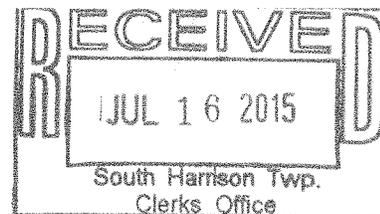
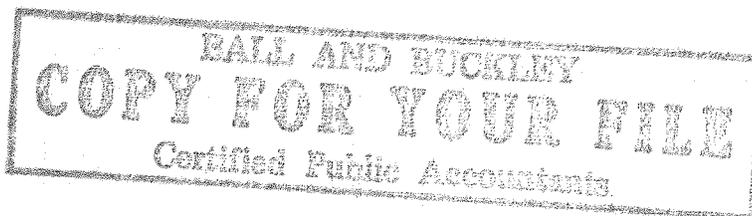


Ball
Buckley &
Seher, LLP

CERTIFIED PUBLIC ACCOUNTANTS



July 13, 2015



Nancy Kearns, Clerk
Township of South Harrison
Post Office Box 113
Harrisonville, New Jersey 08039

RE: 2014 Audit

Dear Ms. Kearns:

Enclosed is one (1) copy of Amended Pages 62 and 63 of the Report of Audit for the Township of South Harrison, County of Gloucester, for the year ended December 31, 2014.

If you have any questions, please do not hesitate to call.

Sincerely,

Ball, Buckley and Seher

BALL, BUCKLEY AND SEHER, LLP

ab
Enclosures

Please acknowledge receipt of the above by your signature below:

7/16/15

Date

Kearns

Signature

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4

N.J.S. 40A:11-4 states, "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the costs or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials, or supplies shall be undertaken, acquired, or furnished for a sum exceeding in the aggregate \$36,000.00, except by contract or agreement".

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed Bidding Requirements within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

The minutes indicated that the bids were requested by public advertising:

Soccer Field and Irrigation Project - Stewart Park
Reconstruction of Cedar Grove Road
Lincoln Mill Road - Phase I
Cedar Grove Road - Phase IV

N.J.S. 40A:11-5 provides for exceptions to the above-mentioned statutory bidding requirements for various stipulated areas of expenditures. Included in these areas of exception are all professional services which include but are not limited to solicitors, engineers, land surveyors, and accountants. However, in lieu of requiring formal bidding procedures for these categories of expenditures, in awarding contracts to fill these positions, certain other statutory requirements must be adhered to by the governing body. These requirements include the following stipulation (N.J.S. 40A:11-5 (1) (a) (i)):

"The governing body shall in each instance state supporting reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed once, in a newspaper authorized by law to publish its legal advertisements, a brief notice stating the nature, duration, service, and amount of the contract, and that the resolution and contract are on file..."

My examination indicated that the Township complied with this requirement during 2014.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

My examination of expenditures did not reveal any individual payments, contracts, or agreements in excess of \$36,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

GENERAL COMMENTS (Concluded)

Contracts or Agreements Not Required to be Advertised in Accordance with N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states, "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds \$5,400.00, at least three quotations as to the cost or price, whenever practicable, shall be solicited by the contracting agent, and the contract agreement shall be made with and awarded to the lowest responsible bidder."

Our audit indicated that, for individual payments, contracts, or agreements made "for the performance of any work or the furnishing or hiring of any materials or supplies" in excess of \$5,400.00, there was documentation that solicitation for quotations was done in accordance with the provisions of N.J.S. 40A:11-6.1.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes on or before the date when they would become delinquent.

The governing body on January 2, 2014, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

"NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Southampton, County of Burlington, State of New Jersey, that the interest charged on delinquent payments of taxes or assessments shall be, from the effective date of this resolution, eight percent (8%) per annum on the first \$1,500.00 of the delinquency, and eighteen percent (18%) per annum on any amount in excess of \$1,500.00.

That the Township Committee determines that the penalties to be charged for tax delinquencies in excess of \$10,000.00 shall be six percent (6%) provided the delinquency exists in the calendar year following the year of delinquency."

It appears from an examination of the Collector's records that interest was collected substantially in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2014, include real estate taxes for 2014 and prior years that are in bankruptcy.

The last tax sale was held on October 17, 2014, and was complete.

Inspection of 2014 tax sale certificates revealed that all were on file.

The following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

<u>Year</u>	<u>Number Of Liens</u>
2014	47
2013	44
2012	45

It is essential to good management that all means provided by statute be utilized to liquidate liens by seriously undertaking foreclosure proceedings on appropriate properties in order to get such properties back on a taxpaying basis.