



**Lehigh County**  
Pennsylvania

**OFFICE OF THE CONTROLLER**

Mark Pinsley, MBA  
COUNTY CONTROLLER

Nanton John, CFE  
DEPUTY CONTROLLER

**TO:** Final Report Distribution  
**FROM:** Mark Pinsley, County Controller *MP*  
**DATE:** June 2, 2025  
**RE:** Audit of County of Lehigh 2024 Real Estate Tax Collections

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We have completed an audit of the *Statement of Final Settlement*, Lehigh County Real Estate Tax Collections, for the tax year ended December 31, 2024. Our report, number 25-16, is attached. We wish to thank the Office of Fiscal Affairs' and the Assessments Office for their cooperation and support during the audit.

The results of our audit are:

- The Statement of Final Settlement for Tax year ended December 31, 2024 presents fairly, in all material aspects, arising from cash transactions of the Office of Fiscal Affairs' collection of real estate taxes.
- Net real estate tax billed for tax year 2024 amounted to \$120,793,869.
- Tax collections amounted to \$116,599,656 (after adjustment for discounts and penalties)
- Uncollected taxes amounted to \$1,880,471 and have been turned over to Elite Revenue Solutions, LLC for collection. This represents 1.5% of billed taxes.

Attachment



**COUNTY OF LEHIGH, PENNSYLVANIA**  
**REAL ESTATE TAX COLLECTIONS**

*Statement of Final Settlement  
2024 Lehigh County Real Estate Tax Collections  
and Controller's Opinion*

REPORT NO. 25-16



COUNTY OF LEHIGH, PENNSYLVANIA  
2024 REAL ESTATE TAX COLLECTIONS

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COUNTY OF LEHIGH, PENNSYLVANIA  
2024 REAL ESTATE TAX COLLECTIONS

*Background\**

**Assessment Office:**

The Assessment Office is mandated by Pennsylvania Law to prepare the Tax Duplicate – a certification listing all properties in the County and the corresponding assessed values. The Tax Duplicate becomes the warrant (i.e. legal document) for the collection of real estate taxes for all taxing authorities. Beginning in January of each year, the start of our cycle of operation, this office maintains and authorizes revisions to the Tax Duplicate and processes other recorded documents to accurately adjust the assessment records to reflect transfers of ownership. The Assessment Office also maintains this information in a database for public use. In addition, the Assessment Office is also responsible for administering the enrollment of Act 72 of 2004, known as the Homeowner Tax Relief Act, Special Session Act 1 of 2006, Act 319, the Pennsylvania Farmland and Forest Land Act of 1974 and Act 515 of 1965.

**Assessment Appeals:**

The Board of Assessment Appeals is comprised of three members and its Solicitor. The Board follows State law as it pertains to Act 93 of 2010 (Consolidated County Assessment Law). The Board hears approximately 400 appeals annually. In addition to assessment appeal hearings, the Board will also hear appeals on:

Homestead/Farmstead Exclusion properties as mandated by Act 72 of 2004:

In Lehigh County, the Homestead and Farmstead Exclusion programs offer property tax relief to eligible homeowners and farmers. These programs, enacted through the Taxpayer Relief Act and the Homeowner Tax Relief Act, aim to ease the financial burden of homeownership by reducing the assessed value of eligible properties before taxes are calculated.

Breach of Act 319 and Act 515:

- Pennsylvania Farmland and Forest Assessment Act (319) lowers assessments based on what a property can earn as a farm or woodlot, not its value on the real estate market.
- Act 515 requires a regional planning commission to hold a public hearing on lands worthy of preserving. Property owners enter into a 10-year, renewable agreement with the county to restrict development in exchange for a lower assessment.

A "breach" refers to a violation of the above agreements entered into with the county. If the landowner changes the use of the land, they will be required to pay rollback taxes, which are the difference between the reduced taxes paid and the taxes that would have been paid at the full fair market value.

Public Utility Realty Act (PURTA) properties as mandated by Act 4 of 1999:

The public utility realty tax (PURTA) is levied against certain entities furnishing utility services regulated by the Pennsylvania Public Utility Commission or a similar regulatory body. The commonwealth imposes this tax on public utility realty in lieu of local real estate taxes and distributes the local realty tax equivalent to local taxing authorities. (Source: [pa.gov/agencies/resources/](http://pa.gov/agencies/resources/))

Annual Exemption Requests:

These requests include real estate tax exceptions for disabled veterans, non-profit organizations, and other various requests.



**Bureau of Tax Claims (The Pennsylvania Bureau of Tax Claim is a county-level agency responsible for collecting real estate taxes):**

All local taxing districts in the Commonwealth of Pennsylvania operate under a Tax Claim Bureau in accordance with Act No. 542 of 1947, as amended, except of Philadelphia (a consolidated city/county of the first class), Allegheny County (a second-class county), the political subdivisions therein, and Scranton (a second-class A city) and its school districts. The Tax Claim Bureau's objective is the enforcement of the Pennsylvania Real Estate Tax Sale Law, Public Law 1368, Act 542 of July 7, 1947. Act 542 provides a fair and efficient means for local governments in Pennsylvania to secure the collection of delinquent taxes. The Act further meets the provision that legislation be enacted to govern the sale of property for delinquent taxes so that title, free from liens and encumbrances, may be transferred to the purchasers of properties sold at County Treasurer's sales i.e. Upset and Judicial sales. Elite Revenue is currently acting as the agent for the County's collection of delinquent taxes and sale of properties. The Upset sale is scheduled during September of each year and the Judicial sale is scheduled sometime thereafter. Tax parcels subject to Upset sale will be posted each year. Advertising of parcels subject to Upset sale will occur in the Morning Call, the East Penn Press and the Lehigh Law Journal.

\* Unless otherwise noted, source: 2024 Adopted Budget or Assessment Office website

***REAL ESTATE TAX COLLECTED @12/31:  
MILLAGE RATE OF 3.78 HAS REMAINED UNCHANGED  
FROM 2020 THROUGH 2024:***







**Lehigh County**  
Pennsylvania

## OFFICE OF THE CONTROLLER

Mark Pinsley, MBA  
COUNTY CONTROLLER

Nanton John, CFE  
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### INDEPENDENT AUDITOR'S REPORT

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

#### **Report on Financial Statements**

##### ***Opinion***

We have audited the accompanying Statement of Final Settlement of Lehigh County Real Estate Tax Collections of the Office of Fiscal Affairs' collection of real estate taxes, for the tax year ended December 31, 2024 (hereinafter referred to as the Schedules) and the related notes to the Schedules.

In our opinion, the Schedules referred to above present fairly, in all material respects, the financial activity arising from cash transactions of the Office of Fiscal Affairs' collection of real estate taxes for the tax year ended December 31, 2024, in accordance with the cash basis of accounting described in Note 1.

##### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Office of Fiscal Affairs' and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### ***Emphasis of Matter – Basis of Accounting***

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements were prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Also, as discussed in Note 1, the Schedules present only the Office of Fiscal Affairs' collection of real estate tax financial activity and does not purport to, and does not, present fairly the assets, liabilities, and results of operations of the County of Lehigh for the calendar year ending December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, mis- representations, or the override of certain internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and GAS, we:

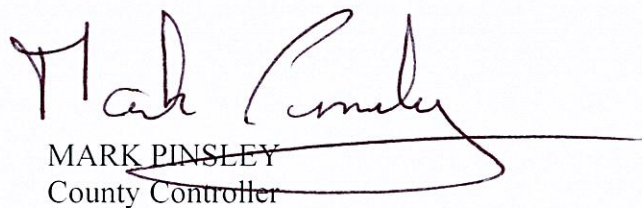
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office of Fiscal Affairs' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Office of Fiscal Affairs' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2025 on our consideration of the Office of Fiscal Affairs' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering management's internal control over financial reporting and compliance.



MARK PINSLEY  
County Controller

Allentown, Pennsylvania  
May 30, 2025

Audited by: Joseph Buick

xc:

Phillips Armstrong, County Executive  
Board of Commissioners  
Corey Cieslak, Real Estate Appraisal Director  
Edward Hozza, Director of Administration  
Robin Jacoby, Accountant II



COUNTY OF LEHIGH, PENNSYLVANIA  
2024 REAL ESTATE TAX COLLECTIONS

*Statement of Final Settlement*  
*Lehigh County Real Estate Tax Collections*  
*For the Tax Year Ended December 31, 2024*  
(NOTE 1)

Initial Billing (NOTE 2)		\$120,705,465
Additional Billing for Property Additions and Improvements		692,758
Adjustments for Taxable Assessment Reductions		<u>(604,354)</u>
<b><i>Net Amount Billed</i> .....</b>		<b><u><u>\$120,793,869</u></u></b>
Reconciliation of Amount Collected (NOTE 3)		
Cash Collections	\$116,599,656	
Discounts For Early Payment	2,637,134	
Penalties For Late Payment	<u>(323,392)</u>	
Amount Collected at Face Value		\$118,913,398
Amount of Unpaid Taxes (NOTE 4)		<u>1,880,471</u>
<b><i>Amount Accounted for by Chief Fiscal Officer</i> .....</b>		<b><u><u>\$120,793,869</u></u></b>

The accompanying notes are an integral part of this statement.



COUNTY OF LEHIGH, PENNSYLVANIA  
2024 REAL ESTATE TAX COLLECTIONS

*Notes to Statement of Final Settlement  
For the Tax Year Ended December 31, 2024*

**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The County of Lehigh real estate tax collection's financial activity is a part of the County of Lehigh's reporting entity. It is included in the operating fund and is subject to annual financial audit by external auditors. This report is only for internal audit purposes.

**B. Basis of Accounting**

The accounting records of the County of Lehigh and the Statement of Final Settlement are maintained on the cash receipts and disbursements basis of accounting. Under this basis of accounting, revenue is recognized when cash is received and expenditures are recognized when paid. This differs from Generally Accepted Accounting Principles (GAAP) which requires the accrual basis of accounting.

**2. Initial Billing**

The initial billing is calculated by taking the taxable property assessment times the current millage rate, less adjustments for Act 319<sup>①</sup> Agreements and other authorized adjustments.

Taxable Assessment	\$31,935,927,300
Millage Rate	<u>3.78</u>
Tax Amount	120,717,805
Less: Adjustments <sup>②</sup>	<u>(12,340)</u>
Initial Billing	\$ 120,705,465

① Act 319 "Pennsylvania Farmland and Forest Land Assessment Act" allows land parcels which are 10 acres or more and are devoted to agricultural and forest land use to be assessed at a value for that use rather than Fair Market Value. The intent of the act is to encourage property owners to retain their land in agricultural or forestland use, and to provide some tax relief to land owners.

② Adjustment pertains to taxing districts that elect to freeze Act 319/515 tax rates.

**3. Reconciliation of Amount Collected**

Payments made on or before May 31 receive a 2% discount from face value, and payments made after July 31<sup>st</sup> are assessed a penalty. In order to calculate face value of the collected tax, the discount amount is added, and the penalty amount is subtracted.

**4. Unpaid Taxes Turned Over to Elite Revenue Solutions LLC**

Effective January 27, 2015, the County of Lehigh has contracted with an outside vendor, Elite Revenue Solutions LLC (formerly "Northeast Revenue Services, LLC"), for the collection of delinquent County of Lehigh real estate taxes. Uncollected tax amount turned over for collection represents 1.5% of billed taxes.





**Lehigh County**  
Pennsylvania

## OFFICE OF THE CONTROLLER

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### **Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with Government Auditing Standards**

Timothy Reeves, Chief Fiscal Officer  
Office of Fiscal Affairs  
Lehigh County Government Center  
17 South Seventh Street  
Allentown, PA 18101-2401

We have audited, in accordance with the auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller of the United States; the accompanying Statement of Final Settlement of Lehigh County Real Estate Tax Collection of Office of Fiscal Affairs' collection of real estate taxes for the tax year ended December 31, 2024 (hereafter referred to as the Schedules) and have issued our report thereon dated May 30, 2025.

#### ***Internal Control over Financial Reporting***

In planning and performing our audit of the Schedules, we considered the Office of Fiscal Affairs' internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedules, but not for the purpose of expressing an opinion on the effectiveness of management's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office of Fiscal Affairs' internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention to those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.



### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Office of Fiscal Affairs' Schedules are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Our audit also included sufficient and appropriate tests for fraud, waste and abuse and we included in our report any material (either quantitatively or qualitatively) instances we noted however, our audit procedures would not necessarily identify all instances of fraud, waste and abuse that may be reportable.

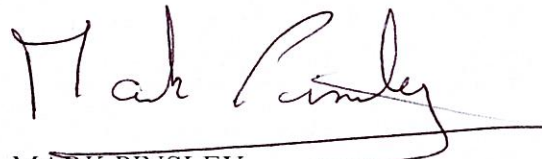
### ***Management's Response to the Audit***

If provided, the Office of Fiscal Affairs' response to our audit is included in this report. We did not audit the Office of Fiscal Affairs' response and, accordingly, we do not express an opinion on it.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, Phillips Armstrong, County Executive; Edward Hozza, Director of Administration; and, the Board of Commissioners, 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

Allentown, Pennsylvania  
May 30, 2025