



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

June 12, 2008

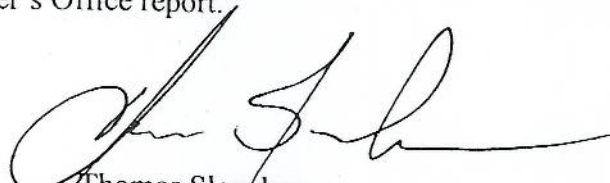
Mr. Ira M. Fine
Fine Lodging
P. O. Box 2
Slatington, PA 18080

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

To Messrs. Fine and Kahler:

We have recently completed an agreed-upon procedures engagement of hotel room rental tax remitted by Fine Lodging for the period June 1 to September 30, 2007. Our report number 08-35 is attached.

The procedures performed did not result in an assessment of hotel room rental tax. The procedures are included in the attached Independent Controller's Office report.



Thomas Slonaker
County Controller

Attachment

COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
FINE LODGING

*Independent Controller's Office Report on
Applying Agreed-Upon Procedures
For the Period June 1 to September 30, 2007*

REPORT NO. 08-35

COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
FINE LODGING

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17 South Seventh Street
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To Messrs. Fine 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 Fine Lodging management for the period June 1 to September 30, 2007. The fiscal officer, as the delegate for the County Executive, is responsible for the collection of the hotel room rental tax.

Procedures performed included:

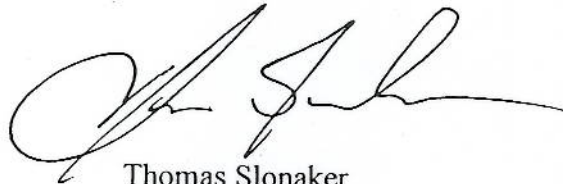
- Verification of reported revenue to Form PA-3 submitted to the Commonwealth of Pennsylvania, Department of Revenue.
- Compliance to the County of Lehigh Rules and Regulations for hotel room rental tax collection.
- Verification of reported revenue and hotel room rental tax collections to hotel operator 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 \$585.00 resulted in \$23.40 in hotel tax payable to the County of Lehigh during the period under review. We found several exceptions when performing the agreed-upon procedures, which are detailed in the accompanying "*Schedule of Agreed-upon Procedures and Results*".

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

May 4, 2008
Allentown, PA

Final Distribution
Board of Commissioners
Donald T. Cunningham, Jr., County Executive

COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL TAX
FINE LODGING

Schedule of Agreed-Upon Procedures and Results

- **PROCEDURE:** Verification of reported revenue to Form PA-3 submitted to the Commonwealth of Pennsylvania, Department of Revenue.

RESULT: We were unable to perform this procedure as the hotel did not file PA-3's during the engagement period. As an alternative procedure, we reconciled reported revenues to hotel bank deposits. The alternative procedure revealed no exceptions.

- **PROCEDURE:** Compliance to the County of Lehigh Rules and Regulations for hotel room rental tax collection.

RESULT: Hotel did not file returns for the months of January through May 2007, and October through December 2007. Section F, Paragraph 2, requires hotel operators to file monthly reports.

RECOMMENDATION: Hotel should file reports for the months noted above and continue to file monthly reports thereafter.

- **PROCEDURE:** Verification of reported revenue and hotel room rental tax collection to hotel operator accounting records.

RESULT: No exceptions found.