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

FORM 8-K/A

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

Date of Report (Date of earliest event reported): July 31, 2017

I.D. SYSTEMS, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	001-15087	22-3270799
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

123 Tice Boulevard, Woodcliff Lake, New Jersey	07677
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code (201) 996-9000

____
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

EXPLANATORY NOTE

On August 1, 2017, I.D. Systems, Inc. (the "Company") filed a Current Report on Form 8-K (the "Original Form 8-K") reporting that on July 31, 2017, it, together with its wholly-owned subsidiary Keytroller, LLC, a Delaware limited liability company (the "Purchaser"), completed the acquisition of substantially all of the assets of Keytroller, LLC, a Florida limited liability company ("Keytroller"), pursuant to an asset purchase agreement by and among the Company, the Purchaser, Keytroller and the principals of Keytroller party thereto.

This Amendment No. 1 to the Original Form 8-K amends and supplements Item 9.01 of the Original Form 8-K to provide the financial statements and pro forma financial information required under Items 9.01(a) and (b) of Form 8-K, which were excluded from the Original Form 8-K in reliance on the instructions to such items.

Item 9.01. Financial Statements and Exhibits.

(a) *Financial Statements of Businesses Acquired.*

The audited financial statements of Keytroller for the year ended December 31, 2016 and the unaudited financial statements of Keytroller for the three months ended March 31, 2017 are attached as Exhibit 99.1 hereto. We have attached the consent of Warren Averett LLC, Keytroller's independent auditors, as Exhibit 23.1 to this Form 8-K/A.

(b) *Unaudited Pro Forma Financial Information.*

The unaudited pro forma condensed combined financial information of the Company and Keytroller for the year ended December 31, 2016 and for the three months ended March 31, 2017 are attached as Exhibit 99.2 hereto.

(d) *Exhibits.*

Exhibit No.	Description
23.1	Consent of Warren Averett LLC.
99.1	Financial Statements of Keytroller, LLC For the Year Ended December 31, 2016 (Audited) and For the Three Months Ended March 31, 2017 (Unaudited).
99.2	Pro Forma Condensed Combined Financial Information of I.D. Systems, Inc. and Keytroller, LLC For the Year Ended December 31, 2016 and For the Three Months Ended March 31, 2017 (Unaudited).

SIGNATURE

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

I.D. SYSTEMS, INC.

By: */s/ Ned Mavrommatis*
Name: Ned Mavrommatis
Title: Chief Financial Officer

Date: October 13, 2017

Exhibit 23.1

CONSENT OF WARREN AVERETT, LLC

Independent Registered Certified Public Accountants

We hereby consent to the incorporation by reference in the Registration Statements of I.D. Systems, Inc. on Form S-8 (Nos. 333-87973, 333-134142, 333-134138, 333-144709, 333-185084, 333-185085 and 333-206080) and on Form S-3 (Nos. 333-116144, 333-187644 and 333-217968) of our report dated October 3, 2017 relating to the financial statements of Keytroller, LLC (the "Company") for the interim periods ended March 31, 2017 and 2016, and of our report dated July 28, 2017 relating to the financial statements of the Company for the year ended December 31, 2016 which reports appear in this Current Report on Form 8-K/A of I.D. Systems, Inc.

/s/ Warren Averett, LLC

Warren Averett, LLC
Tampa, Florida
October 13, 2017

Exhibit 99.1

KEYTROLLER, LLC

FINANCIAL STATEMENTS

AS OF MARCH 31, 2017 AND 2016 AND THE
THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2016
(UNAUDITED)

Warren Averett
CPAs AND ADVISORS

KEYTROLLER, LLC
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AS OF MARCH 31, 2017 AND 2016 AND THE
THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2016

Warren Averett
CPAs AND ADVISORS

100 S Ashley Drive, Suite 1650
Tampa, FL 33602
813.229.2321
warrenaverett.com

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Members
Keytroller, LLC
Tampa, Florida

We have reviewed the accompanying interim financial statements of Keytroller, LLC (the "Company"), which comprise the balance sheets as of March 31, 2017 and 2016 and the related statements of operations, changes in members' equity, and cash flows for the three-month periods then ended, and the related notes to the interim financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of interim financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the interim financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Warren Averett, LLC

Tampa, Florida
October 3, 2017

KEYTROLLER, LLC
BALANCE SHEETS
MARCH 31, 2017 AND 2016

ASSETS

	2017	2016
CURRENT ASSETS		
Cash and cash equivalents	$ 537,052	$ 479,765
Trading securities	340,315	322,750
Accounts receivable	665,808	719,795
Inventories	963,553	678,155
Other current assets	21,273	74,599
Total current assets	2,528,001	2,275,064
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	170,399	190,018
	$ 2,698,400	$ 2,465,082

LIABILITIES AND MEMBERS' EQUITY

	2017	2016
CURRENT LIABILITIES		
Accounts payable	$ 222,694	$ 240,081
Margin loan payable	44,518	58,935
Accrued payroll	20,515	14,525
Accrued expenses	1,139	28,294
Total current liabilities	288,866	341,835
MEMBERS' EQUITY	2,409,534	2,123,247
	$ 2,698,400	$ 2,465,082

See accompanying notes and accountants' review report.

KEYTROLLER, LLC
STATEMENTS OF OPERATIONS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2016

	2017	2016
REVENUES	$ 1,598,797	$ 1,457,629
COST OF REVENUES	716,050	728,788
GROSS PROFIT	882,747	728,841
OPERATING EXPENSES		
Selling, general and administrative	448,429	443,171
Depreciation	9,298	9,028
Total operating expenses	457,727	452,199
INCOME FROM OPERATIONS	425,020	276,642
OTHER INCOME (LOSS)	14,220	(38,311)
NET INCOME	$ 439,240	$ 238,331

See accompanying notes and accountants' review report.

KEYTROLLER, LLC
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2016

BALANCE, JANUARY 1, 2016	$	1,884,916
Net income		238,331
BALANCE, MARCH 31, 2016	$	2,123,247
BALANCE, JANUARY 1, 2017	$	1,970,294
Net income		439,240
BALANCE, MARCH 31, 2017	$	2,409,534

See accompanying notes and accountants' review report.

KEYTROLLER, LLC
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 439,240	$ 238,331
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	9,298	9,028
Loss on disposal of assets	(1,540)	-
(Increase) decrease in:		
Accounts receivable	321,009	147,156
Inventories	(235,344)	(166,821)
Other assets	(8,499)	(1,763)
Decrease in:		
Accounts payable	(313,029)	(75,595)
Accrued expenses	(16,987)	(61,474)
Total adjustments	(245,092)	(149,469)
Net cash provided by operating activities	194,148	88,862
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(3,047)
Net cash used by investing activities	-	(3,047)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from margin loan to purchase trading securities	34,582	111,024
Payments on margin loan from the sale and purchase of trading securities	(53,868)	(22,514)
Net cash (used) provided by financing activities	(19,286)	88,510
NET INCREASE IN CASH AND CASH EQUIVALENTS	174,862	174,325
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	362,190	305,440
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 537,052	$ 479,765
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 1,100	$ -
NON-CASH INVESTING AND FINANCING TRANSACTIONS		
Net unrealized (gain)/losses on trading securities	$ 12,270	$ (29,575)

See accompanying notes and accountants' review report.

1. DESCRIPTION OF BUSINESS

Keytroller, LLC (the "Company") is a Florida limited liability company formed in 2006 by its parent company, Keytroller, Inc., which owns 95% of Keytroller, LLC. The Company is engaged in the business of designing and supplying a full line of electronic safety devices for forklifts, construction equipment, aerial lifts, personal carriers, boats, and hazardous transport trucks. The Company sells its products primarily throughout the United States. The Company is headquartered in Tampa, Florida.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Company are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Marketable Equity Securities

The Company classifies its marketable securities in accordance with the Financial Accounting Standards Board Accounting Standards Codification Topic 320, Investments - Debt and Equity Securities ("ASC Topic 320"). These principles require the classification of debt and equity securities into one of three categories: held-to-maturity, available-for-sale, or trading. Management determines the appropriate classification of debt securities at the time of purchase and reevaluates such designation as of each balance sheet date.

The Company's marketable securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities. Trading securities are recorded at fair value on the balance sheet in current assets, with the change in fair value during the period included in earnings. Trading gains and losses for the three-month periods ended March 31, 2017 and 2016 were immaterial.

Use of Management Estimates

Management uses estimates and assumptions in preparing the financial statements in accordance with U.S. GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of March 31, 2017 and 2016. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits of $250,000. The Company's deposits in excess of federally insured limits at March 31, 2017 and 2016 approximated $256,100 and $348,200, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounts Receivable

Accounts receivable consist of receivables from the sales of goods. The Company records an allowance for doubtful accounts to allow for any amounts that may not be recoverable. This determination varies based upon the facts in each case. Based on management's review of accounts receivable, no allowance for doubtful accounts is deemed necessary at March 31, 2017 and 2016. Receivables are determined to be past due based on the payment terms of original invoices.

Inventories

Inventories consist of equipment and parts and are stated at the lower of cost, determined by first-in, first-out method (FIFO), or market.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, ranging generally from 3 to 39 years. Maintenance and repairs are charged to operations when incurred. As property and equipment are sold or retired, the applicable cost and accumulated depreciation are eliminated from the accounts and any gain or loss is recorded. For income tax purposes, the Company uses accelerated methods of depreciation for certain assets.

Long-Lived Assets

Long-lived assets that are subject to depreciation and amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. At March 31, 2017 and 2016, the Company determined that its long-lived assets were not impaired.

Income and Other Taxes

The Company is treated as a partnership and, accordingly, is not subject to federal income taxes. As a result, the Company's members are personally taxed on their distributive share of the Company's income, whether or not that income is actually distributed. Accordingly, the financial statements do not include any provision for income taxes for the three-month periods ended March 31, 2017 and 2016.

The Company follows ASC Topic 740, Income Taxes. This standard prescribes a recognition and measurement of tax positions to be taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. Based on management's evaluation, there are no uncertain tax positions at March 31, 2017 and 2016.

Amounts collected on behalf of governmental authorities for sales taxes and other similar taxes are reported on a net basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue

The Company's revenue is generated from the sale of goods. The Company recognizes revenue at the time products are shipped. The Company offers discounts to certain customers on its products. The costs of these discounts are recognized at the date at which the related sales revenue is recognized and recorded as a reduction in sales revenue.

Amounts billed to customers for shipping and handling costs are included in revenues. Costs incurred by the Company for shipping and handling are included in cost of revenues.

Advertising Costs

Advertising costs are charged to expense as incurred and amounted to approximately $20,000 and $42,000 for the three-month periods ended March 31, 2017 and 2016, respectively. Advertising costs are included in selling, general and administrative expenses in the accompanying statements of operations.

3. PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2017 and 2016 consist of the following:

	2017	2016
Leasehold improvements	$ 100,883	$ 100,883
Machinery and equipment	44,296	44,296
Vehicles	268,772	268,772
Office furniture and fixtures	22,232	22,232
Computers and equipment	32,281	14,439
	468,464	450,622
Less accumulated depreciation	(298,065)	(260,604)
	$ 170,399	$ 190,018

Depreciation expense amounted to approximately $9,300 and $9,000 for the three-month periods ended March 31, 2017 and 2016, respectively.

4. MARGIN LOAN PAYABLE

During 2016, the Company opened a margin account with a brokerage firm. The margin account was used to buy additional trading securities. The loan accrues interest at a base rate of 8%, less .075% for assets the Company has in its brokerage account. The amount outstanding on this loan was $44,518 and $58,935 as of March 31, 2017 and 2016, respectively. Interest expense for the three-month periods ended March 31, 2017 and 2016 was approximately $1,100 and $0, respectively. The margin loan payable is collateralized by the Company's trading securities.

5. RELATED PARTY TRANSACTIONS AND CONCENTRATIONS

The Company leases office space from a related party requiring monthly payments of approximately $4,000. The lease is on a monthly basis as no lease agreement exists between the Company and the related party. Total rent expense for the office space amounted to approximately $12,000 for the three-month periods ended March 31, 2017 and 2016.

The Company purchases certain inventory items from a company that is owned by one of its minority members. The purchases for the three-month periods ended March 31, 2017 and 2016 totaled approximately $321,000 and $208,000, respectively, which represents 45% and 28% of total purchases for the periods, respectively. Accounts payable to this supplier at March 31, 2017 and 2016 amounted to 0% and 43% of total accounts payable, respectively.

The above terms and amounts are not necessarily indicative of the terms and amounts that would have been incurred had comparable transactions been entered into with independent parties.

6. FAIR VALUE MEASUREMENTS

Financial instruments measured at fair value are classified and disclosed in the following categories:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 – Valuations based on observable inputs, including quoted prices (other than Level 1) in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, such as interest rates, yield curves, volatilities, and default rates, and inputs that are derived principally from or corroborated by observable market data.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

6. FAIR VALUE MEASUREMENTS – CONTINUED

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The fair value of assets measured on a recurring basis at March 31, 2017 and 2016 is as follows:

	Fair Value Measurements at the End of the Reporting Period Using			
	Total	**Level 1**	**Level 2**	**Level 3**
2017 trading securities	$ 340,315	$ 340,315	$ -	$ -
2016 trading securities	$ 322,750	$ 322,750	$ -	$ -

7. EMPLOYEE BENEFIT PLAN

The Company has an employee savings plan (the "Plan") pursuant to Section 401(k) of the Internal Revenue Code. The Plan covers substantially all employees of the Company. The Company's match to the Plan is discretionary. During the three-month periods ended March 31, 2017 and 2016, the Company made no contributions to the Plan.

8. SUBSEQUENT EVENTS

During June 2017, the Company sold all of its trading securities resulting in a realized loss of approximately $30,000 in 2017. The Company also paid the remaining balance of the margin loan account upon selling its trading securities.

On July 31, 2017, the Company entered into an agreement to sell the Company to I.D. Systems, Inc., at which time, I.D. Systems, Inc. acquired substantially all of the assets of the Company.

The Company has evaluated events and transactions for potential recognition or disclosure in the financial statements through October 3, 2017, the date on which the financial statements were available to be issued.

KEYTROLLER, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2016

Warren Averett
CPAs AND ADVISORS

KEYTROLLER, LLC
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DECEMBER 31, 2016

Warren Averett
CPAs AND ADVISORS

100 S Ashley Drive, Suite 1650
Tampa, FL 33602
813.229.2321
warrenaverett.com

INDEPENDENT AUDITORS' REPORT

To the Members
Keytroller, LLC
Tampa, Florida

Report on the Financial Statements

We have audited the accompanying balance sheet of Keytroller, LLC as of December 31, 2016 and the related statements of operations, changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Keytroller, LLC as of December 31, 2016 and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Warren Averett, LLC

Tampa, Florida
July 28, 2017

KEYTROLLER, LLC
BALANCE SHEET
DECEMBER 31, 2016

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	362,190
Trading securities		352,585
Accounts receivable		986,817
Inventories		728,209
Other current assets		12,774
Total current assets		2,442,575
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION		178,157
	$	2,620,732
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$	535,723
Margin loan payable		76,074
Accrued payroll		32,277
Accrued expenses		6,364
Total current liabilities		650,438
MEMBERS' EQUITY		1,970,294
	$	2,620,732

See notes to the financial statements.

KEYTROLLER, LLC
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

		2016
REVENUES	$	6,624,465
COST OF REVENUES		2,923,300
GROSS PROFIT		3,701,165
OPERATING EXPENSES		
Selling, general and administrative		2,223,688
Depreciation and amortization		37,191
Total operating expenses		2,260,879
INCOME FROM OPERATIONS		1,440,286
OTHER INCOME		42,749
NET INCOME	$	1,483,035

See notes to the financial statements.

KEYTROLLER, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016

BALANCE, JANUARY 1, 2016	$	1,884,916
Distributions to members		(1,397,657)
Net income		1,483,035
BALANCE, DECEMBER 31, 2016	$	1,970,294

See notes to the financial statements.

KEYTROLLER, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$	1,483,035
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation		37,191
(Increase) decrease in:		
Accounts receivable		(119,866)
Inventories		(216,875)
Other assets		60,062
Increase (decrease) in:		
Accounts payable		219,802
Accrued payroll		(56,152)
Accrued expenses		(9,500)
Total adjustments		(85,338)
Net cash provided by operating activities		1,397,697
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment		(19,349)
Net cash used by investing activities		(19,349)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from margin loan to purchase trading securities		164,512
Payments on margin loan from the sale of trading securities		(88,453)
Distributions paid		(1,397,657)
Net cash used by financing activities		(1,321,598)
NET INCREASE IN CASH AND CASH EQUIVALENTS		56,750
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		305,440
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	362,190
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$	6,080
NON-CASH INVESTING AND FINANCING TRANSACTIONS		
Net unrealized losses on trading securities	$	(6,151)

See notes to the financial statements.

KEYTROLLER, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

1. DESCRIPTION OF BUSINESS

Keytroller, LLC (the "Company") is a Florida limited liability company formed in 2006 by the parent company, Keytroller, Inc., which owns 95% of Keytroller, LLC. The Company is engaged in the business of designing and supplying a full line of electronic safety devices for forklifts, construction equipment, aerial lifts, personal carriers, boats, and hazardous transport trucks. The Company sells its products primarily throughout the United States. The Company is headquartered in Tampa, Florida.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Company are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Marketable Equity Securities

The Company classifies its marketable securities in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 320, Investments - Debt and Equity Securities ("ASC Topic 320"). These principles require the classification of debt and equity securities into one of three categories: held-to-maturity, available-for-sale, or trading. Management determines the appropriate classification of debt securities at the time of purchase and reevaluates such designation as of each balance sheet date.

The Company's marketable securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities. Trading securities are recorded at fair value on the balance sheet in current assets, with the change in fair value during the period included in earnings. Trading gains and losses for the year ended December 31, 2016 were immaterial.

Use of Management Estimates

Management uses estimates and assumptions in preparing the financial statements in accordance with U.S. GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of December 31, 2016. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Cash is maintained at financial institutions and, at times, balances may exceed federally insured limits of $250,000. No amounts on deposit were in excess of federal insured limits as of December 31, 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounts Receivable

Accounts receivable consists of receivables from sales of goods. The Company records an allowance for doubtful accounts to allow for any amounts that may not be receivable. This determination varies based upon the facts in each case. Based on management's review of accounts receivable, no allowance for doubtful accounts is deemed necessary at December 31, 2016. Receivables are determined to be past due based on the payment terms of original invoices.

Inventories

Inventories consist of equipment and parts and are stated at the lower of cost, determined by first-in, first-out method (FIFO), or market.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, ranging generally from 3 to 39 years. Maintenance and repairs are charged to operations when incurred. As property and equipment are sold or retired, the applicable cost and accumulated depreciation are eliminated from the accounts and any gain or loss is recorded. For income tax purposes, the Company uses accelerated methods of depreciation for certain assets.

Long-Lived Assets

Long-lived assets that are subject to depreciation and amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. At December 31, 2016, the Company determined that its long-lived assets were not impaired.

Income and Other Taxes

The Company is treated as a partnership and, accordingly, is not subject to federal income taxes. As a result, the Company's members are personally taxed on their distributive share of the Company's income, whether or not that income is actually distributed. Accordingly, the financial statements do not include any provision for income taxes for the year ended December 31, 2016.

The Company follows ASC Topic 740, Income Taxes. This standard prescribes a recognition and measurement of tax positions to be taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. Based on management's evaluation, there are no uncertain tax positions at December 31, 2016.

Amounts collected on behalf of governmental authorities for sales taxes and other similar taxes are reported on a net basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue

The Company's revenue is generated from the sale of goods. The Company recognizes revenue at the time products are shipped. The Company offers discounts to certain customers on its products. The costs of these discounts are recognized at the date at which the related sales revenue is recognized and recorded as a reduction in sales revenue.

Amounts billed to customers for shipping and handling costs are included in revenues. Costs incurred by the Company for shipping and handling are included in cost of revenues.

Shipping and Handling Costs

The costs incurred by the Company to ship products to customers, which primarily includes payments to third-party shippers, net of recoveries from customers, is included in cost of sales in the accompanying statement of operations.

Advertising Costs

Advertising costs are charged to expense as incurred and amounted to approximately $140,000 for the year ended December 31, 2016. Advertising costs are included in selling, general and administrative expenses in the accompanying statement of operations.

3. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2016 consist of the following:

Leasehold improvements	$	100,883
Machinery and equipment		44,296
Vehicles		268,772
Office furniture and fixtures		22,232
Computers and equipment		30,741
		466,924
Less accumulated depreciation		(288,767)
	$	178,157

Depreciation expense amounted to approximately $37,000 for the year ended December 31, 2016.

4. MARGIN LOAN PAYABLE

During 2016, the Company opened a margin account with a brokerage firm. The margin account was used to buy additional trading securities. The loan accrues interest at a base rate of 8%, less .075% for assets the Company has in its brokerage account. The amount outstanding on this loan was $76,074 as of December 31, 2016. Interest expense for the year ended December 31, 2016 was $5,177. The margin loan payable is collateralized by the Company's trading securities.

5. RELATED PARTY TRANSACTIONS AND CONCENTRATIONS

The Company leases office space from a related party requiring monthly payments of approximately $4,000. The lease is on a monthly basis as no lease agreement exists between the Company and the related party. Total rent expense for the office space amounted to approximately $48,000 for the year ended December 31, 2016.

The Company purchases certain inventory items from a company that is owned by one of its minority members. The purchases for the year ended December 31, 2016 totaled approximately $1,400,000, which represents 44% of total purchases for the year. Accounts payable to this supplier at December 31, 2016 amounted to 49% of total accounts payable.

The above terms and amounts are not necessarily indicative of the terms and amounts that would have been incurred had comparable transactions been entered into with independent parties.

6. FAIR VALUE MEASUREMENTS

Financial instruments measured at fair value are classified and disclosed in the following categories:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 – Valuations based on observable inputs, including quoted prices (other than Level 1) in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, such as interest rates, yield curves, volatilities, and default rates, and inputs that are derived principally from or corroborated by observable market data.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

6. FAIR VALUE MEASUREMENTS – CONTINUED

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The fair value of assets measured on a recurring basis at December 31, 2016 is as follows:

	Fair Value Measurements at the End of the Reporting Period Using			
	Total	Level 1	Level 2	Level 3
Trading securities	$ 352,585	$ 352,585	$ -	$ -
Total assets at fair value	$ 352,585	$ 352,585	$ -	$ -

7. EMPLOYEE BENEFIT PLAN

The Company has an employee savings plan (the "Plan") pursuant to Section 401(k) of the Internal Revenue Code. The Plan covers substantially all of employees of the Company. The Company's match to the Plan is discretionary. During the year ended December 31, 2016, the Company made no contributions to the Plan.

8. SUBSEQUENT EVENTS

During June 2017, the Company sold all of its trading securities resulting in a realized loss of approximately $30,000 in 2017. The Company also paid the remaining balance of the margin loan account upon selling its trading securities.

The Company has evaluated events and transactions for potential recognition or disclosure in the financial statements through July 28, 2017, the date on which the financial statements were available to be issued.

Exhibit 99.2

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements have been prepared to reflect the acquisition of substantially all of the assets of Keytroller, LLC, a Florida limited liability company ("Keytroller") by I.D. Systems, Inc. ("ID Systems"), and the related financing transactions. We financed the acquisition, inclusive of related fees and expenses, with the net proceeds from an underwritten public offering.

The unaudited pro forma condensed combined balance sheet has been derived from the historical consolidated balance sheets of ID Systems and Keytroller as of March 31, 2017, to give effect to the Keytroller acquisition as if it had occurred on that date. The unaudited pro forma condensed combined statements of operations have been derived from the historical statements of operations of ID Systems and Keytroller for the three months ended March 31, 2017 and 2016, and the year ended December 31, 2016, and give effect to the consummation of the acquisition as if it had occurred on January 1, 2016.

The pro forma condensed combined financial statements have been prepared using the acquisition method of accounting for business combinations under accounting principles generally accepted in the United States, with ID Systems treated as the acquirer and Keytroller as the acquiree. The acquisition method of accounting is dependent upon certain valuations and other studies that have yet to progress to a stage where there is sufficient information for a definitive measure. Accordingly, the pro forma adjustments are preliminary, have been made solely for the purpose of providing pro forma financial statements, and are subject to revision based on a final determination of fair value as of the date of acquisition. Differences between these preliminary estimates and the final acquisition accounting may have a material impact on the accompanying pro forma condensed combined financial statements and ID Systems' future results of operations and financial position.

Pro forma adjustments related to the balance sheet reflect the preliminary allocation of the purchase price to Keytroller's assets and liabilities based on a preliminary estimate of their fair values and financing adjustments. Pro forma adjustments to the statements of operations reflect acquisition accounting adjustments and financing adjustments. The pro forma condensed combined financial statements do not give effect to the costs of any integration activities or benefits that may result from the realization of future cost savings from operating efficiencies, or any other synergies that may result from the Keytroller acquisition.

The pro forma condensed combined financial statements are provided for informational purposes only and do not purport to represent what the actual consolidated results of operations or the consolidated financial position of ID Systems would have been had the acquisition occurred on the dates assumed, nor are they necessarily indicative of future consolidated results of operations or consolidated financial position. The pro forma condensed combined financial statements should be read in conjunction with the accompanying notes to the pro forma condensed combined financial statements and the audited and unaudited interim consolidated financial statements and accompanying notes of ID Systems and Keytroller incorporated by reference herein.

The unaudited pro forma condensed combined financial statements should be read in conjunction with the following information:

- Notes to the unaudited pro forma condensed combined financial statements;
- ID Systems' Current Report on Form 8-K filed on August 1, 2017, including the related exhibit;
- Audited consolidated financial statements of ID Systems for the year ended December 31, 2016, which are included in ID Systems' Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the SEC;
- Unaudited interim condensed consolidated financial statements of ID Systems as of March 31, 2017 and the three months then ended, which are included in ID Systems' Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017, as filed with the SEC;
- Audited financial statements of Keytroller for the year ended December 31, 2016, which are included in ID Systems' Current Report on Form 8-K filed on October 13, 2017;
- Unaudited interim condensed financial statements of Keytroller as of and for the three months ended March 31, 2017, which are included in ID Systems' Current Report on Form 8-K filed on October 13, 2017.

See notes to the financial statements.

Unaudited Pro Forma Condensed Combined Balance Sheet

As of March 31, 2017

	ID Systems Historical	Keytroller, LLC Historical	Acquisition adjustments	Note reference	Financing adjustments (Note 3)	Pro forma combined
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 6,667,000	$ 537,000	$ (7,635,000)	4a, 4c	$ 16,255,000	$ 15,824,000
Restricted cash	305,000	-	-		-	305,000
Investments - short term	136,000	340,000	(340,000)	4d	-	136,000
Accounts receivable, net	9,453,000	666,000	-		-	10,119,000
Financing receivables - current, net	1,738,000	-	-		-	1,738,000
Inventories, net	3,096,000	964,000	-		-	4,060,000
Deferred costs - current	4,542,000	-	-		-	4,542,000
Prepaid expenses and other current assets	3,106,000	21,000	(21,000)	4e	-	3,106,000
Total current assets	29,043,000	2,528,000	(7,996,000)		16,255,000	39,830,000
Investments - long term	1,467,000	-	-		-	1,467,000
Financing receivables - less current portion	2,101,000	-	-		-	2,101,000
Deferred costs - less current portion	5,693,000	-	-		-	5,693,000
Fixed assets, net	3,021,000	171,000	(132,000)	4f	-	3,060,000
Goodwill	1,837,000	-	5,249,000	4k	-	7,086,000
Intangible assets, net	673,000	-	5,086,000	4j	-	5,759,000
Other assets	165,000	-	-		-	165,000
Total assets	$ 44,000,000	$ 2,699,000	$ 2,207,000		$ 16,255,000	$ 65,161,000
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current Liabilities:						
Short-term borrowings	$ 1,267,000	$ 45,000	$ (45,000)	4g	$ -	$ 1,267,000
Accounts payable and accrued expenses	6,452,000	244,000	(21,000)	4h	-	6,675,000
Deferred revenue - current	11,095,000	-	-		-	11,095,000
Accrued contingent consideration			1,868,000	4a		1,868,000
Total current liabilities	18,814,000	289,000	1,802,000		-	20,905,000
Deferred rent	351,000	-	-		-	351,000
Deferred revenue - less current portion	9,073,000	-	-		-	9,073,000
Accrued contingent consideration			815,000	4a		815,000
Total liabilities	28,238,000	289,000	2,617,000			31,144,000
Commitments and Contingencies						
Stockholders' Equity:						
Preferred stock	-		-		-	-
Common stock	132,000		3,000	4a	30,000	165,000
Additional paid-in-capital	113,719,000		1,997,000	4a	16,225,000	131,941,000
Accumulated deficit	(93,384,000)		-		-	(93,384,000)
Accumulated other comprehensive loss	(119,000)		-		-	(119,000)
Treasury stock, at cost	(4,586,000)		-		-	(4,586,000)
Members' equity	-	2,410,000	(2,410,000)	4i	-	-
Total stockholders' equity	15,762,000	2,410,000	(410,000)		16,255,000	34,017,000
Total liabilities and stockholders' equity	$ 44,000,000	$ 2,699,000	$ 2,207,000		$ 16,255,000	$ 65,161,000

See notes to the financial statements.

Unaudited Pro Forma Condensed Combined Statement of Operations

For the Three Months Ended March 31, 2017

	ID Systems Historical	Keytroller, LLC Historical	Acquisition adjustments	Note reference	Financing Adjustments (Note 3)	Note reference	Pro forma combined
Net sales	$ 7,999,000	$ 1,599,000	-		-		$ 9,598,000
Cost of sales	3,849,000	716,000	-		-		4,565,000
Gross profit	4,150,000	883,000	-		-		5,033,000
Selling, general and administrative expenses	4,782,000	458,000	$ 144,000	5a	-		5,384,000
Research and development expenses	1,238,000	-	-		-		1,238,000
(Loss) income from operations	(1,870,000)	425,000	(144,000)		-		(1,589,000)
Interest income	56,000	-	-		-		56,000
Interest expense	(73,000)	-	-		-		(73,000)
Other income, net	1,000	14,000	-		-		15,000
(Loss) income before provision for income taxes	(1,886,000)	439,000	(144,000)		-		(1,591,000)
Provision for income taxes	-	-	(39,000)	5b	-		(39,000)
Net (loss) income	$ (1,886,000)	$ 439,000	$ (183,00)		-		$ (1,630,000)
Net loss per share – basic and diluted	(0.14)				-		$ (0.10)
Weighted average common shares outstanding - basic and diluted	13,261,000		296,000	1	3,000,000		16,557,000

See notes to the financial statements.

Unaudited Pro Forma Condensed Combined Statement of Operations

For the Year Ended December 31, 2016

	ID Systems Historical	Keytroller, LLC Historical	Acquisition adjustments	Note reference	Financing Adjustments (Note 3)	Note reference	Pro forma combined
Net sales	$ 36,822,000	$ 6,624,000	-		-		$ 43,446,000
Cost of sales	18,528,000	2,923,000	-		-		21,451,000
Gross profit	18,294,000	3,701,000	-		-		21,995,000
Selling, general and administrative expenses	20,126,000	2,261,000	$ 577,000	5a			22,964,000
Research and development expenses	4,536,000	-	-		-		4,536,000
(Loss) income from operations	(6,368,000)	1,440,000	(577,000)		-		(5,505,000)
Interest income	285,000	-	-		-		285,000
Interest expense	(293,000)	-	-		-		(293,000)
Other income, net	6,000	43,000			-	3	49,000
(Loss) Income before provision for income taxes	(6,370,000)	1,483,000	(577,000)		-		(5,464,000)
Provision for income taxes	-	-	(157,000)	5b	-		(157,000)
Net (loss) income	$ (6,370,000)	$ 1,483,000	$ (734,000)		-		$ (5,621,000)
Net loss per share – basic and diluted	(0.49)	-			-		$ (0.35)
Weighted average common shares outstanding - basic and diluted	12,984,000	-	296,000	1	3,000,000		$ 16,280,000

See notes to the financial statements.

1. Description of the Transaction

On July 31, 2017, I.D. Systems, Inc. (the "Company"), together with its wholly-owned subsidiary Keytroller, LLC, a Delaware limited liability company (the "Purchaser"), completed the acquisition of substantially all of the assets Keytroller, LLC, a Florida limited liability company ("Keytroller"), pursuant to an asset purchase agreement (the "Purchase Agreement") by and among the Company, the Purchaser, Keytroller and the principals of Keytroller party thereto (the "Acquisition").

Consideration for the Acquisition included (i) $7,098,215.99 in cash paid at closing, (ii) 295,902 shares of our common stock issued at closing, (iii) up to a total of $3 million of shares of our common stock as earn-out payments, computed based on a per share price equal to the volume weighted average price of our common stock on the NASDAQ Global Market during the ten consecutive trading days ending on the third trading day prior to the closing date, based on the performance of the acquired business for the two years following closing, and (iv) the assumption of certain liabilities of Keytroller.

2. Basis of Presentation

The unaudited pro forma condensed combined balance sheet gives effect to the acquisition of Keytroller as if it occurred on March 31, 2017. The pro forma adjustments required to reflect the acquired assets and assumed liabilities of Keytroller are based on the estimated fair value of the assets and liabilities of Keytroller. The pro forma condensed combined statements of income for the three months ended March 31, 2017 and the year ended December 31, 2016 gives effect to the Keytroller acquisition as if it occurred on January 1, 2016.

The unaudited pro forma condensed combined financial statements were prepared using the acquisition method of accounting and is based on the historical financial information of the Company and Keytroller. The acquisition method of accounting, in accordance with ASC 805, "Business Combinations" (ASC 805) requires, among other things, that assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date, using the fair value concepts defined in ASC 820, "Fair Value Measurement" (ASC 820). As the accounting acquirer, the Company will estimate the fair value of Keytroller's assets acquired and liabilities assumed. The historical consolidated financial information has been adjusted in the accompanying unaudited pro forma combined financial statements to give effect to pro forma events that are (i) directly attributable to the acquisition, (ii) factually supportable, and (iii) with respect to the unaudited pro forma combined statements of income, are expected to have a continuing impact on the consolidated results.

Fair value is defined in ASC 820 as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." This is an exit price concept for the valuation of an asset or liability. Market participants are assumed to be buyers or sellers in the most advantageous market for the asset or liability. Fair value measurement for an asset assumes the highest and best use by these market participants. Fair value measurements can be highly subjective and it is possible the application of reasonable judgment could lead to different assumptions resulting in a range of alternative estimates using the same facts and circumstances.

3. Financing Transactions

The Company funded the cash portion of the transaction with a portion of the net proceeds from an underwritten public offering consisting of 2,608,695 shares of common stock at a price per share of $5.75 that closed on July 17, 2017. In addition, the underwriters of the public offering exercised in full their option to purchase an additional 391,304 shares of common stock. Including this option exercise, the aggregate gross proceeds from the offering of a total of 2,999,999 shares of common stock, before deducting discounts and commissions and offering expenses, were approximately $17.3 million. Net proceeds from the public offering were approximately $16.3 million. The Company intends to use the remaining portion of the net proceeds for general corporate purposes.

4. Preliminary Purchase Price Adjustments

The estimated pro forma adjustments as a result of recording assets acquired and liabilities assumed at their respective fair values in accordance with ASC 805 discussed below are preliminary. The final allocation of the purchase price will be determined at a later date and is dependent on a number of factors, including the final valuation of Keytroller's tangible and intangible assets acquired and liabilities assumed. The final valuation of assets acquired and liabilities assumed may be materially different than the value of assets acquired and liabilities assumed in the estimated pro forma adjustments.

The preliminary consideration and estimated fair value of assets acquired and liabilities assumed as if the acquisition date was January 1, 2017 is presented as follows:

	Amount	Note
Calculation of consideration estimated to be transferred		
Consideration to be paid to Keytroller stockholders and equity award holders	$ 11,781,000	(a)
Fair value of total consideration	11,781,000	
Recognized amounts of identifiable assets acquired and liabilities assumed		
Book value of Keytroller	$ 2,410,000	(b)
Less: Excluded assets and liabilities		
Cash and cash equivalents	(537,000)	(c)
Investments	(340,000)	(d)
Prepaid expenses and other current assets	(21,000)	(e)
Fixed assets	(132,000)	(f)
Short-term borrowings	45,000	(g)
Accounts payable and accrued expenses	21,000	(h)
	$ 1,446,000	

(a) Represents consideration transferred to Keytroller members. A summary is as follows:

	Shares	Offering Price per Share	Amount
Cash consideration paid to Keytroller members			$ 7,098,000
Share consideration related to outstanding equity awards	295,902	$ 6.76	2,000,000
Fair value of earn-out consideration			2,683,000
Total Consideration			$ 11,781,000

The Company recorded $2,683,000 of contingent consideration based on the estimated revenues and earnings during the earn-out periods discounted at the weighted-average interest rate. The impact of the potential shares to be issued for the contingent consideration is not included in the computation of pro forma net loss per share.

(i) Adjustment made to remove the historical members' equity balance of Keytroller.

(j) The adjustments reflect the amount necessary to record the estimated fair value of Keytroller's intangible assets acquired. The valuation of the identifiable intangible assets acquired was based on management's preliminary estimates, currently available information and reasonable and supportable assumptions. Identifiable intangible assets expected to be acquired consist of the following:

	Estimated Useful Lives (Years)	As of January 1, 2017 (millions)
Identifiable intangible assets:		
Trademark and tradename	10-15	$ 1,367,000
Customer list	10	3,123,000
Favorable contract interest	4	388,000
Non compete	5	208,000
Pro forma adjustment for estimated fair value of identifiable intangible assets		$ 5,086,000

Some of the more significant assumptions inherent in the development of intangible asset fair values, from the perspective of a market participant, include: the amount and timing of projected future cash flows (including revenue, cost of sales, sales and marketing expenses, capital expenditures, and working capital requirements); the discount rate selected to measure inherent risk of future cash flows; the assumed royalty rate utilized; and the assessment of the asset's life cycle and the competitive trends impacting the asset, among other factors.

(k) Goodwill is calculated as the difference between the fair value of the consideration expected to be transferred and the values assigned to the identifiable tangible and intangible assets acquired and liabilities assumed.

Currently, no adjustment to the unaudited pro forma condensed combined financial statements has been made as it relates to limitations the combined company might incur under Section 382 of the Code or ASC 740. Furthermore, adjustments to established deferred tax assets and liabilities as well as the recognition of additional deferred tax assets and liabilities may occur in conjunction with the finalization of the purchase accounting and these items could be material.

5. Unaudited Pro Forma Condensed Combined Statements of Operations Adjustments

(a) The following adjustments have been made to SG&A expenses:

	Three Months Ended March 31, 2017	Year Ended December 31, 2016
Adjustments to SG&A expenses/(income):		
Estimated transaction-related intangible asset amortization	$ 144,000	$ 577,000
Total SG&A adjustments	$ 144,000	$ 577,000

(b) Provision for income taxes:

	Three Months Ended March 31, 2017	Year Ended December 31, 2016
Adjustment to provision for income taxes:		
Estimated transaction-related goodwill tax amortization	$ 39,000	$ 157,000
Total provision for income taxes adjustment	$ 39,000	$ 157,000