

# Valid GAFRB Test Dumps & Reliable GAFRB Test Topics



The ITPassLeader AGA GAFRB online practice exam is browser-based and accessible via any browser including Firefox, MS Edge, Safari, Opera, Chrome, and Internet Explorer. This format is also embedded with multiple AGA GAFRB Practice Exam and all specs of the desktop software. You can easily adjust time and questions in all Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) online Practice Exam.

Our GAFRB test questions are compiled by domestic first-rate experts and senior lecturer and the contents of them contain all the important information about the test and all the possible answers of the questions which maybe appear in the test. Our GAFRB test practice guide' self-learning and self-evaluation functions, the statistics report function, the timing function and the function of stimulating the test could assist you to find your weak links and have a warming up for the Real GAFRB Exam. You will feel your choice to buy GAFRB reliable exam torrent is too right.

[\*\*>> Valid GAFRB Test Dumps <<\*\*](#)

## Reliable GAFRB Test Topics - Mock GAFRB Exam

Since our Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) practice exam tracks your progress and reports results, you can review these results and strengthen your weaker concepts. We offer AGA GAFRB desktop practice test software which works on Windows computers after installation. The web-based GAFRB practice exam needs no

plugins or software installation. Linux, iOS, Android, Windows, and Mac support the web-based AGA GAFRB Practice Exam. Additionally, Chrome, Opera, Firefox, Safari, Internet Explorer support this Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) GAFRB web-based practice test.

## 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>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.</li> </ul>

## AGA Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) Sample Questions (Q22-Q27):

### NEW QUESTION # 22

An agency offers service for a fee; bad debts have historically averaged 5% of each year's fee revenue. During the past fiscal year, \$1.1 million in fee revenue was recorded and \$1 million in fees was collected. What is the bad debt expense recorded for the past fiscal year?

- A. \$ 5,000
- B. \$ 50,000
- C. \$ 55,000**
- D. \$100,000

**Answer: C**

Explanation:

The agency uses accrual accounting, meaning bad debt expense should be recognized based on the revenue earned, not the cash collected. The historical bad debt rate is 5%.

Fee revenue recorded = \$1.1 million

Bad debt expense =  $5\% \times \$1,100,000 = \$55,000$

This matches the standard accounting treatment under FASAB SFFAS No. 1, where the expense is estimated and recognized in the same period as the related revenue.

Relevant References:

FASAB SFFAS No. 1 - Accounting for Selected Assets and Liabilities

GAAP treatment for allowance for doubtful accounts

Treasury Financial Manual - Accounts Receivable Accounting

C). \$55,000

### NEW QUESTION # 23

Using the cost recovery method of recognizing revenue, premiums are recognized as revenue

- A. throughout the duration of the policy when claim costs are incurred.
- B. once the ultimate premium can be reasonably estimated.
- C. when the policy takes effect.
- D. when received.

**Answer: A**

Explanation:

Under the cost recovery method, revenue is recognized only as costs are recovered. In the context of insurance or risk-financing activities (such as self-insurance), GASB and FASAB require that premium revenues be recognized over the term of the policy, in proportion to the recognition of related costs (e.g., claims incurred).

This aligns revenue with expenses and ensures no profit is recognized before related obligations are met.

Relevant References:

FASAB SFFAS No. 7 - Revenue and Other Financing Sources

GASB Statement No. 10 - Accounting for Risk Financing and Related Insurance Issues GFOA Risk Management and Insurance Practices B). throughout the duration of the policy when claim costs are incurred

### NEW QUESTION # 24

The major difference in applying the accrual concept in governmental fund accounting, as opposed to private- sector accounting, is that revenues are

- A. recognized when they become measurable and available.
- B. recorded when collectability occurs or can be reasonably estimated.
- C. recognized in the accounting period in which they are received.
- D. recognized when an encumbrance order is prepared.

**Answer: A**

Explanation:

Governmental fund accounting uses the modified accrual basis of accounting. Under this basis, revenues are recognized when:

They are measurable (amount can be reasonably determined)

They are available (collectible within the current period or soon enough thereafter to pay current liabilities - typically within 60 days)

This is the key difference from full accrual accounting, which recognizes revenue when it is earned, regardless of when received.

Relevant References:

GASB Statement No. 33 - Accounting and Financial Reporting for Nonexchange Transactions GASB Statement No. 34 - Fund Accounting and Modified Accrual Basis GASB Codification Section 1600 - Fund Financial Reporting C). recognized when they become measurable and available

### NEW QUESTION # 25

The summary of significant accounting policies in the notes to the financial statements includes all of the following information EXCEPT

- A. disclosure of receipt of budget authority from the entity.
- B. summary of accounting principles followed by the entity, and methods followed applying those principles.
- C. summary of changes to the GAAP impacting the financial statements.
- D. a description of the reporting entity and major components.

**Answer: A**

Explanation:

The Summary of Significant Accounting Policies (SSAP), included in the notes to the financial statements, typically includes:

Description of the reporting entity

Basis of presentation and accounting principles

Methods used to apply those principles

Policy changes from prior years

However, disclosures regarding receipt or use of budget authority are not included in the SSAP. Budget authority and execution are

typically addressed in the Required Supplementary Information (RSI) or other budgetary sections of federal financial reports.

Relevant References:

FASAB SFFAS No. 34 - Notes to the Financial Statements

OMB Circular A-136 - Section II.4.4: Summary of Significant Accounting Policies GAO Federal Accounting Handbook C). disclosure of receipt of budget authority from the entity

## NEW QUESTION # 26

In state and local financial audits, material weaknesses must be reported to the

- A. legislature.
- B. local media.
- **C. governing body.**
- D. taxpayers.

**Answer: C**

Explanation:

What Are Material Weaknesses?

\* A material weakness in internal control is a deficiency or combination of deficiencies that creates a reasonable possibility of a material misstatement in the financial statements that would not be prevented or detected in a timely manner.

\* In the context of state and local financial audits, material weaknesses must be reported to those charged with governance, as they are responsible for oversight and corrective actions.

Why Is the Governing Body the Correct Answer?

\* The governing body (e.g., city council, county board, or state commission) is directly responsible for overseeing the entity's financial operations and ensuring accountability. Reporting material weaknesses to them ensures that corrective actions can be implemented to strengthen internal controls.

\* Auditors communicate such findings through an audit report or a management letter addressed to the governing body.

Why Other Options Are Incorrect:

\* A. Legislature: The legislature may have oversight of state budgets and appropriations but is not the direct governing body for financial audits.

\* C. Taxpayers: While transparency is important, material weaknesses are not directly reported to taxpayers. They may be disclosed in public audit reports, but taxpayers are not the primary audience.

\* D. Local media: Material weaknesses are not formally reported to the media; their disclosure depends on the entity's public reporting processes.

References and Documents:

\* GAO Yellow Book (GAGAS): Requires auditors to report material weaknesses to those charged with governance.

\* GASB (Governmental Accounting Standards Board): Emphasizes the importance of communicating significant audit findings to governing bodies.

\* AICPA Audit Standards (AU-C 265): Requires auditors to communicate material weaknesses to management and those charged with governance.

## NEW QUESTION # 27

.....

You surely desire the GAFRB certification. So with a tool as good as our GAFRB exam material, why not study and practice for just 20 to 30 hours and then pass the examination? With our great efforts, our GAFRB study materials have been narrowed down and targeted to the examination. So you don't need to worry about wasting your time on useless GAFRB Exam Materials information. We can ensure you a pass rate as high as 98% to 100%.

**Reliable GAFRB Test Topics:** <https://www.itpassleader.com/AGA/GAFRB-dumps-pass-exam.html>

- 2025 Valid GAFRB Test Dumps 100% Pass | Valid AGA Reliable Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) Test Topics Pass for sure  Easily obtain [ GAFRB ] for free download through ✓ [www.real4dumps.com](http://www.real4dumps.com) ✓  GAFRB Updated CBT
- GAFRB Pdf Torrent  GAFRB Top Questions  GAFRB Authentic Exam Questions  Search for \* GAFRB  \* and easily obtain a free download on ➔ [www.pdfvce.com](http://www.pdfvce.com)  GAFRB Testking
- GAFRB Testking  GAFRB Testing  Test GAFRB Collection  Easily obtain { GAFRB } for free download through [ [www.prep4away.com](http://www.prep4away.com) ]  GAFRB Exam Topic
- Valid Dumps GAFRB Questions  GAFRB Updated CBT  GAFRB Trustworthy Practice  Search for ➔ GAFRB

- and download exam materials for free through [ www.pdfvce.com ] □GAFRB Discount Code
- AGA GAFRB Exam Dumps - Best Exam Preparation Method □ Download ✓ GAFRB □✓□ for free by simply entering ➡ www.prep4pass.com □ website ■Reliable GAFRB Exam Online
- Quiz Updated AGA - GAFRB - Valid Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) Test Dumps □ Enter 【 www.pdfvce.com 】 and search for ▶ GAFRB ▲ to download for free □GAFRB Exam Topic
- GAFRB Discount Code □ GAFRB Latest Exam Camp □ GAFRB Exam Online □ Download 「 GAFRB 」 for free by simply searching on □ www.pass4leader.com □ □PDF GAFRB Download
- How Can Pdfvce AGA GAFRB Practice Test be Helpful in Exam Preparation? □ Search for [ GAFRB ] and download exam materials for free through 「 www.pdfvce.com 】 □Exam GAFRB Blueprint
- Pass Guaranteed AGA - GAFRB - Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) Perfect Valid Test Dumps □ Easily obtain free download of ▷ GAFRB ▲ by searching on “ www.pass4test.com ” □ □GAFRB Exam Topic
- Pass Guaranteed 2025 AGA Useful GAFRB: Valid Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) Test Dumps □ Immediately open ➡ www.pdfvce.com □□□ and search for 《 GAFRB 》 to obtain a free download □GAFRB Discount Code
- Pass Guaranteed AGA - GAFRB - Examination 2: Governmental Accounting, Financial Reporting and Budgeting (GAFRB) Perfect Valid Test Dumps ♥□ Search for 「 GAFRB 」 on 《 www.examcollectionpass.com 》 immediately to obtain a free download □GAFRB Top Questions
- silvermanagementsolutions.com, www.stes.tyc.edu.tw, myportal.utt.edu.tt, www.stes.tyc.edu.tw, hker2uk.com, www.ylyss.com, maliwebcourse.com, libict.org, www.stes.tyc.edu.tw, Disposable vapes