

**The Honorable Matt Tuerk, Mayor and Honorable Members of City Council  
City of Allentown, Pennsylvania**

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Allentown, Pennsylvania (City) as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the City's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

We reported on internal controls and their operation to the management of the City in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated August 28, 2025. However, during our audit we became aware of other matters that are opportunities for strengthening internal controls and operating efficiencies. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. This letter does not affect our report dated August 28, 2025, on the financial statements of the City.

We have already discussed these comments and suggestions with various City personnel. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

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This communication is intended solely for the information and use of the Honorable Matt Tuerk, Mayor, Honorable Members of City Council, audit committee, management, and others within the City, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Maher Duessel*

Harrisburg, Pennsylvania  
August 28, 2025

### Addressing Findings and Recommendations as Identified in the Compliance Audit Reports Issued by the Auditor General

The Auditor General's Office issues Compliance Audit Reports for the City's pension plans. The latest Compliance Audit Reports were issued in February 2022 for the period January 1, 2019 through December 31, 2020. The Firemen's Pension Plan received a finding for noncompliance with prior audit recommendations relating to the plan provisions not being in compliance with the Third Class City Code and relating to a disparity between the plan's governing document and the collective bargaining agreement, which resulted in inconsistent pension benefits. We recommend that management review the findings and recommendations in the Compliance Audit Reports and take appropriate action to ensure compliance.

### Annual Testing of IT Disaster Contingency Plan

The City has a formal disaster contingency plan; however, it is not tested on a regular basis. We recommend that the plan be tested on a periodic basis to ensure the plan's effectiveness and that an annual evaluation of any significant cloud service providers be included in this process. Such periodic testing will ensure data and operations are not damaged or compromised in the event of a disaster.

### Accounts Receivable Reconciliation to Supporting Documentation

The City's Emergency Medical Services (EMS) billing records are maintained by a third party. The City does not currently obtain outstanding billing records from this third party to reconcile accounts receivable. Although the City has determined such outstanding amounts are not deemed collectible, as a best practice the City should be obtaining the EMS information from the third party and perform a formal evaluation and reconciliation to document collectability. Additionally, the accounts receivable module within the City's accounting system maintains miscellaneous receivables that are not recorded within the City's trial balances. Although the City also considers these amounts to be 100% uncollectible, as a best practice the City should perform a formal review of these transactions at the point of initial transactional posting and perform annual evaluation of collectability.