



SUSAN MONTEE, JD, CPA
Missouri State Auditor

June 21, 2010

Pike County Commission
Attention: Bob Kirkpatrick, County Clerk
115 W. Main St.
Bowling Green, MO 63334

Dear Clerk Kirkpatrick:

At your request, on May 25, 2010, my office performed a limited review of the records of the Clarksville Special Road District. Prior to our review, you indicated you and the County Commission performed a review of the district's records soon after citizens within the Clarksville Special Road District voted to dissolve the district on April 6, 2010.

We reviewed bank statements, disbursement records, district minutes, and other records for January 2009 through April 2010; however, the review was not necessarily limited to that time period. Our review was based upon procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this letter.

Significant concerns related to possible tax issues and improper personal use of public funds were noted that require further investigation by the county:

1. An employee of the road district was paid a total of \$54,395 for the period January 1, 2009 through March 31, 2010, with no documentation to support the payments. Based on notes written on the check stubs, \$18,609 was the employee's net pay, \$19,892 was for the employee's health insurance, and \$1,770 was for miscellaneous items.

In addition, due to the anticipated dissolution of the district, the road district Board voted at the January 25, 2010, meeting to pay the employee's and his wife's health insurance for April 1, 2010 through April 1, 2011. On March 9, 2010, a check was issued to the employee for \$14,124. There is no documentation to support this payment.

The total amounts paid in 2009 were not reported on the employee's W-2 form. Employee taxes were not withheld on the health insurance or miscellaneous payments. Also, the road district may owe employer taxes on these payments.

The county should investigate whether supporting documentation exists for these payments and review Internal Revenue Service guidelines regarding any tax issues related to the payments.

2. Supporting documentation was not maintained to support charges incurred on the district's fuel card or vendor charge account. The district paid charges of \$5,041 and \$882 on the fuel card and vendor account, respectively, in 2009. In addition, monthly fuel card statements included \$134 in non-fuel charges (such as tobacco products). Supporting documentation should be requested for the charges to ensure the propriety of the disbursements.
3. On February 20, 2007, a payment of \$7,119 was made on a truck loan. The County Clerk indicated there was only one known truck owned by the road district at that time, which was paid for in full on April 4, 2006. Further investigation should be performed to determine the disposition of the vehicle or determine to what loan this payment was applied.
4. A payment was made on a personal credit card. In April 2010, the district paid \$249 to a non-district credit card. A note in the account register indicated this was to pay for a retirement dinner; however, there was no supporting documentation to support the payment. Supporting documentation should be requested for charges to ensure the propriety of disbursements.

Should you have any questions or concerns regarding the above information, please contact Debra S. Lewis, Audit Manager, at (314) 340-7575.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor