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CONTROLLER OF NORTHAMPTON COUNTY

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**INDEPENDENT INTERNAL AUDITORS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Members of the Northampton County Council
John A. Brown, 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 the following hotels which reported hotel tax revenue less than \$1,500 in 2014 & 2015: License #107 – Wydnor Hall Inn, License #121 - Hotel Hampton, License #145 - Riverton Hotel, License #149 – Shady Acres Campground, License #150 - Rustic Dreams B&B, and License #151 - Hanover Eatery for the period January 1, 2014 through December 31, 2015. 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. This Agreed-Upon Procedures engagement was conducted in accordance with standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 hotel tax revenue reported to the Controller's Office by the hotel operators is comparable to tax remitted to the County.

Findings: We sent out verification forms to all six hotels and received four back:

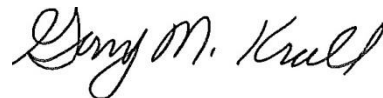
- The Wydnor Hall Inn underreported revenue on their remittance forms in 2014 and 2015 and agreed to remit \$1,394 in unreported hotel tax.
- The Hotel Hampton did not return their verification form after several requests.
- The owner of Shady Acres Campground did not return their verification form.
- The owner of the Rustic Dreams B&B could not substantiate the revenue reported on the verification form and remitted \$140.68 in unpaid taxes to the County.
- The Riverton Hotel and Hanover Eatery submitted verification forms which matched the amounts paid to the County on remittance forms.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Hotel Room Rental Tax Remittances from these hotels. Accordingly, we do not express such an opinion. 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.



Stephen J. Barron, Jr., CFE
County Controller



Gary Krall, CMA
Staff Auditor

December 12, 2016

cc: J. Hunter, Director of Fiscal Affairs
N. Poplawski, Revenue Manager
T. Herrlinger, Interim Director of Department Community and Economic Development
K. Collis, Community and Economic Development Specialist

