



OFFICE OF THE
STATE AUDITOR

News Release

For Immediate Release

June 21, 2024

**Office of the State Auditor Releases
Grand County Report on Spending of Tourism-Restricted Revenues**

Salt Lake City, UTAH –

The Office of the State Auditor (Office) runs a hotline where it receives complaints about the improper use of public funds. The Office received multiple complaints alleging Grand County (County) misused tourism-restricted funds. Today, the Office released its audit report which contained five findings detailing misuse and misreporting of restricted tourism-related tax revenues:

1. Expenditures for mitigation activities exceeded statutory limit
2. The County failed to apply generally accepted accounting principles for prepaid contracts
3. Spending was improperly classified as tourism promotion
4. Tourism promotion money was improperly spent on economic development activities
5. Tourism, Recreation, Cultural, Convention, and Airport Facilities (TRCC) Tax revenue was improperly used for the Grand Center

Recommendations included reimbursement of misused funds, properly recording tourism expenditures, reclassifying prior year expenditures, and improving associated internal controls.

State Auditor John Dougall said, “When the Legislature allows a county to impose a tax for specific purposes, it is critical that the county strictly follow those statutory restrictions when spending those revenues. We noted the improper use of tourism promotion revenue for tourism mitigation and economic development activities. We also noted lax controls over restricted funds as well as justifications that would have the effect of undercutting statutory restrictions. As such, we recommend Grand County reimburse misspent money, improve its internal controls, and strengthen its tone at the top.”

The news release and related information may be found on the Office’s website at auditor.utah.gov.

The report may be found directly at:

<https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=015Do0000017aHNIAY>

About the Office of the State Auditor

The Office of the State Auditor provides Utah taxpayers and government officials with an independent assessment of financial operation, statutory compliance, and performance management for state and local government.

Specific activities of the Office include performing financial audits, conducting Federal funds compliance audits, providing local government oversight, conducting agency and program performance audits, performing fraud and compliance audits, and operating the State Auditor Hotline for citizens to report suspected financial issues or improprieties. These capabilities strengthen Utah State Government and help taxpayers have confidence in the integrity of Utah's government agencies.

The Office also provides interactive graphical tools to help taxpayers and policymakers gain greater insight into governmental financial activities. These tools include the Transparent Utah Public Finance website (transparent.utah.gov) as well as the award-winning Project KIDS public education analysis dashboards (auditor.utah.gov/kids).

The State Auditor is a Constitutional Officer of the State of Utah, elected directly by the state's citizens every four years. The role of the State Auditor is authorized in Article VII, Section 15 of the Utah Constitution. For more information, see auditor.utah.gov.

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