



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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City of Margate City
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Margate City, New Jersey 08402

We have recently completed an audit of the financial statements of the City of Margate City as of December 31, 2018. The primary purpose of our audit was to enable us to form an opinion as to the financial position of the City as of that date and the results of its operations for the period then ended. In planning and performing our audit of the financial statements of the City, we considered the City's internal control to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated July 26, 2019 on the financial statements of the City. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized as follows:

Foreclosed Property

The City is carrying a balance for Foreclosed Property of \$138,557.50. There does not appear to be a detailed listing on this balance.

We suggest the City review this balance and adjust their records to the detailed listing.

Segregation of Duties

Currently, the City has the same person handling accounts receivable, accounts payables and depositing.

In addition, the City has a policy that requires two approvals for a wire transfer to be made. Currently, due to the lack of personnel, the Chief Financial Officer is doing both approvals.

We suggest the City review its staffing requirements in the finance office to improve internal controls in the office.

City of Margate City

-2-

City Clerk

The City Clerk's office currently maintains spreadsheet of receipts collected. However, all receipts collected by the office are not recorded on this spreadsheet. Some receipts are recorded directly into the finance records.

We suggest that funds should be recorded on the records of which ever office collects the receipts.

Tax Office

The door to the tax office remains unlocked during the work day.

We suggest that the tax office be locked during the work day and that the City consider installing cameras to increase security in the office.

Trust Fund

We suggest the City review this balance and determine if it is valid.

There is a balance in a POAA reserve of \$4,240.75 that has been inactive.

We suggest this be reviewed with the Police Department.

There is a reserve balance for Public Defender of \$7,506.14.

We suggest the City spend this money prior to charging a budget appropriation because if the Trust money is not spent it will become due to the State of New Jersey.

Current Fund

There is a small reserve balance in the Current Fund of \$165.93 for Insurance Proceeds.

We suggest that the City review this for possible cancelation.

Grant Fund

There is a balance for a Body Armor Grant of \$5,293.87 that has been inactive for two years.

We suggest this be reviewed with the Police Department.

SUPLEE, CLOONEY & COMPANY

Should you need our assistance, or desire additional information, please contact us.

Very truly yours,

SUPLEE, CLOONEY & COMPANY

A handwritten signature in black ink, appearing to read "Robert W. Swisher", written over a horizontal line.

Robert W. Swisher, Partner

August 6, 2019

RWS:mvf