U.S. Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-K

£ **Annual Report Under Section 13 or 15(d) of The Securities Exchange Act of 1934.**
For the fiscal year ended December 31, 2011

£ **Transition Report Under Section 13 or 15(d) of The Securities Exchange Act of 1934 for the Transition Period from _______ to _______**

Commission file number 333-142429

INFORMATION SYSTEMS ASSOCIATES, INC.

(Exact name of small business issuer as specified in its charter)

FLORIDA	**65-0493217**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

819 S.W. Federal Highway, Suite 206, Stuart, Florida 34994
(Address of principal executive offices)

(772) 403-2992
(Issuer's telephone number)
Securities registered under Section 12(b) of the Act:
Title of each class Name of each exchange
on which registered

None Not Applicable

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, $.001 par value
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes **£** No S

Indicate by check mark if the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. £

Indicate by check mark if the registrant is a shell company (as defined in rule 12b-2 of the exchange act). Yes £No S

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15 (d) of the Exchange Act during the past 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 S 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 402 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (of for such shorter period that the registrant was required to submit and post such files). Yes S No £

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained in this form, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. £

The aggregate market value of the issuer’s Common Stock held by non-affiliates as of December 31, 2011 was $1,103,304.

Number of shares of common stock outstanding as of March 28, 2012: 28,766,084

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 definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. £

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

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

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

The discussion contained in this 10-K under the Securities Exchange Act of 1934, as amended, contains forward-looking statements that involve risks and uncertainties. The issuer's actual results could differ significantly from those discussed herein. These include statements about our expectations, beliefs, intentions or strategies for the future, which we indicate by words or phrases such as "anticipate," "expect," "intend," "plan," "will," "we believe," "the Company believes," "management believes" and similar language, including those set forth in the discussions under "Notes to Financial Statements" and "Management's Discussion and Analysis or Plan of Operation" as well as those discussed elsewhere in this Form 10-K. We base our forward-looking statements on information currently available to us, and we assume no obligation to update them. Statements contained in this Form 10-K that are not historical facts are forward-looking statements that are subject to the "safe harbor" created by the Private Securities Litigation Reform Act of 1995.

PART I

ITEM 1. DECRIPTION OF BUSINESS

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

BUSINESS OVERVIEW

We have been in business since May of 1994. During the first twelve (12) years of operation, the primary focus of the business was to offer for sale, through ISA’s Value Added Reseller Agreements in place in several of the industry leaders, software products and services that allow companies to track and manage assets, primarily in the realm of corporate real estate and corporate IT network infrastructure including equipment maintained in corporate data centers. We refer to our product and services suite as asset management solutions. Our solutions reduced sourcing, procurement and tracking costs, improve tracking of data center assets.

In 1995, we became a Business Partner (a/k/a Value Added Reseller) with Avocent Huntsville Corp. (formerly Aperture Technologies Inc. of Stamford, CT) Huntsville, AL. At that time, Avocent’s Data Center Management tools (“System”), was one of the leading solutions in the IT field. For more than five years, Avocent Huntsville Corp. provided enterprise asset management solutions to customers in the United States, Europe and Asia and Pacific Rim. During this same timeframe, we 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 (COTS) software solution to address a particular business problem. The primary focus of ISA’s business is working data center operations and data center facilities departments to identify and then implement a software solution which addresses their needs based upon extensive research done prior to the selection and culminating in the purchase by the client and implementation by ISA of the chosen solution.

All of the products listed under our Value Added Reseller relationships (Vista, Vision FM, and RACKWISE DCM) are products developed by third parties.

The products obtained from third parties are done so through executed Value Added Reseller Agreements. Although each of the vendor’s agreements differs to some degree, the basic understandings are the same. Information Systems Associates, Inc. is authorized by each of the vendors to offer the vendor’s software as solutions to Information Systems Associates’ clients. In return, Information Systems Associates Inc. receives a commission on the sale of the software. The percentage ranges between twenty (20) and thirty (35) percent of the sale. The Company also may provide pre-sales support services to the vendor’s clients. In addition, Information Systems Associates, Inc. implements the software solution and provides training to its clients. On an ongoing basis, ISA can and does provide additional consulting services beyond those provided initially to the client.

The need for a better way to capture corporate IT asset information became evident to ISA’s management team. After reviewing the methods and technology in use at that time (1st Quarter 2006) for the purpose of data collection, it was decided within ISA to define a data collection process and subsequently to design and build a software solution capable of delivering quality data (output) through the use of programming techniques that incorporated many of the much needed features and capabilities, especially real time data validation. The result was that by year end of 2007 **ON SITE PHYSICAL INVENTORY®** (OSPI®) was available for resale.

Our customer list includes a number of leading organizations, such as Northrop Grumman Electronic Systems, Verizon, Huntington National Bank, T-Mobile USA, Inc., Cardinal Health, Inc., Chevron and General Electric.

On April 17, 2009, we entered into a strategic alliance and became an investor with Rubicon Software Group, plc. This agreement will create an opening into the European market as well as provide cost effective software development. We continue to retain Rubicon as a provider of maintenance and product updates for OSPI®

INDUSTRY BACKGROUND AND OVERVIEW

Data Center asset management software has existed for more than thirty years, initially through computerized maintenance management systems, and more recently including more comprehensive and robust enterprise asset management and enterprise resource planning solutions. The early computerized maintenance management systems automated daily management of assets, while enterprise resource planning solutions consolidate basic asset information with financial information at the corporate level. Enterprise asset management solutions encompass elements of both, serving as the next evolution of computerized maintenance management system solutions by bridging the gap between asset management and corporate-level planning and tracking requirements.

The key value proposition for enterprise asset management solutions is that they can provide a quick and quantifiable return on investment and return on assets. Cost and productivity improvements can immediately and measurably benefit organizations, and thus are highly desirable to potential customers, particularly in difficult economic times where the focus is increasingly bottom line oriented.

In addition to enterprise asset management solutions, we offer facilities solutions. These are natural extensions to enterprise asset management solutions, as organizations seek to extend asset management and corporate-level planning and tracking onto other elements of the asset lifecycle. The reference to “facilities solutions” includes software application products that are used by corporate Real Estate departments and to software application products used by Data Center Management (Information Technology) to track their computer assets from a financial perspective as well as their usage and connectivity within the corporate IT (Information Technology) network.

PRODUCTS AND SERVICES

Aperture’s VISTA

In order to reduce operational risk and increase operational efficiency, it is essential for IT organizations to define best practices and implement IT frameworks (for example, the IT Infrastructure Library, ITIL) that create a more service-oriented organization. This includes standardizing and automating IT processes from a disparate set of ad hoc tasks to a cohesive, consolidated environment and developing a central repository of information to create institutional memory for the IT organization.

Many organizations have assessed the various facets of the IT organization to improve the logical environment. However, one component which seems to be overlooked quite frequently and that continuously operates within individual silos is the overall physical infrastructure of the data center.

VISTA600 by Avocent Huntsville Corp. provides IT Management with the key information and intelligence to reduce operational risk and improve efficiency in the data center. ISA has in the past and continues to provide consulting services, including data collection using its patented OSPI® system to Aperture’s clients.

VisionFM

VisionFM includes a very flexible asset management system capable of tracking everything from building components such as space utilization to office supplies. The Facilities Manager can define maintenance schedules for which the VisionFM system will generate alerts to those responsible for performing those services and track their status to completion.

ISA assists clients in the selection of VisionFM and provides implementation and training services as needed.

RACKWISE DMC

RACKWISE DMC™ services and products deliver key features to simplify and reduce the time consumed designing, modeling and operating the physical infrastructure of a datacenter. The features of Rackwise include:

- Auto-build visual documentation from imported bill of materials
- Cost savings analysis and reporting
- Modeling and impact analysis of datacenter designs and modifications
- Space, power, cooling, and cable management
- Generate detailed datacenter and rack visualizations
- Ensure racks and the datacenter are within design limits
- Instantly find available datacenter resources
- Improve utilization of power and space

Rubicon Software Group

Rubicon Software works closely with organizations to develop customized software solutions. Rubicon worked closely with ISA in the development of OSPI® v3 and is currently working with ISA in the development of Data CenterEasy v1.

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 the selection of a DCIM or Facilities Management software system, 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 solutions 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 the selected solutions, including the loading of data, documentation of business processes, and integration to other systems.

Training

Upon completion of implementation (and often during implementation), we train customer personnel to utilize the chosen Solutions. 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 for our software solution.

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

THIRD PARTY OFFERINGS

Other Partner Relationships

In addition to the sale of our core solutions and services, we entered into marketing or co-marketing agreements with companies that offer services that are complementary to our offerings. We market these complementary services to our customers and prospects and earn a referral fee if these services are purchased. In some cases our marketing partner markets our solutions to its customers and prospects and can earn a referral fee. At the present time, we have two marketing partners.

BUSINESS CYCLES

Since many of our customers are large organizations or quasi-governmental entities, we have experienced increasingly longer sales and collection cycles. Beginning in 2011, we began factoring our accounts receivables with a third party whereby we receive 80% of the accounts receivable balance when funded and the remainder of the accounts receivable when collected. We also pay a fee at funding of 3%.

CUSTOMERS

We provide our solutions to customers in a variety of industries, including: healthcare, public authorities, manufacturing, retail, telecommunications and financial services sectors. Our services are not industry specific and therefore are not limited by industry.

The services provided vary depending upon the needs of the customer and the solution concerned. We collect service fees for implementation and training, and support and maintenance fees. The criteria used to select the customers listed in the business section and other sections of the document are based on their prominence within their industry, such as Northrop

Grumman, General Electric and Comcast Communications. We do not list companies based upon any specific amount of revenue derived or whether or not they are currently active clients, but rather we have selected these clients based upon the scope of the consulting engagement. This approach provides us with clients from various industries as this sometimes becomes crucial to a prospect in their vendor selection process.

Revenue for select clients during fiscal year 2011

Customer	Solutions(s)	Revenue % of Overall
Avocent Huntsville	Aperture VISTA & OSPI ®Version 2 & 3	31.77%
Chevron	dcTrack & OSPI ®Version 3	27.19%
Visual Network Design, Inc.	Rackwise DCM & OSPI ®Version 2 & 3	6.98%

Revenue for select clients during fiscal year 2010

Customer	Solutions(s)	Revenue % of Overall
iTRAC	OSPI ®Version 2	5.21%
Northrop Grumman	VisionFM	1.61%
Visual Network Design, Inc.	Rackwise DCM & OSPI ®Version 2	6.05%

SALES AND MARKETING

We previously marketed our services primarily through referrals from companies with whom ISA had either a reseller's agreement in place, are authorized to provide consulting service to their client's, or both.

Potential customers were identified through direct contact, responses to requests for information, attendance at trade shows and through industry contacts. We principally focused on professionals and ongoing lead generation through our partner relationships and their VAR (Valued Added Reseller) program referrals.

We use reference customers to assist us in our marketing efforts, both through direct contact with potential customers and through site branding and case studies. We also rely on our co-marketing partners to assist in our marketing efforts.

In January 2011, the company hired sales and marketing representatives to pursue potential customers and channel distribution relationships.

TECHNOLOGY PLATFORM

As Valued Added Resellers, Information Systems Associates, Inc. has sought out and identified those solutions that are based upon proven technology platforms and contain the desired functionality to meet or exceed its client's expectations.

Our partner's technology platform are based on Microsoft core applications, including the Windows operating system and a relational database, all residing on scalable server hardware.

This platform is widely accepted within commercial business and government entities worldwide.

RESEARCH AND DEVELOPMENT

Our initial software development was aimed at defining the core functionality elements of our software application OSPI®, the features and functionality of the follow-up releases, the development of new software components, and the integration of superior third party technology into our environment. .

The strategic alliance with Rubicon allowed us to rewrite OSPI®, version 2, on budget and within the prescribed time frame. OSPI®, version 2 became available December 1, 2009.

COMPETITION

The market for our asset management suite is moderately competitive based on the most recent competitive analysis conducted by ISA. The companies we compete with have much greater financial, technical, research and development resources than us.

The system integration consulting field is comprised of many categories of specialties. There are integrators who specialize in software integration by industry (automotive, manufacturing, pharmaceutical, defense, etc.) and therefore are not considered to be competitors. Our primary competitors in this space are the other Value Added Resellers representing the same products as Information Systems Associates. The relationship with the vendor (software developers) is crucial in gaining an edge on the competition. This relationship is usually strengthened by such factors as the client relationships that the Value Added Reseller already has in place as well as the Value Added Resellers ability to successfully implement and maintain the vendor's solution to the vendor's satisfaction. We believe that Information Systems Associates has developed strong relationships with the solution vendors that it represents which in turn has and will continue to provide Information Systems Associates with sales of its consulting service offerings. We at Information Systems Associates believe that the foundation for this relationship is built upon trust.

The data collection services field has been in existence for many industries for years. The idea of hiring outside companies to conduct inventories of corporate data centers is not new. There are many vendors in this space today that are using techniques that employ the use of text based list or a formatted spread sheet. Information Systems Associates has developed and patented a data collection process for IT assets that employs real time data validation, combined bar code scanning which as best as can be determined is unique in the industry. The major importance of this approach is that the data exported (extracted) from Information Systems Associates' data collection application has been validated and is available immediately to be imported into the client's data center asset management solution. This saves a significant amount of time (could be days or even weeks) in researching errors that are uncovered by the application at the time of the data import.

To become more competitive, we will need to make investments in new product development and improve our market visibility and financial situation. A prime example of this investment is OSPI®, version 3 which provides a cost efficient solution.

Although we offer a broad range of asset network and facilities management solutions as Value Added Resellers, we face significant competition in each of the component product areas from the following companies:

§ Enterprise asset management – related solutions – ShowRack, Nlyte
§ Facilities Management – related solutions – Archibus

In addition, we face competition from organizations that use in-house developers to develop solutions for certain elements of the asset management.

ISA considers data collection and the software it has developed to perform these services, OSPI®, to be one of the two areas of focus for our business. It is the intent of ISA management to promote the software as the practical solution to the specific problems encountered during the data collection process for IT (Information Technology) assets. The promotion of the product and services occurs through direct sales and marketing as well as via industry trade show exhibition and mailings to a targeted audience.

ISA competes for business utilizing sales leads generated by its internal sales and marketing efforts and also on the recommendations of the software vendors for whose product solutions our data collection software is compatible. At the present time, OSPI® is compatible with two vendor's solution; VISTA600 by Avocent Huntsville Corp. (formally Aperture Technologies Inc.) and RACKWISE DCM by Visual Network Design. ISA believes that its current pricing structure combined with the extensive number of data validation processes included in its product make it very competitive. The vast majority of data collection services in existence are focused on the retail industry. Of the competitors that we have been able to identify, our research has not produced any information that would lead us to believe that the competitors can provide the same level of quality services that ISA is capable of delivering with its software solution.

Visual Network Design (VND) does not assign exclusive geographical areas to Value Added Resellers as this would limit the VAR's potential as it relates to the sale of software and services. ISA in now being actively engaged by Visual Network Design to deliver consulting services to its customers (solution installation, data load and training) and offers a "turnkey" service to their clients in which ISA provides the IT asset data collection, RACKWISE DMC software installation, data import (using the data collected previously) and client training in the use of the RACKWISE DMC software. ISA and VND management have identified the role that ISA will play in supporting Visual Network Design's deployment of RACKWISE DCM.

PLAN OF OPERATION

Our major activity is around the sale of asset management software and services related to the software. We have recently:

- Received a Trademark for DataCenterEasy®
- Received a Trademark for EasyMobile®
- Received a Trademark for EasyPortal®
- Received a Copyright for OSPI®
- Received a Trademark for **ON SITE PHYSICAL INVENTORY®**
- U.S. Patent Number 7,752,088 was issued for OSPI® method on July 6,2010

We have hired Dom Lesme as our Chief Operating Officer. Initially, Dom's primary responsibilities are to build an internal sales and marketing staff whereby ISA can directly market and sell its systems and services directly to potential customers. In addition, Dom has hired Bill Nelson as our Director of Product Strategy. Dom, along with Bill and the CEO, Joe Coschera, developed the short and long term evolution of OSPI creating a Product Requirements Document (PRD) that will become ISA's product roadmap. In December of 2011, Mr. Lesme resigned his position.

Our business strategy is to expand our customer base, through superior software functionality and the industry expertise of our employees. In particular, our strategy is comprised of the following key components:

Expand Joint Venture with Visual Network Design, Inc. and Increase Our Customer Base

Working alongside Visual Network Design, Inc., we anticipate an increase in services revenue due largely to the fact that our core service competencies are in alignment with the needs of Visual Network Design, Inc.'s customer base. We have executed a Value Added Reseller Agreement by which ISA is identified on each services quotation submitted by Visual Network Design, Inc. to its prospective clients. ISA is the exclusive provider of data collection services for Visual Network Design's customers. Visual Network Design Inc. utilizes ISA's technical services to support their software solution (RACKWISE DCM) at their client locations which includes the installation, implementation and training of their clients in the proper use and maintenance of the RACKWISE DCM solution.

Information Systems Associates, Inc. has earned the reputation of a capable solution integrator. While we have expanded our customer base, Information Systems Associates, Inc. is committed to solidifying our position as an enterprise asset management company.

Maintain and Enhance Our Technology

Based on the relative pricing and functionality of our product and service offerings as compared with those of our competitors, we consider our service offerings to be competitive, however it is critical that we continue to maintain and enhance our approach to delivering technology solutions. It is our understanding that the current pricing for the services we provide is in some cases significantly less than that charged by the other solution vendors as it relates to our systems integration consulting services. Relative to data collection we believe that based on information received from prospects to which we have spoken that our data collection services are approximately 20% of the project implementation cost to the customer. In addition, because our solution is provided "ready to use" the time (cost) to implement the solution is also decreased which is a direct savings for the client.

Enter Into and Maximize Alliances

We have marketing and other relationships with Avocent Huntsville Corp., Visual Network Design, Inc., Raritan, Veridity, DataCentrix, GammaGroup and Vision Facilities Management LTD. We believe that these and future relationships will help provide us with access to important industry participants and will help increase our brand awareness.

Seek Acquisitions and Strategic Investments

We plan to expand by seeking technologies, products, and services that complement our existing business. If appropriate opportunities are available, we may acquire businesses, technologies or products or enter into strategic relationships that may further diversify revenue sources and product offerings, expand our customer base or enhance our technology platform.

ITEM 1A. RISK FACTORS

The following is a summary of material risks and uncertainties which we face in our business.

If we do not generate positive cash flow and earnings or raise additional debt or equity capital, we may not be able to repay our debt and operating payables.

Investing in our common stock involves a high degree of risk. You should carefully consider the following risk factors before deciding whether to invest in Information Systems Associates. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our business operations or our financial condition. If any of the events discussed in the risk factors below occur, our business, consolidated financial condition, results of operations or prospects could be materially and adversely affected. In such case, the value and marketability of the common stock could decline, and you may lose all or part of your investment.

We are not able to repay our debt and old payables from our operating cash flow. Because of the lingering effects of the recession, ongoing financial issues in Europe, instability in the Middle East and North Africa, difficulties which microcap companies have in raising capital, the lack of available credit for companies like us and our stock price, we may be hampered in our ability to raise the necessary working capital. Even if we do find a source of additional capital, we may not be able to negotiate terms and conditions for receiving the additional capital that are acceptable to us. Any future capital investments may dilute or otherwise materially and adversely affect the holdings or rights of our existing shareholders. In addition, new equity or debt securities issued by us to obtain financing could have rights, preferences and privileges senior to our common stock. We cannot give you any assurance that any additional financing will be available to us, or if available, will be on terms favorable to us.

Our Limited Operating History and Lack of Revenues Makes Evaluating Our Business and Prospects Difficult

While our competitors have operated software development companies for a significant period of time, we have only had limited operations and revenues since our inception in May of 1994. As a result, we have a limited operating history upon which you can evaluate us and our prospects. In addition, we show losses of $893,923, $808,773, and $1,009,195 for the years ended December 31, 2011, 2010 and 2009, respectively.

We Do Not Expect To Pay Dividends On Our Common Stock.

To date, we have not paid any dividends on our common stock. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. Any payment of future dividends and the amounts thereof will depend upon our earnings, financial requirements and other factors deemed relevant by our board of directors.

Now That Our Common Stock Has Become Tradable On The Over-The-Counter Bulletin Board, Sales Of Our Common Stock By Our Principal Shareholder Could Affect The Level Of Public Interest In Our Common Stock As Well As Depress Its Price.

Now that our common stock has become tradable on the Over the Counter Bulletin Board, prospective purchasers will be able to purchase our common stock in the open market. The Selling Security Holders will be able to sell the shares covered by this prospectus on the open market. In addition, because our principal stockholder, Joseph Coschera, owns approximately 22% of our common stock he may dispose of a substantial percentage of his stock after a six month holding period subject to the limitations of Rule 144 under the Securities Act of 1933, as amended. In general, these limitations impose a maximum sale requirement equal to the greater of an amount during the preceding three months of 1% of our outstanding shares or an amount equal to the average weekly reported volume of trading in our common stock on all national securities exchanges and/or reported through the automated quotation system of a registered securities association during the four calendar weeks preceding the filing of a Rule 144 notice. In addition, there are other requirements imposed by Rule 144, including manner of sale and other requirements. If substantial amounts of any of these shares are sold either on the open market or pursuant to Rule 144, there may be downward price pressures on our common stock price, causing the market price of our common stock to decrease in value. In addition, this selling activity could:

- Decrease the level of public interest in our common stock;
- Inhibit buying activity that might otherwise help support the market price of our common stock; and
- Prevent possible upward price movements in our common stock.

We May Be Unable To Obtain The Additional Funding Needed To Enable Us To Operate Profitably In The Future.

Other than the line of credit, we have no other credit facility or other committed sources of capital sufficient to fund our business plan. We may be unable to establish credit arrangements on satisfactory terms. If capital resources are insufficient to meet our future capital requirements, we may have to raise funds to continue development of our operations. To the extent that additional capital is raised through the sale of equity and/or convertible debt securities, the issuance of such securities could result in dilution to our shareholders and/or increased debt service commitments. If adequate funds are not available, we may be unable to sufficiently develop our operations to become profitable.

Our Principal Stockholder Controls Our Board Of Directors And Thereby Controls Our Business Affairs In Which Case You Will Have Little Or No Participation In Our Business Affairs.

Currently, our President, CEO and Director, Mr. Joseph P. Coschera owns approximately 22% of the outstanding shares of Information Systems Associates. Mr. Coschera controls the Board of Directors and therefore controls our business affairs. In addition, Joseph Coschera, by virtue of his ownership percentage, will have significant influence over all matters requiring approval by our stockholders without the approval of minority stockholders. In addition, he will be able to elect all of the members of our Board of Directors, which will allow him to significantly control our affairs and management. Accordingly, you will be limited in your ability to affect change in how we conduct our business.

Our Common Stock Is A "Penny Stock", And Compliance With Requirements For Dealing In Penny Stocks May Make It Difficult For Holders Of Our Common Stock To Resell Their Shares.

The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in "penny stocks." Penny stocks generally are equity securities with a price of less than $5.00, other than securities registered on certain national securities exchanges or quoted on NASDAQ, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. Prior to a transaction in a penny stock, a broker-dealer is required to:

- deliver a standardized risk disclosure document prepared by the SEC;
- provide the customer with current bid and offer quotation for the penny stock;
- explain the compensation of the broker-dealer and its salesperson in the transaction;
- provide monthly account statements showing the market value of each penny stock held in the customer's account;
- make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's approval; and
- provide a written agreement for the transaction.

These requirements may have the effect of reducing the level of trading activity in the secondary market for our stock. Because our shares are subject to the penny stock rules, you may find it more difficult to sell your shares.

Potential Fluctuations In Our Financial Results Make Financial Forecasting Difficult.

- General economic conditions as well as economic conditions specific to our industry;
- Our operating results have varied on a quarterly basis in the past and may fluctuate significantly as a result of a variety of factors, many of which are outside our control. Factors that may affect our quarterly operating results include:
  - long sales cycles, which characterize our industry
  - implementation delays, which can affect payment and recognition of revenue;
  - any decision by us to reduce prices for our solutions in response to price reductions by competitors
  - the amount and timing of operating costs and capital expenditures relating to monitoring or expanding our business, operations and infrastructure
  - the timing of, and our ability to integrate, any future acquisition, technologies or products or any strategic investments or relationships into which we may enter

Due to these factors, our quarterly revenues and operating results are difficult to forecast. We believe that period-to-period comparisons of our operating results may not be meaningful and should not be relied upon as an indication of future performance. In addition, it is likely that in one or more future quarters, our operating results will fall below the expectations of securities analysts and investors. In such event, the trading price of our common shares would almost certainly be materially adversely affected.

ITEM 1A. RISK FACTORS (con't)

The Markets In Which We Operate Are Competitive.

The market for asset lifecycle management solutions is rapidly evolving and intensely competitive. We face significant competition in each segment of our business (sourcing, procurement, enterprise asset management and asset disposition). We expect that competition will further intensify as new companies enter the different segments of our market and larger existing companies expand their product lines.

Some of our competitors have longer operating histories, larger customer bases, greater brand recognition and significantly greater financial, marketing and other resources than we. We cannot assure you that we will be able to compete with them effectively. If we fail to do so, it would have a material adverse effect on our business, financial condition, cash flows and results of operations.

Significant Delays In Product Development Would Result In Loss Of Revenue.

If we experience significant product development delays, our revenues could be substantially reduced, which would adversely affect our operating results. As a result of the complexities inherent in our software, major new product enhancements and new products often require long development and test periods before they are released. On occasion, we have experienced delays in the scheduled release date of new or enhanced products, and we may experience delays in the future. Delays may occur for many reasons, including an inability to hire a sufficient number of developers, discovery of bugs and errors or a failure of our current or future products to conform to industry requirements. Any such delay, or the failure of new products or enhancements in achieving market acceptance, could materially impact our business and result in a decrease in our revenues.

We May Have To Expend Significant Resources To Keep Pace With Rapid Technological Change.

Our industry is characterized by rapid technological change, changes in user and customer requirements, frequent new service or product introductions embodying new technologies and the emergence of new industry standards and practices. Any of these could hamper our ability to compete or render our proprietary technology obsolete. Our future success will depend, in part, on our ability to:

- develop new proprietary technology that addresses the increasingly sophisticated and varied needs of our existing and prospective customers
- anticipate and respond to technological advances and emerging industry standards and practices on a timely and cost-effective basis
- continually improve the performance, features and reliability of our products in response to evolving market demands
- license leading technologies

We may be required to make substantial expenditures to accomplish the foregoing or to modify or adapt our services or infrastructure.

Our Business Could Be Substantially Harmed If We Have To Correct Or Delay The Release Of Products Due To Software Bugs Or Errors.

Our software products may contain undetected errors or bugs when first introduced or as new versions are released. Errors may result in any of the following:

- adverse customer reactions
- negative publicity regarding our business and our products
- harm to our reputation
- loss of or delay in market acceptance
- loss of revenue or required product changes
- diversion of development resources and increased development expenses
- increased service and warranty costs
- legal action by our customers
- increased insurance costs

If We Are Unable To Successfully Protect Our Intellectual Property Or Obtain Certain Licenses, Our Competitive

Position May Be Weakened.

Our performance and ability to compete are dependent in part on our technology. We rely on a combination of patent, copyright, trademark and trade secret laws as well as confidentiality agreements and technical measures, to establish and protect our rights in the technology we develop. We cannot guarantee that any patents issued to us will afford meaningful protection for our technology. Competitors may develop similar technologies which do not conflict with our patents. Others may challenge our patents and, as a result, our patents could be narrowed or invalidated.

Our software is protected by registration. The source code for our proprietary software is protected as a trade secret. As part of our confidentiality protection procedures, we generally enter into agreements with our employees and consultants and limit access to, and distribution of, our software, documentation and other proprietary information. We cannot assure you that the steps we take will prevent misappropriation of our technology or that agreements entered into for that purpose will be enforceable. In order to protect our intellectual property, it may be necessary for us to sue one or more third parties. While this has not been necessary to date, there is no guarantee that we will not be required to do so in future to protect our rights. The laws of other countries may afford us little or no protection for our intellectual property. We also rely on a variety of technology that we license from third parties, including our database and Internet software, which is used to perform key functions.

Both the patent application process and the process of managing patent disputes can be time consuming and expensive. In addition, changes in U.S. patent laws could prevent or limit us from filing patent applications or patent claims to protect our products and/or technologies or limit the exclusivity periods that are available to patent holders. The Leahy-Smith America Invents Act, or the Leahy-Smith Act, was recently signed into law and includes a number of significant changes to U.S. patent law, including the transition from a "first-to-invent" system to a "first-to-file" system and changes to the way issued patents are challenged. These changes may favor larger and more established companies that have more resources than we do to devote to patent application filing and prosecution. The U.S. Patent and Trademark Office is currently developing regulations and procedures to administer the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act will not become effective until one year or 18 months after its enactment. Accordingly, it is not clear what, if any, impact the Leahy-Smith Act will ultimately have on the cost of prosecuting our patent applications, our ability to obtain patents based on our inventions and our ability to enforce or defend our issued patents. However, it is possible that in order to adequately protect our patent under the "first-to-file" system, we will have to allocate significant additional resources to the establishment and maintenance of a new patent application process designed to be more streamlined and competitive in the context of the new "first-to-file" system, which would divert valuable resources from other areas of our business. In addition to pursuing patents on our technology, we have taken steps to protect our intellectual property and proprietary technology by entering into confidentiality agreements and intellectual property assignment agreements with our employees, consultants, corporate partners and, when needed, our advisors. Such agreements may not be enforceable or may not provide meaningful protection for our trade secrets or other proprietary information in the event of unauthorized use or disclosure or other breaches of the agreements, and we may not be able to prevent such unauthorized disclosure. Monitoring unauthorized disclosure is difficult, and we do not know whether the steps we have taken to prevent such disclosure are, or will be, adequate.

Others Could Claim That We Infringe On Their Intellectual Property Rights, Which May Result In Costly And Time-Consuming Litigation.

Our success will also depend partly on our ability to operate without infringing upon the proprietary rights of others, as well as our ability to prevent others from infringing on our proprietary rights. We may be required at times to take legal action in order to protect our proprietary rights. Also, from time to time, we may receive notice from third parties claiming that we infringe their patent or other proprietary rights.

We believe that infringement claims will increase in the technology sector as competition intensifies. Despite our best efforts, we may be sued for infringing on the patent or other proprietary rights of others. Such litigation is costly, and even if we prevail, the cost of such litigation could harm us. If we do not prevail or cannot fund a complete defense, in addition to any damages we might have to pay, we could be required to stop the infringing activity or obtain a license. We cannot be certain that any required license would be available to us on acceptable terms, or at all. If we fail to obtain a license, or if the terms of a license are burdensome to us, this could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Our Business Is Sensitive To The Overall Economic Environment. Any Slowdown In Information Technology Spending Budgets Could Harm Our Operating Results.

Any significant downturn in our customers' markets or in general economic conditions that results in reduced information technology spending budgets would likely result in a decreased demand for our products and services, longer selling cycles and lower prices, any of which may harm our business.

Although We Have Not Yet Issued Any Preference Shares, If Issued, Our Preference Shares Could Prevent Or Delay A

Takeover That Some Or A Majority Of Shareholders Consider Favorable.

Our Board of Directors, without any further vote of our shareholders, may issue preference shares and determine the price, preferences, rights and restrictions of those shares. The rights of the holders of common shares will be subject to, and may be adversely affected by, the rights of the holders of any series of preference shares that may be issued in the future. That means, for example, that we can issue preference shares with more voting rights, higher dividend payments or more favorable rights upon distribution than those for our common shares. If we issue certain types of preference shares in the future, it may also be more difficult for a third party to acquire a majority of our outstanding voting shares and such issuance may, in certain circumstances, deter or delay mergers, tender offers or other possible transactions that may be favored by some or a majority of our shareholders.

EMPLOYEES

We have seven employees none of which are subject to a collective bargaining agreement.

REPORTS TO SECURITY HOLDERS

We are not required to deliver an annual report to security holders and will not voluntarily deliver a copy of the annual report to security holders. If we should choose to create an annual report, it will contain audited financial statements. We intend to file all of our required information with the SEC. We plan to file our Forms 10-K, 10-Q, and all other forms that are or may become applicable with the SEC.

The public may read and copy any materials that are filed by us with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. The Public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The statements and forms filed by us with the SEC have been filed electronically and are available for viewing or copy on the SEC maintained Internet site that contains reports, proxy and information statements, as well as other information regarding issuers that file electronically with the SEC. The Internet address for this site can be found at http://www.sec.gov.

ITEM 2. PROPERTIES

We do not own any real property nor do we have any contracts or options to acquire any real property in the future. Presently, we are renting an office located at 819 S.W. Federal Highway, Suite 206, Stuart, Florida 34994. We occupy 1,352 square feet. This space is adequate for our present and our planned future operations. We pay approximately $1,800 per month in rent for use of this space.

On September 19, 2011, we entered into a 1 year sublease for 2,000 square feet in at 3883 Howard Hughes Parkway, Suite 700 in Las Vegas, Nevada. The sublease commenced on October 15, 2011 and requires monthly payments of $3,000. A security deposit of $3,000 was paid to the landlord.

We also own computer equipment and office furniture for our business. We own several computers, handhelds, storage drives, and network devices which we use to conduct business. These devices are used in the development of our software products and delivery of services to our clients. We also own standard office furniture including desks, chairs, and other personal property relating to our industry. All of this equipment is in good condition. The net book value of property and equipment is $52,500.

ITEM 3. LEGAL PROCEEEDINGS

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. There is no current activity on the lawsuit by either party.

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

None.

PART II

ITEM 5. MARKET FOR COMMON EQUITY, RELATED STOCKHOLDERS MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES MARKET INFORMATION

Our shares of common stock are quoted on the Over-The-Counter Bulletin Board. The Over-The-Counter Bulletin Board is a quotation medium for subscribing members only. Only market makers can apply to quote securities on the Over-The-Counter Bulletin Board. We cannot guarantee that we will obtain a market maker or such a quotation. Although we will seek a market maker for our securities, our management has no agreements, understandings or other arrangements with market makers to begin making a market for our shares. There is no limited trading activity in our securities, and there can be no assurance that a regular trading market for our common stock will ever be developed, or if developed, will be sustained.

Stock Price

	2011				**2010**			
	12/31	9/30	6/30	3/31	12/31	9/30	6/30	3/31
High	$.05	$.08	$.10	$.12	$.11	$.10	$.19	$.14
Low	$.05	$.08	$.10	$.12	$.11	$.10	$.19	$.14

A shareholder in all likelihood, therefore, will not be able to resell their securities should he or she desire to do when eligible for public resale. Furthermore, it is unlikely that a lending institution will accept our securities as pledged collateral for loans unless a regular trading market develops. We have no plans, proposals, arrangements or understandings with any person with regard to the development of a trading market in any of our securities.

AGREEMENTS TO REGISTER

Not applicable.

STOCKHOLDERS

As of December 31, 2011 there were 52 stockholders of record of our common stock.

SHARES ELIGIBLE FOR FUTURE SALE

Upon effectiveness of the registration statement effective on January 24, 2008, only the 5,193,834 shares of common stock sold in this offering will be freely tradable without restrictions under the Securities Act of 1933. The shares held by our affiliates will be restricted by the resale limitations under Rule 144 under the Securities Act of 1933.

In general, under Rule 144 as currently in effect, any of our affiliates and any person or persons whose sales are aggregated who has beneficially owned his or her restricted shares for at least one year, may be entitled to sell in the open market within any three-month period a number of shares of common stock that does not exceed the greater of (i) 1% of the then outstanding shares of our common stock, or (ii) the average weekly trading volume in the common stock during the four calendar weeks preceding such sale. Sales under Rule 144 are also affected by limitations on manner of sale, notice requirements, and availability of current public information about us. Non-affiliates, who have held their restricted shares for one year, may be entitled to sell their shares under Rule 144 without regard to any of the above limitations, provided they have not been affiliates for the three months preceding such sale.

Further, Rule 144A as currently in effect, in general, permits unlimited resale of restricted securities of any issuer provided that the purchaser is an institution that owns and invests on a discretionary basis at least $100 million in securities or is a registered broker-dealer that owns and invests $10 million in securities. Rule 144A allows our existing stockholders to sell their shares of common stock to such institutions and registered broker-dealers without regard to any volume or other restrictions. Unlike under Rule 144, restricted securities sold under Rule 144A to non-affiliates do not lose their status as restricted securities.

The availability for sale of substantial amounts of common stock under Rule 144 could adversely affect prevailing market prices for our securities.

DIVIDENDS

We have not declared any cash dividends on our common stock since our inception and do not anticipate paying such dividends in the foreseeable future. We plan to retain any future earnings for use in our business. Any decisions as to future payment of dividends will depend on our earnings and financial position and such other factors, as the Board of Directors deems relevant.

DIVIDEND POLICY

All shares of common stock are entitled to participate proportionally in dividends if our Board of Directors declares dividends out of the funds legally available. These dividends may be paid in cash, property or additional shares of common stock. We have not paid any dividends since our inception and presently anticipate that all earnings, if any, will be retained for development of our business. Any future dividends will be at the discretion of our Board of Directors and will depend upon, among other things, our future earnings, operating and financial condition, capital requirements, and other factors.

Our shares are "Penny Stocks" within the Meaning of the Securities Exchange Act of 1934.

Our Shares are "penny stocks" within the definition of that term as contained in the Securities Exchange Act of 1934, generally equity securities with a price of less than $5.00. Our shares will then be subject to rules that impose sales practice and disclosure requirements on certain broker-dealers who engage in certain transactions involving a penny stock.

Under the penny stock regulations, a broker-dealer selling penny stock to anyone other than an established customer or "accredited investor" must make a special suitability determination for the purchaser and must receive the purchaser's written consent to the transaction prior to the sale, unless the broker-dealer is otherwise exempt. Generally, an individual with a net worth in excess of $1,000,000 or annual income exceeding $200,000 individually or $300,000 together with his or her spouse is considered an accredited investor. In addition, unless the broker-dealer or the transaction is otherwise exempt, the penny stock regulations require the broker-dealer to deliver, prior to any transaction involving a penny stock, a disclosure schedule prepared by the Securities and Exchange Commission relating to the penny stock market. A broker-dealer is also required to disclose commissions payable to the broker-dealer and the Registered Representative and current bid and offer quotations for the securities. In addition a broker-dealer is required to send monthly statements disclosing recent price information with respect to the penny stock held in a customer's account, the account’s value and information regarding the limited market in penny stocks. As a result of these regulations, the ability of broker-dealers to sell our stock may affect the ability of Selling Security Holders or other holders to sell their shares in the secondary market. In addition, the penny stock rules generally require that prior to a transaction in a penny stock, the broker-dealer make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction.

These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for a stock that becomes subject to the penny stock rules. These additional sales practice and disclosure requirements could impede the sale of Information Systems Associate's securities. In addition, the liquidity for Information Systems Associate's securities may be adversely affected, with concomitant adverse effects on the price of Information Systems Associate's securities. Our shares are subject to such penny stock rules.

ITEM 6. SELECTED FINANCIAL DATA

Not required for smaller reporting companies.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

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

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 Consolidated 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 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, our expansion and acquisition strategy, our ability to achieve operating efficiencies, our dependence on network infrastructure, capacity, telecommunications carriers and other suppliers, industry pricing and technology trends, evolving industry standards, domestic and international regulatory matters, general economic and business conditions, the strength and financial resources of our competitors, our ability to find and retain skilled personnel, the political and economic climate in which we conduct operations and the risk factors described from time to time in our other documents and reports filed with the Securities and Exchange Commission (the "Commission"). Additional factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to: 1) our ability to successfully develop, manufacture and deliver our products on a timely basis and in the prescribed condition; 2) our ability to compete effectively with other companies in the same industry; 3) our ability to raise sufficient capital in order to effectuate our business plan; and 4) our ability to retain our key executives.

OUR COMPANY

We were incorporated in Florida on May 31, 1994 to engage in the business of developing software for the financial and asset management industries. We are currently engaged and plan to continue in the sale of asset management software for corporate information technology data centers and networks. Our executive offices are currently located 819 S.W. Federal Highway, Suite 206, Stuart, Florida 34994. Our telephone number is (772) 403-2992. Information Systems Associates, Inc. is a "Solution Provider" positioned to develop and deliver comprehensive asset management systems for both real estate and data center assets.

Our company delivers turnkey software and service solutions that give large corporations control of their IT assets. Our mobile asset solution addresses Data Center equipment inventory, Space Utilization, Power and Connectivity management.

In conjunction with our Data Center Asset Management solutions, ISA also offers state of the art asset data collection and audit services focusing on the enterprise IT infrastructure. The data collection service is based on our solution OSPI®. On March 19, 2012 ISA announced its data center asset management solution DataCenterEasy®. The DataCenter*Easy* System provides Mobile Data Center Asset Management on a handheld device. It dramatically reduces the time and effort spent managing changes to the data center or performing asset inventories while greatly improving the accuracy of asset management data. It is the only mobile asset management system purpose built for use in the data center. It puts a full mobile solution in the data center manager's hand, allowing data to be managed while in the data center at the time and place changes occur.

RESULTS OF OPERATIONS

Because this is only a financial summary, it does not contain all the financial information that may be important to you. It should be read in conjunction with the consolidated financial statements and related notes presented in a later section.

The following tables set forth certain operating information in dollars and as a percentage of net sales:

<u>Year ended December 31, 2011 compared to December 31, 2010</u>

Revenues were $666,152 and $1,070,704 for the years ended December 31 2011 and 2010, respectively. The decrease was due primarily to the fact that we ceased offering OSPI v2 for sale during the period of time that OSPI v3 was under development. Service revenue decreased in part due to the expiration of the multi-year service agreement with one of our customers. We recognize professional services revenue, which includes installation, training, consulting and engineering services, upon delivery of the services. If the professional service project includes independent milestones, revenue is recognized as milestones are met and upon acceptance from the customer. As part of our ongoing operations to provide services to our customers, incidental expenses, if reimbursable under the terms of the contracts, are billed to customers. These expenses are recorded as both revenues and direct cost of services.

Gross profit was $603,555 and $1,039,307 for the years ended December 31 2011 and 2010, respectively, while gross margin percentage for the same period was 90.6% and 97.07%. The primary cost for 2011 was maintenance and support while the primary cost for 2010 was software.

Operating expenses for the years December 31, 2011 and 2010 were $1,457,108 and $1,790,546, respectively. In 2011 in addition to hiring a new Chief Operating Officer we hired several additional sale and maintenance personnel in comparison to only one new position in 2010. Our salaries and employee benefits increased 119.4% or $337,118 over 2010. This was due primarily to the hiring of 5 new employees. This increase in 2011was offset by a decrease over 2010 professional fees and administrative and general expenses of 27.1% and 54.2%, respectively.

We had a net loss of $893,923 and $808,773 from continuing operations for the years ended December 31, 2011 and 2010, respectively. Although our operating expenses decreased 18.6% or $333,348 from 2010 to 2011, our revenues also decreased 37.8% or $404,552.

STATEMENT OF FINANCIAL CONDITION

December 31, 2011 compared to December 31, 2010

Available cash was $988 and $70,326 as of December 31, 2011 and 2010, respectively. The decrease is primarily due to the Company experiencing timing differences between outlay of cash for services and collection. In December, 2011 we began factoring our accounts receivable to shorten this timing difference.

Total current assets were $224,157 and $280,028 as of December 31, 2011 and 2010, respectively. The Company used cash to pay operating expenses associated with our services due to the time needed for our clients to pay our sales invoices. Our prepaid consulting expenses decreased due to renegotiation of existing contracts with our consultants.

Property and equipment, net were $52,500 and $19,684 as of December 31, 2011 and 2010 respectively. The increase is due primarily to the amortization of software development costs for Version 2 of OSPI®. At December 31, 2011 we had $27,017 of unamortized software development costs for Version 3 as opposed to $ -0- for the previous year end.

Current liabilities were $594,378 and $113,510 as of December 31, 2011 and 2010, respectively. During 2011, we increased our borrowing significantly. We incurred $115,126 in notes payable from factoring our account receivables. This borrowing was collateralized by our accounts receivable balance in the amount of $184,232. Two accredited investors loan us $274,427 in the form of convertible notes payable. These convertible notes can be converted into common stock. We also borrowed $25,000 from our Chief Executive Officer.

IMPACT OF INFLATION

We believe that inflation has had a negligible effect on operations during the years ended December 31, 2011 and 2010. We believe that we can offset inflationary increases in the cost of revenue by increasing revenue and improving operating efficiencies.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows used in operations were $637,499 and $135,030 for the years ended December 31, 2011 and 2010, respectively. Cash flows used in operations in 2011 were primarily attributable to a net loss of $893,923 and an increase in accounts receivable of $91,339, which were partially offset by non-cash expenses for depreciation and common stock issued for services of $165,416 and $100,000, respectively. An increase in accounts payable of $71,041also was a partial offset of our net loss for 2011. Cash flows used in operations in 2010 were primarily attributable to a net loss of $808,773 and a decrease in accounts payable of $60,709. This was partially offset by non-cash expenses of common stock issued for services of $527,313 and depreciation and amortization expenses of $156,309.

Cash flows used in investing activities were $51,940 for the year ended December 31, 2011 and were due primarily to investing in software development costs for our Version 3 of OSPI and purchases of new computer equipment and office equipment for our Las Vegas administrative sales office in the amounts of $36,022 and $19,318, respectively. For the year ended December 31, 2010, cash of $8,295 was provided from our investing activities due mainly from $10,000 received proceeds from the sale of stock of one of our service providers. This was offset by $1,705 in purchases of new equipment.

We incurred $115,126 in notes payable from factoring our account receivables. This borrowing was collateralized by our accounts receivable balance in the amount of $184,232. Two accredited investors loan us $250,000 in the form of convertible notes payable. These convertible notes can be converted into common stock. We also borrowed $25,000 from our Chief Executive Officer. Cash flows provided by financing activities were $620,101 and $176,014 for the years ended December 31, 2011 and 2010, respectively. Cash flows provided by financing activities in 2010 were funded by the proceeds from the sale of our stock in the amount of $160,000 and proceeds, net of our payments, from borrowing on our line of credit in the amount of $16,086.

Overall, we have funded our cash needs from inception through December 31, 2011 and 2010 with a series of debt and equity transactions.

At December 31, 2011, we had cash on hand of $988 and negative working capital of $370,221 while at December 31, 2010 we had cash on hand of $70,326 and a positive working capital of $166,518. Without an infusion in capital and an increase in sales, we may not be able to sustain our operations. We increased significantly our borrowings in 2011 and we will need to obtain additional capital through equity financing to sustain operations for the near future. During 2011, we were able to sustain our operation due to new borrowings of $414,553, of which $274,427 is convertible into our common stock and $115,126 which is collateralized by our accounts receivable. We also incurred $139,609 in accounts payable, the majority of which is unsecured credit card debt. In addition, our Chief Executive Officer loaned us $25,000. We were also able to sell

3,800,000 shares of our common stock for cash proceeds of $230,000. Since a majority of our debt is of a current nature and if we do not increase our revenues, we will require a capital infusion of approximately $600,000 to sustain operations through year 2012. Modifications to our business plans may require additional capital for us to operate. For example, if we want to offer a greater number of products or increase our marketing efforts, we may need additional capital. Failure to raise capital may result in lower revenues and market share for us. In addition, there can be no assurance that additional capital will be available to us when needed or available on terms favorable to us.

Mr. Coschera is a personal guarantor on a line of credit to provide additional working capital to the Company. At year end December 31, 2011 there was borrowing against the line of credit in the amount of $35,146. No other person or entity is liable for, surety for or otherwise provides a guarantee for our debt financing from outside resources. Demand for the products and services will be dependent on, among other things, market acceptance of our services, the computer software market in general, and general economic conditions, which are cyclical in nature. In as much as a major portion of our activities is the receipt of revenues from services rendered, our business operations may be adversely affected by our competitors and prolonged recession periods.

Our success will be dependent upon implementing our plan of operations and the risks associated with our business plan.

There are no significant amount of our trade payables that have been unpaid within the stated terms of our borrowing agreements. We are current on our trade payables but in most cases we pay only the minimum payment. We are not subject to any unsatisfied judgments, liens or settlement obligations.

OFF BALANCE SHEET ARRANGEMENTS

We have no-off balance sheet contractual arrangements, as that term is defined in Item 303(a)(4) of Regulation S-K.

CRITICAL ACCOUNTING POLICIES

Our consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and judgments. We believe that the determination of the carrying value of our long-lived assets, the valuation allowance of deferred tax assets and valuation of share-based payment compensation are the most critical areas where management's judgments and estimates most affect our reported results. While we believe our estimates are reasonable, misinterpretation of the conditions that affect the valuation of these assets could result in actual results varying from reported results, which are based on our estimates, assumptions and judgments as of the balance sheet date.

Revenue Recognition

The Company recognizes revenue in accordance with Security Exchange Commission (SEC) Staff Accounting Bulletin No. 104, "Revenue Recognition" and Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 605-25, "Revenue Recognition Multiple-element Arrangements"

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 periods ending December 31, 2011 and 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 ASC 350-40 "Internal-Use Software". As required by ASC 350-40, the Company capitalizes the costs incurred during the application development stage, 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 a period of one to three years. 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.

On October 1, 2011, we released Version 3 of the OSPI® software for sale in the marketplace. The Company accounts for internally produced software with FASB ASC 985-20 "Cost of Software to Be Sold, Leased, or Otherwise Marketed". Costs were capitalized when the third version was established as technically feasible and will be written off on a straight line method over the estimated useful life.

Sale of Accounts Receivable

The Company accounts for the sale of our accounts receivable to a third party in accordance with ASC 860-10-40-5 "Accounting for the Transfer of Financial Assets". ASC 860-10 requires that several conditions be met in order to present the sale of accounts receivable net of related debt in the asset section of our balance sheet. Even though we have isolated the transferred (sold) assets and we have the legal right to transfer our assets (accounts receivable) we do not meet the third test of effective control since our accounts receivable sales agreement requires us to be liable in the event of default by one of our customers. Because we do not meet all three conditions, we do not qualify for this treatment and our debt incurred with respect to the sale of our accounts receivable is presented as a liability on our balance sheet. The effect of this materially impacts our financial statements by increasing debt by $115,526 at December 31, 2011.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

Subsequent Events

ASU 2010-09 e addresses both the interaction of the requirements of this pronouncement with the SEC's reporting requirements and the intended breadth of the reissuance disclosure provision related to subsequent events. An entity that either is (a) an SEC filer or (b) is a conduit bond obligor for conduit debt securities that are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local or regional markets) is required to evaluate subsequent events through the date that the financial statements are issued. If an entity meets neither of those criteria, then it should evaluate subsequent events through the date the financial statements are available to be issued. An entity that is an SEC filer is not required to disclose the date through which subsequent events have been evaluated. This change alleviates potential conflicts between ASC 855-10 and the SEC's requirements. The adoption of this provision will not impact the Company's financial statements.

Fair Value Measurements

ASU 2010-06 was issued to improve disclosure requirements related to Fair Value Measurements and Disclosures-Overall Subtopic (ASC 820-10 originally issued as FASB Statement No. 157, "Fair Value Measurements". Under this update, a reporting entity should disclose separately the amount of significant transfer in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers. For Level 3 fair value measurements, a reporting entity should present separately information about purchase, sales, issuances and settlements. The adoption of ASU No. 2010-06 will not impact the Company's financial statements.

In May 2011, the FASB issued ASU 2011-04 which was issued to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and IFRS. ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for Level 3 fair value measurements. The new requirements relating to fair value measurements are prospective and effective for interim and annual periods beginning after December 15, 2011, with early adoption prohibited. We do not expect that the adoption of this standard will have a material impact on our results of operations, cash flows or financial condition.

Stock Compensation

In April, 2010, the FASB issued ASU 2010-13 to address the classification of an employee share-based payment with an exercise price denominated in the currency of a market in which the underlying equity security trades. ASC 718, Compensation—Stock Compensation, provides guidance on the classification of a share-based payment award as either equity or a liability. A share-based payment award that contains a condition that is not a market, performance, or service condition is required to be classified as a liability. The amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010. The Company believes there will no impact to their financial statements due to the implementation of ASU 2010-13.

Intangibles-Goodwill and Other

Under ASU 2010-28, "Intangibles – Goodwill and Other" (ASC 350) testing for goodwill impairment is a two-step test. When a goodwill impairment test is performed (either on an annual or interim basis), an entity must assess whether the carrying amount of a reporting unit exceeds its fair value (Step 1). If it does, an entity must perform an additional test to determine whether goodwill has been impaired and to calculate the amount of that impairment (Step 2). The objective of this Update is to address questions about entities with reporting units with zero or negative carrying amounts.
For public entities, the amendments in this Update are effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. Early adoption is not permitted. The Company does not anticipate any material impact on the Company's financial statements due to this update

In September 2011, the FASB issued ASU 2011-08 which provides an entity the option to first assess qualitative factors to determine whether it is necessary to perform the current two-step test for goodwill impairment. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required. The revised standard is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. We do not expect that the adoption of this standard will have a material impact on our results of operations, cash flows or financial condition.

Receivables

ASU 2011-01, "Receivables", temporarily delays the effective date of the disclosures about troubled debt restructurings in ASU 2010-20 for public entities. Currently, that guidance is anticipated to be effective for interim and annual periods ending after June 15, 2011. Under the existing effective date in ASU 2010-20, public-entity creditors would have provided disclosures about troubled debt restructurings for periods beginning on or after December 15, 2010. The amendments in this Update temporarily defer that effective date, enabling public-entity creditors to provide those disclosures after the Board clarifies the guidance for determining what constitutes a troubled debt restructuring. The deferral in this Update will result in more consistent disclosures about troubled debt restructurings. This amendment does not defer the effective date of the other disclosure requirements in ASU 2010-20. The Company does not believe ASU 2011-01 will have a significant impact on the Company's financial statements.

Comprehensive Income

In June 2011, FASB issued Accounting Standards Update 2011-05, "Comprehensive Income" to amend requirements relating to the presentation of comprehensive income. The update eliminates the option to present components of other comprehensive income as part of the statement of changes in stockholders' equity and provides an entity with the option to present comprehensive income in a single continuous financial statement or in two separate but consecutive statements. The new requirements relating to the presentation of comprehensive income are retrospective and effective for interim and annual periods beginning after December 15, 2011, with early adoption permitted. Also, in December 2011, FASB issued Accounting Standards Update 2011-12, "Comprehensive Income" to abrogate the requirement for presentation in the income statement of the effect on net income of reclassification adjustments out of AOCI as required in Accounting Standards Update 2011-05. We do not expect that the adoption of this standard will have a material impact on our results of operations, cash flows or financial condition.

Balance Sheet Disclosures-Offsetting Assets and Liabilities

In December 2011, FASB issued Accounting Standards Update 2011-11, "Balance Sheet - Disclosures about Offsetting Assets and Liabilities" to enhance disclosure requirements relating to the offsetting of assets and liabilities on an entity's balance sheet. The update requires enhanced disclosures regarding assets and liabilities that are presented net or gross in the statement of financial position when the right of offset exists, or that are subject to an enforceable master netting arrangement. The new disclosure requirements relating to this update are retrospective and effective for annual and interim periods beginning on or after January 1, 2013. The update only requires additional disclosures, as such, we do not expect that the adoption of this standard will have a material impact on our results of operations, cash flows or financial condition.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

We are exposed to market risks, including changes in interest rates. The interest payable under our credit facility, under which we had $35,146 at December 31, 2011, is based on a specified bank's prime interest rate and, therefore, is affected by changes in market interest rates. Historically, the effects of movements in the market interest rates have been immaterial to our operating results, as we have not borrowed to any significant degree until 2011. In 2011, we incurred significant debt from loans by factoring our accounts receivable, credit card debt, convertible notes payable to two investors and notes payable to our Chief Executive Officer. This debt has fixed rates of interest and in management's opinion does not represent a material market risk.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
and Stockholders of Information Systems Associates, Inc.

We have audited the accompanying balance sheets of Information Systems Associates, Inc. as of December 31, 2011 and 2010, and the related statements of operations, stockholders' equity and comprehensive (loss), and cash flows for each of the years in the two-year period ended December 31, 2011 and 2010. Information Systems Associates Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Information Systems Associates, Inc. as of December 31, 2011 and 2010, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2, the Company has incurred significant losses. The Company's viability is dependent upon its ability to obtain future financing and the success of its future operations. These factors raise substantial doubt as to the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Lake & Associates CPA's LLC

Lake & Associates CPA's LLC
Boca Raton, Florida
March 26, 2012

INFORMATION SYSTEMS ASSOCIATES, INC.
BALANCE SHEETS

ASSETS

	As of December 31, 2011		As of December 31, 2010	
Current Assets				
Cash and cash equivalents	$	988	$	70,326
Accounts receivable		184,232		92,893
Prepaid consulting		22,500		109,187
Prepaid expenses		16,437		7,622
Total Current Assets		224,157		280,028
Property and Equipment (net)		52,500		19,684
TOTAL ASSETS	$	276,657	$	299,712

LIABILITIES AND STOCKHOLDERS' EQUITY

	2011		2010	
Current Liabilities				
Accounts payable	$	139,609	$	68,568
Notes payable - factoring		115,126		
Note payable - line of credit		35,146		36,141
Note payable - insurance		4,174		3,204
Note payable - related party		25,000		-
Notes payable - convertible, net		274,427		-
Accrued expenses and other liabilities		896		2,405
Deferred revenue		-		3,192
Total Current Liabilities		594,378		113,510
Stockholders' Equity				
Common stock-$.001 par value, 50,000,000 shares authorized, 28,666,084 and 22,266,084 issued and outstanding for 2011 and 2010, respectively		28,666		22,266
Additional paid in capital		3,164,813		2,781,213
Accumulated deficit		(3,511,200)		(2,617,277)
Total Stockholders' Equity		(317,721)		186,202
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	276,657	$	299,712

The accompanying notes are an integral part of these financial statements

INFORMATION SYSTEM ASSOCIATES, INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2011 and 2010

	2011	2010
Revenue	$666,152	$1,070,704
Cost of Sales	62,597	31,397
Gross Profit	603,555	1,039,307
Operating Expenses		
Administrative and general	395,917	543,044
Salaries and employee benefits	619,526	282,408
Professional	441,665	965,094
Total Operating Expenses	1,457,108	1,790,546
(Loss) Before Other Income (Expense)	(853,553)	(751,239)
Other Income (Expense)		
Interest income	-	-
Miscellaneous income	21	30
Interest expense	(39,995)	(10,217)
Loss on sale of investments		(47,347)
Loss on sale of property and equipment	(396)	-
Total Other Income (Expense)	(40,370)	(57,534)
(Loss) From Operations Before Income Taxes	(893,923)	(808,773)
Provision for Income Taxes	-	-
Net (Loss)	(893,923)	(808,773)
Other Comprehensive (Loss)		
Unrealized gain/(loss) on securities:		
Arising during the year		13,399
Total other comprehensive (loss)	-	13,399
Comprehensive (Loss)	$(893,923)	$(795,374)
Basic and Fully Diluted (Loss) per Share:		
Basic and fully diluted	$(0.03)	$(0.04)
Weighted average common shares outstanding	27,308,284	20,536,920

The accompanying notes are an integral part of these financial statements

INFORMATION SYSTEMS ASSOCIATES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2011	2010
Cash Flows from Operating Activities		
Net (Loss)	$(893,923)	$(808,773)
Adjustments to reconcile net (loss) to net cash provided from operating activities:		
Depreciation and amortization	165,416	156,309
Loss on sales of assets	395	
Bad debt expense		2,625
Common stock for services	100,000	527,313
Beneficial conversion feature	12,795	
Original issue discount	11,632	
Loss on sale of security	-	47,347
(Increase) decrease in:		
Accounts receivable	(91,339)	(60,709)
Prepaid expenses	(8,815)	67
Increase (decrease) in:		
Accounts payable	71,041	1,658
Accrued expenses and other liabilities	(1,509)	(2,180)
Deferred revenue	(3,192)	1,313
Net Cash (Used in) Operating Activities	(637,499)	(135,030)
Cash Flows from Investing Activities		
Software development costs	(36,022)	
Purchase of property and equipment	(19,318)	(1,705)
Proceeds from sale of assets	3,400	
Proceeds from sale of investment		10,000
Net Cash (Used In) Investing Activities	(51,940)	8,295
Cash Flows from Financing Activities		
Proceeds from line of credit	18,705	19,000
Payments made on line of credit	(19,700)	(2,914)
Borrowings from note payable		7,559
Payments made on note payable		(7,631)
Net proceeds from insurance financing	970	
Proceeds from accounts receivable financing	115,126	
Proceeds from related party debt	25,000	
Proceeds from convertible notes payable	250,000	
Proceeds from issuance of stock	230,000	160,000
Net Cash Provided by Financing Activities	620,101	176,014
Net Change in Cash and Cash Equivalents	(69,338)	49,279
Cash and Cash Equivalents at Beginning of Period	70,326	21,047
Cash and Cash Equivalents at End of period	$988	$70,326

The accompanying notes are an integral part of these financial statements

INFORMATION SYSTEMS ASSOCIATES, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock		Preferred Stock		Additional Paid in	Accumulated	Accumulated Other Comprehensive	
	Shares	Amount	Shares	Amount	Capital	Deficit	Income (Loss)	Total
Balance, January 1, 2010	18,266,084	18,266	-	-	2,179,213	(1,808,504)	(13,399)	375,576
Issuance of stock for services	2,400,000	2,400	-	-	443,600	-	-	446,000
Proceeds from issuance of stock	1,600,000	1,600	-	-	158,400	-	-	160,000
Net (loss)	-	-	-	-	-	(808,773)	-	(808,773)
Comprehensive Income:								
Unrealized gain on investment	-	-	-	-	-	-	13,399	13,399
Balance, December 31, 2010	22,266,084	$ 22,266	$-	$-	$ 2,781,213	$ (2,617,277)	$ -	$ 186,202
Issuance of stock for services	2,600,000	2,600	-	-	157,400	-	-	160,000
Proceeds from issuance of stock	3,800,000	3,800			226,200	-	-	230,000
Net Loss	-	-	-	-	-	(893,923)	-	(893,923)
Balance, December	28,666,084	$ 28,666	$ -	$	$ 3,164,813	$ (3,511,200)	$ -	$ (317,721)

The accompanying notes are an integral part of these financial statements

INFORMATION SYSTEMS ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 1 – STATEMENT 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 services and software system design for the planning and implementation of Computer Aided Facilities Management (CAFM) based asset management tools.

Cash and Cash Equivalent

For the purposes of the Statement of Cash Flows, the Company considers liquid investments with an original maturity of three months or less to be a cash equivalent.

Concentrations of Credit Risk

The Company grants credit to its customers during the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and generally requires no collateral from its customers.

At times throughout the year the Company may maintain certain bank accounts in excess of the FDIC insured limits. At December 31, 2011 and 2010, amounts on deposit at institutions did not exceed FDIC insured limits.

Revenue Recognition

The Company recognizes revenue in accordance with Security Exchange Commission (SEC) Staff Accounting Bulletin No. 104, "Revenue Recognition" and Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 605-25, “Revenue Recognition Multiple-element Arrangements”

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 recognized as the services are rendered for time and material contracts, and when the milestones are achieved and accepted by the customer for fixed price contracts. The majority of the Company’s 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 those costs over the same time period as the consulting revenue is recognized. We did not have any revenue arrangements with multiple deliverables for the periods ending December 31, 2011 and 2010.

Comprehensive Income (Loss)

The Company adopted FASB ASC Codification 220 “Comprehensive Income”, which establishes standards for the reporting and display of comprehensive income and its components in the financial statements.

Comprehensive income (loss) is the total of (1) net income (loss) plus (2) all other changes in the net assets arising from non-owner sources, which are referred to as comprehensive income. The Company has presented statements of income which includes other comprehensive income or loss.

Income Taxes

Income taxes are provided in accordance FASB ASC 740 “Income Taxes”. A deferred tax asset or liability is recorded for all temporary differences between financial and tax and net operating loss carry forwards. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or the entire deferred tax asset will not be realized. Deferred tax assets and liabilities are adjusted for the effect of changes in tax laws and rates on the date of enactment.

Fair Value of Financial Instruments

The carrying amounts reported in the balance sheet for cash, accounts receivable and payables and notes and loans payable approximate fair value based on the short-term maturity of these instruments. The carrying value of the Company’s long-term debt approximated its fair value based on the current market conditions for similar debt instruments.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Accounts Receivable

Accounts receivable are stated at estimated net realizable value. Accounts receivable are comprised of balances due from customers net of estimated allowances for uncollectible accounts. In determining the collections on the account, historical trends are evaluated and specific customer issues are reviewed to arrive at appropriate allowances.

The Company is subject to FASB ASC 860-10 "Accounting for Transfers of Financial Assets" which provides accounting guidance when a financial asset is transferred or sold. At December 31, 2011, the Company's accounts receivables were subject to a secured agreement with a third party factoring company. The transfer of the accounts receivable does not qualify for sale treatment so the Company has recorded the full value of the accounts receivable as an asset on its balance sheet with the secured borrowing recorded as a liability.

Property 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. Leasehold improvements are expensed over the term of our lease.

The Company recognizes 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.

Impairment of Long-Lived Assets

The Company evaluated the recoverability of its property, equipment, and other assets in accordance with FASB ASC 360 "Property, Plant and Equipment", which requires recognition of impairment of long-lived assets in the event the net book value of such assets exceed the estimated future undiscounted cash flows attributable to such assets or the business to which such intangible assets relate.

Software Development Costs

The Company accounts for costs incurred to develop computer software for internal use in accordance with FASB ASC 350-40 "Internal-Use Software". As required by ASC 350-40, the Company capitalizes the costs incurred during the application development stage, 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 a period of one to three years. 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.

On October 1, 2011 and December 31, 2010, the Company released Version 3 and Version 2 of the "On Site Physical Inventory Software (OSPI), respectively, for sale in the marketplace. The Company accounts for internally produced software with FASB ASC 985-20 "Cost of Software to Be Sold, Leased, or Otherwise Marketed". Costs were capitalized when the second and third versions were established as technically feasible and were written off on a straight line method over the estimated useful life.

Share-Based Payments

The Company accounts for payments of goods and services with stock with FASB ASC 719 "Compensation-Stock

Compensation", which establishes standards for transactions in which an entity exchanges its equity instruments for goods and services.

This standard requires a public entity to measure the cost of employee services using an option-pricing model, such as the Black-Scholes Model, received in exchange for an award of equity instruments based on the grant-date fair value of the award. Shares of common stock issued for services rendered by a third party are recorded at the fair market value of the shares issued or services rendered, whichever is more readily determinable.

Dividends

The Company has not yet adopted any policy regarding payment of dividends. No dividends have been paid or declared since inception.

Advertising Expenses

Advertising costs are expensed as incurred. For the years ended December 31, 2011 and 2010 advertising expenses totaled $1,254 and $641, respectively.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Earnings (Loss) Per Share

The Company reports earnings (loss) per share in accordance with FASB Accounting Standards Codification 260 "Earnings per Share". This statement requires dual presentation of basic and diluted earnings (loss) with a reconciliation of the numerator and denominator of the loss per share computations. Basic earnings per share amounts are based on the weighted average shares of common stock outstanding. If applicable, diluted earnings per share assume the conversion, exercise or issuance of all common stock equivalents such as options, warrants and convertible securities, unless the effect is to reduce a loss or increase earnings per share. Accordingly, this presentation has been adopted for the periods presented. There were no adjustments required to net income for the period presented in the computation of diluted earnings per share. There were no common stock equivalents (CSE) necessary for the computation of diluted loss per share.

Recent Accounting Literature

Compensation—Stock Compensation

(Accounting Standards Update ("ASU") 2010-13)

In April, 2010, the FASB issued ASU 2010-13 to address the classification of an employee share-based payment with an exercise price denominated in the currency of a market in which the underlying equity security trades. ASC 718, Compensation—Stock Compensation, provides guidance on the classification of a share-based payment award as either equity or a liability. A share-based payment award that contains a condition that is not a market, performance, or service condition is required to be classified as a liability. The amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010. The Company believes there will no impact to their financial statements due to the implementation of ASU 2010-13.

Subsequent Events

(ASU 2010-09)

This Update addresses both the interaction of the requirements of this pronouncement with the SEC's reporting requirements and the intended breadth of the reissuance disclosure provision related to subsequent events.

An entity that either is (a) an SEC filer or (b) is a conduit bond obligor for conduit debt securities that are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local or regional markets) is required to evaluate subsequent events through the date that the financial statements are issued. If an entity meets neither of those criteria, then it should evaluate subsequent events through the date the financial statements are available to be issued.

An entity that is an SEC filer is not required to disclose the date through which subsequent events have been evaluated. This change alleviates potential conflicts between ASC 855-10 and the SEC's requirements. The adoption of this provision will not impact the Company's financial statements.

Fair Value Measurements and Disclosures

(ASU2011-04)

In May 2011, the FASB issued ASU 2011-04 which was issued to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and IFRS. ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for Level 3 fair value measurements. The new requirements relating to fair value measurements are prospective and effective for interim and annual periods beginning after December 15, 2011, with early adoption prohibited.

Comprehensive Income (loss)

(ASU 2011-12)

In June 2011, FASB issued Accounting Standards Update 2011-05, “Comprehensive Income” to amend requirements relating to the presentation of comprehensive income. The update eliminates the option to present components of other comprehensive income as part of the statement of changes in stockholders' equity and provides an entity with the option to present comprehensive income in a single continuous financial statement or in two separate but consecutive statements. The new requirements relating to the presentation of comprehensive income are retrospective and effective for interim and annual periods beginning after December 15, 2011, with early adoption permitted. Also, in December 2011, FASB issued Accounting Standards Update 2011-12, “Comprehensive Income” to abrogate the requirement for presentation in the income statement of the effect on net income of reclassification adjustments out of AOCI as required in Accounting Standards Update 2011-05.

Balance Sheet Disclosures-Offsetting Assets and Liabilities

(ASU 2011-11)

In December 2011, FASB issued Accounting Standards Update 2011-11, “Balance Sheet - Disclosures about Offsetting Assets and Liabilities” to enhance disclosure requirements relating to the offsetting of assets and liabilities on an entity's balance sheet. The update requires enhanced disclosures regarding assets and liabilities that are presented net or gross in the statement of financial position when the right of offset exists, or that are subject to an enforceable master netting arrangement. The new disclosure requirements relating to this update are retrospective and effective for annual and interim periods beginning on or after January 1, 2013.

Reclassifications

Certain reclassifications have been made to the prior period financial statements presented to conform to 2011. Such reclassifications had no effect on reported income.

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.

NOTE 2 – GOING CONCERN

As reflected in the accompanying financial statements, the Company had a net operating loss for the year ended December 31, 2011 of $893,923. The total accumulated deficit as of December 31, 2011 was $3,511,200. The ability of the Company to continue as a going concern is dependent on the Company's ability to further implement its business plan and raise capital. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 3 – CASH AND CASH EQUIVALENT

	2011	2010
Wachovia Bank (FDIC insured to $250,000)	$811	$70,149
Petty cash	177	177
Total cash and cash equivalent	$988	$70,326

NOTE 4 – PROPERTY AND EQUIPMENT

	2011	2010
Computer software (developed for internal use)	$ 36,022	$ 162,346
Computer software (purchased)	590	590
Web site development	10,072	10,072
Furniture, fixtures, and equipment	40,712	27,752
Leasehold improvements	1,664	-
	89,060	200,760
Less accumulated depreciation and amortization	(36,560)	181,076
Property and equipment (net)	$ 52,500	$ 19,684
Depreciation and amortization expense	$ 18,729	$ 156,309

NOTE 5 – COMPUTER SOFTWARE DEVELOPED FOR INTERNAL USE

Version 3 of the Company's "On Site Physical Inventory" (OSPI) product is currently under development and has been released. The Company has capitalized the cost of the OSPI software using FASB Accounting Standards Codifications 350-40 "Internal Use Software" as follows:

	2011	2010
Development costs	$36,022	$297,603
Software license agreement – payments received	-	(135,257)
	36,022	162,346
Less: accumulated depreciation and amortization	9,005	162,346
	$27,017	$-

NOTE 6 – INVESTMENT

On April 30, 2010 the Company entered into an agreement whereby 2,500,000 shares of stock held in Rubicon Software Group, lpc, a company registered under the laws of England and Wales, ("Rubicon") 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.

As part of an earlier agreement with Rubicon the Company agreed to serve as 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 purchased 2,500,000 ordinary shares for a subscription price in British pounds of two pence a share with an option to purchase an additional 2,500,000 within 90 days. The total cost of the subscription was £50,000 or $73,958, USD. The ninety day period lapsed with the Company not purchasing any additional shares.

Securities investments not classified as either held-to-maturity or trading securities are classified as available-for-sale securities. Available-for-sale securities are recorded at fair value in investments and other assets on the balance sheet, with the change in fair value during the period excluded from earnings and recorded net of taxes as a component of other comprehensive income.

There were no securities available-for-sale securities at December 31, 2011 or 2010:

	December 31, 2010		
	Cost	**Market**	**Unrealized Gain/(Loss)**
Type of securities:			
Common stock	$73,958	$60,559	$13,399
Total	$73,968	$60,559	$13,399

NOTE 7 – FAIR VALUE MEASUREMENTS

In 2009 the Company implemented FASB ASC 850 "Fair Value Measurements and Disclosures" relative to its financial assets and liabilities that are recognized or disclosed at fair value in the financial statements at least annually.

In determining the fair value of investments held by the Company, the Level 1 valuation technique of "Quoted Market Price in Active Market" was implemented as the Company was able to obtain a quote from the London Stock Exchange as of December 31, 2009.

As of December 31, 2010, there were no investments held by the Company.

NOTE 8 – NET (LOSS) PER SHARE

Basic earnings per share (EPS) is computed by dividing net (loss) by the weighted average number of common shares outstanding, and the dilutive EPS adds the dilutive effect of stock options and other stock equivalents. For the year ended December 31, 2010, 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. At December 31, 2011, the outstanding options expired unexecuted.

NOTE 9 – INCOME TAXES

No provision for income taxes for the years ended December 31, 2011 and 2010 has been made.

Deferred tax assets reflect the net tax effects of net operating losses and tax credit carryforwards and temporary differences between the carrying amounts used for income tax purposes. Significant components of the Company's deferred tax assets are as follows:

	2011	**2010**
Net operating losses	$625,794	$449,935
Common stock for services	-	-
Capital loss carryover	10,496	10,496
Contributions	333	314
	636,623	460,745
Less: deferred tax liabilities	(1,772)	(24,932)
	634,851	435,813
Valuation allowance	(634,851)	(435,813)
Net tax asset	$ -	$ -

A reconciliation of income tax at the statutory rate to the Company's effective rate is as follows:

	2011	**2010**
Computed tax at the expected statutory rate	15.00%	15.00%
State income tax – net of federal tax benefit	4.68%	4.68%
Income tax expense – effective rate	19.68%	19.68%

Realization of the deferred tax asset is dependent on future earnings, if any, the timing of which is uncertain. Accordingly, the Company's net deferred tax asset has been fully offset by a valuation allowance.

The Company has the following net operating loss carryovers for income tax purposes:	
Expiring 2026	$ 82,899
Expiring 2027	131,828
Expiring 2028	236,311
Expiring 2029	1,202,060
Expiring 2030	633,736
Expiring 2031	803,923
	3,180,757

For tax year 2008, the Company has applied for a change in accounting method with the Internal Revenue Service to report under the accrual method of accounting rather than report under the cash-basis method.

This change in accounting method will require the Company to recognize additional taxable income of $100,456. The Internal Revenue Service allows for this income to be recognized pro rata over four years. To that end, the Company recognized $-0- and $25,114 of additional income for the years ending December 31, 2011 and 2010, respectively.

NOTE 10 – SUPPLEMENTAL CASH FLOW INFORMATION

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

	2011	2010
Cash paid during the periods for interest and		
income taxes:		
Income taxes	$ -	$ -
Interest	$ 7,106	$ 3,743
Non-Cash Investing Activities:		
Balance of consulting services for contributed capital	$ 109,187	$ 190,500
Acquisition of consulting services for		
contributed capital	60,000	446,000
Consulting services prepaid for future months	(22,500)	(109,187)
Non-cash expense of consulting services for		
contributed capital	$ 146,687	$ 527,313
Forgiveness of vendor invoices for stock held		
As investment	$ -	$ 16,611

NOTE 11 – EMPLOYEE BENEFITS

The Company has a SIMPLE Plan (Plan) to provide retirement and incidental benefits for its employees. Employees may contribute from 1% to 15% of their annual compensation to the Plan, limited to a maximum annual amount as set periodically by the Internal Revenue Service. The Company matches employee contributions dollar for dollar up to the IRS maximum. All matching contributions vest immediately. Such contributions to the Plan are allocated among eligible participants in the proportion of their salaries to the total salaries of all participants. Company matching contributions to the Plan for the periods ended December 31, 2011 and 2010 totaled $-0- and $3,500, respectively.

The Company has a medical reimbursement plan that reimburses officers for all out of pocket medical expenses not covered by the Company provided insurance plan. Company expenses under the medical reimbursement plan for the Company's officers for the periods ended December 31, 2011 and 2010 totaled $11,601 and $22,350, respectively.

NOTE 12 – OPERATING LEASE

On April 25, 2011, the Company entered into a 3 year escalating lease agreement for 1,352 square feet commencing July, 2011. The monthly rental rate is $1,800, $1,920 and $2,040 for the lease years ending July 31, 2012, 2013 and 2014, respectively. The Company incurred $1,664 in leasehold improvements prior to occupancy and paid a security deposit of $1,800.

The Company terminated its prior lease on June 30, 2011 which required monthly lease payment of $1,278 per month.

On September 19, 2011, the Company entered into a 1 year sublease for 2,000 square feet in Las Vegas, Nevada. The sublease commenced on October 15, 2011 and requires monthly payments of $3,000. A security deposit of $3,000 was paid to the landlord.

Rent expense as of December 31, 2011 and 2010 was $22,311 and $15,336, respectively.

NOTE 13 – NOTE PAYABLE – FACTORING

On December 12, 2011, the Company entered into a purchase and sale agreement with a third party account receivable factoring company. The agreement continues in effect as long as there is an outstanding balance owed by the Company. The agreement requires a payment of 3% for the first thirty days and 1/10 of 1 percent thereafter on the face amount of the accounts receivable financed. The balance at 12/31/2011 was $115,126.

NOTE 14 – 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 balances as of December 31, 2011 and 2010 were $35,146 and $36,141, respectively. The interest rate is the Prime Rate plus 3%. The Chief Executive Officer of the Company is a personal guarantor on the line of credit.

NOTE 15 – NOTE PAYABLE – INSURANCE

On August 31, 2011, the Company incurred short term financing for the purchase of insurance. The note was for $9,813. The interest rate on the debt is 4.96% and is scheduled to be repaid by May 31, 2012. The balance as of December 31, 2011 was $ 3,896.

On February 28, 2011, the Company incurred short term financing for the purchase of worker's compensation insurance. The note was for $3,353. Payments require a monthly service fee of $4 in lieu of a state interest rate. The balance as of December 31, 2011 was $277.

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 is scheduled to be repaid by May 31, 2011. The balance as of December 31, 2010 was $ 3,204.

NOTE 16 – NOTE PAYABLE – RELATED PARTY

On October 26, 2011, the Company entered into a promissory note with the Company's Chief Operating Officer in the amount of $100,000. The note required a one-time interest payment of $5,000 with the balance of the proceeds of $95,000 released to the Company. The note required that all receipt of funds by the Company over $999 be applied to reduce the principal of the note. The note was paid in full on December 15, 2011.

On May 28, 2011, the Company's Chairman and Chief Executive Officer advanced the Company $25,000 in exchange for a promissory note, bearing an annual interest of 6% and a repayment term of seven months, in order to fund the working capital needs of the Company. As of December 31, 2011, accrued interest of $896 is due on the note.

NOTE 17 – NOTES PAYABLE – CONVERTIBLE

On July 15 and July 18, 2011, the Company received a total of $250,000 from two accredited investors in exchange for one year original issue discount notes in the aggregate amount of $275,000, convertible into the Company's common stock at a conversion rate of $0.10 per share and bearing interest of 10%, plus five-year warrants to purchase 2,500,000 shares of the Company's common stock at an exercise price of $0.10 per share. The market value of the stock at the date of issuance of the warrants was $0.10. The warrants are issued as a result of a financing transaction and contain a beneficial conversion feature. As of December 31, 2011, the balance was $274,427.

Original issue discount in the amount of $25,000 is being expensed as interest over the term of the note. At December 31, 2011, the Company has recorded interest expense in the amount of $11,632.

Using the Black-Sholes valuation model, the Company determined there was an $0.01 intrinsic value associated with beneficial conversion feature. This feature is valued at $27,500 and is being amortized as interest expense with the corresponding amount be added to the carry value of the note.

NOTE 18 – SHARE BASED PAYMENTS FOR SERVICES

On December 31, 2011, the Company issued 500,000 shares of common stock to its Chief Operating Officer in payment for services for the three months ended December 31, 2011.

On July 14, 2011, the Company issued 250,000 shares of common stock to one accredited investor in exchange for $25,000.

On July 1, 2011, the Company issued 500,000 shares of common stock to its Chief Operating Officer in payment for services for the three months ended September 30, 2011.

In June 2011, the Company issued 200,000 shares of common stock to its two independent directors in payment of director fees for the coming year. The shares were value at $0.10 per share based upon the market value of the Company's common stock on the date of the grant.

In May 2011, the Company issued 500,000 shares of common stock to three accredited investors in exchange for $50,000.

In May 2011, the Company issued 100,000 shares of common stock in connection with a one year financial communications agreement. The shares were valued at $0.10 per share based upon the market value of the Company's common stock on the date of the grant.

On April 2, 2011, the Company issued 300,000 shares of common stock in connection with a one year investor relations agreement. The shares were valued at $0.10 per share based upon the market value of the Company's common stock on the date of the grant.

On April 1, 2011, the Company issued 500,000 shares of common stock to its Chief Operating Officer in payment for services for the three months ended September 30, 2011.

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.

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 $0.20 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 $0.23 per share.

On April 27, 2010, the Company issued 700,000 shares of common stock to a consultant for investor relations services through December 31, 2011. The Company recognized professional fees of $126,000, based upon the market price of common stock on the date of issuance of $0.18, during the year ended December 31, 2011.

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 a current market price of $0.15 per share.

On September 11, 2009, the Company entered into an agreement to receive a variety of corporate consulting services. The contract will run for one year at a rate of $2,000 per month. In addition, the consultants will receive a commencement bonus of 300,000 shares of company common stock. Shares were valued at current market price of $0.27 per share.

On September 8, 2008, the Company entered into an agreement to receive consulting services. The consultants will provide 400 hours of service for 400,000 shares of common stock. All services will be accounted for at a rate of $250 an hour. 142.75 hours at a cost of $35,688, were recorded as expense for the year ended December 31, 2010.

On September 12, 2008, the Company entered into agreements with three companies to receive a variety of consulting services. Each agreement has a term of one year starting August 1, 2008 and remuneration will be $250,000 per annum. Each subsequent year, the annual rate will increase $12,500 while the agreement is in effect. The Company has the option of paying the consultants in cash or common stock. The Company has decided to issue 1,000,000 shares of stock to the consulting firms as payment for services. The value of stock will be at $0.25 per share. A pro-rata portion of this agreement of $437,500 has been expensed for the years ended December 31, 2010.

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, 2011 at an agreed to rate of $262,500. The Company issued 656,200 shares of common stock for the service provided. A notice of non-renewal was previously forwarded to the other two companies.

On July 7, 2009, these consultants were issued a series of options as follows:

1,000,000 share option to acquire shares at $1.00 per share expiring on 8/01/11
1,000,000 share option to acquire shares at $2.00 per share expiring on 8/01/11
1,000,000 share option to acquire shares at $3.00 per share expiring on 8/01/11
1,000,000 share option to acquire shares at $4.00 per share expiring on 8/01/11
1,000,000 share option to acquire shares at $5.00 per share expiring on 8/01/11

NOTE 18 – SHARE BASED PAYMENTS FOR SERVICES (cont'd)

To determine the valuation of the options, FASB Accounting Standards Codification 718, "Compensation – Stock Compensation" requires a valuation technique to estimate the fair value of the options issued. The Black-Sholes Model incorporates the various characteristics for proper valuation. Using the Black-Sholes model, the Company assessed the value of the outstanding options at December 31, 2011. The Company determined that due to the lack of a marketability of the Company's stock, no adjustments were deemed materials to the financial statements. As of December 31, 2011, there were 800,000 options outstanding.

Following is a summary of the status of options outstanding as of December 31, 2011 and 2010 respectively:

	For the Year Ended December 31, 2011		For the Year Ended December 31, 2010	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	15,000,000	$ 3.00	15,000,000	$ 3.00
Granted	800,000	$ 0.25		—
Exercised	—	—		—
Forfeited	—	—		—
Expired	15,000,000	$ 3.00		—
Outstanding at end of period	800,000	$ 0.25	15,000,000	$ 3.00
Exercisable at end of period	800,000	$ 0.25	15,000,000	$ 3.00
Outstanding				
Weighted average remaining contractual term		$ 0.25		—
Exercisable		—		—
Aggregated intrinsic value		—		—
Weighted average grant date fair value		$ 0.25		$ 0.59
Aggregated intrinsic value		—		—

NOTE 19 – MAJOR CUSTOMERS

Two major customers accounted for $212,239 or 32% of the Company's revenue and $24,042 or 35% of accounts receivable while the second customer accounted for $181,622 or 27% of the Company's revenues and $11,821 or 17% of accounts receivable for the year ended December 31, 2011.

A different customer accounted for $932,913 or 87% of the Company's revenue and 95% of the Company's accounts receivable for the year ended December 31, 2010.

NOTE 20 – SUBSEQUENT EVENTS

On January 2, 2012, the Company issued 100,000 shares of common stock to a newly elected independent board member in payment of directors' fees for the year ended December 31, 2012. The shares were valued at $0.10 per share based on the market value of the Company's common stock on the date of the grant.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures .

Our management carried out an evaluation, with the participation of our Principal Executive Officer and Principal Financial Officer, of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, or the Exchange Act. Based on their evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Management's Annual Report on Internal Control over Financial Reporting .

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our management, under the supervision and with the participation of our Principal Executive Officer and Principal Financial Officer, evaluated the effectiveness of our internal control over financial reporting as of the end of the period covered by this report. In making this assessment, our management used the criteria set forth by the Committee of Sponsor Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*. Based on that evaluation, our management concluded that our internal control over financial reporting was effective as of the end of the period covered by this report based on that criteria.

Our internal control over financial reporting is a process designed under the supervision of our Principal Executive Officer and Principal Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external purposes in accordance with generally accepted accounting principles, or GAAP. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Changes in Internal Control over Financial Reporting .

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2010 that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

DIRECTORS AND EXECUTIVE OFFICERS

Article III, of our Bylaws provides that the first Board of Directors and all subsequent Boards of the Corporation shall consist of (Joseph P Coschera), unless and until otherwise determined by vote of a majority of the entire Board of Directors. Our officers are appointed by the Board of Directors and serve at the pleasure of the Board. The term of each of the agreements is one year renewable at the end of each period by mutual agreement
We have entered into employment agreements with our executive officers (Joseph P. Coschera and Loire A. Lucas).

Name	Age	Position
Joseph Coschera	64	CEO and Director
Loire Lucas	54	Vice President and Director
Adrian Goldfarb	67	Director
Mike Reisert	54	Director
Gary Aron	52	Director

Joseph Coschera

Joseph Coschera is the founder and President of Information Systems Associates, Inc. which he opened in the summer of 1992 for business. Prior to forming ISA Joe held the position of Vice President with JPMorgan Chase. Joe’s career at JPMC spanned 18 years rising from the position of Systems Engineer to Manager of Facilities and Hardware Planning for the Retail Banking Division. Joe’s responsibilities were extremely diverse and included space planning for the Division’s staff, facilities and hardware planning for several mega data centers and the network operation centers. In addition, he managed the Planning and Implementation Group whose responsibilities included the planning, acquisition and deployment of the technology infrastructure throughout the bank’s branch banking network. Joe served as both a team member and project manager during his tenure. He managed such projects as the deployment of state of the art banking technology (ATMs and Platform Automation) to more than 200 branches on three different occasions as well as data center mergers and build-outs. Joe was recognized for his contributions related to the relocation and consolidation of several large data processing centers. It was that experience that Joe utilized as the foundation for ISA’s service offerings.

Currently Joe is leading ISA’s development efforts as well as new business development and business partner relationships. Joseph Coacher’s financial experience came as a result of his previously holding a position as Vice President with JPMorgan Chase, which spanned 18 years rising from the position of Systems Engineer to Manager of Facilities and Hardware Planning for the Retail Banking Division. Joe’s responsibilities were extremely diverse and included direct interaction with financial departments. As part of managing the deployment of state of the art banking technology (ATMs and Platform Automation) to more than 200 branches, Joe had extensive interaction with the financial systems departments in order to perform his tasks better. He has kept up to date with the Sarbanes-Oxley Act of 2002 via the Internet. He has also reviewed PCAOB guidance from its web site and has read the portion of the SEC web site that deals with the Office of Chief Accountant. He surrounds himself with CPA's and reads 10-Q and 10-K from other companies. He also reads PPC checklists which mandate the exact detail disclosure requirements that will be expected of him once the company is fully reporting.

Loire Lucas

Loire Lucas began her career with the NCR Corporation upon graduation from Florida Atlantic University in 1982 where she received her Bachelors of Applied Science. As a Systems Engineer, she worked on banking clients projects in Europe and Africa. Upon her return from Africa, she continued to work at corporate headquarters in Dayton, Ohio. Following her headquarters position, Loire transferred to NCR’s New York Sales office where she worked with major financial institutions managing their banking platform migration to state of the art hardware and software platforms.

J. Michael Reisert

J. Michael Reisert became a director of the Company in April 2010. Mr. Reisert founded and has been President of J. Michael Reisert, Inc., a Financial Consulting and Investment Banking firm in Fort Lauderdale, Florida since 1993. Mr. Reisert has over 35 years of Financial and Investment Banking experience with firms in New York City and South Florida.

Adrian Goldfarb

Adrian Goldfarb became a director of the Company in April 2010. Mr. Goldfarb has been the Chief Financial Officer of Ecosphere Technologies, Inc. since February 11, 2008.. From June 2002 to December 2007, Mr. Goldfarb was on the Board of Directors of MOWIS GmbH, a Weather Technology Media company. He also was interim Chief Financial Officer where he led the management team in securing seed capital, government grants and loans and bank guarantees. Mr. Goldfarb has more than 25 years' experience in a number of different technology companies, including IBM and a subsidiary of Fujitsu.

Gary Aron

Gary Aron became a director of the Company in January 2012. Since April 2010, Mr. Aron has served as VP of Business Development at AssetVue where his responsibilities span business development, application software development, project management, sales and marketing. From January 2007 through December 2009, Mr. Aron held the position of VP Infrastructure and Operations at Comcast Corporation. Reporting to the CIO and was responsible for the Comcast National Data Center strategies, design, build and operations of data centers as well as deployment and support of all technology equipment in the data centers.

Related Parties

Loire Lucas is married to Joe Coschera.

ARTICLES AND BYLAWS

Article III, of our Bylaws provides that the first Board of Directors and all subsequent Boards of the Corporation shall consist of (Joseph P Coschera), unless and until otherwise determined by vote of a majority of the entire Board of Directors. The Board of Directors or shareholders all have the power, in the interim between annual and special meetings of the shareholders, to increase or decrease the number of Directors of the Corporation. A Director need not be a shareholder of the Corporation unless the Certificate of Incorporation of the Corporation or the Bylaws so require. The first Board of Directors shall hold office until the first annual meeting of shareholders and until their successors have been duly elected and qualified or until there is a decrease in the number of Directors. Thereinafter, Directors will be elected at the annual meeting of shareholders and shall hold office until the annual meeting of the shareholders next succeeding his election, unless their terms are staggered in the Articles of incorporation of the Corporation (so long as at least one-fourth in number of the Directors of the Corporation are elected at each annual shareholders' meeting) or these Bylaws, or until his prior death, resignation or removal. Any Director may resign at any time upon written notice of such resignation to the Corporation.

LEGAL PROCEEDINGS

No officer, director, or persons nominated for such positions and no promoter or significant employee of our Company has been involved in legal proceedings that would be material to an evaluation of our management.

AUDIT COMMITTEE

We have a separately designated standing audit committee. Pursuant to Section 3(a)(58)(B) of the Exchange Act, one of the members of the Board of Directors acts as the chairman of the audit committee for the purpose of overseeing the accounting and financial reporting processes, and audits of our financial statements. The Commission recently adopted new regulations relating to audit committee composition and functions, including disclosure requirements relating to the presence of an "audit committee financial expert" serving on its audit committee. In connection with these new requirements, our Board of Directors examined the Commission's definition of "audit committee financial expert" and concluded that we have a person that qualifies as such an expert. We have had minimal operations for the past two (2) years. Presently, there are five (5) directors serving on our Board, and we have one member who qualifies as an "audit committee financial expert". One of our current directors meets the qualifications of an "audit committee financial expert and has considerable knowledge of financial statements, finance, and accounting, and has significant employment experience involving financial oversight responsibilities. Accordingly, we believe that one of our current directors capably fulfill the duties and responsibilities of an audit committee.

CODE OF ETHICS

We have adopted a code of ethics (the "Code of Ethics") that applies to our principal chief executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A draft of the Code of Ethics is in Exhibit 14.1 hereto. The Code of Ethics is being designed with the intent to deter wrongdoing, and to promote the following:

* Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

* Full, fair, accurate, timely and understandable disclosure in reports and documents that a small business issuer files with, or submits to, the Commission and in other public communications made by the small business issuer

* Compliance with applicable governmental laws, rules and regulations

* The prompt internal reporting of violations of the code to an appropriate person or persons identified in the code

* Accountability for adherence to the code

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Under Section 16(a) of the Exchange Act, all executive officers, directors, and each person who is the beneficial owner of more than 10% of the common stock of a company that files reports pursuant to Section 12 of the Exchange Act, are required to report the ownership of such common stock, options, and stock appreciation rights (other than certain cash-only rights) and any changes in that ownership with the Commission. Specific due dates for these reports have been established, and we are required to report, in this Form 10-K, any failure to comply therewith during the fiscal year ended December 2011. We believe that all of these filing requirements were satisfied by our executive officers, directors and by the beneficial owners of more than 10% of our common stock. In making this statement, we have relied solely on copies of any reporting forms received by it, and upon any written representations received from reporting persons that no Form 5 (Annual Statement of Changes in Beneficial Ownership) was required to be filed under applicable rules of the Commission.

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth certain information regarding the annual and long-term compensation for services in all capacities to us for the prior fiscal years ended December 31, 2011 and 2010, of those persons who were either the chief executive officer during the last completed fiscal year or any other compensated executive officers as of the end of the last completed fiscal year.

Name, Title	**December 31, 2011**	**December 31, 2010**

Joseph P Coschera, CEO	$150,000	$150,000
Dom Lesme, COO	$100,000	-0-
Loire A Lucas, VP	$8,750	$8,750

We plan to continue to compensate Mr. Coschera and Ms. Lucas in a similar manner into the foreseeable future provided we have enough funds to do so. Mr. Lesme resigned his position effective December 31, 2011.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following tables set forth the ownership, as of December 31, 2011 of our common stock (a) by each person known by us to be the beneficial owner of more than 5% of our outstanding common stock; (b) by each of our directors, and (c) by all executive officers and our directors as a group. To the best of our knowledge, all persons named have sole voting and investment power with respect to such shares, except as otherwise noted. The notes accompanying the information in the table below are necessary for a complete understanding of the figures provided below. As of December 31, 2011, there were 28,666,084 shares of common stock outstanding.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS (1) (2)

Title of Stock	Name and Address	# of Shares	Current % Owned
Common Stock	Aquatica Investments Ltd Grove House, 4th floor Nassau Bahamas	3,000,000	10.47%
Common Stock	Joseph Coschera 2120 SW Danforth Circle Palm City, FL 34990	6,200,000	21.63%
Common Stock	Derek J. Leach 31 Palace Gate, Flat 2 London, UK W85LZ	2,000,000	6.98%
Common Stock	Dominique Lesme 5440 W. Cougar Ave. Laws Vegas, NV 89139	5,000,000	17.44%

SECURITY OWNERSHIP OF OFFICERS AND DIRECTORS (2)

Title of Stock	Name and Address	# of Shares	Current % Owned
Common Stock	Joseph Coschera	6,200,000	21.63%
Common Stock	Dom Lesme	5,000,000	17.44%
Common Stock	Adrian Goldfarb	200,000	.70%
Common Stock	J. Michael Reisert	200,000	.70%
Common Stock	Loire Lucas	0	.00%
Common Stock	Gary Aron	100,000	.35%
Common Stock	All Officers and Directors as a Group (4)	11,700,000	40.82%

(1) Pursuant to Rule 13-d-3 under the Securities Exchange Act of 1934, as amended, beneficial ownership of a security consists of sole or shared voting power (including the power to vote or direct the voting) and/or sole or shared investment power (including the power to dispose or direct the disposition) with respect to a security whether through a contract, arrangement, understanding, relationship or otherwise. Unless otherwise indicated, each person indicated above has sole power to vote, or dispose or direct the disposition of all shares beneficially owned. We are unaware of any shareholders whose voting rights would be affected by community property laws.

(2) This table is based upon information obtained from our stock records. Unless otherwise indicated in the footnotes to the above tables and subject to community property laws where applicable, we believe that each shareholder named in the above table has sole or shared voting and investment power with respect to the shares indicated as beneficially owned.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the period ended December 31, 2011, 3,800,000 share of common stock were sold for cash.

During the period ended December 31, 2011, 2,600,000 shares of common stock were issued to employees, directors and consultants for services rendered. The shares were valued at the market price at the date of the agreement.

During the period ended December 31, 2010, 1,600,000 shares of common stock were sold for cash.

During the period ended December 31, 2010, 1,700,000 shares of stock were issued to consultants as share based payments. The shares were valued at market value at the date of agreement. The shares were valued using the most recent sale of stock or at a stated price

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Fees Billed For Audit and Non-Audit Services

The following table represents the aggregate fees billed for professional audit services rendered to the independent auditor, Lake & Associates CPA's LLC, ("Lake") for our audit of the annual financial statements for the years ended December 31, 2011, 2010 and 2009. Audit fees and other fees of auditors are listed as follows:

Year Ended December 31,	**2011**		**2010**		**2009**	
	Lake		Lake		Lake	
Audit Fees (1)	$20,750	(2)	$20,750	(2)	$20,750	(2)
Audit-Related Fees (3)	-		-		-	
Tax Fees (4)	-		-		-	
All Other Fees (5)	-		-		-	
Total Accounting fees and Services	$20,750		$20,750		$20,750	

(1) *Audit Fees*. These are fees for professional services for the audit of our annual financial statements, and for the review of the financial statements included in our filings on Form 10-K and Form 10-Q, and for services that are normally provided in connection with statutory and regulatory filings or engagements.

(2) The amounts shown for Lake in 2011, 2010 and 2009 relate to (i) the audit of our annual financial statements for the fiscal year ended December 31, 2011, 2010 and 2009, and (ii) the review of the financial statements included in our filings on Form 10-K and Form 10-Q..
(3) *Audit-Related Fees*. These are fees for the assurance and related services reasonably related to the performance of the audit or the review of our financial statements.

(4) *Tax Fees*. These are fees for professional services with respect to tax compliance, tax advice, and tax planning.
(5) *All Other Fees*. These are fees for permissible work that does not fall within any of the other fee categories, i.e., Audit Fees, Audit-Related Fees, or Tax Fees.

Pre-Approval Policy For Audit and Non-Audit Services

We do not have a standing audit committee, however in April 2010 we appointed Adrian Goldfarb, a new director, as Chairman of the audit committee and the full Board supports him and functions as an audit committee, including the pre-approval of all audit and non-audit services before we engage an accountant. All of the services rendered by Lake & Associates CPA's LLC were pre-approved by our Board of Directors.

We are presently working with our legal counsel to establish formal pre-approval policies and procedures for future engagements of our accountants. The new policies and procedures will be detailed as to the particular service, will require that the Board or an audit committee thereof be informed of each service, and will prohibit the delegation of pre-approval responsibilities to management. It is currently anticipated that our new policy will provide (i) for an annual pre-approval, by the Board or audit committee, of all audit, audit-related and non-audit services proposed to be rendered by the independent auditor for the fiscal year, as specifically described in the auditor's engagement letter, and (ii) that additional engagements of the auditor, which were not approved in the annual pre-approval process, and engagements that are anticipated to exceed previously approved thresholds, will be presented on a case-by-case basis, by the President or Controller, for pre-approval by the Board or audit committee, before management engages the auditors for any such purposes. The new policy and procedures may authorize the Board or audit committee to delegate, to one or more of its members, the authority to pre-approve certain permitted services, *provided that* the estimated fee for any such service does not exceed a specified dollar amount (to be determined). All pre-approvals shall be contingent on a finding, by the Board, audit committee, or delegate, as the case may be, that the provision of the proposed services is compatible with the maintenance of the auditor's independence in the conduct of its auditing functions. In no event shall any non-audit related service be approved that would result in the independent auditor no longer being considered independent under the applicable rules and regulations of the Securities and Exchange Commission.

(a) On December 31, 2011, our Chief Executive Officer who also is our principal financial officer made an evaluation of our disclosure controls and procedures. In our opinion, the disclosure controls and procedures are adequate because the systems of controls and procedures are designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows for the respective periods being presented. Moreover, the evaluation did not reveal any significant deficiencies or material weaknesses in our disclosure controls and procedures.

(b) There have been no significant changes in our internal controls or in other factors that could significantly affect these controls since the last evaluation.

ITEM 15. EXHIBITS AND REPORTS ON FORM 8-K

(a) Financial Statements

1. The following financial statements of Information Systems Associates, Inc. are included in Part II, Item 7:

2. Exhibits

14.1.	Code of Ethics
31.1.	Rule 13a-14(a)/15d-14(a) Certifications of Chief Executive Officer and principal financial officer
31.2.	Rule 13a-14(a)/15d-14(a) Certifications of Chief Financial Officer (see Exhibit 31.1)
32.1.	Section 1350 Certifications of Chief Executive Officer and Principal Financial Officer

(b) Reports on Form 8-K

None.

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned majority of the Board of Directors, thereunto duly authorized.

	INFORMATION SYSTEMS ASSOCIATES, INC.
Date: March 29, 2012	***/s/ Joseph P. Coschera*** Joseph P. Coschera CEO and Director
Date: March 29, 2012	***/s/ Adrian Goldfarb*** Adrian Goldfarb Director
Date: March 29, 2012	***/s/ J. Michael Reisert*** J. Michael Reisert Director
Date: March 29, 2012	***/s/ Loire Lucas*** Loire Lucas VP and Director
Date: March 29, 2012	***/s/ Gary Aron*** Gary Aron Director

EXHIBIT 31.1

Certification of Principal Executive Officer

I, Joseph P. Coschera, certify that:

1. I have reviewed this annual report on Form 10-K 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 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 Rules13a–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 and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the registrant's auditors and the audit committee of 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 controls 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: March --, 2012

/s/ Joseph P. Coschera
Joseph P. Coschera
Chief Executive Officer

EXHIBIT 31.2

Certification of Principal Financial Officer

I, Joseph P. Coschera, certify that:

1. I have reviewed this annual report on Form 10-K 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 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 Rules13a–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 and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the registrant's auditors and the audit committee of 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 controls 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: March --, 2012

/s/ Joseph P. Coschera
Joseph P. Coschera
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 Annual Report on Form 10-K of Information Systems Associates, Inc. (the "Company") for the year ended December 31, 2011, as filed with the Securities and Exchange Commission (the "Report"), I, Joseph P. Coschera, Chief Executive Officer of the Company, certify that:

* The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

* The information contained in the 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

Date: March --, 2012

In connection with the Annual Report on Form 10-K of Information Systems Associates, Inc. (the "Company") for the year ended December 31, 2011, as filed with the Securities and Exchange Commission (the "Report"), I, Michael R. Hull, Chief Financial Officer of the Company, certify that:

* The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

* The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael R. Hull

Michael R. Hull
Chief Financial Officer

Date: March --, 2012