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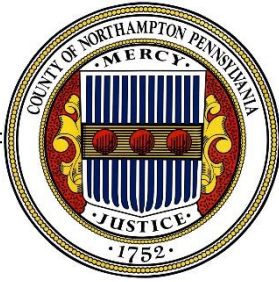
Agreed-Upon Procedures
Report

**HOTEL ROOM
RENTAL TAX**

**BEST WESTERN -
LEHIGH VALLEY HOTEL**

For the Period January 1, 2019
through December 31, 2020

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



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**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 #104 Best Western – Lehigh Valley Hotel for the period January 1, 2019 to December 31, 2020. 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:

- The Operator used the latest version of the remittance report.
- The Operator correctly calculated the hotel room rental tax amount every month.

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

Hotel Room Rental Tax Remittances – License #104 Best Western – Lehigh Valley Hotel

January 1, 2019 – December 31, 2020

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- The Operator submitted the higher of the tax collected/tax due every month.
- The Operator was late submitting their monthly remittance reports three of the 24 months.
- The Operator failed to submit an exemption report for three of the 24 months.

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 recalculated all remittance forms submitted during the period, inspected exemption documentation, and determined that the hotel Operator over-reported their revenue in February and March 2020. The Hotel is required to pay the higher of the tax due/tax collected, therefore, no refund is due. In these months, the Operator remitted all tax collected, but this amount was slightly higher than the tax due.

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

Findings: We reviewed 50 exemptions and all were valid exemptions. We did note during our review that the Operator did not properly calculate the number of days the guest was exempt for six of the permanent residents. We referred the Operator to the County's Hotel Room Rental Tax Remittance Guidelines for instructions on how to calculate exemptions. This finding had no impact on amount due/amount refunded since, in all cases, less revenue was exempted than is permitted.

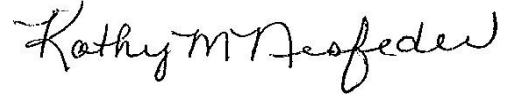
5. **Procedure:** Calculate any additional tax owed or refund due to the Operator. (Underpayment or overpayment of hotel tax by operators of \$5 or less determined during the audits are considered immaterial and will not be collected from nor paid to hotel Operators.)

Findings: We determined that License #104 Best Western – Lehigh Valley Hotel does not owe the County of Northampton any additional hotel room rental taxes nor are any refunds due the Operator.

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 #104 Best Western – Lehigh Valley Hotel for the period January 1, 2019 to December 31, 2020. 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.



Tony E. Bassil
County of Northampton Controller
Easton, Pennsylvania



Kathy M. Nesfeder, CRMA, CFE
Auditor II

August 30, 2021

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
B. Collier, Hotel Controller