



COUNTY OF LUZERNE
P E N N S Y L V A N I A
ESTABLISHED 1786
OFFICE OF THE CONTROLLER

COUNTY OF LUZERNE, PENNSYLVANIA
HOTEL ROOM RENTAL TAX REMITTANCES
FAIRFIELD INN & SUITES, WILKES-BARRE, PA

Independent Controller's Office Report
For the Period January 1, 2014 through December 31, 2015

Michelle A. Bednar
Luzerne County Controller

Fieldwork Performed by:
Aaron A. Hojnowski

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COUNTY OF LUZERNE
P E N N S Y L V A N I A
ESTABLISHED 1 7 8 6
OFFICE OF THE CONTROLLER

August 12, 2016

Mr. Erik Tallada
General Manager
Fairfield Inn & Suites
884 Kidder Street
Wilkes Barre, PA 18702

RE: Hotel Room Rental Tax Audit Results

Dear Mr. Tallada:

Thank you for your recent assistance in helping the Luzerne County Controller's Office complete a Hotel Room Rental Tax Audit of the Fairfield Inn & Suites in Wilkes-Barre. Your cooperation was greatly appreciated.

As you know, pursuant to the County of Luzerne Hotel Room Rental Tax Ordinance Regulations, effective July 1, 1996, and last updated on July 8, 2014, a five percent (5%) hotel room rental tax shall be collected and remitted to the Luzerne County Tax Administrator who is charged with managing, administering, and collecting the Hotel Room Rental Tax. If any amount of tax due is not remitted by the due date, interest at the rate of 1.5% shall be added for each month or fraction thereof during which the tax shall remain unpaid.

To assist the Tax Administrator in determining the accuracy of hotel room rental tax remittances made by the Fairfield Inn & Suites management for the period January 2014 through December 31, 2015, **we have verified your compliance with the Ordinance Regulations for hotel room rental tax collection.** In doing so, we compared the hotel operator's accounting records for reported revenue and hotel room rental tax collections with the hotel room rental tax receipts received by the County of Luzerne.

During the course of the audit the Luzerne County Controller's Office has determined the hotel accidentally understated revenues and exemptions for the time periods. Subsequently, a refund is due to the hotel. It must also be noted that while the monies are being returned to Fairfield Inn & Suite, the hotel must forward the funds to the guests that were inadvertently charged hotel tax.

Based on our review, the results were as follows:

- The Controller's Office calculated total taxable hotel revenues of \$5,407,029.44 with hotel tax exemptions of \$411,610.13 for 2014 and 2015.
- The hotel operator reported \$5,398,065.73 in total for 2014 and 2015 with hotel tax exemptions being \$352,747.13 for 2014 and 2015.
- The resulting understatement of revenues caused a decrease in the amount monies that need to be funded to the hotel.
- In total **\$2,494.96 will be refunded** to Fairfield Inn & Suites from Luzerne County (*\$928.76 for 2014 and \$1,566.20 for 2015*).

The hotel has the right to disagree with our findings; if you do so please provide the Controller's Office with the reasoning and all necessary information pertaining to the disagreement. The Controller's Office will then review the reason(s) provided for a final determination.

Thank you again for your cooperation and assistance in our completion of this audit.

Sincerely,



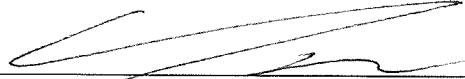
Michelle A. Bednar
Luzerne County Controller

It is hereby noted that I, Aaron Hojnowski, of the Luzerne County Controller's Office has met and reviewed the findings of The Hotel Tax Audit of the Fairfield Inn & Suites, Wilkes-Barre, PA for the Period January 1, 2014 through December 31, 2015 with Erik Tallada and Stacy Hamilton from Fairfield Inn & Suites on August 12, 2016.



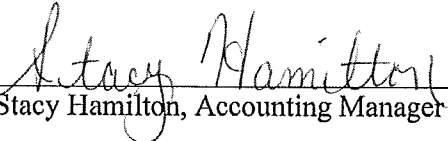
Aaron A. Hojnowski, Deputy Controller

8/12/2016
Date



Erik Tallada, General Manager

8/12/16
Date

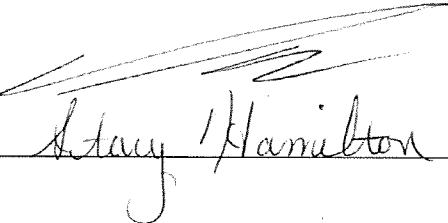


Stacy Hamilton, Accounting Manager

8/12/16
Date

Please sign below if you are in agreement with the findings of this audit.

I AGREE



Stacy Hamilton

8/12/16
Date

Please sign below if you are in disagreement with the findings of this audit. If you do disagree with the findings please attach a written response to this audit. Include the reason(s) why you are in disagreement along with all pertinent facts and figures. The Controller's Office will then analysis the information and provide a response.

I DISAGREE

Date

Please attach any written responses to the audit.

The Hotel Tax Audit
of the Fairfield Inn & Suites, Wilke-Barre, PA
for the Period January 1, 2014 through December 31,
2015

This report was initially distributed to the following:

Mr. David Pedri	County Manager
Ms. Linda McClosky Houck	County Council Chair
Mr. Brian Swetz	Budget & Finance Director
Ms. Laura Beers	County Tax Administrator
Mr. Erik Tallada	Fairfield Inn & Suites
Mrs. Stacy Hamilton	Fairfield Inn & Suites

This report is a matter of public record and is available online at <http://www.luzernecounty.org> and can be found under Audit Reports on the Luzerne County Controller's section of the website. Media questions about the report can be directed to the Luzerne County Controller's office at 20 North Pennsylvania Blvd., Suite 213, Wilkes-Barre, PA 18701 or via email to Controllers.Office@luzernecounty.org.