



COUNTY OF LEHIGH
OFFICE OF THE CONTROLLER

LEHIGH COUNTY GOVERNMENT CENTER
17 SOUTH SEVENTH STREET
ALLENTOWN, PA 18101-2400
(610) 782-3082 FAX: (610) 871-2897

GLENN ECKHART
COUNTY CONTROLLER

JOHN A. FALK
DEPUTY CONTROLLER

November 9, 2012

Jr. Lebron, General Manager
Holiday Inn – Allentown Center City
904 West Hamilton Street
Allentown, PA 18101

Brian Kahler, Fiscal Officer
Lehigh County Government Center
17 South Seventh Street
Allentown, PA 18101-2400

To Messrs. Lebron and Kahler:

We have recently completed an agreed-upon procedures engagement of hotel room rental tax remitted by Holiday Inn - Allentown Center City for the period January 1 to December 31, 2011. Our report number 12-23 is attached.

The result of our review is \$13,691.15 in hotel room rental tax was assessed.

The corresponding HOTEL TAX "DETERMINATION" from Mr. Kahler requesting payment of \$13,691.15 is also attached.

A handwritten signature in dark ink, appearing to read "Glenn Eckhart", is written over a horizontal line.

Glenn Eckhart
County Controller

Attachments (2)

HOTEL TAX/HOLIDAY INN – ALLNTOWN CENTER CITY

COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
HOLIDAY INN – ALLENTOWN CENTER CITY

*Independent Controller's Office Report on
Applying Agreed-Upon Procedures
For the Period January 1 to December 31, 2011*

REPORT NO. 12-23



COUNTY OF LEHIGH

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17 South Seventh Street
Allentown, PA 18101-2400

To Messrs. Lebron and Kahler:

Pursuant to Act 12 of 2005, section 1770.8 to the County Code, Lehigh County Ordinance #2005-180 and the Lehigh County Hotel Room Rental Tax Rules and Regulations effective September 4, 2005, a four percent hotel room rental tax shall be collected and remitted to the Lehigh County fiscal officer. We have performed certain procedures enumerated below, which were agreed to by the Lehigh County fiscal officer, solely to assist the county fiscal officer in determining the accuracy of hotel room rental tax remittances made by the Holiday Inn - Allentown Center City management for the period January 1 to December 31, 2011. The fiscal officer, as the delegate for the County Executive, is responsible for the collection of the hotel room rental tax.

Procedures performed included:

- Verification of reported revenue to Form PA-3 submitted to the Commonwealth of Pennsylvania, Department of Revenue.
- Compliance to the County of Lehigh Rules and Regulations for hotel room rental tax collection.
- Verification of reported revenue and hotel room rental tax collections to hotel operator accounting records.

This agreed-upon procedures engagement was conducted in accordance with generally accepted government auditing standards and "Government Auditing Standards" as issued by the United States Government Accountability Office (GAO) and "Statements on Standards for Attestation Engagements" as issued by the American Institute for Certified Public Accountants (AICPA). 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 performed.

Reported taxable revenues of \$1,925,536.40 resulted in \$77,021.46 in hotel tax payable to the County of Lehigh during the period under review (before adjustments). Based on our review, additional tax and interest is due for:

Exemption Adjustment	\$10,084.50
Revenue Adjustment	<u>3,606.65</u>
Total.....	\$13,691.15
	=====

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on hotel room rental tax collections. 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 county fiscal officer and management of the County of Lehigh and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Glenn Eckhart
County Controller

Attachment

October 10, 2012
Allentown, PA

Final Distribution
Board of Commissioners
William H. Hansell, County Executive

COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
HOLIDAY INN – ALLENTOWN CENTER CITY

Records Not Complete

Condition: The hotel operator reported \$242,933.93 in exempt hotel tax revenue for 2011 to the County of Lehigh. The supporting documentation for \$200,753.00 in tax exempt revenue could not be located.

Recommendation: The hotel operator is responsible for keeping an accurate set of accounting records per the County of Lehigh – Hotel Room Rental Tax Rules and Regulations – Section I “Records”.

“It is presumed that all Rooms are subject to the Hotel Room Rental Tax until the contrary is established by accurate records of the Operator. The burden of proving that the Transaction is not taxable is upon the Operator and the Operator must demonstrate the same through accurate records. In any case where an Operator fails to maintain adequate records as required under these Rules and Regulations, any Room for which there is not adequate records shall be deemed to be Occupied for the entire period for which the supporting records are lacking.”

For the period January 1 to December 31, 2011, all tax exempt revenue reported by the hotel Operator is “deemed to be occupied” resulting in \$8,030.12 in hotel room rental tax plus Interest.

The hotel operator should consider re-filing 2011 hotel tax reports, if necessary, to avoid future interest charges due Lehigh County.



COUNTY OF LEHIGH
Office of Fiscal Affairs

Brian L. Kahler
Fiscal Officer

November 9, 2012

Jr. Lebron, General Manager
Holiday Inn – Allentown Center City
904 West Hamilton Street
Allentown, PA 18101

RE: HOTEL TAX “DETERMINATION”
HOLIDAY INN – ALLENTOWN CENTER CITY

Dear Mr. Lebron:

According to the recent agreed-upon procedures performed by the Lehigh County controller's office, hotel tax and interest is due for the period January 1 to December 31, 2011.

In accordance with Section G of the Hotel Tax Rules and Regulations, you are hereby requested to remit the sum of \$13,691.15. The calculations of the “determination” (as stated in Section G) were included in the Lehigh County controller's office draft report. Failure to remit the payment within **ten (10)** days will result in additional penalties, attorney fees, and fines as stated in Section G.

Very truly yours,

Brian L. Kahler
Fiscal Officer

xc: Glenn Eckhart, County Controller

HOTEL TAX/HOTEL TAX DETERMINATION LETTER

Government Center
17 South Seventh Street
Allentown, Pennsylvania 18101-2401

Accounts Receivable
Phone: 610-782-3112
Fax: 610-820-3121

Fiscal Administration
Phone: 610-782-3115
Fax: 610-820-3690