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Agreed-Upon Procedures  
Report

**HOTEL ROOM  
RENTAL TAX**

**HAMPTON INN  
BETHLEHEM**

For the Period January 1, 2017 to  
December 31, 2018

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



**RICHARD J. SZULBORSKI**

**CONTROLLER OF NORTHAMPTON COUNTY**

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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 #105 Hampton Inn Bethlehem for the period January 1, 2017 to December 31, 2018. 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.
  - Where the population of exemptions claimed by a hotel is 200 or more in the period being reviewed, a sample of exemptions not to exceed 50 per hotel will be tested.
  - Underpayment or overpayment of hotel tax by operators of \$5 or less determined during audits will be considered immaterial and will not be collected from nor paid to hotel operators.

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

- The Operator submitted 236 exemptions for 2017 and 2018.
- Based on the 50 exemptions that were tested, 42 out of 50 were valid.
- One exemption was missing the exemption certificate.
- One exemption was for an ineligible college.
- Two exemptions had incomplete exemption certificates.
- Four exemptions were invalid exemptions.

**2. Procedure:** 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.

**Findings:** We inspected all remittance forms submitted during the audit period and found:

- The most recent remittance form was used but the exemption form was not submitted to the County one time in 2017 and 11 times in 2018.
- The Operator submitted the lesser of the tax due/collected four times in 2017.
- The Operator submitted the greater of the tax due eight times in 2017 and 12 times in 2018.
- There were a slight fluctuation in revenue the first quarter of 2018.
- The hotel was late submitting their remittance to the County four times in 2017.

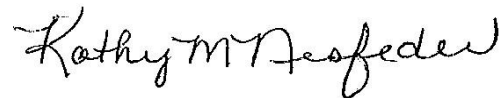
Based on the findings above, we determined that License #105 Hampton Inn Bethlehem owes Northampton County \$150.87 in hotel room taxes. See Exhibit 1 for additional tax due from the hotel.

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 #105 Hampton Inn Bethlehem for the period January 1, 2017 to December 31, 2018. 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 of Northampton Controller  
Easton, Pennsylvania



Kathy M. Nesfeder, CRMA, CFE  
Auditor II

December 13, 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  
B. Collier, Hampton Inn Bethlehem

