

IMAGE TECHNOLOGY LABORATORIES INC
Form 10KSB/A
September 19, 2008

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-KSB/A
AMENDMENT NO.1

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES AND
EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

IMAGE TECHNOLOGY LABORATORIES, INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE

22-3531373

(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

(I.R.S. EMPLOYER
IDENTIFICATION NO.)

602 ENTERPRISE DRIVE, KINGSTON, NEW YORK

12401

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (845) 338-3366

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT: NONE

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: COMMON STOCK

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 X No

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

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

The issuer's revenues for the most recent fiscal year were \$534,438.

The aggregate market value of the voting stock held by non-affiliates of the Registrant, based on the \$.06 last sales price reported by OTC.BB on April 2, 2008 was \$389,592.

As of December 31, 2007, the Registrant had issued, and outstanding, 15,238,778 shares of common stock.

Transitional Small Business Disclosure Format (Check one): Yes ___ No X

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FORWARD-LOOKING STATEMENTS

This report and the documents incorporated in it by reference contain forward-looking statements about our plans, objectives, expectations and intentions. You can identify these statements by words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "estimate," "may," "will" and "continue" or similar words. You should read statements that contain these words carefully. They discuss our future expectations, contain projections of our future results of operations or our financial condition or state other forward-looking information, and may involve known and unknown risks over which we have no control. You should not place undue reliance on forward-looking statements. We cannot guarantee any future results, levels of activity, performance or achievements. Moreover, we assume no obligation to update forward looking statements or update the reasons actual results could differ materially from those anticipated in forward-looking statements, except as required by law. Factors, that could cause actual results to differ materially from those expressed or implied by such forward looking statements include that discussed in the report in Part 1, Item 1, including the section captioned "Risk Factors that May Affect Future Results" and "Management's Discussion and Analysis of Financial Condition or Plan of Operation."

EXPLANATORY NOTE

Image Technology Laboratories, Inc. originally filed its Annual Report on Form 10-KSB for the year ended December 31, 2007 on April 18, 2008 (the "Original Filing"). This Form 10-KSB/A is being filed solely for the purpose of (i) revising Part I, Item 8A. Controls and Procedures, (ii) revising Exhibits 31.1 and 32.1, and (iii) filing Management's Report on Internal Control Over Financial Reporting, which was inadvertently omitted from the Original Filing. This Form 10-KSB/A does not otherwise amend the Original Filing.

1. PART I

ITEM 1. DESCRIPTION OF BUSINESS

Image Technology Laboratories, Inc. ("ITL", "the Company", "Registrant" or "we") is a medical image and information management company in the healthcare IT market. The Company is a systems integrator that provides a total solution of hardware, software and service to the customer for their product.

The Company was founded and incorporated in the state of Delaware in 1997 by Dr. David Ryon, Chief Executive Officer and founder of The Kingston Diagnostic Center; Dr. Carlton Phelps, Chief Financial Officer and former Chief of Radiology at The Kingston Hospital; and Lewis M. Edwards, Chief Technical Officer and formerly Senior Technical Staff Member and lead engineer of the 3D Graphics Lab at IBM. In fiscal year 2000 ITL successfully completed a private placement (of approximately \$2 Million), followed by an SB2 registration and a self-underwritten public offering raising net proceeds of \$1.02 million to partially fund its development efforts.

The Company is headquartered in Kingston, New York - about 100 miles north of New York City. The Company's shares of common stock are publicly traded on the OTC Bulletin Board under the symbol "IMTL". Of the three original co-founders, only Mr. Edwards remains at the Company. In the first quarter of 2002, Dr. Phelps departed the Company and resigned from the Board of Directors. Dr. Ryon passed away suddenly in December of 2004. The Company has secured a roster of active customers, and is seeking to expand their sales and marketing initiatives by both organic and acquisitive growth strategies.

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ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On March 3, 2006, the Company's Board of Directors elected to engage Berenson LLP to act as the Company's new independent registered accounting firm and auditors.

On May 15, 2007, the Company's independent registered accounting firm, Berenson, LLP, terminated their services to the Company as a result of a combination with the Company's prior independent registered accounting firm, J.H. Cohn, LLP, whose engagement was discontinued by an election of the Company's Board of Directors in 2005.

On February 1, 2008, the Company's Board of Directors elected to engage UHY LLP to act as the Company's new independent registered accounting firm and auditors.

ITEM 8A. CONTROLS AND PROCEDURES.

A) EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

We carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer who also serves as our Principal Accounting Officer, of the design and effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this report.

On April 18, 2008, we filed our Annual Report on Form 10-KSB for the year ended December 31, 2007 (the "Original Filing"). However, our Management's Report on Internal Control Over Financial Reporting, which we were required to provide pursuant to Item 308T(a) of Regulation S-B, was inadvertently omitted from the Original Filing even though our management had completed the required assessment of internal control over financial reporting.

As a result, we conducted a reevaluation of our disclosure controls and procedures as of the end of the period covered by this report. Based upon this reevaluation, we have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were not effective to ensure that the information required to be disclosed by the Company in reports that it files under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms and also designed to ensure that information required to be disclosed in the reports filed or submitted by the Company under the Exchange Act is accumulated and communicated to management, as appropriate to allow timely decisions regarding required disclosure.

The conclusion that our disclosure controls and procedures were not effective as of the end of the period covered by this report is based solely upon Management's Report on Internal Control Over Financial Reporting having been having inadvertently omitted from the Original Filing.

Management's Report on Internal Control Over Financial Reporting is set forth below as paragraph C to Item 8A of this amended Form 10-KSB filing.

We will continue to monitor and evaluate our disclosure controls and procedures on an ongoing basis to ensure that the reports we file under the Exchange Act

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include all of the information required to be disclosed. We are committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow.

It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and can therefore only provide reasonable, not absolute, assurance that the design will succeed in achieving its stated goals.

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B) CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no significant changes in our internal control over financial reporting during the fourth quarter of the year ended December 31, 2007 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

C) MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f).

Our management, including our Chief Executive Officer who also serves as our Principal Accounting Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2007 based on the criteria set forth in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the criteria set forth in Internal Control - Integrated Framework, management believes that, as of December 31, 2007, our internal control over financial reporting was effective.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to the reliability of our financial reporting and the preparation of our financial statements for external purposes in accordance with generally accepted accounting principles.

This Annual Report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

ITEM 8B, OTHER INFORMATION

None.

