

County Controller

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Agreed-Upon Procedures
Report

**HOTEL ROOM
RENTAL TAX**

SAYRE MANSION

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

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



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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 #120 Sayre Mansion 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 could not provide their April 2018 exemption documentation; therefore, we could not verify the exemption.
- 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 Operator was not using the latest version of the Hotel Room Rental Tax remittance forms for 2017 and 2018.
- All calculations were accurate for 2017 and 2018.
- In 2017, the Operator was late submitting their remittance forms to the County 11 of the 12 months.
- In 2018, the Operator was late submitting their remittance forms to the County four of the 12 months.
- In 2018, the Operator did not complete the number of rooms occupied on the remittance forms 10 of the 12 months.
- In April 2018, the Operator did not submit supporting documentation for the exemption.
- The Operator submitted the greater of the tax collected or tax due in 2017 and 2018 in compliance with regulations.


Based on the findings above, we determined that the Sayre Mansion owes Northampton County \$117.51 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 #120 Sayre Mansion 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.



Tony E. Bassil
County of Northampton Controller
Easton, Pennsylvania



Kathy M. Nesfeder, CRMA, CFE
Auditor II

February 3, 2020

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
C. Simpler, Hotel Manager

