



OFFICE OF THE CONTROLLER

Mark Pinsley, MBA Nanton John, CFE
COUNTY CONTROLLER DEPUTY CONTROLLER

February 21, 2024

Joseph Stoltz, Controller
Hamilton Towers
406 W. Hamilton Street
Allentown, PA 18109

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

To Mr. Stoltz and Mr. Reeves:

We have recently completed an agreed-upon procedures engagement of hotel room rental tax remitted by Hamilton Towers for the period January 1 to December 31, 2022. Our report number 24-07 is attached.

The procedures performed did not reveal any reportable findings. These procedures are included in the attached Independent Controller's Office report.


Mark Pinsley
County Controller

Attachment

HOTEL TAX/HAMILTON TOWERS



COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
HAMILTON TOWERS

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

Report No. 24-07

COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
HAMILTON TOWERS

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To Mr. Stoltz 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 Hamilton Towers 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: No exceptions were found as a result of applying the procedure.



2. **Procedure:** Compliance to the County of Lehigh Rules and Regulations for hotel room rental tax collection. Per County of Lehigh Rules and Regulations, the hotel shall maintain adequate records.
Findings: The hotel had inadequate records necessary to recalculate the monthly exemptions for the period under review which is required by the Lehigh County Local Hotel Tax Rules and Regulations.

The County Chief Fiscal Officer has determined that no additional testing or further verification of hotel tax collection by Hamilton Towers for the 2022 tax year is warranted at this time.

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

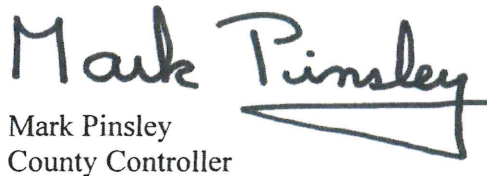
Findings:

- Verification of reported revenue to accounting records were applied without exception. The hotel's rental tax collections were unable to be verified to the accounting records as the hotel's management software is unable to track the actual amount of tax collected. The 4% calculated tax due was remitted during the audit period as hotels shall remit the higher of actual tax collected or 4% of taxable revenues.

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 Hamilton Towers #2023-074 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 9, 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