

County Controller

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Agreed-Upon Procedures
Report

**HOTEL ROOM
RENTAL TAX**

**COMFORT SUITES
BETHLEHEM #102**

For the Period January 1, 2020 to
December 31, 2021

**Office of the Controller
County of Northampton
Pennsylvania**



RICHARD J. SZULBORSKI

CONTROLLER OF NORTHAMPTON COUNTY

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Solicitor

**INDEPENDENT INTERNAL AUDITOR'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Northampton County Commissioners
Lamont G. McClure, Jr., 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 #102 Comfort Suites Bethlehem Hotel for the period January 1, 2020 to December 31, 2021. County 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. The sufficiency of these procedures is solely the responsibility of the parties specified in this report, who have acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

Procedures and Findings

1. Procedure:

- Obtain two years of tax remittances from the County's Revenue Division. Inspect to determine whether the operator used the latest version of the remittance form and that the form was fully completed in a proper and accurate manner.
- As necessary, provide hotel management with a copy of the current Hotel Tax Rules and Regulations.

Findings: We inspected all remittance forms submitted during the audit period and found:

- The Operator used the latest version of the remittance form.
- Reports were submitted on time 21 of the 24 months.

- Operator submitted the higher of the tax due/tax collected for 22 of the 24 months.

2. **Procedure:** Interview hotel management to gain an understanding of the Operator's accounting process.

Findings: We obtained an understanding of the Operator's accounting process sufficient to evaluate the accuracy of remittances to the County.

3. **Procedure:** Inspect the Operator's financial reports to verify the accuracy of Remittance Reports and compliance with Rules and Regulations.

Findings: We recalculated all remittance forms submitted during the period, inspected exemption documentation, and found:

- Calculations were correct for 22 of the 24 months reported.

4. **Procedure:** Investigate the validity of claimed permanent and non-permanent exemptions by testing a sample not to exceed 50.

Findings: The Operator was missing an exemption form and four other exemptions were found to be invalid.

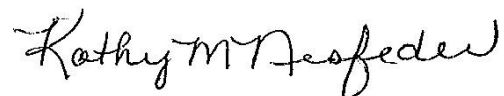
5. **Procedure:** Calculate any additional tax owed or refund due to the Operator. (Underpayment or overpayment of hotel tax by operators of \$5 or less determined during the audits are considered immaterial and will not be collected from nor paid to hotel Operators.)

Findings: We determined that License #102 Comfort Suites Bethlehem Hotel owes Northampton County \$88.89 in hotel room taxes. See Exhibit 1 for a detailed breakdown of the additional tax due from the hotel.

We conducted this agreed-upon procedures engagement in accordance with generally accepted government auditing standards. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on Hotel Room Rental Tax Remittances from License #102 Comfort Suites Bethlehem Hotel for the period January 1, 2020 to December 31, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. We are required to be independent of the responsible party and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to the agreed-upon procedures engagement.



Richard J. Szulborski
County of Northampton Controller
Easton, Pennsylvania



Kathy M. Nesfeder, CRMA, CFE
Lead Auditor

INDEPENDENT INTERNAL AUDITOR'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
Hotel Room Rental Tax Remittances – License #102 Comfort Suites Bethlehem
January 1, 2020 – December 31, 2021
Page 3

July 18, 2022

cc: S. Barron, Director of Fiscal Affairs
W. Nicklas, Revenue Manager
T. Smith, Director of Department of Community and Economic Development
K. Collis, Community and Economic Development Specialist
A. Bajan, Bookkeeper, Comfort Suites Bethlehem

COUNTY OF NORTHAMPTON
Hotel Room Rental Tax Remittances
License #102 Comfort Suites Bethlehem
January 1, 2020 – December 31, 2021

Exhibit 1

	<u>Tax Remitted</u>	<u>Tax Calculated</u>	<u>Over/(Under) Payment</u>	<u>Interest</u>	<u>Amount Due to County</u>
October 2020	7,328.73	7,364.33	(35.60)	(9.61)	(45.21)
Subtotal 2020	\$7,328.73	\$7,364.33	(\$35.60)	(\$9.61)	(\$45.21)
April 2021	9,250.05	9,269.39	(19.34)	(3.48)	(22.82)
May 2021	10,868.28	10,860.28	8.00	0.00	8.00
September 2021	11,364.72	11,382.52	(17.80)	(1.87)	(19.67)
December 2021	9,721.53	9,730.20	(8.67)	(0.52)	(9.19)
Subtotal 2021	\$41,204.58	\$41,242.39	(\$37.81)	(\$5.87)	(\$43.68)
Grand Total	\$48,533.31	\$48,606.72	(\$73.41)	(\$15.48)	(\$88.89)
Total Due					<u>(\$88.89)</u>

Please send a check payable to the County of Northampton in the amount of \$88.89 and a copy of this statement to:

County of Northampton
Revenue Division, Attn. Wayne Nicklas
669 Washington Street
Easton, PA 18042

If you have any questions, call Wayne Nicklas at 610-829-6187.

Hotel License #102	Comfort Suites Bethlehem 120 West 3 rd Street Bethlehem, PA 18015
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Contact:	Alis Bajan, Bookkeeper
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