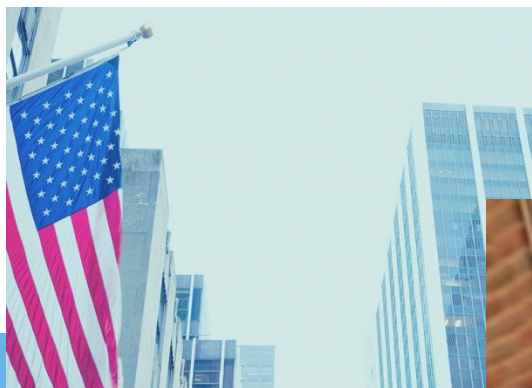


City of Columbia, Missouri



Utility Assistance Program Internal Audit
June 2026



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

June 25, 2026

Mr. De'Carlon Seawood
City of Columbia, Missouri
701 E. Broadway Street
Columbia, Missouri 65201

Re: Utility Assistance Program Internal Audit

Dear De'Carlon:

In conjunction with our overall engagement to provide internal audit services to the City of Columbia, Missouri ("Columbia"), we have completed our internal audit of Columbia's Utility Assistance Program processes and analysis of spending levels. Our services were performed in accordance with the Standards for Consulting Services, as promulgated by the American Institute of Certified Public Accountants (AICPA).

The accompanying report includes an Executive Summary, our Observations and Recommendations, and Appendices detailing our analyses of the Utilities Assistance Program. Because the procedures performed in conjunction with the review are more limited than would be necessary to provide an opinion on the system of internal controls taken as a whole, such an opinion is not expressed. In addition, the engagement did not include a detailed audit of transactions that would be required to discover fraud, defalcations or other irregularities.

This report is intended solely for the information and use of management and the City Council and is not intended to be, and should not be, used by anyone other than the specified parties. City of Columbia's external auditors may be provided with a copy of this report in connection with fulfilling their responsibilities.

We would like to express our gratitude to all employees involved with this project. Each person involved was accessible and responsive to our requests for information.

Sincerely,

RUBINBROWN LLP



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cc: Matthew Lue, Deepayan Debnath



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Executive Summary

Project Overview and Scope

The City of Columbia/Boone County Public Health and Human Services department operates the Utility Assistance Program ("the Program") that provides financial assistance for electric and water utility services for eligible Boone County residents and Boone Electric customers. Two types of applicants are eligible for utility assistance: seniors/person with disabilities and families with children aged 18 and younger.

The Program was initially funded by utility customer donations. During the COVID-19 pandemic through 2024, the Program was additionally funded by the American Rescue Plan Act of 2021 ("ARPA"). Currently, the City of Columbia/Boone County Public Health and Human Services department funds the program from its General Fund.

The City of Columbia/Boone County Public Health and Human Services department has also implemented a new contribution option for the Utility Assistance program by allowing customers to round up their utility bills to the next dollar. The estimated additional funding based on a 50% adoption rate by the City of Columbia's residents would be an increase of \$17,250 on a monthly basis and \$207,000 on an annual basis.

Applicants of these two types of eligibility must also meet the following criteria:

- 1) Required to be a permanent resident of Boone County,
- 2) Required to have a household income at or below 200% of the federal poverty level.

For both scenarios, the utility account must be in the applicant's name. Applicants are selected via a monthly lottery of eligible applications and assistance is provided to a household once per year from October 1st to September 30th.

Assistance is provided for electric and water utility services as well as trash and sewer services, if necessary.

- The City of Columbia currently pays \$900 for accounts with electric service and \$600 for non-electric service accounts.
- Boone County electric customers and other electric/water utilities pay \$200.

The scope of our review of the Program included the following:

- Interviews with City of Columbia personnel including the Director of Finance, Director – Columbia/Boone County Public Health and Human Services, Assistant Director – Columbia/Boone County Public Health and Human Services, Human Services Manager,

Social Service Supervisor, and Social Services Professional to gain and clarify our understanding of the Program.

- Testing of detail transactions for the Program applications and payments.
- Data analytics in this area focused on the following:
 - Comparative analyses of the City of Columbia's and Boone County Program to other municipalities.
 - Potential alternative methodologies to the allocation of utility assistance.
 - Applicant status when selected for utility assistance.

Observations and Recommendations

Based on the results of our review, the following processes are in place and represent best practices:

- The City of Columbia/Boone County Public Health and Human Services department screens and verifies all applicants in an effective manner.
- All transfers of funds related to the Program are handled and applied at the City of Columbia's administrative facilities, which helps to prevent potential misuse of funds by recipients.
- 66% of 1,051 applicants from September 2025 to February 2026 to the City of Columbia/Boone County Public Health and Human Services Utility Assistance Program were at the 100% of the federal poverty level. Of the 226 recipient households selected by the lottery, 67% of 226 recipients were at the 100% federal poverty level. Assistance to both of Columbia's eligibility programs were evenly split. Refer to Appendix 3 for a tabular calculation of the above statistics.

Observations from our internal audit are noted below:

- As a result of our review of the Program benefits, we noted that the average amount per household paid out by the City of Columbia/Boone County Public Health and Human Services department during fiscal year 2024 was \$874. In total, this accumulated to \$755,380 in fiscal year 2024. The components of the \$755,380 are \$649,400 in utility assistance, \$56,000 in HELP funds, and \$49,980 in CASH funds. We compared this level of benefit to several other municipalities as summarized in Appendix 1. This analysis shows that several other municipalities ranged in their utility assistance programs from \$250 to \$430 average household benefit paid. If Columbia were to change the maximum benefits allowed, potential significant cost savings could benefit Columbia and/or more households could be assisted. Refer to Appendix 2 for the range of potential cost savings.

All observations and recommendations noted during our assessment are further detailed below. Additionally, these items have been communicated to management.

City of Columbia, Missouri
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Observation and Recommendation



#	Observation	Recommendation	Management Response
1	The average amount per household paid out by the City of Columbia/Boone County Public Health and Human Services department's Program in fiscal year 2024 was \$874. In total, this accumulated to \$755,380 in fiscal year 2024.¹ The components of the \$755,380 are \$649,400 in utility assistance, \$56,000 in HELP funds, and \$49,980 in CASH funds. In our comparison, as noted in Appendix 1, several other municipalities ranged in their utility assistance from \$250 to \$430 in their average household amount. Comparing the City of Columbia's level of assistance to these other municipalities shows there is an opportunity for significant Program cost savings for the City of Columbia or expansion of program to more households if the spend level was maintained	During our discussions with the City of Columbia/Boone County Department of Health and Human Services, they have suggested a maximum amount of \$400 for utilities assistance per household compared to the \$874 that Columbia has experienced per household. We estimate that implementing a \$400 cap on household benefits under the Program would allow the City of Columbia to increase the number of households assisted to 1,888 households² or maintain the same level of assistance as in FY2024 for an estimated cost savings of \$409,780³.	Staff agrees with the recommendation to restructure our utility assistance framework. Adjusting our approach to a targeted, capped model represents a highly strategic, data driven step forward for both community impact and fiscal responsibility. To implement this recommendation effectively, while maximizing our resources, the following programmatic parameters have been suggested for the upcoming fiscal year: The City of Columbia will allocate a flat \$400,000 for the fiscal year. Rather than a blanket cap, assistance will be tiered to address specific household utility needs while maintaining a balanced average near the recommended \$400 threshold: Electric Assistance: Up to \$500 available per recipient, per year. Non-Electric Assistance: Up to \$200 available per recipient, per year. (non-electric excludes solid waste and cycle 99 accounts)

¹ Per the City of Columbia's Community Trend Manual for the fiscal year ending September 30, 2024.

² Calculated as the total FY2024 utility assistance amount of \$755,380 divided by the \$400 credit amount ($\$755,380 / \$400 = 1,888$ households).

³ Calculated as the total FY2024 utility assistance amount of \$755,380 minus the forecasted \$400 total credit amount for 864 households per Appendix 2 of \$345,600 for a difference of \$409,780 ($\$755,380 - \$345,600 = \$409,780$).

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Appendix 1: Comparative Analysis of Utility Assistance Programs

The following table compares key requirements and costs for Columbia's Program to other municipalities of comparable size in Missouri and in surrounding states.

City	Population (Approx.)	Program Name	Utilities Covered and Assistance Type	Total Annual Spend	Households Served	Per Household Spend	Source
Springfield, MO	170,596	Project SHARE (City Utilities)	Energy Bills - primarily heating/energy bill credits	\$ 180,314	712	\$ 253	Per the City of Springfield's City Utilities 2025 Annual Report.
Columbia, MO	130,900	City of Columbia Utility Assistance Program	Electric and Water (plus related sewer/trash if needed to maintain service).	\$ 755,380	864	\$ 874	Per statistics per the City of Columbia's FY2024 community trend report.
Independence, MO	121,629	I-Share & IRAP (Independence Power & Light)	Electric, Water, Gas (bill payment & discounts)	\$ 290,000	(1)	(1)	Per online research on the City of Independence's website.
Topeka, KS	126,000	Watershare Program	Water	(1)	(1)	\$ 400	Per online WIBW news article on 11/10/2025.
Des Moines, IA	212,000	Polk County General Assistance Program	Utilities Rent Property Tax Assistance	(1)	(1)	\$ 430	Per general assistance webpage on the Polk County, Iowa's website.
Peoria, IL	113,000	General Assistance Program	Rent, Utilities, Transportation, Personal Items	\$ 46,000	100	\$ 460	Per the Peoria Township's website.

Note:

(1) Information not available.

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Appendix 2: Analysis of Total Utility Assistance by Credit Amount

The table below shows the forecasted total utility assistance amounts assuming the City of Columbia assists the same number of households that received the Program benefits during FY2024.

Amount of Credit per Household	Total Utility Assistance Provided
\$ 900	\$ 777,600
800	691,200
750	648,000
700	604,800
650	561,600
600	518,400
550	475,200
500	432,000
450	388,800
400	345,600
350	302,400
300	259,200
250	216,000

Note:

(A) Total utility assistance provided amounts are calculated by multiplying the amount of credit per household by the 864 households served per the City of Columbia's FY2024 Community Trend Report.

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Appendix 3: Summary Statistics of Utility Assistance Program

The tables below detail the percentage breakdown of the City of Columbia's Program applicants and accepted applicants by federal poverty level and eligibility type:

Table 1 - Detail of Applicants and Accepted Applicants by Federal Poverty Level

September 2025 to February 2026				
Percentage of Federal Poverty Level	Number of Applicants	Percentage of Total Applicants	Number of Accepted Applicants	Percentage of Total Accepted Applicants
100%	696	66%	152	67%
130%	159	15%	28	12%
150%	86	8%	22	10%
185%	73	7%	15	7%
200%	28	3%	5	2%
N/A	9	1%	4	2%
Total	1,051	100%	226	100%

Table 2 - Detail of Applicants and Accepted Applicants by Eligibility Type

September 2025 to February 2026				
City of Columbia Utility Assistance Eligibility Type	Number of Applicants	Percentage of Total Applicants	Number of Accepted Applicants	Percentage of Total Accepted Applicants
Families with Children 18 Years of Age and Younger	501	48%	113	50%
Elderly/Disabled	546	52%	112	50%
N/A	4	0%	1	0%
Total	1,051	100%	226	100%