



## 25 Years on the Air

### The story of GFOA's Annual Governmental GAAP Update

BY STEPHEN GAUTHIER

In November 2020, GFOA will broadcast its Annual Governmental GAAP Update for the 25th straight year. Between 4,000 and 6,000 government accounting, auditing, and financial reporting professionals participate each year. This article explores the story behind this landmark GFOA training event.

#### Where did it all begin?

One of the main objectives that led to the founding of the Municipal Finance Officers Association, as GFOA originally was known, was to improve the quality of governmental accounting and financial reporting in the public sector. The organization's initial efforts focused on establishing norms and guidelines specifically tailored to the unique needs and environment of local governments. Those efforts also marked the first steps in a decades-long process aimed at establishing generally accepted accounting principles (GAAP)

for state and local governments. This process culminated in the creation of the Governmental Accounting Standards Board (GASB) in 1984.

GFOA's efforts, however, were not limited merely to establishing what constitutes high-quality accounting and financial reporting in the public sector. GFOA also committed itself to encouraging governments to produce high-quality financial reports and to assisting them in their efforts. Accordingly, GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program. GFOA provided help for governments seeking to meet the certificate program's rigorous criteria in two forms: publications and training.

Starting in 1980, GFOA's classic "Blue Book," Governmental Accounting, Auditing, and Financial Reporting, was specifically designed to help financial statement preparers issue

comprehensive annual financial reports (CAFRs) that fully complied with both GAAP and GFOA recommendations. Likewise, the GFOA began to offer an Annual Governmental GAAP Update to keep financial statement preparers and auditors fully apprised of the most recent developments in authoritative standards.

#### The GAAP "Road Show"

The GFOA's Annual Governmental GAAP Update originally took the form of a one-day "road show" offered at multiple locations throughout the United States. For example, the program might be offered in a given year in Chicago (home of GFOA's headquarters), Seattle, Los Angeles, Denver, and Baltimore. This approach certainly could take a toll on instructors shuttling from one city to the next ("It's Wednesday—this must be Los Angeles!"). And that is not to mention the practical challenges posed

by more primitive technology, such as the need to carry multiple boxes of acetate slides (and to make sure those slides did not get mixed up!).

The program of the GFOA's Annual Governmental GAAP Update focused on:

- Identifying emerging practice issues;
- Providing updates on the development of new accounting standards;
- Examining recently issued accounting standards;
- Offering practical guidance on implementing previously issued accounting standards about to take effect; and
- Addressing misunderstandings and deficiencies in financial reporting uncovered during reviews of CAFRs submitted to GFOA's Certificate of Achievement Program.

For instructors, one of the advantages of the multi-city approach was to see the varied reactions to the same topic in different locations. A "hot topic" in one city could easily prove to be of little interest or "yesterday's news" in another. Then again, there were certain questions that inevitably came up at every location—so much so that it was tempting to take bets on just how long into a given presentation it would take for some participant to raise it ("honestly, you have got to believe me—I did not put her up to it!").

This one-day program, with its special practitioner focus, proved both effective and popular. Unfortunately, the need to travel, often to another state, posed an insurmountable financial and political obstacle for many who could have benefited from the program, especially the staff of smaller governments and lower-level accounting staff. As a practical matter, only a few hundred individuals could reasonably hope to attend one of these GAAP "Road Show" presentations.

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all levels and sizes of government. The needed breakthrough occurred more than a decade later in 1996.

### The Satellite GAAP Update

Starting in 1996, GFOA began to offer its annual governmental GAAP update as a satellite telecast. Thanks to this new technology, any government with access to satellite reception could sponsor the program for its own staff and the staff of nearby governments.

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The result was a significant reduction in cost for participants and a major increase in the number of individuals able to participate. Indeed, soon the number of individuals attending the new satellite version of GFOA's Annual Governmental GAAP Update would approach the number of those attending GFOA's annual conference!

The Satellite GAAP Update retained all of the basic content of the earlier Road Show version, but had to be reduced in duration from eight hours to four to accommodate simultaneous broadcast across four time zones.

From an instructor's viewpoint, one key advantage of the new Satellite GAAP Update was being able to make a single presentation and eliminate multiple trips (no more having to relearn the kids' names!). Unfortunately, there were a few downsides as well. For instance, most

instructors like to take cues from their audience; however, if you are looking into a camera, looking anywhere else is likely to make you appear "shifty." Therefore, as a practical matter, there could be no studio audience. Moreover, without an audience, as incredible as it may seem, it can be easy to forget that anyone is watching as time passes by (probably not the best time to deal with the lettuce from lunch stuck between your back teeth!).

Although the Satellite GAAP Update was a real technical leap forward, the technology still had not been perfected. Accordingly, GFOA staff spent many anxious minutes immediately prior to each broadcast making sure each of the satellite sites was, in fact, "hooked in." All the same, some of these technical glitches could be amusing in their own way. For example, I shall never forget the call of horror from an Ohio location that somehow found itself viewing an "adult entertainment" feed. To this day I regret that we failed to ask them how long it took to realize something was amiss!

GFOA staff also had to rely on a FAX machine to get questions from participants and then run them to the studio.

### Web Streaming GAAP Update

An important technological leap forward took place in 2009, when the GFOA was able to offer its Annual Governmental GAAP Update for the first time using web-streaming technology. Thanks to this change, participation was no longer limited to governments with satellite access, but was possible for virtually anyone.

One advantage of the web-streaming technology was that it gave participants the ability to ask their questions and receive answers electronically. It also offered participants direct access to program materials in electronic form. Not surprisingly, the number of participants soared.

Despite this improved technology, one very real practical challenge remained. GFOA had to choose a specific date for



Participation in the Annual Governmental GAAP Update has increased more than

**600%**

since GFOA began broadcasting the event 24 years ago.

each year's presentation (sometime in early November), and it simply is not possible to find a single date that fits the calendar of all potential participants. Thus, starting in 2012, GFOA began to offer a December "re-airing" of the November web streaming event. And in 2017, GFOA began to offer a third airing of the program in January.

#### Celebrating an ongoing tradition

This year's 2020 GFOA Annual Governmental GAAP Update will mark the 25th time that the program has been broadcast rather than offered in person. In the past 24 years, almost 75,000 government accounting and financial reporting professionals have participated in and benefited from the program. Indeed, for many government accountants and auditors, the GFOA's Annual Governmental GAAP Update is as much a part of November as turkey and pumpkin pie.

But while it is pleasant to take a moment to look back, GFOA is committed to keeping its gaze looking forward—to continuing to take advantage of the best that technology has to offer to bring its Annual Governmental GAAP Update not just to today's but also to tomorrow's government accounting professionals! Next stop—2045! 🚀

**Stephen Gauthier** was director of GFOA's Technical Services Center, which is responsible for all of GFOA's member services involving accounting, auditing, and financial reporting, which includes performing technical reviews of the more than 5,000 financial reports and budgets of state and local governments submitted each year to GFOA's professional recognition programs. Before joining GFOA, Gauthier served as the research and technical review manager for the Tennessee Division of State Audit in Nashville.



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##### 25th Annual Governmental GAAP Update

- November 5, 2020 and December 3, 2020
- 1 p.m.-5 p.m. ET
- CPE Credits: 4
- Visit [gfoa.org/events](https://gfoa.org/events) to register