

**UNITED SUMMIT CENTER, INC.**

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

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**DECEMBER 31, 2013 AND 2012**

DHHR - Finance

DEC - 2 2015

Date Received

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## INDEPENDENT AUDITOR'S REPORT

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

### *Report on the Financial Statements*

We have audited the accompanying financial statements of United Summit Center, Inc. (a non-profit organization), which comprise the balance sheets as of December 31, 2013 and 2012 and the related statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *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, 2013 and 2012, 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.

### *Other Matters*

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements 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. 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.



***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2014, on our consideration of United Summit Center, Inc.'s internal control over financial reporting and on 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* in considering United Summit Center, Inc.'s internal control over financial reporting and compliance.

*Tetuck & Baithitt, PLLC*

March 10, 2014

UNITED SUMMIT CENTER, INC.  
BALANCE SHEETS  
DECEMBER 31,

	2013	2012
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 970,615	\$ 1,734,887
Patient accounts receivable, net of contractual allowances and allowance for doubtful collections of approximately \$957,535 in 2013 and \$893,546 in 2012	2,932,208	3,287,646
Other receivables	915,315	832,604
Deposits	20,504	20,504
Prepaid expenses	85,049	88,083
Total current assets	<u>4,923,691</u>	<u>5,963,724</u>
<b>Assets Whose Use is Limited</b>		
Board-designated funds:		
Funded depreciation	3,710,542	3,368,473
Malpractice self-insurance, held by trustee	<u>1,037,450</u>	<u>940,048</u>
Total assets whose use is limited	<u>4,747,992</u>	<u>4,308,521</u>
<b>Long-Term Investments</b>	<u>20,020</u>	<u>11,579</u>
<b>Land, Property and Equipment (net)</b>	<u>2,240,096</u>	<u>2,177,852</u>
<b>TOTAL ASSETS</b>	<u>\$ 11,931,799</u>	<u>\$ 12,461,676</u>

	2013	2012
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 558,912	\$ 372,371
Salaries and benefits payable	1,515,199	1,249,280
Current portion of estimated medical malpractice claims liability	<u>212,424</u>	<u>287,500</u>
Total current liabilities	2,286,535	1,909,151
<b>Estimated Medical Malpractice Claims Liability</b>	<u>512,576</u>	<u>654,406</u>
<b>Total Liabilities</b>	<u>2,799,111</u>	<u>2,563,557</u>
<b>Net Assets</b>		
Unrestricted	<u>9,132,688</u>	<u>9,898,119</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 11,931,799</u>	<u>\$ 12,461,676</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,**

	2013	2012
<b>Changes in Unrestricted Net Assets</b>		
<b>Unrestricted revenues and support</b>		
Net patient service revenues	\$ 18,206,137	\$ 17,409,865
Federal and state support	5,582,264	5,329,001
County support	55,427	52,788
Other income	<u>349,624</u>	<u>419,722</u>
Total unrestricted revenues and support	<u>24,193,452</u>	<u>23,211,376</u>
<b>Expenses</b>		
Salaries and wages	14,748,401	13,415,114
Contracted labor	442,904	392,947
Employee benefits	5,075,322	4,959,327
Purchased services and fees	202,805	141,627
Travel and registration fees	729,620	688,637
Rent	1,081,407	778,608
Medicaid tax	54,021	65,829
Utilities	428,968	378,301
Supplies	653,164	759,191
Depreciation	554,732	416,302
Insurance	-	152,193
Maintenance and repairs	305,185	248,700
Provision for bad debts	993,380	573,033
Other taxes and licenses	61,120	68,201
Other expenses	<u>96,528</u>	<u>88,015</u>
Total expenses	<u>25,427,557</u>	<u>23,126,025</u>
Operating (loss) income	(1,234,105)	85,351
<b>Other income</b>		
Investment income	<u>468,674</u>	<u>439,638</u>
(Decrease) increase in unrestricted net assets	<u>\$ (765,431)</u>	<u>\$ 524,989</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, 2012	\$ 9,373,130	\$ 9,373,130
Increase in unrestricted net assets for the year ended December 31, 2012	<u>524,989</u>	<u>524,989</u>
Net assets, December 31, 2012	9,898,119	9,898,119
(Decrease) in unrestricted net assets for the year ended December 31, 2013	<u>(765,431)</u>	<u>(765,431)</u>
Net assets, December 31, 2013	<u>\$ 9,132,688</u>	<u>\$ 9,132,688</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,**

	2013	2012
<b>Cash Flows from Operating Activities</b>		
(Decrease) increase in net assets	\$ (765,431)	\$ 524,989
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities		
Depreciation	554,732	416,302
Net realized and unrealized (gains) on investments	(294,104)	(344,715)
Provision for uncollectible accounts	993,380	573,033
(Increase) decrease in:		
Patient accounts receivable	(637,942)	(808,511)
Other receivables	(82,711)	292,096
Deposits	-	(4,702)
Prepaid expenses	3,034	(5,401)
(Decrease) increase in:		
Accounts payable and accrued expenses	186,541	186,240
Salaries and benefits payable	265,919	(99,244)
Estimated medical malpractice claims liability	<u>(216,906)</u>	<u>(98,802)</u>
Net cash provided by operating activities	<u>6,512</u>	<u>631,285</u>
<b>Cash Flows from Investing Activities</b>		
Net (purchases) sales of assets whose use is limited:		
By Board for capital improvements	(138,949)	1,210,655
By Board for self-funded malpractice insurance	(14,859)	137,490
Acquisition of property and equipment	<u>(616,976)</u>	<u>(1,556,987)</u>
Net cash (used in) investing activities	<u>(770,784)</u>	<u>(208,842)</u>
Net (decrease) increase in cash and cash equivalents	(764,272)	422,443
Cash and cash equivalents - beginning	<u>1,734,887</u>	<u>1,312,444</u>
Cash and cash equivalents - ending	<u>\$ 970,615</u>	<u>\$ 1,734,887</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, 2013 and 2012 includes amounts receivable from Medicaid programs 57% and 65%, 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 (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 over which the Board retains control and may at its discretion subsequently use for other purposes. It also includes assets held by trustee for future self-funded malpractice insurance claims.

**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 \$5,000 or more and an estimated useful life greater than one year. Accordingly, the Center capitalizes all expenditures for fixed assets acquired with grant funds which have a cost of \$5,000 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 acquired with Center funds 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.



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

**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, 2013 and December 31, 2012 were \$2,655,000 and \$2,105,000, 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).

**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 2013 and 2012.

All required federal information returns for the Center have been filed up to, and including the tax year ended December 31, 2012. The Center's federal information returns for 2010, 2011 and 2012 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 expenses of approximately \$54,021 in 2013 and \$65,829 in 2012 related to this tax.

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

**2. Deposits**

The Center's deposits are categorized to give an indication of the level of risk assumed by the Center at December 31, 2013 and 2012. 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.

	<b>2013</b>				Carrying Amount
	Bank Balance	1	Category 2	3	
Cash on hand	\$ -	\$ -	\$ -	\$ -	\$ 1,200
Checking	1,074,848	250,000	824,848	-	969,415
Total cash	<u>\$ 1,074,848</u>	<u>\$ 250,000</u>	<u>\$ 824,848</u>	<u>\$ -</u>	<u>\$ 970,615</u>

	<b>2012</b>				Carrying Amount
	Bank Balance	1	Category 2	3	
Cash on hand	\$ -	\$ -	\$ -	\$ -	\$ 1,175
Checking	1,455,217	250,000	1,205,217	-	1,733,712
Total cash	<u>\$ 1,455,217</u>	<u>\$ 250,000</u>	<u>\$ 1,205,217</u>	<u>\$ -</u>	<u>\$ 1,734,887</u>

**3. Other Receivables**

Other receivables consist of the following at December 31,:

	<b>2013</b>	<b>2012</b>
Grant receivable	\$ 899,829	\$ 824,853
Investment income receivable	4,864	4,864
Various	<u>10,622</u>	<u>2,887</u>
Total other receivables	<u>\$ 915,315</u>	<u>\$ 832,604</u>

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

**4. Investments**

**Assets Whose Use is Limited**

The composition of assets whose use is limited, stated at fair value, at December 31, 2013 and 2012, is set forth below.

	2013	2012
Board-designated funds:		
Funded depreciation		
Cash and cash equivalents	\$ 192,761	\$ 138,955
Mutual funds		
US fixed income	1,773,988	1,826,195
US large cap equity	1,181,812	979,492
US mid cap equity	228,242	175,328
International equity	<u>333,739</u>	<u>248,503</u>
Total Board-designated funds	<u>3,710,542</u>	<u>3,368,473</u>
Trustee-held funds:		
Cash and cash equivalents	66,544	59,665
Equity securities		
US large cap	99,226	84,803
Mutual funds		
US fixed income	405,320	398,943
US large cap equity	123,962	119,664
US mid cap equity	60,937	47,123
US small cap equity	5,382	3,950
International equity	212,851	156,292
Alternative investments	<u>63,228</u>	<u>69,608</u>
Total trustee-held funds	<u>1,037,450</u>	<u>940,048</u>
Total Assets Whose Use is Limited	<u>\$ 4,747,992</u>	<u>\$ 4,308,521</u>

The trustee-held funds are part of a pooled investment with the Hospital to cover future self-funded malpractice insurance claims.

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

**Long-Term Investments**

The composition of long-term investments at December 31, 2013 and 2012 is set forth below.

	2013	2012
Equity Securities		
Financial	<u>\$ 20,020</u>	<u>\$ 11,579</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, 2013 and 2012:

	2013	2012
<b>Income:</b>		
Interest and dividend income	\$ 174,570	\$ 94,923
Realized gains	97,844	94,123
Unrealized gains (losses)	<u>196,260</u>	<u>250,592</u>
	<u>\$ 468,674</u>	<u>\$ 439,638</u>

**5. Fair Value Measurements**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:



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

**Level 1.** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

**Level 2.** Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;• inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3.**Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012.

*Cash and cash equivalents:* these investments are carried at cost which approximates fair value.

*Equity securities:* the fair value of these investments are based on quoted market prices

*Mutual funds:* Valued at the net asset value of shares held, which approximates fair value.

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

Fair value of assets and liabilities are measured on a recurring basis at December 31, 2013 and 2012 are as follows:

	<u>Assets at Fair Values as of December 31, 2013</u>			
	Level 1	Level 2	Level 3	Total
Assets whose use is limited				
Cash and cash equivalents	\$ 259,305	\$ -	\$ -	\$ 259,305
Equity securities				
US large cap	99,226	-	-	99,226
Mutual funds				
US fixed income	2,179,308	-	-	2,179,308
US large cap equity	1,305,774	-	-	1,305,774
US mid cap equity	289,179	-	-	289,179
US small cap equity	5,382	-	-	5,382
International equity	546,590	-	-	546,590
Alternative investments	63,228	-	-	63,228
Total assets whose use is limited	4,747,992	-	-	4,747,992
Long-term investments				
Equity securities - financial	20,020	-	-	20,020
Total	<u>\$ 4,768,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,768,012</u>

	<u>Assets at Fair Values as of December 31, 2012</u>			
	Level 1	Level 2	Level 3	Total
Assets whose use is limited				
Cash and cash equivalents	\$ 198,620	\$ -	\$ -	\$ 198,620
Equity securities				
US large cap	84,803	-	-	84,803
Mutual funds				
US fixed income	2,225,138	-	-	2,225,138
US large cap equity	1,099,156	-	-	1,099,156
US mid cap equity	222,451	-	-	222,451
US small cap equity	3,950	-	-	3,950
International equity	404,795	-	-	404,795
Alternative investments	69,608	-	-	69,608
Total assets whose use is limited	4,308,521	-	-	4,308,521
Long-term investments				
Equity securities - financial	11,579	-	-	11,579
Total	<u>\$ 4,320,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,320,100</u>

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

**6. Land, Property and Equipment**

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

	2013	2012
Land	\$ 85,096	\$ 85,096
Buildings	35,962	35,962
Leasehold improvements	2,241,736	1,485,502
Furniture and fixtures	541,506	510,843
Equipment	<u>2,808,739</u>	<u>2,648,660</u>
	5,713,039	4,766,063
Less: Accumulated depreciation	<u>(3,472,943)</u>	<u>(2,918,211)</u>
Land, property, and equipment in service	<u>2,240,096</u>	<u>1,847,852</u>
Leasehold improvements in process	<u>-</u>	<u>330,000</u>
Total	<u>\$ 2,240,096</u>	<u>\$ 2,177,852</u>

Depreciation expense for the years ended December 31, 2013 and 2012 amounted to \$554,732 and \$416,302, respectively.

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

**7. Net Patient Service Revenues**

The following is a summary of net patient service revenues for the years ended December 31,:

General patient revenues	\$ 33,083,394	\$ 30,130,751
Less: Provision for charity care	<u>(3,594,689)</u>	<u>(2,811,847)</u>
Gross patient revenues	29,488,705	27,318,904
Less: Provision for contractual allowance	<u>(11,282,568)</u>	<u>(9,909,039)</u>
Net patient service revenues	<u>\$ 18,206,137</u>	<u>\$ 17,409,865</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:

**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 86% and 88%, respectively, of the Center's net patient service revenue for 2013 and 2012. 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.



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

**8. 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, 2013 and 2012 for these operating leases amounted to \$578,787 and \$554,029, respectively. Future minimum lease payments under the operating leases are as follows:

2014	\$	559,460
2015		559,734
2016		441,094
2017		272,217
2018		198,531
Thereafter		<u>763,396</u>
 Total	 \$	 <u>2,794,432</u>

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 2013 and 2012 as Other Income and Rent Expense representing the fair value of the use of the property.

**9. 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 2013 and 2012 was \$221,708 and \$187,964, respectively.

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

**10. Related Entities**

United Hospital Center, Inc. (the Hospital) is the parent corporation to United Summit Center, Inc. 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 (WVUHS), 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, 2013 and 2012.

The Center's Executive Director is appointed by and an employee of the Hospital. The Center reimbursed the Hospital for his services which amounted to \$170,984 and \$167,994, 2013 and 2012, respectively. The Hospital also leases facilities to the Center. The Center paid \$118,033 and \$26,163 in 2013 and 2012, respectively, pursuant to the lease agreements.

**11. Medical Malpractice Claims Coverage**

The Center participates in a self-insurance program for medical malpractice insurance and general liability insurance with the Hospital. The program requires the Center to deposit funds held in trust, based upon actuarial calculations, sufficient to cover estimated claims.

The Center's estimated future payments of its allocated asserted and unasserted general and medical malpractice claims liabilities under the self-insurance program were \$843,104 and \$941,906 at December 31, 2013 and 2012, respectively. These estimates are based upon actuarially determined estimates of the ultimate costs for known reported claims and claims incurred but not reported under the self-insurance program. The discount rate used in determining the liabilities was 3.5% at December 31, 2013, and 4% at December 31, 2012.

The Center believes it has adequate self-insurance and insurance coverages and accruals for all asserted claims and it has no knowledge of unasserted claims which would exceed its self-insurance and insurance coverages and accruals.



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

**12. Workers' Compensation Claims Coverage**

The Center participates in the WVUHS pool for its workers compensation coverage. The WVUHS pool's workers' compensation policies provide statutory workers' compensation limits of liability to its participants. WVUHS was required to establish a loss fund with both insurers and to provide a letter of credit to secure the deductible obligation. The two letters of credit total \$4,231,000 and are automatically renewed by the bank every July 1st unless notified 90 days prior to the renewal date.

The loss fund is drawn on by the insurer and replenished by WVUHS on request by the insurer with a guideline that the fund shall have a balance of approximately 2 ½ months of average claims payments. The Center's estimated allocation of payments of workers' compensation claims liability, included in salaries and benefits payable on the balance sheet, was \$164,626 and \$131,981 at December 31, 2013 and 2012, respectively.

**13. Health Insurance Benefits**

The Center self-insures its employee health insurance coverage under an arrangement using contract administrators. The Center also participates in the WVUHS pool for its stop-loss insurance coverage. The Center pays premiums to the pool which is used to obtain external stop loss coverage and to pay individual claims incurred in excess of set amounts during a calendar year.

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. The Center's estimated claims liability, included in salaries and benefits payable on the balance sheet, was \$352,382 and \$240,400 at December 31, 2013 and 2012, respectively.

**14. Functional Expenses**

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

	2013	2012
Mental health care services	\$ 20,157,898	\$ 18,244,250
Management and general	<u>5,269,659</u>	<u>4,881,775</u>
	<u>\$ 25,427,557</u>	<u>\$ 23,126,025</u>

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

**15. 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 2013 and 2012 were paid by the Center's self-insurance program.

**16. 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.

**16. Loss Contingency**

In 2013, the Center was notified by the West Virginia Department of Health and Human Resources that approximately \$172,000 in reimbursed costs it received under the Medicaid Aged and Disabled Waiver program were disallowed and should be repaid. The Center disputed approximately \$137,000 of the disallowance, claiming the cost reimbursements were allowable. Management estimates the range to be repaid to be between \$35,000 and \$172,000. Because they believe it is very probable that \$42,000 of the contested amount will be allowed, they have concluded that a loss of \$130,000 is a better estimate than any other estimate within the range. In accordance with ASC 450-20-30-1, \$130,000 has been accrued at December 31, 2013. It is at least reasonably possible that the effect on the financial statements of this significant estimate involving a contingency will change within one year of the date of the financial statements due to one or more confirming events, and the effect of the change could be material to the financial statements.

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

Management has evaluated subsequent events through March 10, 2014, the date which the financial statements were available to be issued.



**SUPPLEMENTARY SCHEDULES**

**UNITED SUMMIT CENTER, INC.**  
**CUMULATIVE SCHEDULE OF PROPERTY AND EQUIPMENT**  
**PURCHASED WITH BHHF - ADMINISTERED FUNDING**  
**DECEMBER 31, 2013**

<u>Description of Equipment</u>	<u>Vendor Name</u>	<u>Provider Identification Number</u>	<u>Identification Number</u>	<u>Date of Acquisition</u>	<u>Cost</u>	<u>State Account Number</u>
(2) Video Cameras & Tripods	Champion Industries	0046	97520	6/30/1997	\$ 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	6/30/1998	1,505	8793-1998-2885-096-252
1998 Ford Paratransit Shuttle Bus	WV Trans. Sales, Inc.	0411	97520	6/26/1998	41,638	8793-1998-2892-096-252
Storage Building	Timberline Construction	0438	97520	6/30/1999	8,500	8793-1999-2892-096-252-03087
(3) Net servers & accessories	Insight	0385	97520	6/30/2001	4,037	8793-2005-2885-096-128-05287
	Insight	0385	97520	6/30/2001	4,038	8794-2005-2852-096-128-05286
Beds and mattresses	Mattress Warehouse	MATT	97520	4/4/2005	1,153	0525-2005-3448-219-258-6885
Bedroom furniture sets	Grandmas House Furn	GRAND	97520	5/11/2005	1,800	0525-2005-3448-219-258-6885
Building renovations	High Country Contractors		97520	5/1/2005	79,130	0525-2006-2890-219-252/258
Home furnishings	Star Furnitures	0921	97520	6/26/2005	2,146	0525-2005-3448-219-258-6885
Building renovations	High Country Contractors		97520	7/26/2005	37,015	0525-2005-2890-219-252-06958
	High Country Contractors		97520	9/12/2005	6,942	0525-2005-2890-219-252-06958
	High Country Contractors		97520	9/12/2005	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	2/7/2006	13,972	0525-2005-2890-219-252-06858
	Cullison Communications		97520	2/20/2006	7,434	0525-2005-2890-219-252-06958
	American Fence Company		97520	3/16/2006	5,485	0525-2005-2890-219-252-06958
Master Key/Lock System	Key Lock		97520	3/18/2006	2,792	0525-2005-2890-219-252-06958
Building Renovations	High Country Contractors		97520	4/5/2006	8,037	0525-2005-2890-219-252-06958
Computers (3) and Accessories	Insight		97520	9/7/2007	3,093	8794-2007-2852-096-128-12989
Building renovations	WYK Associates		97520	5/31/2012	28,100	0525-2012-2890-219-252
	OMNI Associates		97520	6/29/2012	30,000	0525-2012-2890-219-253
	United Hospital Center		97520	6/30/2012	300,000	0525-2012-2890-219-254
					<u>\$ 624,676</u>	

**UNITED SUMMIT CENTER, INC.**  
**STATEMENT OF BHHF FUNDING STATUS**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

2013

FOR STATE FISCAL YEAR-END JUNE 30, 2013

<u>Grant Name</u>	<u>Account Number</u>	<u>Amount of Award</u>	<u>Earned &amp; 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	0525-2013-2851-219-252/258	\$ 118,890	\$ 118,890	\$ -	\$ -	\$ 118,890
Crisis Improvement Package	0525-2013-2851-219-252/258	165,121	165,121	-	-	165,121
MR/DD CORE Services	0525-2013-2870-219-252/258	86,419	86,419	-	-	86,419
Uncompensated Care	0525-2013-3065-219-252/258	599,802	599,802	-	-	599,802
Support & Alternative Services	0525-2013-3041-219-252/258	281,003	281,003	-	-	281,003
Family Support	0525-2013-2867-221-252/258	74,241	74,241	-	-	74,241
Special Needs (T.P.)	0525-2013-2877-219-252/258	54,001	54,001	-	-	54,001
Case Management Liaison	0525-2013-3701-219-252/258-12426	31,429	31,429	-	-	31,429
Care Coordinators Improvement	0525-2013-3701-219-252/258	201,456	201,456	-	-	201,456
Community Supports Improvements	0525-2013-3702-219-252/258	10,775	10,775	-	-	10,775
Clinical Outreach Services Liaison	0525-2013-2919-219-252/258	60,000	60,000	-	-	60,000
SA - Residential	0525-2013-3426-219-252/258	859,834	859,834	-	-	859,834
SA - Fellowship	0525-2013-2891-219-252/258	325,613	325,613	-	-	325,613
PI Services	0525-2013-2885-219-252/258	99,000	99,000	-	-	99,000
Co-Occurring	0525-2013-3746-219-252/258-12426	105,013	105,013	-	-	105,013
Supportive Living Program	0525-2013-2891-219-252/258	593,000	593,000	-	-	593,000
Special Needs - SLP	0525-2013-2877-219-252/258	185,808	185,808	-	-	185,808
Day Treatment	0525-2013-3744-219-252/258-12426	195,446	195,446	-	-	195,446
Group Home	0525-2013-3744-219-252/258-12426	508,906	508,906	-	-	508,906
Residential Support	0525-2013-3743-219-252/258-12426	427,836	427,836	-	-	427,836
SA - Adult	8793-2013-2884-096-128-14152	117,036	117,036	-	-	117,036
SA - Adolescent	8793-2013-2892-096-128-16746	107,524	107,524	-	-	107,524
		<u>\$ 5,208,153</u>	<u>\$ 5,208,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,208,153</u>

**UNITED SUMMIT CENTER, INC.**  
**STATEMENT OF BHHF FUNDING STATUS (CONT'D)**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

2013

FOR STATE FISCAL YEAR-END JUNE 30, 2014

<u>Grant Name</u>	<u>Account Number</u>	<u>Amount of Award</u>	<u>Earned &amp; Billed Through Period End</u>	<u>Not Earned But Billed Through Period End</u>	<u>Not Billed Through Period End</u>	<u>Collected</u>
Clinical Outreach Services Liaison	0525-2014-2919-219-252/258-13126	\$ 60,000	\$ 26,397	\$ -	\$ 33,603	\$ 26,397
Core Services - Harrison County	0525-2014-2851-219-258	398,902	199,576	-	199,326	159,095
Core Services - Lewis County	0525-2014-2851-219-258	84,177	46,080	-	38,097	46,080
Core Services - Braxton County	0525-2014-2851-219-258	84,177	45,757	-	38,420	45,757
Core Services - Gilmer County	0525-2014-2851-219-258	84,177	40,568	-	43,609	34,680
Care Coordination - Harrison County	0525-2014-3701-219-258-12426	31,429	18,252	-	13,177	18,252
Care Coordination	0525-2014-3701-219-258	201,456	73,221	-	128,235	51,245
Care Coordination Supp	0525-2014-3701-219-258	12,668	2,499	-	10,169	2,277
Indigent Care	0525-2009-3065-219-258	91,370	91,370	-	-	30,456
Indigent Care	0525-2012-3065-219-258	132,500	132,500	-	-	44,164
Family Support	0525-2014-2867-221-258	63,142	51,142	-	12,000	29,510
Day Programs Hartley	0525-2014-3744-219-258-12426	218,090	135,854	-	82,236	95,376
Out of Home Service - Hartley Group Home - Adamston	0525-2014-3744-219-258-12426	508,906	234,141	-	274,765	157,076
Hartley SA Residential - Dual Diagnosis	0525-2014-3744-219-258-12426	735,799	406,233	-	329,566	277,809
IOP - Co-Occurring Adult	0525-2014-3746-219-258-12426	133,340	40,430	-	92,910	18,210
Public Inebriate Shelter	052-2014-2885-219-258	49,500	49,500	-	-	49,500
Special Needs Project - TP	0525-2014-2877-219-258-13115	54,001	30,938	-	23,063	24,969
Detox/Stabilization Service	0525-2014-3426-219-258-13119	429,917	429,917	-	-	291,593
Recovery Housing	0525-2014-2888-219-258-13123	162,807	162,807	-	-	146,102
Supportive Living Program (SLP1)	0525-2014-3041-219-258-13111	663,000	358,699	-	304,301	232,904
Supportive Living Program (SLP1)	0525-2014-2877-219-258-13111	185,808	168,232	-	17,576	132,659
Substance Abuse Outpatient Services	8793-2014-2884-130-128-21477	195,060	39,012	-	156,048	39,012
Substance Abuse Adolescent Services	8793-2014-2892-130-128-21477	35,839	35,839	-	-	35,839
Substance Abuse Outpatient Services	8793-2015-2884-130-128-21477	156,048	69,827	-	86,221	
		<u>\$ 4,772,113</u>	<u>\$ 2,888,791</u>	<u>\$ -</u>	<u>\$ 1,883,322</u>	<u>\$ 1,988,962</u>



**UNITED SUMMIT CENTER, INC.**  
**STATEMENT OF BHHF FUNDING STATUS (CONTD)**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

2012

FOR STATE FISCAL YEAR-END JUNE 30, 2012

<u>Grant Name</u>	<u>Account Number</u>	<u>Amount of Award</u>	<u>Earned &amp; 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	0525-2012-2851-219-252/258	\$ 118,890	\$ 118,890	\$ -	\$ -	\$ 118,890
Crisis Improvement Package	0525-2012-2851-219-252/258	165,121	165,121	-	-	165,121
MR/DD CORE Services	0525-2012-2870-219-252/258	86,419	86,419	-	-	86,419
Uncompensated Care	0525-2012-3065-219-252/258	840,339	840,339	-	-	840,339
Support & Alternative Services	0525-2012-3041-219-252/258	281,003	281,003	-	-	281,003
Family Support	0525-2012-2870-221-252/258	74,285	74,285	-	-	74,285
Special Needs (T.P.)	0525-2012-2851-219-252/258	54,001	54,001	-	-	54,001
Community Placement Former Colin Anderson	0525-2012-2870-803-252/258	5,450	5,450	-	-	5,450
Care Coordinators Improvement	0525-2012-3701-219-252/258	197,154	197,154	-	-	197,154
Community Supports Improvements	0525-2012-3702-219-252/258	27,621	27,621	-	-	27,621
Clinical Outreach Services Liaison	0525-2012-3702-219-252/258	60,000	60,000	-	-	60,000
SA - Intermediate	0525-2012-2891-219-252/258	859,834	859,834	-	-	859,834
SA - Residential	0525-2012-2891-219-252/258	325,613	325,613	-	-	325,613
PI Services	0525-2012-2885-219-252/258	99,000	99,000	-	-	99,000
Case Management Liaison	0525-2012-2851-219-252/258	25,000	25,000	-	-	25,000
SA - Adult	8793-2012-2884-096-128-14152	195,061	195,061	-	-	195,061
SA - Adolescent	8793-2012-2892-096-128-16746	179,193	179,193	-	-	179,193
Co-Occurring	0525-2012-3702-219-252	31,873	31,873	-	-	31,873
Day Treatment	0525-2012-3115-219-252	11,760	11,760	-	-	11,760
Group Home	0525-2012-3115-219-252	183,906	183,906	-	-	183,906
Residential Support	0525-2012-3115-219-252	551,895	551,895	-	-	551,895
Supportive Living Program	0525-2012-2851-219-252/258	632,080	632,080	-	-	632,080
Special Needs (SLP)	0525-2012-2851-219-252/258	185,808	185,808	-	-	185,808
Data Infrastructure Grant	8723-2012-2849-096-128-20202	9,500	9,500	-	-	9,500
		<u>\$ 5,200,806</u>	<u>\$ 5,200,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,200,806</u>

**UNITED SUMMIT CENTER, INC.**  
**STATEMENT OF BHHF FUNDING STATUS (CONTD)**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

2012

FOR STATE FISCAL YEAR-END JUNE 30, 2013

<u>Grant Name</u>	<u>Account Number</u>	<u>Amount of Award</u>	<u>Earned &amp; 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	0525-2013-2851-219-252/258	\$ 118,890	\$ 59,444	\$ -	\$ 59,446	\$ 59,444
Crisis Improvement Package	0525-2013-2851-219-252/258	165,121	82,560	-	82,561	82,560
MR/DD CORE Services	0525-2013-2870-219-252/258	86,419	43,208	-	43,211	43,208
Uncompensated Care	0525-2013-3065-219-252/258	599,802	375,932	-	223,870	223,870
Support & Alternative Services	0525-2013-3041-219-252/258	281,003	140,501	-	140,502	140,501
Family Support	0525-2013-2867-221-252/258	74,285	14,495	-	59,790	8,855
Special Needs (T.P.)	0525-2013-2877-219-252/258	54,001	36,833	-	17,168	27,141
Case Management Liaison	0525-2013-3701-219-252/258-12426	31,429	23,778	-	7,651	17,739
Care Coordinators Improvement	0525-2013-3701-219-252/258	201,456	87,117	-	114,339	23,811
Community Supports Improvements	0525-2013-3702-219-252/258	16,890	2,720	-	14,170	2,670
Clinical Outreach Services Liaison	0525-2013-2919-219-252/258	60,000	47,091	-	12,909	33,266
SA - Residential	0525-2013-3426-219-252/258	859,834	446,377	-	413,457	293,568
SA - Fellowship	0525-2013-2891-219-252/258	325,613	219,750	-	105,863	146,226
PI Services	0525-2013-2885-219-252/258	99,000	32,838	-	66,162	21,599
Co-Occurring	0525-2013-3746-219-252/258-12426	133,340	44,734	-	88,606	31,505
Supportive Living Program	0525-2013-2891-219-252/258	663,000	223,038	-	439,962	179,042
Special Needs - SLP	0525-2013-2877-219-252/258	185,808	144,853	-	40,955	118,194
Day Treatment	0525-2013-3744-219-252/258-12426	256,577	78,350	-	178,227	41,096
Group Home	0525-2013-3744-219-252/258-12426	508,906	248,231	-	260,675	183,491
Residential Support	0525-2013-3743-219-252/258-12426	735,799	69,926	-	665,873	12,041
SA - Adult	8793-2013-2884-096-128-14152	156,048	30,028	-	126,020	-
SA - Adolescent	8793-2013-2892-096-128-16746	143,354	62,876	-	80,478	-
		<u>\$ 5,756,575</u>	<u>\$ 2,514,680</u>	<u>\$ -</u>	<u>\$ 3,241,895</u>	<u>\$ 1,689,827</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 12/31/2013 (YEAR-TO-DATE)</u>
<b><u>ASSETS</u></b>	
<b><u>CURRENT ASSETS:</u></b>	
1. Cash	970,615
2. Short Term Investments	
3. Accounts Receivable - OBHS	672,993
4. Accounts Receivable - Client	232,585
5. Accounts Receivable - Medicaid	871,583
6. Accounts Receivable - Medicaid MR/DD Waiver	799,480
7. Accounts Receivable - Other	355,567
8. Inventory	
9. Prepaid/Other	
10. TOTAL CURRENT ASSETS (Total of lines 1-9)	1,020,868 4,923,691
<b><u>NON-CURRENT ASSETS:</u></b>	
<b><u>FIXED ASSETS</u></b>	
11. Property, Land and Equipment - OBHS	624,675
12. Less Accumulated Depreciation	(198,228)
13. Property, Land and Equipment - Other	5,088,365
14. Less Accumulated Depreciation	(3,274,716)
15. Total Property, Land and Equipment (NET)	2,240,096
<b><u>OTHER NON-CURRENT ASSETS</u></b>	
16. Long-Term Investments	4,768,012
17. Other	
18. TOTAL ASSETS (Total of lines 10, 15, 16 and 17)	11,931,799
<b><u>LIABILITIES</u></b>	
<b><u>CURRENT LIABILITIES:</u></b>	
19. Accounts Payable	293,155
20. Taxes Payable	492,311
20 A. Provider Taxes Payable	
21. Line of Credit - Payable	
22. Short-Term Notes Payable	
23. Accrued Expenses	1,477,946
24. Other Current Liabilities	23,123
25. TOTAL CURRENT LIABILITIES (Total of lines 19 through 24)	2,286,535
<b><u>LONG-TERM LIABILITIES:</u></b>	
26. Long-Term Notes Payable	
27. Other Long-Term Liabilities	512,576
28. TOTAL LIABILITIES (Total of lines 25, 26 and 27)	2,799,111
<b><u>NET ASSETS</u></b>	
29. Unrestricted Net Assets	9,132,688
30. Temporarily Restricted Net Assets	
31. Permanently Restricted Net Assets	
32. TOTAL LIABILITIES AND NET ASSETS (Total of lines 28 through 31)	11,931,799

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**

<u>REVENUE AND SUPPORT</u>		12/31/2013 (YEAR-TO-DATE - 12 mos)
1.	Charity Care	
1a.	Charity Care - Account 4311.1	524,071
1b.	Charity Care - Account 4311.2	1,142,942
1c.	Charity Care - Account 4312.1	0
1d.	Charity Care - Account 4312.2	(7,677)
1e.	Charity Care - Account 4314.1	160,480
1f.	Charity Care - Account 4314.2	10,032
1g.	Charity Care - Account 4315.1	49,088
1h.	Contr. Write-Off Account 4337.1	1,715,754
1i.	Charity Care Revenue - Account 4329	5,152,308
1j.	Supprt/Alt Revenue - Account 4358	49,076
	Total	8,796,074
2.	Gross Client Service Revenue	33,083,394
3.	Contractual Adjustments (Target Funds)	(524,071)
3a.	Contractual Adjustments (Non-Target Funds)	(14,353,187)
5.	Net Client Service Revenue	18,206,136
	Net Client Service Revenue	
6.	Medicaid (Target Funds)	174,960
6a.	Medicaid (Non-Target Funds)	5,072,159
7.	Medicaid MR/DD Waiver (Non-Target Funds)	10,435,897
8.	ICF/MR (Non-Target Funds)	
9.	Private Pay (Non-Target Funds)	
9a.	Private Pay (OBHS Target Funds)	868,332
9b.	Private Pay (OBHS Non-Target Funds)	1,132,649
10.	Other Client Service Revenue (Target Funds)	
10a.	Other Client Service Revenue (Non-Target Funds)	522,139
11.	Total Net Client Service Revenue (Line 11 must agree with line 5)	18,206,136
12.	OBHS Support	5,582,264
13.	Other/Public Support	55,427
14.	Other	818,299
15.	TOTAL REVENUE AND SUPPORT (Total of line 11 through line 14)	24,662,126
	<u>EXPENSES</u>	
16.	Salaries	14,748,401
17.	Fringe Benefits	5,075,322
18.	Contractual Services	443,317
19.	Provider Tax	54,021
19A.	Bad Debts	205,572
19B.	Bad Debts (BHMF Target Funds)	341,872
19C.	Bad Debts (BHMF Non-Target Funds)	445,936
20.	Depreciation Expense	554,732
21.	Other Expenses	3,558,384
22.	TOTAL EXPENSES (Total of line 16 through line 21)	25,427,557
23.	NET INCOME (LOSS) (Line 15 minus line 22)	(765,431)

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, 2013

<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 # G130178	07/01/2012-6/30/2013	\$ 4,983,593	\$ 3,293,766	\$ 2,561,817
Grant # G140012	07/01/2013-6/30/2014	4,385,166	<u>1,914,111</u>	<u>2,744,113</u>
			<u>\$ 5,207,877</u>	<u>\$ 5,305,930</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 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, the financial statements of United Summit Center, Inc. (a nonprofit organization), which comprise the balance sheet as of December 31, 2013, and the related statements of operations, changes in net assets and cash flows as of and for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 10, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered United Summit Center, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the United Summit Center, Inc.'s internal control.

*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 the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

Our consideration of the internal control 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (2013-1).

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether United Summit Center, Inc.'s financial statements are free from 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 Responses to Findings**

United Summit Center, Inc.'s responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. United Summit Center, Inc.'s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standard* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Tetuck & Baitlett, PLLC*

March 10, 2014



**UNITED SUMMIT CENTER, INC.**  
**SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**2013-1 - Significant Deficiency - Segregation of Duties**

**Criteria:** Control systems should be implemented to assign different individuals the responsibility for approving, executing and recording transactions in order to properly detect and correct fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse having an effect of the financial statements.

**Condition:** Control systems have not been implemented to assign different individuals the responsibility for approving, executing and recording transactions.

**Cause:** Certain individuals have multiple responsibilities for approving, executing and recording the same transactions.

**Effect:** Because of the failure to segregate duties, the control system could fail to prevent, or detect and correct fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse having an effect on the financial statements.

**Entity's Response:** The size of the Center's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were larger. The Board believes 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.