

STEPHEN J. BARRON, JR., CFE

CONTROLLER OF NORTHAMPTON COUNTY

NORTHAMPTON COUNTY COURTHOUSE
669 WASHINGTON STREET
EASTON, PENNSYLVANIA 18042

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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 #142 – Value Place 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-Up-On 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:

- An outdated version of the remittance form was used for twelve months of 2014 and for four months in 2015.

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

Findings:

- There were four months where the exemptions were not valid and/or the hotel could not provide the exemption certificate which amounted to \$221.81.

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Hotel Room Rental Tax Remittances – License #142 Value Place
January 1, 2014 through December 31, 2015
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- In 2015, there was one month where there was a discrepancy between the revenue reported to the County versus the Hotel's financial records which amounted to \$12.91.
- Based on the findings above, we determined that the Value Place owes the County \$224.72 in unpaid hotel room rental taxes and interest. See Exhibit 1 for additional tax due the County including the calculation of interest.


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

Findings:

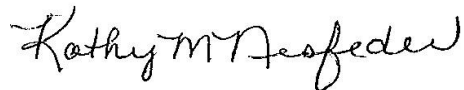
- There were no delinquent payments in 2014 or 2015.

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#142 Value Place 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

December 20, 2016

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

COUNTY OF NORTHAMPTON
 Hotel Room Rental Tax Remittances
 License #142 Value Place
 January 1, 2014 through December 31, 2015

Exhibit 1

<u>Date</u>	<u>Tax Remitted</u>	<u>Tax Calculated</u>	<u>Over/(Under)</u>	<u>Payment</u>	<u>Interest</u>	<u>Amount Due to Northampton County</u>
May 2014	4,915.18	4,956.76		(41.58)	(18.71)	(60.29)
June 2014	5,654.88	5,705.48		(50.60)	(22.01)	(72.61)
July 2014	5,661.81	5,693.88		(32.07)	(13.47)	(45.54)
September 2014	5,135.27	5,159.28		(24.01)	(9.36)	(33.37)
October 2015	6,037.96	6,048.76		(10.80)	(2.11)	(12.91)
	\$ 27,405.10	\$ 27,564.16		\$ (159.06)	\$ (65.66)	\$ (224.72)
Total Due						<u>\$ (224.72)</u>

Please send a check payable to the County of Northampton in the amount of \$224.72 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 #142	Value Place (Bethlehem) Corporate Office Headquarters 8621 E. 21 st North Suite 250 Wichita, KS 67206
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Contact: Dana Flickinger