

Edgar Filing: INTEGRAMED AMERICA INC - Form 8-K

INTEGRAMED AMERICA INC  
Form 8-K  
October 31, 2006

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of  
the Securities and Exchange Act 1934

Date of Report (Date of earliest event reported): October 31, 2006

INTEGRAMED AMERICA, INC.

-----  
(Exact name of registrant as specified in charter)

Delaware

-----  
(State of other jurisdiction of incorporation)

0-20260

6-1150326

-----  
(Commission File Numbers)

(IRS Employer Identification No.)

Two Manhattanville Road, Purchase, NY

10577

-----  
(Address of principal executive offices)

(Zip Code)

Registrant's telephone no. including area code: (914) 253-8000  
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(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:

\_\_\_ Written communication 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 communication pursuant to Rule 14d-2(b) under the  
Exchange Act (17 CFR 240.14d-2(b))

\_\_\_ Pre-commencement communication pursuant to Rule 13e-4(c) under the  
Exchange Act (17 CFR 240.13e-4(c))

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### Item 4.02 Non-Reliance On Previously Issued Financial Statements Or A Related Audit Report Or Completed Interim Review.

On October 30, 2006 management concluded, and subsequently reported to the Audit Committee of the Board of Directors, that our audited financial statements for the fiscal year ended December 31, 2005 and our unaudited financial statements and financial information for the three and six-month periods ended March 31, 2006 and June 30, 2006 (the "Relevant Periods") and the comparative prior periods should no longer be relied upon and will be restated in order to correct an error regarding the deferred income tax accounting of acquiring the stock of Reproductive Partners, Inc. in January, 2005 in accordance with Financial Accounting Standards Board Emerging Issues Taskforce Issue No. 98-11- "Accounting for Acquired Temporary Differences in Certain Purchase Transactions That Are Not Accounted for as Business Combinations". As noted in the table below, there is no impact on net income or earnings per share as a result of this correction.

After we reviewed our accounting for the above-mentioned transaction we noted that we did not properly account for the difference between the amount paid in the transaction (the book basis) and the tax basis of the assets acquired and therefore we understated the asset acquired and also understated the related deferred tax accounts. The correction to the December 31, 2005 Balance Sheet for the proper accounting is to increase intangible assets by \$2,035,000, decrease deferred tax assets by \$977,000 and increase deferred tax liabilities by \$1,058,000, all non-cash items. The impact to the Statement of Operations is to increase the amortization of the intangible by approximately \$20,000 a quarter and reduce income tax expense through the amortization of the deferred tax liability by \$20,000 a quarter. As a result, there is no change to net income and earnings per share for any period. The Statement of Shareholders' Equity is not affected by this restatement.

As a result of the error described above, we expect to file amendments to our Form 10-K and our Forms 10-Q for the Relevant Periods with the Securities and Exchange Commission as soon as practical to reflect the correct accounting and related disclosures.

The following table illustrates the impact of the correction:

	As Previously Reported -----	Restated -----
Balance Sheet Summary		
June 30, 2006		
-----		
Total Assets.....	\$67,976	\$69,473
Total Liabilities.....	29,725	31,222
Total Stockholders' Equity.....	38,251	38,251
March 31, 2006		
-----		
Total Assets.....	64,004	65,154
Total Liabilities.....	26,377	27,527
Total Stockholders' Equity.....	37,627	37,627
December 31, 2005		
-----		
Total Assets.....	65,575	66,633
Total Liabilities.....	28,775	29,833
Total Stockholders' Equity.....	36,800	36,800

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	As Previously Reported -----	Restated -----
Statement of Operations Summary		
Six Months ended June 30, 2006		
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Revenues.....	62,284	62,243
Income before taxes.....	1,678	1,637
Income tax provision.....	669	628
Net Income.....	1,009	1,009
Earnings Per Share.....	0.15	0.15
Three Months ended March 31, 2006		
-----		
Revenues.....	30,454	30,434
Income before taxes.....	792	772
Income tax provision.....	316	296
Net Income.....	476	476
Earnings Per Share.....	0.07	0.07
Year ended December 31, 2005		
-----		
Revenues.....	128,890	128,809
Income before taxes.....	2,788	2,707
Income tax provision.....	1,065	984
Net Income.....	1,723	1,723
Earnings Per Share.....	0.28	0.28

The Audit Committee and the Company's Chief Financial Officer have discussed the matters disclosed in this filing with Amper, Politziner & Mattia, P.C., the Company's independent registered public accounting firm.

## SIGNATURES

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 thereunto duly authorized.

INTEGRAMED AMERICA, INC.  
(Registrant)

Date: October 31, 2006

By: /s/John W. Hlywak, Jr.

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John W. Hlywak, Jr.  
Executive Vice President & CFO