



COUNTY OF LEHIGH  
OFFICE OF THE CONTROLLER

LEHIGH COUNTY GOVERNMENT CENTER  
17 SOUTH SEVENTH STREET  
ALLENTOWN, PA 18101-2400  
(610) 782-3082 FAX: (610) 820-3335

THOMAS SLONAKER  
COUNTY CONTROLLER

JOHN A. FALK  
DEPUTY CONTROLLER

October 3, 2011

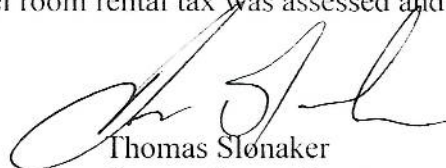
Cathy Minnich, General Manager  
Holiday Inn – Allentown Center City  
904 West Hamilton Street  
Allentown, PA 18101

Brian Kahler, Fiscal Officer  
Lehigh County Government Center  
17 South Seventh Street  
Allentown, PA 18101-2400

To Ms. Minnich and Mr. Kahler:

We have recently completed an agreed-upon procedures engagement of hotel room rental tax remitted by Holiday Inn - Allentown Center City for the period January 1 to December 31, 2010. Our report number 11-59 is attached.

The result of our review is \$7,581.95 in hotel room rental tax was assessed and collected.



Thomas Slonaker  
County Controller

Attachments (2)

HOTEL TAX/HOLIDAY INN – ALLNTOWN CENTER CITY

**COUNTY OF LEHIGH, PENNSYLVANIA**  
**HOTEL ROOM RENTAL TAX REMITTANCES**  
**HOLIDAY INN – ALLENTOWN CENTER CITY**

*Independent Controller's Office Report on  
Applying Agreed-Upon Procedures  
For the Period January 1 to December 31, 2010*

REPORT NO. 11-59

COUNTY OF LEHIGH, PENNSYLVANIA  
HOTEL ROOM RENTAL TAX REMITTANCES  
HOLIDAY INN – ALLENTOWN CENTER CITY

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To Ms. Minnich and Mr. Kahler:

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 Holiday Inn - Allentown Center City management for the period January 1 to December 31, 2010. The fiscal officer, as the delegate for the County Executive, is responsible for the collection of the hotel room rental tax.

Procedures performed included:


- Verification of reported revenue to Form PA-3 submitted to the Commonwealth of Pennsylvania, Department of Revenue.
- Compliance to the County of Lehigh Rules and Regulations for hotel room rental tax collection.
- Verification of reported revenue and hotel room rental tax collections to hotel operator accounting records.

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). The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures performed.

Reported taxable revenues of \$1,766,079.24 resulted in \$70,643.17 in hotel tax payable to the County of Lehigh during the period under review (before adjustments). Based on our review, additional tax and interest is due for an exemption adjustment of \$7,581.95.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on hotel room rental tax collections. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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.



Thomas Slonaker  
County Controller

Attachment

September 14, 2011  
Allentown, PA

Final Distribution  
Board of Commissioners  
Donald Cunningham, Jr., County Executive



COUNTY OF LEHIGH, PENNSYLVANIA  
HOTEL ROOM RENTAL TAX REMITTANCES  
HOLIDAY INN – ALLENTOWN CENTER CITY

*Records Not Complete*

**Condition:** The hotel operator reported \$223,817.20 in exempt hotel tax revenue for 2010 to the County of Lehigh. The supporting documentation for \$158,243.70 in tax exempt revenue could not be located.

**Recommendation:** The hotel operator is responsible for keeping an accurate set of accounting records per the County of Lehigh – Hotel Room Rental Tax Rules and Regulations- Section I “Records”.

*“It is presumed that all Rooms are subject to the Hotel Room Rental Tax until the contrary is established by accurate records of the Operator. The burden of proving that the Transaction is not taxable is upon the Operator and the Operator must demonstrate the same through accurate records. In any case where an Operator fails to maintain adequate records as required under these Rules and Regulations, any Room for which there is not adequate records shall be deemed to be Occupied for the entire period for which the supporting records are lacking.”*

For the period January 1 to December 31, 2010, all tax exempt revenue reported by the hotel operator is “deemed to be occupied” resulting in \$6,329.75 in hotel room rental tax plus interest totaling \$7,581.95 which was paid on September 19, 2011.

The hotel operator should consider re-filing 2010 hotel tax reports, if necessary, to avoid future interest charges due Lehigh County.