



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

**Local Government Advisory Committee (LGAC)
Meeting Agenda
October 2, 2024
9:00am – 10:30 am
Virtual Meeting – Microsoft Teams**

Topics:	Speaker	Time
Welcome and Attendance	Stacie	
Approval of Minutes from May 2024	Stacie/LGAC	5 minutes
May 2024 Meeting follow-up – Teams AI	Stacie	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 24/Jan 25 update		
ii. GASB Update, BARS impacts		
iii. Financial Data Transparency Act (FDTA) Update		
b. Open Discussion - BARS		
SAO Resources	Center	30 minutes
Open Discussion	LGAC	As needed

Meeting Schedule for 2024

Wednesday, May 1, 2024, 9:00am-11:00am	Virtual
Wednesday, October 2, 2024, 9:00am-10:30am	Virtual
Wednesday, December 4, 2024, 9:00am-11:00am	Virtual



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What is coming to BARS in 2025

as of September 23, 2024

Both Manuals

- Hot topics
 - Accounting Changes and Error Corrections – GASB 100. Will impact the following BARS areas: accounting, reporting, BARS codes.
 - Compensated Absences – GASB 101. Will impact the following BARS areas: accounting and reporting.
- General Topics -
 - Updating BARS code descriptions
 - Added codes:
 - 318.46.00 - Business Payroll Excise Tax
 - Economic Development
 - 345.51.00 - Business and Growth Development
 - 345.52.00 - Tourism
 - 345.59.00 - Other Economic Development
 - 3.8.12 - Voter Registration and Election Cost Allocation – Removing allocation prescriptions and directing user to the Secretary of State.
 - Moving section 3.6.10 - Working Advances from the Department of Social and Health Services (DSHS) to section 3.4.7 - Intergovernmental and Forgivable Loans
 - Separating out Fund Types and Accounting Principles into separate sections
 - Added liability code 263.50 Self-insurance and risk pool claims liabilities such as open claims, incurred but not reported (IBNR), unallocated loss adjustments expense (UALE). Governments with self-insurance programs should only report a claims liability on the Schedule 09 if they have an actuarially determined liability.
 - *Deleting 3.4.3 Bond Revenue Warrants since the section is no longer applicable due to RCWs being repealed.*
 - *3.8.1 and 4.8.9 Clarified that assuming a risk (not setting aside resources for future claims) is not self-insurance.*
 - *3.9.5 Overhead Cost Allocation has had non-authoritative examples removed and minor updates added.*

Cash Manual -

- Note 1 – Summary of Significant Accounting Policies – Added information about compensated absences, leases, and purpose of funds outside of the general fund.

- Note X – Long-Term Debt – Changing the title to Note X – Long-Term Liability and adding compensated absences and interfund loans.
- Note X – Interfund Loans – Removing
- Note X – Budget Compliance – Updating the note to provide clarification on how to disclose managerial accounts that are rolled up into other funds.
- *3.2.7 Special Assessments – Removed the GAAP references*
- *3.4.1 Leases/3.4.21 SBITA/3.4.22 PPP – Defined variable payments that are fixed in substance and added guidance for prepaid leases and SBITAs*
- *Note X – Certain Risk Disclosures – new disclosure required when all the criteria or met.*

GAAP Manual -

- *3.2.7 Special Assessments added clarification on accounting in both modified and full accrual.*
- *3.4.1 Leases/3.4.21 SBITA/3.4.22 PPP – Defined variable payments that are fixed in substance and added guidance for prepaid leases and SBITAs*
- *3.4.11 LOCAL Program – Added a new section for the LOCAL program.*

Pending future updates

- Both manuals - Clarification to the Equipment Rental and Revolving Fund sections
- 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 September 13, 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*