

Accounting Practices - FERC VS GASB

Key Points from CLA, LLP Assessment Report

- Federal Energy Regulatory Commission (FERC) regulatory accounting and financial reporting ***is not required.***
- GRPU is only using a small part of FERC accounting and not consistent with any other municipal.
- GASB accounting practices result in a more meaningful financial comparison to other MN municipal utilities.
- It would take a lot of work to fully implement FERC accounting.
- Unable to find any decision-making benefits by using FERC accounting.
- GRPU ***must*** follow Generally Accepted Accounting Principles (GAAP) of Governmental Accounting Standards Board (GASB) for accounting and financial reporting.

RECOMMENDATION

Stop using any FERC regulatory accounting practices and only use GAAP/GASB for accounting and financial reporting.