



STEPHEN J. BARRON, JR., CFE

CONTROLLER OF NORTHAMPTON COUNTY

NORTHAMPTON COUNTY COURTHOUSE
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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 #120 – Sayre Mansion for the period January 1, 2013 to December 31, 2014. 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 Operator used the proper remittance form.
- In 23 months, the remittance form was postmarked after the 20th of the month.

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

Findings:

- In 13 months, taxable revenue per the Operator's records did not match taxable revenue reported to the County.
- In four months, the Operator paid more than actual taxes collected and taxes due.
- In three months, the Operator paid the lesser of actual taxes collected and taxes due.
- We reviewed one exemption and found that it was invalid and inaccurate.

- Based on the findings above, we determined that the Sayre Mansion owes the County \$654.79 in unpaid hotel room rental taxes and interest. See Exhibit 1 for additional tax due the County including the calculation of interest.

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

Findings:

- For each of the 23 months in which remittances were filed late, either the Operator remitted the late payment penalty with that months remittance form, or the Revenue division sent delinquent notices for the properly-assessed late payment penalty.
 - The Operator sent two late payments through remittance forms with incorrect late penalties and never sent payment for an additional payment in which Revenue sent a delinquent notice.

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 #120 Sayre Mansion for the period January 1, 2013 to December 31, 2014. 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



Stacy L. Duke
Staff Auditor

June 21, 2016

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

COUNTY OF NORTHAMPTON
 Hotel Room Rental Tax Remittances
 License #120 SAYRE MANSION
 January 1, 2013 to December 31, 2014

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 2013	1,164.36	1,163.32	1.04	0.00	1.04
February 2013	1,366.20	1,366.15	0.05	0.00	0.05
March 2013	1,571.88	1,621.77	(49.89)	(27.69)	(77.58)
June 2013	2,004.24	2,003.12	1.12	0.00	1.12
July 2013	2,012.72	2,013.30	(0.58)	(0.29)	(0.87)
August 2013	3,104.12	3,104.20	(0.08)	(0.04)	(0.12)
September 2013	2,067.76	2,081.55	(13.79)	(6.41)	(20.20)
November 2013	1,982.34	2,024.14	(41.80)	(18.18)	(59.98)
December 2013	2,736.66	2,762.85	(26.19)	(11.00)	(37.19)
March 2014	1,539.48	1,507.91	31.57	0.00	31.57
April 2014	2,588.62	2,653.43	(64.81)	(23.33)	(88.14)
July 2014	2,013.05	2,207.80	(194.75)	(61.35)	(256.10)
August 2014	2,518.13	2,529.13	(11.00)	(3.30)	(14.30)
Subtotal	26,669.56	27,038.67	(369.11)	(151.59)	(520.70)
March 2014 Late Payment				(31.75)	(31.75)
September 2014 Late Payment				(49.81)	(49.81)
December 2014 Late Payment				(52.53)	(52.53)
Total Due					<u><u>(654.79)</u></u>

Please send a check payable to the County of Northampton in the amount of \$654.79 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 # 120

Sayre Mansion

250 Wyandotte St.
 Bethlehem, PA 18015

610-882-2100

Contact: Carrie Ohlandt