



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

Local Government Advisory Committee (LGAC)

Meeting Minutes

December 10, 2025

9:00am – 11:00 am

Virtual Meeting – Microsoft Teams

Member attendance:

Member name	Attendance Status	Member name	Attendance Status
Broderson, Bret	Present	Knutson, Katrina	Present
Clark, Kathy	Present	Liang, David	Unexcused
Corin, Shannon	Present	McMillan, Sandi	Present
Curbow, Nick	Present	Olander, Scott	Unexcused
Fulton, Katrina	Unexcused	Pohle, Derek	Present
Gall, Sheila	Present	Prada, Stacie	Excused
Goodrich, Scott	Present	Riley, Michael	Unexcused
Hall, Mary	Excused	Robacker, Tanya	Unexcused
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

Other attendees:

Bishop, Olivia (Library) | Ellington, Lauren (City) | Ginter, Jamie (County) | Hill, Shawn (County) | Kelly, Mitchell (County) | Lowell, Eric (MRSC) | Maule, Timothy (Fire) | Stimson, Mary (Library) | Sytsma, Heather (Water/Sewer) | Thorson, Sarah (City) | Zhang, Wenju (County)

SAO Staff in attendance:

Aguilar, Tamara | Browning, Roxann | Choy, Wendy | Collins, Kelly | Cowgill, Christie | Crouch, Olivia | Montgomery, Ryan | Pagio, Kayley | Roper, Janel | 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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Approval of Minutes from the September 10, 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 September 2025 minutes was made by Bret Brodersen and seconded by Grace Jimenez. The appointed committee members approved the minutes with no corrections or changes, unanimously.

SAO Executive Update

Deputy State Auditor Kelly Collins thanked the committee for their service on the Committee; we value the opinions from the associations and local governments on the work SAO does. Kelly encourages the committee to share their comments and questions. Kelly noted that SAO continues to meet with associations across the state and looks forward to continuing those meetings in the new year.

The State Auditor met with the other elected officials earlier this year and discussed the issues state government is facing. Pat also attended the Centennial Accord Meeting, an annual event that promotes strong relationships between the State and the Tribal nations. Pat believes that building strong relationships is one of the most important jobs that she has as the State Auditor. In Pat's role as the President of the National State Auditors Association (NSAA), she issued a letter to the Federal Office of Management and Budget (OMB) about the need for the compliance supplement to be released as soon as possible. Pat was pleased to see the issuance of the compliance supplement quickly after the federal government reopened. Through the NSAA role, Pat participates in local, state, and federal meetings to discuss issues across the nation and promote the good work we do every day.

Kelly encouraged everyone to share comments and ask questions, either during our committee meetings or let us know anytime there is an issue you'd like to bring to our attention. She wished the committee a happy holiday season and a happy new year.

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 2026/January 2027 BARS update.

Stacie announced that the December 2025 BARS update has been completed and invited the committee to review the 2025 overview of changes and the updates.

Stacie noted that there were no GASB updates. The update list from the September meeting is attached to the agenda for reference.



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Stacie opened the floor for questions, comments, and concerns related to BARS, GASB, or Annual Filing. Amy Seibel mentioned that the link to the GASB codifications was going directly to the GARS login page, asking if that was accurate. Stacie noted that currently if we try to link to the direct codification it routes to the login page and then doesn't route to the codification page. Stacie will see if we can submit a help ticket to GASB to see if the direct codification links would be available in the future.

Olivia Crouch, Assistant Audit Manager for the Local Government Support Team, discussed recent conversations with an association regarding the compensated absence implementation for BARS Cash. Mary Stimson asked about the process for continued review by auditor regarding compensated absences. Olivia stated that audit may look at different areas of compensated absences for each audit, if a government is unsure of what the auditor is asking for or looking for, it is best to ask those questions of audit team. Sandi McMillan noted they relied on a third reviewer to help with compensated absence estimates. Timothy Maule asked if he could follow up directly, Olivia provided her contact information to the Committee.

Open Discussion

Niles Kostick, Manager for the Center of Government Innovation, noted that the Center participated in over 26 external training sessions, conference sessions, and webinars in 2025. They are going to deliver more training opportunities in 2026 including teambuilding, process improvement and leadership, internal controls and financial best practices, and cyber security.

The Center continues to update existing resources and issue new resources. Updates to the responsible bidder checklist, bid law guide, change order guide, segregation of duties guides, and more have occurred or will be posted very soon. Derek Pohle inquired if SAO is partnering with MRSC on the procurement resources. Niles stated that we do work closely and share information on the topics they are working on. Mary Stimson inquired about the release dates, Niles stated that he would follow up with the dates after the meeting. Sandi McMillan noted that she volunteered to be an external reviewer on the Bank Reconciliation Best Practice guide and that working with Kristen Harris has been amazing, Kristen is a great representative of SAO and has been very helpful.

FIT updates include use of a new chat agent, just like the one available in the annual filing system. School's data will be uploaded in early 2026 and improvements to schools' revenue categories are coming.

The Center assisted in a federal funds special report, available on the SAO's Legislative Priorities webpage: <https://infogram.com/2025fitfederalfundupdated-1h1749wrllyx9l2z>.



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The Center continues to offer Cyber reviews, resources, and services. A new workshop, Cyber Incident Response, will be offered to provide education on the response process. This includes starting an incident plan, the role of the plan and more. Let the Center know if you are interested in the workshop. Center@sao.wa.gov

Scott Goodrich asked is the Center has plans about implementing the Coast Guard requirements on Ports. Scott will connect with Niles to discuss more.

Open Discussion

Stacie opened the floor for open discussion. Stacie requested committee review of the meeting schedule for 2026. The proposed schedule was accepted by the committee.

Wednesday, May 6, 2026, 9:00am – 11:00am	Virtual
Wednesday, September 9, 2026, 9am – 10:30am	Virtual
Wednesday, December 9, 2026, 9:00am-11:00am	Virtual

No other topics were brought forward.

Meeting adjourned at 9:43 am.



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

December 10, 2025

9:00am – 11:00 am

Virtual Meeting – Microsoft Teams

Topics:	Speaker	Time
Welcome and Attendance	Stacie	
Approval of Minutes from September 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. December 2025 BARS update completed		
ii. Proposed list for Dec 26/Jan 27 update		
iii. GASB Update, BARS impacts – <i>no updates as of 11/26/2025</i>		
b. Open Discussion – BARS		
i. Cash Basis, compensated absences		
SAO Center for Government Innovation Update	Niles Kostick	30 minutes
Open Discussion	LGAC	As needed
a. Proposed meetings for 2026:		
Wednesday, May 6, 2026, 9:00am – 11:00am		Virtual
Wednesday, September 9, 2026, 9am – 10:30am		Virtual
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b. Other discussion		



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What is coming to BARS in 2027

Both Manuals

- General Topics -
 - Chart of Accounts:
 - Continue to evaluate code descriptions for clean-up and clarification opportunities
 - Continue to evaluate pages for clean-up and clarification opportunities

Cash Manual -

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

GAAP Manual -

- GASB 103 implementation – pages to be determined
 - 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



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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.