



COUNTY OF LEHIGH
OFFICE OF THE CONTROLLER

LEHIGH COUNTY GOVERNMENT CENTER
17 SOUTH SEVENTH STREET
ALLENTOWN, PA 18101-2400
(610) 782-3082 FAX: (610) 820-3335

THOMAS SLONAKER
COUNTY CONTROLLER

JOHN A. FALK
DEPUTY CONTROLLER

August 26, 2010

Sheri Pennington, Sales Tax Accountant
Marriott Business Services
P. O. Box 699
Louisville, TN 37777-0699

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

**RE: Courtyard by Marriott
2160 Motel Drive
Bethlehem, PA 18018**

To Ms. Pennington and Mr. Kahler:

We have recently completed an agreed-upon procedures engagement of hotel room rental tax remitted by Courtyard by Marriott for the period January 3, 2009 to January 1, 2010. Our report number 10-45 is attached.

The result of our review is \$440.45 in hotel room rental tax was assessed and collected.


Thomas Slonaker
County Controller

Attachments (2)

HOTEL TAX/COURTYARD BY MARRIOTT #33311

COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
COURTYARD BY MARRIOTT

*Independent Controller's Office Report on
Applying Agreed-Upon Procedures
For the Period January 3, 2009 to January 1, 2010*

REPORT NO. 10-45

COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
COURTYARD BY MARRIOTT

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**RE: Courtyard by Marriott
2160 Motel Drive
Bethlehem, PA 18018**

To Ms. Pennington and Mr. 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 Courtyard by Marriott management for the period January 3, 2009 to January 1, 2010. 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.

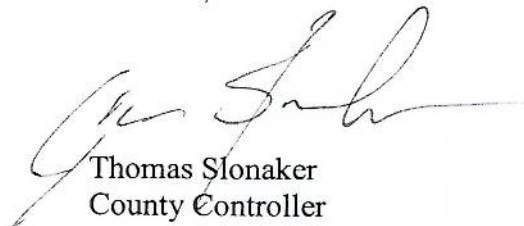
This agreed-upon procedures engagement was conducted in accordance with generally accepted government auditing standards and "Government Auditing Standards" as issued by the United States Government Accountability Office (GAO) and "Statements on Standards for Attestation Engagements" as issued by the 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 \$3,011,335.00 resulted in \$120,453.40 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 an exemption adjustment of \$440.45.

An issue regarding exemption reporting compliance is detailed on the attached page titled "*Exemption Reporting Compliance*".

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.



Thomas Slonaker
County Controller

Attachment

August 6, 2010
Allentown, PA

Final Distribution

Board of Commissioners
Donald Cunningham, Jr., County Executive
General Manager, Courtyard by Marriott

COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
COURTYARD BY MARRIOTT

Exemption Reporting Compliance

Condition: The hotel is utilizing an outdated form to report monthly hotel room rental tax exemptions. This outdated form comingles the exemptions for non-permanent and permanent residents. In January 2008, the office of fiscal affairs revised the exemption form, requiring the permanent residents and non-permanent residents to be reported separately. The Lehigh County fiscal officer sent a letter to all hotels instructing them to start using the revised forms with the January 2008 reporting cycle.

This condition was reported in our audit report# 09-43 issued September 4, 2009 for the period December 29, 2007 to January 2, 2009.

Recommendation: The hotel management should start using the revised reporting forms with the next reporting cycle.