



OFFICE OF THE
STATE AUDITOR

June 21, 2024

Chair Jacques Hadler and County Council Members
Grand County
125 E Center Street
Moab, Utah 84532

Dear County Council Members:

The Office of the State Auditor (Office) offers a hotline program through which we receive complaints with financial or compliance implications related to state or local governments. The Office received complaints alleging the misuse of tourism-restricted funds in Grand County (County).

To determine the credibility of these complaints, we reviewed relevant agreements, grant documentation, policies and ordinances, and other relevant records for the period from January 2022 through December 2023. We also conducted interviews with key personnel and other individuals as necessary.

The following findings show a pattern of abuse with respect to tourism-restricted funding in Grand County. Abuse is using something in a manner contrary to the legal rules for its use.

Background

The transient room tax (TRT) is a tax authorized by *Utah Code* 59-12-301. The TRT is intended to support tourism through both promoting tourism as well as mitigating the negative effects of tourism. *Utah Code* 17-31-2 details the specific requirements for allowable promotion and mitigation activities, as well as associated spending limits on the allowed uses of TRT funding. Historically, Grand County divided TRT revenues into two pools to track spending restrictions and compliance with statutory requirements. From 2018 through 2022, the tourism promotion portion was deposited into the Travel Council fund. Beginning in 2023, the tourism promotion portion was deposited into the Economic Development fund. The tourism mitigation portion was deposited into the Tourism Mitigation Fund for the entire period reviewed.

Utah Code 17-31-2(2)(a) allowed the County to impose the TRT to establish and promote tourism or to establish and promote recreation, film production, and conventions. The County petitioned the Utah Legislature to expand the allowed use of TRT revenues to include economic

diversification, which the Legislature allowed beginning in May 2021. That special allowance ended on July 1, 2023.

Utah Code 17-31-2(d) allows TRT revenues to be used by the County to mitigate the impacts of recreation, tourism, or conventions by paying for solid waste disposal, emergency medical services, search and rescue, law enforcement activities, and road repairs and upgrades.

Findings and Recommendations

Finding 1. Mitigation Activities Expenditures Exceeded Statutory Limit

The County overspent TRT revenues on tourism mitigation activities, exceeding the statutory limit. While *Utah Code* 17-31-2 limits the amount of TRT revenue that can be spent for mitigation activities, Statute allowed the County to use up to 53% of TRT revenues through April 2021 for mitigation activities.

Beginning in May 2021, the limit on mitigation activities was increased to 63% of TRT revenues. For the period we reviewed, the County allocated 67% of TRT revenues to tourism mitigation and 33% to tourism promotion. This allocation does not comply with *Utah Code* 17-31-2(7) because the amount allocated to mitigation activities exceeds the statutory limit, which requires the greater of 37% of TRT revenue or \$2,562,500¹ to be used for tourism promotion as described in *Utah Code* 17-31-2(2)(a).

Any TRT revenue remaining after tourism promotion spending can be used for tourism mitigation, if it is approved by the County's tourism tax advisory board, provided that spending on mitigation activities does not exceed the statutory limit. Table 1 shows the County's tourism mitigation expenditures and the amount they exceeded the statutory limit for each year. Since 2018, the county has consistently overspent \$400,318 for tourism mitigation that should have been spent on tourism promotion.

¹ The \$2,562,500 is the county's tourism expenditures from July 1, 2018 through June 30, 2019 which is the base year and minimum yearly amount that can be expended for tourism promotion.

Table 1 – Tourism Mitigation Expenditures

	2018	2019	2020	2021	2022	2023 ²
Actual Mitigation Expenditures (\$)	2,847,214	3,209,441	2,080,602	5,573,374	5,474,137	400,000
Allowed Mitigation Expenditures (\$)	2,789,052	3,056,993	2,237,357	5,303,294	5,374,137	5,105,088
Excess Mitigation Expenditures (\$)	58,162	152,448	(156,755)	270,080	76,383	

To correct this noncompliance, the County should first review its process for properly allocating TRT revenue between promotion and mitigation. The County should also conduct an annual review of TRT expenditures to ensure compliance with statutory limits. This review can be done in conjunction with the required report for TRT funds submitted to the state. This is important because the principal purpose of TRT is to support tourism promotion. Mitigating the negative effects of tourism is ancillary to promotion.

Recommendations:

We recommend that Grand County:

1. Correct the percentage of TRT funds allocated for mitigation activities to the amount allowed by statute.
2. Reimburse the promotion fund for any expenditures on mitigation activities that exceeded the statutory limit in prior years.

Finding 2. Failure to Apply Generally Accepted Accounting Principles

The County’s prepayment of economic development activities to be performed after such allowed spending expired appears improper. On July 1, 2023, the special allowance to spend TRT funds on economic development activities ended. Immediately prior to that deadline, the County entered into several contracts prepaying for economic development activities for activities to be performed after the deadline.

Generally Accepted Accounting Principles (GAAP) require expenses to be matched with the accounting period when they are incurred. This requires that contract expenses are recognized as

² At the time of our review, journal entries allocating mitigation expenditures to the TRT Mitigation fund for 2023 were not completed.

the contractual activities are performed. In other words, it is improper to fully recognize the expenditure either upfront or before the contractual activities are fully performed. GAAP requires pre-payments to be recorded as an asset and that expenses are recognized over the course of the contract. The principle of matching expenses with the corresponding contract periods is consistent across other guidance on accounting for both state and federal restricted funds.

In addition, *Utah Code* 51-2a-102 requires political subdivisions to prepare financial statements using GAAP prescribed by the Governmental Accounting Standards Board. Preparing financial statements in accordance with GAAP allows local governments to show operational and fiscal accountability through proper accounting. Improperly including these prepaid expenses as tourism promotion under *Utah Code* 17-31-2(2)(a) overstates Grand County’s expenses for the 2023 calendar year by \$721,300.

Table 2 – 2023 Prepaid expenses

Amount (\$)	Date	Payee	Contract Period
95,000	6/30/2023	Redtail Air	6/28/2023 – 9/30/2024
4,800	6/30/2023	Moab Sun News	6/20/2023 – 6/30/2024
300,000	6/30/2023	Utah State University	4/1/2023 – 4/30/2025
100,000	6/30/2023	Utah State University Moab	6/28/2023 – 6/30/2026
221,500	6/20/2023	Grand County School District	6/20/2023 – 6/30/2024

Recommendations:

We recommend that Grand County:

1. Properly record these transactions as prepaid expenditures to comply with GAAP.
2. Reimburse any TRT funds improperly expended for unallowable economic development activities after June 30, 2023.

Finding 3. Inappropriate Classification of Expenditures as Tourism Promotion

The County spent TRT revenues on activities improperly classified as tourism promotion. Tourism promotion is limited to establishing and promoting tourism or establishing and promoting recreation, film production, and conventions. We identified \$883,330 in expenditures inappropriately included as tourism promotion pursuant to *Utah Code* 17-31-2(2)(a). These expenditures include items such as flood relief grants, funding for trail ambassadors, and instructional videos.

Flood relief grants neither promote nor mitigate the negative effects of tourism. Funding for trail ambassadors and instructional videos are important to the County’s efforts to mitigate the negative effects of tourism through educational efforts by informing tourists to remain on designated trails to avoid environmental harm. Trail ambassadors and instructional videos do not

encourage, solicit, or market tourism that attracts transient guests to the County, so they do not qualify as tourism promotion, although they could qualify as tourism mitigation. However, paying for trail ambassadors and these instructional videos out of the Tourism Mitigation Fund will exacerbate the deficiencies identified in Finding 1. A list of those expenditures inappropriately included as tourism promotion can be found in the Appendix.

Improperly classifying expenditures as tourism promotion diverts funding from the statutorily-intended purpose to support other governmental spending. Specialized funding sources allow legislative bodies to reserve certain funds for specific purposes. In this case, the tourism promotion restriction is circumvented when the County allowed improper expenditures.

Recommendations:

We recommend that Grand County:

1. Reimburse that tourism promotion funds be reimbursed for any improper expenditures.
2. Properly classify prior year expenditures.
3. Correct the account coding for current year expenses and adjust the fund balance for expenditures.

Finding 4. Inappropriate Use of Tourism Promotion Funds Used for Economic Development

The County improperly used TRT revenues to pay for unallowed economic development salaries. Tourism promotion is limited to establishing and promoting tourism or establishing and promoting recreation, film production, and conventions. The County combined the Travel Council and Economic Development Departments during 2023. Along with this change, all salaries for employees in the economic development department were paid with tourism promotion-restricted funds. Paying for these combined activities from one fund adds to the perception that economic development activities qualify as tourism promotion expenditures.

Economic development was only allowed to be included with tourism promotion under *Utah Code* 17-31-2(2)(a) until July 1, 2023. In addition, our procedures show that the salaries of the economic development director and assistant economic development director are funded entirely from TRT funds when their actual tourism-related duties take up less than 25% of their time. As a result, the County inappropriately used tourism promotion TRT funds to pay economic development-related salaries and benefits for the last six months of 2023 totaling \$69,962. This problem continued into 2024.

Paying for economic development activities and salaries out of tourism promotion restricted funds violated the statutorily related restriction on TRT revenues.

Recommendations:

We recommend that Grand County:

1. Track salaries related to economic development activities separately from restricted TRT-restricted tourism promotion funds.
2. Reimburse any TRT funds improperly spent on economic development.
3. Properly classify prior year expenditures.
4. Correct the account coding for current-year expenses and adjust the fund balance for expenditures.

Finding 5. Inappropriate Use of TRCC Funding

The County improperly used Tourism, Recreation, Cultural, Convention, and Airport Facilities Tax (TRCC) revenue on its senior center, justifying it as a convention facility. *Utah Code 59-12-602* allows the County to use TRCC revenue to finance tourism promotion and develop, operate, and maintain (a) an airport facility, (b) a convention facility, (c) a cultural facility, (d) a recreation facility or (e) a tourist facility. To qualify as a convention facility, the facility's primary business or function must be to host conventions, conferences, and other gatherings.

The Grand Center (Center) is primarily a senior center that occasionally rents excess capacity to other governmental entities, non-profit organizations, and the public. The Grand Center’s main room can only be rented on Thursdays and Saturdays because it is used as a senior center on the other days. The Center has dedicated rooms for games, quilting, computers, and exercise, which are unavailable for use by conventions or conferences. The Center also has a small conference room that is available for rent daily. The Center requires a security deposit when renting the facility, but the County’s financial records only showed two security deposits during 2023. While there is nothing wrong with the Center renting out excess capacity to offset its operational expenses, that practice does not meet the statutory criteria for a convention facility to qualify for TRCC funding.

Table 3 - Grand County expenditures of TRCC funding to the Grand Center

2019	2020	2021	2022	2023
\$253,607	-	\$400,746	\$711,419	\$691,601

Recommendations:

We recommend that Grand County:

1. Reimburse all TRCC funds used on the Grand Center.
2. Strengthen its internal controls to ensure restricted TRCC funds are properly used for allowable purposes.

Conclusion

These findings show a consistent pattern of Grand County using statutorily-restricted tourism-related tax revenues for unallowable purposes. We consider this increasing pattern of misuse to constitute intentional abuse rather than uninformed error. The Commission has the ultimate responsibility for the proper use of county funds. The Commission should proactively educate themselves, staff, and the tourism tax advisory board regarding the requirements and restrictions of tourism-related funding. Correcting the tone set at the highest level is paramount in correcting the findings noted in this letter and avoiding falling into familiar patterns of non-compliance in the future.

Our procedures were limited to matters related to the complaint. Had we performed additional procedures, other matters may have come to our attention that would have been reported to you. We appreciate the courtesy and assistance extended to us by Grand County personnel during our review. We look forward to a continuing professional relationship. If you have any questions, please contact me.

Sincerely,



Seth Oveson, CPA
Local Government Manager
soveson@utah.gov
435-572-0440

cc: Mallory Nassau, Grand County Administrator
Gabriel Woytek, Grand County Clerk/Auditor
Jon Haderlie, Larson & Company

Appendix

Exhibit 1 – Expenses Inappropriately Included as Tourism Promotion

Amount (\$)	Date	Payee	Description
400,000.00	6/30/2023	Southeastern Utah Economic Development District	Economic Development Rotating Loan Funds
213.92	11/9/2023	Bega Metzner	Baby gifts for event coordinator
50,000.00	7/11/2023	Moab City	Moab free Shuttle
2,800.00	2/6/2023	Finley Holiday Film Corp	Instructional Video – Moab’s tiny pothole mites
2,800.00	2/6/2023	Finley Holiday Film Corp	Instructional Video – Why biocrusts mater
2,800.00	2/6/2023	Finley Holiday Film Corp	Instructional Video – Moab’s biocrust
10,000.00	8/16/2023	Moab Art Trails	Art Purchase/Donation
1,030.00	12/13/2022	Canyonlands Advertising	Local Advertisement
3,500.00	7/7/2023	Finley Holiday Film Corp	Instructional Video – Moab’s ephemeral pools
3,500.00	7/7/2023	Finley Holiday Film Corp	Instructional Video – OHV course guide
3,500.00	7/7/2023	Finley Holiday Film Corp	Instructional Video – Trail Ambassador Overview
2,500.00	9/26/2022	Rim to Rim Restoration	Flood Relief Grant
2,500.00	9/26/2022	Scarlet Rox Salon & Lash Works	Flood Relief Grant
2,500.00	9/26/2022	Mill Creek Animal Hospital	Flood Relief Grant
2,500.00	9/26/2022	Temple Hearthspace of United Field	Flood Relief Grant
2,500.00	10/10/2022	Youth Garden Project	Flood Relief Grant
2,500.00	10/10/2022	James Ely	Flood Relief Grant
2,500.00	11/16/2022	Rim to Rim Restoration	Flood Relief Grant
2,500.00	11/16/2022	Scarlet Rox Salon & Lash Works	Flood Relief Grant
2,500.00	11/16/2022	James Ely	Flood Relief Grant
2,500.00	12/21/2022	Youth Garden Project	Flood Relief Grant
2,500.00	12/21/2022	Mill Creek Animal Hospital	Flood Relief Grant
2,500.00	12/21/2022	Temple Hearthspace of United Field	Flood Relief Grant
2,500.00	9/12/2022	Canyonlands Advertising	Flood Relief Grant
10,000.00	9/12/2022	HMD Management	Flood Relief Grant

2,500.00	9/12/2022	Outlaw Jeep Adventures	Flood Relief Grant
10,000.00	9/12/2022	S3 R, LLC	Flood Relief Grant
8,500.00	9/26/2022	Best Western Canyonlands Inn	Flood Relief Grant
3,565.00	9/26/2022	Lesmeister group	Flood Relief Grant
2,500.00	9/26/2022	Gonzo Inn	Flood Relief Grant
10,000.00	9/26/2022	Eddie McStiff's	Flood Relief Grant
2,500.00	9/26/2022	RCL Management	Flood Relief Grant
2,500.00	9/26/2022	Gloria's Corner Café, LLC	Flood Relief Grant
5,500.00	9/26/2022	HBW Partners LLP	Flood Relief Grant
10,000.00	9/26/2022	Arches Vacation Rentals, Inc	Flood Relief Grant
10,000.00	10/10/2022	Best Western Plus Greenwell	Flood Relief Grant
2,850.00	10/10/2022	Carol Stockham & Sons	Flood Relief Grant
2,500.00	10/10/2022	Moab BBQ LLC	Flood Relief Grant
1,000.50	10/10/2022	Arches Mechanics, LLC	Flood Relief Grant
5,000.00	10/28/2022	Plan 12 LLC	Flood Relief Grant
250.00	10/28/2022	Granite Slope Properties	Flood Relief Grant
3,127.95	11/03/2022	Colin Fryer	Flood Relief Grant
8,500.00	11/16/2022	Best Western Canyonlands Inn	Flood Relief Grant
3,565.00	11/16/2022	Lesmeister group	Flood Relief Grant
10,000.00	11/16/2022	Eddie McStiff's	Flood Relief Grant
10,000.00	11/16/2022	HMD Management	Flood Relief Grant
10,000.00	11/16/2022	S3 R, LLC	Flood Relief Grant
5,500.00	11/16/2022	HBW Partners LLP	Flood Relief Grant
2,850.00	12/08/2022	Carol Stockham & Sons	Flood Relief Grant
10,000.00	12/21/2022	Best Western Plus Greenwell	Flood Relief Grant
2,500.00	12/21/2022	Outlaw Jeep Adventures	Flood Relief Grant
10,000.00	12/21/2022	Arches Vacation Rentals	Flood Relief Grant
1,000.50	12/21/2022	Arches Mechanics	Flood Relief Grant
3,127.95	12/21/2022	Colin Fryer	Flood Relief Grant
250.00	3/22/2023	Granite Slope Properties	Flood Relief Grant
167,000.00	4/10/2023	Interfund Transfer - Salaries	Trail Ambassadors 2022
15,000.00	3/3/2022	Interfund Transfer – Salaries	Trail Ambassadors 2021
20,000.00	12/13/2021	Moab City Inc	Free Shuttle

Concluding Remarks

Regarding Finding 3

The County cites Utah Code 53-2a-205(2)(a) authorizing its use of “all available resources...as “reasonably necessary to manage a state of emergency...” We note this code section does not remove statutory restrictions on the use of funds. In this case, these restricted funds must still be spent on tourism promotion, not flood relief.

Also, the County stated that its trail ambassadors and instruction videos are “aimed at preserving and sustaining a resource that attracts tourists.” That describes tourism mitigation, not promotion. Under the County’s implied logic, every tourism-related mitigation activity effectively supports and therefore constitutes, tourism promotion. This would imply that restricted promotion funds could be used by the County to maintain its roads, support its public safety program, and mitigate every other pursuit impacted by tourism. This would defeat the statutory spending limit for using TRT funds on mitigation activities.

Regarding Finding 5

The County’s logic that restricted TRCC funds may be used for “other facilities” where “[n]early everything that happens” is a “gathering of some sort” could similarly justify paying for the County jail, since it is a facility for inmate gatherings, the County courthouse, since it is a facility for citizen gatherings, and every other County-owned facility where gatherings take place. This logic significantly undercuts TRCC funding restrictions associated with “convention facilities.”



GRAND COUNTY COMMISSION
Jacques Hadler (Chair) · Kevin Walker (Vice-Chair)
Evan Clapper · Trish Hedin · Mike McCurdy
Mary McGann · Bill Winfield

June 18, 2024

Dear Mr. Oveson,

Thank you for the opportunity to comment on the management letter. As outlined below, we agree with some of the draft findings and recommendations and disagree with others.

The County hopes that this letter will be received as a good-faith communication to resolve these matters. In return, the County respectfully requests that the State Auditor's Office continue to work with the County toward a resolution.

1

We agree that the County used the wrong split for incoming TRT revenue from March 2022 through December 2023. This was a clerical error and has been corrected as of January 2024. Fortunately, both funds 10 and 16 have significant positive balances, so we can correct the error by transferring \$633,921.00 (4% of total TRT receipts for March 2022 through December 2023) from fund 10 to fund 16.

The error resulted from a 67/33 vs 63/37 mistake (the first pair of numbers is much more common). This went undetected because it's difficult to distinguish, at a glance, 63% of 8.5 million dollars from 67% of 8.5 million dollars. This error did not affect any actual spending; instead it made the fund balances incorrect, but those can be easily corrected.

We are looking into the remaining discrepancies and will make additional transfers from fund 10 to fund 16 to make sure that TRT mitigation expenditures do not exceed statutory limits.

2

Concerning the mid-2023 transition for rules governing TRT spending for economic development, there were several sets of dates to consider: (1) the date TRT tax was collected by a merchant; (2) the date the County receives TRT revenue from the state (typically two months later than the merchant collection date); (3) the date the funds are allocated in the County budget;

(4) the date the County contracts with another entity to perform certain actions; and (5) the date the entity performs those actions.

So far as we know, state code offers no clear guidance as to which of these dates needs to fall before the change in TRT spending rules, and which may occur after. In 2023, our County Administrator reached out to the State Auditor's Office for guidance on this issue, and we were told that we should consult the County Attorney.

We did consult with the County Attorney, and also with our (external) auditor. The resulting plan was to use only TRT revenue (earmarked by statute for diversification purposes) received by the County before July 1, 2023 (forgoing roughly two months of earmarked TRT revenue that had been collected by merchants before that date, but had not yet been transferred to the County), and to get all contracts signed before July 1.

We also note that some of the contracts in question will likely be canceled. We will roll the associated funds into the revolving loan fund, which was set up to capture any economic development funds not used for other purposes.

In the future, we will work with our auditors to ensure that our record keeping follows GAAP.

3

The issues here are ones of legal interpretation, rather than accounting issues. Whenever the County has inquired with a state office (e.g. State Auditor, Lieutenant Governor, State Attorney General) on a question of statute interpretation, we have always received the same answer: "Consult your County Attorney."

On the budget items at issue here, we did exactly that. The then County Attorney in many cases wrote lengthy and detailed memos on interpreting TRT code, and those memos were shared with Seth Oveson.

If the State Auditor's Office is recommending that we now ignore the guidance from our County Attorney, it would be helpful to have a more detailed analysis of the interpretation of

TRT code that you are advocating for. We try hard to stay in conformance with state code, but it becomes difficult when we receive contradictory advice on the correct interpretation of statutes.

UCA 17-31-2(2)(a)(i) specifies “**Establishing** and promoting tourism”, and 17-31-2(1)(i) states “‘Tourism’ means an activity to **develop**, encourage, solicit, or market tourism that attracts transient guests to the county, including **planning, development**, and advertising for the purpose described in Subsection (2)(a)(i).” Thus (2)(a)(i) funds can be used to establish, develop, and plan for tourism, in addition to advertising for tourism.

The draft report states “Trail ambassadors and instructional videos do not encourage, solicit, or market tourism that attracts transient guests to the County, so they do not qualify as tourism promotion.” We think this represents a misreading of 17-31-2(2)(a)(i) and 17-31-2(1)(i), and that the trail ambassador and “tread lightly” videos fall squarely within the definitions found in 17-31-2. Specifically, messaging aimed at preserving and sustaining a resource that attracts tourists to Grand County is a way of establishing and developing tourism in the county.

As further evidence that these are mainstream strategies for establishing and developing tourism, the Utah Office of Tourism recommends that local governments encourage their visitors to “Practice responsible and prepared travel through the principles of Tread Lightly! and Leave No Trace.” (See <https://travel.utah.gov/forever-mighty/what-is-forever-mighty> .)

The August 2022 County Attorney memo justifies the Flood Relief Grants on two independent grounds: 53-2a-205(2)(a) disaster relief spending, and promotion, establishment, and development of tourism under 17-31-2. Regarding the second justification, these grants were closely related to post-flood tourism marketing. Our marketing message was “Moab is already back in business, so visit!” An essential part of this campaign was making sure (via the flood relief grants) that Moab truly was back in business.

Grand County also conferred with the Utah Tourism Industry Association, a group which typically advocates for increasing tourism advertising spending, and they agreed that the flood relief grants were a good use of TRT funds.

We agree that the free shuttle service, which was funded under (2)(a)(ii) (Recreation/Film/Conventions, not Tourism) should have been funded under (2)(b)(vii)(A). We will transfer funds from the General Fund balance to the Rec/Film/Convention fund balance to correct this error.

Building up the local art scene has been a long-time goal of Moab and Grand County, and multiple consultants have emphasized that this is a good way to attract tourists, especially tourists who are more inclined to spend time and dollars in town. Thus we think the Moab Art Trails contribution falls squarely under establishing and developing tourism.

4

We agree that salaries within the Economic Development department should accurately reflect the split in each employee's (2)(a)(i) and non-(2)(a)(i) activities. Because workloads shift from month to month, this is a moving target. The 25% figure in the draft report seems far too low to us. We think a more accurate number would be at least 75%.

We will initiate a quantitative time study to determine the appropriate time split for these positions. Once we have assessed time allocation within the Economic Development department, we will transfer funds from the general fund to the TRT fund as appropriate (as recommended in the management letter).

5

The definition of "convention facility" in 59-12-602 is very broad:

(6) "Convention facility" means any publicly owned or operated convention center, sports arena, or **other facility** at which conventions, conferences, and **other gatherings** are held and whose primary business or function is to host such conventions, conferences, and **other gatherings**.

Nearly everything that happens in the Grand Center, including the senior activities, is a gathering of some sort. So the Grand Center is a "convention facility" as the term is defined in 59-12-602. We think the 59-12-602 definition of "convention facility" is intentionally broad, to meet the needs of smaller counties which frequently need to combine diverse uses within the same building.

The management letter also fails to take into account that many of the meetings that happen at the Grand Center are hosted by government entities, which are not required to make a security deposit. (So security deposits are not a good way to assess usage of the Grand Center.)

In the future, we plan to redirect TRCCA spending to items which are less likely to lead to disagreements (such as airport maintenance). This shift in TRCCA spending will have a neutral effect on the general fund balance.

Summary

Thank you again for the opportunity to review a draft of the management letter. The draft raises a variety of different issues. In some cases, we agree that mistakes were made and we are working to correct those mistakes. Many of the other cases seem to be about differing interpretations of the TRT and TRCCA statutes. As explained above, we think our interpretations are reasonable and defensible. There is ample evidence that Grand County has sought out the best available guidance, from both the state and from County Attorneys, when making TRT spending decisions. Grand County works diligently to accurately interpret and follow state statutes governing TRT and TRCCA spending.

Sincerely,

Kevin Walker

Kevin Walker, Vice-Chair
Grand County Commission