



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

**Local Government Advisory Committee (LGAC)  
Meeting Minutes  
December 6, 2023  
9:00am – 11:00 am  
Virtual Meeting – Microsoft Teams**

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**Members in attendance:**

Brodersen, Bret (WFOA) | Clark, Kathy (Housing) | Corin, Shannon (WFOA) | Gall, Sheila (AWC) | Goodrich, Scott (WPPA) | Hendren, Alisha (SCCFOA) | Jimenez, Grace (WSAC) | Kelly, Mitchell (SWFOA) | Kinley, Leana (WCCMA) | Knudson, Erin (WSTA) | Lundeen, Ann (WACO) | McMillan, Sandi (WASWD) | Olander, Scott (AWPHD) | Payne, Randy (WAPUDA) | Robacker, Tanya (Fire) | Scott, Jill (WFOA) | Williams, Jason (ESD)

**Members absent:**

Excused: Tellers, Stacie (SAO, Chair) | vacant AWC position

Unexcused: Hunt, Heidi (WACO) | Huynh, Phung (PSFOA) | Pohle, Derek (CRAB) | Rupe, Sara (OFM) | Steffen, Philip (WPTA)

**Other attendees:**

Booher, Debbie (Poulsbo) | Hill, Shawn (Grays Harbor County) | Lowell, Eric (MSRC) | Pascoe, Jerica (Ellensburg) | Rogers, Danette (Transit) | Turntine, Cori (Conservation District) | Zhang, Wenju (Bothell) | Cami Schmidt (Transit) | Kimberly Wilson (Housing) | Mary Stimson (Library) | Timothy Maule (Fire)

**SAO Staff in attendance:**

Browning, Roxann | Collins, Kelly | Cowgill, Christie | Crouch, Olivia | Kostick, Niles | McCarthy, Pat | Montgomery, Ryan | Pagio, Kayley | Rooney, Keri | Vandenburg, Vivian | Watkins, Tina

**Call to Order**

The Committee meeting began at 9:00am, held via Teams. The meeting was called to order by Christie Cowgill, Assistant Audit Manager for Local Government Support Team, facilitating the meeting on behalf of Stacie Tellers, Committee Chair who is unavailable for this meeting.



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### **Welcome and Attendance**

Christie welcomed everyone. Attendance was taken via the Teams attendee list and verbal notification for attendees calling in via phone.

### **Approval of Minutes from October 2023**

The minutes previously distributed via email with a link to the SAO LGAC webpage where the draft minutes are posted were presented.

*Motion to approve the October 2023 minutes was made by Bret Broderson and seconded by Ann Lundeen. The appointed committee members approved the minutes with no corrections or changes, unanimously.*

### **SAO Executive Update**

Washington State Auditor, Pat McCarthy, provided the SAO executive update to the Committee. She thanked everyone for joining the meeting today and taking their time to participate in the Committee. She gave a shout out to all SAO staff for their help at WFOA and making it a valuable experience to the attendees. Highlighted Kayley's presentation on the improved annual filing system. She is so full of joy and her enthusiasm is infectious. The response was affirming, and we look forward to the system coming in 2024. SAO continues to prioritize performing timely audits, mentioning that good communication and relationships are key. We are getting ready and looking forward to the upcoming legislative session.

### **BARS Updates and Discussion**

Christie advised the committee that the December 2023 BARS update list from the October 2023 meeting is the final list, no new or changed items.

Vivian Vandenburg, Assistant Audit Manager for the Local Government Support Team, provided an overview of the preliminary list for the December 2024 update. Vivian provided a brief overview of each item.

The BARS group provided the overview of the GASB Statements handout to the committee (see attached) and the potential impacts on both the GAAP and Cash manuals. Olivia Crouch, Assistant Audit Manager for the Local Government Support Team, discussed the update for GASB 94. Originally this statement was marked as not applicable to Cash basis governments, but that has changed, and Cash basis governments will need to implement the accounting change.



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Kayley Pagio, Assistant Audit Manager for the Local Government Support Team, provided an update on the annual filing system rewrite project and presented a walk-through of the refreshed system. Mitchell Kelly asked a question regarding DOT requesting the same information that governments report to SAO and wonders why that is. Kayley advised that SAO will look into this and report back. A copy of the slides presented today was requested. Kayley responded that she unable to share the ones from today but will be able to share a complete slideshow and a recorded version of the webinar in January on our web page. No other questions or feedback.

Christie opened the floor for questions, comments, and concerns related to BARS, GASB, or Annual Filing. Nothing was brought forward.

### SAO Resources

Niles Kostick, Manager for the Center for Government Innovation, provided an update on the new and updated resources from SAO. The center is looking forward to 2024. They are developing Cyber Training and updates to FIT. New resources will be coming in the spring. A return of some key features to FIT and conference planning attendance for 2024. The Center would like to ask what session topics would be helpful. A couple of topics suggested include: Going Paperless and meeting records retention, continued internal controls with a focus on newly elected and staff roles, a comprehensive contract checklist from proposal to close-out and continue with federal grants management help.

Questions or comments for the Center, email [center@sao.wa.gov](mailto:center@sao.wa.gov)

### Open Discussion

Christie opened the floor for the discussion period, beginning with proposed 2024 Meeting Dates:

- a. Proposed 2024 Committee Meeting dates –
  - i. Wednesday, May 1, 2024 9:00-11:00am
  - ii. Wednesday, October 2, 2024 9:00-10:30am
  - iii. Wednesday, December 4, 2024 9:00-11:00am

There were no objections to the proposed 2024 Committee Meeting dates.

**Meeting adjourned at 10:12 am.**



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Pat McCarthy**

**Local Government Advisory Committee (LGAC)  
Meeting Agenda  
December 6, 2023  
9:00am – 11:00 am  
Virtual Meeting – Microsoft Teams**

<b>Topics:</b>	<b>Speaker</b>	<b>Time</b>
<b>Welcome and Attendance</b>	<b>Christie</b>	
<b>Approval of Minutes from October 2023</b>	<b>Christie/LGAC</b>	<b>5 minutes</b>
<b>SAO Executive Update</b>	<b>Pat McCarthy</b>	<b>10 minutes</b>
<b>BARS Updates and Discussion</b>	<b>BARS Team</b>	<b>60 minutes</b>
a. Annual update list – i. December 2023 BARS Update plan ii. Dec 2024/Jan 2025 preliminary BARS Update list		
b. Walk-through of SAO's refreshed filing system		
c. Open Discussion - BARS		
<b>SAO Resources</b>	<b>Center</b>	<b>30 minutes</b>
<b>Open Discussion</b>	<b>LGAC</b>	<b>As needed</b>
a. Proposed 2024 Committee Meeting dates –		
i. Wednesday, May 1, 2024	9:00-11:00am	
ii. Wednesday, October 2, 2024	9:00-10:30am	
iii. Wednesday, December 4, 2024	9:00-11:00am	

**Meeting Schedule for 2023**

<del>Wednesday, June 7, 2023, 9:00am-11:00am</del>	<del>Virtual</del>
<del>Wednesday, October 4, 2023, 9:00am-10:30am</del>	<del>Virtual</del>
Wednesday, December 6, 2023, 9:00am-11:00am	Virtual



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# Local Government Advisory Committee

## What is coming to BARS in 2025

as of November 27, 2023

### 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 – Evaluating note disclosures for clean-up and clarification



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Local Government Advisory Committee  
GASB Update  
November 2023

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](http://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. Also see **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 PPPs and APAs 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** – Adds accounting and reporting requirements, similar to leases, for PPPs and Service Concession Arrangements.

- **Statement No. 96, *Subscription Based Information Technology Arrangements***  
This statement brings the guidance on the accounting and financial reporting for “SBITAs” in line with that of GASB 87 - Leases.

**GAAP** – Adds accounting and reporting requirements, similar to leases, for leased software.

**CASH** – Adds accounting and reporting requirements, similar to leases, for leased software.

- **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/exposedocument>.