OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS

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Comptroller

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March 23, 2015

Richard T. Bradley, PE, President
Board of Public Service
1200 Market Street, Room 305
St. Louis, MO 63103-2806

RE: Review of City of St. Louis Utility Bills (2015-PR04)

Dear Mr. Bradley:

The Comptroller's Internal Audit Section has completed a review of the City of St. Louis utility bills processed by the Board of Public Service to ensure that they did not include any federal, state or local taxes. Enclosed is the Internal Audit Section's report covering the period October 1, 2013 through September 30, 2014. A description of the scope of our work is included in the report. Fieldwork was completed on December 19, 2014.

This review was made under the authorization contained in Section 2, Article XV, of the Charter, City of Saint Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing.*

If you have any questions, please contact the Internal Audit Section at (314) 657-3490.

Respectfully,

Mohammad H. Adil, CPA, CGMA
Internal Audit Supervisor

Enclosure:

CC: Thomas Behan, PE, Chief Engineer

CITY OF ST. LOUIS

BOARD OF PUBLIC SERVICE

REVIEW OF CITY UTILITY BILLS

OCTOBER 1, 2013 THROUGH SEPTEMBER 30, 2014

PROJECT #2015-PR04

DATE ISSUED: MARCH 23, 2015

Prepared by:
The Internal Audit Section

OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

CITY OF ST. LOUIS
BOARD OF PUBLIC SERVICE
REVIEW OF CITY UTILITY BILLS
OCTOBER 1, 2013 THROUGH SEPTEMBER 30, 2014

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CITY OF ST. LOUIS
BOARD OF PUBLIC SERVICE
REVIEW OF CITY UTILITY BILLS
OCTOBER 1, 2013 THROUGH SEPTEMBER 30, 2014

SUMMARY

Background

The Board of Public Service (BPS) is responsible for processing utility bills for the majority of the City facilities.

The City is an IRS Section 509 non-profit governmental entity, therefore exempt from federal taxes. It is also exempt from state and local taxes as per 12 Missouri Code of State Regulation (CSR) 10-110.

For the period of the review the payments for the City utility bills for the City facilities amounted to $3,313,043.

Purpose

The purpose of Internal Audit's review was to ensure that the City did not pay any federal, state or local taxes on the City utility bills processed by BPS.

Scope and Methodology

Inquiries were made and tests were performed concerning City's compliance with IRS Section 509 and Missouri Code of State Regulation 12, CSR 10-110 regarding the City's exemption from federal, state and local taxes. The scope of the review was limited to the electric and natural gas utility bills processed by the BPS for the period October 1, 2013 through September 30, 2014.

Conclusion

We found no evidence to suggest that the City paid any federal, state or local taxes on utility bills processed by BPS.

Summary of Current Observation

There were no current observations.

Management Response

BPS management declined an exit conference and, since there were no observations, a management response was not requested.