



STEPHEN J. BARRON, JR., CFE

CONTROLLER OF NORTHAMPTON COUNTY

NORTHAMPTON COUNTY COURTHOUSE
669 WASHINGTON STREET
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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 #133 Courtyard Marriott for the period of January 1, 2014 through December 31, 2015. 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 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 completed correctly.

Findings:

- The hotel was using the proper remittance form but did not provide the supporting exemption information for the period of January through May, July and December 2014 and April, July and September thru December of 2015.

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

Findings:

- The hotel's taxable revenue and exemption revenue matched what was submitted to Northampton County.
- The hotel provided several blanket exemption certificates for their army and military guests but were unable to provide exemption certificates for most of their guests.

- The hotel took exemptions for ineligible colleges and a guest from a church which is not tax exempt.
- Based on our findings, we determined that the Courtyard Marriott owes the County \$1,105.86 in unpaid hotel room rental taxes and interest. See Exhibit 1 for additional tax due the County including the calculation of interest.

3. **Procedure:** Determine if interest is calculated accurately and assessed for delinquent payments.

Findings:

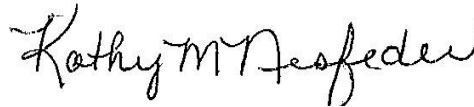
- In 2014, there were three months of remittances that were not submitted on a timely basis which resulted in \$588.77 in late penalties which were accurately calculated.

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 #133 Courtyard Marriott for the period January 1, 2014 to December 31, 2015. 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 Nesfeder, CFE, CRMA
Staff Auditor

Date

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

COUNTY OF NORTHAMPTON
 Hotel Room Rental Tax Remittances
 License #133 Courtyard Marriott
 January 1, 2014 through December 31, 2015

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 2014	8,715.08	8,777.00	(61.92)	(31.58)	(93.50)
February 2014	10,279.17	10,296.47	(17.30)	(8.56)	(25.86)
March 2014	10,572.63	10,689.99	(117.36)	(56.33)	(173.69)
July 2014	14,084.68	14,091.64	(6.96)	(2.92)	(9.88)
September 2014	14,465.24	14,523.28	(58.04)	(22.64)	(80.68)
October 2014	14,077.79	14,155.95	(78.16)	(29.31)	(107.47)
November 2014	10,294.37	10,296.75	(2.38)	(0.86)	(3.24)
December 2014	11,234.11	11,251.71	(17.60)	(6.07)	(23.67)
January 2015	10,914.82	11,065.28	(150.46)	(49.65)	(200.11)
February 2015	11,238.00	11,244.42	(6.42)	(2.02)	(8.44)
March 2015	11,012.35	11,126.03	(113.68)	(34.10)	(147.78)
July 2015	16,796.47	16,817.59	(21.12)	(5.07)	(26.19)
September 2015	14,912.49	14,919.53	(7.04)	(1.48)	(8.52)
October 2015	16,400.17	16,504.53	(104.36)	(20.35)	(124.71)
November 2015	12,414.12	12,475.24	(61.12)	(11.00)	(72.12)
Totals	187,411.49	188,235.41	(823.92)	(281.94)	(1,105.86)
Total Due					<u>(1,105.86)</u>

Please send a check payable to the County of Northampton in the amount of \$1,105.86 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 #133	Courtyard Marriott 2220 Emrick Blvd. Bethlehem, PA 18020
Contact:	Ms. Valerie Brown