

UNITED SUMMIT CENTER, INC.

**INDEPENDENT AUDITOR'S REPORT AND
RELATED FINANCIAL STATEMENTS**

DECEMBER 31, 2010 AND 2009

DHHR - Finance

JAN 9 2013

Date Received

INDEX

	Page
Independent Auditor's Report	1-2
Balance Sheets	3-4
Statements of Operations	5
Statements of Changes in Net Assets	6
Statements of Cash Flows	7
Notes to Financial Statements	8-18
 SUPPLEMENTARY SCHEDULES	
Cumulative Schedule of Property and Equipment Purchased with BHHF - Administered Funding	19
Statement of BHHF Funding Status	20-23
Standardized Financial Statements	24-25
Schedule of State Grant Receipts and Expenditures	26
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	27-28
Schedule of Findings and Responses	29

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Summit Center, Inc.
Clarksburg, West Virginia

We have audited the accompanying balance sheets of United Summit Center, Inc. (a non-profit organization) as of December 31, 2010 and 2009 and the related statements of operations, changes in net assets and cash flows for the years then ended as listed in the table of contents. These financial statements are the responsibility of the United Summit Center, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Summit Center, Inc. as of December 31, 2010 and 2009, and the results of its operations, changes in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2011 on our consideration of United Summit Center, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations,

contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of United Summit Center, Inc. taken as a whole. The accompanying supplementary schedules, as listed in the index, are presented for purposes of additional analysis and are not a required part of the basic financial statements of United Summit Center, Inc. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Tetush & Battlett, PLLC

April 11, 2011

DHHR - Finance

JAN 9 2013

Date Received

**UNITED SUMMIT CENTER, INC.
BALANCE SHEETS
DECEMBER 31,**

	2010	2009
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 3,126,009	\$ 2,047,077
Patient accounts receivable, net of contractual allowances and allowance for doubtful collections of approximately \$1,466,743 in 2010 and \$1,886,646 in 2009	1,200,822	1,471,897
Other receivables	790,503	693,913
Deposits	21,587	21,587
Prepaid expenses	96,688	197,244
Total current assets	5,235,609	4,431,718
 Assets Whose Use is Limited		
Board-designated funds:		
Funded depreciation	4,265,571	3,896,070
Malpractice self-insurance, held by trustee	998,964	884,370
Total assets whose use is limited	5,264,535	4,780,440
 Long-Term Investments	 13,219	 9,760
 Land, Property and Equipment (net)	 1,140,197	 966,759
 TOTAL ASSETS	 \$ 11,653,560	 \$ 10,188,677

	2010	2009
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current portion of long-term debt	\$ 7,282	\$ 7,449
Accounts payable	253,077	172,473
Accrued payroll and related taxes and benefits	1,137,925	903,859
Accrued other	<u>1,224,253</u>	<u>1,107,013</u>
Total current liabilities	2,622,537	2,190,794
Long-term debt, net of current portion	<u>-</u>	<u>6,692</u>
Total Liabilities	<u>2,622,537</u>	<u>2,197,486</u>
Net Assets		
Unrestricted	<u>9,031,023</u>	<u>7,991,191</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 11,653,560</u></u>	<u><u>\$ 10,188,677</u></u>

The accompanying notes are an integral part of these financial statements.

**UNITED SUMMIT CENTER, INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31,**

	2010	2009
Changes in Unrestricted Net Assets		
Unrestricted revenues and support		
Net patient service revenues	\$ 15,271,690	\$ 13,216,085
Federal and state support	4,621,641	4,258,881
County support	47,880	45,600
Other income	294,697	255,251
Total unrestricted revenues and support	<u>20,235,908</u>	<u>17,775,817</u>
Expenses		
Salaries and wages	11,899,580	11,029,467
Contracted labor	754,796	1,074,458
Employee benefits	3,175,200	2,516,040
Purchased services and fees	167,751	229,214
Travel and registration fees	664,249	662,561
Rent	376,049	365,801
Medicaid tax	70,978	76,888
Utilities	335,159	327,273
Supplies	391,747	417,574
Depreciation	305,865	254,755
Insurance	177,185	139,262
Maintenance and repairs	179,936	97,674
Provision for bad debts	1,070,801	475,456
Other expenses	75,679	49,850
Other taxes and licenses	41,860	48,581
Total expenses	<u>19,686,835</u>	<u>17,764,854</u>
Operating income	549,073	10,963
Other income		
Investment income	<u>490,759</u>	<u>693,754</u>
Increase in unrestricted net assets	<u>\$ 1,039,832</u>	<u>\$ 704,717</u>

The accompanying notes are an integral part of these financial statements.

**UNITED SUMMIT CENTER, INC.
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31,**

	<u>Unrestricted</u>	<u>Total</u>
Net assets, January 1, 2009	\$ 7,286,474	\$ 7,286,474
Increase in unrestricted net assets for the year ended December 31, 2009	<u>704,717</u>	<u>704,717</u>
Net assets, December 31, 2009	7,991,191	7,991,191
Increase in unrestricted net assets for the year ended December 31, 2010	<u>1,039,832</u>	<u>1,039,832</u>
Net assets, December 31, 2010	<u>\$ 9,031,023</u>	<u>\$ 9,031,023</u>

The accompanying notes are an integral part of these financial statements.

UNITED SUMMIT CENTER, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2010	2009
Cash Flows from Operating Activities		
Increase in net assets	\$ 1,039,832	\$ 704,717
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Depreciation	305,865	254,755
Net realized and unrealized (gains) on investments	(372,641)	(551,761)
Provision for uncollectible accounts	1,070,801	475,456
(Increase) decrease in:		
Patient accounts receivable	(799,726)	(508,405)
Other receivables	(96,590)	(225,109)
Deposits	-	3,772
Prepaid expenses	100,556	22,713
(Decrease) increase in:		
Accounts payable	65,074	(174,705)
Accrued payroll and related taxes and benefits	234,066	(165,715)
Accrued other	117,240	(29,766)
Net cash provided by (used in) operating activities	<u>1,664,477</u>	<u>(194,048)</u>
Cash Flows from Investing Activities		
Net (purchases) of assets whose use is limited:		
By Board for capital improvements	(70,716)	(118,930)
By Board for self-funded malpractice insurance	(44,197)	(97,749)
Acquisition of property and equipment	(463,773)	(433,351)
Net cash (used in) investing activities	<u>(578,686)</u>	<u>(650,030)</u>
Cash Flows from Capital and Related Financing Activities		
Payments of long-term debt	(6,859)	(6,461)
Net cash (used in) financing activities	<u>(6,859)</u>	<u>(6,461)</u>
Net increase (decrease) in cash and cash equivalents	1,078,932	(850,539)
Cash and cash equivalents - beginning	<u>2,047,077</u>	<u>2,897,616</u>
Cash and cash equivalents - ending	<u>\$ 3,126,009</u>	<u>\$ 2,047,077</u>
Supplemental Disclosure of Cash Flows Information		
Cash paid during the year for interest	<u>\$ 662</u>	<u>\$ 1,060</u>

The accompanying notes are an integral part of these financial statements.

UNITED SUMMIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Description of Organization

United Summit Center, Inc. (the Center) is a non-profit West Virginia corporation established for the purpose of providing mental health, mental retardation, and related services to residents of Harrison, Braxton, Doddridge, Lewis, Gilmer, Preston, Marion, and Taylor counties. Funding for operations is primarily from grant sources, purchased service contracts with the State of West Virginia, and fees for services provided.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

Patient Accounts Receivable

Patient accounts receivable are stated net of the allowance for uncollectible accounts and the allowance for contractual adjustments. The allowance for uncollectible accounts is maintained at a level believed by management to absorb potential losses in the patient receivables based on loss experience, growth and composition of the balance in patient receivables, and other relevant factors which management believes warrant recognition in the period.

UNITED SUMMIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

Assets Whose Use is Limited

Assets whose use is limited include assets set aside by the Board of Directors (the Board) for future capital improvements and assets held by trustee for future self-funded malpractice insurance claims over which the Board retains control and may at its discretion subsequently use for other purposes.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. Cash and cash equivalents are carried at cost which approximates fair value. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in revenues (less than) in excess of expenses unless the income or loss is restricted by donor or law.

Land, Property and Equipment

Land, property and equipment acquired by the Center are considered to be owned by the Center. However, funding sources may maintain equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The funding sources have a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life greater than one year.

The Center follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$1,000. Depreciation is computed on a straight-line basis over the useful lives of the assets.

Net Patient Service Revenue

Net patient service revenue is recorded at established billing rates when services are rendered, net of contractual adjustments. Contractual adjustments represent the difference between established billing rates and the payment amount or interim reimbursement rates paid by third-party contractors, principally federal and state governments under Medicare, Medicaid, and other similar programs, and are recorded on an estimated basis in the period services are rendered. Adjustments to estimated amounts are recorded in future periods as final settlements are determined.

Charity Care

The Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Center does not pursue collection of amounts determined to qualify as charity care, they are not reported in net patient service revenues.

UNITED SUMMIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

The amount of estimated charity care costs for the years ended December 31, 2010 and December 31, 2009 were \$3,443,075 and \$3,390,061, respectively. The estimated costs were calculated based upon a ratio of cost to gross charges, and then multiplying that ratio by the provision for charity care (forgone charity care revenue).

Concentration

The Center received a substantial amount of its support from grants. Any significant reduction in the level of support from the grantors could have a material effect on the Center's programs and activities.

Income Taxes

The United Summit Center, Inc. is exempt from federal and state income taxes under section 501 (c)(3) of the Internal Revenue Code.

Health Insurance Benefits

The Center self-insures its employee health insurance coverage under an arrangement using contract administrators. The Center accrues the estimated costs of incurred and reported and incurred but not recorded claims, after consideration of its individual and aggregate stop-loss insurance coverage, based upon data provided by the third-party administrators of the programs and its historical claims experience.

Defined Contribution Plan

The United Summit Center sponsors a defined contribution plan which covers substantially all employees. The employees may make tax deferred contributions to the plan. Under the plan, the Center contributes 2% of base compensation that a participant contributes to the plan. Employer match pension expense for 2010 and 2009 was \$172,878 and \$157,302, respectively.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Date of Management's Review of Subsequent Events

Management has evaluated subsequent events through April 11, 2011, the date which the financial statements were available to be issued.

UNITED SUMMIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

2. Deposits

The Center's deposits are categorized to give an indication of the level of risk assumed by the Center at December 31, 2010 and 2009. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the Center or its agent in the Center's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Center's name.

Category 3 - Uncollateralized.

	2010				Carrying Amount
	Bank Balance	1	Category 2	3	
Cash on hand	\$ -	\$ -	\$ -	\$ -	\$ 1,270
Checking	3,225,653	250,000	2,975,653	-	3,124,739
Total cash	<u>\$ 3,225,653</u>	<u>\$ 250,000</u>	<u>\$ 2,975,653</u>	<u>\$ -</u>	<u>\$ 3,126,009</u>

	2009				Carrying Amount
	Bank Balance	1	Category 2	3	
Cash on hand	\$ -	\$ -	\$ -	\$ -	\$ 1,270
Checking	2,180,785	250,000	1,930,785	-	2,045,807
Total cash	<u>\$ 2,180,785</u>	<u>\$ 250,000</u>	<u>\$ 1,930,785</u>	<u>\$ -</u>	<u>\$ 2,047,077</u>

3. Other Receivables

Other receivables consist of the following at December 31,:

	2010	2009
Grant receivable	\$ 782,985	\$ 679,829
Investment income receivable	7,177	7,519
Various	341	6,565
Total other receivables	<u>\$ 790,503</u>	<u>\$ 693,913</u>

UNITED SUMMIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTD)

4. Prepaid Expenses

Prepaid expenses consist of the following at December 31,:

	2010	2009
Prepaid rent	\$ 82,962	\$ 101,142
Prepaid employee benefit	-	90,000
Miscellaneous	<u>13,726</u>	<u>6,102</u>
 Total prepaid expenses	 <u>\$ 96,688</u>	 <u>\$ 197,244</u>

5. Investments

Assets Whose Use is Limited

The composition of assets whose use is limited, stated at fair value, at December 31, 2010 and 2009, is set forth below.

	2010	2009
Board-designated funds:		
Funded depreciation		
Cash and cash equivalents	\$ 125,520	\$ 197,337
Mutual funds	<u>4,140,051</u>	<u>3,698,733</u>
 Total Board-designated funds	 <u>4,265,571</u>	 <u>3,896,070</u>
 Trustee-held funds:		
Malpractice self-insurance		
Cash and cash equivalents	31,723	56,099
Equity securities	215,570	191,240
Mutual funds	<u>751,671</u>	<u>637,031</u>
 Total trustee-held funds	 <u>998,964</u>	 <u>884,370</u>
 Total Assets Whose Use is Limited	 <u>\$ 5,264,535</u>	 <u>\$ 4,780,440</u>

UNITED SUMMIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTD)

Long-Term Investments

The composition of long-term investments at December 31, 2010 and 2009 is set forth below.

	2010	2009
Equity Securities	<u>\$ 13,219</u>	<u>\$ 9,760</u>

Investment income and gains for assets whose use is limited, cash equivalents, and long-term investments are comprised of the following for the years ending December 31, 2010 and 2009:

	2010	2009
Income:		
Interest and dividend income	\$ 118,118	\$ 141,993
Realized (losses)	(14,404)	(106,996)
Unrealized gains	<u>387,045</u>	<u>658,757</u>
	<u>\$ 490,759</u>	<u>\$ 693,754</u>

6. Land, Property and Equipment

The following is a summary of land, property and equipment at December 31,:

	2010	2009
Land	\$ 85,096	\$ 29,608
Buildings	29,600	26,874
Leasehold improvements	870,273	751,070
Construction in progress	172,009	-
Furniture and fixtures	322,491	308,685
Equipment	<u>1,784,968</u>	<u>1,668,898</u>
	3,264,437	2,785,135
Less: Accumulated depreciation	<u>(2,124,240)</u>	<u>(1,818,376)</u>
Total	<u>\$ 1,140,197</u>	<u>\$ 966,759</u>

Depreciation expense for the years ended December 31, 2010 and 2009 amounted to \$305,865 and \$254,755, respectively.

UNITED SUMMIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

7. Long-term Debt

Long-term debt consists of the following at December 31,:

	2010	2009
6.0% note payable to Mary Policano, due in monthly installments of \$626.75, unsecured	\$ 7,282	\$ 14,141
Less: Current portion	<u>(7,282)</u>	<u>(7,449)</u>
Non-current portion	<u>\$ -</u>	<u>\$ 6,692</u>

8. Accrued Other

Accrued other consisted of the following at December 31,:

	2010	2009
Insurances	\$ 1,065,512	\$ 977,244
Contracted labor and purchased services	45,812	61,630
Client travel	4,635	3,892
Accrued professional fees	25,000	23,195
Broad base health care and privilege taxes	5,368	6,166
Employee travel	16,055	16,168
Various	<u>61,871</u>	<u>18,718</u>
Total accrued other	<u>\$ 1,224,253</u>	<u>\$ 1,107,013</u>

UNITED SUMMIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

9. Net Patient Service Revenues

The following is a summary of net patient service revenues:

	Year ended Dec. 31, 2010	Year ended Dec. 31, 2009
General patient revenues	\$ 28,288,262	\$ 27,988,347
Less: Provision for charity care	<u>(4,231,015)</u>	<u>(4,485,114)</u>
Gross patient revenues	24,057,247	23,503,233
Less: Provision for contractual allowance	<u>(8,785,557)</u>	<u>(10,287,148)</u>
Net patient service revenues	<u>\$ 15,271,690</u>	<u>\$ 13,216,085</u>

10. Operating Leases

The Center has various leases for equipment and buildings which are classified as operating leases. Total rent expense for the year ended December 31, 2010 and 2009 for these operating leases amounted to \$376,049 and \$365,801, respectively. Future minimum lease payments under the operating leases are as follows:

2011	\$ 116,765
2012	57,740
2013	57,740
2014	29,676
2015	27,125
Thereafter	<u>54,250</u>
Total	<u>\$ 343,296</u>

United Summit Center, Inc. leases the building known as 6 Hospital Plaza, Clarksburg, WV 26301 from the West Virginia Department of Health and Human Resources for the consideration of one dollar (\$1.00) per year. United Summit Center does not reflect any value related to this lease in the financial statements, i.e. there is no asset being capitalized and depreciated; there is no revenue or offsetting expense, which could have been determined by use of a fair market value.

**UNITED SUMMIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)**

11. Related Entities

United Hospital Center, Inc. (the Hospital) is the parent corporation to United Summit Center, Inc. The Center's Executive Director is appointed by and an employee of the Hospital. The Hospital approves the majority of Center's board appointments. The existence of this relationship could result in changes in net assets or financial position of United Summit Center, Inc. that are significantly different from those that would have been obtained if the organizations were autonomous. Also, the Center's financial statements are included in the consolidated financial statements of West Virginia United Health System (the parent corporation of the Hospital).

The Hospital acquired assets on behalf of the Center in November 1996 for \$323,505. Further equity contributions from the Hospital to the Center for the period November 1, 1996 to December 31, 1997, amounted to \$800,000. No equity contributions were made to Center by Hospital for the years ended December 31, 2010 and 2009.

12. Functional Expenses

The Center provides mental health care services to residents within its geographic location. Expenses related to providing these services are as follows:

	12/31/10	12/31/09
Mental health care services	\$ 15,999,256	\$ 14,290,291
Management and general	<u>3,687,579</u>	<u>3,474,563</u>
	<u>\$ 19,686,835</u>	<u>\$ 17,764,854</u>

13. Litigation

The Center is a party to various legal actions arising in the ordinary course of its services. In management's opinion, the Center has adequate legal defenses and/or external or self-insurance coverage respecting each of these actions and does not believe that this will materially affect the Center's operations or financial position. However, the Center is aware of unasserted claims, which could have a material impact on the Centers operations or financial position.

All settlements from legal actions in 2010 and 2009 were paid by the Center's self-insurance program.

UNITED SUMMIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

14. Fair Value Measurements

Fair value of assets and liabilities are measured on a recurring basis at December 31, 2010 and 2009 are as follows:

	<u>Fair Value Measurements at Reporting Date Using</u>	
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>
<u>December 31, 2010</u>		
Assets whose use is limited		
Cash and cash equivalents	\$ 157,243	\$ 157,243
Equity securities (a)	215,570	215,570
Mutual funds (a)	<u>4,891,722</u>	<u>4,891,722</u>
Total assets whose use is limited	5,264,535	5,264,535
Long-term investments		
Equity securities - financial	<u>13,219</u>	<u>13,219</u>
Total	<u>\$ 5,277,754</u>	<u>\$ 5,277,754</u>
<u>December 31, 2009</u>		
Assets whose use is limited		
Cash and cash equivalents	\$ 253,436	\$ 253,436
Equity securities (a)	191,240	191,240
Mutual funds (a)	<u>4,335,764</u>	<u>4,335,764</u>
Total assets whose use is limited	4,780,440	4,780,440
Long-term investments		
Equity securities - financial	<u>9,760</u>	<u>9,760</u>
Total	<u>\$ 4,790,200</u>	<u>\$ 4,790,200</u>

(a) Based on its analysis of the nature and risks of these investments, the Center has determined that presenting them as a single class is appropriate

UNITED SUMMIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

15. Financial Instruments

Concentration of Credit Risk Due to Patient Accounts Receivable

Financial instruments that potentially subject the Center to concentrations of credit risk consists principally patient accounts receivable.

The Center grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements, primarily with Medicare, Medicaid, and various commercial insurance companies. The Center maintains allowances for potential credit losses and such losses have historically been within management's expectations.

SUPPLEMENTARY SCHEDULES

**UNITED SUMMIT CENTER, INC.
 CUMULATIVE SCHEDULE OF PROPERTY AND EQUIPMENT
 PURCHASED WITH BHHF - ADMINISTERED FUNDING
 DECEMBER 31, 2010**

<u>Description of Equipment</u>	<u>Vendor Name</u>	<u>Vendor Identification Number</u>	<u>Provider Identification Number</u>	<u>Date of Acquisition</u>	<u>Cost</u>	<u>State Account Number</u>
(2) Video Cameras & Tripods	Champion Industries	0046	97520	06/30/1997	\$ 1,477	8793-1997-2885-096-252 8793-1997-2886-096-252 8793-1997-2892-096-252
(2) Desk, File Cabinet, Bookshelf	H.L. Heaster, Inc.	0017	97520	06/30/1998	1,505	8793-1998-2885-096-252
1998 Ford Paratransit Shuttle Bus	WV Trans. Sales, Inc.	0411	97520	06/26/1998	41,638	8793-1998-2892-096-252
Storage Building	Timberline Construction	0438	97520	06/30/1999	8,500	8793-1999-2892-096-252-03087
(3) Netserver & accessories	Insight	0385	97520	06/30/2001	4,037	8793-2005-2885-096-128-05287
	Insight	0385	97520	06/30/2001	4,038	8794-2005-2852-096-128-05286
Beds and mattresses	Mattress Warehouse	MATT	97520	04/04/2005	1,153	0525-2005-3448-219-258-6885
Bedroom furniture sets	Grandmas House Furn	GRAND	97520	05/11/2005	1,800	0525-2005-3448-219-258-6885
Building renovations	High Country Contractors		97520	05/01/2005	79,130	0525-2006-2890-219-252/258
Home furnishings	Star Furnitures	0921	97520	06/26/2005	2,146	0525-2005-3448-219-258-6885
Building renovations	High Country Contractors		97520	07/26/2005	37,015	0525-2005-2890-219-252-06958
	High Country Contractors		97520	09/12/2005	6,942	0525-2005-2890-219-252-06958
	High Country Contractors		97520	09/12/2005	11,461	0525-2006-2890-219-252-06958
	High Country Contractors		97520	10/26/2005	8,592	0525-2006-2890-219-252-06958
	High Country Contractors		97520	12/29/2005	16,329	0525-2006-2890-219-252-06958
	High Country Contractors		97520	02/07/2006	13,972	0525-2005-2890-219-252-06858
	Cullison Communications		97520	02/20/2006	7,434	0525-2005-2890-219-252-06958
	American Fence Company		97520	03/16/2006	5,485	0525-2005-2890-219-252-06958
Master Key/Lock System	Key Lock		97520	03/18/2006	2,792	0525-2005-2890-219-252-06958
Building Renovations	High Country Contractors		97520	04/05/2006	8,037	0525-2005-2890-219-252-06958
Computers (3) and Accessories	Insight		97520	09/07/2007	<u>3,093</u>	8794-2007-2852-096-128-12989
						\$ <u>266,576</u>

UNITED SUMMIT CENTER, INC.
STATEMENT OF BHHF FUNDING STATUS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

2010

FOR STATE FISCAL YEAR-END JUNE 30, 2010

<u>Grant Name</u>	<u>Account Number</u>	<u>Amount of Award</u>	<u>Earned & Billed Through Period End</u>	<u>Not Earned But Billed Through Period End</u>	<u>Not Billed Through Period End</u>	<u>Collected</u>
M.H. CORE Funds	0525-2010-2851-219-252/258	\$ 118,890	\$ 118,890	\$ -	\$ -	\$ 118,890
Crisis Improvement Package	0525-2010-2851-219-252/258	165,121	165,121	-	-	165,121
MR/DD CORE Services	0525-2010-2870-219-252/258	86,419	86,419	-	-	86,419
Uncompensated Care	0525-2010-3065-219-252/258	1,202,296	1,202,296	-	-	1,202,296
Support & Alternative Services	0525-2010-3041-219-252/258	281,003	281,003	-	-	281,003
Family Support	0525-2010-2870-221-252/258	74,285	74,285	-	-	74,285
Special Needs (T.P.)	0525-2010-2851-219-252/258	54,000	54,000	-	-	54,000
Community Placement Former Colin Anderson	0525-2010-2870-803-252/258	10,054	10,054	-	-	10,054
Care Coordinators Improvement	0525-2010-3701-219-252/258	165,725	165,725	-	-	165,725
Community Supports Improvements	0525-2010-3702-219-252/258	27,621	27,621	-	-	27,621
Clinical Outreach Services Liaison	0525-2010-3702-219-252/258	60,000	60,000	-	-	60,000
Transitional Supportive Living	0525-2010-2851-219-252/258	663,000	663,000	-	-	663,000
Case Management Liaison	0525-2010-2851-219-252/258	25,000	25,000	-	-	25,000
PI Services	0525-2010-2885-219-252/258	99,000	99,000	-	-	99,000
SA - Residential	0525-2010-2891-219-252/258	1,185,447	1,185,447	-	-	1,185,447
SA - Adult	8793-2010-2885-096-128-16746	156,049	156,049	-	-	156,049
SA - Adolescent	8793-2010-2892-096-128-16746	143,354	143,354	-	-	143,354
Special Needs Forensic ACT	0525-2010-2851-219-252/258	185,809	185,809	-	-	185,809
Medical Record Enhancement	8723-2010-2849-096-128-17653	7,500	7,500	-	-	7,500
		<u>\$ 4,710,573</u>	<u>\$ 4,710,573</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,710,573</u>

UNITED SUMMIT CENTER, INC.
STATEMENT OF BHHF FUNDING STATUS (CONT'D)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

2010

FOR STATE FISCAL YEAR-END JUNE 30, 2011

<u>Grant Name</u>	<u>Account Number</u>	<u>Amount of Award</u>	<u>Earned & Billed Through Period End</u>	<u>Not Earned But Billed Through Period End</u>	<u>Not Billed Through Period End</u>	<u>Collected</u>
M.H. CORE Funds	0525-2011-2851-219-252/258	\$ 118,890	\$ 59,444	\$ -	\$ 59,446	\$ 59,444
Crisis Improvement Package	0525-2011-2851-219-252/258	165,121	82,560	-	82,561	82,560
MR/DD CORE Services	0525-2011-2870-219-252/258	86,419	43,208	-	43,211	43,208
Uncompensated Care	0525-2011-3065-219-252/258	1,202,296	601,148	-	601,148	601,148
Support & Alternative Services	0525-2011-3041-219-252/258	281,003	140,500	-	140,503	140,500
Family Support	0525-2011-2870-221-252/258	74,285	15,732	-	58,553	15,732
Special Needs (T.P.)	0525-2011-2851-219-252/258	54,001	28,916	-	25,085	17,433
Community Placement Former Colin Anderson	0525-2011-2870-803-252/258	10,900	4,024	-	6,876	2,600
Care Coordinators Improvement	0525-2011-3701-219-252/258	197,154	63,421	-	133,733	37,521
Community Supports Improvements	0525-2011-3702-219-252/258	27,621	18,348	-	9,273	15,104
Clinical Outreach Services Liaison	0525-2011-3702-219-252/258	60,000	32,617	-	27,383	16,240
Transitional Supportive Living	0525-2011-2851-219-252/258	663,000	300,852	-	362,148	136,804
Case Management Liaison	0525-2011-2851-219-252/258	25,000	11,415	-	13,585	6,296
PI Services	0525-2011-2885-219-252/258	99,000	46,622	-	52,378	27,013
SA - Residential	0525-2011-2891-219-252/258	1,185,447	450,305	-	735,142	273,327
SA - Adult	8793-2011-2885-096-128-16746	156,049	69,974	-	86,075	40,868
SA - Adolescent	8793-2011-2892-096-128-16746	143,354	55,261	-	88,093	36,596
Special Needs Forensic ACT	0525-2011-2851-219-252/258	185,808	77,724	-	108,084	35,729
		<u>\$ 4,735,348</u>	<u>\$ 2,102,071</u>	<u>\$ -</u>	<u>\$ 2,633,277</u>	<u>\$ 1,588,123</u>

UNITED SUMMIT CENTER, INC.
STATEMENT OF BHHF FUNDING STATUS (CONT'D)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

2009

FOR STATE FISCAL YEAR-END JUNE 30, 2009

Grant Name	Account Number	Amount of Award	Earned & Billed		Not Earned But Billed		Not Billed Through		Collected
			Through Period End	Through Period End	Through Period End	Through Period End			
M.H. CORE Funds	0525-2009-2851-219-252/258	\$ 118,890	\$ 118,890	\$ -	\$ -	\$ -	\$ -	\$ 118,890	
Crisis Improvement Package	0525-2009-2851-219-252/258	165,121	165,121	-	-	-	-	165,121	
MR/DD CORE Services	0525-2009-2867-219-252/258	86,419	86,419	-	-	-	-	86,419	
Uncompensated Care	0525-2009-3065-219-252/258	918,436	918,436	-	-	-	-	918,436	
Support & Alternative Services	0525-2009-3041-219-252/258	281,003	281,003	-	-	-	-	281,003	
Family Support	0525-2009-2870-221-252/258	74,285	74,285	-	-	-	-	74,285	
Special Needs (T.P.)	0525-2009-2851-219-252/258	50,462	50,462	-	-	-	-	50,462	
Community Placement Former Colin Anderson	0525-2009-2870-803-252/258	9,969	9,969	-	-	-	-	9,969	
Care Coordinators Improvement	0525-2009-3701-219-252/258	165,725	165,725	-	-	-	-	165,725	
Community Supports Improvements	0525-2009-3702-219-252/258	27,621	27,621	-	-	-	-	27,621	
Clinical Outreach Services Liaison	0525-2009-3702-219-252/258	60,000	60,000	-	-	-	-	60,000	
Transitional Supportive Living	0525-2009-2851-219-252/258	663,000	663,000	-	-	-	-	663,000	
Case Management Liaison	0525-2009-2885-219-252/258	25,000	25,000	-	-	-	-	25,000	
PI Services	0525-2009-2885-219-252/258	110,000	110,000	-	-	-	-	110,000	
SA - Residential	0525-2009-2891-219-252/258	859,834	859,834	-	-	-	-	859,834	
SA - Adult	8793-2009-2885-096-128-15582	156,049	156,049	-	-	-	-	156,049	
SA - Adolescent	8793-2009-2892-096-128-15582	143,354	143,354	-	-	-	-	143,354	
Electronic Health Records	0525-2009-2849-219-252	8,000	8,000	-	-	-	-	8,000	
WV Data Infrastructure	8723-2009-2849-096-128-14014	25,500	25,500	-	-	-	-	25,500	
		<u>\$ 3,948,668</u>	<u>\$ 3,948,668</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,948,668</u>	

UNITED SUMMIT CENTER, INC.
STATEMENT OF BHHF FUNDING STATUS (CONT'D)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

2009

FOR STATE FISCAL YEAR-END JUNE 30, 2010

<u>Grant Name</u>	<u>Account Number</u>	<u>Amount of Award</u>	<u>Earned & Billed</u>		<u>Not Earned But Billed</u>		<u>Not Billed Through</u>		<u>Collected</u>
			<u>Through Period End</u>	<u>Through Period End</u>	<u>Through Period End</u>	<u>Through Period End</u>	<u>Through Period End</u>	<u>Through Period End</u>	
M.H. CORE Funds	0525-2010-2851-219-252/258	\$ 118,890	\$ 54,689	\$ -	\$ 64,201	\$ 54,689	\$ -	\$ -	\$ 54,689
Crisis Improvement Package	0525-2010-2851-219-252/258	165,121	82,561	-	82,560	82,561	-	-	82,561
MR/DD CORE Services	0525-2010-2867-219-252/258	86,419	43,212	-	43,207	43,212	-	-	43,212
Uncompensated Care	0525-2010-3065-219-252/258	1,202,296	457,770	-	744,526	457,770	-	-	457,770
Support & Alternative Services	0525-2010-3041-219-252/258	281,003	118,000	-	163,003	118,000	-	-	118,000
Family Support	0525-2010-2870-221-252/258	74,285	18,611	-	55,674	18,611	-	-	18,611
Special Needs (T.P.)	0525-2010-2851-219-252/258	54,000	21,981	-	32,019	21,981	-	-	12,523
Community Placement Former Colin Anderson	0525-2010-2870-803-252/258	10,900	4,158	-	6,742	4,158	-	-	2,473
Care Coordinators Improvement	0525-2010-3701-219-252/258	165,725	60,228	-	105,497	60,228	-	-	38,329
Community Supports Improvements	0525-2010-3702-219-252/258	27,621	19,283	-	8,338	19,283	-	-	12,092
Clinical Outreach Services Liaison	0525-2010-3702-219-252/258	60,000	30,041	-	29,959	30,041	-	-	21,724
Transitional Supportive Living	0525-2010-2851-219-252/258	663,000	406,393	-	256,607	406,393	-	-	361,265
Case Management Liaison	0525-2010-2851-219-252/258	25,000	13,094	-	11,906	13,094	-	-	10,882
PI Services	0525-2010-2885-219-252/258	99,000	-	-	99,000	-	-	-	-
SA - Residential	0525-2010-2891-219-252/258	1,185,447	489,594	-	695,853	489,594	-	-	393,043
SA - Adult	8793-2010-2885-096-128-16746	156,049	120,861	-	35,188	120,861	-	-	87,225
SA - Adolescent	8793-2010-2892-096-128-16746	143,354	66,737	-	76,617	66,737	-	-	38,539
Special Needs Forensic ACT	0525-2010-2851-219-252/258	185,809	48,314	-	137,495	48,314	-	-	27,273
		<u>\$ 4,703,919</u>	<u>\$ 2,055,527</u>	<u>\$ -</u>	<u>\$ 2,648,392</u>	<u>\$ 2,648,392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,780,211</u>

**BUREAU FOR BEHAVIORAL HEALTH AND HEALTH FACILITIES
STANDARDIZED FINANCIAL STATEMENTS - BALANCE SHEET
FOR COMPREHENSIVE AND MR/DD FACILITIES
ACCRUAL BASIS
UNITED SUMMIT CENTER**

	As of 12/31/2010 (YEAR-TO-DATE)
<u>ASSETS</u>	
<u>CURRENT ASSETS:</u>	
1. Cash	3,126,009
2. Short Term Investments	
3. Accounts Receivable - OBHS	0
4. Accounts Receivable - Client	1,872
5. Accounts Receivable - Medicaid	515,977
6. Accounts Receivable - Medicaid MR/DD Waiver	595,504
7. Accounts Receivable - Other	87,469
8. Inventory	
9. Prepaid/Other	908,778
10. TOTAL CURRENT ASSETS (Total of lines 1-9)	5,235,609
<u>NON-CURRENT ASSETS:</u>	
<u>FIXED ASSETS</u>	
11. Property, Land and Equipment - OBHS	266,575
12. Less Accumulated Depreciation	(109,303)
13. Property, Land and Equipment - Other	2,997,862
14. Less Accumulated Depreciation	(2,014,937)
15. Total Property, Land and Equipment (NET)	1,140,197
<u>OTHER NON-CURRENT ASSETS</u>	
16. Long-Term Investments	5,277,754
17. Other	
18. TOTAL ASSETS (Total of lines 10, 15, 16 and 17)	11,653,560
<u>LIABILITIES</u>	
<u>CURRENT LIABILITIES:</u>	
19. Accounts Payable	253,077
20. Taxes Payable	336,732
20 A. Provider Taxes Payable	
21. Line of Credit - Payable	
22. Short-Term Notes Payable	
23. Accrued Expenses	2,012,001
24. Other Current Liabilities	20,727
25. TOTAL CURRENT LIABILITIES (Total of lines 19 through 24)	2,622,537
<u>LONG-TERM LIABILITIES:</u>	
26. Long-Term Notes Payable	
27. Other Long-Term Liabilities	
28. TOTAL LIABILITIES (Total of lines 25, 26 and 27)	2,622,537
<u>NET ASSETS</u>	
29. Unrestricted Net Assets	9,031,023
30. Temporarily Restricted Net Assets	
31. Permanently Restricted Net Assets	
32. TOTAL LIABILITIES AND NET ASSETS (Total of lines 28 through 31)	11,653,560

PREPARED BY -- TERENCE P. DEL SIGNORE
Name of Provider: UNITED SUMMIT CENTER

DATE

**BUREAU FOR BEHAVIORAL HEALTH AND HEALTH FACILITIES
STANDARDIZED FINANCIAL STATEMENTS - INCOME STATEMENT
FOR COMPREHENSIVE AND MR/DD FACILITIES
ACCRUAL BASIS
UNITED SUMMIT CENTER**

12/31/2010
(YEAR-TO-DATE - 12 mos)

REVENUE AND SUPPORT

1.	Charity Care	
1a.	Charity Care - Account 4311.1	1,610,332
1b.	Charity Care - Account 4311.2	804,449
1c.	Charity Care - Account 4312.1	0
1d.	Charity Care - Account 4312.2	58,177
1e.	Charity Care - Account 4314.1	73,668
1f.	Charity Care - Account 4314.2	12,255
1g.	Charity Care - Account 4315.1	250,188
1h.	Contr. Write-Off Account 4337.1	1,421,947
1i.	Charity Care Revenue - Account 4329	4,588,835
1j.	Supprt/Alt Revenue - Account 4358	246,823
	Total	9,066,674
2.	Gross Client Service Revenue	28,288,262
3.	Contractual Adjustments (Target Funds)	(1,610,332)
3a.	Contractual Adjustments (Non-Target Funds)	(11,406,240)
5.	Net Client Service Revenue	15,271,690
	Net Client Service Revenue	
6.	Medicaid (Target Funds)	156,887
6a.	Medicaid (Non-Target Funds)	4,690,993
7.	Medicaid MR/DD Waiver (Non-Target Funds)	9,028,949
8.	ICF/MR (Non-Target Funds)	
9.	Private Pay (Non-Target Funds)	
9a.	Private Pay (OBHS Target Funds)	597,887
9b.	Private Pay (OBHS Non-Target Funds)	272,994
10.	Other Client Service Revenue (Target Funds)	
10a.	Other Client Service Revenue (Non-Target Funds)	523,980
11.	Total Net Client Service Revenue (Line 11 must agree with line 5)	15,271,690
12.	OBHS Support	4,621,641
13.	Other/Public Support	47,880
14.	Other	785,456
15.	TOTAL REVENUE AND SUPPORT (Total of line 11 through line 14)	20,726,667

EXPENSES

16.	Salaries	11,899,580
17.	Fringe Benefits	3,175,200
18.	Contractual Services	754,796
19.	Provider Tax	70,978
19A.	Bad Debts	402,247
19B.	Bad Debts (BHHF Target Funds)	458,983
19C.	Bad Debts (BHHF Non-Target Funds)	209,571
20.	Depreciation Expense	305,865
21.	Other Expenses	2,409,615
22.	TOTAL EXPENSES (Total of line 16 through line 21)	19,686,835
23.	NET INCOME (LOSS) (Line 15 minus line 22)	1,039,832

PREPARED BY – TERENCE P. DEL. SIGNORE
Name of Provider: UNITED SUMMIT CENTER

DATE

UNITED SUMMIT CENTER, INC.
 SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2010

<u>Identifying State Grant Information</u>	<u>Period of Time</u>	<u>Amount of Award</u>	<u>Receipt of Funds</u>	<u>Expenditure of Funds</u>
Grant # G100011	07/01/2009-6/30/2010	\$ 4,404,516	\$ 2,749,223	\$ 2,119,465
Grant # G110011	07/01/2010-6/30/2011	4,435,945	<u>1,510,659</u>	<u>2,220,316</u>
		<u>\$ 4,259,882</u>	<u>\$ 4,339,781</u>	

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

Board of Directors
United Summit Center, Inc.
Clarksburg, West Virginia

We have audited the financial statements of United Summit Center, Inc. (a nonprofit organization) as of and for the year ended December 31, 2010, and have issued our report thereon dated April 11, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered United Summit Center, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the United Summit Center, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the United Summit Center, Inc.'s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of United Summit Center, Inc.'s financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses, and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control that we consider to be a significant deficiency. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Summit Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

United Summit Center, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit United Summit Center, Inc.'s responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the board of directors, others within the Organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Tetuck & Bartlett, PLLC

April 11, 2011

DHHR - Finance

JAN 9 2013

Received

**UNITED SUMMIT CENTER, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2010**

1. Significant Deficiency - Segregation of Duties

Criteria: Internal control should be implemented to the degree possible to assign to different individuals the responsibility for approving, executing and recording transactions and custody of the resulting asset arising from the transaction.

Condition: Responsibility for approving, executing and recording transactions and custody of the resulting asset arising from the transaction should be assigned to different individuals.

Cause: Responsibilities of approval, execution, recording and custody be distributed among the staff to the degree possible. However, complete segregation of duties is not economically feasible.

Effect: Because of the failure to segregate duties, internal control structure elements do not reduce to a relatively low level the risk that errors or irregularities in amounts that would be more than inconsequential in relation to the financial statements being audited may occur and not be detected within a timely period by management in the normal course of performing their assigned functions.

Entity's Response: The size of the Organization's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were larger. The Board agrees that complete segregation of duties is not economically feasible. However, to mitigate the effects of this significant deficiency, management will continue to segregate duties to the extent possible.