

How to Ensure Compliance with the Three Newly Added USFR Questions – Part Two

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The Arizona Auditor General released the USFR Compliance Questionnaire (USFRCQ) for 2024-25 audits on July 23, 2025. The questionnaire contains three new questions that Arizona school districts will be required to be in compliance with...and Arizona auditors will be required to test. See below for further information regarding the new transportation question, what it covers, likely audit requests and examples of sufficient supporting documentation.

Section: Transportation support

Newly added compliance question: TS02 – The District submitted the vehicle inventory report by July 15 to the Superintendent of Public Instruction.

What we have to audit:

- TRAN40-2: Reports the total mileage for the year ending June 30.
- TRAN03-1: Reports the actual odometer reading for each school bus operated by the school district as of June 30.

What we will ask for:

1. For all District vehicles, mileage logs for a sample period of time. Consider keeping this in a locked electronic format so it can be easily shared, but not easily edited (manual logs lead to a much higher likelihood of error). Do not overwrite your logs from year to year, but rather create new tabs or versions to keep the data on an ongoing basis. This is best for audit documentation purposes, but also for strategic planning and budgeting.

Example:

VEHICLE #	MILEAGE		VEHICLE #	MILEAGE		VEHICLE #	MILEAGE
T-1	4854		W-1	57665		B-100	14353
T-2	10330		W-2	79785		B-101	23029
T-3	10235		W-3	36415		B-102	23074
T-4	7896		W-4	17084		B-103	15808
T-5	4800		W-5	12999		B-104	13642
T-9	81300		W-6	10046		B-105	11287
T-10	57307		W-7	1432		B-106	18589
T-11	45382		W-8	1252		B-107	13153
T-12	42321		W-9	931		B-108	16757
T-14	30055		W-10	1220		B-109	12930

- Documentation to support the ending miles reported on the TRAN03-1 report. Audit test work will include sampling the ending odometer reading from the TRAN03-1 for five vehicles and tracing ending miles to supporting documentation. Overall evaluation of the consistency and reasonableness of the vehicle inventory report will also be done.

Example:

Vehicle Code	License Plate	VIN	Start Miles	End Miles	Total Miles
108	G604DE	1BABNBXA53F213123	165,293	165,395	102
111	G605DE	1BABNBXA73F213124	152,025	152,050	25
113	G602DE	1BABNBXA03F213126	136,770	137,031	261
T3	G714DP	1FMNE11W77DB09635	253,719	254,709	990
44	G061FF	1BAKFCPA78F253133	132,165	132,435	270
155	G733DP	1BABNBPA1AF267337	144,010	144,050	40
T5	G909DP	1FMNE1BWXBDA12470	167,432	172,657	5,225
T6	G700DP	1FMNE1BW3BDA12469	142,718	147,097	4,379
T7	G896DP	1FMNE1BW1BDA12471	141,969	147,097	5,128
38	G205HF	4DRBUAAL2GB705937	67,284	67,285	1
36	G204HF	4DRBUAAL9GB705935	53,042	53,042	-

- Documentation to show date of submission of TRAN03-1 (vehicle inventory) report. All we will need to see is proof of the report submission date. Verbal confirmation will not be accepted as supporting documentation, so be sure to have some form of records to share, even a screenshot of an email confirming submission would suffice. The TRAN03-1 report must be submitted **before July 15th** of the audit year.

See [‘How to Ensure Compliance with the Three Newly Added USFR Questions – Part One’](#) for further information regarding the new property control and general long-term debt questions, what they cover, likely audit requests and examples of sufficient supporting documentation.

For further specific transportation guidance, click here:

<https://www.azed.gov/sites/default/files/2025/07/School%20Finance%20Manual%20I%20Transportation%207-3-25%20POSTED.pdf>

To view the complete USFR Compliance Questionnaire located at the back of the USFR Manual, click here: <https://www.azauditor.gov/resources/school-districts/manuals-memorandums>