



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: June 24, 2026

AGENDA ITEM: Consider a motion to ratify Grand Rapids Public Utilities request for an extension of the 2025 audit submission to the Office of the Minnesota State Auditor.

PREPARED BY: Taylor Bird, Finance Manager

BACKGROUND:

Grand Rapids Public Utilities (GRPU) is currently in the final stages of completing the 2025 annual financial audit. Due to the implementation and transition in 2025 to the new Enterprise Resource Planning (ERP) software and Utility billing software, additional time has been required to complete year-end reconciliations and supporting schedules necessary for the audit.

The remaining audit items include accounts receivable, payroll, projects and capital assets, and final cash reconciliations.

Historically, the annual audited financial statements have been completed and submitted by June 30 each year. According to MN State Statutes 471.697 subd. (c) “Submit to the state auditor audited financial statements which have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may upon request of a city or town and showing of inability to confirm, extend the deadline.”

However, due to the complexity of the ERP implementation and associated conversion activities, management has requested an extension from both the State of Minnesota Auditors Office and the Government Finance Officers Association (GFOA).

GRPU's auditors Clifton Larson Allen have advised there is no financial penalty for late filing and the only action required is GRPU must notify the Office of the State Auditor of the delay and provide the reason for the extension request. CLA indicated that extensions related to ERP system implementations are commonly granted and generally not questioned. GRPU must also request an extension from the GFOA to participation in their 2025 Certificate of Excellence in Financial Reporting program.

GRPU anticipates completing the remaining audit work as soon as the outstanding reconciliations are finalized and will continue to keep the Commission informed of progress.

RECOMMENDATION:

Ratify management's request to the Office of the State Auditor for an extension of the 2025 audit financial statement submission deadline of June 30, due to delays associated with the ERP system and utility billing implementation.