

2026 GAFRB–100% Free Clearer Explanation | Pass-Sure Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) Valid Test Pdf



INNOVATIVE COMPUTER EDUCATION
15 Years of Excellence

Now an Authorized Centre of
Raipur's 1st A+ Accredited
Private University -
Mats University

COURSES OFFERED

 DCA	 PGDCA	 BCA
 BBA	 MCA	 MBA

ADMISSIONS OPEN – ENROLL NOW!

📍 2nd Floor, Nisha Complex,
Ghantaghagh Chowk, Korba

📞 9424141414 | 8224962222

WHY CHOOSE US?

- ✓ 15 Years of Trust
- ✓ Mats University Authorized
- ✓ Online + Offline Admission
- ✓ Experienced Faculty
- ✓ Free Demo Classes

BOOK YOUR FREE DEMO CLASS

BONUS!!! Download part of RealExamFree GAFRB dumps for free: <https://drive.google.com/open?id=1SXFYw9gmZCzXfPO2mh62UYKqJduenqct>

The company is preparing for the test candidates to prepare the GAFRB exam guide professional brand, designed to be the most effective and easiest way to help users through their want to get the test GAFRB certification and obtain the relevant certification. In comparison with similar educational products, our GAFRB Training Materials are of superior quality and reasonable price, so our company has become the top enterprise in the international market. Our GAFRB practice materials have been well received mainly for the advantage of high pass rate as 99% to 100%.

Our GAFRB study materials are excellent examination review products composed by senior industry experts that focuses on researching the mock examination products which simulate the real GAFRB test environment. Experts fully considered the differences in learning methods and examination models between different majors and eventually formed a complete review system. It will help you to Pass GAFRB Exam successfully after a series of exercises, correction of errors, and self-improvement.

Use AGA GAFRB Practice Exam Software (Desktop and Web-Based) For Self Evaluation

In today's society, there are increasingly thousands of people put a priority to acquire certificates to enhance their abilities. With a total new perspective, GAFRB study materials have been designed to serve most of the office workers who aim at getting an exam certification. Moreover, GAFRB Exam Questions have been expanded capabilities through partnership with a network of reliable local companies in distribution, software and product referencing for a better development. That helping you pass the GAFRB exam successfully has been given priority to our agenda.

AGA GAFRB Exam Syllabus Topics:

Topic	Details
Topic 1	<ul style="list-style-type: none">• Federal Financial Accounting and Reporting: This section of the exam measures skills of government financial analysts and covers the roles of FASAB, OMB, Treasury, and GAO in federal accounting. It includes an understanding of federal budgetary terminology and the federal budgetary equation. The section differentiates between budgetary and proprietary accounting and outlines the structure and use of various federal fund types. It explains how to record key budgetary transactions like appropriations and obligations and proprietary transactions such as payroll and depreciation.
Topic 2	<ul style="list-style-type: none">• Governmental Financial Accounting, Reporting and Budgeting: General Knowledge: This section of the exam measures skills of government financial analysts and covers the unique aspects of governmental accounting that distinguish it from private sector practices, such as service over profit and the critical role of the budget. It emphasizes the objectives of financial reporting in the public sector, the role of standard-setting bodies like GASB, FASB, FASAB, and IPSASB, and the due process for setting accounting standards. It also includes knowledge of interperiod equity, budgetary compliance, sustainability, and the characteristics of quality financial information.
Topic 3	<ul style="list-style-type: none">• State and Local Financial Accounting and Reporting: This section of the exam measures skills of public sector accountants and focuses on applying GASB standards to define reporting entities and component units. It explores the structure and purpose of various fund types and the basis of accounting for each. Candidates must understand the format and content of the Annual Comprehensive Financial Report and the purpose of popular reports for public transparency.

AGA Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) Sample Questions (Q100-Q105):

NEW QUESTION # 100

An agency is developing a fee for services to cover all direct operating expenditures. Which of the following should be included in the fee calculation?

- A. staffing, location rent, equipment depreciation
- B. supplies, equipment depreciation, staffing
- C. supplies, equipment depreciation, location rent
- D. staffing, location rent, supplies

Answer: A

Explanation:

When an agency is developing a fee to recover costs for providing a service, it must calculate the full cost of the service. According to cost accounting standards for federal government operations, "full cost" includes:

Direct costs: staffing, supplies, materials directly used in service provision Indirect costs: facility costs (e.g., location rent), equipment depreciation, administrative support, etc.

OMB Circular A-25, "User Charges," requires that user fees for government services be based on the full cost of providing that service unless otherwise mandated by law. Therefore, staffing (a direct cost), location rent (indirect cost), and equipment

depreciation (a capital asset cost) are all appropriate to include.

Relevant Standards and References:

OMB Circular A-25, "User Charges," Section 6(d): "Full cost includes all direct and indirect costs to any part of the Federal Government of providing a good, resource, or service." FASAB SFFAS No. 4, Managerial Cost Accounting Concepts and Standards: Defines full cost components, including depreciation.

GAO "Principles of Federal Appropriations Law," Red Book, Vol. I: Cost recovery practices in federal user fee settings.

Therefore, Option B is correct.

NEW QUESTION # 101

A state grant will reimburse a city for 40% of the architectural, construction and project management costs to build an annex to a city building. A city employee, who is paid salary and benefits of \$10,000 a month, works half-time on the project for six months.

The city reports the following project budgeted and actual costs:

Purpose Budget Actual

Architectural fees \$ 100,000 \$ 90,000

Construction costs \$10,500,000 \$10,000,000

Based upon the above information, what is the amount of allowable costs that the state will reimburse the city on the grant?

- A. \$4,252,000
- B. **\$4,048,000**
- C. \$4,060,000
- D. \$4,264,000

Answer: B

Explanation:

First, we calculate total eligible project costs:

Eligible categories (architectural, construction, project management):

Architectural (actual): \$90,000

Construction (actual): \$10,000,000

Project management (city employee at 50% time for 6 months):

$\$10,000/\text{month} \times 6 \text{ months} \times 50\% = \$30,000$

Total eligible cost = \$90,000 + \$10,000,000 + \$30,000 = \$10,120,000

State reimburses 40% of eligible cost:

$0.40 \times \$10,120,000 = \$4,048,000$

Relevant References:

OMB Uniform Guidance (2 CFR § 200) - Cost Principles

GFOA Best Practices - Grant Compliance

State grant agreements outlining cost-sharing requirements

A). \$4,048,000

NEW QUESTION # 102

At the beginning of the fiscal year a school district held the following capital assets:

What is the depreciation expense for the current year?

\$ 150,000 for cafeteria refrigerators	R	useful life of 20 years
\$ 500,000 for heating system		useful life of 15 years
\$1,000,000 for buses		useful life of 5 years

- A. **\$207.500**
- B. \$200,000
- C. \$233.333
- D. \$240.833

Answer: A

Explanation:

We calculate straight-line depreciation for each asset using the formula:

Depreciation = Cost ÷ Useful Life

Given:

Refrigerators: $\$150,000 \div 20 = \$7,500$
Heating system: $\$500,000 \div 15 = \$33,333.33$
Buses: $\$1,000,000 \div 5 = \$200,000$
Total Depreciation:
\$7,500 (Refrigerators)
\$33,333.33 (Heating system)
\$200,000 (Buses)
= $\$240,833.33$

So the correct depreciation expense (rounded to the nearest dollar) is:

D). \$240,833

Note: Option B (\$207,500) is incorrect because it does not reflect total depreciation based on the useful lives provided.

Relevant References:

GASB Statement No. 34 - Capital Asset Reporting
GFOA Best Practices - Capital Assets and Depreciation
FASAB SFFAS No. 6 - Accounting for Property, Plant, and Equipment
D). \$240,833

NEW QUESTION # 103

What fund category traditionally accounts for the general services to the public such as public safety, health, transportation, social services and the administration of the government?

- A. fiduciary
- B. proprietary
- C. general
- D. **governmental**

Answer: D

Explanation:

The governmental fund category is used to account for the core services of a government that are primarily supported by taxes and other non-exchange revenues. These services include public safety, education, health, transportation, and social services. It includes the general fund, special revenue funds, capital projects funds, debt service funds, and permanent funds.

While option D (general fund) is technically a fund within the governmental category, the broader and more accurate classification is "governmental." Relevant References:

GASB Statement No. 34 - Basic Financial Statements for State and Local Governments GASB Codification Section 1300 - Fund Types GFOA Fund Structure Guidance B). governmental

#####

NEW QUESTION # 104

When an accounting principle established by GASB conflicts with an accounting principle established by FASB. the preparer of financial statements for a local government should observe

- A. the principle established by FASB.
- B. either the principle established by GASB or FASB, without additional disclosure.
- C. **the principle established by GASB.**
- D. either the principle established by GASB or FASB, with additional disclosure required if the FASB principle is observed.

Answer: C

Explanation:

For state and local governments, GASB (Governmental Accounting Standards Board) is the authoritative standard-setting body. If a GASB principle exists, it must be followed, even if a FASB (Financial Accounting Standards Board) principle suggests a different approach.

FASB guidance may only be used in the absence of applicable GASB guidance - and even then, only when it does not conflict with governmental accounting objectives.

Relevant References:

GASB Statement No. 76 - The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments GASB Concepts Statements GAO and GFOA Reporting Manuals A). the principle established by GASB

NEW QUESTION # 105

Our company's offer of free downloading the demos of our GAFRB exam braindumps from its webpage gives you the opportunity to go through the specimen of its content. You will find that the content of every demo is the same according to the three versions of the GAFRB Study Guide. The characteristics of the three versions is that they own the same questions and answers but different displays. So you can have a good experience with the displays of the GAFRB simulating exam as well.

GAFRB Valid Test Pdf: <https://www.realexamfree.com/GAFRB-real-exam-dumps.html>

BONUS!!! Download part of RealExamFree GAFRB dumps for free: <https://drive.google.com/open?id=1SXFYw9gnZCxXfPo2mh62UYKqJduenqct>