

**UNITED SUMMIT CENTER, INC.**

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

**\*\*\*\*\***

**DECEMBER 31, 2011 AND 2010**

DHHR - Finance

MAY 07 2013

Date Received

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## 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, 2011 and 2010 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, 2011 and 2010, and changes in its net assets, and its 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 February 29, 2012 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 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 financial statements. 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.

*Tetuck & Bartlett, PLLC*

February 29, 2012

DHHR - Finance

MAY 07 2013

Date Received

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

	2011	2010
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,312,444	\$ 3,126,009
Patient accounts receivable, net of contractual allowances and allowance for doubtful collections of approximately \$1,492,604 in 2011 and \$1,466,743 in 2010	3,052,168	1,200,822
Other receivables	1,124,700	790,503
Deposits	15,802	21,587
Prepaid expenses	<u>82,682</u>	<u>96,688</u>
<b>Total current assets</b>	<u><b>5,587,796</b></u>	<u><b>5,235,609</b></u>
<b>Assets Whose Use is Limited</b>		
Board-designated funds:		
Funded depreciation	4,333,737	4,265,571
Malpractice self-insurance, held by trustee	<u>979,804</u>	<u>998,964</u>
<b>Total assets whose use is limited</b>	<u><b>5,313,541</b></u>	<u><b>5,264,535</b></u>
<b>Long-Term Investments</b>	<u><b>9,988</b></u>	<u><b>13,219</b></u>
<b>Land, Property and Equipment (net)</b>	<u><b>1,037,168</b></u>	<u><b>1,140,197</b></u>
<b>TOTAL ASSETS</b>	<u><b>\$ 11,948,493</b></u>	<u><b>\$ 11,653,560</b></u>

	2011	2010
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Current portion of long-term debt	\$ -	\$ 7,282
Accounts payable	166,636	253,077
Accrued payroll and related taxes and benefits	1,348,524	1,137,925
Accrued other	<u>1,060,203</u>	<u>1,224,253</u>
Total current liabilities	2,575,363	2,622,537
Long-term debt, net of current portion	<u>-</u>	<u>-</u>
Total Liabilities	<u>2,575,363</u>	<u>2,622,537</u>
<b>Net Assets</b>		
Unrestricted	<u>9,373,130</u>	<u>9,031,023</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 11,948,493</u>	<u>\$ 11,653,560</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,**

	2011	2010
<b>Changes in Unrestricted Net Assets</b>		
<b>Unrestricted revenues and support</b>		
Net patient service revenues	\$ 15,071,688	\$ 15,271,690
Federal and state support	4,905,402	4,621,641
County support	50,274	47,880
Other income	420,480	474,697
<b>Total unrestricted revenues and support</b>	<u>20,447,844</u>	<u>20,415,908</u>
<b>Expenses</b>		
Salaries and wages	12,481,225	11,899,580
Contracted labor	595,581	754,796
Employee benefits	3,636,444	3,175,200
Purchased services and fees	162,061	167,751
Travel and registration fees	738,231	664,249
Rent	518,746	556,049
Medicaid tax	58,208	70,978
Utilities	329,047	335,159
Supplies	423,785	391,747
Depreciation	377,668	305,865
Insurance	116,055	177,185
Maintenance and repairs	174,227	179,936
Provision for bad debts	473,069	1,070,801
Other expenses	79,433	75,679
Other taxes and licenses	36,492	41,860
<b>Total expenses</b>	<u>20,200,272</u>	<u>19,866,835</u>
<b>Operating income</b>	247,572	549,073
<b>Other income</b>		
Investment income	<u>94,535</u>	<u>490,759</u>
<b>Increase in unrestricted net assets</b>	<u>\$ 342,107</u>	<u>\$ 1,039,832</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, 2010	\$ 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	9,031,023	9,031,023
Increase in unrestricted net assets for the year ended December 31, 2011	<u>342,107</u>	<u>342,107</u>
Net assets, December 31, 2011	<u>\$ 9,373,130</u>	<u>\$ 9,373,130</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,**

	<b>2011</b>	<b>2010</b>
<b>Cash Flows from Operating Activities</b>		
Increase in net assets	\$ 342,107	\$ 1,039,832
Adjustments to reconcile increase in net assets to net cash (used in) provided by operating activities		
Depreciation	377,668	305,865
Net realized and unrealized losses (gains) on investments	47,044	(372,641)
Provision for uncollectible accounts	473,069	1,070,801
(Increase) decrease in:		
Patient accounts receivable	(2,324,415)	(799,726)
Other receivables	(334,197)	(96,590)
Deposits	5,785	-
Prepaid expenses	14,006	100,556
(Decrease) increase in:		
Accounts payable	(86,441)	65,074
Accrued payroll and related taxes and benefits	210,599	234,066
Accrued other	(164,050)	117,240
Net cash (used in) provided by operating activities	<u>(1,438,825)</u>	<u>1,664,477</u>
<b>Cash Flows from Investing Activities</b>		
Net (purchases) of assets whose use is limited:		
By Board for capital improvements	(111,756)	(70,716)
By Board for self-funded malpractice insurance	18,938	(44,197)
Acquisition of property and equipment	<u>(274,640)</u>	<u>(463,773)</u>
Net cash (used in) investing activities	<u>(367,458)</u>	<u>(578,686)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Payments of long-term debt	<u>(7,282)</u>	<u>(6,859)</u>
Net cash (used in) financing activities	<u>(7,282)</u>	<u>(6,859)</u>
Net (decrease) increase in cash and cash equivalents	(1,813,565)	1,078,932
Cash and cash equivalents - beginning	<u>3,126,009</u>	<u>2,047,077</u>
Cash and cash equivalents - ending	<u>\$ 1,312,444</u>	<u>\$ 3,126,009</u>
<b>Supplemental Disclosure of Cash Flows Information</b>		
Cash paid during the year for interest	<u>\$ 239</u>	<u>\$ 662</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 reported at net realizable value. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful collections is estimated based upon a periodic review of the accounts receivable aging, payor classifications, and application of historical write-off percentages.

A significant concentration of net patient receivables at December 31, 2011 and 2010 includes amounts receivable from Medicaid programs 79% and 82%, respectively. Laws and regulations governing the Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

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

**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 revenues are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted, as necessary, in future periods as tentative and final settlements are received. It is reasonably possible that the estimates used could change in the near term.

**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.

The amount of estimated charity care costs for the years ended December 31, 2011 and December 31, 2010 were \$3,223,000 and \$3,443,000, 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).

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

**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.

The Center accounts for uncertainty in income taxes using a recognition threshold of more-likely-than not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management determined there were no tax uncertainties that met the recognition threshold in 2011 and 2010.

All required federal information returns for the Center have been filed up to, and including the tax year ended December 31, 2010. The Center's federal information returns for 2008, 2009 and 2010 remain subject to examination by the Internal Revenue Service.

Effective June 1, 1993, the legislature of the State of West Virginia enacted a broad-based healthcare related tax. This tax is based upon net patient service revenues of certain types of healthcare providers. The Center incurred approximately \$58,208 in 2011 and \$70,978 in 2010 related to this tax.

**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 2011 and 2010 was \$199,295 and \$172,878, respectively.

**New Accounting Pronouncements**

The FASB recently issued amendments to Health Care Entities Topic 954, which is effective for fiscal years beginning after December 15, 2010. The objective of one of the amendments under subtopic 2010-23 is to reduce the diversity in practice related to charity disclosures. Currently, some entities base their charity disclosures on cost while others utilize a charge or revenue basis. Topic 954 requires that cost be used as the basis for charity care disclosures. The Center has adopted this guidance, but it has not impacted the amounts reported on the financial statements.

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

**Date of Management's Review of Subsequent Events**

Management has evaluated subsequent events through February 29, 2012, the date which the financial statements were available to be issued.

**2. Deposits**

The Center's deposits are categorized to give an indication of the level of risk assumed by the Center at December 31, 2011 and 2010. 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.**

	2011				Carrying Amount
	Bank Balance	1	Category 2	3	
Cash on hand	\$ -	\$ -	\$ -	\$ -	\$ 1,150
Checking	1,455,217	250,000	1,205,217	-	1,311,294
<b>Total cash</b>	<b>\$ 1,455,217</b>	<b>\$ 250,000</b>	<b>\$ 1,205,217</b>	<b>\$ -</b>	<b>\$ 1,312,444</b>

  

	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
<b>Total cash</b>	<b>\$ 3,225,653</b>	<b>\$ 250,000</b>	<b>\$ 2,975,653</b>	<b>\$ -</b>	<b>\$ 3,126,009</b>

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

**3. Other Receivables**

Other receivables consist of the following at December 31,:

	2011	2010
Grant receivable	\$ 912,660	\$ 782,985
Investment income receivable	7,786	7,177
Insurance recoveries receivable	196,914	-
Various	<u>7,340</u>	<u>341</u>
<b>Total other receivables</b>	<b><u>\$ 1,124,700</u></b>	<b><u>\$ 790,503</u></b>

**4. Prepaid Expenses**

Prepaid expenses consist of the following at December 31,:

	2011	2010
Prepaid rent	\$ 64,782	\$ 82,962
Miscellaneous	<u>17,900</u>	<u>13,726</u>
<b>Total prepaid expenses</b>	<b><u>\$ 82,682</u></b>	<b><u>\$ 96,688</u></b>

**5. Investments**

**Assets Whose Use is Limited**

The composition of assets whose use is limited, stated at fair value, at December 31, 2011 and 2010, is set forth below.

	2011	2010
<b>Board-designated funds:</b>		
<b>Funded depreciation</b>		
Cash and cash equivalents	\$ 255,824	\$ 125,520
Mutual funds	<u>4,077,913</u>	<u>4,140,051</u>
<b>Total Board-designated funds</b>	<b><u>4,333,737</u></b>	<b><u>4,265,571</u></b>

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

	2011	2010
<b>Trustee-held funds:</b>		
Malpractice self-insurance		
Cash and cash equivalents	\$ 8,450	\$ 31,723
Equity securities	184,155	215,570
Mutual funds	<u>787,199</u>	<u>751,671</u>
<b>Total trustee-held funds</b>	<u>979,804</u>	<u>998,964</u>
<b>Total Assets Whose Use is Limited</b>	<u>\$ 5,313,541</u>	<u>\$ 5,264,535</u>

**Long-Term Investments**

The composition of long-term investments at December 31, 2011 and 2010 is set forth below.

	2011	2010
<b>Equity Securities</b>	<u>\$ 9,988</u>	<u>\$ 13,219</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, 2011 and 2010:

	2011	2010
<b>Income:</b>		
Interest and dividend income	\$ 141,578	\$ 118,118
Realized gains (losses)	34,288	(14,404)
Unrealized (losses) gains	<u>(81,331)</u>	<u>387,045</u>
	<u>\$ 94,535</u>	<u>\$ 490,759</u>

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

**6. Land, Property and Equipment**

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

	2011	2010
Land	\$ 85,096	\$ 85,096
Buildings	35,962	29,600
Leasehold improvements	886,129	870,273
Furniture and fixtures	340,190	322,491
Equipment	<u>2,191,700</u>	<u>1,956,977</u>
	3,539,077	3,264,437
Less: Accumulated depreciation	<u>(2,501,909)</u>	<u>(2,124,240)</u>
Total	<u>\$ 1,037,168</u>	<u>\$ 1,140,197</u>

Depreciation expense for the years ended December 31, 2011 and 2010 amounted to \$377,668 and \$305,865, respectively.

**7. Long-term Debt**

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

	2011	2010
6.0% note payable to Mary Policano, due in monthly installments of \$626.75, unsecured	\$ -	\$ 7,282
Less: Current portion	<u>-</u>	<u>(7,282)</u>
Non-current portion	<u>\$ -</u>	<u>\$ -</u>



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

**8. Accrued Other**

Accrued other consisted of the following at December 31,:

	2011	2010
Insurances	\$ 941,906	\$ 1,065,512
Contracted labor and purchased services	48,273	45,812
Client travel	-	4,635
Accrued professional fees	26,300	25,000
Broad base health care and privilege taxes	4,932	5,368
Employee travel	..	16,055
Various	<u>38,792</u>	<u>61,871</u>
 Total accrued other	 <u>\$ 1,060,203</u>	 <u>\$ 1,224,253</u>

**9. Net Patient Service Revenues**

The following is a summary of net patient service revenues:

	Year ended Dec. 31, 2011	Year ended Dec. 31, 2010
General patient revenues	\$ 29,774,407	\$ 28,288,262
Less: Provision for charity care	<u>(4,298,137)</u>	<u>(4,231,015)</u>
Gross patient revenues	25,476,270	24,057,247
 Less: Provision for contractual allowance	 <u>(10,404,582)</u>	 <u>(8,785,557)</u>
 Net patient service revenues	 <u>\$ 15,071,688</u>	 <u>\$ 15,271,690</u>

The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates. A significant portion of the Center's net patient service revenues is derived from these third-party payor programs. A summary of the principal payment arrangements with major third-party payors follows:

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

**Medicaid**

Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services are paid on a published fee schedule.

**Medicare**

Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

Net patient service revenue from Medicaid programs accounted for approximately 92% and 91%, respectively, of the Center's net patient service revenue for 2011 and 2010. Laws and regulations governing the Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Center under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

**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, 2011 and 2010 for these operating leases amounted to \$518,746 and \$556,049, respectively. Future minimum lease payments under the operating leases are as follows:

2012	\$ 109,340
2013	78,725
2014	78,725
2015	78,725
2016	27,125
Thereafter	<u>285,125</u>
Total	<u>\$ 657,765</u>

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

The Center also entered into an agreement with the West Virginia Department of Health and Human Resources in which the Center is allowed to occupy the building known as 6 Hospital Plaza, Clarksburg, WV 26301 as long as it operates a Community Based Mental Health facility for the use and treatment of persons who have mental health needs and for no other purpose. The Center also has to remain in compliance with certain grant provisions.

Management has determined that the agreement constitutes an exchange transaction in accordance with ASC 958-605-55; therefore, \$180,000 is reflected on the Statement of Operations for 2011 and 2010 as Other Income and Rent Expense representing the fair value of the use of the property.

**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, 2011 and 2010.

**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:

	12/31/11	12/31/10
Mental health care services	\$ 16,128,789	\$ 15,999,256
Management and general	<u>4,071,483</u>	<u>3,867,579</u>
	<u>\$ 20,200,272</u>	<u>\$ 19,866,835</u>

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

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 2011 and 2010 were paid by the Center's self-insurance program.

14. **Fair Value Measurements**

Fair value of assets and liabilities are measured on a recurring basis at December 31, 2011 and 2010 are as follows:

	Fair Value Measurements at Reporting Date Using	
	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)
<u>December 31, 2011</u>		
Assets whose use is limited		
Cash and cash equivalents	\$ 264,274	\$ 264,274
Equity securities (a)	184,155	184,155
Mutual funds (a)	<u>4,865,112</u>	<u>4,865,112</u>
Total assets whose use is limited	5,313,541	5,313,541
Long-term investments		
Equity securities - financial	<u>9,988</u>	<u>9,988</u>
Total	<u>\$ 5,323,529</u>	<u>\$ 5,323,529</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 (CONTD)**

	<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>		
<b>Assets whose use is limited</b>		
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
<b>Long-term investments</b>		
Equity securities - financial	<u>13,219</u>	<u>13,219</u>
<b>Total</b>	<u>\$ 5,277,754</u>	<u>\$ 5,277,754</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

**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.

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

16. Restatement of Revenues and Expenses

It was determined during the audit that the unrestricted revenues and support and the expenses for the year ended December 31, 2010 required restatements as follows:

	<u>Other</u> <u>Income</u>	<u>Total</u> <u>Unrestricted</u> <u>Revenues and</u> <u>Support</u>	<u>Rent</u> <u>Expense</u>	<u>Total</u> <u>Expenses</u>
Financial statement line items	\$ 294,697	\$ 20,235,908	\$ 376,049	\$ 19,686,835
Restatements:				
Understatements of revenues and expense related to the fair value of use of facility	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>
Financial statement line items, restated	<u>\$ 474,697</u>	<u>\$ 20,415,908</u>	<u>\$ 556,049</u>	<u>\$ 19,866,835</u>

**SUPPLEMENTARY SCHEDULES**

**UNITED SUMMIT CENTER, INC.**  
**CUMULATIVE SCHEDULE OF PROPERTY AND EQUIPMENT**  
**PURCHASED WITH BHHF - ADMINISTERED FUNDING**  
**DECEMBER 31, 2011**

<u>Description of Equipment</u>	<u>Vendor Name</u>	<u>Provider Identification Number</u>	<u>Date of Identification Number</u>	<u>Acquisition</u>	<u>Cost</u>	<u>State Account Number</u>
(2) Video Cameras & Tripods	Champion Industries	0046 8793-1997-2886-096-252 8793-1997-2892-096-252	97520	06/30/1997	\$ 1,477	8793-1997-2885-096-252
(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

\$ 266,576



**UNITED SUMMIT CENTER, INC.**  
**STATEMENT OF BHHF FUNDING STATUS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

2011

FOR STATE FISCAL YEAR-END JUNE 30, 2011

Grant Name	Account Number	Amount of Award	Earned & Billed		Not Earned But Billed		Not Billed Through Period End	Collected
			Through Period End	Through Period End	Through Period End	Through Period End		
M.H. CORE Funds	0525-2011-2851-219-252/258	\$ 118,890	\$ 118,890	\$ -	\$ -	\$ -	\$ 118,890	
Crisis Improvement Package	0525-2011-2851-219-252/258	165,121	165,121	-	-	-	165,121	
MR/DD CORE Services	0525-2011-2870-219-252/258	86,419	86,419	-	-	-	86,419	
Uncompensated Care	0525-2011-3065-219-252/258	1,329,052	1,329,052	-	-	-	1,329,052	
Support & Alternative Services	0525-2011-3041-219-252/258	281,003	281,003	-	-	-	281,003	
Family Support	0525-2011-2870-221-252/258	74,285	74,285	-	-	-	74,285	
Special Needs (T.P.)	0525-2011-2851-219-252/258	54,001	54,001	-	-	-	54,001	
Community Placement Former Colin Anderson	0525-2011-2870-803-252/258	10,900	10,900	-	-	-	10,900	
Care Coordinators Improvement	0525-2011-3701-219-252/258	197,154	197,154	-	-	-	197,154	
Community Supports Improvements	0525-2011-3702-219-252/258	27,621	27,621	-	-	-	27,621	
Clinical Outreach Services Liaison	0525-2011-3702-219-252/258	60,000	60,000	-	-	-	60,000	
Transitional Supportive Living	0525-2011-2851-219-252/258	663,000	663,000	-	-	-	663,000	
Case Management Liaison	0525-2011-2851-219-252/258	25,000	25,000	-	-	-	25,000	
PI Services	0525-2011-2885-219-252/258	99,000	99,000	-	-	-	99,000	
SA - Residential	0525-2011-2891-219-252/258	1,185,447	1,185,447	-	-	-	1,185,447	
SA - Adult	8793-2011-2885-096-128-16746	156,049	156,049	-	-	-	156,049	
SA - Adolescent	8793-2011-2892-096-128-16746	143,354	143,354	-	-	-	143,354	
Special Needs Forensic ACT	0525-2011-2851-219-252/258	185,808	185,808	-	-	-	185,808	
Co-Occurring Intensive Outpatient Srvcs: Adult	0525-2011-3701-219-252	29,053	29,053	-	-	-	29,053	
		<u>\$ 4,891,157</u>	<u>\$ 4,891,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,891,157</u>	

**UNITED SUMMIT CENTER, INC.**  
**STATEMENT OF BHHF FUNDING STATUS (CONT'D)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**2011**

**FOR STATE FISCAL YEAR-END JUNE 30, 2012**

Grant Name	Account Number	Amount of		Earned & Billed		Not Earned		Not Billed		Collected
		Award	Through Period End	Through Period End	Through Period End	Through Period End	Through Period End	Through Period End		
M.H. CORE Funds	0525-2012-2851-219-252/258	\$ 118,890	\$ 59,444	\$ -	\$ 59,446	\$ -	\$ -	\$ -	\$ 59,444	\$ 59,444
Crisis Improvement Package	0525-2012-2851-219-252/258	165,121	82,560	-	82,561	-	-	-	82,560	82,560
MR/DD CORE Services	0525-2012-2870-219-252/258	86,419	43,208	-	43,211	-	-	-	43,208	43,208
Uncompensated Care	0525-2012-3065-219-252/258	601,148	601,148	-	-	-	-	-	601,148	601,148
Support & Alternative Services	0525-2012-3041-219-252/258	281,003	140,500	-	140,503	-	-	-	140,500	140,500
Family Support	0525-2012-2870-221-252/258	74,285	41,337	-	32,948	-	-	-	18,320	18,320
Special Needs (T.P.)	0525-2012-2851-219-252/258	54,001	35,664	-	18,337	-	-	-	17,862	17,862
Community Placement Former Colin Anderson	0525-2012-2870-803-252/258	5,450	3,976	-	1,474	-	-	-	1,794	1,794
Care Coordinators Improvement	0525-2012-3701-219-252/258	197,154	80,802	-	116,352	-	-	-	38,807	38,807
Community Supports Improvements	0525-2012-3702-219-252/258	27,621	11,554	-	16,067	-	-	-	8,795	8,795
Clinical Outreach Services Liaison	0525-2012-3702-219-252/258	60,000	46,048	-	13,952	-	-	-	21,045	21,045
SA - Intermediate	0525-2012-2891-219-252/258	859,834	425,943	-	433,891	-	-	-	199,623	199,623
SA - Residential	0525-2012-2891-219-252/258	325,613	223,321	-	102,292	-	-	-	107,710	107,710
PI Services	0525-2012-2885-219-252/258	99,000	70,339	-	28,661	-	-	-	28,668	28,668
Case Management Liaison	0525-2012-2851-219-252/258	25,000	24,588	-	412	-	-	-	11,097	11,097
SA - Adult	8793-2012-2884-096-128-14152	156,049	116,423	-	39,626	-	-	-	57,162	57,162
SA - Adolescent	8793-2012-2892-096-128-16746	143,354	74,526	-	68,828	-	-	-	36,082	36,082
Co-Occurring	0525-2012-3702-219-252	133,340	-	-	133,340	-	-	-	-	-
Day Treatment	0525-2012-3115-219-252	256,577	-	-	256,577	-	-	-	-	-
Group Home	0525-2012-3115-219-252	508,906	-	-	508,906	-	-	-	-	-
Residential Support I	0525-2012-3115-219-252	326,361	-	-	326,361	-	-	-	-	-
Residential Support 22	0525-2012-3115-219-252	326,361	-	-	326,361	-	-	-	-	-
Supportive Living Program	0525-2012-2851-219-252/258	663,000	242,386	-	420,614	-	-	-	-	-
Special Needs - SLP	0525-2012-2851-219-252/258	185,808	62,718	-	123,090	-	-	-	-	-
Data Infrastructure Grant	8723-2012-2849-096-128-20202	9,500	-	-	9,500	-	-	-	-	-
		<u>\$ 5,689,795</u>	<u>\$ 2,386,485</u>	<u>\$ -</u>	<u>\$ 3,303,310</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,473,825</u>	<u>\$ 1,473,825</u>

**UNITED SUMMIT CENTER, INC.**  
**STATEMENT OF BHHF FUNDING STATUS (CONTD)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

2010

FOR STATE FISCAL YEAR-END JUNE 30, 2010

<u>Grant Name</u>	<u>Account Number</u>	<u>Amount of Award</u>	<u>Earned &amp; Billed</u>		<u>Not Earned But Billed</u>		<u>Not Billed Through</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	\$ 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>\$ -</u>	<u>\$ -</u>	<u>\$ 4,710,573</u>

**UNITED SUMMIT CENTER, INC.**  
**STATEMENT OF BHHF FUNDING STATUS (CONTD)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

2010

FOR STATE FISCAL YEAR-END JUNE 30, 2011

Grant Name	Account Number	Amount of Award	Farmed & 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	0525-2011-2851-219-252/258	\$ 118,890	\$ 59,444	\$ -	\$ 59,446	\$ -	\$ 59,446	\$ 59,444	
Crisis Improvement Package	0525-2011-2851-219-252/258	165,121	82,560	-	82,561	-	82,561	82,560	
MR/DD CORE Services	0525-2011-2870-219-252/258	86,419	43,208	-	43,211	-	43,211	43,208	
Uncompensated Care	0525-2011-3065-219-252/258	1,202,296	601,148	-	601,148	-	601,148	601,148	
Support & Alternative Services	0525-2011-3041-219-252/258	281,003	140,500	-	140,503	-	140,503	140,500	
Family Support	0525-2011-2870-221-252/258	74,285	15,732	-	58,553	-	58,553	15,732	
Special Needs (T.P.)	0525-2011-2851-219-252/258	54,001	28,916	-	25,085	-	25,085	17,433	
Community Placement Former Colin Anderson	0525-2011-2870-803-252/258	10,900	4,024	-	6,876	-	6,876	2,600	
Care Coordinators Improvement	0525-2011-3701-219-252/258	197,154	63,421	-	133,733	-	133,733	37,521	
Community Supports Improvements	0525-2011-3702-219-252/258	27,621	18,348	-	9,273	-	9,273	15,104	
Clinical Outreach Services Liaison	0525-2011-3702-219-252/258	60,000	32,617	-	27,383	-	27,383	16,240	
Transitional Supportive Living	0525-2011-2851-219-252/258	663,000	300,852	-	362,148	-	362,148	136,804	
Case Management Liaison	0525-2011-2851-219-252/258	25,000	11,415	-	13,585	-	13,585	6,296	
PI Services	0525-2011-2885-219-252/258	99,000	46,622	-	52,378	-	52,378	27,013	
SA - Residential	0525-2011-2891-219-252/258	1,185,447	450,305	-	735,142	-	735,142	273,327	
SA - Adult	8793-2011-2885-096-128-16746	156,049	69,974	-	86,075	-	86,075	40,868	
SA - Adolescent	8793-2011-2892-096-128-16746	143,354	55,261	-	88,093	-	88,093	36,596	
Special Needs Forensic ACT	0525-2011-2851-219-252/258	185,808	77,724	-	108,084	-	108,084	35,729	
		<u>\$ 4,735,348</u>	<u>\$ 2,102,071</u>	<u>\$ -</u>	<u>\$ 2,633,277</u>	<u>\$ -</u>	<u>\$ 2,633,277</u>	<u>\$ 1,588,123</u>	

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

	<u>As of 12/31/2011 (YEAR-TO-DATE)</u>
<b><u>ASSETS</u></b>	
<b><u>CURRENT ASSETS:</u></b>	
1. Cash	1,312,444
2. Short Term Investments	
3. Accounts Receivable - OBHS	0
4. Accounts Receivable - Client	208,940
5. Accounts Receivable - Medicaid	800,877
6. Accounts Receivable - Medicaid MR/DD Waiver	1,609,563
7. Accounts Receivable - Other	432,788
8. Inventory	
9. Prepaid/Other	1,223,184
10. TOTAL CURRENT ASSETS (Total of lines 1-9)	5,587,796
<b><u>NON-CURRENT ASSETS:</u></b>	
<b><u>FIXED ASSETS</u></b>	
11. Property, Land and Equipment - OBHS	266,575
12. Less Accumulated Depreciation	(124,440)
13. Property, Land and Equipment - Other	3,272,502
14. Less Accumulated Depreciation	(2,377,469)
15. Total Property, Land and Equipment (NET)	1,037,168
<b><u>OTHER NON-CURRENT ASSETS</u></b>	
16. Long-Term Investments	5,323,529
17. Other	
18. TOTAL ASSETS (Total of lines 10, 15, 16 and 17)	11,948,493
<b><u>LIABILITIES</u></b>	
<b><u>CURRENT LIABILITIES:</u></b>	
19. Accounts Payable	166,636
20. Taxes Payable	590,030
20 A. Provider Taxes Payable	
21. Line of Credit - Payable	
22. Short-Term Notes Payable	
23. Accrued Expenses	1,793,348
24. Other Current Liabilities	25,349
25. TOTAL CURRENT LIABILITIES (Total of lines 19 through 24)	2,575,363
<b><u>LONG-TERM LIABILITIES:</u></b>	
26. Long-Term Notes Payable	
27. Other Long-Term Liabilities	
28. TOTAL LIABILITIES (Total of lines 25, 26 and 27)	2,575,363
<b><u>NET ASSETS</u></b>	
29. Unrestricted Net Assets	9,373,130
30. Temporarily Restricted Net Assets	
31. Permanently Restricted Net Assets	
32. TOTAL LIABILITIES AND NET ASSETS (Total of lines 28 through 31)	11,948,493

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**

<b>REVENUE AND SUPPORT</b>	<b>12/31/2011 (YEAR-TO-DATE - 12 mos)</b>
1. Charity Care	
1a. Charity Care - Account 4311.1	1,556,652
1b. Charity Care - Account 4311.2	905,050
1c. Charity Care - Account 4312.1	0
1d. Charity Care - Account 4312.2	(54,740)
1e. Charity Care - Account 4314.1	183,848
1f. Charity Care - Account 4314.2	30,089
1g. Charity Care - Account 4315.1	100,938
1h. Contr. Write-Off Account 4337.1	1,576,301
1i. Charity Care Revenue - Account 4329	4,747,548
1j. Suppr/Alt Revenue - Account 4358	100,638
<b>Total</b>	<b>9,146,324</b>
2. Gross Client Service Revenue	29,840,927
3. Contractual Adjustments (Target Funds)	(1,589,912)
3a. Contractual Adjustments (Non-Target Funds)	(13,179,327)
5. Net Client Service Revenue	15,071,688
<b>Net Client Service Revenue</b>	
6. Medicaid (Target Funds)	183,322
6a. Medicaid (Non-Target Funds)	4,542,833
7. Medicaid MR/DD Waiver (Non-Target Funds)	9,040,945
8. ICF/MR (Non-Target Funds)	
9. Private Pay (Non-Target Funds)	
9a. Private Pay (OBHS Target Funds)	690,237
9b. Private Pay (OBHS Non-Target Funds)	45,014
10. Other Client Service Revenue (Target Funds)	
10a. Other Client Service Revenue (Non-Target Funds)	569,337
11. Total Net Client Service Revenue (Line 11 must agree with line 5)	15,071,688
12. OBHS Support	4,905,402
13. Other/Public Support	50,274
14. Other	515,015
15. TOTAL REVENUE AND SUPPORT (Total of line 11 through line 14)	20,542,379
<b>EXPENSES</b>	
16. Salaries	12,481,225
17. Fringe Benefits	3,766,286
18. Contractual Services	595,581
19. Provider Tax	58,208
19A. Bad Debts	206,453
19B. Bad Debts (BHMF Target Funds)	250,293
19C. Bad Debts (BHMF Non-Target Funds)	16,323
20. Depreciation Expense	377,668
21. Other Expenses	2,448,255
22. TOTAL EXPENSES (Total of line 16 through line 21)	20,200,272
23. NET INCOME (LOSS) (Line 15 minus line 22)	342,107

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, 2011**

<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	07/01/2010-6/30/2011	\$ 4,629,371	\$ 3,079,963	\$ 2,370,306
Grant # G110012	07/01/2011-6/30/2012	5,380,892	<u>1,473,825</u>	<u>2,195,533</u>
		\$ 4,553,788	<u>\$ 4,553,788</u>	<u>\$ 4,565,839</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, 2011, and have issued our report thereon dated February 29, 2012. 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 over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. 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 over financial reporting, described in the accompanying schedule of findings and responses that we that we consider to be a significant deficiency in internal control over financial reporting. 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.

### 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 response and, accordingly, we express no opinion on it.

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 & Baitlett, PLLC*

February 29, 2102

DHHR - Finance

MAY 07 2013

Date Received

**UNITED SUMMIT CENTER, INC.  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**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.