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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 #128 Holiday Inn Express & Suites Airport – Allentown Area 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 February 2016, the hotel took an exemption for a guest for a five night stay totaling \$499.95 and the exemption form did not have the guest's name on it.
 - In September 2016, the hotel took an exemption for a guest for a four night stay totaling \$364.00 and it was not a valid exemption. Subcontractors for PennDOT are not entitled to the exemption.
 - In December 2016, the guest's exemption form did not have any information or EIN number to validate the exemption.
 - In November 2017, the guest did not supply the hotel with an exemption form. She did provide an EIN number but it did not contain the proper amount of numbers. The hotel followed up with the guest but she never provided the exemption form to the hotel.
 - The 46 additional exemptions tested had no issues.
- 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.

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Hotel Room Rental Tax Remittances – License #128 Holiday Inn Express & Suites Airport – Allentown Area
January 1, 2016 – December 31, 2017
Page 2 of 3

Findings:

- The proper remittance form was being used.
- The forms were signed, dated and properly calculated with the exception of June 2016. There was a minor calculation error.
- The Hotel submitted the higher amount between the tax due and tax collected.

Based on the findings above, we determined that the Holiday Inn Express & Suites Airport – Allentown Area owes Northampton County \$74.34 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 #128 Holiday Inn Express & Suites Airport – Allentown Area. 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

December 11, 2018

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

