



STEPHEN J. BARRON, JR., CFE

CONTROLLER OF NORTHAMPTON COUNTY

NORTHAMPTON COUNTY COURTHOUSE
669 WASHINGTON STREET
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TIMOTHY P. BRENNAN, ESQ.
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 #152 – View Inn for the period August 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:

- Based on the 17 months of reporting hotel taxes, the View Inn did not sign the remittance form for 13 of 17 months and only five months of remittance forms/payments were submitted on time.

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

Findings:

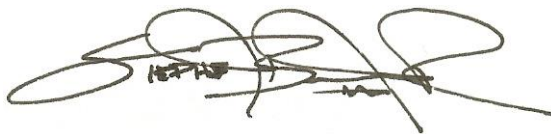
- In 2014, the View Inn underreported revenue in December and over reported revenue in August, September, October and November resulting in an overpayment of \$1,751.19

- In 2015, the View Inn over reported revenue in January and the remainder of the year they underreported revenue resulting in underpayments & interest penalties in the amount of \$2,255.61.
 - The View Inn submitted an exemption in January 2015 in the amount of \$1,699 but the guest did not stay 30 consecutive nights, therefore, they are not entitled to the exemption.
3. **Procedure:** Determine if interest is calculated accurately and assessed for delinquent payments.
- The View Inn incurred \$114.52 in late penalties in 2014 and \$751.62 in 2015. The interest payments were accurately assessed.

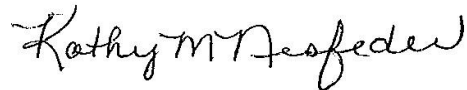
Based on the findings above, we determined that the View Inn owes the County \$504.42 in unpaid hotel room rental taxes and interest. See Exhibit 1 for additional tax due the County including the calculation of interest.

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 #152 View Inn for the period August 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 Nesfeder, CFE, CRMA
Staff Auditor

January 9, 2017

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 #152 View Inn
August 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>
August 2014	4,496.64	4,210.08	286.56		286.56
September 2014	3,356.16	2,413.70	942.46	0.00	942.46
October 2014	5,054.44	4,786.39	268.05	0.00	268.05
November 2014	3,796.20	3,536.26	259.94	0.00	259.94
December 2014	3,725.56	3,729.89	(4.33)	(1.49)	(5.82)
January 2015	3,051.80	3,115.09	(63.29)	(20.89)	(84.18)
February 2015	2,225.79	3,497.45	(1,271.66)	(400.57)	(1,672.23)
March 2015	4,216.70	4,226.52	(9.82)	(2.95)	(12.77)
April 2015	4,495.32	4,508.62	(13.30)	(3.79)	(17.09)
May 2015	5,696.52	5,711.53	(15.01)	(4.05)	(19.06)
June 2015	5,333.40	5,440.10	(106.70)	(27.21)	(133.91)
July 2015	6,308.08	6,317.06	(8.98)	(2.16)	(11.14)
August 2015	7,143.16	7,154.50	(11.34)	(2.55)	(13.89)
September 2015	5,490.00	5,505.28	(15.28)	(3.21)	(18.49)
October 2015	6,181.32	6,184.31	(2.99)	(0.58)	(3.57)
November 2015	4,557.84	4,565.26	(7.42)	(1.34)	(8.76)
December 2015	3,644.96	3,868.58	(223.62)	(36.90)	(260.52)
Totals	78,773.89	78,770.62	3.27	(507.69)	(504.42)
Total Due				\$	(504.42)

Please send a check payable to the County of Northampton in the amount of \$504.42 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 #152

View Inn
3191 Highfield Drive
Bethlehem, PA 18020
Phone: 610-865-6300
Contact: Andel Carter, General Manager