

INTEGRAMED AMERICA INC
Form 10-K/A
February 03, 2010

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

FORM 10-K/A
Amendment No. 3

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2008

OR

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

For the transition period from _____ to _____

Commission File No. 0-20260

INTEGRAMED AMERICA, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

06-1150326
(I.R.S. Employer Identification No.)

Two Manhattanville Road, Purchase, New York
(Address of principal executive offices)

10577
(Zip Code)

(914) 253-8000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange on which registered
Common Stock, \$.01 par value	NASDAQ Global Market

Securities registered pursuant to Section 12(g) of the Act:
None

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

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

Yes No X

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 filer pursuant to Item 405 of Regulation S-K (17 CFR 229.405) is not contained herein, and will not be contained, to the best of 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 [X]

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:	Accelerated Filer	X
Non-Accelerated Filer: (Do not check if a smaller reporting company)	Small 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 X

Aggregate market value of voting stock (Common Stock, \$.01 par value) held by non-affiliates of the Registrant was approximately \$61.9 million on June 30, 2008 based on the closing sales price of the Common Stock on such date.

The aggregate number of shares of the Registrant's Common Stock, \$.01 par value, outstanding was approximately 8,760,300 on March 17, 2009.

EXPLANATORY NOTE

IntegraMed America, Inc. (“we” or the “Company”) is filing this Amendment No. 3 on Form 10-K/A (the “Amendment”) to amend its Annual Report on Form 10-K for the fiscal year ended December 31, 2008 filed with the Securities and Exchange Commission on March 31, 2009 (the “Original Filing”), as amended by Amendment No. 1 to the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission on June 5, 2009, and Amendment No. 2 to the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission on December 14, 2009. The Amendment amends “Item 8 Financial Statements and Supplementary Data”, as well as the Report of Independent Registered Public Accounting Firm. In addition, new certifications are filed as exhibits to the Amendment. The Amendment only sets forth the information that has been amended and does not restate the Annual Report on Form 10-K in its entirety. The Amendment is filed to revise the date of the Report of the Independent Registered Public Accounting Firm to reflect a previous restatement, and to describe such restatement, as well as a previous restatement, as corrections of errors. There have been no changes to any of the previously reported amounts.

The Amendment does not reflect events occurring after the filing of the Original Filing and unless otherwise stated herein, the information contained in the Amendment is current only as of the time of the Original Filing. Except as described above, no other changes have been made to the Original Filing. Accordingly, the Amendment should be read in conjunction with the Company’s filings made with the Securities and Exchange Commission subsequent to the filing of the Original Filing, including the Company’s definitive proxy statement filed on April 15, 2009.

ITEM Financial Statements and Supplementary Data

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See Index to Financial Statements on Page F-1.

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FINANCIAL STATEMENTS

Item 8 and 15 (a)(1)

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Shareholders of IntegraMed America, Inc.

We have audited the accompanying consolidated balance sheets of IntegraMed America, Inc. as of December 31, 2008 and 2007 and the related consolidated statements of operations, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2008. We also have audited IntegraMed America, Inc.'s internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). IntegraMed America, Inc.'s management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying consolidated financial statements. Our responsibility is to express an opinion on these financial statements and an opinion on the company's internal control over financial reporting 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included 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, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's 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 the policies or procedures may deteriorate.

A material weakness is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. Management has identified and included in its assessment of internal controls over financial reporting the following material weakness as of December 31, 2008. The Company's systems did not properly recognize as revenue, with an

equal reduction to the recorded liability (deferred revenue), a portion of nonrefundable fees on patients who voluntarily withdrew from the IVF Attain program. This material weakness resulted in restatement of the Company's previously issued financial statements for the years ended 2001 through 2008.

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In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IntegraMed America, Inc. as of December 31, 2008 and 2007, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, management's assessment that IntegraMed America, Inc. did not maintain effective internal control over financial reporting as of December 31, 2008 is fairly stated based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Also, in our opinion, as a result of the material weakness identified in the previous paragraph, IntegraMed America, Inc. has not maintained effective internal control over financial reporting as of December 2008 based on criteria established in Internal Control-Integrated Framework issued by COSO.

As discussed in Note 2 to the consolidated financial statements, the Company restated its consolidated financial statements as of December 31, 2008, 2007 and 2006.

As discussed in Note 15 to the consolidated financial statements, effective January 1, 2007, the Company adopted the provisions of Financial Interpretation (FIN) No. 48 "Accounting for Uncertainty in Income Taxes- an interpretation of Statement of Financial Accounting Standards No. 109."

/s/Amper, Politziner & Mattia, LLP

Edison, New Jersey

March 30, 2009, except for the restatement discussed in Note 2
to the Consolidated Financial Statements, as to which the date is
October 28, 2009.

PART I — FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

INTEGRAMED AMERICA, INC.
 CONSOLIDATED BALANCE SHEETS
 (all dollars in thousands, except share amounts)

	December 31, 2008 (restated)	December 31, 2007 (restated)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 28,275	\$ 23,740
Patient and other receivables, net	6,681	5,511
Deferred taxes	5,744	5,565
Other current assets	6,466	4,668
Total current assets	47,166	39,484
Fixed assets, net		
Intangible assets, Business Service Rights, net	16,618	16,912
Goodwill	21,956	22,305
Trademarks	29,478	29,359
Other assets	4,442	4,492
Total assets	1,781	1,619
	\$ 121,441	\$ 114,171
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,853	\$ 1,895
Accrued liabilities	17,818	17,760
Current portion of long-term notes payable and other obligations	11,351	3,661
Due to Fertility Medical Practices	6,354	9,043
Attain IVF Refund Program deferred revenue and other Patient Deposits	11,237	10,560
Total current liabilities	49,613	42,919
Long-term notes payable and other obligations	18,868	21,799
Deferred and other tax liabilities	696	1,819
Total Liabilities	69,177	66,537
Commitments and Contingencies		
Shareholders' equity:		
Common Stock, \$.01 par value – 15,000,000 shares authorized in 2008 and 2007, respectively, 8,668,376 and 8,572,258 shares issued and outstanding in 2008 and 2007, respectively	87	86
Capital in excess of par	54,943	53,890
Other comprehensive loss	(375)	(82)

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Treasury stock, at cost – 22,682 and 14,175 shares in 2008 and 2007, respectively	(211)	(165)
Accumulated deficit	(2,180)	(6,095)
Total shareholders' equity	52,264	47,634
Total liabilities and shareholders' equity	\$ 121,441	\$ 114,171

See accompanying notes to the consolidated financial statements.

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INTEGRAMED AMERICA, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(all amounts in thousands, except per share amounts)

For the Year ended