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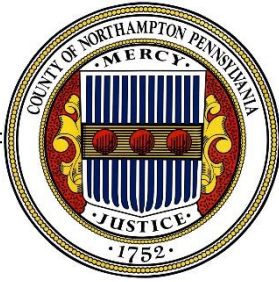
Agreed-Upon Procedures  
Report

**HOTEL ROOM  
RENTAL TAX**

**HOLIDAY INN EXPRESS  
& SUITES - BETHLEHEM**

For the Period January 1, 2018  
to December 31, 2019

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



**TONY E. BASSIL**

**CONTROLLER OF NORTHAMPTON COUNTY**

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Solicitor

**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 #127 Holiday Inn Express & Suites Bethlehem for the period January 1, 2018 to December 31, 2019. 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:**

- Obtain two years of tax remittances from the County's Revenue Division. Inspect to determine whether the operator is using 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:

- The Operator is using the latest version of the remittance form.
- In four instances, there were errors in the completion of the remittance forms which did not affect the accuracy of the calculation of the tax due.

**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.

INDEPENDENT INTERNAL AUDITOR'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

Hotel Room Rental Tax Remittances – License #127 Holiday Inn Express & Suites Bethlehem

January 1, 2018 – December 31, 2019

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

**Findings:** We recalculated all remittance forms submitted during the period, inspected exemption documentation, and found:

- All 24 months of remittance forms were accurate. The Operator paid the greater of the tax collected verses tax due.
- The Operator was late submitting their April 2019 remittance report and paid the penalty fee the following month.
- In 2018, 11 of the 12 months the Operator did not include rollaway beds, pet fees, smoking fees and extra cleaning fees in their revenue.
- In January 2019, the Operator did not include smoking fees in their revenue.
- In April 2019, the Operator over reported revenue by \$250.

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

**Findings:** We found that 11 of the 21 exemptions tested were not valid.

- 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.)

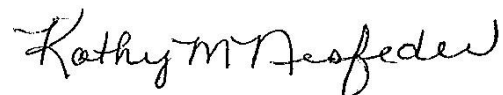
**Findings:** We determined that License #127 Holiday Inn Express & Suites Bethlehem owes Northampton County \$468.99 in hotel room taxes. See Exhibit 1 for a detailed breakdown of the additional tax due from the hotel.

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 #127 Holiday Inn Express & Suites Bethlehem for the period January 1, 2018 to December 31, 2019. 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.



Tony E. Bassil  
County of Northampton Controller  
Easton, Pennsylvania



Kathy M. Nesfeder, CRMA, CFE  
Auditor II

INDEPENDENT INTERNAL AUDITOR'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

Hotel Room Rental Tax Remittances – License #127 Holiday Inn Express & Suites Bethlehem

January 1, 2018 – December 31, 2019

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August 4, 2020

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  
M. Cooper, Manager, /Holiday Inn Express & Suites Bethlehem

COUNTY OF NORTHAMPTON  
Hotel Room Rental Tax Remittances  
License #127 Holiday Inn Express & Suites Bethlehem  
January 1, 2018 – December 31, 2019

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 2018	7,715.45	7,736.45	(21.00)	(8.51)	(29.51)
April 2018	10,359.03	10,370.23	(11.20)	(4.03)	(15.23)
May 2018	12,021.97	12,031.98	(10.01)	(3.45)	(13.46)
June 2018	11,798.32	11,827.70	(29.38)	(9.70)	(39.08)
July 2018	12,342.64	12,385.33	(42.69)	(13.45)	(56.14)
August 2018	12,901.12	12,911.93	(10.81)	(3.24)	(14.05)
October 2018	11,217.38	11,219.38	(2.00)	(0.54)	(2.54)
November 2018	9,824.99	9,834.99	(10.00)	(2.55)	(12.55)
December 2018	9,254.01	9,291.49	(37.48)	(9.00)	(46.48)
<b>Subtotal 2018</b>	<b>\$97,434.91</b>	<b>\$97,609.48</b>	<b>(\$174.57)</b>	<b>(\$54.47)</b>	<b>(\$229.04)</b>
January 2019	6,613.90	6,615.35	(1.45)	(0.33)	(1.78)
April 2019	9,790.28	9,784.49	5.79	0.00	5.79
October 2019	11,949.95	11,966.99	(17.04)	(1.53)	(18.57)
November 2019	9,803.40	9,889.01	(85.61)	(6.42)	(92.03)
December 2019	9,160.77	9,286.58	(125.81)	(7.55)	(133.36)
<b>Subtotal 2019</b>	<b>\$47,318.30</b>	<b>\$47,542.42</b>	<b>(\$224.12)</b>	<b>(\$15.83)</b>	<b>(\$239.95)</b>
<b>Grand Total</b>	<b>\$144,753.21</b>	<b>\$145,151.90</b>	<b>(\$398.69)</b>	<b>(\$70.30)</b>	<b>(\$468.99)</b>
<b>Total Due</b>					<b><u>(\$468.99)</u></b>

Please send a check payable to the County of Northampton in the amount of \$468.99 and a copy of this statement to:

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

COUNTY OF NORTHAMPTON  
Hotel Room Rental Tax Remittances  
License #127 Holiday Inn Express & Suites Bethlehem  
January 1, 2018 – December 31, 2019

Exhibit 1

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

Hotel License #127

Holiday Inn Express & Suites Bethlehem  
2201 Cherry Lane  
Bethlehem, PA 18015

Contact:

Melissa Cooper, Manager