



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

**CONTROLLER OF NORTHAMPTON COUNTY**

NORTHAMPTON COUNTY COURTHOUSE  
669 WASHINGTON STREET  
EASTON, PENNSYLVANIA 18042

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Audit Manager

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Solicitor

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

Members of the Northampton County Council  
John A. Brown, 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 #106 Lafayette Inn January 1, 2015 to December 31, 2016. 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 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 completed correctly.

**Findings:**

- The proper forms were used for 2015 and 2016. All forms were signed and dated.
- In March and August of 2015, the number of room occupied was not completed on the Hotel Room Rental Tax form.

**2. Procedure:** Determine that late payment penalties are assessed for delinquent payments and collected in a timely fashion by the Revenue Division.

**Findings:**

- All payments were submitted on a timely basis.

**3. Procedure:** Determine if taxable revenues, exempt revenues and taxes due as reported are accurate.

- Where the population of exemptions claimed by a hotel is 200 or more in the period being reviewed, a sample of exemptions not to exceed 50 will be tested.

- Underpayment or overpayment of hotel tax by operators of \$5 or less determined during the audit will be considered immaterial and will not be collected from or paid to the hotel operators.

**Findings:**

- In June and July 2016, the Lafayette Inn reported \$1,254 in exemptions and it should have been \$1,240 for both months. The difference resulted in an immaterial amount of tax due.
- In 2015, the Lafayette Inn submitted less occupancy tax than what was collected for the months of February through June and August through November. These differences are deemed immaterial.
- In 2015, the Lafayette Inn submitted less occupancy tax than what was collected for the months of January. This difference represents \$6.42 in unpaid Hotel Room Rental Tax and interest.
- In June 2015, the Lafayette Inn reported \$1,435 in exemptions and it should have been \$1,230. This difference represents \$11.40 in unpaid Hotel Room Rental Tax and interest.
- Based on our findings, we determined that the Lafayette Inn owes the County \$17.82 in unpaid Hotel Room Rental Taxes and interest. See Exhibit 1 for additional tax due the County including the calculation of interest.

This Agreed-Upon Procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 #106 Lafayette Inn for the period January 1, 2015 to December 31, 2016. 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



Kathy M. Nesfeder, CRMA, CFE  
Staff Auditor

September 28, 2017

cc: J. Hunter, Director of Fiscal Affairs  
N. Poplawski, Revenue Manager  
T. Herrlinger, Director of Department of Community and Economic Development  
K. Collis, Community and Economic Development Specialist

COUNTY OF NORTHAMPTON  
 Hotel Room Rental Tax Remittances  
 License #106 Lafayette Inn  
 January 1, 2015 – December 31, 2016

Exhibit 1

<u>Date</u>	<u>Tax Remitted</u>	<u>Tax Calculated</u>	<u>Over/Under Payment</u>	<u>Interest</u>	<u>Amount Due to Northampton County</u>
January 2015	936.96	941.34	(4.38)	(2.04)	(6.42)
June 2015	1,501.67	1,509.87	(8.20)	(3.20)	(11.40)
<b>Subtotal 2015</b>	2,438.63	2,451.21	(12.58)	(5.24)	(17.82)
<b>Totals</b>	<b>2,438.63</b>	<b>2,451.21</b>	<b>(12.58)</b>	<b>(5.24)</b>	<b>(17.82)</b>
<b>Grand Total Due NoCo</b>					<b>(17.82)</b>

Please send a check payable to the County of Northampton in the amount of \$17.82 and a copy of this statement to:

County of Northampton  
 Revenue Division, Attn. Nancy Poplawski  
 669 Washington Street  
 Easton, PA 18042

If you have any questions, call Nancy Poplawski at 610-829-6187.

Hotel License #106

Lafayette Inn  
 525 West Monroe Street  
 Easton, PA 18042

Contact: Paul DiLiello