

**RICHARD J. SZULBORSKI**

**CONTROLLER OF NORTHAMPTON COUNTY**

NORTHAMPTON COUNTY COURTHOUSE  
669 WASHINGTON STREET  
EASTON, PENNSYLVANIA 18042

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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 #133 Courtyard Marriott 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 compared the 24 monthly remittance forms submitted during the period to the hotel's records and found:

- The hotel's payment in June 2016 was \$32.76 higher than calculated with no apparent explanation. The hotel will get a credit for this overpayment.
  - In three months during 2016 and 2017, the hotel underpaid tax due as the Operator's financial records showed gross revenue greater than that reported on the remittances.
  - In one month in 2016, taxable revenue per the Operator's financial records was less than taxable revenue reported resulting in an overstatement of taxable revenue and an overpayment of tax of \$240.
  - The hotel paid and submitted remittances late on one occasion in April 2016 and paid a penalty of \$218. All other payments were received on time.
  - The May 2017 tax remitted was \$804 less than the calculated amount due to a clerical error. No penalty was assessed and the hotel paid the shortage in June 2017.
- 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:** We inspected and recalculated all 24 remittance forms submitted during the period and found:

- The hotel used an outdated version of the remittance form in January and February 2016. All other remittances used the latest version of the remittance form.
- On one occasion during 2016, the hotel took an exemption that was miscalculated and overstated. This understated taxable revenue and resulted in an underpayment of \$4.89 in tax and interest.

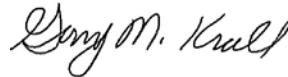
Based on the findings above, we determined that the Courtyard Marriott is owed a credit by Northampton County of \$245.97 for overpayment of hotel room taxes. See Exhibit 1 for the amount of the credit.

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 #133 Courtyard Marriott for the period January 1, 2016 to December 31, 2017. 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



Gary M. Krall, CMA  
Lead Auditor

February 17, 2019

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 #133 Courtyard Marriott  
 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>Credit Due to Hotel</u>
January 2016	\$ 10,041.36	\$ 10,047.36	\$ (6.00)	\$ (3.15)	\$ (9.15)
April 2016	14,542.11	14,302.11	240.00	0.00	240.00
May 2016	14,718.33	14,721.67	(3.34)	(1.55)	(4.89)
June 2016	16,591.57	16,558.81	32.76	0.00	32.76
July 2016	16,405.00	16,409.00	(4.00)	(1.74)	(5.74)
<b>Subtotal 2016</b>	<u>\$ 72,298.37</u>	<u>\$ 72,038.95</u>	<u>\$ 259.42</u>	<u>\$ (6.44)</u>	<u>\$ 252.98</u>
December 2017	10,624.00	10,629.94	(5.94)	(1.07)	(7.01)
<b>Subtotal 2017</b>	<u>\$ 10,624.00</u>	<u>\$ 10,629.94</u>	<u>\$ (5.94)</u>	<u>\$ (1.07)</u>	<u>\$ (7.01)</u>
<b>Total Credit Due</b>					<b><u>\$ 245.97</u></b>

Please deduct the credit above from your next hotel tax remittance and remit 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 #133

Courtyard Marriott  
 2220 Emrick Blvd.  
 Bethlehem, PA 18020

Contact: Valerie Brown