



**STEPHEN J. BARRON, JR., CFE**

**CONTROLLER OF NORTHAMPTON COUNTY**

NORTHAMPTON COUNTY COURTHOUSE  
669 WASHINGTON STREET  
EASTON, PENNSYLVANIA 18042

**FRANK S. KEDL, CIA**  
Audit Manager

**PHONE (610) 559-3186**  
FAX (610) 559-3137

**TIMOTHY P. BRENNAN, ESQ.**  
Solicitor

**INDEPENDENT INTERNAL AUDITORS' REPORT ON APPLYING  
AGREED-UPON PROCEDURES**

Members of the Northampton County Council  
John Stoffa, County Executive  
County of Northampton, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the County of Northampton's Administration solely to assist you with evaluating the Hotel Room Rental Tax Remittances from License #115 – Classic Victorian for the period January 1, 2011 to December 31, 2012. Management is responsible for ensuring that Operators within Northampton County are collecting this tax from their guests and that Operators remit the tax they collect to the County. This Agreed-Upon Procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Procedures and Findings**

1. **Procedure:** Determine if proper remittance forms are being used and postmarked by the 20<sup>th</sup> of each month.

**Findings:**

- The Operator was not using the most current remittance forms.
  - 23 of 24 remittances were on the form from 8/1/2008, which did not have a line for Late Payment Penalty.
  - One of 24 remittances was on the form revised as of January, 2009. This form is identical to the form revised as of January, 2011.
- Lines were left blank on the remittances form.
  - In all months, the Operator did not fill out lines 1-4:
    - Number of Rooms
    - Days in Period
    - Capacity
    - Number of Rooms Occupied for Period

INDEPENDENT INTERNAL AUDITORS' REPORT  
ON AGREED-UPON PROCEDURES  
Hotel Room Rental Tax Remittances – License # 115 – Classic Victorian  
Period: January 1, 2011 to December 31, 2012  
Page 2 of 2

- In one month, the Operator did not fill out line 8 (Taxable Revenue).
  - In one of 24 months, the remittance form was not postmarked by the 20<sup>th</sup> of the month.
2. **Procedure:** Determine if occupancy rates, gross revenues, exempt revenues and taxes due as reported are accurate.

**Findings:**

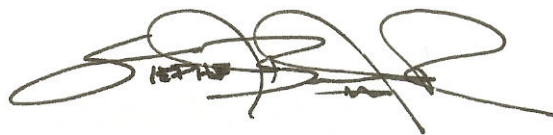
- In all months, taxes on the remittance forms were recalculated and footed properly.
  - In one of 24 months, taxable revenue on the remittance form was less than the taxable revenue calculated by the auditor. This was due to a mathematical error in the Operator's ledger.
  - This Operator did not claim any exemptions for the audit period.
  - Amount due to the County is less than \$1.00. No payment required.
3. **Procedures:** Determine if interest is calculated accurately and assessed for delinquent payments.

**Findings:**

- Interest was accurately calculated and assessed for the delinquent payment noted in the findings for Procedure 1.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Hotel Room Rental Tax Remittances from License # 115 – Classic Victorian for the period January 1, 2011 to December 31, 2012. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the County of Northampton, Pennsylvania and is not intended to be and should not be used by anyone other than these specified parties.



Stephen J. Barron, Jr., CFE  
County Controller



Stephanie Rath-Tickle  
Staff Auditor

September 25, 2013

cc: D. Hamann, Acting Director of Fiscal Affairs  
N. Poplawski, Revenue Manager  
L. Sywensky, Community Development Administrator