

**STATE ACCOUNTING OFFICE
SUBSEQUENT EVENTS
FISCAL YEAR 2005**

Defined - Events or transactions that occur after the fiscal year end but prior to issuance of the CAFR are referred to as subsequent events.

Events or transactions which may lead to subsequent event reporting include, but are not limited to:

- Financing agreements which require assets to be pledged or otherwise restricted.
- Liabilities which have been settled for less than face value.
- Material amounts of receivables which have become delinquent, doubtful or uncollectible.
- Events which render a material amount of fixed assets inoperable or obsolete.
- The issuance of debt.
- Outstanding obligations which cannot be met.
- Audits which are other than routine.
- New Lease agreements.
- Lawsuits filed by or against your agency.
- The early retirement of debt.
- Large or unusual commitments for materials or services.

Conditions existing at fiscal year end will ordinarily require adjustment of the CAFR because such events typically represent the culmination of conditions that existed over a relatively long period of time.

Conditions not existing at fiscal year end should not normally result in adjustment of the CAFR.

AGENCY PROCEDURES

Each agency should identify those events and transactions which meet the definition of subsequent events.

Agencies should report subsequent events to the State Accounting Office using the attached form.