

Performance Audit

Western Maricopa Education Center

Report 2 of 2

District spent approximately \$200,000 on a sponsorship agreement and for entertainment, food, membership dues, and other events that do not appear to align with its primary responsibility of providing CTE programs, including some spending that may have violated the State's gift clause



Arizona Auditor General's mission

The Arizona Auditor General's mission is to provide independent and impartial information, impactful recommendations, and stakeholder education to improve Arizona government for its citizens. To this end, the Office conducts financial statement audits and provides certain accounting services to the State and political subdivisions, investigates possible criminal violations involving public officials and public monies, and conducts performance audits and special reviews of school districts, State agencies, and the programs they administer.

The Joint Legislative Audit Committee

The Joint Legislative Audit Committee consists of 5 Senate members appointed by the Senate President and 5 House members appointed by the House Speaker. The Committee is responsible for overseeing the Office, including (1) overseeing all audit functions of the Legislature and State agencies, including sunset, performance, special, and financial audits; special research requests; and the preparation and introduction of legislation resulting from audit report findings; (2) requiring State agencies to comply with audit findings and recommendations; (3) receiving status reports regarding the progress of school districts to implement recommendations; and (4) scheduling hearings to review the status of State agencies and school districts.

Senator **Mark Finchem**, Chair

Senator **Flavio Bravo**

Senator **Tim Dunn**

Senator **David C. Farnsworth**

Senator **Catherine Miranda**

Senator **Warren Petersen** (ex officio)

Representative **Matt Gress**, Vice Chair

Representative **Michael Carbone**

Representative **Michele Peña**

Representative **Stephanie Stahl-Hamilton**

Representative **Betty Villegas**

Representative **Steve Montenegro** (ex officio)

Audit staff

Scott Swagerty, Director

Alexa Tavasci, Manager

Justin Haidet, Deputy Manager


Natalie Pfleger, Report Writer

Matt Curry, Team Leader

Steven Cody

Evan Davis

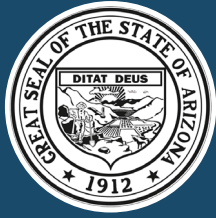
Contact information

 **(602) 553-0333**

 contact@azauditor.gov

 www.azauditor.gov

2910 N. 44th St., Ste. 410
Phoenix, AZ 85018-7271



ARIZONA AUDITOR GENERAL

Lindsey A. Perry, Auditor General

Melanie M. Chesney, Deputy Auditor General

September 16, 2025

Members of the Arizona Legislature

The Honorable Katie Hobbs, Governor

Governing Board
Western Maricopa Education Center

Scott Spurgeon, Superintendent
Western Maricopa Education Center

Transmitted herewith is a report of the Auditor General, *A Performance Audit of Western Maricopa Education Center—Report 2 of 2*, conducted pursuant to Arizona Revised Statutes §41-1279.03 and 15-393.01. I am also transmitting within this report a copy of the Report Highlights to provide a quick summary for your convenience. This performance audit report is the second and final report in a series of 2 reports on the District and focuses on issues related to spending and management decisions and oversight, due to concerns we identified during the audit.

As outlined in its response, the District agrees with 1 finding and does not agree with 2 findings, but plans to implement all the recommendations. My Office will follow up with the District in 6 months to assess its progress in implementing the recommendations. I express my appreciation to the District's board members and staff for their cooperation and assistance throughout the audit.

My staff and I will be pleased to discuss or clarify items in the report.

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

Western Maricopa Education Center

Performance Audit—Report 2 of 2

District spent approximately \$200,000 on a sponsorship agreement and for entertainment, food, membership dues, and other events that do not appear to align with its primary responsibility of providing CTE programs, including some spending that may have violated the State's gift clause

Audit purpose

To determine whether the District was meeting its statutory purpose to prepare students for high-need occupations, spending State monies appropriately, and following best practices.

Our Office has issued a series of 2 performance audit reports of the Western Maricopa Education Center (District). The first report, issued in May 2025, found that the District spent \$50.4 million for central and satellite career and technical education (CTE) programs in fiscal year 2023 but lacked processes to validate key outcome data to demonstrate its programs' effectiveness in preparing students for high-need occupations. It had also accumulated fund balances totaling \$142 million while limiting its support for satellite CTE programs, whose enrollments accounted for 96% of total District enrollment. The first report also found that the District had poor internal controls and numerous financial oversight issues, increasing its risk for errors and fraud. The first audit report included 11 findings and made 42 recommendations to the District.

This second and final report focuses on approximately \$200,000 of District spending we identified during the audit that was wasteful, not in accordance with Board directives, and/or may have violated the State Constitution's gift clause. Consistent with our standard practice when we identify potential gift clause violations, we are forwarding this report to the Arizona Attorney General's Office for further review.

Key findings

- ▶ District spent \$155,000 on Phoenix Raceway sponsorship, which has not yielded intended benefits for students, appears wasteful, and may have violated the State's gift clause.
- ▶ District spent more than \$27,000 on entertainment, food, and beverages, which may have violated the State's gift clause and was contrary to Board-authorized guidelines intended to prevent waste, abuse, and gifts of public monies.
- ▶ District wasted more than \$18,500 of public monies by paying more than necessary for membership dues and for staff to attend golf tournaments and an awards dinner, reducing monies available for other District priorities.

Key recommendations to the District

- ▶ In consultation with legal counsel, as necessary, determine whether its distribution of any Raceway event tickets and its spending for food, entertainment, and employee participation in other events resulted in a gift of public monies in violation of the Arizona Constitution's gift clause, and in what amounts if applicable
- ▶ Upon determining whether its distribution of Raceway event tickets and its spending for food, entertainment, and employee participation in other events resulted in a gift of public monies in violation of the Arizona Constitution's gift clause, report its determination and the rationale supporting its determination to the Arizona Attorney General's Office.
- ▶ Develop and implement procedures to evaluate the costs and benefits of any ongoing and/or future sponsorship agreements to ensure the benefits received are cost effective and align with the District's public purpose for the spending, and document the agreements' public purpose and benefits.
- ▶ Immediately stop providing food and beverages for purposes and in amounts that are not in compliance with Board-authorized resolutions and/or the State's gift clause.
- ▶ Develop and implement policies and procedures to ensure all food and beverage purchases meet Board-authorized purposes and are within Board-authorized amounts to prevent potential violations of the State's gift clause.
- ▶ Prior to renewing its WESTMARC membership, evaluate the costs and benefits of the membership levels available, including considering the lower-cost nonprofit/K-12 membership option, to ensure the membership is cost effective and aligns with the District's public purpose for the spending.
- ▶ To help prevent wasteful spending and ensure the District's use of public monies is allowable and appropriate, prior to paying for participation in any additional paid WESTMARC events, document each event's public purpose and the benefits the District expects to receive relative to the event's costs.

TABLE OF CONTENTS

FINDING 1

1

District’s spending for a \$155,000 Phoenix Raceway sponsorship appears wasteful, may have violated the State’s gift clause, and has not yielded intended benefits for students

- ▶ District entered into a \$155,000 multiyear sponsorship agreement with Phoenix Raceway but could not demonstrate that the agreement met its stated purpose
- ▶ District could not demonstrate sponsorship event tickets were used to support the District’s CTE efforts and that sponsorship benefits such as VIP Lounge tickets had any valid District purpose
- ▶ District indicated that sponsorship agreement would provide relevant CTE work experience at Raceway events, but nearly all participating students worked for free in areas unrelated to their CTE programs
- ▶ District officials did not fully evaluate the costs and benefits of the sponsorship agreement before entering into it, despite Board concerns

Recommendations to the District

8

FINDING 2

9

District spent more than \$27,000 on entertainment, food, and beverages, which may have violated the Constitution’s gift clause and was contrary to Board-authorized guidelines intended to prevent waste, abuse, and gifts of public monies

Recommendations to the District

12

FINDING 3

13

District wasted more than \$18,500 of public monies by paying more than necessary for membership dues and for staff to attend golf tournaments and an awards dinner, reducing monies available for other District priorities

Recommendations to the District

15

SUMMARY OF RECOMMENDATIONS

16

The Arizona Auditor General makes 9 recommendations to the District

Objectives, scope, and methodology

AUDITOR GENERAL’S COMMENTS ON THE DISTRICT’S RESPONSE

DISTRICT RESPONSE

TABLES

▶ Table 1	2
Some Raceway sponsorship benefits, such as VIP lounge access, do not appear to meet any District or CTE purpose	
▶ Table 2	3
Nearly all tickets the District tracked for March 2024 event appear to have been used by nonteaching staff or individuals not employed by the District and likely did not provide a benefit to the District	
▶ Table 3	5
Nearly all students worked in areas unrelated to their CTE programs at the November 2023 and March 2024 race events	
▶ Table 4	14
District wasted more than \$18,500 on excessive membership dues, golf tournaments, and awards dinners in fiscal years 2022 and 2023	

District's spending for a \$155,000 Phoenix Raceway sponsorship appears wasteful, may have violated the State's gift clause, and has not yielded intended benefits for students

District entered into a \$155,000 multiyear sponsorship agreement with Phoenix Raceway but could not demonstrate that the agreement met its stated purpose

During fiscal year 2024, the District signed an agreement with Phoenix Raceway (Raceway) to become the "Official Technical School of Phoenix Raceway" as well as to receive other various promotional rights and opportunities.¹ The sponsorship agreement required the District to pay 3 payments totaling \$155,000 to the Raceway, with the final payment occurring in January 2025.² In exchange, the agreement provides for access to and advertising at 5 Raceway events as well as becoming the presenting sponsor of the Phoenix Raceway show car, with a sponsorship decal on the show car and car hauler. Event access included race day tickets and VIP lounge entry, as well as an opportunity for District students to attend a special event with NASCAR drivers and crew and to work as volunteers on race days. As of July 2025, the District had participated in 4 of these events, with the remaining event scheduled for November 2025.

Arizona Constitution, Art. IX, §7, commonly referred to as Arizona's "gift clause," requires that governmental entities, including school districts, use public monies for a public purpose and that the value to be received by the public not be far exceeded by the amount paid.³ However, our review of the District's spending for the sponsorship agreement found that the District did not ensure that the sponsorship agreement met its intended purpose to provide benefits for its students as its Governing Board (Board) requested, resulting in wasteful spending or spending that may have violated the Arizona's gift clause. See the details below.

District could not demonstrate sponsorship event tickets were used to support the District's CTE efforts and that sponsorship benefits such as VIP Lounge tickets had any valid District purpose

As part of the sponsorship agreement, and as shown in Table 1 on page 2, the District received a variety of admission tickets to the November 2023 and March 2024 Phoenix Raceway events. The District's sponsorship agreement also entitles it to receive the same tickets for the 1 remaining event scheduled for November 2025.

¹ Phoenix Raceway is registered as Phoenix Speedway, LLC, but does business as and operates under the branding of Phoenix Raceway.

² The District used monies from its Civic Center Fund to pay for the sponsorship. Arizona Revised Statutes (A.R.S.) §15-1105(F). In accordance with A.R.S. §15-342(29), excess monies in the Civic Center Fund may be used for school district maintenance and operations.

³ Arizona caselaw interpreting the Arizona Constitution's gift clause, Art. IX, §7, requires that payment of public monies is for a public purpose and the value to be received by the public is not far exceeded by the consideration being paid by the public. *Wisturber v. Paradise Valley Unified School Dist.*, 141 Ariz. 346, 678 P2d 354 (1984), *Turken v. Gordon*, 223 Ariz. 342, 224 P3d 158 (2010), and *Schires v. Carlat*, 250 Ariz. 371, 480 P3d 639 (2021).

Table 1

Some Raceway sponsorship benefits, such as VIP lounge access, do not appear to meet any District or CTE purpose

Tickets provided under agreement for each race	Included benefits	Average value ¹
10 VIP lounge tickets	Access to the infield experience in addition to access to complimentary food stations; complimentary beer, wine, and soft drinks; and entertainment at the Busch Light Lounge	\$249
35 grandstand tickets	Assigned seating in the grandstand	\$132 to \$286
25 infield experience admissions	Access to pit road and the area around the Pre-Race Stage	\$129

¹ We determined the included benefits and average value of the tickets/benefits based on a review of the Raceway’s website prior to the November 2023 and March 2024 events.

Source: Auditor General staff analysis of the District’s contract with the Raceway and review of ticket prices listed on Raceway’s website.

District officials reported that the admission tickets were intended to enable District staff to attend the events to observe and supervise student volunteers. However, for the 60 grandstand and infield experience tickets the District received for each event, the District could not provide support showing that only staff responsible for supervising student volunteers received tickets. Specifically, the District did not document any of the individuals who received tickets for the November 2023 event and provided information to us about the recipients of only some of the March 2024 event tickets. As shown in Table 2, page 3, the information provided by the District about the March 2024 event ticket recipients indicated that most were District administrators, administrative staff, and industry partners. Each of these recipients received either 2 or 4 tickets, suggesting that some tickets may have been used by friends or family members, inconsistent with the District’s stated purpose of providing student supervision. Additionally, the District’s distribution of the tickets also does not appear to align with the expectations shared by District Board members during the September 2023 Board meeting, as discussed below.

Table 2

Nearly all tickets the District tracked for March 2024 event appear to have been used by nonteaching staff or individuals not employed by the District and likely did not provide a benefit to the District

Recipient	VIP Lounge access	Grandstand tickets	Infield experience access	Potential value of tickets and benefits
District administrator for secondary education	2	4	2	\$1,284 to \$1,900
District counselor	0	2	2	\$522 to \$830
District office staff employee	0	2	2	\$522 to \$830
District IT director	2	2	0	\$762 to \$1,070
District instructor ¹	2	2	0	\$762 to \$1,070
Member district CTE coordinator	0	2	2	\$522 to \$830
Member district CTE director	0	2	2	\$522 to \$830
Member district teacher	0	4	4	\$1,044 to \$1,660
Industry partner 1	0	2	2	\$522 to \$830
Industry partner 2	2	4	0	\$1,026 to \$1,642
Industry partner 3	0	2	2	\$522 to \$830
Tickets and benefits not tracked by District	2	7	7	\$2,325 to \$3,403
Potential value of tickets and benefits for the event	10	35	25	\$10,335 to \$15,725

¹ Although the District employee who received these tickets and benefits was an instructor, no students from their CTE program signed up for shifts at either the November 2023 or the March 2024 event.

Source: Auditor General staff review of the District's contract with the Raceway, District's documentation of ticket distribution for the March 2024 event, and review of ticket prices listed on the Raceway's website.

In addition to the 60 grandstand and infield experience tickets provided for each sponsored event, the District also received 10 VIP lounge tickets, which do not appear to meet any valid District or public purpose. According to the Raceway's website, these tickets generally sold for \$249 each and provided ticket holders with access to the Raceway's restricted VIP lounge and free food and alcoholic beverages. By providing VIP lounge tickets at no cost to the recipients, the District may have violated the State's gift clause because the VIP lounge tickets did not appear to serve a public purpose, and the District could not support that it had received a benefit in exchange for providing them.

VIP tickets provided free food and alcoholic beverages.

After we brought these issues to the District's attention during the audit, District officials reported that they declined the Raceway tickets that are part of its agreement for the November 2024 and March 2025 race events and that they plan to decline the tickets for the November 2025 race. They also reported discussing with the Raceway potentially amending the sponsorship agreement to include additional student participation opportunities rather than receiving Raceway tickets. However, as of August 2025, the District had not provided support that the District has been granted any additional student participation opportunities in lieu of tickets or has amended the agreement to address the Raceway tickets. Additionally, District officials did not indicate that they had sought to reduce the District's financial obligation despite their asking to no longer receive race event tickets with an estimated value of at least \$10,000 per sponsored event.

District indicated that sponsorship agreement would provide relevant CTE work experience at Raceway events, but nearly all participating students worked for free in areas unrelated to their CTE programs

According to the District, the sponsorship agreement with the Raceway was intended to provide hands-on learning opportunities for students primarily in the Automotive Technology and Automotive Collision Repair programs, but also for students in other programs such as Medical Assisting, Law and Public Safety, and Welding Technologies. District officials explained that students enrolled in these programs would receive work-based learning by attending and volunteering at race events. When presenting the sponsorship agreement to its Board for approval at the September 2023 Board meeting, District officials similarly highlighted the potential for the agreement to provide students with relevant, real-world CTE work experience. For example, District officials indicated that welding students would have the opportunity to participate in racetrack pits with the pit crews and health program students would have opportunities to assist first responders.

In contrast with the examples District officials provided to us during the audit and to the Board regarding students' experiences at the events, we found that most student work opportunities at the November 2023 and March 2024 events were unrelated to their CTE programs. Although the Arizona Department of Education's (ADE) work-based learning standards provide for career awareness and exploration activities, these are primarily recommended for elementary

and middle-school students and are not considered work-based learning experience.⁴ According to ADE, work-based learning experience must include hands-on application of technical skills relevant to a student's CTE program. To determine whether the sponsorship resulted in students receiving relevant work-based experience, we reviewed the work shifts for a total of 206 students participating in 2 Raceway events (see Table 3). We identified 5 students in the District's Law and Public Safety CTE program who worked with security personnel at the 2 events and who may have gained relevant technical experience.⁵

Students provided over 1,000 hours of unpaid labor working shifts that did not provide an opportunity to practice CTE program technical skills.

Table 3
Nearly all students worked in areas unrelated to their CTE programs at the November 2023 and March 2024 race events

Shift	Guest services	Operations	Security
# of students participating	137	63	6
Percentage of total shifts	66%	31%	3%
Description of duties	Collected admission tickets from attendees at entry gates	Fixed problems around the property, including maintenance and installing signage	Provided security for areas such as private hospitality, suites, and ticket gates
Students' CTE programs	Law and Public Safety, Marine Power and Extreme Sports Technologies, Automotive Collision Repair, Automotive Technologies, Aircraft Mechanics, Software and App Design, Welding Technologies	Marine Power and Extreme Sports Technologies, Automotive Collision Repair, Automotive Technologies, Aircraft Mechanics, Welding Technologies, Precision Machining	Law and Public Safety, Marine Power and Extreme Sports Technologies
Direct opportunities for students to apply technical skills?	No	No	Yes, 1 of 2 programs

Source: Auditor General staff analysis of documentation of shift schedules for the November 2023 and March 2024 events.

⁴ ADE. (2024). Work-Based Learning Guide. Retrieved 9/15/2025 from <https://www.azed.gov/sites/default/files/2025/04/Work-Based-Learning-Guide.pdf>.
⁵ One student who volunteered for this shift was enrolled in the District's Powersports Technician CTE program. Security shift duties would not have provided CTE-related work experience for this student.

The District, however, did not provide documentation showing how it addressed potential safety concerns inherent in placing students in a position to interact with the public at events where alcohol was available for purchase.⁶

The remaining 201 students may have acquired general work-related experience and practiced professional skills, but it does not appear that they had an opportunity to apply the technical skills learned in their CTE programs during their shifts. Instead, students volunteered to perform tasks such as accepting admission tickets at ticket entry gates, monitoring grandstands, working in guest service offices, providing general maintenance, and working as “brand ambassadors” for Phoenix Raceway. Based on our review of the 2 events and the sponsorship agreement, the District paid a sponsorship fee while also providing the Raceway with student workers to perform tasks for free that the Raceway may have ordinarily paid to have completed. We found that student volunteers provided a total of approximately 1,000 hours of unpaid labor to the Raceway during the November 2023 and March 2024 events.

District officials did not fully evaluate the costs and benefits of the sponsorship agreement before entering into it, despite Board concerns

When District officials presented the sponsorship agreement to the Board for approval in September 2023, Board members expressed concerns about whether the provisions of the agreement were appropriate and whether it would provide benefits for students commensurate with the costs. For some of these concerns, District officials agreed to work with the Raceway to amend the agreement but indicated that there was limited time to sign the agreement. Consequently, the Board voted to approve the agreement but made their approval contingent on the District negotiating changes to address their primary concern about whether students would receive relevant CTE work experience under the agreement. The discussion below outlines the Board’s concerns relating to students’ work experiences and other issues Board members identified.

District did not fully address Board’s concerns for student work-based learning opportunities.

► Board members sought assurances that the agreement would provide students with relevant CTE work experiences, but the final agreement did not do so

Board members expressed concerns that the agreement District officials presented to them for approval did not specifically require the Raceway to provide work-based educational opportunities to students. The agreement instead stated that the Raceway would make a “good-faith effort” to provide work-based educational opportunities. Board members also noted that the agreement did not specify the number of students who would benefit nor the specific work opportunities the Raceway would provide. Without these assurances, a Board member noted that the Raceway could choose not to provide CTE-related educational opportunities, which District officials indicated was a primary benefit of the sponsorship. District officials indicated that if the Board approved

⁶ Students were required to be at least 18 years old to volunteer for available security shifts.

proceeding with the agreement, they would work with the Raceway to eliminate the “good faith” provision and specify the number of student participants.

However, District administrators failed to fully address Board members’ concerns. For instance, although the revised contract specified that a minimum of 60 students would be allowed to participate per year, it stated that these students would receive either a work experience or an “educational and fun day.” Thus, under the revised agreement, it was possible that none of the 60 students would receive a work-based learning experience, which was contrary to the Board’s intent in seeking revisions to the agreement. Further, as discussed previously, we found that most students worked in guest services and operations, which did not provide them with relevant CTE work experience.

► **A Board member was concerned that the agreement involved purchasing advertising that did not clearly benefit students, but the District has not evaluated whether the advertising expense was justified**

District officials indicated that the sponsorship would provide advertising and publicity for District CTE programs, but a Board member expressed concern that the advertising may not be seen as a benefit to CTE students. Despite this Board member’s concerns, District officials did not determine the value of the advertising it would receive prior to entering the sponsorship agreement and has not established a way to evaluate whether the exposure it receives at Raceway events justifies the advertising costs. Additionally, the District did not identify a target audience for advertising its CTE programs and determine whether advertising at the Raceway and other events would reach this target audience. The District indicated that enrollment applications for its Automotive Technologies central programs have increased since it signed the sponsorship agreement. However, the District lacked support that the increase in applications was a result of its sponsorship activities. Further, the documentation the District provided indicated that its Automotive Technologies central programs were already at capacity and could not accommodate additional students. As such, the District was unable to demonstrate that it received the benefits it anticipated from the sponsorship agreement and that the costs of the agreement were justified and a prudent use of public monies.

► **Board members questioned the distribution of event tickets and the potential for violating the State’s gift clause, but the District did not change the agreement nor manage ticket distribution to address these concerns**

Board members discussed the event tickets to be provided under the agreement, and 1 Board member expressed concerns that if the District distributed the tickets, it could be seen as gifting public monies. Another Board member stated that they would like to see the vast majority, if not all, of the perks associated with the agreement go to students and their families. Despite these Board members’ concerns, the District did not initially eliminate from the Raceway agreement the VIP ticket provision that served no public purpose. As previously discussed, this resulted in District employees and industry partners receiving VIP lounge tickets, which included free food and alcohol. The District also did not ensure that other event tickets were used for the District’s benefit, such as by providing the tickets to instructors or other staff responsible for supervising students at the events.

A more thorough review of the agreement by either the District or the Board may have prevented the issues we identified. For instance, if the District had more fully evaluated the agreement, its purpose, and its costs and benefits in accordance with the Board's directives, it may have identified that some provisions, such as the VIP lounge tickets, did not serve a public purpose and should not be included in the agreement and paid for with public monies. It also may have identified more cost-effective ways of achieving its goals for providing CTE work experience and publicity for its CTE programs. Alternatively, if the Board had required District officials to present a revised agreement for its approval rather than relying on their assurances, the Board could have better ensured that its concerns were addressed before the District entered into the sponsorship agreement. Because the Board did not do so, members may be unaware that not all the Board's concerns were addressed in the revised, final agreement.

Recommendations to the District

1. In consultation with legal counsel, as necessary, determine whether the District's distribution of any Raceway event tickets resulted in a gift of public monies in violation of the Arizona Constitution's gift clause, and in what amount, if applicable.
2. Upon determining whether its distribution of any Raceway event tickets resulted in a gift of public monies in violation of the Arizona Constitution's gift clause, report its determination and the rationale supporting its determination to the Arizona Attorney General's Office.
3. Develop and implement procedures to evaluate the costs and benefits of any ongoing and/or future sponsorship agreements to ensure that the benefits received are cost-effective and align with the District's public purpose for the spending, and document the agreements' public purpose and benefits.

District response: As outlined in its [response](#), the District does not agree with the finding, but will implement the recommendations.

FINDING 2

District spent more than \$27,000 on entertainment, food, and beverages, which may have violated the Constitution's gift clause and was contrary to Board-authorized guidelines intended to prevent waste, abuse, and gifts of public monies

We judgmentally selected and reviewed 48 of 125 District purchases for food and entertainment totaling approximately \$28,700 and found the District could not provide evidence that 44 of these purchases totaling \$27,000 complied with the State's gift clause and/or Board-approved policies or resolutions.¹ See the details below.

Issue 1: District spent \$14,600 for entertainment activities for staff, which may have resulted in gifts of public monies

Among the 48 purchases we reviewed, we identified 2 instances where the District sponsored staff activities at various entertainment venues, but these events do not appear to be an appropriate use of public monies.

Specifically,

▶ **District paid \$14,200 for staff to participate in games and activities at Main Event, an entertainment venue**

In July 2021, the District purchased a food and entertainment package for 180 staff to attend Main Event, an entertainment venue providing activities such as bowling and laser tag. The District paid \$14,200 in total costs for

District paid \$979 to close venue to the public.

activities and food, including a \$979 charge to close the venue to the public so that District staff would have exclusive access. Prior to the activities at Main Event, the District held a staff meeting at a different location, and the agenda for that meeting indicated that the purpose of the activities at Main Event was employee team building. However, the District did not track who attended the Main Event activities at the District's expense and therefore could not support that only District staff participated to justify spending public monies for this purpose.

▶ **District paid nearly \$400 for staff to participate in an activity at an axe-throwing venue**

In June 2022, the District spent \$393 for 9 individuals to participate in an axe-throwing activity following an administrative staff meeting. According to the District, this event was

¹ The District used Civic Center Fund monies to pay for all the food purchases we reviewed.

a team-building activity, but the District did not document who attended the event to help support its justification for spending public monies for this purpose.

The Arizona Constitution's gift clause requires that the payment of public monies is for a public purpose, and the cost paid by the public does not far exceed the value to be received by the public. However, the District was unable to demonstrate the value to the public of the events described above. Compliance with constitutional provisions, including the gift clause, is fundamental to maintaining transparency and accountability in the District's use of public monies.

Issue 2: District spent at least \$12,400 on food and beverages that did not comply with Board-authorized spending limits and purposes

Board established policies intended to ensure District's food and beverage purchases complied with State law and the Arizona Constitution

According to statute, district governing boards may provide food and beverages at district events, including trainings and other official school functions, subject to certain restrictions, including the Arizona Constitution's gift clause and laws pertaining to travel and subsistence.² Similarly, in fiscal years 2022 and 2023, District policy indicated that the District's Board ". . . may provide food and beverages at School District events, including official school functions and trainings, as allowed by the Arizona Constitution." The District's Board also approved resolutions in both fiscal years specifying the types of events for which food and beverages could be provided and per person spending limits, which were intended to ensure the District's food and beverage purchases complied with gift clause requirements and other restrictions. The Board resolutions allowed food and beverages to be provided at meetings that may include Board meetings, District-established advisory committee meetings, and professional development meetings and trainings. The Board's resolutions set per person spending limits at \$15 per person per meal in fiscal year 2022 and \$25 per person per meal in fiscal year 2023.

District failed to monitor its spending on food and beverages and document the purposes for these purchases to ensure compliance with Board resolutions, resulting in wasteful spending and potential violations of the State's gift clause

Despite the Board's concerns over potential gift clause violations, the District had not developed procedures to prevent overspending and ensure food and beverage purchases were allowable under the Board's resolutions and State laws. We found that 43 of the purchases we reviewed either did not comply with the Board's resolutions or the District lacked sufficient documentation to determine whether they were for allowable purposes and/or complied with the Board-approved per person spending limits. Additionally, because the District did not effectively monitor its food and beverage purchases to ensure they complied with the Board-approved resolutions, it is likely that similar issues exist for purchases that were not included in our review.

At least 20 purchases we reviewed exceeded the Board-established per person spending limits by approximately \$2,500 in total. We analyzed receipts and other documentation, such as calendar invitations to the events, to

District wasted approximately \$2,500 by exceeding Board-approved spending limits.

² A.R.S. §15-342(39).

calculate this amount, but this information was not available for all the purchases we selected for review. Further, we found that the District had not conducted any similar analysis, and it did not have processes for limiting per person spending and consistently documenting the purposes for its food and beverage purchases.

We found that even in cases where the District could provide documentation to support the purpose of meetings where it provided food and beverages, such as attendance records, agendas, or training materials, it rarely complied with the Board-approved per person spending limits for the meetings we reviewed. For example, the District spent \$41 per person for a catered lunch that preceded the axe-throwing activity previously discussed. This expenditure exceeded the Board-approved per person allowance by a total of \$341. In another instance, the District invited 65 employees to attend a training, but it ordered 115 catered meals from Red Robin, or 50 more than necessary to provide food for training attendees. In this instance, in addition to purchasing more meals than necessary, the District also exceeded the per person spending limit by a total of \$99.

Additionally, for most of the remaining purchases in our sample, the District's documentation was not sufficient to demonstrate whether the purchase was for an allowable purpose and/or complied with the Board resolutions' per person spending limits.

For example:

- ▶ In September 2021, the District spent \$288 at a restaurant but had no record of the purpose of the gathering nor who attended. Additionally, the amount it paid appears to have exceeded the Board-approved per person spending limit because the receipt indicated that 7 guests were present.
- ▶ In February 2022, the District spent \$110 on food and beverages to take a guest speaker to lunch while he was touring the District. Providing lunch to guest speakers was not a function listed in the Board's fiscal year 2022 resolution, and the District could not provide evidence that the Board had separately approved this purchase. Further, although the District did not document who attended the lunch, the receipt shows 5 meals were purchased, and based on this, the amount the District paid appears to have exceeded the Board-approved per person spending limit.
- ▶ In May 2023, the District spent \$478 for a catered lunch for 10 board members of a national organization for CTE administrators. Although the District's former assistant superintendent for teaching, learning, and campus operations attended the lunch, it appeared he did so in his capacity as a board member of the organization, and no other District staff were present. In this case, the District documented the number of attendees, but the purchase exceeded the Board-approved spending limit of \$25 per person by a combined total of \$228 and was not for a purpose specified in the Board-approved resolution.

The District's failure to establish procedures for complying with the Board's resolutions resulted in its wasting up to \$9,700 purchasing food and beverages that it could have used to

District did not ensure it complied with Board's resolutions related to food and beverage purchases, resulting in up to \$9,700 of wasteful spending.

benefit CTE programs. Further, spending more than those resolutions allow without any additional Board authorization may have constituted gifts of public monies.

District reported that employee contracts entitle staff to District-provided food and beverages separate from Board allowances, but this does not appear to be the case

During our review, the District asserted that its food and beverage purchases were supported by language included in employee contracts stating that instructors at required staff meetings may be provided with food and beverages at these events. From our sample, we identified 153 District employees who were recipients of the District-provided food and beverages. We judgmentally selected 7 of the employees who benefited frequently and reviewed their fiscal year 2022 and/or 2023 employment contracts, as applicable.³ Contrary to the District's assertion, none of these employees' contracts included the language that the District asserted authorized these incidental benefits.

Recommendations to the District

- 4.** In consultation with legal counsel, as necessary, determine whether any of the District's food and beverage or entertainment purchases resulted in a gift of public monies in violation of the Arizona Constitution's gift clause, and in what amount, if applicable.
- 5.** Upon determining whether any of its food and beverage or entertainment purchases resulted in a gift of public monies in violation of the Arizona Constitution's gift clause, report its determination and the rationale supporting its determination to the Arizona Attorney General's Office.
- 6.** Immediately stop providing food and beverages for purposes and in amounts that are not in compliance with Board authorization and/or the State's gift clause.
- 7.** Develop and implement policies and procedures to ensure all food and beverage purchases meet Board-authorized purposes and are within Board-authorized amounts to prevent potential violations of the State's gift clause.

District response: As outlined in its [response](#), the District agrees with the finding and will implement the recommendations.

³ We reviewed contracts for the District's assistant superintendent for teaching, learning, and campus operations; 2 campus administrators; an administrator for secondary education; a public relations administrator; an administrative assistant; and an accounts receivable technician/account bursar.

District wasted more than \$18,500 of public monies by paying more than necessary for membership dues and for staff to attend golf tournaments and an awards dinner, reducing monies available for other District priorities

In fiscal years 2022 and 2023, the District was a member of WESTMARC, a public-private membership-based partnership with a mission focused on the economic prosperity of the Phoenix metropolitan area's west valley. According to its reported mission, WESTMARC's 3 key priorities are to promote the west valley, enhance economic development, and increase member value. As a member of WESTMARC, the District paid \$3,000 in each of these years for a corporate-level membership despite the availability of a \$500 nonprofit/K-12 membership.

Similarly to when it agreed to sponsor the Phoenix Raceway (see Finding 1, pages 1 through 8), the District did not conduct a cost-benefit analysis to evaluate whether the WESTMARC membership it selected was the best use of its public monies for the benefits it received. Although the corporate membership provided 4 additional tickets to WESTMARC's Economic Development Summit, the District could have purchased the tickets separately if necessary, and their \$600 value was less than the \$2,500 added membership costs the District paid each year for the more expensive membership. By choosing a corporate membership rather than the membership for nonprofit and K-12 entities, the District paid an additional \$3,800 in total between fiscal years 2022 and 2023 that it could have used for District CTE programs. The District could not provide an explanation for why it chose the more expensive membership other than WESTMARC's member

District could have joined WESTMARC for a \$500 annual membership, but has consistently selected more expensive options, including a \$15,000 membership for fiscal year 2025.

benefit brochure.¹ Further, the District confirmed that as of fiscal year 2025, it had upgraded its WESTMARC membership to a President's Circle membership, which WESTMARC indicates costs \$15,000 annually.²

In addition to the 4 tickets to 1 event annually that were included in the costs for its corporate-level membership, the District also paid for staff to attend some additional WESTMARC events in the years we reviewed. Some WESTMARC events appeared to be related to the District's purpose of providing CTE, and likely provided benefits to the District, such as Technology and Healthcare Summits where industry leaders discussed projected future workforce needs (see Table 4, page

¹ The WESTMARC member benefit brochure indicated that in addition to the 4 Economic Development Summit tickets, the corporate membership also provided the District an additional committee membership and a static logo on WESTMARC's website.

² According to WESTMARC's membership brochure, the President's Circle membership benefits include preferred consideration for board of directors positions; sponsorship recognition, tables, and/or attendance opportunities at up to 7 events, including the Governor's Lunch, Annual Meeting, Economic Development Summit, Healthcare Summit, Legislative Breakfast, Golf Classic, and Technology Summit; unlimited committee memberships; and complimentary attendance at the Annual Meeting and Workforce Forum.

14). However, other WESTMARC events the District paid to attend appeared to be unrelated to any District purpose and appeared to be wasteful. For example, the District paid an additional \$275 in fiscal year 2022 for 1 staff member to participate in WESTMARC’s annual golf tournament and paid \$1,000 in fiscal year 2023 for 4 staff to participate.³ Additionally, in fiscal year 2023, the District paid \$9,000 for staff to attend the Best of the West awards dinner. Although 3 District employees were nominated for an award at this dinner, the District purchased tables that could accommodate a total of 30 people, and District officials stated they do not know who and/or how many staff attended the dinner. The District indicated that its participation in WESTMARC events, including the golf tournaments and awards dinner, are no different than events that provide professional development opportunities. However, despite the District’s assertions, we reviewed WESTMARC’s annual golf tournament and the awards dinner brochures and determined that neither event included professional development content.

The District’s wasteful spending on a corporate-level membership and for staff to attend golf tournaments and an awards dinner reduced the monies it had available for other purposes, such as providing additional support for its satellite CTE programs or its efforts to improve its key student outcomes.

Table 4
District wasted more than \$18,500 on excessive membership dues, golf tournaments, and awards dinners in fiscal years 2022 and 2023

Purchase	Total spending ¹	Wasteful spending
Awards dinners	\$13,500	\$13,500
Membership dues	6,000	3,800
Governmental updates	2,365	-
Industry summits	1,775	-
Golf tournaments	1,275	1,275
Total	\$24,915	\$18,575

¹ The District used Maintenance and Operations Fund and Civic Center Fund monies to pay for all these expenses.

Source: Auditor General staff analysis of District’s fiscal years 2022 and 2023 WESTMARC spending and review of membership packages and event brochures.

³ The District’s former director of business development and government affairs attended the event in fiscal year 2022, and the District’s superintendent, director of facilities and construction, former director of government and business affairs, and former assistant superintendent of human resources attended the event in fiscal year 2023.

Recommendations to the District

8. Prior to renewing its membership in WESTMARC, evaluate the costs and benefits of the membership levels available, including considering the lower-cost nonprofit/K-12 membership level, to ensure the membership is cost effective and aligns with the District's public purpose for the spending.
9. To help prevent wasteful spending and ensure the District's use of public monies is allowable and appropriate, prior to paying for participation in any additional paid WESTMARC events, document each event's public purpose and the benefits the District expects to receive relative to the event's costs.

District response: As outlined in its [response](#), the District does not agree with the finding, but will implement the recommendations.

The Arizona Auditor General makes 9 recommendations to the District

Click on a finding, recommendation, or its page number to the right to go directly to that finding or recommendation in the report.

Recommendations to the District

FINDING 1	1
1. In consultation with legal counsel, as necessary, determine whether the District’s distribution of any Raceway event tickets resulted in a gift of public monies in violation of the Arizona Constitution’s gift clause, and in what amount, if applicable.	8
2. Upon determining whether its distribution of any Raceway event tickets resulted in a gift of public monies in violation of the Arizona Constitution’s gift clause, report its determination and the rationale supporting its determination to the Arizona Attorney General’s Office.	8
3. Develop and implement procedures to evaluate the costs and benefits of any ongoing and/or future sponsorship agreements to ensure that the benefits received are cost-effective and align with the District’s public purpose for the spending, and document the agreements’ public purpose and benefits.	8
FINDING 2	9
4. In consultation with legal counsel, as necessary, determine whether any of the District’s food and beverage or entertainment purchases resulted in a gift of public monies in violation of the Arizona Constitution’s gift clause, and in what amount, if applicable.	12
5. Upon determining whether any of its food and beverage or entertainment purchases resulted in a gift of public monies in violation of the Arizona Constitution’s gift clause, report its determination and the rationale supporting its determination to the Arizona Attorney General’s Office.	12
6. Immediately stop providing food and beverages for purposes and in amounts that are not in compliance with Board authorization and/or the State’s gift clause.	12

- 7. Develop and implement policies and procedures to ensure all food and beverage purchases meet Board-authorized purposes and are within Board-authorized amounts to prevent potential violations of the State’s gift clause. 12

FINDING 3 13

- 8. Prior to renewing its membership in WESTMARC, evaluate the costs and benefits of the membership levels available, including considering the lower-cost nonprofit/K-12 membership level, to ensure the membership is cost effective and aligns with the District’s public purpose for the spending. 15

- 9. To help prevent wasteful spending and ensure the District’s use of public monies is allowable and appropriate, prior to paying for participation in any additional paid WESTMARC events, document each event’s public purpose and the benefits the District expects to receive relative to the event’s costs. 15

Objectives, scope, and methodology

We have conducted this performance audit of the District pursuant to A.R.S. §§15-393.01 and 41-1279.03(A)(9). This audit focused on the District's efficiency and effectiveness in its spending in areas we determined to be high risk for waste, primarily in fiscal years 2022 through 2024. We used various methods to review the specific objectives and issues in this performance audit. These methods included interviewing District staff, reviewing State statutes, and reviewing District documentation. We also used the following specific methods to meet the audit objectives:

- ▶ To assess the District's spending on a sponsorship agreement with the Raceway, we reviewed the Board agenda, minutes, and a recording of the September 2023 Board meeting where it was first presented to and approved by the Board; the District's contract with the Raceway; and the District's documentation of the student worker opportunities provided at 2 of the 4 races and tickets distributed for 1 of the 4 races. We also reviewed information on Phoenix Raceway's public website related to admission ticket costs and benefits.
- ▶ To assess the District's spending on food, beverage, and entertainment purchases, we reviewed the District's Board resolutions, accounting data, credit card purchase data, and documentation of purchases made including attendee lists and agendas for fiscal years 2022 and 2023. We judgmentally selected and reviewed 48 food, beverage, and entertainment purchases totaling approximately \$28,700 out of 125 of these purchases totaling just over \$55,000 that we identified from fiscal years 2022 and 2023.
- ▶ To assess the District's spending on membership dues and on events offered by WESTMARC, a public-private partnership, we reviewed supporting documents for the District's fiscal years 2022 and 2023 WESTMARC spending, including review of membership packages and event brochures.

Our work on internal controls included reviewing relevant policies and procedures, statutes, and recommended practices and, where applicable, testing compliance and/or alignment with these requirements and recommended practices. We reported our conclusions on the applicable internal controls in Finding 2.

We selected our audit samples to provide sufficient evidence to support our findings, conclusions, and recommendations. Unless otherwise noted, the results of our testing using these samples were not intended to be projected to the entire population.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We express our appreciation to the District's board members and staff for their cooperation and assistance throughout the audit.

AUDITOR GENERAL'S COMMENTS ON THE DISTRICT'S RESPONSE

A.R.S. §41-1279.03(A)(9) requires school districts to provide a written response indicating whether they agree with our findings and plan to implement the recommendations. Consistent with this requirement, the District has provided its response to the audit report, which is presented on the following pages. However, the District has included certain statements in its response that necessitate the following clarification.

Issue 1

District's description of Civic Center Fund monies could be misleading

In the District's cover letter, the superintendent indicates that Civic Center Fund monies, which the District used to pay for its Raceway sponsorship, are "non-taxpayer dollars."

Auditor General's comments

Although Civic Center Fund monies are generated by the District through rental fees for the use of its facilities and not through property taxes, Civic Center Fund monies are public monies. Specifically, the District is a political subdivision of the State and public depositor pursuant to A.R.S. §35-1201(7)(a). As outlined in A.R.S. §35-1201(8), public monies are monies "belonging to or received or held by officers of public depositors in their official capacity." Accordingly, all monies the District collects are public monies and the District is required to handle and safeguard Civic Center Fund monies like public monies from any other source, which includes preventing their waste and misuse.

Issue 2

District misrepresents ADE's work-based learning guidance and the work experiences provided to its students to justify its Raceway sponsorship, and it makes other inaccurate statements about our performance audit findings

In its response to Finding 1, the District misrepresents the Arizona Department of Education's (ADE) Career and Technical Education Work Based Learning Guide (Guide) and the Raceway work experiences provided to its students. The District also makes certain inaccurate statements. Specifically, the District's response explanation for Finding 1:

- ▶ Indicates that the audit report overlooks that the Guide "...explicitly includes awareness, exploration, and preparation phases as part of the [work-based learning] continuum..."

- ▶ Indicates that “...the [work-based learning] experiences provided to students were directly related to their West-MEC Career and Technical Education (CTE) programs.” The District similarly indicates that “...[Raceway] events significantly enrich classroom learning by providing students with direct opportunities to apply both technical and professional skills...”
- ▶ States that the audit report “...does not acknowledge the significance of professional skills...” students may have obtained by participating in Raceway events, and that “An example of the incorrect assumptions made in the Report is the sweeping conclusion that ‘Students provided over 1,000 hours of unpaid labor working shifts that did not provide CTE program technical skills.’”

Auditor General’s comments

As we report in Finding 1 (pages 1 through 8), ADE’s Guide describes work-based learning standards that provide for career awareness and exploration activities. However, the District misrepresents that the standards for these activities are applicable to the Raceway experiences it provided to students. As noted in the report, ADE’s Guide specifically indicates that career awareness and exploration activities are targeted toward students in elementary school through grade 9 and most District students who participated were in grades 11 and 12.

Additionally, the District inaccurately asserts that the Raceway experiences provided to students were directly related to their West-MEC CTE programs and provided them with direct opportunities to apply both technical and professional skills, which contradicts the evidence we found during the audit. In Finding 1, page 6, we acknowledge that students may have acquired general work-related experience or practiced professional skills. However, the District could not provide any evidence to support that most students who volunteered at the Raceway had opportunities to apply technical skills learned in their CTE programs. According to ADE’s Guide, work-based learning experiences must “...demonstrate how the student is applying the technical skills learned in their programs through hands-on learning.” The CTE programs in which participating Raceway students were enrolled included Law and Public Safety; Marine, Power, and Extreme Sports Technologies; Aircraft Mechanics; Software and Application Design; and Welding Technologies. As shown in Table 3 of the report (page 5), 97% of participating Raceway students—200 of 206—were assigned work that was unrelated to their CTE programs. These students worked either in guest services roles performing tasks such as collecting admission tickets from attendees at entry gates, or in operations roles performing tasks such as venue maintenance and installing signage.

We made multiple requests of the District throughout the audit to provide information demonstrating that students were able to apply their technical skills at Raceway events, but the District was unable to do so. Based on the information the District was able to provide, our report accurately reflects that most student volunteers at Raceway events lacked an opportunity to practice technical skills related to their respective CTE programs.

Issue 3

District's description of the benefits it received in exchange for its more expensive WESTMARC membership is misleading

In its response to Finding 3, the District indicates that "...a \$3,000 [WESTMARC] membership fee gives the member access to far more benefits than the \$500 nonprofit membership fee."

Auditor General's comments

In Finding 3 (pages 13 through 15), we report the additional benefits available to the District for its more expensive corporate-level WESTMARC membership as described by WESTMARC's membership brochure. The additional benefits included 4 tickets to the Economic Development Summit, an additional committee membership, and a static logo on WESTMARC's website. The report also accurately reflects that the District could have purchased the additional event tickets for \$600, which is substantially less than the added membership cost of \$2,500 it paid each year for the corporate-level membership. The District did not provide any evidence during the audit that it had used the other additional benefits available to it, or that the additional benefits justified the additional membership costs. Similarly, the District lacked any documentation to support it had considered these additional benefits before purchasing the more expensive corporate-level membership or determined this more expensive membership was a prudent use of public monies. Finally, as reported in Finding 3, the District has since upgraded its WESTMARC membership from the \$3,000 corporate-level membership to the President's Circle membership, which WESTMARC indicates costs \$15,000 annually, despite the continued availability of a less expensive membership option for nonprofit/K-12 entities.

DISTRICT RESPONSE

The subsequent pages were written by the District to provide a response to each of the findings and to indicate its intention regarding implementation of each of the recommendations resulting from the audit conducted by the Arizona Auditor General.



West-MEC
5405 North 99th Ave
Glendale, AZ 85305
623-738-0022

September 5, 2025

Lindsey A. Perry, CPA, CFE
Arizona Auditor General
2910 North 44th St, Suite 410
Phoenix, AZ 85018

Ms. Perry,

For more than 20 years, Western Maricopa Education Center (West-MEC) has positively impacted our community by providing high school students and adults with hands-on career training that leads directly to employment or advanced education. With programs in high-demand fields such as healthcare, aviation, IT, construction, and automotive technology, West-MEC builds a skilled workforce that strengthens both local and national industries.

West-MEC has reviewed the Performance Audit Report. While the audit process spanned more than two years and required extensive coordination and documentation, we carefully examined each finding and recommendation and provided detailed responses supported by data and aligned with Arizona Department of Education best practices.

Regarding the Phoenix Raceway sponsorship, West-MEC respectfully disagrees that this investment was wasteful or violated the State's gift clause. The sponsorship increased community and industry awareness of West-MEC programs and created Work-Based Learning (WBL) opportunities consistent with the Arizona Department of Education's WBL Guide. West-MEC students gained valuable real-world experience with industry professionals, strengthening both technical and professional skills—benefits that must be considered when evaluating the sponsorship's value. Importantly, this sponsorship was funded through Civic Center funds, which are non-taxpayer dollars. It is worth noting, our Auto Technology applications tripled in FY24, after the sponsorship with Phoenix Raceway was established.

West-MEC also disagrees that its WESTMARC membership was wasteful. The selected membership level provided access to vital regional partnerships and benefits not included in the lower-cost nonprofit option. These partnerships help connect students with industry leaders, align programs with workforce needs, and create opportunities that advance West-MEC's mission.

The results of West-MEC's approach to career and technical education speak clearly. Last year, students earned more than 9,000 industry-recognized credentials, and 92% passed the Arizona Department of Education's Technical Skills Assessment—well above the state average of 79%. These outcomes demonstrate strong career readiness and have drawn attention from across the nation and abroad, as other CTE districts visit to learn from our model.

West-MEC remains committed to its mission: to reinvest local tax dollars strategically to cultivate a skilled workforce, strengthen the regional economy, and expand opportunities for students. We are confident that the steps we have taken reflect both accountability to the public and our dedication to providing students with real-world, career-focused experiences that prepare them for lifelong success.

Regards,

Dr. Scott Spurgeon
West-MEC Superintendent

west-mec.edu

Finding 1: District's spending for a \$155,000 Phoenix Raceway sponsorship appears wasteful, may have violated the State's gift clause, and has not yielded intended benefits for students

District Response: The Auditor General's finding is not agreed to.

Response explanation: The sponsorship increased applications for enrollment in the West-MEC Automotive Tech program exponentially. This benefit must be included in any calculation of any direct or indirect benefits to West-MEC students of the PIR Sponsorship. It also increased opportunities for Work Based Learning ("WBL"). The WBL experiences provided to students were directly related to their West-MEC Career and Technical Education (CTE) programs. See *The Arizona Department of Education Career and Technical Education Work-Based Learning Guide* ("Guide") <https://www.azed.gov/cte/work-based-learning>. While the Report cites the common major definition of the Arizona Department of Education WBL, it overlooks a crucial point: page 3 of the Guide, which explicitly includes awareness, exploration, and preparation phases as part of the WBL continuum that are embedded in all WBL programs. *Id.* West-MEC implements a comprehensive district-wide WBL continuum that guides all program efforts and incorporates professional experiences both within and outside the classroom. The student experiences at the PIR events seamlessly align with this continuum. These events significantly enrich classroom learning by providing students with direct opportunities to apply both technical and professional skills in a dynamic, real-world setting. The narrative on pages 3 and 4 of the the Report primarily focuses on the misalignment of technical skills but does not acknowledge the significance of professional skills or the broader WBL continuum. For example, during the NASCAR events, students were continuously supervised by PIR personnel from Guest Services, Security, or Operations teams and interacting with students, giving the students professional experiences. An example of the incorrect assumptions made in the Report, is the sweeping conclusion that "Students provided over 1000 hours of unpaid labor working shifts that did not provide CTE program technical skills." This conclusion requires knowledge and experience with pedagogical principles of WBL, which the Report does not reflect. The WBL experience benefit must be included in any calculation of any direct or indirect benefits to West-MEC students by virtue of the PIR Sponsorship. It will have to include the opinions of experts knowledgeable in the pedagogical principles of WBL and CTE. As previously discussed in letters to you, students were able to work side by side with PIR personnel, which enhanced the curriculum they were taught. This benefit must be included in any calculation of any direct or indirect benefits to West-MEC students of the PIR Sponsorship.

Recommendation 1: In consultation with legal counsel, as necessary, determine whether the District's distribution of any Raceway event tickets resulted in a gift of public monies in violation of the Arizona Constitution's gift clause, and in what amount, if applicable.

District Response: The audit recommendation will be implemented.

Response explanation: West-MEC will consult with legal counsel to determine whether the District violated the gift clause of the Arizona Constitution.

Recommendation 2: Upon determining whether its distribution of any Raceway event tickets resulted in a gift of public monies in violation of the Arizona Constitution's gift clause,

report its determination and the rationale supporting its determination to the Arizona Attorney General's Office.

District Response: The audit recommendation will be implemented.

Response explanation: West-MEC will report its determination and rationale to the Arizona Attorney General's Office.

Recommendation 3: Develop and implement procedures to evaluate the costs and benefits of any ongoing and/or future sponsorship agreements to ensure that the benefits received are cost-effective and align with the District's public purpose for the spending, and document the agreements' public purpose and benefits.

District Response: The audit recommendation will be implemented.

Response explanation: West-MEC will develop and implement procedures to evaluate the costs and benefits of any future sponsorship agreements to ensure the benefits align with the District's public purpose for the spending.

Finding 2: District spent more than \$27,000 on entertainment, food, and beverages, which may have violated the Constitution's gift clause and was contrary to Board-authorized guidelines intended to prevent waste, abuse, and gifts of public monies

District Response: The Auditor General's finding is agreed to.

Response explanation: West-MEC agrees that its employment contracts did not contain language that addresses expenses for employee food and beverages until fiscal year 2023-2024. However, as correctly noted in the Report, prior to that time, in 2022, the Board passed a resolution allowing for the provision of food up to \$25. Also, Board policy DJ stated that the "Governing Board may provide food and beverages at School District events, including official school functions and trainings, as allowed by the Arizona Constitution and policies of the Department of Education."

Recommendation 4: In consultation with legal counsel, as necessary, determine whether any of the District's food and beverage or entertainment purchases resulted in a gift of public monies in violation of the Arizona Constitution's gift clause, and in what amount, if applicable.

District Response: The audit recommendation will be implemented.

Response explanation: West-MEC will consult with legal counsel to determine whether the District violated the gift clause of the Arizona Constitution.

Recommendation 5: Upon determining whether any of its food and beverage or entertainment purchases resulted in a gift of public monies in violation of the Arizona Constitution's gift clause, report its determination and the rationale supporting its determination to the Arizona Attorney General's Office.

District Response: The audit recommendation will be implemented.

Response explanation: West-MEC will report its determination and rationale to the Arizona Attorney General's Office.

Recommendation 6: Immediately stop providing food and beverages for purposes and in amounts that are not in compliance with Board authorization and/or the State's gift clause.

District Response: The audit recommendation will be implemented.

Response explanation: West-MEC implemented language in all employment agreements that addressed food and beverage in FY2023-2024. West-MEC will continue to ensure that its employment contracts continue to address expenses for food and beverages.

Recommendation 7: Develop and implement policies and procedures to ensure all food and beverage purchases meet Board-authorized purposes and are within Board-authorized amounts to prevent potential violations of the State's gift clause.

District Response: The audit recommendation will be implemented.

Response explanation: West-MEC will continue to ensure food and beverage language is in employee's contracts and include a regulation in District policy 3-103F to address non district individuals.

Finding 3: District wasted more than \$18,500 of public monies by paying more than necessary for membership dues and for staff to attend golf tournaments and an awards dinner, reducing monies available for other District priorities

District Response: The Auditor General's finding is not agreed to.

Response explanation: West-MEC disagrees that West-MEC's decision to pay \$3000 as a member of WESTMARC was "wasteful." WESTMARC's Director of Finance and Operation has verified that a \$3000 membership fee gives the member access to far more benefits than the \$500 nonprofit membership fee.

Recommendation 8: Prior to renewing its membership in WESTMARC, evaluate the costs and benefits of the membership levels available, including considering the lower-cost nonprofit/K-12 membership level, to ensure the membership is cost effective and aligns with the District's public purpose for the spending.

District Response: The audit recommendation will be implemented.

Response explanation: West-MEC agrees to an action plan as suggested in the Recommendation section under Finding 3 of the Report.

Recommendation 9: To help prevent wasteful spending and ensure the District's use of public monies is allowable and appropriate, prior to paying for participation in any additional paid WESTMARC events, document each event's public purpose and the benefits the District expects to receive relative to the event's costs.

District Response: The audit recommendation will be implemented.

Response explanation: West-MEC agrees to an action plan as suggested in the Recommendation section under Finding 3 of the Report.