

**County Controller**

Richard J. Szulborski

**Audit Manager**

Anthony Sabino, CIA

**Solicitor**

Robert A. Nitchkey, Jr., Esq.

**County Executive**

Lamont G. McClure, Jr.

**County Council**

Lori Vargo Heffner, President  
Kerry L. Myers, Vice-President  
John A. Brown  
John Cusick  
Thomas A. Giovanni  
John P. Goffredo  
Ronald R. Heckman  
Kevin Lott  
Tara M. Zrinski

Agreed-Upon Procedures  
Report

**HOTEL ROOM  
RENTAL TAX**

**COURTYARD MARRIOTT  
LICENSE #133**

For the Period January 1, 2020 -  
December 31, 2021

**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 #133 Courtyard Marriott Hotel for the period January 1, 2020 to December 31, 2021. 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 remittance forms were completed in a proper and accurate manner.
- The Operator used the latest version of the remittance form.

- 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 found:

- Calculations were accurate for 24 months.
- Remittance reports were received or postmarked by the 20th of the month for 23 of the 24 months. The County assessed a late fee for the one month that the report was late.
- The Operator paid the higher amount of the tax collected or tax due.
- The Operator's remittance report for August 2021 was understated resulting in the hotel owing \$4,052.18 in tax and interest.
- The Operator understated their exemptions by under reporting the number of nights that the guest stayed at the hotel in November 2021. This had no effect on monies owed or refunded.

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

**Findings:** There were four minor exceptions found during our testing but it had no effect on the amount due to the County of Northampton.

- 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.)

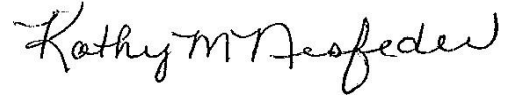
**Findings:** We determined that License #133 Courtyard Marriott Hotel owes Northampton County \$4,052.18 in hotel room taxes and interest. See Exhibit 1 for a detailed breakdown of the additional tax due from the hotel.

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 #133 Courtyard Marriott Hotel for the period January 1, 2020 to December 31, 2021. 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 #133 Courtyard Marriott  
January 1, 2020 – December 31, 2021  
Page 3



Richard J. Szulborski  
County of Northampton Controller  
Easton, Pennsylvania



Kathy M. Nesfeder, CFE, CRMA  
Auditor II

May 24, 2022

cc: S. Barron, Director of Fiscal Affairs  
W. Nicklas, Revenue Manager  
T. Smith, Director of Department of Community and Economic Development  
K. Collis, Community and Economic Development Specialist  
S. Lavery, Manager

COUNTY OF NORTHAMPTON  
 Hotel Room Rental Tax Remittances  
 License #133 Courtyard Marriott  
 January 1, 2020 – December 31, 2021

Exhibit 1

	<u>Tax Remitted</u>	<u>Tax Calculated</u>	<u>Over/(Under) Payment</u>	<u>Interest</u>	<u>Amount Due to County</u>
August 2021	\$15,520.08	\$19,138.10	(\$3,618.02)	(\$434.16)	(\$4,052.18)
<b>Subtotal 2021</b>	<u>\$15,520.08</u>	<u>\$19,138.10</u>	<u>(\$3,618.02)</u>	<u>(\$434.16)</u>	<u>(\$4,052.18)</u>
<b>Grand Total</b>	<u>\$15,520.08</u>	<u>\$19,138.10</u>	<u>(\$3,618.02)</u>	<u>(\$434.16)</u>	<u>(\$4,052.18)</u>
<b>Total Due</b>					<u>(\$4,052.18)</u>

Please send a check payable to the County of Northampton in the amount of \$4,052.18 and a copy of this statement to:

County of Northampton  
 Revenue Division, Attn. Wayne Nicklas  
 669 Washington Street  
 Easton, PA 18042

If you have any questions, call Wayne Nicklas at 610-829-6187.

Hotel License #133	Courtyard Marriott 2220 Emrick Blvd. Bethlehem, PA 18020
--------------------	--

Contact:	Simone Lavery, Hotel Manager
----------	------------------------------