



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

June 19, 2013

The Honorable Robert Istre, Mayor,
and the Board of Aldermen
Village of Morse
Post Office Box 750
Morse, Louisiana 70559

Dear Mayor Istre:

As you are aware, my Advisory Services staff visited the Village of Morse (Village) to conduct an assessment of certain matters that were disclosed in the Village's 2012 audit report. My advisors completed their assessment and recently discussed their findings and recommendations with you, an alderman, and the Village clerk. This follow-up letter summarizes the results of our advisory work.

Negative fund balances, internal control deficiencies, and compliance issues were discussed and we understand that the Village is working to address and resolve them, as follows:

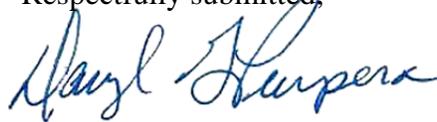
- Develop and implement a plan to eliminate the deficit fund balances in the General Fund and Sales Tax Fund and monitor the results each month.
- Account for traffic citations in accordance with certain state laws [Louisiana Revised Statute (R.S.) 32:398.1, R.S.32:398.2, and R.S. 32398.3].
- Comply with state laws (R.S. 32:398.2 and R.S. 32:398.3) regarding the reduction and/or dismissal of traffic citations.
- Amend the budgets when actual expenditures exceed budgeted expenditures by more than 5% as required by law (R.S. 39:1311).
- Prepare and submit a records retention schedule to the state archivist (Louisiana Secretary of State Office) for approval as required by law (R.S.44:411 and R.S. 44:36).
- Disburse traffic fines to all appropriate agencies as required [Code of Criminal Procedure Article 887(F); R.S. 46:2633; and R.S.46:1816(E)].

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- Remit all payroll taxes when due. (Note: According to the Village clerk, as of May 14, 2013, the delinquent and unpaid payroll taxes totaled approximately \$6,000).
- Adopt the 2013 fiscal year budgets for the General Fund and Sales Tax Fund in the format required by state law [R.S. 39:1305(C)(2)(a)].

My staff will be monitoring the resolution of these issues, and if you have any questions about the assessment, please call Mike Battle or Stuart Dickey at 225-339-3800.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/ch

MORSE 2013