



**Lehigh County**  
Pennsylvania

**OFFICE OF THE CONTROLLER**

Mark Pinsley, MBA

COUNTY CONTROLLER

Nanton John, CFE

DEPUTY CONTROLLER

December 21, 2023

Valerie Brown, Corporate Controller  
Hyatt Place/Hyatt House Allentown  
621 Grange Road  
Allentown, PA 18106

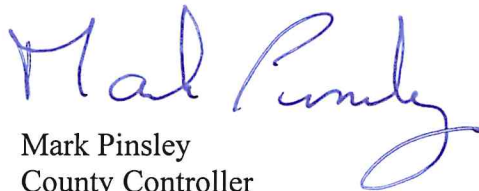
Timothy Reeves, Chief Fiscal Officer  
Lehigh County Government Center  
17 South Seventh Street  
Allentown, PA 18101-2400

**RE: Hyatt Place/Hyatt House Allentown**

To Ms. Brown and Mr. Reeves:

We have recently completed an agreed-upon procedures engagement of hotel room rental tax remitted by the Hyatt Place/Hyatt House – Allentown for the period January 1 to December 31, 2022. Our report number 23-32 is attached.

The corresponding Hotel Tax “Determination from Mr. Reeves requesting payment of \$27,882.65 is also attached.



Mark Pinsley  
County Controller

Attachment

xc: Julia McDonald, Senior Property Accountant

HOTEL TAX/HYATT PLACE/HYATT HOUSE ALLENTOWN

**COUNTY OF LEHIGH, PENNSYLVANIA**  
**HOTEL ROOM RENTAL TAX REMITTANCES**  
**HYATT PLACE/HYATT HOUSE ALLENTOWN**

*Independent Controller's Office Report on  
Applying Agreed-Upon Procedures  
For the Period January 1, 2022 to December 31, 2022*

Report No. 23-32

COUNTY OF LEHIGH, PENNSYLVANIA  
HOTEL ROOM RENTAL TAX REMITTANCES  
HYATT PLACE/HYATT HOUSE ALLENTOWN

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## OFFICE OF THE CONTROLLER

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621 Grange Road  
Allentown, PA 18106

Timothy Reeves, Chief Fiscal Officer  
Lehigh County Government Center  
17 South Seventh Street  
Allentown, PA 18101-2400

### **RE: Hyatt Place/Hyatt House Allentown**

To the Management of Hyatt Place/Hyatt House Allentown and the Chief Fiscal Officer:

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 Hyatt Place/Hyatt House Allentown management for the period January 1, 2022 to December 31, 2022. The Chief Fiscal Officer, as the delegate for the County Executive, is responsible for the collection of the hotel room rental tax. Hotel operators are responsible for the supporting documentation to which these procedures were applied. The sufficiency of these procedures is solely the responsibility of the parties specified in this report who have acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

### **Procedures and Findings:**

1. **Procedure:** Verification of reported revenue to Form PA-3 submitted to the Commonwealth of Pennsylvania, Department of Revenue.  
**Finding:** Form PA-3 revenue did not reconcile to the County tax returns submitted. The hotel's tax returns were prepared incorrectly during the 12-month audit period. Rather than reporting actual gross revenue on the tax return to determine the tax due amount, gross revenue was derived by using

the actual amount of occupancy tax collected and backing into the gross revenue amount reported on the tax return.

As an alternative, we used hotel revenue reports to verify amounts.

2. **Procedure:** Compliance to the County of Lehigh Rules and Regulations for hotel room rental tax collection. (Per the Chief Fiscal Officer, underpayment of hotel tax by less than \$100, as determined during the audit, is considered immaterial and will not be collected from the hotel operator).  
**Finding:** Reported taxable revenues of \$7,125,279.25 resulted in \$285,011.17 in hotel tax payable and remitted to the County of Lehigh during the period under review (before adjustments). Based on our review of exemptions claimed, additional tax and interest is due for an exemption adjustment in the amount of \$7,023.59 (*see Exhibit A*).
3. **Procedure:** Verification of reported revenue and hotel room rental tax collections to hotel operator accounting records.  
**Finding:** The County tax returns submitted were not completed correctly and gross revenue was misstated as noted in Procedure #1. Based on our review of reported revenue, additional tax and interest is due for a revenue adjustment in the amount of \$20,859.06 (*see Exhibit B*).

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).

We were not engaged to and did not conduct an examination or a review of the subject matter, the objective of which would be the expression of an opinion or a conclusion, respectively, on hotel room rental tax remittances from License #2022-104, Hyatt Place/Hyatt House Allentown for the period January 1, 2022 to December 31, 2022. Accordingly, we do not express such an opinion or a conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. We are required to be independent of the responsible party and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to the agreed-upon procedures engagement.

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.

  
Mark Pinsley  
County Controller

Attachment

Date: September 27, 2023  
Allentown, PA

Audited by: Brian O'Donnell and Nam Tran

Final Distribution

Phillips Armstrong, County Executive  
Board of Commissioners  
Ed Hozza, Director of Administration  
Stephen Berndt, Lead Accountant



**COUNTY OF LEHIGH**  
Office of Fiscal Affairs

**Timothy A. Reeves**  
Chief Fiscal Officer

December 21, 2023

Valerie Brown, Corporate Controller  
Hyatt Place/Hyatt House Allentown  
621 Grange Road  
Allentown, PA 18106

RE: HOTEL TAX "DETERMINATION"  
Hyatt Place/Hyatt House Allentown

Dear Ms. Brown:

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, 2022 to December 31, 2022.

In accordance with Section G of the Hotel Tax Rules and Regulations, you are hereby requested to remit the sum of \$27,882.65. 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 as requested will result in additional penalties, attorney fees, and fines as stated in Section G.

Very truly yours,

Timothy Reeves  
Chief Fiscal Officer

Enclosure

xc: Mark Pinsley, County Controller

HOTEL TAX/HOTEL TAX DETERMINATION LETTER