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CONTROLLER OF NORTHAMPTON COUNTY

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**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 Department of Community and Economic Development, on the Hotel Tax Distribution Closeout as of April 30, 2017. The Department of Community and Economic Development's management is responsible for the Hotel Tax Distribution Closeout. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

1. **Procedure:** Confirm that ArtsQuest and Lehigh Valley Public Telecommunications Corporation, beneficiaries of Northampton County's 12.5% portion of Hotel Tax Revenues as established in Ordinance 440 of 2005, each received payments totaling \$1,000,000 per Ordinance 484 of 2008.

Findings: The beneficiaries received their final payments per Ordinance 484 for a total of \$1,000,000 each on October 14, 2016.

2. **Procedure:** Confirm that, through annual audits by the Controller's Office, the funds distributed were committed and expended for the enhancement of regional tourism by the beneficiaries, ArtsQuest and Lehigh Valley Public Telecommunications, for the benefit of Northampton County.

Findings: Annual reports submitted by the beneficiaries detailed the use of funds received. Audits performed by the Controller's Office had no findings with regard to funds not being expended for regional tourism for the benefit of Northampton County.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 the Hotel Tax Distribution Closeout. 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.



Stephen J. Barron, Jr., CFE
County Controller



Kathleen A. Kuzma, MBA, CPA, CGMA
Lead Auditor

May 18, 2017

cc: Catherine Allen, Director of Administration
Tim Herrlinger, Director, Community and Economic Development