



March 27, 2024

Steven Mendel, Managing Member
Allentown Park Hotel
7471 Keebler Way
Allentown, PA 18106

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

RE: Allentown Park Hotel

To Mr. Mendel and Mr. Reeves:

We have recently completed an agreed-upon procedures engagement of hotel room rental tax remitted by the Allentown Park Hotel for the period January 1 to December 31, 2022. Our report number 24-12 is attached.

The corresponding Hotel Tax "Determination from Mr. Reeves requesting payment of \$3,741.11 is also attached.

Mark Pinsley
County Controller

Attachment

xc: Benjamin Schwarcz, CPA

HOTEL TAX/ALLENTOWN PARK HOTEL



COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
ALLENTOWN PARK HOTEL

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

COUNTY OF LEHIGH, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
ALLENTOWN PARK HOTEL

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Steven Mendel, Managing Member
Allentown Park Hotel
7471 Keebler Way
Allentown, PA 18106

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

RE: Allentown Park Hotel

To the Management of the Allentown Park Hotel
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 Allentown Park Hotel 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: Reported revenue was verified to form PA-3 for the period of February 24 through December 31, 2022. Revenue was not verified to form PA-3 for the period of January 1 through February 23, 2022 as requested forms and supporting documents were not provided for this period. Hotel ownership changed hands February 24, 2022.



- 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 less than \$100, as determined during the audit, is considered immaterial and will not be collected from the hotel operator).

Finding #1: Reported taxable revenues of \$1,257,259.65 resulted in \$50,290.39 in hotel tax payable and remitted to the County of Lehigh during the period under review (before adjustments). Tax in the amount of \$50,356.93 was remitted to the County, as hotels shall remit the higher of actual tax due or the actual tax collected. Based on our review of exemptions claimed, additional tax and interest is due, for an exemption adjustment in the amount of \$948.86. (*see Exhibit A*).

Finding #2: The hotel operator did not submit a monthly tax return or remit tax collected for the period of February 1 through February 23, 2022. Additional tax and interest are due for a revenue adjustment in the amount of \$2,792.25 (*see Exhibit B*).

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

Finding: 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 License #2022-056, Allentown Park Hotel 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: March 21, 2024
Allentown, PA

Audited by: Brian O'Donnell

Final Distribution

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



March 25, 2024

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

RE: Allentown Park Hotel

Dear Mr. Reeves:

We have fully complied with and submitted all information requested from us to the best of our ability for the period we owned and operated the hotel. Below is an explanation for the noncompliance indicated in your report.

Under “Procedure and Findings” Number 1, Findings, you indicate that the *requested forms and supporting documents were not provided* for the period Jan. 1 through Feb. 23, 2022. You further write that the Hotel ownership changed hands on February 24, 2022.

Under Number 2, Finding #2, you also indicated that *the hotel operator did not submit* a monthly return or remit tax collected for the period of Feb. 1 through Feb. 23, 2022.

As you indicated in Number 1, we purchased the hotel and began operating it on Feb. 24, 2022. Prior to this time, we were not the owners nor operators of the hotel. We were unable to get all the information from the prior owners who operated the hotel, to fully comply with the auditor for the period prior to us owning and operating the hotel.

Since we have taken over ownership and started operating the hotel on Feb. 24, 2022 we filed all returns and submitted all remittances. And while the county is holding us responsible for the period prior to us owning and operating the hotel, it was not due to our negligence that the documentation and remittances weren't provided.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Benjamin I. Schwarcz', written in a cursive style.

Benjamin I Schwarcz, CPA, CFE
Owners Representative



COUNTY OF LEHIGH
Office of Fiscal Affairs

Timothy A. Reeves
Chief Fiscal Officer

March 27, 2024

Steven Mendel, Managing Member
Allentown Park Hotel
7471 Keebler Way
Allentown, PA 18106

RE: HOTEL TAX "DETERMINATION"
Allentown Park Hotel

Dear Mr. Mendel:

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 \$3,741.11. 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,

A handwritten signature in blue ink, appearing to read "Timothy Reeves".

Timothy Reeves
Chief Fiscal Officer

Enclosure

xc: Mark Pinsley, County Controller

HOTEL TAX/HOTEL TAX DETERMINATION LETTER