



County Controller

Tony E. Bassil

Audit Manager

Anthony Sabino, CIA

Solicitor

Robert A. Nitchkey, Jr., Esq.

County Executive

Lamont G. McClure, Jr.

County Council

Lori Vargo Heffner, President
William B. McGee, Vice-President

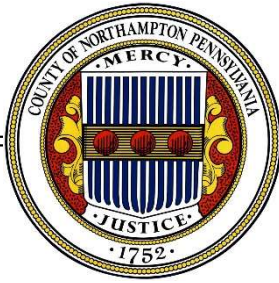
John Cusick
Margaret L. Ferraro
Ronald R. Heckman
Thomas A. Giovanni
Kevin Lott
Kerry L. Myers
Tara M. Zrinski

Agreed-Upon Procedures
Report

**COUNCIL REQUEST:
SANDS/WIND CREEK
HOTEL TAX**

As of Dec. 2020

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



TONY E. BASSIL

CONTROLLER OF NORTHAMPTON COUNTY

NORTHAMPTON COUNTY COURTHOUSE
669 WASHINGTON STREET
EASTON, PENNSYLVANIA 18042

ANTHONY SABINO, CIA
Audit Manager

PHONE (610) 829-6617
FAX (610) 559-3137

ROBERT A. NITCHKEY, JR., ESQ.
Solicitor

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

Members of the Northampton County Council
Lamont G. McClure, Jr., County Executive
County of Northampton, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by County Council, for analyzing Hotel Room Rental Tax revenue received by the County in the months before and after the transition between Sands Bethlehem and its successor Wind Creek Bethlehem. Wind Creek Bethlehem's management is responsible for remitting the Hotel Room Rental Tax Revenue. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. 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.

Procedures and Findings

1. **Procedure:** Provide a listing of the monthly remittances of Hotel Room Rental Tax Revenue from 1/1/19 through 5/31/19 (the date of the transition to Wind Creek). Calculate the five-month average for the period in 2019 the hotel was owned by Sands Bethlehem.

Findings: Following are the remittances from 1/1/19 through 5/31/19 (rounded):

January 2019	\$20,000
February 2019	\$24,229
March 2019	\$27,977
April 2019	\$24,867
May 2019	\$28,458

The monthly average for this period was \$25,106

2. **Procedure:** Provide a listing of the monthly remittances of Hotel Room Rental Tax Revenue from 6/1/19 through 12/31/19 (following the transition to Wind Creek). Calculate the seven-month average for the period in 2019 the hotel was owned by Wind Creek Bethlehem. Compare the averages and investigate if the difference is more than 5%.

Findings: Following are the remittances from 6/1/19 through 12/31/19 (rounded):

INDEPENDENT INTERNAL AUDITOR'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
Council Request – Sands/Wind Creek Hotel Tax
Page 2

June 2019	\$27,383
July 2019	\$21,163
August 2019	\$27,305
September 2019	\$25,431
October 2019	\$24,608
November 2019	\$22,180
December 2019	\$20,685

The monthly average for this period was \$24,108. The average difference between this period and the period calculated in Procedure 1 was 3.98%. No further investigation was deemed necessary.

3. **Procedure:** Examine the structure of the rules related to the Hotel Room Rental Tax to determine if there are specific areas of revenue that can be increased or costs that can be decreased.

Findings: Hotel Tax Rental Tax Rules were analyzed. Since this is a flat tax of 4% on room revenue charged to all overnight residents, we determined that the only way to increase County revenue would be to increase occupancy. It should be noted that, although complementary rooms are not taxable under state law, the casino collects tax on rooms paid for with player “points”, as these are not considered to be true complementary rooms. We analyze this revenue when we perform our Agreed-Upon Procedure engagements of Hotel Room Rental Tax every two years. There are no County costs associated with the collection of this tax.

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 Tax Collected by Sands Bethlehem/ Wind Creek Bethlehem. 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.

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.



Tony E. Bassil
County of Northampton Controller
Easton, Pennsylvania



Gurpreet Kaur, CPA
Auditor II

Jan 21, 2021

cc: S. Barron, Director of Fiscal Affairs