



**STEPHEN J. BARRON, JR., CFE**

**CONTROLLER OF NORTHAMPTON COUNTY**

NORTHAMPTON COUNTY COURTHOUSE  
669 WASHINGTON STREET  
EASTON, PENNSYLVANIA 18042

**FRANK S. KEDL, CIA**  
Audit Manager

**PHONE (610) 559-3186**  
**FAX (610) 559-3137**

**TIMOTHY P. BRENNAN, ESQ.**  
Solicitor

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

Members of the Northampton County Council  
John Stoffa, 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 # 109 – Nazareth Motel for the period January 1, 2011 to December 31, 2012. 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 postmarked by the 20<sup>th</sup> of each month.

**Findings:**

- In 24 of 24 months, the remittance form from 8/1/2008 was used. This form is missing the line for Late Payment Penalty.
- In six of 24 months, the remittances were not filed by the 20<sup>th</sup> of the month.
- In 23 of 24 months, we could not foot and recalculate the remittance form because the Operator did not fill out Line 10 – Actual Tax Collected.

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

**Findings:**

- In one of 24 months, the Operator incorrectly calculated Line 9 – Tax Due from Taxable Revenues.

- In one of 24 months, Taxable Revenue calculated by the auditor was greater than Taxable Revenue reported on the Remittance form.
- In one of 24 months, Taxable Revenue calculated by the auditor matched Taxable Revenue reported on the remittance form, but the Operator calculated Taxes Due incorrectly and remitted too much.
- In three of 24 months, the Operator reported incorrect Gross Revenue and Permanent Resident Exemption amounts for a permanent resident. Because this was a valid permanent resident, this error affected Gross Revenue and Permanent Resident Exemption amounts only and did not affect the Taxable Revenue for these months.

The net total of errors in Hotel Room Rental Tax remittances was less than \$1.00. No additional taxes will be collected and no credits will be issued.

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

**Findings:**

- Interest was calculated accurately and assessed for four of six delinquent payments. The remaining two interest amounts were less than \$1.00, and per the Revenue Manager they do not collect for amounts under \$1.00.

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 #109 – Nazareth Motel for the period January 1, 2011 to December 31, 2012. 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



Stephanie Rath-Tickle  
Staff Auditor

January 2, 2014

cc: D. Hamann, Acting Director of Fiscal Affairs  
N. Poplawski, Revenue Manager  
L. Sywensky, Community Development Administrator