



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

Local Government Advisory Committee (LGAC)

Meeting Minutes

September 10, 2025

9:00am – 10:30 am

Virtual Meeting – Microsoft Teams

Member attendance:

Member name	Attendance Status	Member name	Attendance Status
Brodersen, Bret	Present	Knudson, Katrina	Present
Clark, Kathy	Present	Liang, David	Present
Corin, Shannon	Present	McMillan, Sandi	Present
Curbow, Nick*	Present	Olander, Scott	Unexcused
Fulton, Katrina	Present	Pohle, Derek	Present
Gall, Sheila	Present	Prada, Stacie	Present
Goodrich, Scott	Unexcused	Riley, Michael	Present
Hall, Mary	Present	Robacker, Tanya	Present
Hendren, Alisha	Present	Quichocho, Anna	Unexcused
Hinchliffe, Randy	Present	Seibel, Amy	Present
Jimenez, Grace	Present	Tellers, Stacie - Chair	Present
Knudson, Erin	Present	Williams, Jason	Present

**appointment pending*

Other attendees:

Bishop, Olivia (Library) | Booher, Debbie (City) | Hill, Shawn (County) | Kelly, Mitchell (County) | Maule, Timothy (Fire) | Rogers, Danette (Transit) | Stimson, Mary (Library) | Streissguth, Kathy (Fire) | Wilson, Kimberly (Housing) | Zhang, Wenju (County)

SAO Staff in attendance:

Browning, Roxann | Choy, Wendy | Collins, Kelly | Cowgill, Christie | Crouch, Olivia | 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.



Office of the Washington State Auditor Pat McCarthy

Approval of Minutes from the April 30, 2025 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 April 2025 minutes was made by Bret Brodersen and seconded by Kathy Clark. The appointed committee members approved the minutes with no corrections or changes, unanimously.

SAO Executive Update

Washington State Auditor Pat McCarthy thanked the committee for their service on the Committee, we know that your time is valuable. We value the opinions from the associations and local governments on the work SAO does and Pat encourages the committee to share their comments and questions.

Pat has been visiting the regional associations for the last few months and listening to the concerns regarding changes to accounting standards. Our office's Scott DeViney and Stacie Tellers recently participated in the GASB's public forum to discuss proposed standard changes. <https://www.sao.wa.gov/the-audit-connection-blog/saos-scott-deviney-and-stacie-tellers-advocate-behalf-washingtons-governments-gasb-advisory-roles>

Pat recently became the President of the National Association of State Auditors. The association recently produced a white paper on the key roles that state auditors play in the government accountability community. Pat shared the following link to the white paper. https://www.nasact.org/files/News_and_Publications/White_Papers_Reports/NSAA_white_paper_for_web.pdf

Pat stated that she continues to meet with State Legislators regarding issues in both the state and local government areas and with the legislative session to start soon those meetings will ramp up.

BARS Updates and Discussion

Kayley Pagio, Assistant Audit Manager for the Local Government Support Team provided an overview of the update list for the December 2025 BARS update, including a brief overview of the added items since the April 2025 meeting.

Olivia Crouch, Assistant Audit Manager for the Local Government Support Team, reviewed the updates from GASB and the impact on BARS.



Office of the Washington State Auditor Pat McCarthy

Olivia spoke to GASB 104, *Disclosure of Certain Capital Assets* and a possible note disclosure for Cash BARS. She mentioned that the BARS team continues to review proposals for a note disclosure related to the amount of capital outlays reported on cash financial statements. She presented a proposed update to the note for discussion, which included adding a column to the existing table to disclose the current year capital expenditures for disclosed projects. Capital expenditures are coded to BARS codes 594-595. Derek Pohle, Mary Stimson, Bret Brodersen, and Sandi McMillan provided input on the proposed table. Suggestions included listing capital expenditures by function of government, by project type, mix of both options, adding an additional table for single year items such as equipment and fleet vehicles and questions about possible thresholds for what is required to be listed. Olivia will continue to work through the proposal and bring additional information at the next committee meeting.

Stacie opened the floor for questions, comments, and concerns related to BARS, GASB, or Annual Filing. Stacie opened the conversation regarding the email from Committee member Amy Seibel which included proposed edits to the GAAP BARS guidance on fully depreciated assets and updating the guidance to include GASB 100, *Accounting Changes and Error Corrections* language. The Committee reviewed the proposed updated language. Amy thanked the BARS team for addressing her email and stated the update met her expectations. Derek, Bret, Mitchell Kelly, and Katrina Knutson provided input and questions on if this impacts any modified approach to infrastructure assets, possible impacts to electric utilities and PUDs regarding their generational components and homogenized asset pools, and the change in perspective of why this may be an error correction and not a change in accounting estimate. Stacie noted that the BARS research group will look into the regulated industries to see if there is additional information on fully depreciated assets and follow-up. The BARS team does need to make the necessary updates to BARS to ensure accurate guidance regarding when the calculation date needs to be for the reassessed estimated useful life, which will occur in the December 2025 update.

Open Discussion

Stacie opened the floor for open discussion. Nothing was brought forward.

Remaining Meeting Schedule for 2025

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

Virtual

Meeting adjourned at 10:00 am.



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

**Local Government Advisory Committee (LGAC)
Meeting Agenda**

September 10, 2025

9:00am – 10:30 am

Virtual Meeting – Microsoft Teams

Topics:	Speaker	Time
Welcome and Attendance	Stacie	
Approval of Minutes from April 2025	Stacie/LGAC	5 minutes
SAO Executive Update	Pat McCarthy	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 i. Fully depreciated assets		
Open Discussion	LGAC	As needed

Remaining Meetings for 2025

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 August 26, 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
 - *Updated description for BARS code 341.92 – Property Management: use this code to report fees charged for managing property not owned by the reporting government. Do not include lease revenue.*
 - 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: new section, centralizing and clarifying guidance and will be in the Accounting Principles & Internal Control chapter*
 - Interfund Activities section: reviewing the section to ensure there is appropriate accounting guidance, focusing on Internal Service Fund and ER&R sections.
 - 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 registered warrants and when they are allowed to be considered an investment.
 - Determining Fiduciary Activities section moving to accounting section, accounting principles and internal controls chapter
 - 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.
 - *3.10.5 Limitation of Indebtedness: evaluating guidance and updating as needed.*

- *Note 1 – Summary of Significant Accounting Principles: evaluating guidance and updating as needed to align with GAAP standards and conformed to cash basis.*

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
- Continue to evaluate pages for clean-up and clarification opportunities
- *Memorandum Accounts in Proprietary Funds: new section, consolidated guidance on the required use of memorandum accounts in proprietary funds for Schedule 01 reporting to a new section.*
- *4.3.1 Fund Types: deleting section due to duplicate guidance already included in 4.3.3 Governmental Funds Financial Statements and 3.1.1 Fund Accounting and Fund Types.*

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
- Update the Operating/Non-Operating BARS Code worksheet



Office of the
Washington
State Auditor
Pat McCarthy

GASB Update

As of August 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, research in progress*

- **Implementation Guide 2025-1**

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 cash flow reporting, basic financial statements and MD&A, leases, conduit debt obligations, accounting changes and error corrections, compensated absences, and component unit reporting.

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.