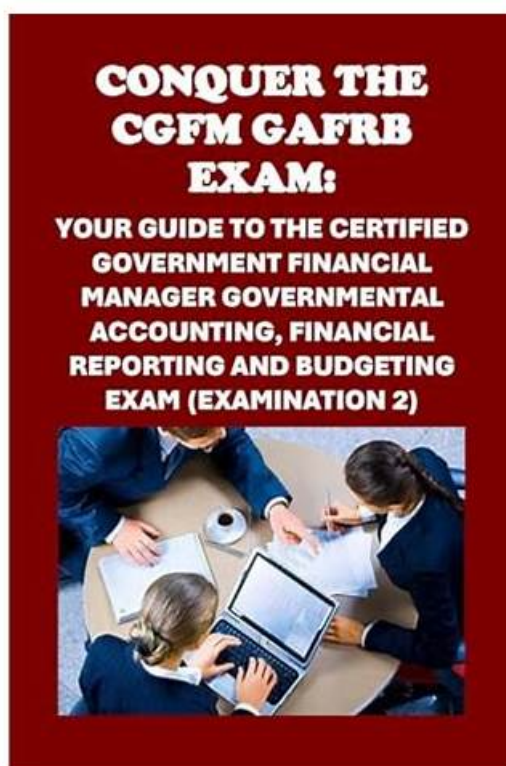


# GAFRB Exam Cram Questions - AGA Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) - GAFRB Test Objectives Pdf



DOWNLOAD the newest PDFTorrent GAFRB PDF dumps from Cloud Storage for free: [https://drive.google.com/open?id=1\\_46uL-CWjq4TyJ4CvhsD0GDnOa45E-TR](https://drive.google.com/open?id=1_46uL-CWjq4TyJ4CvhsD0GDnOa45E-TR)

PDFTorrent's Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) (GAFRB) exam questions contain AGA GAFRB real questions and answers that have been compiled and verified by AGA specialists in the field. This demonstrates that the real questions and answers in the Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) (GAFRB) material are legitimate for the Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) (GAFRB) practice exam. The AGA GAFRB practice questions are intended to help you easily and confidently clear the Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) (GAFRB).

## AGA GAFRB Exam Syllabus Topics:

Topic	Details
Topic 1	<ul style="list-style-type: none"><li>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.</li></ul>
Topic 2	<ul style="list-style-type: none"><li>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.</li></ul>

Topic 3	<ul style="list-style-type: none"> <li>• <b>Federal Financial Accounting and Reporting:</b> 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.</li> </ul>
---------	---

## >> GAFRB Exam Cram Questions <<

### GAFRB Test Objectives Pdf | Exam GAFRB Overview

GAFRB exam training allows you to pass exams in the shortest possible time. If you do not have enough time, our study material is really a good choice. In the process of your learning, our study materials can also improve your efficiency. If you don't have enough time to learn, GAFRB test guide will make the best use of your spare time, and the scattered time will add up. It is also very important to achieve the highest efficiency for each piece of debris. The professional tailored by GAFRB learning question must be very suitable for you. You will have a deeper understanding of the process. Efficient use of all the time, believe me, you will realize your dreams.

### AGA Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) Sample Questions (Q47-Q52):

#### NEW QUESTION # 47

An example of a non-exchange revenue is

- A. bond proceeds.
- B. licensing fees.
- **C. sales taxes.**
- D. investment earnings.

**Answer: C**

Explanation:

Non-exchange revenues are those in which a government gives or receives value without directly receiving or giving equal value in return. Sales taxes are a classic example of a non-exchange revenue because the payer (consumer) does not receive a direct, measurable benefit from the government in exchange for the tax paid.

Other examples of non-exchange revenues include property taxes, grants, and fines. In contrast, licensing fees and investment earnings are exchange or exchange-like revenues, since they involve a mutual benefit or earnings return.

Relevant Standards and References:

GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions GASB Codification Section N50  
GFOA Revenue Classification Guidelines

#### NEW QUESTION # 48

An independent school district completed construction on a new high school during the current fiscal year.

The amount paid to the construction manager was \$900,000 and the amount paid to the architect was

\$100,000. The entity depreciates buildings over 50 years, using the straight line, half-year depreciation method. What is the amount reported on the Statement of Activities in the current fiscal year?

- A. \$1,000,000
- B. \$9,000
- C. \$10,000
- **D. \$20,000**

**Answer: D**

Explanation:

The \$900,000 paid to the construction manager and \$100,000 paid to the architect are capitalized as part of the building's total cost,

totaling \$1,000,000.

Using straight-line depreciation over 50 years with the half-year convention:

Annual depreciation =  $\$1,000,000 \div 50 = \$20,000$

Since the half-year convention is used in the year the asset is placed in service, only 50% of the full-year depreciation is recorded.

Depreciation for the current year =  $\$20,000 \times 0.5 = \$10,000$

However, note: since both amounts (\$900,000 + \$100,000) were paid during construction and the school was completed and placed into service this year, the full capitalized amount applies.

GASB and GAAP allow the half-year rule unless the asset was placed into service at the beginning of the year. In this case, since placed during the year, the half-year rule applies.

Correct depreciation for the first year = \$10,000

So, the correct answer is:

B). \$10,000

Correction Note: While option C (\$20,000) may seem valid for full-year depreciation, the use of the "half-year depreciation method" dictates that only half of the full-year amount is expensed in the first year.

Relevant References:

GASB Statement No. 34 - Capital Assets and Depreciation

GFOA Best Practices on Capital Asset Accounting and Reporting

### NEW QUESTION # 49

What is the maximum period of subscription-based information technology agreement (SBITA), including any options to extend, that is classified as short term?

- A. 12 months
- B. 24 months
- C. 6 months
- D. 18 months

**Answer: A**

Explanation:

According to GASB Statement No. 96 (Subscription-Based Information Technology Arrangements or SBITAs), a subscription agreement is considered "short-term" if the maximum possible term (including renewal options) is 12 months or less.

Short-term SBITAs are not reported as subscription liabilities and are accounted for as outflows (expenses or expenditures) when incurred.

Relevant References:

GASB Statement No. 96 - SBITAs (Issued May 2020)

GASB Implementation Guide No. 2021-1 - Q&A on SBITAs

GFOA Advisory - Cloud Computing and Subscription Agreements

B). 12 months

### NEW QUESTION # 50

The unobligated balance of an appropriation is equal to the total unexpended appropriation, less the total amounts

- A. allotted.
- B. collected.
- C. obligated.
- D. apportioned.

**Answer: C**

Explanation:

The unobligated balance of an appropriation refers to the portion of the total appropriation authority that has not yet been committed (obligated) through contracts, purchase orders, or other legally binding agreements.

Formula:

Unobligated Balance = Total Appropriation - Total Obligations

This is a key control metric in federal and state financial management, used to determine how much funding remains legally available for future obligations.

Relevant Standards and References:

OMB Circular A-11, Section 20.3

GAO Principles of Federal Appropriations Law (Red Book)  
FASAB SFFAS No. 7: Reporting on Budgetary Resources  
Therefore, Option A is correct.

### NEW QUESTION # 51

Governmental funds reported \$80 million current expenditures and \$2 million capital outlays. The reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balance to the Statement of Activities starts with the total net change in fund balances in the governmental fund and

- A. \$80 million in current expenditures is added.
- **B. \$2 million in capital outlays is added.**
- C. \$2 million in capital outlays is subtracted.
- D. \$80 million in current expenditures is subtracted.

**Answer: B**

Explanation:

In the reconciliation from the governmental fund financial statements to the government-wide Statement of Activities, capital outlays that were treated as expenditures in the governmental funds are added back. This is because the government-wide financial statements use full accrual accounting, where capital outlays are capitalized as assets and not expensed.

Thus, the \$2 million in capital outlays would be added back to adjust net change in fund balances to arrive at the change in net position for governmental activities.

Relevant References:

GASB Statement No. 34 - Reporting Capital Assets and Reconciliation

GASB Codification Section 2200 - Government-wide Financial Reporting

GFOA Annual Comprehensive Financial Report Guidance

C). \$2 million in capital outlays is added

### NEW QUESTION # 52

.....

AGA GAFRB study guide offer you free demo to have a try before buying, so that you can have a better understanding of what you are going to buy. Free update for one year is also available, and in this way, you can get the latest information for the exam during your preparation. The update version for Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) GAFRB Exam Dumps will be sent to your email address automatically.

**GAFRB Test Objectives Pdf:** <https://www.pdf torrent.com/GAFRB-exam-prep-dumps.html>

- New Exam GAFRB Materials ☐ GAFRB Study Tool ☐ New Exam GAFRB Materials ☐ Search for 「 GAFRB 」 and download it for free immediately on ► [www.testkingpdf.com](http://www.testkingpdf.com) ◀ ☐ Prep GAFRB Guide
- GAFRB Download Demo ☐ GAFRB Brain Dumps ☐ Prep GAFRB Guide ☐ Search for ➡ GAFRB ☐ on ➡ [www.pdfvce.com](http://www.pdfvce.com) ⇐ immediately to obtain a free download ☐ GAFRB Valid Exam Sample
- GAFRB Brain Dumps ☐ Real GAFRB Testing Environment ☐ New GAFRB Exam Papers ☐ Easily obtain [ GAFRB ] for free download through ☼ [www.passcollection.com](http://www.passcollection.com) ☼ ☐ New Exam GAFRB Materials
- GAFRB Accurate Answers ☐ Real GAFRB Testing Environment ☐ GAFRB New Exam Bootcamp ☐ Enter { [www.pdfvce.com](http://www.pdfvce.com) } and search for ➡ GAFRB ☐ to download for free ☐ GAFRB Brain Dumps
- 100% Pass Quiz AGA - GAFRB - High-quality Exam Cram Questions ☐ Open website ➡ [www.passcollection.com](http://www.passcollection.com) ☐ and search for ☐ GAFRB ☐ for free download ☐ GAFRB Test Pattern
- Pass Guaranteed Quiz 2025 Pass-Sure AGA GAFRB: Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) Exam Cram Questions ☐ Search for ➡ GAFRB ⇐ on ➡ [www.pdfvce.com](http://www.pdfvce.com) ☐ immediately to obtain a free download ☐ New GAFRB Test Sims
- New GAFRB Test Sims ☐ GAFRB Valid Exam Sample ☐ GAFRB Download Demo ☐ Download 「 GAFRB 」 for free by simply entering ➡ [www.testkingpdf.com](http://www.testkingpdf.com) ☐ website ☐ New GAFRB Exam Papers
- GAFRB dumps materials - exam dumps for GAFRB: Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) ☐ Search for “GAFRB” and download it for free on ➡ [www.pdfvce.com](http://www.pdfvce.com) ☐ website ☐ GAFRB Top Dumps
- GAFRB Exam Cram Questions - 100% Pass Quiz AGA First-grade GAFRB Test Objectives Pdf ☐ Go to website ( [www.prep4sures.top](http://www.prep4sures.top) ) open and search for ➡ GAFRB ☐ to download for free ☐ GAFRB Reliable Test Review
- Pass Guaranteed Quiz GAFRB - High-quality Examination 2: Governmental Accounting, Financial Reporting and Budgeting

GAFRB Examcollection Free Dumps 📖 GAFRB Study Tool 📖 GAFRB Test Pattern 📖 📖 [www.lead4pass.com](http://www.lead4pass.com) 📖 is best website to obtain ➡ GAFRB 📖 for free download 📖 GAFRB Accurate Answers

- P.S. Free 2025 AGA GAFRB dumps are available on Google Drive shared by PDFTorrent: [https://drive.google.com/open?id=1\\_46uL-CWjq4TyJ4CvhsD0GDnOa45E-TR](https://drive.google.com/open?id=1_46uL-CWjq4TyJ4CvhsD0GDnOa45E-TR)

P.S. Free 2025 AGA GAFRB dumps are available on Google Drive shared by PDFTorrent: [https://drive.google.com/open?id=1\\_46uL-CWjq4TyJ4CvhsD0GDnOa45E-TR](https://drive.google.com/open?id=1_46uL-CWjq4TyJ4CvhsD0GDnOa45E-TR)