Company assesses potential reserves against its accounts receivable by considering a number of factors, including the length of time trade accounts receivable are past due, the Company's previous loss history, the customers' current ability to pay their obligations to the Company and economic and industry conditions. Based on these factors, the Company has concluded that an allowance for doubtful accounts as of Sep 30, 2013 and March 31, 2013 is not required.

As of December 31, 2014, the Company receives approximately 19% of its gross revenues from its top three re-sellers.

Reclassifications

Certain reclassifications have been made in the fiscal year 2013 financial statements to conform to the fiscal year 2012 presentation.

NOTE 2 - FINANCIAL CONDITION

The accompanying consolidated financial statements have been prepared in conformity with US GAAP, which contemplate our continuation as a going concern and do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary if we were unable to continue as a going concern.

NOTE 3 – DEBT

As of December 31, 2014, the Company had $284,237 of principal, accrued interest of $386,339 outstanding on its PP2 Notes. The PP2 Notes bear interest at an annual rate of 8%, compounded quarterly.

In January 2011 the Company offered all outstanding notes holders an extension of their notes for three years. As an inducement the company offered to increase their outstanding warrants to 200% warrant coverage and to reduce the strike price to 7c per share. The company as at the 31 March 2011 received $196,500 of principal agreements. Furthermore the company agreed to convert $248,000 in principal plus the associated interest into common stock at various strike prices (See Recent Sales of Unregistered Securities).

NOTE 4 – COMMITMENTS AND CONTINGENCIES

NONE

NOTE 5 - RELATED PARTY TRANSACTIONS

In March of 2011, the Company issued 800,076 shares of common stock upon conversion of accrued interest and principal on a previously issued convertible notes with an aggregate principal of $50,000. The amount of accrued interest converted was $30,076.26. The principal and interest was converted at $0.07 per share.

In March of 2011, the Company issued 262,555 shares of common stock upon conversion of accrued interest and principal on a previously issued convertible notes with an aggregate principal of $15,000. The amount of accrued interest converted was $8,630. The principal and interest was converted at $0.09 per share.

In July 2011, the Company issued 1,140,879 shares of common stock to Capital Solutions LLC of Sausalito CA for investor relation services for a period of 12 months.

In December 2011, the Company issued 278, 847 shares of common stock to Blue Kiwi Group Ltd upon conversion of principal on a previously issued promissory note for the aggregate amount of $13,942.38. Blue Kiwi Group agreed to forgive outstanding interest on the note.

In March 2012, the Company issued 1,429,069 shares of common stock to Blue Kiwi Group Ltd upon conversion of principal and interest on a previously issued promissory note for the aggregate amount of $71,453.43.

On April 24, 2012 the Company issued 271,164 shares of common stock to Blue Kiwi Group Ltd to satisfy the outstanding obligation to Gregory Royal for options resulting from the post merger conversion of XBridge Software Inc. This obligation is now complete.

On April 24, 2012 the Company issued 331,199 shares of common stock to James T Miller to satisfy the outstanding obligation for options resulting from the post merger conversion of XBridge Software Inc. This obligation is now complete.

On April 24, 2012 the Company cancelled and returned to the Employee Stock Pool, options granted to the following individuals. These performance bonuses were replaced with Restricted Stock.

Blue Kiwi Group Ltd	300,000 shares
James T Miller	200,000 shares
Katherine Mendenhall	180,000 shares
Shane Jorgenson	150,000 shares

On April 24, the Company issued the follow Restricted Stock for performance bonuses for FY2012.

Blue Kiwi Group Ltd	500,000 shares
James T Miller	500,000 shares
Shane Jorgenson	350,000 shares
Katherine Mendenhall	150,000 shares

On June 8 2013, the Company issued the follow Restricted Stock for performance bonuses for FY201.

Blue Kiwi Group Ltd	1,500,000 shares
James T Miller	1,500,000 shares
Shane Jorgenson	300,000 shares
John Nielsen	200,000 shares

On June 8 2013, the Company issued the follow Restricted Stock for performance bonuses for FY2013.

Blue Kiwi Group Ltd	1,500,000 shares
James T Miller	1,500,000 shares
Shane Jorgenson	300,000 shares
John Nielsen	200,000 shares

On May 15 2014, the Company issued the follow Restricted Stock for performance bonuses for FY2014.

Blue Kiwi Group Ltd	2,000,000 shares
James T Miller	2,000,000 shares
John Nielsen	500,000 shares

On 17th July 2012 the company reached an agreement with ROARING FORK CAPITAL SBIC, LP (“Roaring Fork”) for the conversion of outstanding PP2 notes of $200,000 and associated interest cost. The company has issues 4,500,000 shares of restricted common stock at a conversion price of $0.099 per share in satisfaction of outstanding obligations to Roaring Fork.

The issuance of the shares of our common stock described above were made in private transactions or private placements intending to meet the requirements of one or more exemptions from registration. In addition to any noted exemption below, we relied upon Regulation D and Section 4(2) of the Securities Act of 1933, as amended (the “Act”). The investors were not solicited through any form of general solicitation or advertising, the transactions being non-public

offerings, and the sales were conducted in private transactions where the investor identified an investment intent as to the transaction without a view to an immediate resale of the securities; the shares were “restricted securities” in that they were both legend with reference to Rule 144 as such and the investors identified they were sophisticated as to the investment decision and in most cases we reasonably believed the investors were “accredited investors” as such term is defined under Regulation D based upon statements and information supplied to us in writing and verbally in connection with the transactions. We never utilized an underwriter for an offering of our securities and no sales commissions were paid to any third party in connection with the above-referenced sales. Other than the securities mentioned above, we have not issued or sold any securities during the period covered by this Report.

NOTE 6 – REVERSE/FORWARD SPLIT

Effective May 13, 2009, the Company completed a reverse stock split of our common stock followed immediately by a forward stock split of our common stock (the "Reverse/Forward Stock Split"). As a result of the Reverse/Forward Stock Split, stockholders owning fewer than 3 shares of our common stock will be cashed out at a price of $.14 per share, and the holdings of all other stockholders will remain unchanged. The reverse/forward stock split resulted in the cancellation of 805 fractional shares. The stock split reduced the number of shares outstanding from 18,023,410 to 18,022,605. All references to common stock in the financial statements have been changed to reflect the stock split.

NON-GAAP DISCLOSURES

EBITDA, excluding special items, which represents earnings (excluding the impact of certain nonrecurring items on our results) before depreciation and amortization, interest and financing expenses, income taxes, and cumulative effect of a change in accounting principle, net, is a supplemental measure of performance that is not required by, or presented in accordance with, U.S. GAAP. We present EBITDA, excluding special items, because we consider it an important supplemental measure of our operations and financial performance. We believe EBITDA, excluding special items, is more reflective of our operations as it provides transparency to investors and enhances period-to-period comparability of our operations and financial performance. EBITDA, excluding special items, should not be considered as an alternative to net income determined in accordance with U.S. GAAP.

Item 6 Business Information

A. Business Operations

The issuer's primary SIC Code is 5045 - WHOLESALE-COMPUTERS & PERIPHERAL EQUIPMENT & SOFTWARE

The company has been in current operations for over six years. However, the company was previously a "shell company".

"We previously were a shell company, therefore the exemption offered pursuant to Rule 144 is not available. Anyone who purchased securities directly or indirectly from us or any of our affiliates in a transaction or chain of transactions not involving a public offering cannot sell such securities in an open market transaction."

The company has three wholly owned subsidiaries, Cistera Federal Systems Inc (incorporated in Texas), Telmarine Communications Inc (incorporated in Texas) and Xbridge Software Inc (incorporated in Delaware). These companies are incorporated in Cistera financial accounts.

There are no effects of existing or probable governmental regulations on the business that the company can determine going forward, other than what would normally be typically experienced by a company of our industry and size.

There are no effects of existing or probable environmental law on the business that the company can determine going forward, other than what would normally be typically experienced by a company of our industry and size.

We currently have 15 full time and no part time employees or contractors located predominately in North America and the Philippines.

The nature of products or services offered.

We provide an Enterprise Application Server for Unified Communications that provides an advanced platform for the delivery of application services for predominately the public safety, healthcare and federal markets. We offer our solution sets predominately using a perpetual license and maintenance fee model although we have deployed solutions on a subscription model for large carriers.

PRODUCTS

Our convergence products consist of application appliances—hardware and software combined to deliver a broad suite of feature-sets on a scalable architecture:

Hardware platforms. The Cistera platforms combine advanced software engines with hardware devices that have been optimized and in some cases, specifically designed to deliver the performance and scalability required for Unified communications application environments.

⇒Cistera ConvergenceServer™ (CCS™) the foundation of a Cistera IPT solution is available in five form factors— the CCS 1500, the CCS 2500, the CCS 5500 and the CCS 7500 series are designed to support "medium", "large" and "service provider" performance requirements for specific customer locations. The servers are rack-mountable, open standards-based hardware systems.

⇒Cistera ZoneController™ (CZC™) and ZoneSpeak™ enables unified communications systems to work with existing or newly installed overhead speakers to create a unified paging system. Cistera's solution is the only one that supports simultaneous broadcasting to IP phones and speakers.

Cistera 1.9 Software Platform. The Cistera 1.9 software platform is a component-based architecture that enables enhanced scalability and management of advanced unified communications applications. This platform has built in

business process management; rules engine and media control elements that combine together and configured to meet the needs of particular markets.

Quality Assurance and Management are systems that allow organizations to better respond to the needs of their customers and their partners. This solution enables organizations to build feedback loops by automating audit and compliance needs through recording and monitoring systems. Quality Assurance and Management Systems include recording, monitoring, screen capture, supervisory intervention and reporting tools that increase the organization's ability to view and response to customer experiences.

The application engines include:

⇒***Quick*Record™ -** is a robust unified communications compliance recorder and media management service designed to support those environments requiring reliable call recording functionality on an adhoc basis, using major unified communications platforms like Cisco's Call Manager™.

⇒***QAMRecord™ Enterprise-*** is Cistera's premier solution for large-scale contact centers. It provides a comprehensive solution for unified contact centers and builds on the functionality of Enhanced including tighter integration with Cisco Unified Contact Center (TM) and Cistera QuickConnect outbound dialer, remote desktop control as well as comprehensive dashboarding functionality

⇒***LMRRecord -*** is Cistera's solution specifically designed to support Cisco's IP Interoperable Communications Solutions. Cistera is the first and only recording solution designed and certified for Cisco's IPICS offering. With this solution, customers can record all two-way radio, cell phone, and traditional analog systems in a single "talk group".

⇒***AcuityPlus -*** Case Management is not about the data, it's about the outcome for your organization. All organizations to one degree or another have to deal with incidents, outcomes that are not necessarily planned for the organization, but have potential impact on your business operations. With Cistera's AcuityPlus Engine, you can take your communications reporting to the next level with the full capability of adaptive case management. In essence, looking for and analyzing exceptions within your business communications.

Event Alerting and Notification - Event Alerting and Notification Solutions allow customers to use their unified communications Platform as the core to their alerting and notification strategy. Emergency alert and notification solutions help organizations of all sizes communicate quickly and effectively during all types of incidents and challenges

⇒***Rapid*Broadcast™ *Enterprise*** - Advanced, full-featured messaging service that links data and voice with your business' communication devices. Instantly transmit text or voice messages or schedule pre-recorded broadcasts to your entire organization through IP phones or external overhead speakers. Easy to configure and administer, RapidBroadcast™, and the entire suite of Cistera Networks applications, is managed via a web-based interface. Features include Whisper, Intercom, paging, text messaging and numerous other features.

⇒***LMRConnect™ -*** Two-way radios are a communications cornerstone for public agencies, emergency operations and businesses around the world. However, until today, proprietary technology confined push-to-talk radios to their own networks—keeping them well-separated from convergence with unified communications. Recognizing the need to integrate, Cistera Networks has created the LandMobileRadio (LMR) Connect Application Engine—bringing two-way radios into the IPT network.

⇒***EANScheduler -*** Cistera provides a comprehensive solution for scheduled alerting and notification such as school bell ringing schedule. Using the popular RapidBroadcast Application Engine and the Cistera Convergence Server (CCS).

⇒***QuickConnect*** - is the premier engine for the delivery of event alerting and notification for cellular and analog phones. As part of the Event Alerting and Notification Solution, QuickConnect extends the popular RapidBroadcast to launch notifications beyond IP Phones, overhead paging systems and two-way radios

now to every communications device. QuickConnect as an outbound dialing engine, can manage communications for Contact Centers, Education facilities, Local Government and Healthcare.

Our convergence solutions have been designed to interoperate seamlessly within network environments, by aligning with key industry standards. There are occasions where integration with certain legacy platforms requires that our solutions interact with some proprietary protocols. In these situations, our convergence solution works to maintain open protocols for the broad network functions, specifically Session Initiated Protocol (SIP) and for more traditional networks, using bridging technology into the IP network.

Item 7 The nature and extent of the issuer's facilities.

Our corporate offices are located at 5045 Lorimar Drive, Suite 180, Plano, TX, 75093-5707. We lease this office space, which contains approximately 4284 rentable square feet, from Zachariah Group LLC. Our rent under this lease is approximately $7850 stepping up to $8500 per month and the lease expires July 15th 2019.

Item 8 Officers, Directors and Control Persons

Item XI The name of the chief executive officer, members of the board of directors, as well as control persons.

EXECUTIVE OFFICERS AND DIRECTORS

The following table sets forth the name, age, and position of each executive officer and director of the Company as of the period ending March 31, 2013:

Director's Name	Age	Position with Company
Greg T. Royal	49	Chairman, Chief Executive Officer, Chief Technology Officer and acting Chief Financial Officer.
James T Miller	55	President and Secretary.

Our directors hold office until the next annual meeting of shareholders and until their respective successors have been duly elected and qualified. Our officers are elected by the Board of Directors at the board meeting held immediately following the shareholders' annual meeting and hold office until their death or until they either resign or are removed from office. There are no written or other contracts providing for the election of directors or term of employment for executive officers, all of whom serve on an at will basis.

Gregory T. Royal has served as Executive Vice President and Chief Technology Officer, and has been a member of the Board of Directors since May 2003. From April 2009, Mr Royal has served as Chief Executive Officer. Mr. Royal is the original founder of XBridge Software, and the inventor of the Convergence Server™ technology. Mr. Royal has over 18 years of IT Sales, Marketing and Management experience in New Zealand, Australia and the United States. He has held Senior Sales and Marketing positions at Sycom Office Equipment, Eagle Technology, Network General Corp. (NASDAQ:NETG) and Network Associates Inc (NASDAQ:NETA). Mr. Royal has system certification with Compaq, IBM, Novell and Hewlett Packard. He also has significant experience in designing and deploying large-scale IT systems including experience in Banking and Finance, Government, and Retail and Property Services. Mr. Royal holds an MBA from Rushmore University. Mr Royal is also Chairman/CEO of Telmarine Communications Inc and Managing Director of Blue Kiwi Group Ltd.

James T Miller has served as President and Secretary of Cistera since December 2009. Prior to that Mr Miller served as Director Operations since 2005. Prior to Cistera Networks Jim served as President /CEO of T3, a technology systems integrator to large enterprise companies across varied industries such as aerospace, transportation and energy. Previous to T3, Jim served as CFO/COO for several application and network management solutions companies that provided outsourced data management solutions and technical consulting services for IBM and other F500 companies. Jim has over 28 years of solid business experience and leadership with growing and developing growth stage companies. Mr Miller holds an MBA from University of Florida. Mr Miller is also Chairman/CEO of Cistera Federal Systems Inc.

BOARD COMPOSITION AND COMMITTEES

Our Board of Directors currently consists of one member, Gregory T. Royal. We are planning to expand the number of members constituting our Board of Directors and will seek persons who are “independent” within the meaning of the rules and regulations of NASDAQ to fill vacancies created by any expansion. Because of our current stage of development, we do not have any standing audit, nominating or compensation committees, or any committees performing similar functions. The Board meets periodically throughout the year as necessity dictates. No current director has any arrangement or understanding whereby they are or will be selected as a director or nominee.

Indebtedness of Directors and Executive Officer

None of our directors or our executive officers or their respective associates or affiliates are indebted to us.

Family Relationships

There are no family relationships among our directors or CEO.

Shareholder Communications with the Company's Board of Directors

Any shareholder wishing to send written communications to the Company's Board of Directors may do so by sending them in care of Greg Royal, CEO, at the Company's principal executive offices. All such communications will be forwarded to the intended recipient(s).

Legal/Disciplinary History.

None of our directors or officers has been involved in any of the following:

A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);	**NONE**
The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;	**NONE**
A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or	**NONE**
The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.	**NONE**

Beneficial Owners.

The following table sets forth information, as of September 30, 2013, concerning beneficial ownership of Common Stock, our only class of equity securities currently outstanding, by (i) the only persons known to the Company to be beneficial owners of more than 5% of the outstanding Common Stock, (ii) all directors, (iii) all named executive officers and (iv) all directors and named executive officers as a group.

Class	**Name and Address**	**Amount**	**Percentage**
Common	Gregory T Royal (1)	7,577,415	20.07%
Common	James T Miller (1)	4,631,198	12.27%
Common	ROARING FORK CAPITAL SBIC, LP 5350 South Roslyn St., Suite 380 Greenwood Village, CO 80111 Attn: Michael Machens	8,033,379	20.71%
	All Officers and Directors as a Group	20,026,631	53.05%

* Less than 1%

(1) Mr. Royal is the Company's only Director and its Chief Executive Officer and acting Chief Financial Officer. The business address for Mr. Royal and Mr Miller is 6509 Windcrest Drive, Suite 160, Plano, Texas 75024.

Item 9 Third Party Providers

Investment Banker: None

Promoter: None

Legal Counsel:

Colbert Johnston PLLC
6021 Morriss Road, Suite 101
Flower Mound, Texas 75028
Ph: (972) 724-3338 ext. 203
Fax: (972) 724-1922

Auditor:

Robison, Hill & Company
1366 East Murray-Holladay Road
Salt Lake City, Utah 84117

Robinson Hill is a registered member of the PCOAB and has provided audit and review services for the last fiscal year financial report ending 31 March 2010 and subsequent review for period ending 30 June 2010. They have not audited the annual reports for FY2011 and FY2012.

The audit services include in-depth examination and confirmation of account balances, inventories, and selected transactions. The reviews involve inquiries and analytical procedures that confirm financial statement matters and identify any items requiring further analysis.

Company Registrar

Corporate Stock Transfer Inc
3200 Cherry Creek Dr. South
Suite 430
Denver, CO 80209

The transfer agent is registered under the Exchange Act as a transfer agent and registrar and is regulated by the SEC.

Public Relations: None

Item 10 Issuer's Certifications.

I, Gregory Thomas Royal certify that:

1. I have reviewed this Disclosure Statement of Cistera Networks Inc;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: 15 JANUARY 2015

/s/ Gregory Thomas Royal

CHIEF EXECUTIVE OFFICER