



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

**Local Government Advisory Committee (LGAC)
Meeting Agenda
October 4, 2023
9:00am – 10:30 am
Virtual Meeting – Microsoft Teams**

Topics:	Speaker	Time
Welcome and Attendance	Stacie	
Approval of Minutes from June 2023	Stacie/LGAC	5 minutes
SAO Executive Update	Pat McCarthy	10 minutes
BARS Updates and Discussion	BARS Team	45 minutes
a. Annual update list – i. Proposed list for Dec 23/Jan 24 update ii. GASB Update and impact on BARS		
b. SAO’s annual report filing system update		
c. Open Discussion - BARS		
SAO Resources	Center	30 minutes
Open Discussion	LGAC	As needed
Meeting Schedule for 2023		
Wednesday, June 7, 2023, 9:00am-11:00am		Virtual
Wednesday, October 4, 2023, 9:00am-10:30am		Virtual
Wednesday, December 6, 2023, 9:00am-11:00am		Virtual



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Washington
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Local Government Advisory Committee

What is coming to BARS in 2024

as of September 11, 2023

Italic items: added since June 2023 meeting

Both Manuals

- Hot topics
 - SBITA – Subscription Based Information Technology Arrangements, see project page on SAO website (accounting, reporting, BARS codes, annual filing impacts – schedule 09 and BARS Codes).

- Accounting and Reporting updates
 - Arbitrage rebate – update GAAP section and create new section for Cash to provide clarified guidance.
 - Notes to the financial statements – clarify that multiple year statements require single year notes packages, not combined notes. (Excludes comparative year statements).
 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements – new section in accounting, possible updates to reporting section.
 - Continue to clarify and improve note disclosure instructions.

- BARS Coding / Charts of Accounts
 - 311.30 - Sale of Tax Title Property, RCW 36.35.110, removing from BARS chart of accounts, effective for FY2023 filed in 2024. **Counties only.**
 - 348 – Internal Service Fund Sales and Services – clarify self-insurance funds would report both employee and employer contributions to the ISF using the 348 BARS revenue code.
 - General Ledger Accounts – adding “optional” to section title in BARS as these are not prescribed/required codes.
 - Object code section – updating section to clarify when object code 10, 20, 30, and 40 are used.
 - Continue to clarify and improve account titles and descriptions.

- **In review** – not finalized at this time for Dec 2024 update
 - Annual filing system
 - Clarification and updates to the reporting section will be needed as they relate to the new annual filing system.

- Intergovernmental and Forgivable Loans BARS Section 3.4.7 - add guidance regarding revolving loan funds accounting.
- Limitation of Indebteness BARS Section 3.10.5 - review RCW references and update as appropriate
- Voter Registration and Election Costs Allocation BARS Section 3.8 - working with the Secretary of State to update as appropriate.
Counties only.

Cash Manual

- Accounting and Reporting updates
 - Note X – Long-term Debt: add installment sales disclosures to template and instructions.
 - *Working Advances from the Department of Social and Health Services (DSHS) BARS Section 3.6.10 - Adding Area Agencies on the Aging to the list of possible recipients.*

GAAP Manual

- Accounting and Reporting updates
 - Working Advances from the Department of Social and Health Services (DSHS) BARS Section 3.6.10 - updating section for required long-term liability reporting requirements per GASB 62. *Adding Area Agencies on the Aging to the list of possible recipients.*

What is coming to BARS in 2025

Both Manuals

- Hot topics
 - Accounting Changes and Error Corrections – GASB 100. Will impact the following BARS areas: accounting, reporting, BARS codes).
 - Compensated Absences – GASB 101. Will impact the following BARS areas: accounting and reporting).

Pending future updates

- Both manuals - Clarification to the Equipment Rental and Revolving Fund sections
- Both manuals – Schedule 15, clarify when to recognize expenses
- GAAP – Upcoming GASB implementations
- Cash - Providing more details in Note 1 – Summary of Significant Accounting Principles



The Governmental Accounting Standards Board (GASB) establishes generally accepted accounting principles (GAAP) for U.S. state and local governments. All statements, exposure drafts and other documents for public comment are available from the GASB website, www.gasb.org, free of charge.

Here is a summary of current and upcoming accounting and financial reporting standards.

GASB Pronouncements Effective for Reporting Year 2022

- **Statement No. 87, *Leases***

This statement's scope includes definition of a lease, lease term, short-term leases, subleases, and sale-leasebacks. Guidance related to accounting and reporting for lessee and lessor. An implementation guide is available: **Implementation Guide 2019-3 - *Leases***. The statement and guidance were originally effective for the 2020 reporting year but was postponed by GASB 95.

GAAP – Please see the Leases project page for accounting and reporting requirements. Early implementation allowed.

CASH - Please see the Leases project page for accounting and reporting requirements. No early implementation allowed.

- **Statement No. 91, *Conduit Debt Obligations***

The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement was originally effective for the 2021 reporting year but was postponed by GASB 95.

GAAP - Conduit debt will not be reported unless certain criteria has been met.

CASH - Conduit debt will not be reported unless certain criteria has been met.

- **Statement No. 92, *Omnibus 2020***

This statement addresses a mix of implementation issues related to leases, reinsurance recoveries, and derivative instruments (**effective immediately for reporting year 2020**). Other items effective for reporting year 2022 include intra-entity transfers of assets, postemployment benefit arrangements, government acquisitions, etc. This guidance was originally effective for the 2021 reporting year but was postponed by GASB 95.

GAAP – Most of the required changes have been implemented in BARS.

CASH - Most of the required changes have been implemented in BARS.

- Statement No. 93, *Replacement of Interbank Offered Rates***
 This statement provides exceptions to derivatives hedge accounting termination provisions and lease modifications solely to replace an interbank offered rate (IBOR). This guidance was originally effective for the 2021 reporting year but was postponed by GASB 95.

GAAP – LIBOR has been removed from the hedging derivative section of the BARS manual.

CASH – Does not apply to cash due to only apply to hedging derivatives.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for IRC Section 457 Deferred Compensation Plans***
 This statement supersedes GASB Statement No. 32. IRC section 457 deferred compensation plans that meet the definition of a pension plan should follow the accounting and financial reporting requirements of pension plans.

GAAP – Most of the required changes have been implemented in BARS.

CASH - Most of the required changes have been implemented in BARS.
- Statement No. 99, *Omnibus 2022***
 This statement addresses a mix of implementation issues related to LIBOR, nonmonetary transaction disclosures, future revenue pledges, and terminology updates to leases, reinsurance recoveries, and derivative instruments (**effective immediately for reporting year 2021**). Other items effective for reporting years after 2022 include clarification issues with leases, PPP, and SBITA, and financial guarantees and derivative instrument requirements.

GAAP – Most of the required changes have been implemented in BARS.

CASH - Most of the required changes have been implemented in BARS.

GASB Pronouncements Effective for Reporting Year 2023

- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***
 This statement establishes the definition of PPP's and APA's and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions.

GAAP – Adds more situations for Service Concession Arrangements to apply and updates the accounting and reporting requirements in these areas.

CASH – Does not apply due to the fact that Service Concession Arrangements are not reported in Cash.
- Statement No. 96, *Subscription Based Information Technology Arrangements***
 This statement brings the guidance on the accounting and financial reporting for “SBITA’s” in line with that of GASB 87 - Leases.

GAAP – Adds leased software to similar accounting and reporting requirements as leases.

CASH – Adds leased software to similar accounting and reporting requirements as leases.

- **Implementation Guide 2021-1**

This guide's objective is to provide guidance that clarifies, explains, or elaborates on GASB Statements. This statement brings the guidance on the accounting and financial reporting for derivatives, fiduciary activities, leases, and more.

GAAP – Most of the required changes have been implemented in BARS.

CASH - Most of the required changes have been implemented in BARS.

GASB Pronouncements Effective for Reporting Year 2024

- **Statement No. 100, *Prior Period Adjustments, Accounting Changes, and Error Corrections***

This statement improves the accounting and financial reporting guidance for prior-period adjustments, accounting changes, and error corrections – amendment of GASB Statement 62.

GAAP – Clarifies when to apply the accounting and financial reporting for the variety of transactions that make up these categories.

CASH – BARS will provide clearer guidance and updated BARS codes regarding these types of transactions.

- **Statement No. 101, *Compensated Absences – Reexamination of Statement 16***

This statement improves the accounting and financial reporting guidance for compensated absences.

GAAP – Provides clearer definitions of the types of absences and the requirements for the accounting and financial reporting.

CASH – BARS will provide clearer guidance and requirements for reporting specific types of absences.

- **Implementation Guide 2023-1**

This guide's objective is to provide guidance that clarifies, explains, or elaborates on GASB Statements. This statement brings the guidance on the accounting and financial reporting for leases, SBITA, Accounting Changes and Error Corrections.

GAAP – Most of the required changes have been or will be implemented in BARS with the updates related to recent accounting changes.

CASH - Most of the required changes have been or will be implemented in BARS with the updates related to recent accounting changes.

GAAP – *For all statements, earlier application is encouraged.*

CASH – *Implementation will be at the time of BARS prescription.*

Current GASB Exposure Drafts, Invitations to Comments, etc.

Documents for public comments are posted to <https://www.gasb.org/exposuredocument>.