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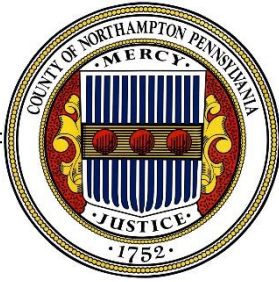
Agreed-Upon Procedures  
Report

**HOTEL ROOM  
RENTAL TAX**

**THE LAFAYETTE INN**

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

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



**TONY E. BASSIL**

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Solicitor

**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 #106 The Lafayette Inn 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 County remittance form.

- The Operator submitted their monthly remittances on time and they were completed in an accurate manner.

**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:

- The Operator correctly calculated the tax amount for 24 months, however, in our review we noted some errors in the amount of taxable revenue reported, resulting in underpayments (See Exhibit 1).
- The Operator submitted the higher of the tax due/collected for 24 of the 24 months.

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

**Findings:** All exemptions taken had supporting documentation with the exception of two in August and September 2020 where the reservations and exemptions were taken by a booking agency. Since the evidence of the validity of these exemptions were not present, we disallowed them.

**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.)

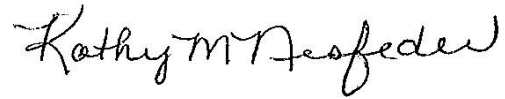
**Findings:** We determined that License #106 The Lafayette Inn owes the County of Northampton \$42.13 in hotel room taxes. See Exhibit 1 for a detailed breakdown of the additional tax due from the hotel.

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 #106 The Lafayette Inn 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.

INDEPENDENT INTERNAL AUDITOR'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
Hotel Room Rental Tax Remittances – License #106 The Lafayette Inn  
January 1, 2019 – December 31, 2020  
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Tony E. Bassil  
County of Northampton Controller  
Easton, Pennsylvania



Kathy M. Nesfeder, CRMA, CFE  
Auditor II

June 22, 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  
P. DiLiello, Hotel Operator

