



# **AGENT INFORMATION SOFTWARE, INC.**

## **Annual Report**

December 31, 2014 and 2013

Trading Symbol: AIFS

**AGENT INFORMATION SOFTWARE, INC.**  
**Annual Report**  
**December 31, 2014 and 2013**

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**AGENT INFORMATION SOFTWARE, INC.**

**Annual Report**

**Unaudited Consolidated Balance Sheets**

**December 31, 2014 and 2013**

	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 443,292	\$ 566,997
Restricted cash	264,479	286,698
Accounts receivable, trade	80,308	161,543
Deferred income taxes, current	105,000	105,000
Other current assets	128,175	112,870
Total current assets	<u>1,021,254</u>	<u>1,233,108</u>
Capitalized software, net	2,097,858	1,745,185
Equipment, net	216,801	382,290
	<u></u>	<u></u>
Total assets	<u>\$ 3,335,913</u>	<u>\$ 3,360,583</u>
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities on long-term debt	\$ 26,926	\$ 26,352
Accounts payable, trade	66,950	91,228
Deferred revenue	966,802	1,037,439
Accrued payroll and related liabilities	157,113	159,671
Other accrued liabilities	174,158	147,654
Total current liabilities	<u>1,391,949</u>	<u>1,462,344</u>
Long-term debt	58,830	85,720
Deferred income taxes	105,000	105,000
	<u></u>	<u></u>
Total liabilities	1,555,779	1,653,064
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	3,278,417	3,276,162
Accumulated other comprehensive income (loss)	(52,459)	(20,682)
Accumulated deficit	<u>(1,445,824)</u>	<u>(1,547,961)</u>
Total stockholders' equity	1,780,134	1,707,519
Total liabilities and stockholders' equity	<u>\$ 3,335,913</u>	<u>\$ 3,360,583</u>

See accompanying notes to Unaudited Consolidated Financial Statements

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

**Unaudited Consolidated Statements of Operations**

**For the Years Ended December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Sales:		
Recurring sales	\$ 4,210,358	\$ 4,234,905
Non-recurring sales	294,659	476,363
Total net sales	<u>4,505,017</u>	<u>4,711,268</u>
Cost and expenses:		
Cost of sales	1,431,085	1,648,506
Research and development	359,140	514,241
Sales, marketing and customer service	1,648,491	1,477,732
General and administrative	932,281	1,026,188
Total costs and expenses	<u>4,370,997</u>	<u>4,666,667</u>
Income from operations	134,020	44,601
Other income (expense):		
Other income (expense), net	1,617	4,091
Total other income (expense):	<u>1,617</u>	<u>4,091</u>
Income before provision for income taxes	135,637	48,692
Provision for income taxes	<u>33,500</u>	<u>27,500</u>
Net income (loss)	<u><u>\$ 102,137</u></u>	<u><u>\$ 21,192</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	4,516,777	4,673,610

See accompanying notes to Unaudited Consolidated Financial Statements

**AGENT INFORMATION SOFTWARE, INC.**

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

**For the Years Ended December 31, 2014 and 2013**

	<u>Common Stock</u>		<u>Retained Earnings/ (Accumulated Deficit)</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>			
Balance, December 31, 2012	<u>4,269,610</u>	<u>\$ 3,273,752</u>	<u>\$ (1,569,153)</u>	<u>\$ 16,091</u>	<u>\$ 1,720,690</u>
Net income			21,192		21,192
Foreign currency translation				(36,773)	(36,773)
Comprehensive loss					<u>(15,581)</u>
Stock option expense		<u>2,410</u>			<u>2,410</u>
Balance, December 31, 2013	<u>4,269,610</u>	<u>\$ 3,276,162</u>	<u>\$ (1,547,961)</u>	<u>\$ (20,682)</u>	<u>\$ 1,707,519</u>
Net income			102,137		102,137
Foreign currency translation				(31,777)	(31,777)
Comprehensive loss					<u>70,360</u>
Stock option expense		<u>2,255</u>			<u>2,255</u>
Balance, December 31, 2014	<u>4,269,610</u>	<u>\$ 3,278,417</u>	<u>\$ (1,445,824)</u>	<u>\$ (52,459)</u>	<u>\$ 1,780,134</u>

See accompanying notes to Unaudited Consolidated Financial Statements

**AGENT INFORMATION SOFTWARE, INC.****Annual Report****Unaudited Consolidated Statements of Cash Flows****For the Years Ended December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 102,137	\$ 21,192
Adjustments to reconcile net income (loss) to net cash provided by operations:		
Depreciation and amortization	579,488	695,299
Stock option expense	2,255	2,410
Changes in operating assets and liabilities:	<u>17,180</u>	<u>365,073</u>
Net cash provided by operating activities	701,060	1,083,974
<b>Cash flows from investing activities:</b>		
Acquisitions of property and equipment	(15,172)	(139,300)
Capitalized software development	<u>(751,500)</u>	<u>(616,465)</u>
Net cash used in investing activities	(766,672)	(755,765)
<b>Cash flows from financing activities:</b>		
Payments of long-term debt	<u>(26,316)</u>	<u>(19,509)</u>
Net cash used in financing activities	(26,316)	(19,509)
Effect of exchange rate changes on cash	<u>(31,777)</u>	<u>(36,773)</u>
Net increase (decrease) in cash	(123,705)	271,927
Cash and cash equivalents, beginning of year	566,997	295,070
Cash and cash equivalents, December 31, 2014 and 2013	<u>\$ 443,292</u>	<u>\$ 566,997</u>
<b>Supplemental disclosure on non-cash transactions:</b>		
Equipment acquired with long-term debt	<u>\$ -</u>	<u>\$ 84,797</u>

See accompanying notes to Unaudited Consolidated Financial Statements