



# Office Of The Controller

*Serving the Taxpayers of the County of Lehigh*

## 2021 Annual Report

Prepared by Joshua Siegel

**MARK PINSLEY**  
County Controller

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**MARK PINSLEY**  
County Controller

The 2021 Annual Report provides an overview of the activities and audits undertaken by the Controller's Office in 2021. The report details among other things the level of audit satisfaction and effectiveness as reported by those audited, a comprehensive breakdown of county function's audited and a detailed list of each audit performed. The Controller's Office is tasked with being a fiscal watchdog, committed to protecting taxpayer dollars and looking for potential improvements in county departments and enforcing the county's campaign finance reform legislation. The Annual Report provides you with a high degree of accountability as taxpayers, allowing you to verify our efforts as auditors. The 2021 Audit portion of this report details each of the audits conducted and the purpose behind each audit. Our annual report also includes valuable financial resources for Lehigh County residents including how to pay your real estate taxes and how to find out if the PA Treasury owes you money.

# Mission Statement



Office Of The Controller



**The mission of the office of the controller, Lehigh County, Pennsylvania is to:**



Examine the property of internal control



Assess compliance with statutory requirements



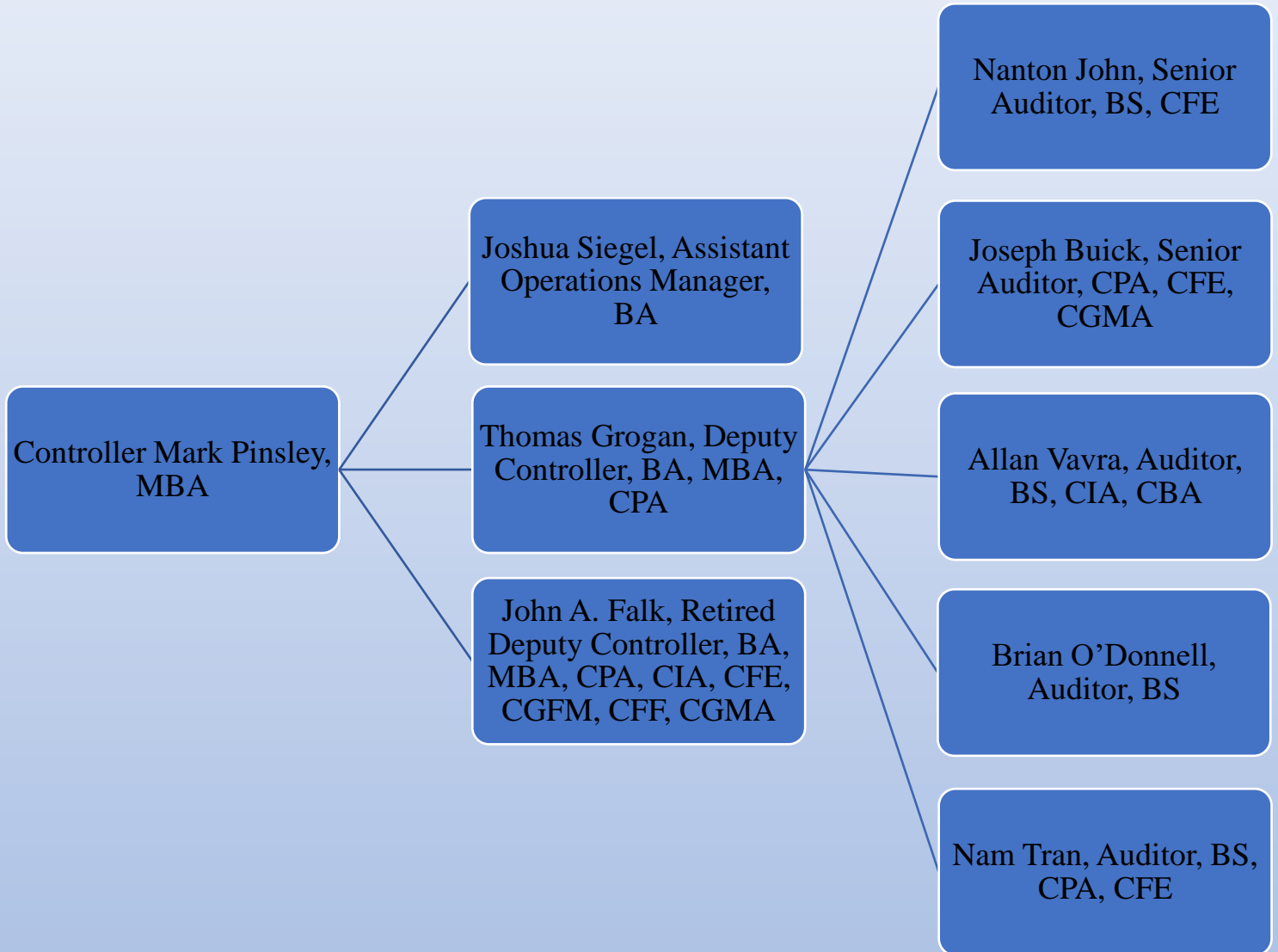
Evaluate operating procedures



Audit the accuracy & completeness of records and files pertaining to the receipt and disbursement of County funds by all officers, agents, and employees of the County

The controller's office conducts assessments of management performance and program results of any county department or agency to evaluate the efficiency and economy of the agency's or department's use of taxpayer funds.

# 2021 Staff Credentials and Certifications



**MBA - Masters in Business Administration**  
**CGMA – Charter Global Management Accountant**  
**CFF – Certified in Financial Forensics**  
**CGFM - Certified Governmental Financial Manager**  
**BBA – Bachelor of Business Administration**  
**MS – Masters of Science (Accounting)**

**CPA – Certified Public Accountant**  
**CIA - Certified Internal Auditor**  
**CFE - Certified Fraud Examiner**  
**CBA – Certified Bank Auditor**  
**BS - Bachelor of Science**  
**BA - Bachelor of Arts**

# Auditing Standards

The office of the controller performs an internal auditing function. Internal auditing is an independent appraisal function established within an organization to examine and evaluate the activities of the organization. A general statement of purpose, authority and responsibility for the office of the controller is included in the county home rule charter and administrative code.

The **Government Auditing Standards**, issued by the Comptroller General of the United States, provides auditing guidelines for financial and performance audits. Professional standards are also promulgated by the American Institute of Certified Public Accountants and several other authoritative accounting & auditing organizations.

Compliance to the **Government Auditing Standards** include minimum continuing professional education requirements for the staff and management of the office of the controller.

The **Government Auditing Standards** require 80 hours every two years with 24 hours in government - related courses. Certified public accountants are subject to the AICPA required 120 hours every three years (minimum 20 hours per year) and the PICPA requirement of 80 hours every two years. The Institute of Internal Auditors, the Association of Certified Fraud Examiners, and the Association of Government Accountants each have similar requirements to maintain their respective certifications.



# Introduction

## What is an Audit?

An internal audit involves reviewing county operations and procedures, office transactions or financial activities which is typically done by looking at cash receipts, disbursements (money allocated and spent by a department) or changes in fund balances (the individual financial accounts run by the county, i.e. general fund).

Audits are governed by professional associations of industry professions who set guidelines for how to properly conduct an audit. These organizations include the Government Auditing Standards Board (GASB), American Institute of Certified Public Accountants (AICPA) and the Association of Certified Fraud Examiners (ACFE).

There are three types of audits, financial, performance and agreed upon procedures, the first three types of audits are conducted to ensure that county offices have accurate finances, that their programs are having the intended result and are operating as effectively as possible. An agreed upon procedures audit which can be requested by departments, officials or members of the public. These audits do not result in findings, but look to answer a specific question made by the requesting party. .

Audits are scheduled based a county-wide assessment of risk performed by office staff. The staff will look at time since the last audit, the legal requirements mandating audits and staff turnover to determine when an audit is needed most.

In addition, the Controller's Office now produces non-audit services and special reports which are not conducted in accordance with governmental auditing standards, as they are not actual audits. They are reviewed by audit staff for accuracy and precision.

## Who are the Auditors?

We are a team comprised of experienced individuals. We have varied business experiences. Many of us have professional certifications such as Certified Government Financial Manager, Certified Public Accountant, Certified Internal Auditor and Certified Fraud Examiner.

## Who is the Controller?

The County Controller, **Mark Pinsley**, is an elected official, independent of the administrative, legislative and judicial branches of Lehigh County Government. Audit reports are issued to the audited management, the County Executive and the Board of Commissioners, and any other parties in charge of governance. All audit reports are a matter of public record and are available on the County of Lehigh website under the Office of the Controller. Reports issued by the Office of the Controller are available on the internet at:

[www.lehighcounty.org/Departments/Controller/Reports-views/catid/72](http://www.lehighcounty.org/Departments/Controller/Reports-views/catid/72)

## Audit Plans are Based on Risk Assessment.

All county activities are subject to audit. Generally, we select audits based upon a number of risk factors. We look at things such as the time since your last audit, the size of your operation, system changes and turnover of key staff. Various factors are weighed to determine our audit plan.



## Classification of Audits:

We classify our audit population into three categories:



- Many class one audits are audits we have to do because of a statutory requirement (county or state.) Class one audits also include what we classify as “**Continuous Audits**” – the verification of monthly reported revenue for row offices and magisterial district court offices, weekly vendor payment reviews, bi-weekly payroll reviews, monthly pension payment reviews and other periodic disbursements made by the county. Other mandated audits include, among others, the magisterial district justice operations, nursing home resident trustee accounts, jail inmate accounts, and the district attorney’s annual drug forfeiture report .



- Class two audits are discretionary and are scheduled based on individual priority and staff time availability. The population of class two audits is a dynamic and evolving list to be expanded as we identify changing risk factors and additional audit areas. We refer to these audits as “**Periodic Risk-based Audits**” – involving financial / attestation / performance audits requiring analytical review, substantive detail testing, tests of internal control, and management effectiveness & efficiency.



- Class three audits are “**High Priority**” (fraud, ethics hotline, or special request) audits. This work is generally not known ahead of time. Class three audits require immediate focus and attention and are given priority over class one and two audit work.





# 2021 Association of Local Government Auditors Peer Review

The Association of Local Government Auditors developed the Peer Review Process in 1991 to ensure that local government auditors were operating consistent with the established standards of their industry. The Yellow Book, government auditing standards are published by the Government Accountability Office to create best practices and unified guidelines for conducting government audits.

ALGA conducts a peer review every three years to determine whether the government auditing divisions' quality control system is in compliance with Government Auditing standards. A team of auditors selects random audits conducted over the three year time period and reviews them to assess quality of the audit, use of proper internal controls and maintaining compliance with the GAO's best practices.

Lehigh County Controller's Office once again received a pass rating from the review team, and was awarded a certificate of compliance on December 9, 2021 for reports issued during the period July 1, 2018 to June 30, 2021. This indicates the internal quality control system in place was adequately designed and operating effectively to provide reasonable assurance of compliance with Government Auditing Standards.



The Association of Local Government Auditors  
Awards this

## *Certificate of Compliance* to *Lehigh County Office of the Controller*

Recognizing that the organization's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audit and attestation engagements during the period July 1, 2018 through June 30, 2021.

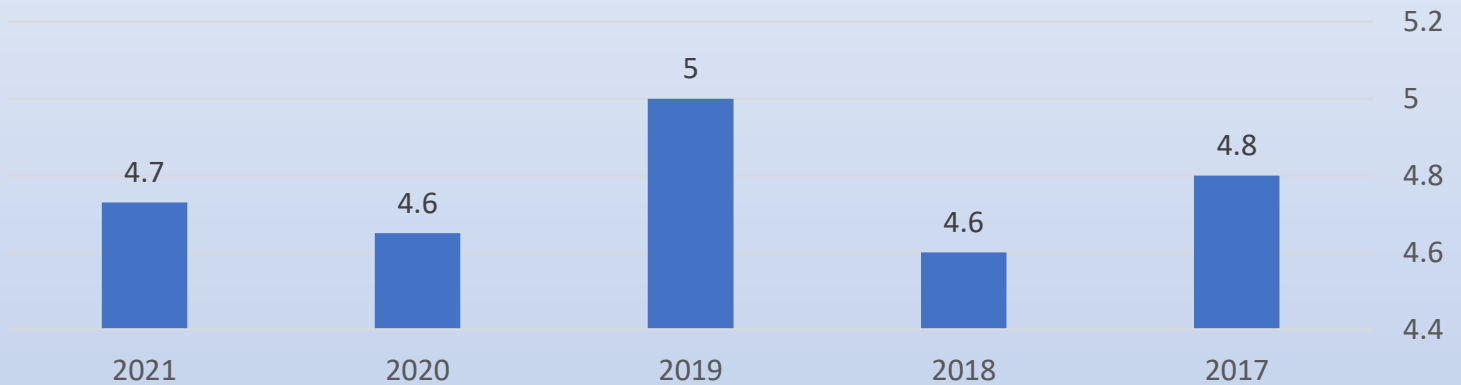
*Stan Sewell*

Stan Sewell  
ALGA Peer Review Committee Chair

# Audit Effectiveness Questionnaire

Beginning in late 1998, the office of the controller sent an audit effectiveness questionnaire to the audited management after each audit was completed. Our questionnaire topics included audit planning, fieldwork and reporting. Ratings from 1 (inadequate) to 5 (excellent) were requested for each of the 13 questions related to our audit performance. Other written comments were also requested from the audited management.

The average of the responses received rated our performance as 4.7 in 2021. The following are the ratings for the last five years:



**The questionnaire describes a 4 rating as “very good” and a 5 as “excellent.”**

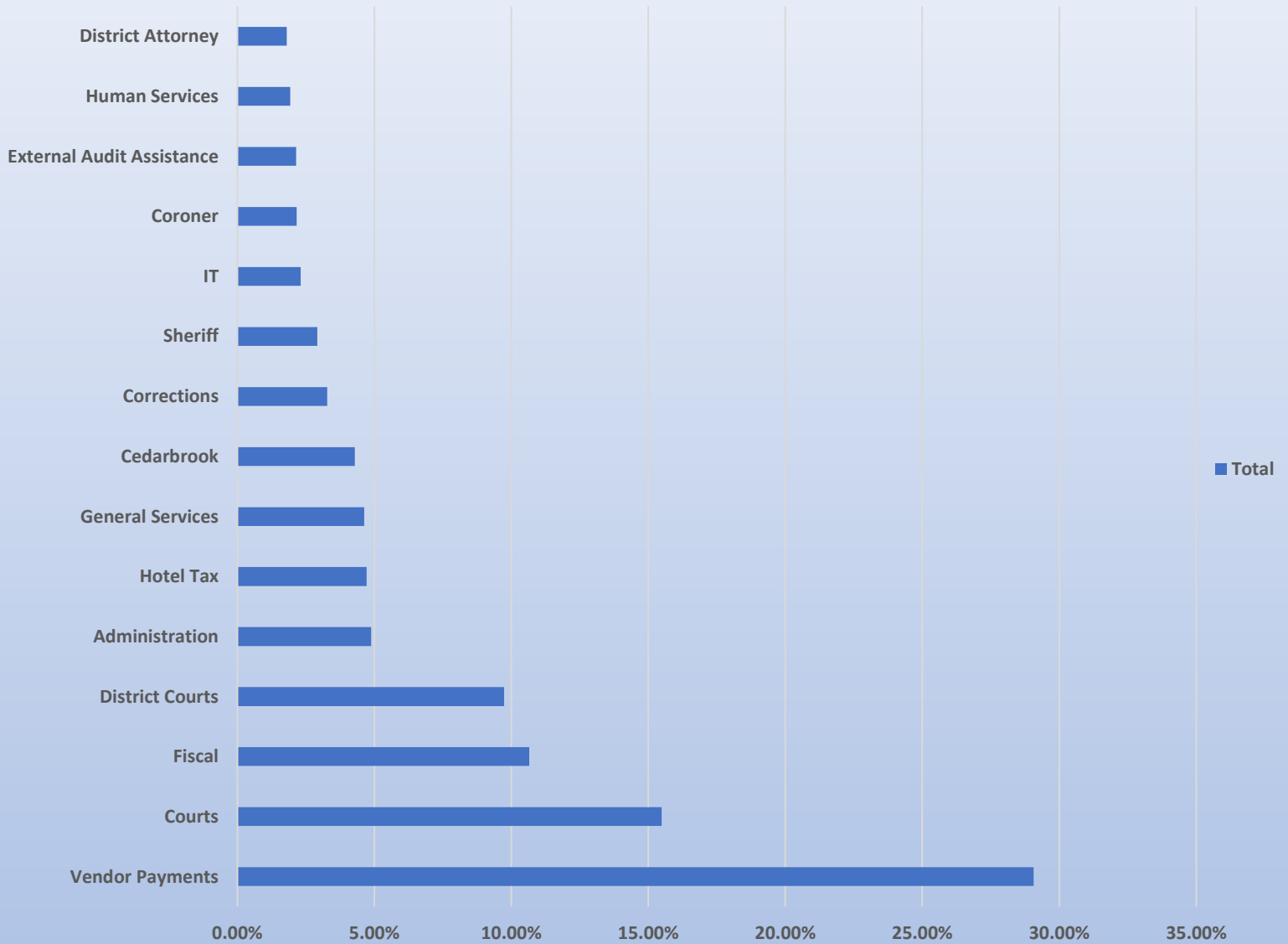


The questionnaire is helpful to gauge the effectiveness of our audits and the degree of customer satisfaction. The input received helps us in the planning and performance of future audits.

**We thank all who took the time to respond to the questionnaire.**

# 2021 Audit Hours

## Summary of Hours by %



# Desk “Audits”

## Our “Early Warning” System

### What is a Desk Audit?

A desk audit is not really an audit at all. It is a spot check clerical review of monthly reports which acts as an early warning system intended to provide ongoing oversight for cash handling offices. If anything unusual is noted during a desk audit, the auditors look into the matter immediately. These monthly clerical reviews serve to highlight any unusual situation in a timely manner that requires our attention. Ultimately, full financial or performance audits are performed based on our risk assessment on a cyclical basis.

### 2021 Desk Audits:

**Row Offices** – Monthly desk audits of row office reports for the period January 2021 through December 2021 (continuous monitoring).

- Register of Wills Division \*
- Recorder of Deeds Division\*
- Clerk of Courts Criminal Division\*
- Clerk of Courts Civil Division\*
- Orphans Court Office
- Coroner’s Office
- Sheriff’s Office
- Domestic Relations

\* These offices are part of the Clerk of Judicial Records Office.



**Magisterial District Judges** - Monthly desk audits of 14 Magisterial District Court offices’ reports for the period January 2021 through December 2021 (*continuous monitoring*).

### Purpose of Audits

**For the row offices:** to verify sequential receipt usage; to verify reported revenue matches bank deposits and actual receipt of funds by the office of fiscal affairs; and to verify bank reconciliations are performed on a timely basis.

**For the magisterial district court offices:** to verify the county share of costs & fines collected and remitted; to verify escrow balance control; and to verify monthly bank account reconciliations.

Copies of the completed audit reports are available on the Lehigh County website under the Office of the Controller or call our office at 610-782-3082. All audits, unless otherwise noted in the audit, are conducted in accordance with governmental auditing standards issued by the Controller of the United States.

## Areas of Audits

- **Financial:** These audits are conducted to ensure that financial statements, bank records and receipts are being prepared and maintained properly and are accurate.
- **Compliance:** A compliance audit is intended to ensure that an office or entity is following established operating guidelines and policies.
- **Agreed Upon Procedures:** These audits are conducted at the request of the entity being audited, and result in recommendations for internal improvements and procedural changes.
- **Non-Audit Service/ Special Report:** These special reports make policy recommendations to county officials, but are not conducted under government auditing standards. The recommendations and documentation are reviewed by audit staff.

**ETHICS HOTLINE**  
(610) 782-3999



## Purpose of Audit

A confidential telephone message system available to employees and the general public to report suspected fraud, waste and abuse. An annual activity report is issued to the Board of Commissioners in accordance with Ordinance 1993-130 which summarizes the calendar year's activity. The ethics hotline activity for 2020 was released under report #21-01 on January 17<sup>h</sup>, 2021.

The ethics hotline continues to be a valuable tool for employees and the public to report suspected improprieties. This report also includes all reports received per Administrative Notice 2001-4, "**Supervisor's Report of Lost or Stolen Property**".

## 2021 Audit Reports



### **Ethics Hotline Activity for the Year 2020 - Report # 21-01**

*Compliance – For the Calendar Year 2020*

#### **Purpose of Audit**

The Lehigh County Controller's Office operates an ethics hotline which allows for the reporting of suspected fraudulent or illegal activity. The annual audit is a review and aggregation of all ethics hotline calls made in the previous year.



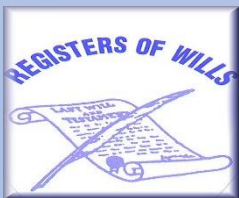
### **Audit of Lehigh County's Highmark Prescription Drug Plan – Report #21-02**

*Performance Audit – For the Calendar Year 2019*

Healthcare remains one of Lehigh County's largest annual expenses at approximately \$30 million annually.

#### **Purpose of Audit**

The Controller's Office conducted an audit of Lehigh County's prescription drug plan including the use of drug rebates from pharmacy benefit managers and alternative drug purchasing options to identify potential savings. The objective of the audit was to evaluate the adequacy of controls over prescription drug costs for Lehigh County plan members.



### **Register of Wills Audit– Report #21-3**

*Financial Audit– For the Calendar Year 2018 & 2019*

#### **Purpose of Audit**

The Clerk of Judicial Records- Register of Wills office probates wills and collects taxes for the Commonwealth of Pennsylvania. This audit determines whether the Register of Wills office has proper internal controls over the collection of fees and whether all funds were properly collected and received.

## 2021 Audit Reports Continued



### **Department of Corrections Inmate Accounts – Report #21-4**

*Financial– For the Period January 1<sup>st</sup>, 2019 to December 31<sup>st</sup>, 2019.*

The Lehigh County Department of Corrections maintains separate ledgers for a variety of inmate accounts from money taken upon incarceration to earning from employment within the jail.

#### **Purpose of Audit**

The Controller’s Office audit evaluates whether the Department of Corrections has proper internal control mechanisms for inmate ledgers and reconciles ending fund balances to evaluate the effectiveness of the Department of Correction’s money management practices.



### **Imprest Funds- Report #21-5**

*Compliance Audit – For the Calendar Year Ending December 31<sup>st</sup>, 2020.*

Imprest funds or petty cash are small cash accounts maintained by the Office of Fiscal Affairs on behalf of various Lehigh County offices. These funds are needed for offices to conduct their routine business.

#### **Purpose of Audit**

The Controller’s Office conducted unannounced cash and cash equivalent counts at all known county departments who maintain imprest funds, to ensure funds are intact and adequately secured, and to review cash handling procedures with staff. The Office of Fiscal Affairs is responsible for the preparation of imprest funds as described in the County of Lehigh Home Rule Charter and Administrative Code.

## 2021 Audit Reports Continued



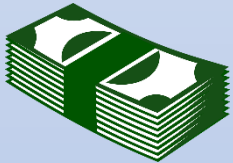
### **Lehigh County Real Estate Tax Collections – Report #21-06**

*Financial – For the Tax Year Ending December 31<sup>st</sup>, 2021.*

Lehigh County’s primary source of revenue is property taxes. In the year 2020, Lehigh County collected \$113,112,273 in real estate taxes.

#### **Purpose of Audit**

The Controller’s Office goal is to determine the sufficiency of the Fiscal Office’s internal controls over real estate tax collection and identify any potential deficiencies. The office reviews total amount billed, total tax collected, total outstanding payments turned over to the tax claim bureau, and any potential tax breaks available to property owners such as Act 319.



### **Vendor Payments Audit - Report #21-07**

*Compliance Audit- For the Calendar Year Ending December 31, 2020*

In 2020, 29,000 payments were issued totaling \$221 million by the Office of Fiscal Affairs.

#### **Purpose of Audit**

The Controller’s Office evaluated internal control mechanisms and looked for systemic improvements to the vendor payment process including cost savings through the use of credit cards and greater transparency over the review of healthcare invoices.



### **Audit of Magisterial District Judge Office 31-1-06 Report #21-08**

*Financial Audit - For the Period January 1<sup>st</sup>, 2020 to November 9<sup>th</sup>, 2020*

#### **Purpose of Audit**

The Controller’s Office reviewed the payments remitted by the District Court to Lehigh County for compliance with the Administrative Office of the Pennsylvania Courts policies and procedures. The audit objective was to ensure the financial statements were fairly stated and internal controls over financial transactions were adequate.



## 2021 Audit Reports Continued



### **Audit of Tax Delinquency on Paid Rent Provisions – Report # 21-09**

*Compliance Audit- For Calendar Year Ending December 31<sup>st</sup>, 2020*

#### **Purpose Of Audit**

The Controller's Office as stipulated by the County's Administrative Code must ensure that all vendors and contractors are current on their county real estate taxes or rents in order to continue doing business with the county.



### **Adult Probation Offender Supervision Fees– Report # 21-10**

*Compliance Audit - Calendar Years Ending 2019 and 2020*

Pursuant to Act 35 of 1991, supervision fees were created to assist with the administration of adult probation services. These fees are divided equally between the collecting county and the Pennsylvania Board of Probation and Parole.

#### **Purpose Of Audit**

The Controller's Office evaluates the Adult Probation's compliance with Act 35 of 1991 of the Pennsylvania Administrative Code, applicable to the collection of supervision fees.



### **Pension Payments Processing – Report # 20-11**

*Compliance Audit –For Calendar Year Ending December 31, 2020*

In 2020, Lehigh County issued 22,037 pensioners a total of \$37.6 million in pension payments.

#### **Purpose Of Audit**

The Controller's Office is responsible for auditing county disbursements and reviewing warrants for expenditure of county monies. The Fiscal Office is responsible for the disbursement of pension payments in compliance with the Home Rule charter.

## 2021 Audit Reports Continued



### **Cedarbrook Admissions and Collections Procedures – Report # 21-12**

*Agreed Upon Procedures Audit – For The Period October 1<sup>st</sup>, 2020 to March 31<sup>st</sup>, 2021*

Cedarbrook Senior Care and Rehabilitation Center is the county’s publicly run and managed nursing home facility.

#### **Purpose Of Audit**

The Controller’s Office conducted this audit as a result of the previous financial audit which indicated a need for improvement in Cedarbrook’s Private Pay collections. The goal of this review was to determine the adequacy of selective admissions and collections procedures of private residents’ accounts for a 6-month period.



### **Year-End Payroll – Report # 21-13**

*Performance Audit - For Calendar Year 2020*

#### **Purpose Of Audit**

The Controller’s Office reviews biweekly payroll, and evaluates annual payroll to determine any potential inefficiencies, identify areas of improvement, and report on compliance with applicable federal and state regulations, state unemployment compensation laws, and County of Lehigh personnel policies and procedures.



### **Addendum to Magisterial District Courts Report #20-29 – Report # 21-14**

*Audit Follow-Up- For Report 20-29*

#### **Purpose Of Audit**

This audit was conducted as a follow-up to evaluate adherence to the Controller’s Office recommendation in the previous audit report, regarding the co-location of district court offices.

## 2021 Audit Reports Continued



### **Bureau of Collections – Report # 21-15**

*Financial Audit- Year Ending December 21, 2020*

The Bureau of Collections is responsible for the collection of criminal court costs, fines, restitution, civil court protection from abuse filings and prison room and board. These fines are disbursed to local governments and the victims of crimes.

#### **Purpose Of Audit**

The Controller's Office reviews and evaluates the collections and disbursement processes, to identify potential deficiencies with internal management of financial transactions.



### **Hotel Tax Audit – Report # 21-16 - 21-19**

**Hotel Traylor – Report # 21-16**

**Fairfield Inn & Suites by Marriot- Report # 21-17**

**Red Roof Inn- Report #21-18**

**Express Allentown North Hotel- #21-19**

#### **Purpose Of Audit**

In Lehigh County, there is a 4% tax assessed on qualifying hotel room stays which is remitted to the county. The Controller's Office verifies compliance with county ordinance #2005-180 and Lehigh County Hotel Room Rental Tax Rules and Regulations to ensure the county received the full amount of tax that it was due.

## 2021 Audit Reports Continued



### **Elite Revenue Tax Claims – Report # 21-20**

*Compliance Audit - Tax Claim Years 2017-2020*

The county utilizes Elite Revenue Tax Claims (formerly known as Northeast Revenue Services, LLC) to collect and distribute delinquent property taxes.

#### **Purpose Of Audit**

The Controller's Office audit objective was to determine whether Elite Revenue Solutions was compliant with the provisions of its contractual agreement with the county.



### **Controlled Substance Forfeiture Report– Report # 21-21**

*Agreed Upon Procedures Audit- For the Period July 1, 2020 to June 30, 2021*

#### **Purpose Of Audit**

The Controller's Office verifies the accuracy of reported controlled substance forfeitures and other statutory asset forfeitures as reported by the Lehigh County District Attorney's Office.

## 2021 Audit Reports Continued



### **Hotel Tax Audit – Report # 21-22 - 21-25**

#### **Hilton Garden Inn– Report # 21-22**

*Agreed Upon Procedures- For The Period January 1st to December 31, 2020*

#### **Airbnb # 21-23**

*Agreed Upon Procedures- For The Period January 1st to December 31, 2020*

#### **Royal Motel Hotel - Report #21-24**

*Agreed Upon Procedures- For The Period January 1st to December 31, 2020*

#### **Staybridge Suites Allentown - #21-25**

*Agreed Upon Procedures- For The Period January 1st to December 31, 2020*

#### **Purpose Of Audit**

In Lehigh County, there is a 4% tax assessed on qualifying hotel room stays which is remitted to the county. The Controller's Office verifies compliance with county ordinance #2005-180 and Lehigh County Hotel Room Rental Tax Rules and Regulations to ensure the county received the full amount of tax that it was due.



### **Clerk of Judicial Records Civil Division – Report # 21-26**

*Compliance Audit- For Years 2019 and 2020 ended December 31<sup>st</sup>, 2020*

#### **Purpose Of Audit**

The Controller's Office reviewed all fees and money collected by the Civil Division to determine if funds were managed in an appropriate manner and that internal control mechanisms were sufficient to ensure timely and accurate collection and disbursement of funds.

## 2021 Audit Reports Continued



### **Domestic Relations – Report # 21-27**

*Financial Audit- For Calendar Years 2019 and 2020.*

#### **Purpose Of Audit**

The Controller’s Office reviewed funds maintained by the Domestic Relations Section to verify accurate and proper accounting procedures and to ensure that ledgers accurately reflected the financial activity of receipts and disbursements.



### **Coroner’s Office – Report # 21-28**

*Financial Audit- For The Period January 1<sup>st</sup>, 2020 to December 31<sup>st</sup>, 2020*

#### **Purpose Of Audit**

The Controller’s Office reviewed funds managed by the Coroner’s Office. The audit objective was to determine the adequacy of internal controls over cash receipts and expenditures, billings, collections, and decedent inventory.



### **Hotel Tax Summary– Report # 21-29**

*Agreed Upon Procedures- For The Calendar Year 2020*

#### **Purpose Of Audit**

The Controller’s Office selected 8 Lehigh County hotels to determine compliance with the Lehigh County Hotel Room Occupancy Tax.

## 2021 Audit Reports Continued



### **Community Corrections Audit– Report # 21-30**

*Financial Audit- For The Calendar Years January 1st, 2019 to December 31st, 2020*

The Community Corrections Center allows select male and female inmates to live in a minimum security setting while they work, participate in rehabilitative programs, and pay court costs.

#### **Purpose Of Audit**

The Controller's Office objective was to determine the adequacy of the statement of receipts and disbursements prepared by the Community Corrections Center and to identify any potential deficiencies internal controls over cash receipts and disbursements.



### **IT Inventory – Report # 21-31**

*Compliance Audit- For The Period Ending February 1, 2021*

#### **Purpose Of Audit**

The Controller's Officer reviewed Lehigh County's Information Technology department's adherence to the Administrative Notice 2019-01 requirement that annual inventory of all county computer equipment be performed, and accurate inventory lists are maintained..



### **Clerk of Judicial Records Criminal Division– Report # 21-32**

*Financial Audit- For The Calendar Years December 31st, 2019 to December 31st, 2020*

#### **Purpose Of Audit**

The Controller's Office reviewed receipts and disbursements from the Criminal Division to verify adequate internal controls and ensure that Lehigh County received all money owed.

## **Non-Audit Service/ Special Reports**

### **Non-Audit Service- Pre-Trial Services - #21-1**

Lehigh County contracts with Pre-Trial Services to administer the monitoring of eligible defendants prior to their appearance in court. Pre-Trial Services utilizes a risk management assessment to determine whether bail or simple reminders are required to ensure someone appears to court.

#### **Purpose Of Service**

The Controller reviewed data related to bail, total bail amounts, type of offenses and average bail amount by magisterial district judge. The report makes recommendations related to reducing reliance on bail and providing more social support to help people make their court appearances.

### **Non-Audit Service- Clean Energy Report- #21-2**

Lehigh County is a major purchaser and consumer of energy and as such has a significant carbon footprint.

#### **Purpose Of Service**

The Controller reviewed Lehigh County's total energy consumption and energy budget as it related to purchasing electricity and made recommendations regarding ways Lehigh County could switch to renewable energy.

### **Non-Audit Service- Credit Card Rebate - #21-3**

Lehigh County is in the process of transitioning towards the use of credit cards to make purchases and utilize cash rebate rewards from those purchases to create savings.

#### **Purpose Of Service**

The Controller's Office examined recent purchases using the proposed P-Cards to determine how much savings were realized. Initial estimates project first year cash rebates of approximately \$150,000. The report also looked at additional savings such as staff time and paperwork reduction as a result of switching to a more efficient purchasing system.



## Non-Audit Service/ Special Reports

### Non-Audit Service – Neighborhood Improvement Zone - #21-4

The Neighborhood Improvement Zone (NIZ) is a taxing district in Allentown has helped create over a \$1 billion in investment in the City of Allentown in the form of apartments and new office buildings.

#### Purpose Of Service

The Controller looked at the increase in tax revenue and property value as a result of the NIZ to determine whether it has benefited the county. The report looked only at the financial impact of the tax zone.

### Special Report- Non-Profit Hospital- #21-5

Lehigh County's two largest hospitals are tax-exempt, Lehigh Valley Health Network and St. Lukes Hospital, operate as non-profits meaning they are exempt from paying local property tax on most of their buildings.

#### Purpose Of Report

The Controller wanted to evaluate the fiscal impact the hospitals non-profit status had on Lehigh County to determine if their tax status was resulting in significant financial losses for the county. The report focused only on what the hospitals would pay the county if they weren't non-profit.

### Special Report- Food Waste- #21-6

The Lehigh County jail generates food waste which in turn generates methane, a greenhouse gas more effective at retaining heat than carbon dioxide.

#### Purpose Of Report

The Controller estimated the environmental impact Lehigh County's total food waste, and the amount of methane produced. The Controller also suggested a composting program to repurpose food waste and also job training for inmates.

## Other Duties and Responsibilities

Lost, Missing, Stolen Property Reporting Liaison

County Officials' Bonds Depository

Review of Bureau of Collections Check Disbursements

Review of Work Release Check Disbursements

Review of Cedarbrook RFMS Checks

Monitor Check Sequences for Health Choices Checks, Worker's Compensation

Audit Planning – County-Wide Risk Assessment

County Pension Policy Issues

Observation of County Sheriff Sales, Tax Claim Bureau Upset & Judicial Sales

Computer Assisted Audit Techniques Training – ACL software

County Campaign Finance Reform (anti-pay-to-play compliance)

## Other Duties and Responsibilities



### Surprise Cash Counts

The office of the controller also performs random, unannounced cash counts of offices that maintain a change fund or petty cash fund. Every office that handles cash is subject to surprise cash counts.



### Bid Control

Receive and secure advertised bids and requests for proposals issued by the office of procurement. Open bids and monitor bid tabulation.

## Lehigh County Pension Board

The Controller, Mark Pinsley, serves as Secretary of the Lehigh County Pension Board.

### ETHICS HOTLINE

(610) 782-3999



Confidential



Independent



Integrity in  
Government

Mark Pinsley  
Controller

# Contact Info

As of January 31<sup>st</sup>, 2021

**General Office – 610-782-3082**

Name	Title	Phone	E-mail
Mark Pinsley	Controller	610-782-3178	<a href="mailto:markpinsley@lehighcounty.org">markpinsley@lehighcounty.org</a>
Joshua Siegel	Assistant Operations Manager	610-782-3082	<a href="mailto:joshsiegel@lehighcounty.org">joshsiegel@lehighcounty.org</a>
John Falk	Retired Deputy Controller	610-782-3083	<a href="mailto:johnfalk@lehighcounty.org">johnfalk@lehighcounty.org</a>
Thomas Grogan	Deputy Controller	610-782-3084	<a href="mailto:thomasgrogan@lehighcounty.org">thomasgrogan@lehighcounty.org</a>
Allan Vavra	Auditor	610-782-3913	<a href="mailto:AllanVavra@lehighcounty.org">AllanVavra@lehighcounty.org</a>
Brian O'Donnell	Auditor	610-782-3915	<a href="mailto:Brianodonnell@lehighcounty.org">Brianodonnell@lehighcounty.org</a>
Nam Tran	Associate Auditor	610-782-3914	<a href="mailto:namtran@lehighcounty.org">namtran@lehighcounty.org</a>
Joseph Buick	Senior Auditor	610-782-3912	<a href="mailto:josephbuick@lehighcounty.org">josephbuick@lehighcounty.org</a>
Nanton P. John	Senior Auditor	610-782-3438	<a href="mailto:nantonjohn@lehighcounty.org">nantonjohn@lehighcounty.org</a>

**Want to know more about the County of Lehigh**

[www.lehighcounty.org](http://www.lehighcounty.org)

**Have a Lehigh County Human service related question**

<https://www.lehighcounty.org/Departments/Human-Services/Information-Referral>

**Want to know if the Pennsylvania Treasury owes you money**

<https://www.patreasury.gov/unclaimed-property>

**Want to check out what the Lehigh Valley has to offer**

<https://www.patreasury.gov/unclaimed-property>

**Want to know which charity to donate to**

<https://www.charitynavigator.org/index.cfm/bay/search.advanced.htm>

**What to do if identity theft occurred**

<https://www.consumer.ftc.gov/features/feature-0014-identity-theft>

**Want to obtain a concealed carry license**

<https://www.lehighcounty.org/Departments/Concealed-Carry-Permit>

**Have to pay real estate taxes**

Lehigh County Government Center, Room 119

**Want to report fraud, waste, and abuse at Lehigh County**

Call the Ethics Hotline at 610-782-3999

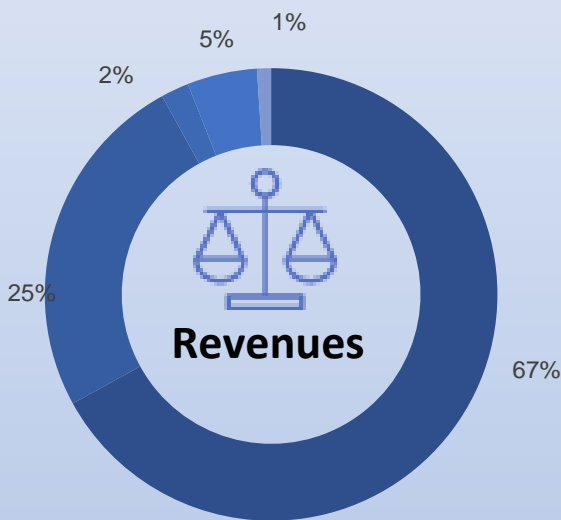
**Want to vote by mail**

<https://www.pavoterservices.pa.gov/OnlineAbsenteeApplication/#/OnlineAbsenteeBegin>

# 2021 Lehigh County Revenues and Expenditures

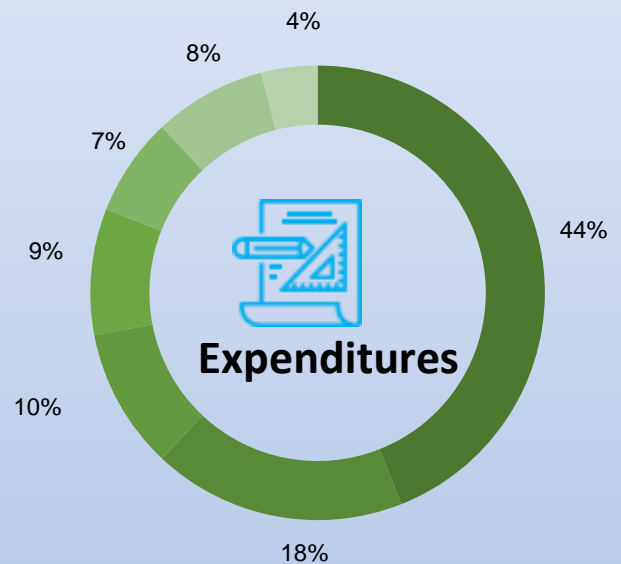
Source: 2021 Lehigh County Adopted Budget Details

2021 Lehigh County  
Adopted Revenues  
\$449,374,279



- Grants and Reimbursements (67%)
- Taxes (25%)
- Other Revenues and Reserves (2%)
- Departmental Earnings (5%)
- Judicial Costs and Fines (1%)

2021 Lehigh County  
Adopted Expenses  
\$457,233,997



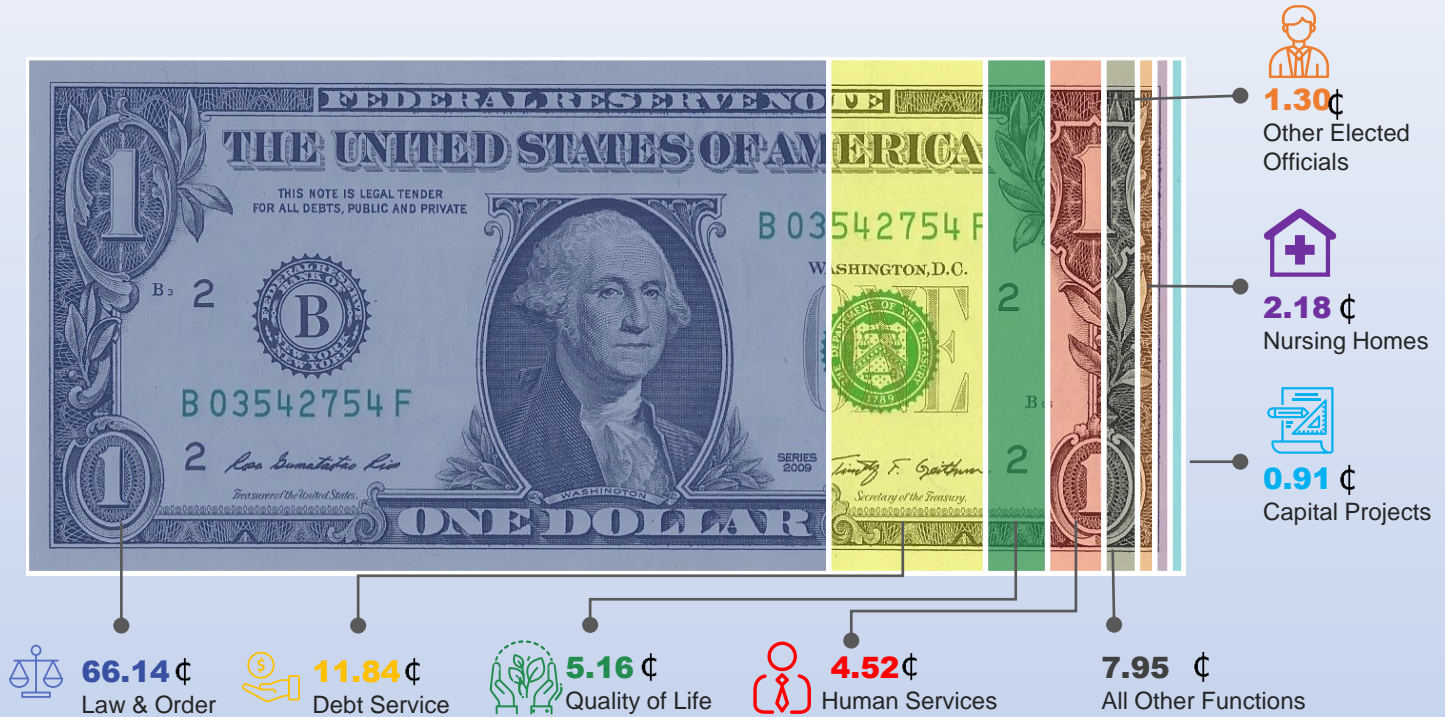
- Human Services (44%)
- Nursing Homes (18%)
- Administration and Gen. Svcs. (10%)
- General Government (9%)
- Corrections (7%)
- Courts (8%)
- Debt Service (4%)

## 2021 Lehigh County Budget

Revenues above include \$113 million in county real estate taxes. A detailed allocation of how each \$1 tax dollar is spent on the following page. The remaining sources of income are derived from grants and reimbursements, state pass-through funds, departmental revenues, and judicial costs and fines. The top three areas of expenditures in the 2021 Lehigh County Adopted Budget include Human Services, Nursing Homes, and Administration and General Services.

# 2021 Lehigh County Taxes in Context

NOTE: This graphic details how each \$1 of real estate tax dollars are spent.



Source: 2021 Lehigh County Adopted Budget

