



Lehigh County
Pennsylvania

OFFICE OF THE CONTROLLER

Mark Pinsley, MBA

COUNTY CONTROLLER

Nanton John, CFE

DEPUTY CONTROLLER

January 12, 2024

Vikas Joshi, Owner
Knights Inn and Suites
1880 Steelstone Road
Allentown, PA 18109

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

RE: Knights Inn and Suites

To Mr. Joshi and Mr. Reeves:

We have recently completed an agreed-upon procedures engagement of hotel room rental tax remitted by Knights Inn and Suites for the period January 1 to December 31, 2022.

The procedures performed resulted in \$1,193.32 assessed and collected. The procedures are included in the attached Independent Controller's Office report.

Mark Pinsley
County Controller

Attachment

HOTEL TAX/KNIGHTS INN



COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
KNIGHTS INN AND SUITES

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

Report No. 24-02

COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
KNIGHTS INN AND SUITES

Table of Contents

	Page(s)
INDEPENDENT CONTROLLER'S OFFICE REPORT ON APPLYING AGREED-UPON PROCEDURES MARK PINSLEY, LEHIGH COUNTY CONTROLLER	1-2
Hotel Operator Response	No Response



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To Mr. Joshi and Mr. Reeves:

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 Knights Inn and Suites for the period January 1 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.

Findings: Application of the procedure revealed 11 of 12 month's reported revenues were verified to Form PA-3 with the exception of the month of July, 2022. This finding did not result in underpaid taxes to Lehigh County.



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).

Findings: Reported taxable revenues of \$1,916,254.18 resulted in \$66,625.88 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 \$1,193.32 (see *Exhibit A*).

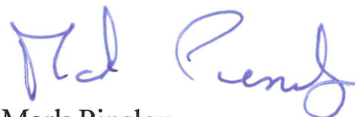
3. **Procedure:** Verification of reported revenue and hotel room rental tax collections to hotel operator accounting records.

Findings: No exceptions were found as a result of applying the procedure.

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 Knights Inn and Suites #2023-071 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 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

October 12, 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