



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 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 #145 – Riverton Hotel for the period January 1, 2012 to December 31, 2013. 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-Up-On 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 20th of each month.

Findings: We reviewed 24 months of remittance forms and found:

- In all months, an outdated remittance form was utilized. However, the information required by the new forms remained the same.
- In 2 months, the remittance form submitted was incomplete.
- In all months, the remittance form was postmarked by the 20th of the month or the following day when the 20th was a weekend or holiday.

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

Findings: We reviewed 24 months of financial records and remittance forms and found:

- In 13 months the taxable revenue reported to the County did not match the Operator's financial records.
- In 2 months, the Operator remitted less tax than their records indicated they collected.
- We reviewed 48 exemptions for accuracy and found that 4 exemptions were reported inaccurately.
- We reviewed 48 exemptions for validity and found 10 to be invalid due to a lack of supporting documents.
- Based on the findings above, we determined that the Riverton Hotel owes the County \$60.31 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: The Operator had no delinquent payments during the period under review.

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# 145 Riverton Hotel for the period January 1, 2012 to December 31, 2013. 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



Brandon Dunstane
Staff Auditor

February 25, 2015

cc: J. Hunter, Director of Fiscal Affairs
N. Poplawski, Revenue Manager
L. Sywensky, Deputy Director of Department of Community and Economic Development

COUNTY OF NORTHAMPTON
 Hotel Room Rental Tax Remittances
 License # 145 Riverton Hotel
 January 1, 2012 to December 31, 2013

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, 2012	0.00	1.80	(1.80)	(0.89)	(2.69)
April, 2012	11.20	13.00	(1.80)	(0.81)	(2.61)
May, 2012	10.80	14.40	(3.60)	(1.57)	(5.17)
June, 2012	9.40	11.20	(1.80)	(0.76)	(2.56)
July, 2012	9.00	22.00	(13.00)	(5.27)	(18.27)
August, 2012	16.30	18.10	(1.80)	(0.70)	(2.50)
September, 2012	16.20	21.60	(5.40)	(2.03)	(7.43)
October, 2012	14.48	12.68	1.80	0.00	1.80
January, 2013	12.70	16.30	(3.60)	(1.13)	(4.73)
March, 2013	7.20	9.00	(1.80)	(0.51)	(2.31)
May, 2013	28.80	32.40	(3.60)	(0.92)	(4.52)
July, 2013	34.60	35.40	(0.80)	(0.18)	(0.98)
August, 2013	21.68	21.90	(0.22)	(0.05)	(0.27)
November, 2013	11.10	12.70	(1.60)	(0.26)	(1.86)
December, 2013	0.00	5.40	(5.40)	(0.81)	(6.21)
Subtotal	203.46	247.88	(44.42)	(15.89)	(60.31)
Total Due					(60.31)

Please send a check payable to the County of Northampton in the amount of \$60.31 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 610-559-3116.

Hotel License # 145

Riverton Hotel

7758 Martin's Creek Belvidere Hwy
 Bangor, PA 18013-4942

(610) 498-4241

Contact: John Markopoulos