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Agreed-Upon Procedures  
Report

**E-911 TAX  
REIMBURSEMENT  
MILLAGE  
REDUCTIONS**

Real Estate Tax Year 2019

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



**RICHARD J. SZULBORSKI**

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**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 the Director of Fiscal Affairs on evaluating the accuracy of 2019 tax reimbursements via millage rate adjustments for municipalities not participating in the County's E-911 System, and the calculation of variances between amounts based on the estimated 2018 E-911 expenses versus the actual E-911 expenses from 2018. Fiscal Affairs is responsible for the calculations and application of the millage adjustments. 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:** We will confirm data used and recalculate Fiscal Affairs' calculations (based on estimates) which resulted in millage adjustments for affected municipalities.

**Findings:** We agreed all data used in the calculations performed by Fiscal Affairs to the appropriate supporting documentation, and reviewed the conceptual basis for using certain data in the computation of the millage adjustments. We recalculated all computations and found the estimated millage adjustments to be reasonable and all calculations accurate.

2. **Procedure:** Using actual expenses, we will determine the variance between the actual expenses and the estimates used by Fiscal Affairs to calculate the millage adjustments. Variances will be reported to you for use in future millage adjustment calculations.

**Findings:** The millage rate was not reduced for the 2019 real estate tax year due to a carryover of a higher reduction in prior year taxes than the affected municipalities were entitled to receive. This higher reduction from prior years was fully recovered by the County during the real estate tax year 2019. The millage rate assessed to the affected municipalities in 2019 was 11.8 mills. All other municipalities within the County were also assessed at 11.8 mills. The millage rate for real estate tax year 2020 will not be adjusted for the difference

between estimated 2018 E-911 expenses versus the actual E-911 expenses from 2018 as detailed in the schedule on page 3. Bethlehem was consolidated with the County E-911 Center in March 2019. North Catasauqua and Walnutport were consolidated with Lehigh County's E-911 Center in June 2019. Per the Northampton County Director of Fiscal Affairs, this State-mandated consolidation to county centers negates the need for a reimbursement to the affected municipalities since the local municipalities below the county level are no longer eligible for assistance for E-911 services. As a result of the County Administration's determination that this reimbursement should cease, this will be the final agreed-upon procedures engagement performed by this office with regard to the E-911 Tax Reimbursement for the affected municipalities.

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 evaluating the accuracy of 2019 tax reimbursements via millage rate adjustments for municipalities not participating in the County's E-911 System, and the calculation of variances between amounts based on the estimated 2018 E-911 expenses versus the actual E-911 expenses from 2018. 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.



Richard J. Szulborski  
County of Northampton Controller  
Easton, Pennsylvania



Kathleen A. Kuzma, MBA, CPA, CGMA  
Lead Auditor

November 8, 2019

cc: Stephen J. Barron, Jr., Director, Fiscal Affairs  
Greg Seifert, Accountant, Fiscal Affairs

**E-911 Tax Credit - 2019**

*The reduced millage rate, applied to the following municipalities, created lower tax bills as follows:*

	Assessed Value	11.8 Mills Levy (1)	11.8 Mills Levy (2)	Reduction in Taxes
City of Bethlehem	\$ 1,190,474,400	\$ 14,047,598	\$ 14,047,598	\$ -
Borough of North Catasauqua	54,463,300	642,667	642,667	-
Borough of Walnutport	42,313,400	499,298	499,298	-
		\$ 15,189,563	\$ 15,189,563	\$ -
Total County-Wide Assessed Value			\$ 8,604,596,650	

- (1) 11.8 mills was assessed to all other municipalities within the County.
- (2) 11.8 mills was assessed to municipalities affected by the adjustment. This rate was calculated in January 2019 based on estimated E-911 expenses for the year ended 12/31/18.

*The following analysis shows amounts owed to taxpayers based on actual E-911 expenses.*

	E-911 Expenses 2018 (1)	% of Assessed Value	Reduction in Taxes	2018 Overpayment	Amount Owed to (from) Taxpayers (2)
City of Bethlehem	\$ 703,492	13.84%	\$ 97,363	\$ (30,589)	\$ 66,774
Borough of North Catasauqua	703,492	0.63%	4,432	(2,369)	2,063
Borough of Walnutport	703,492	0.49%	3,447	(1,521)	1,926
					\$ 70,763

- (1) Calculated in January 2019 based on estimated E-911 expenses paid by the County for the year ended 12/31/18.
- (2) Actual E-911 expenses multiplied by the percentage of assessed value plus adjustments for the prior year's overpayment.