



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

Local Government Advisory Committee (LGAC)

Meeting Minutes

December 4, 2024

9:00am – 11:00 am

Virtual Meeting – Microsoft Teams

Member attendance:

Member name	Attendance Status	Member name	Attendance Status
Brodersen, Bret	Excused	McMillan, Sandi	Present
Clark, Kathy	Present	Olander, Scott	Unexcused
Corin, Shannon	Unexcused	Payne, Randy	Present
DeGroot, David	Present	Pohle, Derek	Unexcused
Gall, Sheila	Present	Riley, Michael	Present
Goodrich, Scott	Present	Robacker, Tanya	Present
Hendren, Alisha	Present	Quichocho, Anna	Present
Hunt, Heidi	Present	Scott, Jill	Present
Jimenez, Grace	Present	Tellers, Stacie - Chair	Present
Knudson, Erin	Excused	Williams, Jason	Present
Liang, David	Unexcused	AWC	Vacant
Lundeen, Ann	Present	WCCMA	Vacant

Other attendees:

Hill, Shawn (Grays Harbor County) | Kelly, Mitchell (County) | Lowell, Eric (MRSC) | Pascoe, Jerica (Ellensburg) | Robnett, Heidi (Fire) | Rogers, Danette (Transit) | Schmidt, Cami (Transit)

SAO Staff in attendance:

Aguilar, Tamara | Cowgill, Christie | Crouch, Olivia | Kostick, Niles | McCarthy, Pat | Montgomery, Ryan | Pagio, Kayley | Strand, Ann | Vandenburg, Vivian | Watkins, Tina

Call to Order

The Committee meeting began at 9:00am, held via Teams. The meeting was called to order by Stacie Tellers, Manager for the Local Government Support Team.

Welcome and Attendance

Stacie welcomed everyone. Attendance was taken via the Teams attendee list and noted there were no attendees calling in via phone.



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SAO Executive Update

Washington State Auditor Pat McCarthy stated she was thankful for the opportunity to serve a third term. Pat announced the upcoming retirement of Deputy State Auditor Keri Rooney, effective February 1, 2025. With Keri's retirement Pat named the current Director of Local Audit, Kelly Collins to the Deputy Director role and Assistant Director of Local Audit, Tina Watkins to the Director of Local Audit role.

Pat spoke to the recent press release from Governor Inslee regarding the freeze on expenditures and hiring for the State. The directive does not directly impact the State Auditor's Office due to the separately elected status of the office, however Pat noted that she will evaluate the directive and determine impacts to the office should any freezes occur.

Pat discussed her role as President Elect for the National State Auditors Association and that serving on the national level supports Washington governments accounting and reporting concerns. She is excited that the Associations national conference for 2026 will be in Tacoma and hopes to see everyone there.

Pat noted that she recently spoke with the newly elected Secretary of State (SOS) of Oregon to discuss auditing and the similarities and differences of Oregon's SOS structure with Washington's SOS and SAO structure. Oregon's SOS conducts audits of Oregon State agencies, as well as performance audits. They were interested in how SAO performs this work and how Washington's agency structure differs from Oregon's.

Pat noted that SAO continues to develop tools for governments regarding fraud and how to advert fraud. She noted that SAO has several resources and trainings to assist governments in developing and strengthening their controls to help reduce the risk of fraud.

Pat appreciates the time committee members take to attend the meeting and participate with SAO. She wished the committee members a happy and safe holiday season.

Approval of Minutes of October 2, 2024, meeting

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 2024 minutes was made by Ann Lundeen and seconded by David DeGroot. The appointed committee members approved the minutes with no corrections or changes, unanimously.



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BARS Updates and Discussion

Stacie announced that the fiscal year 2024 BARS Manuals are fully updated as of Tuesday, December 3, 2024! SAO has soft launched the manuals to allow for time to fully review the live manuals for any necessary corrections. An article in the biweekly SAO newsletter will be posted and go out on Thursday, December 5, 2024, to announce that BARS Manuals are updated and live.

Christie Cowgill, Assistant Audit Manager for the Local Government Support Team provided an overview of the initial update list for the December 2025 update, including a brief overview of each item. Stacie added that SAO will actively watch the 2025 Washington Legislative session for any impacts to BARS and will notify governments via a BARS alert should any changes occur.

Sandi McMillan thanked the BARS group for all the updates. She noted that our continued updates help the newer generation of workers, making it easier for them to train them on the requirements.

Olivia Crouch, Assistant Audit Manager for the Local Government Support Team, reviewed the updates from GASB and the impact on BARS. There have been no new GASBs issued since the last meeting. However, GASB has issued several documents for public comment. Olivia discussed the documents and encouraged attendees to provide responses to the GASB.

Stacie 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. He reminded the attendees that the Center's tools and trainings are free to them.

Niles reviewed the FIT update, noting that the 11-year revenue and expenditure trends have returned. He stated that side by side government comparisons will be coming soon. Additionally, a FIT Financial Health Indicator guide was published in the improving government's resource library, which explains the different indicators presented in FIT.

The Center is working on creating new and updating existing resources. Recently the Asset Retirement Obligation resource was updated, providing updates found in post implementation audits, adding additional ARO items such as irrigation canals, and



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additional links to valuable resources such as Department of Ecology lists. New resources include a jumpstart your cybersecurity program guide and a federal grant management guide, both available in the resource library. Planned updates for the take home vehicle, segregation of duties, cash receipting, payroll, and accounts payable guides will occur in 2025.

The Center is working on a new training workshop to be offered in 2025. This workshop will include internal controls information, including identifying fraud risks, best practices in fraud prevention, effective prevention strategies, and more. Watch for more information on this new workshop.

Questions or comments for the Center, email center@sao.wa.gov.

Open Discussion

Stacie opened the floor for the discussion period, proposing the following meeting dates for 2025.

Proposed Meeting Schedule for 2025

Wednesday, April 30, 2025, 9:00am-11:00am	Virtual
Wednesday, September 10, 2025, 9:00am-10:30am	Virtual
Wednesday, December 10, 2025, 9:00am-11:00am	Virtual

The proposed meeting schedule was accepted.

Stacie noted that there will be some committee positions for either renomination or to be filled. Notifications will be going to associations for the nominations in early 2025.

Meeting adjourned at 9:37 am.



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Meeting Agenda
December 4, 2024
9:00am – 11:00 am
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Topics:	Speaker	Time
Welcome and Attendance	Stacie	
Approval of Minutes from October 2024	Stacie/LGAC	5 minutes
SAO Executive Update	Pat McCarthy	10 minutes
BARS Updates and Discussion	BARS Team	30 minutes
a. Annual update list – i. December 2024 BARS Manual updates ii. Proposed list for Dec 25/Jan 26 update iii. GASB Update, BARS impacts		
b. Open Discussion - BARS		
SAO Resources	Center	30 minutes
Open Discussion	LGAC	As needed

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Local Government Advisory Committee

What is coming to BARS in 2026

as of December 4, 2024

Both Manuals

- General Topics -
 - Chart of Accounts:
 - Updating BARS code descriptions, continuous project
 - Reviewing the COA section for reorganization, clean-up, and clarification
 - Research BARS code 341.92 – Property Management: need to update the description and will contact the 17 governments utilizing the code to clarify the activity being reported here.
 - 3.2.4 – Money Held in Trust: adding information on reporting requirements for when government monies are deposited into escrow accounts (or similar arrangements).
 - Accounting Principles section: adding guidance on rolling up managerial funds
 - Interfund Activities section: reviewing the section to ensure there is appropriate accounting guidance, focusing on Internal Service Fund and ER&R sections.
 - Note X – Going Concern: note being evaluated for clarification and additional guidance

Cash Manual -

- *Continue to evaluate pages for clean-up and clarification opportunities*

GAAP Manual -

- Update the Operating/Non-Operating BARS Code worksheet
- *Continue to evaluate pages for clean-up and clarification opportunities*

Pending future updates

- 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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GASB Update

As of October 17, 2024

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.

A summary of the current and upcoming accounting and financial reporting standards is below.

GAAP – For all statements, earlier application is encouraged.

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

For current GASB Documents for Comment visit: <https://www.gasb.org/projects/documents-for-public-comment>

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.

GASB Pronouncements Effective for Reporting Year 2025

- **Statement No. 102, *Certain Risk Disclosures***
This statement improves financial reporting by providing users of financial statements with timely information regarding certain concentrations or constraints and related events that make a government vulnerable to a substantial impact.

GAAP – BARS will provide guidance on when this disclosure is required and what to include in the disclosure.

CASH – BARS will provide guidance on when this disclosure is required and what to include in the disclosure.

GASB Pronouncements Effective for Reporting Year 2026

- **Statement No. 103, *Financial Reporting Model Improvements***

This statement improves key components of the financial reporting model to enhance the effectiveness in providing information that is essential for decision making and assessing a government's accountability; including improvements to the management's discussion and analysis (MD&A), required supplementary information (RSI), propriety fund reports, unusual/infrequent items, major component unit information and budgetary comparison information.

GAAP – *information coming soon, estimated mid-2025*

CASH – *information coming soon, estimated mid-2025*

- **Statement No. 104, *Financial Reporting Model Improvements***

This statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures.

GAAP – *information coming soon, estimated mid-2025*

CASH – *information coming soon, estimated mid-2025*