



STEPHEN J. BARRON, JR., CFE

CONTROLLER OF NORTHAMPTON COUNTY

NORTHAMPTON COUNTY COURTHOUSE
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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 #148 – Sands Casino 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:

- The hotel was using the proper remittance form.
- There were nine months out of 24 months that the taxable revenue line was left blank on the remittance form.

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

Findings:

- The hotel reported the accurate taxable revenue for 2014 and 2015.

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Hotel Room Rental Tax Remittances – License #148 Sands Casino
January 1, 2014 through December 31, 2015
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- The hotel did not have any exemptions for the audit period.
- In 2014, there were seven months that the taxable revenue per the hotel's financial records matched the report revenue but the actual tax collected was greater than the tax remitted.
- In 2015, there were two months that the taxable revenue per the hotel's financial records matched the reported revenue but the actual tax collected was greater than the tax remitted.
- Based on our findings, we determined that the Sands Casino owes the County \$1,006.13 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:

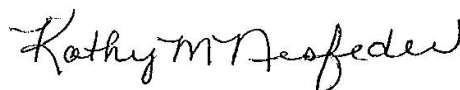
- There were no delinquent payments in 2014 or 2015.

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 #148 Sands Casino 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 Nesfeder, CFE, CRMA
Staff Auditor

December 6, 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 #148 Sands Casino
 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	29,467.53	29,523.20	(55.67)	(28.39)	(84.06)
February 2014	29,338.29	29,380.41	(42.12)	(20.85)	(62.97)
April 2014	34,572.56	34,579.25	(6.69)	(3.11)	(9.80)
May 2014	42,970.52	43,345.78	(375.26)	(168.87)	(544.13)
June 2014	35,370.10	35,388.11	(18.01)	(7.83)	(25.84)
August 2014	43,657.77	43,726.74	(68.97)	(27.93)	(96.90)
November 2014	36,893.90	36,902.12	(8.22)	(2.96)	(11.18)
Subtotal 2014	252,270.67	252,845.61	(574.94)	(259.94)	(834.88)
June 2015	35,176.98	35,184.65	(7.67)	(1.96)	(9.63)
September 2015	35,125.98	35,259.55	(133.57)	(28.05)	(161.62)
Subtotal 2015	70,302.96	70,444.20	(141.24)	(30.01)	(171.25)
Total Due					<u>(1,006.13)</u>

Please send a check payable to the County of Northampton in the amount of (\$1,006.13) 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 #148	Sands Casino 77 Sands Blvd. Bethlehem, PA 18015 484-777-7484
Contact:	Michael Hammer