

INTELLIGENT SYSTEMS CORP
Form 10-Q
August 12, 2016

United States

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly Report UNDER Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2016

OR

Transition Report UNDER Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number 1-9330

INTELLIGENT SYSTEMS CORPORATION

(Exact name of registrant as specified in its charter)

Georgia

58-1964787

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(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

4355 Shackleford Road, Norcross, Georgia

(Address of principal executive offices)

30093

(Zip Code)

Registrant's telephone number, including area code: **(770) 381-2900**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of July 31, 2016, 8,731,299 shares of Common Stock of the issuer were outstanding.

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Ex. 3.2	Bylaws of the Registrant dated December 7, 2007. (Incorporated by reference to Exhibit 3.2 of the Registrant's Form 8-K dated December 7, 2007.)
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** XBRL information is furnished and not filed or a part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

Part I Financial Information**Item 1. Financial Statements****Intelligent Systems Corporation****CONSOLIDATED BALANCE SHEETS***(in thousands, except share and per share amounts)*

As of	June 30, 2016	December 31, 2015
	(unaudited)	(audited)
ASSETS		
Current assets:		
Cash	\$ 16,843	\$ 18,059
Marketable securities	418	396
Accounts receivable, net	532	962
Other current assets	1,201	2,846
Restricted cash	2,200	2,200
Total current assets	21,194	24,463
Investments	245	1,015
Property and equipment, at cost less accumulated depreciation	650	636
Other long-term assets	118	59
Total assets	\$ 22,207	\$ 26,173
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 122	\$ 78
Deferred revenue, current portion	2,157	1,830
Accrued payroll	648	495
Accrued expenses	28	25
Other current liabilities	279	243
Liabilities from discontinued operations	--	120
Total current liabilities	3,234	2,791
Deferred revenue, net of current portion	131	195
Other long-term liabilities	18	18
Intelligent Systems Corporation stockholders' equity:		
Common stock, \$0.01 par value, 20,000,000 shares authorized, 8,731,299 issued and outstanding at June 30, 2016 and December 31, 2015	87	87
Additional paid-in capital	17,829	20,875
Accumulated other comprehensive loss	(161)	(184)
Retained earnings	4,115	5,270

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Total Intelligent Systems Corporation stockholders' equity	21,870	26,048
Noncontrolling interest	(3,046)	(2,879)
Total stockholders' equity	18,824	23,169
Total liabilities and stockholders' equity	\$ 22,207	\$ 26,173

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

Intelligent Systems Corporation

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited, in thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue				
Products	\$149	\$139	\$378	\$275
Services	1,401	1,069	2,818	2,002
Total net revenue	1,550	1,208	3,196	2,277
Cost of revenue				