

MASON COUNTY, WASHINGTON
HARTSTENE POINTE WATER SEWER DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015

NOTE 1 - BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the District's financial statements. The district uses the cash basis accounting system.

NOTE 2 - FEDERAL LOANS

The District was approved by the Environmental Protection Agency and the Public Works Board to receive a loan totaling \$1,110,135 to improve its drinking water system.

The amount listed for the loan includes the proceeds used during the year. Both the current and prior year loans are also reported on the District's Schedule of Long-Term Liabilities.