



RICHARD J. SZULBORSKI

CONTROLLER OF NORTHAMPTON COUNTY

NORTHAMPTON COUNTY COURTHOUSE
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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 #127 Holiday Inn Express & Suites Bethlehem for the period January 1, 2016 to December 31, 2017. 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.

Findings: We reviewed all 24 remittance forms submitted during the period and found:

- In December 2016 and January 2017, the hotel took an invalid exemption for a guest in the amount of \$455.00.
- The hotel did not include roll away beds and smoking fees in their revenue amounts resulting in the hotel underreporting revenue by \$3,893.00 in 2016 and \$1,892.50 in 2017.
- The hotel submitted the higher amount between the tax due and tax collected in most cases. There were several months that the tax remitted was less than the tax collected, but the differences were insignificant.

- 2. Procedure:** Determine if 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 reviewed all remittance forms and exemption documentation submitted during the period and found:

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Hotel Room Rental Tax Remittances – License #127 Holiday Inn Express & Suites Bethlehem
January 1, 2016 – December 31, 2017

Page 2 of 3

- The proper remittance forms were used.
- The forms were signed, dated, and submitted on time.
- The hotel did not submit an exemption certificate or folio for a guest in March 2016.
- In November 2016, the hotel did not provide an exemption summary sheet with their monthly report.
- In January 2017, the hotel made an error on the exemption summary sheet but the total was correct.
- In March 2017, the hotel did not submit an exemption summary sheet with their monthly report.
- The hotel duplicated the same exemption in November and December 2017.

Based on the findings above, we determined that the Holiday Inn Express & Suites Bethlehem owes Northampton County \$823.58 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 #127 Holiday Inn Express & Suites Bethlehem for the period January 1, 2016 to December 31, 2017. 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 Controller



Kathy M. Nesfeder, CRMA, CFE
Auditor II

May 23, 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

COUNTY OF NORTHAMPTON
Hotel Room Rental Tax Remittances
License #127 Holiday Inn Express & Suites Bethlehem
January 1, 2016 – December 31, 2017

Exhibit 1

<u>Date</u>	<u>Tax</u>		<u>Over/Under</u>		<u>Amount</u>
	<u>Remitted</u>	<u>Tax Calculated</u>	<u>Payment</u>	<u>Interest</u>	<u>Due to County</u>
January 2016	\$ 8,030.36	\$ 8,040.76	\$ (10.40)	\$ (2.18)	\$ (12.58)
February 2016	7,641.59	7,661.99	(20.40)	(3.98)	(24.38)
March 2016	7,424.75	7,442.95	(18.20)	(3.28)	(21.48)
April 2016	8,754.00	8,766.40	(12.40)	(2.05)	(14.45)
May 2016	10,214.33	10,245.53	(31.20)	(4.68)	(35.88)
June 2016	11,503.54	11,531.14	(27.60)	(3.73)	(31.33)
July 2016	11,377.38	11,399.78	(22.40)	(2.69)	(25.09)
September 2016	11,241.07	11,252.27	(11.20)	(1.01)	(12.21)
October 2016	11,503.74	11,513.74	(10.00)	(0.75)	(10.75)
December 2016	8,839.02	9,331.14	(492.12)	(22.15)	(514.27)
Subtotal 2016	\$ 96,529.78	\$ 97,185.70	\$ (655.92)	\$ (46.50)	\$ (702.42)
January 2017	\$ 7,741.31	\$ 7,778.75	\$ (37.44)	\$ (14.60)	\$ (52.04)
February 2017	8,231.32	8,247.32	(16.00)	(6.00)	(22.00)
March 2017	9,493.92	9,513.94	(20.02)	(7.21)	(27.23)
May 2017	11,478.07	11,490.27	(12.20)	(4.03)	(16.23)
June 2017	12,274.70	12,277.10	(2.40)	(0.76)	(3.16)
July 2017	11,984.92	11,994.92	(10.00)	(3.00)	(13.00)
September 2017	11,672.72	11,643.17	29.55	0.00	29.55
December 2017	9,414.81	9,428.73	(13.92)	(3.13)	(17.05)
Subtotal 2017	\$ 82,291.77	\$ 82,374.20	\$ (82.43)	\$ (38.73)	\$ (121.16)
Grand Total	\$ 178,821.55	\$ 179,559.90	\$ (738.35)	\$ (85.23)	\$ (823.58)

Please send a check payable to the County of Northampton in the amount of \$823.58 and a copy of this statement to:

County of Northampton
Revenue Division, Attn. Nancy Poplawski
669 Washington Street
Easton, PA 18042

If you have any questions, call Nancy Poplawski at 610-829-6187.

Hotel License #127

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