

County Controller

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Agreed-Upon Procedures
Report

**HOTEL ROOM
RENTAL TAX**

NON-SITE VISITS

For the period January 1, 2019 to
December 31, 2020

**Office of the Controller
County of Northampton
Pennsylvania**



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**INDEPENDENT INTERNAL AUDITOR'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Members of the Northampton County Council
Lamont G. McClure, Jr., 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 for the following hotels which reported less than \$8,000 annually in hotel tax for the period January 1, 2019 to December 31, 2020.

Nazareth Motel #109	Bethlehem Inn #111
Classic Victorian B&B #115	Barnhouse Village #116
Filbert Bed & Breakfast #126	Camp Charles Campground #137

County 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. 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 the tax remitted to the County.

Findings: We collected, summarized and calculated tax for all 24 months of remittances submitted for the 2019 and 2020 period. The summarized remittance information for each year was compared to the verification forms requested from the hotel operators and we found:

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Hotel Room Rental Tax Remittances – Non-Site Visits
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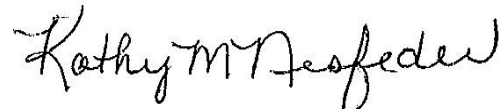
- The verification and exemption forms returned by the establishments listed below agreed with the remittance forms submitted to the County indicating that revenue and taxes appear to be reasonably stated:
 - The Barn House Village #116
 - The Filbert Bed & Breakfast #126
 - The Nazareth Motel #109
- The Camp Charles Campground #137 reasonably stated their hotel tax for 2019 but they underreported their revenue in 2020 and owe the County of Northampton \$149.04.
- The Classic Victorian B&B #115 over reported their revenue in 2019 and underreported their revenue in 2020. The Classic Victorian B&B #115 has a credit in the amount of \$26.24 which they can use as a deduction on their next hotel room revenue tax payment.
- The Bethlehem Inn #111 closed their establishment, therefore, no audit was performed.

We conducted this agreed-upon procedures engagement in accordance with generally accepted government auditing standards. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on Hotel Room Rental Tax Remittances from these hotels for the period January 1, 2019 to December 31, 2020. Accordingly, we do not express such an opinion or conclusion. 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.



County of Northampton Controller
Easton, Pennsylvania



Kathy M. Nesfeder, CRMA, CFE
Auditor II

October 15, 2021

cc: S. Barron, Director of Fiscal Affairs
N. Poplawski, Revenue Manager
T. Smith, Director of Department of Community and Economic Development
K. Collis, Community and Economic Development Specialist
Hotel Managers/Operators