



Office of the
Washington
State Auditor
Pat McCarthy

Local Government Advisory Committee

Accounting changes and error corrections (GASB 100)

Effective for 12/31/2024 Year End Governments Reporting in 2025

The Governmental Accounting Standards Board (GASB) Statement 100 improves the accounting and financial reporting for prior-period adjustments, accounting changes, and error corrections. The statement is available from the GASB website, www.gasb.org, free of charge.

GAAP Impacts

Accounting Changes:

Change in accounting principle

This should be used when switching from one generally accepted accounting principle to another or adopting a new standard.

Changes to or within the reporting entity

1. Addition or removal of a fund that results from the movement of continuing operations within the primary government, including its blended component units
2. A change in a funds presentation as major or nonmajor
3. The addition of a component unit to the financial reporting entity or removal of a component unit from the financial reporting entity
4. A change in a component units presentation as blended or discretely presented.

Change in accounting estimate

This should be used when there is a change in the inputs used to calculate an accounting estimate.

Error Correction:

Result of a mathematical mistake, mistake in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were issued.

Financial Statement Impacts:

Change in accounting principle – retroactive application

Change to or within the reporting entity – adjustment to beginning balance

Change in accounting estimate – prospective application

Error correction – retroactive application

Cash Impacts

Accounting Changes:

Change in accounting principle

This should be used when switching from one generally accepted accounting principle to another or adopting a new standard.

Changes to or within the reporting entity

1. A change in reporting a fiduciary fund to/from within the government
2. Addition or removal of a fund

Error Correction

Result of a mathematical mistake, mistake in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were issued.

BARS Coding

New codes = *italics*

388.50.00	Change in Accounting Principle	Use this account when switching from one generally accepted accounting principle to another or adopting a new standard.
<i>388.40.00</i>	<i>Change to or within Reporting Entity</i>	<i>Use this account to report movement of funds that impact the reporting entity.</i>
<i>388.30.00</i>	<i>Error Correction</i>	<i>Use this account for corrections of errors due to mathematical mistake, mistake in the application of accounting principles or oversight/misuse of facts that existed at the time the financial statements were issued.</i>
588.50.00	Change in Accounting Principle	Use this account when switching from one generally accepted accounting principle to another or adopting a new standard.
<i>588.40.00</i>	<i>Change to or within Reporting Entity</i>	<i>Use this account to report movement of funds that impact the reporting entity.</i>
<i>588.30.00</i>	<i>Error Correction</i>	<i>Use this account for corrections of errors due to mathematical mistake, mistake in the application of accounting principles or oversight/misuse of facts that existed at the time the financial statements were issued.</i>

Notes:

No new BARS code for change in accounting estimate as this change is accounted for in the period that experienced the change.

Prior period adjustment codes (388.10/588.10) will be removed. Any changes or errors previously coded to PPA will now be coded to the new codes presented above.

Coming Soon

Detailed note disclosures in the notes to your financial statements.