



**County Controller**

Richard J. Szulborski

**Audit Manager**

Anthony Sabino, CIA

**Solicitor**

Robert A. Nitchkey, Jr., Esq.

**County Executive**

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Agreed-Upon Procedures  
Report

**HOTEL ROOM  
RENTAL TAX**

**HOTEL BETHLEHEM  
LICENSE #101**

For the Period January 1, 2021  
to December 31, 2022

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



**RICHARD J. SZULBORSKI**

**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**

Northampton County Commissioners  
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 #101 Hotel Bethlehem for the period January 1, 2021 to December 31, 2022. 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 the parties specified in this report, who have acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement. 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.

The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

**Procedures and Findings**

**1. Procedure:**

- Obtain two years of tax remittances from the County's Revenue Division. Inspect to determine whether the operator used the latest version of the remittance form and that the form was fully completed in a proper and accurate manner.
- As necessary, provide hotel management with a copy of the current Hotel Tax Rules and Regulations.

**Findings:** We inspected all remittance forms submitted during the audit period and found that the operator used the latest version of the County's remittance report and they were completed in an accurate manner.

- 2. Procedure:** Interview hotel management to gain an understanding of the Operator's accounting process.

**Findings:** We obtained an understanding of the Operator's accounting process sufficient to evaluate the accuracy of remittances to the County.

- 3. Procedure:** Inspect the Operator's financial reports to verify the accuracy of Remittance Reports and compliance with Rules and Regulations.

**Findings:** We calculated all remittance forms submitted during the period and compared revenue on their financial statements to the remittance forms and found:

- The Operator remitted the higher of the tax collected verses tax due and all calculations were accurate.
- All remittances were received in a timely manner.
- The hotel underreported taxable room revenue in certain months failing to report as taxable revenue for no-show, smoking and rollaway bed fees in 2021 and 2022.

- 4. Procedure:** Investigate the validity of claimed permanent and non-permanent exemptions by testing a sample not to exceed 50.

**Findings:** Only 23 exemptions claims were submitted by the hotel during the period under review. We evaluated all of them.

Only 1 exemption was valid according to eligibility standards and/or through supporting documentation.

- 5. Procedure:** Calculate any additional tax owed or refund due to the Operator. (Underpayment or overpayment of hotel tax by operators of \$5 or less determined during the audits are considered immaterial and will not be collected from nor paid to hotel Operators.)

**Findings:** We determined that License #101 Hotel Bethlehem owes Northampton County \$673.34 in hotel room taxes. See Exhibit 1 for a detailed breakdown of the 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 #101 Hotel Bethlehem for the period January 1, 2021 to December 31, 2022. 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. We are required to be independent of the responsible party and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to the agreed-upon procedures engagement.

INDEPENDENT INTERNAL AUDITOR'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
Hotel Room Rental Tax Remittances – License #101 Hotel Bethlehem  
January 1, 2021 – December 31, 2022  
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Richard J. Szulborski  
County of Northampton Controller  
Easton, Pennsylvania



Altynay Kanatbekoff  
Auditor II

May 17, 2023

cc: S. Barron, Director of Fiscal Affairs  
Heather Yoder, Deputy Revenue Manager  
T. Smith, Director of Department of Community and Economic Development  
K. Collis, Community and Economic Development Specialist  
L. Kromer, Accounting Manager

COUNTY OF NORTHAMPTON  
Hotel Room Rental Tax Remittances  
License #101 Hotel Bethlehem  
January 1, 2021 – December 31, 2022

Exhibit 1

	<u>Tax Remitted</u>	<u>Tax Calculated</u>	<u>Over/(Under) Payment</u>	<u>Interest</u>	<u>Amount Due to County</u>
January 2021	6,419.12	6,429.12	(10.00)	(4.20)	(14.20)
February 2021	8,536.21	8,547.81	(11.60)	(4.70)	(16.30)
April 2021	10,670.97	10,692.57	(21.60)	(8.10)	(29.70)
May 2021	18,704.96	18,714.96	(10.00)	(3.60)	(13.60)
June 2021	16,057.25	16,099.73	(42.48)	(14.66)	(57.14)
July 2021	18,012.09	18,047.42	(35.33)	(11.66)	(46.99)
August 2021	20,686.00	20,851.39	(165.39)	(52.10)	(217.49)
September 2021	20,560.02	20,591.98	(31.96)	(9.59)	(41.55)
October 2021	24,813.35	24,828.35	(15.00)	(4.28)	(19.28)
November 2021	21,466.46	21,476.46	(10.00)	(2.70)	(12.70)
<b>Subtotal 2021</b>	\$165,926.43	\$166,279.79	(\$353.36)	(\$115.59)	(\$468.95)
March 2022	18,630.16	18,778.88	(148.72)	(31.23)	(179.95)
October 2022	26,316.04	26,338.16	(22.12)	(2.32)	(24.44)
<b>Subtotal 2022</b>	\$44,946.20	\$45,117.04	(\$170.84)	(\$33.55)	(\$204.39)
<b>Grand Total</b>	\$210,872.63	\$211,396.83	(\$524.20)	(\$149.14)	(\$673.34)
<b>Total Due</b>					<u>(\$673.34)</u>

COUNTY OF NORTHAMPTON  
Hotel Room Rental Tax Remittances  
License #101 Hotel Bethlehem  
January 1, 2021 – December 31, 2022

Please send a check payable to the County of Northampton in the amount of \$673.34 and a copy of this statement to:

County of Northampton  
Revenue Division, Attn. Heather Yoder  
669 Washington St.  
Easton, PA 18042

If you have any questions, call Heather Yoder, Deputy Revenue Manager at 610-829-6199.

Hotel License #101

Hotel Bethlehem  
437 Main St.  
Bethlehem, PA 18018

Contact:

Lauren Kromer, Accounting Manager