



RICHARD J. SZULBORSKI

CONTROLLER OF NORTHAMPTON COUNTY

NORTHAMPTON COUNTY COURTHOUSE
669 WASHINGTON STREET
EASTON, PENNSYLVANIA 18042

PAUL L. ALBERT, CIA
Audit Manager

MICHAEL P. SHAY, ESQ.
Solicitor

PHONE (610) 829-6615
FAX (610) 559-3137

**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 County of Northampton's Administration solely to assist you with evaluating the Hotel Room Rental Tax Remittances from License #135 Grand Eastonian Hotel & Suites for the period January 1, 2016 to December 31, 2017. 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 taxable revenues, exempt revenues and taxes due as reported are accurate.

Findings: We reviewed all 24 remittance forms submitted during the period and found:

- Ten exemptions were taken for schools that were not State educational entities and three exemptions were taken for nonexempt organizations.
- The Hotel Operator took a deduction of \$1,148.00 in their June 2016 exemption report and it was a clerical error.
- The Hotel Operator was not including rollaway beds, pet fees and smoking fees in their revenue.
- Exemptions for blocks of rooms were not reported in the proper month and incorrect figures were reported. The hotel over-stated their exemptions by \$1,780.00.
- One guest did not have an exemption certificate.
- Twenty-nine exemptions that were tested had no issues.

2. Procedure: Determine if the Operator is using the latest version of the remittance form and that the form was fully completed in a proper and accurate manner.

Findings:

- The proper remittance form was being used.
- The hotel did not record the occupancy amount in May and June 2017.
- The hotel submitted the higher amount between the tax due and tax collected.

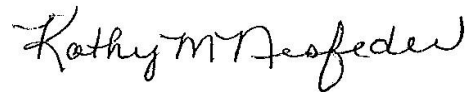
Based on the findings above, we determined that the Grand Eastonian Hotel & Suites owes Northampton County \$888.72 in hotel room taxes. See Exhibit 1 for additional tax due from the hotel.

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 #135 Grand Eastonian Hotel & Suites. 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 Controller



Kathy M. Nesfeder, CRMA, CFE
Auditor II

December 11, 2018

cc: S. Barron, Director of Fiscal Affairs
N. Poplawski, Revenue Manager
T. Smith, Director of Department of Community and Economic Development
K. Collis, Community and Economic Development Specialist

COUNTY OF NORTHAMPTON
Hotel Room Rental Tax Remittances
License #135 Grand Eastonian Hotel & Suites
January 1, 2016 – December 31, 2017

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 County</u>
January 2016	\$ 2,820.37	\$ 2,835.92	\$ (15.55)	\$ (7.46)	\$ (23.01)
February 2016	3,056.33	3,065.15	(8.82)	(4.10)	(12.92)
March 2016	3,145.25	3,163.75	(18.50)	(8.33)	(26.83)
April 2016	3,691.50	3,721.62	(30.12)	(13.10)	(43.22)
May 2016	3,782.20	3,880.68	(98.48)	(41.36)	(139.84)
June 2016	3,834.32	3,832.89	1.43	0.00	1.43
July 2016	4,211.31	4,225.00	(13.69)	(5.34)	(19.03)
August 2016	4,178.39	4,203.25	(24.86)	(9.32)	(34.18)
September 2016	4,066.62	4,080.84	(14.22)	(5.12)	(19.34)
October 2016	4,034.52	4,041.52	(7.00)	(2.42)	(9.42)
November 2016	3,385.11	3,445.40	(60.29)	(19.90)	(80.19)
December 2016	3,770.03	3,788.23	(18.20)	(5.73)	(23.93)
Subtotal 2016	\$ 43,975.95	\$ 44,284.25	\$ (308.30)	\$ (122.18)	\$ (430.48)
January 2017	\$ 3,788.89	\$ 3,801.89	\$ (13.00)	\$ (3.90)	\$ (16.90)
March 2017	3,550.97	3,559.97	(9.00)	(2.43)	(11.43)
April 2017	4,060.58	4,081.18	(20.60)	(5.25)	(25.85)
May 2017	3,702.43	3,935.99	(233.56)	(56.05)	(289.61)
June 2017	3,532.37	3,538.37	(6.00)	(1.35)	(7.35)
July 2017	3,837.38	3,845.38	(8.00)	(1.68)	(9.68)
August 2017	4,240.29	4,248.29	(8.00)	(1.56)	(9.56)
September 2017	4,047.85	4,074.89	(27.04)	(4.87)	(31.91)
October 2017	4,516.33	4,531.01	(14.68)	(2.42)	(17.10)
November 2017	3,946.40	3,965.36	(18.96)	(2.84)	(21.80)
December 2017	4,037.12	4,052.13	(15.01)	(2.03)	(17.04)
Subtotal 2017	\$ 43,260.61	\$ 43,634.46	\$ (373.85)	\$ (84.39)	\$ (458.24)
Grand Total Due	\$ 87,236.56	\$ 87,918.71	\$ (682.15)	\$ (206.57)	\$ (888.72)

Amount Due: \$ (888.72)

COUNTY OF NORTHAMPTON
Hotel Room Rental Tax Remittances
License #135 Grand Eastonian Hotel & Suites
January 1, 2016 – December 31, 2017

Exhibit 1

Please send a check payable to the County of Northampton in the amount of \$888.72 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 #135

Grand Eastonian Hotel & Suites
140 Northampton Street
Easton, PA 18042

Contact: Amber Grace, General Manager