

KITSAP COUNTY CONSOLIDATED HOUSING AUTHORITY
NOTES TO SCHEDULE OF FEDERAL AWARDS
June 30, 1998

NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Federal Awards is prepared on the same basis of accounting as the Housing Authority's financial statements. The Housing Authority uses the accrual basis of accounting for all proprietary funds, the modified accrual basis of accounting for all governmental funds, and the HUD basis of accounting for all HUD funds.

NOTE 2 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal portion of the program costs. Actual program costs, including the Housing Authority's portion, may be more than shown.

NOTE 3 - PROGRAM INCOME

The Housing Authority has a revolving loan program for low income housing. Under this federal grant, repayment to the Housing Authority are considered program revenues (income) and loans of such funds to eligible recipients are considered expenditures.