



STEPHEN J. BARRON, JR., CFE

CONTROLLER OF NORTHAMPTON COUNTY

NORTHAMPTON COUNTY COURTHOUSE
669 WASHINGTON STREET
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Solicitor

**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 License #127 Holiday Inn Express for the period January 1, 2014 to 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 proper remittance forms are being used and completed correctly.

Findings:

- We reviewed 24 months of remittance forms and found that the proper forms were completed accurately and all remittance forms were postmarked or filed by the 20th of each month with the exception of November 2014.

2. **Procedure:** Determine if taxable revenues, exempt revenues and taxes due as reported are accurate.

Findings:

- The hotel did not have exemption certificates for all guests.

- The hotel accepted incomplete exemption certificates which were missing EIN numbers, addresses, company information, etc.
- The hotel had a blanket exemption certification from the Liquor Control Board (LCB) which was used by all guests representing the LCB.
- Guests from an Engineering Consulting firm took exemptions when they were not entitled to the exemption.
- Two guests representing two different Universities took exemptions when they were not entitled to the exemption.
- One guest was from a non-profit organization so an exemption should not have been taken.
- Based on the findings above, we determined that the Holiday Inn Express owes the County \$189.11 in unpaid hotel room rental taxes and interest. See Exhibit 1 for additional tax due the County including the calculation of interest.

3. **Procedures:** Determine if interest is calculated accurately and assessed for delinquent payments.

Findings:

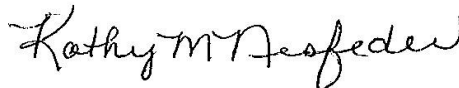
- The operator had one delinquent payment in November 2014 and a late payment was assessed and paid in the amount of \$127.41.

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 License #127 Holiday Inn Express for the period January 1, 2014 to December 31, 2015. 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



Kathy M. Nesfeder, CFE, CRMA
Staff Auditor

November 18, 2016

cc: J. Hunter, Director of Fiscal Affairs
N. Poplawski, Revenue Manager
T. Herrlinger, Interim 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
 January 1, 2014 through December 31, 2015

Exhibit 1

<u>Date</u>	<u>Tax Remitted</u>	<u>Tax Calculated</u>	<u>Over/(Under) Payment</u>	<u>Interest</u>	<u>Amount Due to Northampton County</u>
January 2014	6,035.64	6,103.36	(67.72)	(34.54)	(102.26)
September 2014	9,651.19	9,672.08	(20.89)	(8.15)	(29.04)
August 2015	11,835.00	11,860.48	(25.48)	(5.73)	(31.21)
September 2015	10,304.00	10,325.98	(21.98)	(4.62)	(26.60)
Subtotal	37,825.83	37,961.90	(136.07)	(53.04)	(189.11)
Total Due					(189.11)

Please send a check payable to the County of Northampton in the amount of \$189.11 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 2201 Cherry Lane Bethlehem, PA 18015 610-838-6110
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Contact: Mrs. Melissa Vreeland Cooper