UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

£ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2011

OR

£ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________________ to ________________

Commission file number 333-14229

INFORMATION SYSTEMS ASSOCIATES, INC.

(Exact name of registrant as specified in its charter)

FLORIDA	**65-0493217**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1151 SW 30TH STREET, SUITE E PALM CITY, FLORIDA	**34990**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(772) 403-2992**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes £ No£

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes £ No£

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer £	Accelerated filer £
Non-accelerated filer £ (Do not check if a smaller reporting company)	Smaller reporting company £

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes £ No £

Class C	Outstanding at May 16, 2011
Common Stock, $0.01 par value per share	25,816,084 shares

TABLE OF CONTENTS

Table of Contents

PART 1. FINANCIAL STATEMENTS

INFORMATION SYSTEMS ASSOCIATES, INC.
BALANCE SHEETS

ASSETS				
		As of March 31, 2011		As of December 31, 2010
Current Assets		(Unaudited)		
Cash and cash equivalents	$	29,280	$	70,326
Accounts receivable		74,000		92,893
Prepaid consulting		25,312		109,187
Prepaid expenses		13,215		7,622
Total Current Assets		141,807		280,028
Property and Equipment (net)		21,532		19,684
TOTAL ASSETS	$	163,339	$	299,712
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Accounts payable	$	39,812	$	68,568
Accrued expenses and other liabilities		10		2,405
Note payable - line of credit		24,727		36,141
Note payable - insurance		8,803		3,204
Deferred revenue		1,942		3,192
Total Current Liabilities		75,294		113,510
Stockholders' Equity				
Common stock-$.001 par value, 50,000,000 shares authorized, 25,816,084 and 22,266,084 issued and outstanding at March 31, 2011 and December 31, 2010, respectively		25,816		22,266
Additional paid in capital		2,957,663		2,781,213
Accumulated deficit		(2,895,434)		(2,617,277)
Accumulated other comprehensive (loss)		—		—
Total Stockholders' Equity		88,045		186,202
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	163,339	$	299,712

The accompanying unaudited notes are an integral part of these condensed financial statements

INFORMATION SYSTEM ASSOCIATES, INC.
STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31,
(UNAUDITED)

	2011	2010
Revenue	$ 127,254	$ 256,654
Cost of Sales	17,030	—
Gross Profit	110,224	256,654
Operating Expenses		
Administrative and general	84,209	165,670
Salaries and employee benefits	142,145	68,051
Professional	160,434	230,843
Total Operating Expenses	386,788	464,564
(Loss) Before Other Income (Expense)	(276,564)	(207,910)
Other Income (Expense)		
Miscellaneous income	—	30
Interest expense	(1,593)	(1,741)
Total Other Income (Expense)	(1,593)	(1,711)
Net (Loss)	(278,157)	(209,621)
Other Comprehensive (Loss)		
Unrealized gain/(loss) on securities:		
Arising during the year	—	(13,121)
Reclassification to net income	—	—
Total other comprehensive (loss)	—	(13,121)
Comprehensive (Loss)	$ (278,157)	$ (222,742)
Basic and Fully Diluted (Loss) per Share:		
Basic and fully diluted	$ (0.01)	$ (0.01)
Weighted average common shares outstanding	25,539,973	18,266,084

The accompanying unaudited notes are an integral part of these condensed financial statements

INFORMATION SYSTEMS ASSOCIATES, INC.
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31,
(UNAUDITED)

	2011	2010
Cash Flows from Operating Activities		
Net (Loss)	$ (278,157)	$ (209,621)
Adjustments to reconcile net (loss) to net cash provided from operating activities:		
Depreciation and amortization	2,116	42,451
Bad debt expense	—	—
Common stock for services	25,000	82,062
Amortization of prepaid consulting	81,691	—
Changes in assets and liabilities		
Accounts receivable	18,893	(82,081)
Prepaid expenses	6,833	(1,294)
Accounts payable	(28,756)	108,015
Accrued expenses and other liabilities	(2,395)	(3,119)
Deferred revenue	(1,250)	(675)
Net Cash (Used in) Operating Activities	(176,025)	(64,262)
Cash Flows from Investing Activities		
Computer software development costs	—	—
Purchase of property and equipment	(3,964)	(666)
Proceeds from sale of investment	—	—
Net Cash (Used In) Investing Activities	(3,964)	(666)
Cash Flows from Financing Activities		
Proceeds from line of credit	—	19,136
Payments made on line of credit	(11,414)	(1,965)
Borrowings from note payable - shareholder	—	32,500
Payments made on insurance financing	(4,643)	—
Proceeds from issuance of stock	155,000	—
Net Cash Provided by Financing Activities	138,943	49,671
Net Change in Cash and Cash Equivalents	(41,046)	(15,257)
Cash and Cah Equivalents at Beginning of period	70,326	21,047
Cash and Cash Equivalents at End of Period	$ 29,280	$ 5,790

The accompanying unaudited notes are an integral part of these condensed financial statements

INFORMATION SYSTEMS ASSOCIATES, INC.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENT
FOR THE THREE MONTHS ENDED MARCH 31, 2011

NOTE 1 – NATURE OF OPERATIONS, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

Information Systems Associates, Inc. (Company) was incorporated under the laws of the State of Florida on May 31, 1994. The Company provides Mobile Data Center Management™ systems and turnkey data center management solutions to customers. Our products and services include data center asset/inventory management, data center management software and data center data collection. Utilizing a proprietary and patented technology, OSPI® (On Site Physical Inventory®), customers are able to manage data centers on a mobile basis, bringing data center management out of the office and into the data center.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and with the rules and regulations of the U.S Securities and Exchange Commission for interim financial information. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. The unaudited condensed consolidated financial statements reflect all normal recurring adjustments, which, in the opinion of management, are considered necessary for a fair presentation of the results for the periods shown. The results of operations for the periods presented are not necessarily indicative of the results expected for the full fiscal year or for any future period. The information included in these unaudited condensed consolidated financial statements should be read in conjunction with Management's Discussion and Analysis and Plan of Operation contained in this report and the audited consolidated financial statements and accompanying notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

Recent Accounting Pronouncements

In February the FASB issued an amendment to Accounting Standards Codification 855, "Subsequent Events". An entity is required to disclose the date through which subsequent events have been evaluated and the basis for that date. This created potential conflicts with issuers who also filed with the Securities and Exchange Commission. An entity that is defined as an "SEC filer" is not required to disclose the date through which subsequent events have been evaluated. This amendment is effective for interim periods ending after March 31, 2011.

The Company does not believe the amendment to Topic 855 will have a significant impact on the Company's financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the prior period financial statements presented to conform to 2010. Such reclassifications have no effect on reported income.

INFORMATION SYSTEMS ASSOCIATES, INC.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENT
FOR THE THREE MONTHS ENDED MARCH 31, 2011

NOTE 2 – CASH AND CASH EQUIVALENTS

	As of March 31, 2011		As of December 31, 2010	
Wachovia Bank (FDIC insured to $250,000)	$	29,103	$	70,149
Petty cash		177		177
Total cash and cash equivalent	$	29,280	$	70,326

NOTE 3 – PROPERTY AND EQUIPMENT

	As of 31-Mar-11		As of 31-Dec-10	
Computer software (developed)	$	162,346	$	162,346
Computer software (purchased)		590		590
Web site development		10,072		10,072
Furniture, fixtures, and equipment		31,715		27,752
		204,723		200,760
Less accumulated depreciation and amortization		183,191		181,076
	$	21,532	$	19,684

Depreciation and amortization expense for property and equipment was $2,116 and $ 3,728 for the three months ended March 31, 2011 and 2010, respectively.

NOTE 4 – INVESTMENT

On April 17, 2009, the Company entered into a strategic alliance agreement with Rubicon Software Group, lpc (a company registered under the laws of England and Wales). The Company will be Rubicon’s exclusive agent in the United States for reselling Rubicon’s software and services. In return, Rubicon will be a software development partner and provide consulting services to the Company.

The Company agreed to purchase 2,500,000 ordinary shares for a subscription price of £.02 (two pence) a share. The total cost of the subscription was $73,958. Within ninety days of the subscription date, the Company could purchase an additional 2,500,000 shares at the same subscription price in British pounds. The ninety day period has lapsed with the Company not purchasing any additional shares.

Also, the Company has the ability, over the next three years, of subscribing to a maximum 5,000,000 warrant shares. Each warranted share will be at a subscription price of £.05 (five pence) per share and will be issued in offerings of 100,000 shares. The number of subscripted shares will be based on gross revenue received by Rubicon Software Group, Plc.

On April 30, 2010 the Company entered into an agreement whereby 2,500,000 shares of stock held in Rubicon Software Group, lpc were sold to Rubicon. In remuneration for this stock the Company received $10,000 and was relieved from paying $16,611 worth of outstanding invoices. In connection with this transaction, the Company recorded a loss on sale of security of $47,347.

NOTE 5 – NET (LOSS) PER SHARE

Basic earnings per share (EPS) is computed by dividing net (loss) by the weighted average number of common shares outstanding. The dilutive EPS adds the dilutive effect of stock options and other stock equivalents. During the three months ended March 31, 2011, outstanding options to purchase an aggregate of 15,000,000 shares of stock were excluded from the computation of dilutive earnings per share because the inclusion would have been anti-dilutive.

INFORMATION SYSTEMS ASSOCIATES, INC.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENT
FOR THE THREE MONTHS ENDED MARCH 31, 2011

NOTE 6 – INCOME TAXES

The Company files income tax returns in the U.S. federal jurisdiction and various states. The Company is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2007. None of the tax years subject to examination are currently under examination by a tax authority and the Company has not received notice of the intent by any tax authority to commence an examination.

The Company adopted the provisions of FIN No. 48 on January 1, 2007. As a result of the implementation of FIN No. 48, the Company did not recognize any liability for unrecognized tax benefits, since the Company has concluded that all of its tax positions are highly certain of being upheld upon examination by federal or state tax authorities.

NOTE 7 – SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental disclosures of cash flow information for the periods ended March 31, 2011 and 2010 is summarized as follows:

Cash paid during the periods for interest and income taxes:	2011	2010
Income taxes	$ —	$ —
Interest	$ 426	$ 669

NOTE 8 – OPERATING LEASE

The Company leases its Palm City, Florida facility. On March 2, 2009 the lease was renewed for $1,200 per month. The Company held an additional option to renew the lease “at the market price.” This renewed lease went into effect June 1, 2009. The rent expense as of March 31, 2011 and 2010 was $3,834 and $3,834, respectively.

NOTE 9 – NOTE PAYABLE – LINE OF CREDIT

The Company has a line of credit with Wachovia Bank N.A. The line of credit provides for borrowings up to $40,000. The balance as of March 31, 2011 and December 31, 2010 was $24,727 and $36,141, respectively. The interest rate is the Prime Rate plus 3%. The President of the Company is a personal guarantor on the line of credit.

NOTE 10 – NOTE PAYABLE - INSURANCE

During the three months ended March 31, 2011, the Company incurred short term financings of $10,242 for the purchase of insurance. The interest rate on the financings were 6.96% and will be repaid November 2011. The balance as of March 31, 2011 was $ 7,514.

On August 31, 2010, the Company incurred short term financing for the purchase of insurance. The note was for $5,720. The interest rate on the debt is 4.96% and will be repaid May 31, 2011. The balance as of March 31, 2011 was $ 1,289.

INFORMATION SYSTEMS ASSOCIATES, INC.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENT
FOR THE THREE MONTHS ENDED MARCH 31, 2011

NOTE 11 – NOTE PAYABLE – SHAREHOLDER

In February, 2010, the Company obtained financing from a shareholder for working capital purposes. The amount of $32,500 will be repaid in eighteen months. Interest accrues at a rate of 6% per annum. There is no penalty for early payment. On August 12, 2010 the shareholder was repaid $7,500. The remainder was repaid in December 2010.

NOTE 12 – COMMON STOCK

In January 2011, the Company issued 50,000 shares of common stock in exchange for $5,000 in a private placement with an accredited investor.

In January 2011, the Company issued 3,000,000 shares of common stock in exchange for $150,000 in a private placement with its new director and Chief Operating Officer. In addition, the Chief Operating Officer was granted 500,000 shares of common stock in lieu of salary for the three months ended March 31, 2011.

NOTE 13 – SHARE BASED PAYMENTS FOR SERVICES

In May 2010, the Company issued 200,000 shares of restricted common stock to two directors. The stock will vest in May 2011. Shares were valued at the current market price of $.20 per share.

On May 1, 2010 the Company entered into an agreement to receive website design and development, internet marketing and search engine optimization for one year. The consultants received 100,000 shares of company common stock. Shares were valued at a current market price of $.20 per share.

On April 29, 2010 the Company entered into an agreement to receive assistance in the development of new data center management technologies. The consultants will also investigate a variety of associated topics regarding data center management. This agreement will run for one year. The consultants received 1,000,000 shares of company common stock. Shares were valued at a current market price of $.20 per share.

On April 15, 2010 the Company entered into an agreement to receive marketing strategies, digital media and social media strategies to expand the Company's investor base and improve shareholder communication. The consultants received 400,000 shares of company common stock. Shares were valued at the then current market price of $.15 per share.

On May 25, 2010 a notice of non renewal, was sent to the one consulting company that continued to provide services from August 1, 2009 to July 31, 2010 at an agreed to rate of $262,500. The Company issued 656,200 shares of common stock for the service provided.

The following is a summary of the status of options outstanding as of March 31, 2011 and 2010 respectively:

	For the Three Months Ended March 31, 2011		For the Three Months Ended March 31, 2010	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of period	15,000,000	$3.00	15,000,000	$3.00
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
Outstanding at end of period	15,000,000	$3.00	15,000,000	$3.00
Exercisable at end of period	15,000,000	$3.00	15,000,000	$3.00
Outstanding Weighted average remaining contractual term		0.34		1.34

Aggregated intrinsic value	$ -	$ -
Weighted average grant date fair value	N/A	N/A
Exercisable		
Weighted average remaining contractual term	0.34	1.34
Aggregated intrinsic value	$ -	$ -

NOTE 14 – CONCENTRATIONS

Two major customers accounted for 68.8% and 17.5% of revenue for the three months ended March 31, 2011.

As of March 31, 2011, the two major customers accounted for 67.7% and 30.2 % of accounts receivable.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used herein the terms "we", "us", "our", the "Registrant," "ISA" and the "Company" means, Information Systems Associates, Inc., a Florida corporation.

GENERAL DESCRIPTION OF BUSINESS

BUSINESS OVERVIEW

Information Systems Associates, Inc. (Company) was incorporated under the laws of the State of Florida on May 31, 1994. The Company is a leading provider of Mobile Data Center Management™ systems and turnkey data center management solutions. The suite of products and services include data center asset/inventory management, data center management software and data center data collection. Utilizing a proprietary and patented technology, OSPI® (On Site Physical Inventory®), customers manage data centers on a mobile basis, bringing data center management out of the office and into the data. Our solutions can reduce sourcing, procurement and tracking costs, improve tracking and monitoring of asset performance and reduce operational downtime.

In 1995, we became a subcontractor of Avocent Huntsville Corp. (formally Aperture Technologies Inc At that time, Avocent's Network Management tools ("System"), was one of the leading solutions in it field. For more than five years, Avocent Huntsville Corp. (formerly Aperture Technologies Inc.) has provided enterprise asset management solutions to customers in the United States, Europe and Asia and Pacific Rim. During this same timeframe, we have offered Advocent's enterprise asset management solutions to customers and prospects in North America.

The typical Value Added Reseller Agreement allows the vendor's partner/subcontractor (in this case ISA) the ability to offer to its client's and prospects a Commercial Off the Shelf software solution to address a particular business problem. ISA's customers are primarily working data centers, network management departments and corporate real estate departments. We help these customers to identify and then implement a software solution which addresses their needs based. Once the client chooses a software solution, ISA assists the client in implementing the software.

In 2007, ISA developed and began marketing its own software product, ONSITE PHYSICAL INVENTORY™ (OSPI).

RELATED SERVICES

In connection with our software offerings, we provide the following services to our customers:

Consulting

A significant number of our customers request our advice regarding their business and technical processes, often in conjunction with a scoping exercise conducted both before and after the execution of a contract. This advice can relate to development or streamline assorted business processes, such as sourcing or procurement activities, assisting in the development of technical specifications, and recommendations regarding internal workflow activities.

Customization and Implementation

Based generally upon the up-front scoping activities, we are able to customize our solutions as required to meet the customer's particular needs. This process can vary in length depending on the degree of customization, the resources applied by the customer and the customer's business requirements. We work closely with our customers to ensure that features and functionality meet their expectations. We also provide the professional services work required for the implementation of our customer solutions, including loading of data, identification of business processes, and integration to other systems applications.

Training

Upon completion of implementation (and often during implementation), we train customer personnel to utilize our Solutions through our administrative tools. Training can be conducted in one-on-one or group situations. We also conduct "train the trainer" sessions.

Maintenance and Support

We provide regular software upgrades and ongoing support to our customers.

We have been providing consulting, customization and implementation, training, maintenance and support services to our customers since 1994.

CURRENT DEVELOPMENTS

In January, 2011, the Company hired a new Chief Operating Officer who has been charged with identifying, and overseeing improvements and enhancements to our OSPI software. This person will also direct the development and implementation of the Company's marketing plan and is responsible for building and managing the Company's sales force. During the three months ended March 31, 2011, the Company has prepared a software requirements analysis for the new and enhanced version of OSPI, and has begun building the Company's sales network.

FORWARD LOOKING STATEMENTS

Certain statements in this report, including statements of our expectations, intentions, plans and beliefs, including those contained in or implied by "Management's Discussion and Analysis" and the Notes to Financial Statements, are "forward-looking statements", within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the ""Exchange Act"), that are subject to certain events, risks and uncertainties that may be outside our control. The words "believe", "expect", "anticipate", "Optimistic", "intend"' "will", and similar expressions identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date on which they are made. We undertake no obligation to update or revise any forward-looking statements.

These forward-looking statements include statements include statements of management's plans and objectives for our future operations and statements of future economic performance, information regarding our expansion and possible results from expansion, our expected growth, our capital budget and future capital requirements, the availability of funds and our ability to meet future capital needs, the realization of our deferred tax assets, and the assumptions described in this report underlying such forward-looking statements.

Actual results and developments could differ materially from those expressed in or implied by such statements due to a number of factors, including, without limitation, those described in the context of such forward-looking statements.

CRITICAL ACCOUNTING POLICIES

Revenue recognition

We recognize revenue in accordance with ASC 605-10 "Revenue Recognition" and ASC 605-25 "Revenue Arrangements with Multiple Deliverables".

Consulting services and training revenues are accounted for separately from subscription and support revenues when these services have value to the customer on a standalone basis and there is objective and reliable evidence of fair value of each deliverable. When accounted for separately, revenues are achieved and accepted by the customer for fixed price contracts. The majority of our consulting service contracts are on a time and material basis. Training revenues are recognized after the services are performed. For revenue arrangements with multiple deliverables, we allocate the total customer arrangement to the separate units of accounting based on their relative fair values, as determined by the price of the undelivered items when sold separately.

In determining whether the consulting services can be accounted for separately from subscription and support revenues, we consider the following factors for each consulting agreement: availability of the consulting services from other vendors, whether objective and reliable evidence for fair value exists for the undelivered elements, the nature of the consulting services, the timing of when the consulting contract was signed in comparison to the subscription service start date, and the contractual dependence of the subscription service on the customer's satisfaction with the consulting work. If a consulting arrangement does not qualify for separate accounting, we recognize the consulting revenue ratably over the remaining term of the subscription contract. Additionally, in these situations we defer the direct costs of the consulting arrangement and amortize these costs over the same time period as the consulting revenue is recognized. We did not have any revenue arrangements with multiple deliverables for the period ending September 30, 2010.

Property, Plant, and Equipment

Property and equipment is stated at cost. Depreciation is provided by the straight-line method over the estimated economic life of the property and equipment (three to ten years). When assets are sold or retired, their costs and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of operations.

We recognize an impairment loss on property and equipment when evidence, such as the sum of expected future cash flows (undiscounted and without interest charges), indicates that future operations will not produce sufficient revenue to cover the related future costs, including depreciation, and when the carrying amount of the asset cannot be realized through sale. Measurement of the impairment loss is based on the fair value of the assets.

Software Development Costs

The Company accounts for costs incurred to develop computer software for internal use in accordance with FASB Accounting Standards Codification 350-40 "Internal-Use Software". As required by ASC 350-40, we capitalize the costs incurred during the application development state, which include costs to design the software configuration and interfaces, coding, installation, and testing. Costs incurred during the preliminary project along with post-implementation stages of internal use computer software are expensed as incurred. Capitalized development costs are amortized over the estimated useful life. Costs incurred to maintain existing product offerings are expensed as incurred. The capitalization and ongoing assessment of recoverability of development costs requires considerable judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility, and estimated economic life.

After the development of the internal-use "ON SITE PHYSICAL INVENTORY®" software (OSPI®) was complete, we decided to market the software. Proceeds from the licenses of the computer software, net of direct incremental costs of marketing, such as commissions, software reproduction cost, warranty and service obligations, and installation cost, are applied against the carrying cost of that software. No profit will be recognized until aggregate net proceeds from licenses and amortization have reduced the carrying amount of the software to zero. Subsequent proceeds will be recognized in revenue as earned.

On December 1, 2009, the Company released Version 2 of the "ON SITE PHYSICAL INVENTORY®" software (OSPI®) for sale in the marketplace. The Company accounts for internally produced software with FASB Accounting Standard Codification 985-20 "Cost of Software To Be Sold, Leased, or Otherwise Marketed". Costs were capitalized when the second version was established as technically feasible and will be written off on a straight line method over the estimated useful life.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2011 AND 2010

The following discussion should be read in conjunction with the financial statements include in this report and is qualified in its entirety by the foregoing.

Revenues

Gross revenues were $127,254 and $256,154 for the three months ended March 31, 2011 and 2010, respectively. The increase in 2011 revenue is due primarily to a decrease in consulting service revenue and the related travel expense revenue of $111,000 and a decrease of $29,000 in OSPI software revenue. We recognize professional services revenue, which includes installation, training, consulting and engineering services, upon delivery of the services.

Operating Expenses

Operating expenses for the three months ended March 31, 2011 were $386,788 as compared to $466,305 for the three months ended March 31, 2010. The decrease resulted from declines in general and administrative expenses of $83,000 and professional fees of $70,000 which were primarily related to lower travel expenses and consulting expenses due to the decline in consulting service revenue. These decreases were partially offset by an increase in salaries and employee benefits which resulted for the addition of the new COO, software engineer and product salesman.

Loss from Operations

We had a loss from operations of $276,564 for the three months ended March 31, 2011 as compared to a loss of $207,910 for the three months ended March 31, 2010. The increase in the loss resulted from the sales decline which was partially offset by a decrease in operating expenses as described above.

Interest Expense

Interest expense was $1,593 for the three months ended March 31, 2011 as compared to interest of $1,741 for the three months ended March 31, 2010.

Net Loss

Net loss for the three months ended March 31, 2011 was $278,157 as compared with a net loss of $209,621 for the three months ended March 31, 2010. Net loss per common share was $0.01 for the three months ended March 31, 2011 and 2010. Weighted average common shares outstanding as of March 31, 2011 and 2010 were 25,539,973 and 18,266,084, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows used in operations were $176,025 and $64,262, respectively, during the three months ended March 31, 2011 and 2010. Cash flows used in operations during the three months ended March 31, 2011 were primarily attributable to a net loss of $278,157 which was partially offset amortization of prepaid consulting of $83,875, the issuance of common stock for services of $25,000 and the decrease in accounts receivable of of $18,893 less the reduction of accounts payable of of $28,756.

Cash flows used by investing activities were $3,964 and $666 for the three months ended March 31, 2011and 2010, respectively, and resulted from investments for the purchase of equipment and furniture.

Cash flows provided by financing activities were $138,943 and $49,671, respectively, for the three months ended March 31, 2011 and 2010. Cash flows provided by financing activities for the three months ended March 31, 2011 were attributable to the proceeds of $155,000 from the sale of common stock in private placements. These proceeds were used to repay insurance financings of $4,643 and to make payments on the line of credit of $11,414. Cash flows provided by financing activities for the three months ended March 31, 2010 resulted from additional draws against the Company's line of credit of $19,136, plus the proceeds from a shareholder loan of $32,500.

The Company had cash on hand of $29,280 and net working capital of $66,513 as of March 31, 2011. If the Company is unable to generate revenues sufficient to support the operations of the Company, the Company the will require additional debt or equity financing to meet the working capital needs of the Company.

Our current level of operations would require additional capital to sustain operations through 2011. Modifications to our business plans may require additional capital for us to operate. Management has identified the need for additional financing of up to $1million in order to fund the programming of the software enhancements and the market rollout of the new software product and is currently exploring various equity and debt financing alternatives. There can no assurance that these efforts will be successful. No significant amount of our trade payables has been unpaid within the stated trade term. We are not subject to any unsatisfied judgments, liens or settlement obligations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information to be reported under this item is not required of smaller reporting companies.

ITEM 4. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

Our management, including our Principal Executive Officer and Principal Financial Officer, has evaluated the design, operation, and effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934 (the "Exchange Act"). There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon the evaluation performed by our management, including its Principal Executive Officer and Principal Financial Officer, it was determined that, as of the end of the period covered by this quarterly report, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports filed or submitted pursuant to the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including its Principal Executive Officer and Principal Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding disclosures

Changes in Internal Control Over Financial Reporting

Our Principal Executive Officer and Principal Financial Officer have determined that, during the period covered by this quarterly report, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. They have also concluded that there were no significant changes in our internal controls after the date of the evaluation.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time we are involved in legal proceedings arising in the ordinary course of our business. On April 24, 2009, Phuture World, Inc. filed a complaint in the case captioned Phuture World, Inc. v. Information Systems Associates, Inc. and Joseph Coschera, Case No. 562009 CA 3086, 19th Judicial Circuit in and for St. Lucie County Florida. Phuture World originally alleged that the Company and its President breached the terms of a certain software development contract, and it sought damages in excess of $15,000. The plaintiff dropped all claims against the President and eliminated some of its other claims against the Company. The Company terminated the software contract at issue in the case prior to the filing of the case, and it no longer uses the services of Phuture World. The Company is contesting this lawsuit and believes that it has defenses to the claims made by Phuture World. The Company is vigorously defending itself and has filed and is pursuing damage claims of its own against Phuture World for Phuture World's failure to provide the software required under the contract between Phuture World and the Company. The Company believes that the outcome of this lawsuit will not have a material adverse effect on our financial condition, cash flows or results of operations.

ITEM 1A. RISK FACTORS

Information regarding risk factors appears in Part I, “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” under the captions “General Description of Business” and “Cautionary Note Regarding Forward-Looking Statements” contained in this Quarterly Report on Form 10-Q and in “Item 1A. RISK FACTORS” of our 2009 Annual Report on Form 10-K. There have been no material changes from the risk factors previously disclosed in our 2009 Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Name or Class of Investor	Date of Sale	No. of Securities	Reason for Issuance
Director & Officer Investor	1/4/2011	3,000,000 shares of common stock	Investment totaling $150,000
Private Placement Investors	1/4//2011	50,000 shares of common stock	Investment totaling $5,000
Officer	1/4/2011	500,000 shares of common stock	Payment for Services

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Description
31.1	Certification of Chief Executive Officer
31.2	Certification of Chief Financial Officer
32.1	Statement required by 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, there unto duly authorized.

		Information Systems Associates, Inc.
Date: May 16, 2011	By:	/s/ Joseph P. Coschera Joseph P. Coschera Chief Executive Officer
Date: May 16, 2011	By:	/s/ Michael R. Hull Michael R. Hull Chief Financial Officer

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Joseph P. Coschera, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Information Systems Associates, Inc.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13 , 2011

/s/ Joseph P. Coschera
Joseph P. Coschera
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Michael R. Hull, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Information Systems Associates, Inc.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2011

/s/ Michael Hull
Michael Hull
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Information Systems Associates, Inc. (the "Company") on Form 10-Q for the quarter ending March 31, 2011, as filed with the Securities and Exchange Commission on the date hereof, I, Joseph P. Coschera, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and

2. The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph P. Coschera
Joseph P. Coschera
Chief Executive Officer
(Principal Executive Officer)
Dated: May 13, 2011

In connection with the quarterly report of Information Systems Associates, Inc. (the "Company") on Form 10-Q for the quarter ending March 31, 2011, as filed with the Securities and Exchange Commission on the date hereof, I, Michael Hull, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and

2. The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael Hull
Michael Hull
Chief Financial Officer
(Principal Financial Officer)
Dated: May 13, 2011