



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

**Local Government Advisory Committee (LGAC)
Meeting Agenda
June 15, 2022
9:00am – 11:00am
Virtual Meeting – Microsoft Teams**

Members in attendance:

Clark, Kathy (Housing); Corin, Shannon (WFOA); Gall, Sheila (AWC); Goodrich, Scott (WPPA); Hendren, Alisha (SCCFOA); Hunt, Heidi (WACO); Kelly, Mitchell (SWFOA); Kinley, Leana (WCCMA); Knudson, Erin (WSTA); Lundeen, Ann (WACO); McMillan, Sandi (WASWD); Oestreich, Brenda (WSAC); Pascoe, Jerica (WFOA); Pepin, Patty (ESD); Pohle, Derek (CRAB); Steffen, Philip (WPTA); Tellers, Stacie (SAO, Chair)

Members absent:

Excused: Brodersen, Bret (WFOA); Mann, Michael (LEAP); Huynh, Phung (PSFOA); Schaub, Mike (OFM); vacant AWC position.

Unexcused: Ishizuka, Paul (AWPHD); Payne, Randy (WAPUDA); Robacker, Tanya (Fire);

Other attendees:

Booher, Debbie (Poulsbo), Gancel, Lisa (WCIF); Hill, Shawn (Grays Harbor County); Maule, Tim (Fire); Rupe, Sarah (OFM); Schmidt, Cami (Pierce Transit).

SAO Staff in attendance:

Ard, Sherrie; Collins, Kelly; Cowgill, Christie; Kostick, Niles; Montgomery, Ryan; Pagio, Kayley; Pritchard, Brandi; Rooney, Keri; Watkins, Tina

Call to Order

The Committee meeting began at 9:00am, held via Teams. The meeting was called to order by Stacie Tellers, LGAC Chair.

Welcome and Attendance

Stacie welcomed everyone. Attendance was taken via the Teams attendee list. Attendees calling in provided their names for the attendance list.



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Approval of Minutes from December 2021

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 December 2021 minutes was made by Shannon Corin and seconded by Ann Lundeen. The appointed committee members approved the minutes with no corrections or changes, unanimously.

SAO Executive Update

Kelly Collins, on behalf of State Auditor Pat McCarthy, thanked the attendees for joining the meeting today and for the continued support and participation in the Committee. Kelly discussed how the Committee's involvement assists SAO in our work to implement BARS changes as well as SAO's discussions at various forums, including committees at the national level. SAO participates in the national auditor's associations and directly with GASB as we have a staff member on the GASB advisory committee. The input proved by this Committee helps us in our efforts to impact accounting changes for Washington State governments.

BARS Updates and Discussion

Stacie discussed the preliminary items for the annual BARS update list for the Dec 22/Jan 23 update (see attached). Ann Lundeen commented on investment pool guidance as the Counties have significant and unique situations with their pools. Stacie stated that SAO is aware of the unique situations and the plan is to work with the County associations to gain an understanding of the different pool arrangements so that clarified guidance provided encompasses all the different pooling operations.

Stacie opened the floor for discussion of the draft leases BARS documents that were distributed prior to the meeting. These documents, once finalized, will be added to the applicable BARS Manuals in December 2022/January 2023. Heidi Hunt comment that the documents provided appear complete and thorough. She plans to work through the documents as she works on implementation and will let the Committee know if she has questions or comments on the drafts. Stacie commented that the internal SAO leases group will reconvene in August 2022, therefore if anyone is reviewing the documents over the next month has comments, please let Stacie know and she will take it to the SAO group for evaluation and potential changes to the drafts.

Christie provided an overview of the current GASB Updated (see attached). Stacie added that the GASB just published in GASB Statement 100 - Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62 and will soon be publishing GASB Statement 101 – Compensated Absences. SAO will begin evaluation of the final standards and the impacts for both manuals.

The floor was opened for questions, comments, and concerns related to BARS.



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No topics were brought up at this time.

SAO Resources

Niles Kostick provided an update on Center for Government Innovation. Approximately 88% of local governments with a 12/31 year end filed by the 5/30 deadline. This was the second highest filing percentage! Niles provided an overview of the new features in FIT: new statistics, viewing liability information, resources tab, and adding BARS account descriptions to FIT. Items coming to FIT: schools data for school districts, handheld device capability, and exploring new ways to work with data and working through data errors and how we can improve data validations to reduce errors.

New CPE training is available on the SAO website: <https://sao.wa.gov/improving-government/improvement-training-videos/>. New and updated resources (<https://sao.wa.gov/improving-government/resources-database/>) are now available on capital assets, small and attractive assets, buying and bidding, and piggybacking. Upcoming resources included guides on financial reporting risk assessment, ACH and EFT best practices, and accounts receivable.

MRSC partnership to provide additional resources and tools. Working closely on the contracting requirements and the OPMA/PRA (open public meetings act and public records act) resources.

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

Open Discussion

Stacie opened the floor for the discussion period.

Derek Pohle wanted to clarify the red flagging of the transportation codes (54X) in Proprietary Funds, which codes and why. Stacie provided information that some of the codes, such as ferry and water taxi codes would still be allowed in the proprietary funds since those functions could be a proprietary activity. However, SAO communicated with approximately 65 local governments regarding the use of other identified codes that are now going to be flagged, it was found that those codes were being utilized incorrectly and that BARS coding corrections needed to be made. Stacie provided an example: Stormwater Utility Fund reporting a functional street sweeping transportation BARS code. Generally the street sweeping service provided by the transportation function is reported in the General Fund and the Stormwater Utility Fund pays the General Fund a



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charge for service for the street sweeping service and expenses this service to the stormwater BARS code. The street sweeping function should still be coded in the General Fund and the Stormwater Fund should only be using the stormwater functional code.

Mitchell Kelly inquired why the fund coding didn't determine the function. Stacie provided that the Fund coding determines the fund type (general, enterprise, etc.) and that the BARS codes determine the purpose (function, capital, debt). The research showed that some funds appeared to be reporting specific functions and activities but then there were anomalies in the fund, such as stormwater funds reporting cemetery sales revenue and street sweeping functional expenses. This is an example of the type of situations SAO reviews during the data analysis phase of annual filing and SAO further researches and evaluates the BARS coding use for possible changes in annual filing system validations. Philip Steffen also inquired about the difference in fund vs function coding. Stacie offered to connect with the inquiring Committee member's offline to further discuss BARS coding.

No further discussion topics were brought forth.

Remaining Meeting Schedule for 2022

Wednesday, October, 5, 2022, 9:00am-10:30am	Virtual
Wednesday, December, 7, 2022, 9:00am-12:00pm	Virtual

Meeting ended at 10:25am.