

Edgar Filing: ILINC COMMUNICATIONS INC - Form 10-Q/A

ILINC COMMUNICATIONS INC
Form 10-Q/A
January 11, 2005

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

FORM 10-Q/A
Amendment No. 1

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

For the quarterly period ended September 30, 2004

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

For the transition period from _____ to _____

Commission file number 1-13725

iLinc Communications, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

76-0545043
(I.R.S. Employer
Identification No.)

2999 North 44th Street, Suite 650
Phoenix, Arizona
(Address of principal executive offices)

85018
(Zip Code)

Registrant's telephone number, including area code: (602) 952-1200

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 is an accelerated file (as
defined in Rule 12b-2 of the Act). Yes No

The number of shares outstanding of each of the registrant's classes of
Common Stock, as of October 12, 2004 was approximately 24,145,938, net of shares
held in treasury.

EXPLANATORY NOTE

Form 10-Q/A (this "Amendment") amends the Quarterly Report on Form 10-Q for

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the quarterly period ended September 30, 2004, filed on November 18, 2004 (the "Original Filing"). iLinc Communications, Inc. ("the Company" or "iLinc") has filed this Amendment to revise Item 4 which revisions iLinc deems necessary to clarify language used in Item 4 of the Original Filing. Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended, the complete text of Item 4 as amended is set forth below. The remainder of the Original Filing is unchanged and is not reproduced in this Amendment. This Amendment speaks as of the filing date of the Original Filing and reflects only the changes discussed above. No other information included in the Original Filing, including the Company's financial statements and the footnotes thereto, has been modified or updated in any way. This Amendment should be read together with other documents that iLinc has filed with the Securities and Exchange Commission subsequent to the filing of the Original Filing.

Item 4. CONTROLS AND PROCEDURES

We evaluated the design and operation of our disclosure controls and procedures as of September 30, 2004 to determine whether they are effective in ensuring that we disclose the required information in a timely manner and in accordance with the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the rules and forms of the Securities and Exchange Commission. Management, including our principal executive officer and principal financial officer, supervised and participated in the evaluation. The principal executive officer and principal financial officer concluded, based on their review, that our disclosure controls and procedures, as defined by Exchange Act Rules 13a-14(c) and 15d-14(c), are effective and ensure that we disclose the required information in reports that we file under the Exchange Act and that the filings are recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms despite the material weakness identified by our independent registered public accountants identified below. The principal executive officer and principal financial officer reached this conclusion after giving consideration to the communications received from the Company's independent registered public accountants on November 12, 2004, further described below, because the existing internal disclosure controls and procedures were sufficient. Additionally, the Company notes that changes in the sales order documentation, approval and storage processes were implemented and changes were made to further segregate the duties associated with the sales order process and the corresponding revenue recognition process related to those sales orders. No significant changes were made during the quarter ended September 30, 2004 to our internal controls over financial reporting that could significantly affect these controls subsequent to the date of their evaluation.

The Company's disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives, and the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures provide reasonable assurance of achieving their objectives. However, because of the inherent limitations in all control systems no evaluation of controls can provide absolute assurance that all control issues if any, within a company have been detected.

On November 12, 2004, the Company's independent registered public accountants orally notified the Company's Audit Committee that they had identified a material weakness regarding the Company's internal controls. The material weakness noted was the lack of sufficient control over the sales order and revenue recognition process. Management of the Company has informed the Audit Committee that it is in the process of changing procedures to correct this weakness. The Company is implementing a new procedure which requires a documented secondary review of all sales orders to assure proper revenue recognition and completeness of customer sales files.

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SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: January 11, 2005

ILINC COMMUNICATIONS, INC.

By: /S/ James M. Powers, Jr.

James M. Powers, Jr., Chairman of the
Board of Directors, Chief Executive
Officer and President

By: /S/ John S. Hodgson

John S. Hodgson, Senior Vice President
and Chief Financial Officer