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GASB Statement No. 105, Subsequent Events: What State and Local Government Financial Leaders Need to Know

On December 17, 2025, the Governmental Accounting Standards Board (GASB) released GASB Statement No. 105, *Subsequent Events* (GASB 105 or Statement), providing guidance on financial reporting for subsequent events. This article summarizes the key requirements and offers practical examples for government financial professionals.

History and Background

The Role of the GASB

The GASB was established in 1984 as an independent, private-sector organization to develop accounting and financial reporting standards for U.S. state and local governments. GASB's mission is to promote clear, consistent, and comparable financial reporting, thereby increasing transparency and accountability for public sector entities.

Why This Statement?

The GASB issued GASB 105 to improve financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. Prior guidance for subsequent events found in GASB Statement No. 56, Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards (GASB 56), as amended, was based on the AICPA's auditing standards for subsequent events. Research by the GASB identified challenges in understanding and applying GASB 56, including confusion over recognized vs. nonrecognized events and inconsistent note disclosures.

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