



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

October 4, 2010

David M. Bodnar
Hotel Traylor LLC
2946 West Turner Street
Allentown, PA 18104

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

To Mr. Bodnar and Mr. Kahler:

We have recently completed an agreed-upon procedures engagement of hotel room rental tax remitted by Hotel Traylor for the period February 10, 2009 to August 11, 2010. Our report number 10-61 is attached.

The result of our review is \$5,733.28 for 2009 and \$2,748.06 for 2010 was assessed.

The corresponding HOTEL TAX "DETERMINATION" from Mr. Kahler requesting payment of \$5,733.28 for 2009 and \$2,748.06 for 2010 is also attached.



Thomas Slonaker
County Controller

Attachment

COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
HOTEL TRAYLOR

*Independent Controller's Office Report on
Applying Agreed-Upon Procedures
For the Period February 10, 2009 to August 11, 2010*

REPORT NO. 10-61

COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
HOTEL TRAYLOR

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17 South Seventh Street
Allentown, PA 18101-2400

To Mr. Bodnar 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 Hotel Traylor management for the period February 10, 2009 to August 11, 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. (**NOT PERFORMED** – Owner did not file PA-3's for all of calendar years 2009 and 2010.)
- Compliance to the County of Lehigh Rules and Regulations for hotel room rental tax collection. (**NOT PERFORMED** – Owner is not compliant.)
- Verification of reported revenue and hotel room rental tax collections to hotel operator accounting records. (**NOT PERFORMED** – Owner did not file any hotel room rental reports to Lehigh County.)


Since we are unable to follow the above procedures, we used a schedule prepared by the owner as of December 14, 2009 which purports to be a record of tenancy for 2009. Using the owner's schedule, we estimated the under-reported hotel room rental revenue for 2009 is \$118,675 and total 2009 tax plus interest due are \$5,733.28.

We also obtained a schedule prepared by the owner as of August 11, 2010. Using the owner's schedule, we estimated the under-reported hotel room rental revenue (through August 11, 2010) for 2010 is \$64,160 and total 2010 tax plus interest due is \$2,748.06.

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.

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 16, 2010
Allentown, PA

Final Distribution
Board of Commissioners
Donald T. Cunningham, Jr., County Executive
Barbara Nemith, Zoning Supervisor, City of Allentown
Jack Wagner, Auditor General

COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL REMITTANCES

HOTEL TRAYLOR

Corrective Actions Required:

1. Remit amounts due by September 20, 2010.
2. Follow the Lehigh County Hotel Room Rental Procedures for all future periods.



COUNTY OF LEHIGH
Office of Fiscal Affairs

Brian L. Kahler
Fiscal Officer

October 4, 2010

David M. Bodnar
Hotel Traylor LLC
2946 West Turner Street
Allentown, PA 18104

RE: HOTEL TAX "DETERMINATION"
Hotel Traylor

Dear Mr. Bodnar:

According to the recent agreed-upon procedures performed by the Lehigh County controller's office, hotel tax and interest is due for the period February 10 to December 31, 2009.

In accordance with Section G of the Hotel Tax Rules and Regulations, you are hereby requested to remit the sum of \$8,481.34. 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: Thomas Slonaker, County Controller

HOTEL TAX/HOTEL TAX DETERMINATION LETTER

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*Fiscal Administration
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