

**County Controller**

Richard J. Szulborski

**Audit Manager**

Anthony Sabino, CIA

**Solicitor**

Robert A. Nitchkey, Jr., Esq.

**County Executive**

Lamont G. McClure, Jr.

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Kevin Lott  
Tara M. Zrinski

Agreed-Upon Procedures  
Report

**HOTEL ROOM  
RENTAL TAX**

**HOLIDAY INN EXPRESS  
& SUITES #127  
BETHLEHEM**

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

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



**RICHARD J. SZULBORSKI**

**CONTROLLER OF NORTHAMPTON COUNTY**

NORTHAMPTON COUNTY COURTHOUSE  
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**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 #127 Holiday Inn Express & Suites Bethlehem 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 Operator used the latest version of the remittance report and the reports were completed in an accurate manner.

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

Hotel Room Rental Tax Remittances – License #127 Holiday Inn Express & Suites Bethlehem  
January 1, 2020 – December 31, 2021

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- The Operator submitted their remittance reports in a timely manner 20/24 months. The County charged a late fee in three of the four months remittances were not received timely.
- The Operator submitted the higher of the tax due/tax collected.
- The Operator failed to complete and submit a detailed monthly exemption report for 13 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 found:

- In 2020, the Operator over reported gross revenue 11 of the 12 months.
- In 2021, the Operator over reported gross revenue three of the 12 months and under reported their gross revenue six of the 12 months.

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

**Findings:** The Operator was unable to supply exemption certificates for 8 of the 50 sampled, therefore, we could not honor the exemptions.

**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 is entitled to a credit in the amount of \$115.91 in hotel room taxes. See Exhibit 1 for a detailed breakdown of the credit which can be deducted from your next month remittance report.

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, 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.

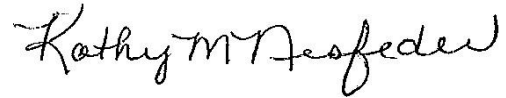
INDEPENDENT INTERNAL AUDITOR'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

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Richard J. Szulborski  
County of Northampton Controller  
Easton, Pennsylvania



Kathy M. Nesfeder, CRMA, CFE  
Lead Auditor

August 4, 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  
Hotel Manager/Operator  
S. Devine, VP of Hotel Operations and Revenue Management

COUNTY OF NORTHAMPTON  
Hotel Room Rental Tax Remittances  
License #127 Holiday Inn Express & Suites Bethlehem  
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>
January 2020	3,652.77	3,652.41	0.36	0.00	0.36
February 2020	7,546.51	7,516.96	29.55	0.00	29.55
March 2020	4,665.90	4,657.10	8.80	0.00	8.80
April 2020	2,028.90	2,016.90	12.00	0.00	12.00
June 2020	3,649.10	3,646.75	2.35	0.00	2.35
July 2020	5,533.91	5,519.05	14.86	0.00	14.86
September 2020	6,001.96	5,987.80	14.16	0.00	14.16
October 2020	7,135.55	7,091.14	44.41	0.00	44.41
November 2020	4,997.11	4,989.13	7.98	0.00	7.98
December 2020	3,707.76	3,695.01	12.75	0.00	12.75
<b>Subtotal 2020</b>	<b>\$48,919.47</b>	<b>\$48,772.25</b>	<b>\$147.22</b>	<b>\$0.00</b>	<b>\$147.22</b>
February 2021	4,893.98	4,905.86	(11.88)	(2.67)	(14.55)
April 2021	7,303.14	7,248.15	54.99	0.00	54.99
May 2021	9,123.05	9,127.99	(4.94)	(0.89)	(5.83)
July 2021	11,967.51	11,973.28	(5.77)	(0.87)	(6.64)
August 2021	12,083.67	12,089.35	(5.68)	(0.77)	(6.45)
October 2021	11,926.08	11,943.96	(17.88)	(1.88)	(19.76)
November 2021	8,215.80	8,236.43	(20.63)	(1.86)	(22.49)
December 2021	6,795.80	6,805.64	(9.84)	(0.74)	(10.58)
<b>Subtotal 2021</b>	<b>\$72,309.03</b>	<b>\$72,330.66</b>	<b>(\$21.63)</b>	<b>(\$9.68)</b>	<b>(\$31.31)</b>
<b>Grand Total</b>	<b>\$121,228.50</b>	<b>\$121,102.91</b>	<b>\$125.59</b>	<b>(\$9.68)</b>	<b>\$115.91</b>
<b>Total Credit Due</b>					<b><u>\$115.91</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. Wayne Nicklas  
669 Washington Street  
Easton, PA 18042

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

COUNTY OF NORTHAMPTON  
Hotel Room Rental Tax Remittances  
License #127 Holiday Inn Express & Suites Bethlehem  
January 1, 2020 – December 31, 2021

Exhibit 1

Hotel License #127

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

Contact:

Sasha Devine, VP of Hotel Operations and Revenue Management