



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

**Local Government Advisory Committee (LGAC)
Meeting Agenda
April 30, 2025
9:00am – 11:00 am
Virtual Meeting – Microsoft Teams**

Topics:	Speaker	Time
Welcome and Attendance	Stacie	
Approval of Minutes from December 2024	Stacie/LGAC	5 minutes
SAO Executive Update		10 minutes
BARS Updates and Discussion	BARS Team	30 minutes
a. Annual update list – i. Proposed list for Dec 25/Jan 26 update ii. GASB Update, BARS impacts		
b. Open Discussion - BARS		
SAO Resources	Niles/Center	30 minutes
Open Discussion	LGAC	As needed

Remaining Meetings for 2025

Wednesday, September 10, 2025, 9:00am-10:30am

Virtual

Wednesday, December 10, 2025, 9:00am-11:00am

Virtual



Office of the
Washington
State Auditor
Pat McCarthy

Local Government Advisory Committee

What is coming to BARS in 2026

as of April 14, 2025, *italic items are new from prior meeting*

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.
 - *512.5 – Municipal Court BARS coding series:*
 - *512.51 Non-Contracted Court & 512.52 Contracted Court – the 5th digit will no longer be prescribed. Schedule 01 will require 512.5_, the 5th digit can continue to be used.*
 - 3.2.4 – Money Held in Trust: adding information on reporting requirements for when government monies are deposited into escrow accounts (or similar arrangements).
 - *3.8.8 Petty Cash and 3.10.3 Bond Coverage for Public Officials and Employees: evaluating section for additional accounting guidance, reorganize page to separate control guidance from accounting guidance.*
 - Managerial Funds: centralizing and clarifying guidance in the Accounting Principles section
 - Interfund Activities section: reviewing the section to ensure there is appropriate accounting guidance, focusing on Internal Service Fund and ER&R sections.
 - *Determining Fiduciary Activities section moving to accounting section, accounting principles and internal controls chapter*
 - *Interfund/Intergovernmental loans sections:*
 - *Correcting “negative fund balance” language for interfund loan requirements related to cash balances to “negative cash”.*
 - *Counties only: updating guidance regarding register warrants and when they are allowed to be considered an investment.*
 - Note X – Going Concern: note being evaluated for clarification and additional guidance
 - *Note X – Risk Management: updating and clarifying what is required in this note*
 - *Note X – Deposits & Investments and Note X – External Investment Pool: evaluating note for clarification and clean up, GAAP note being updated to ensure alignment with GASB requirements.*

Cash Manual -

- *3.3.8 – Capital Asset Management: providing clarification on when governments should begin using the capital BARS codes vs. continue using functional expense codes.*
- *Note X – Short-Term Liabilities, new note disclosure which discloses the issuance and payment of liabilities settled in the same year.*
- Continue to evaluate pages for clean-up and clarification opportunities

GAAP Manual -

- *Note X – Closure and Postclosure Care Cost, aligning note title with accounting section guidance: Closure and Postclosure Cost*
- 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
- Cash – Evaluating note disclosures for clean-up and clarification
- GAAP – Upcoming GASB implementations



Office of the
Washington
State Auditor
Pat McCarthy

GASB Update

As of March 31, 2025

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 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 provides guidance on when this disclosure is required and what to include in the disclosure.

CASH – BARS provides 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), proprietary fund statements, unusual/infrequent items, major component unit information and budgetary comparison information.

GAAP –

- “Special and extraordinary items” are renamed to “unusual or infrequent items.”
- Updates to the MD&A emphasize that detailed analyses should explain *why* balances and results of operations changed.
- Updates to the format of the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position.
- New definitions for operating and non-operating revenues and expenses. Introduces and defines a new term “subsidiaries.”
- Budgetary comparison schedules have additional required columns and must be reported as Required Supplementary Information. There is no longer the option to include them with basic statements.
- Major component units are required to be reported separately on the face of the government wide financial statements. However, if the readability is reduced, governments may present combining statements for their major component units.

CASH – “Special and extraordinary items” are renamed to “unusual or infrequent items.”

- **Statement No. 104, *Disclosure of Certain Capital Assets***

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

GAAP – Minor updates to the tables in *Note X – Capital Assets*. Also adding a disclosure for capital assets held for sale.

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