



**Office of the Washington State Auditor**  
**Pat McCarthy**

**Accountability Audit Report**  
**Skagit County Public Hospital District**  
**No. 304**  
**(United General District 304)**

**For the period January 1, 2015 through December 31, 2016**

**Published December 7, 2017**

**Report No. 1020331**





**Office of the Washington State Auditor**  
**Pat McCarthy**

December 7, 2017

Board of Commissioners  
United General District 304  
Sedro Woolley, Washington

**Report on Accountability**

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the District's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Pat McCarthy  
State Auditor  
Olympia, WA

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## AUDIT SUMMARY

### Results in brief

In the areas we audited, District operations complied with applicable requirements and provided adequate safeguarding of public resources. The District also complied with state laws and regulations and its own policies and procedures in the areas we examined.

### About the audit

This report contains the results of our independent accountability audit of United General District 304 from January 1, 2015 through December 31, 2016.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the District's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Open Public Meetings Act
- Software systems conversion review
- Financial condition
- Cash receipting and deposits

## RELATED REPORTS

### **Financial**

A financial statement audit was performed by a firm of certified public accountants for fiscal years 2015 and 2016. That firm's reports are available from Skagit County Public Hospital District No. 304.

## INFORMATION ABOUT THE DISTRICT

Skagit County Public Hospital District No. 304, doing business as United General District 304, serves approximately 2,000 square miles of the northern region of Skagit County. The District provides emergency care services, cancer care and related ancillary healthcare services via a management agreement with PeaceHealth. Separate from PeaceHealth, the District administers a variety of community health outreach programs, such as tobacco prevention and cessation, substance abuse prevention, farm to school programs, access to healthy food programs, mental health and suicide prevention, early childhood learning coordination and other health outreach programs. The District also has a Fitness Center, Women Infant and Children's Clinic (WIC) and children's bereavement program.

An elected five-member Board of Commissioners governs the District. The Board appoints a Superintendent to oversee the District's operations as well as its approximately 28 District employees. For fiscal years 2015 and 2016, the District's operating expenses were approximately \$3,580,000 and \$3,709,000, respectively. In 2017, the District expenses are expected to total approximately \$3,466,000 and about \$3,273,000 in 2018, which includes \$1.1 million in depreciation expense.

### Contact information related to this report

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*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for United General District 304 at <http://portal.sao.wa.gov/ReportSearch>.

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

<b>Contact information for the State Auditor's Office</b>	
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