



Internal Audit Office

MAYOR
Dee Margo

DATE: June 25, 2020

TO: Margarita M. Muñoz, Comptroller

CITY COUNCIL

FROM: Edmundo S. Calderon, CIA, CGAP, CRMA, Chief Internal Auditor

District 1
Peter Svarzbein

SUBJECT: Avenu Hotel Occupancy Tax Review – Final Report

District 2
Alexandra Annello

The City of El Paso has contracted Avenu Insights & Analytics to conduct Hotel Occupancy Tax (HOT) Reviews in accordance with Contract No. 2015-633R. On May 29, 2020, Avenu Insights & Analytics concluded their review of HOT compliance for 19 El Paso area hotels. The period under review was from January 1, 2016 through December 31, 2019 (48 months). The review of the 19 hotels identified a total net credit of **(\$21,279.83)**.

District 3
Cassandra Hernandez

- Thirteen hotels had no findings.
- Five hotels had deficiencies totaling \$15,309.44.
- One hotel had a credit totaling **(\$36,589.27)** for overpayment of HOT Tax.

District 4
Dr. Sam Morgan

District 5
Isabel Salcido

District 6
Claudia L. Rodriguez

The following table is a summary of the hotels that had deficiencies and a credit:

District 7
Henry Rivera

District 8
Cissy Lizarraga

#	Hotel Name	Deficiency	Deficiency Amount
1	Aloft El Paso	Under Reported Gross Revenue and Invalid Exemptions for Educational and City/County Employees.	\$1,876.70
2	Candlewood Suites El Paso	Over Reported Gross Revenue and Under Stated Exempt Revenue.	(\$36,589.27)
3	Comfort Suites – El Paso West	Under Reported Gross Revenue.	\$5,791.23
4	Extended Stay America – El Paso Airport	Under Reported Gross Revenue offset by Under Stated Exempt Revenues.	\$4,134.26
5	Extended Stay America – El Paso West	Failure to Collect and Remit Tax on Pet Fees.	\$3,299.20
6	Holiday Inn Express & Suites – El Paso East	Invalid Exemptions.	\$208.05
Net Total:			(\$21,279.83)

CITY MANAGER
Tommy Gonzalez

Edmundo S. Calderon, CIA, CGAP, CRMA – Chief Internal Auditor
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O: (915) 212-0069 | Email: calderones@elpasotexas.gov





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Peter Svarzbein

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Alexsandra Anello

District 3

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District 7

Henry Rivera

District 8

Cissy Lizarraga

CITY MANAGER

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The Office of the Comptroller should:

- Process a refund of **(\$36,589.27)** to Candlewood Suites for the overpayment of Hotel Occupancy Tax.
- Collect the \$15,309.44 owed to the City for uncollected Hotel Occupancy Tax from the five hotels above.

For more details, please see the attached Avenu Insights & Analytics Hotel Occupancy Tax Review – Final Audit Report.

If you have any questions, please feel free to contact me at extension 21365.

cc: Financial Oversight and Audit Committee

Tomas Gonzalez, City Manager

Robert Cortinas, Deputy City Manager of Support Services & Chief Financial Officer

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INSIGHTS & ANALYTICS

formerly  **MUNISERVICES**

**The City of
El Paso, TX**

HOTEL OCCUPANCY TAX REVIEW – FINAL REPORT



May 29, 2020

Edmundo S. Calderon, CIA, CGAP, CRMA
Chief Internal Auditor
City of El Paso
218 N. Campbell
5th Floor
El Paso, TX 79901

The City of El Paso commissioned Avenu Insights & Analytics formerly MuniServices to perform on-site reviews for nineteen (19) hotels. This report is our Final Audit Report with respect to the Hotel Occupancy Tax Compliance Review.

A detailed summary of key findings, assessments and liability, if any, is included for the completed reviews in addition to relevant property information. As part of our due diligence in conducting the reviews and to support and validate the findings this report identifies detail on the audit performance contacts. Also identified are the documents and records furnished by the respective property for review and as appropriate, if any.

The nineteen (19) properties reviewed and completed resulted in net credit of (\$ 21,279.83).

Enclosed, with this report, you will find an electronic copy of this report, as well as the Commendation / Deficiency Letters (with back-up), that will need to be reviewed by the City, printed on letterhead, signed, and mailed.

This report is organized as follows:

- SECTION I) SNAPSHOT OF FINDINGS BY HOTEL**
- SECTION II) HOTEL REVIEW UPDATE**
- SECTION III) AUDIT PARTICIPANTS AND REPRESENTATIVES**
- SECTION IV) CONTACTS**
- SECTION V) FIELD AUDIT NOTES AND BACK-UP DOCUMENTATION, PER PROPERTY**



SECTION I) SNAPSHOT OF FINDINGS BY HOTEL

ESTABLISHMENT	FINDING	ADDITIONAL TAX LIABILITY	REASON
Aloft El Paso	Deficiency	\$1,876.70	Under Reported Gross Revenue and Invalid Exemptions for Educational and City/County Employees
Best Western El Paso Airport	Commendation	\$0.00	No Adverse Findings
Candlewood Suites El Paso	Credit	(\$36,589.27)	Over Report Gross Revenue and Under Stated Exempt Revenue. Offset by Failure to Collect and Remit Tax on Pet Fees
Comfort Suites El Paso Airport	Commendation	\$0.00	No Adverse Findings
Comfort Suites El Paso West	Deficiency	\$5,791.23	Under Report Gross Revenue. TP Unable to Provide Back Up for Exemptions Taken
Coral Motel	Commendation	\$0.00	No Adverse Findings
Courtyard by Marriott El Paso Airport	Commendation	\$0.00	No Adverse Findings
Courtyard by Marriott El Paso Downtown	Commendation	\$0.00	No Adverse Findings
Desert Inn	Commendation	\$0.00	No Adverse Findings
Extended Stay America El Paso Airport	Deficiency	\$4,134.26	Under Reported Gross Revenue offset by Under-Stated Exempt Revenue
Extended Stay America El Paso West	Deficiency	\$3,299.20	Failure to Collect and Remit Tax on Pets Fees
Hampton Inn & Suites El Paso West	Commendation	\$0.00	No Adverse Findings

Hotel Occupancy Tax Compliance Review – Final Audit Report



Holiday Inn El Paso West	Commendation	\$0.00	No Adverse Findings
Holiday Inn Express & Suites El Paso East	Deficiency	\$208.05	Invalid Exemptions-State Level Exemptions
Holiday Inn Express & Suites El Paso West	Commendation	\$0.00	No Adverse Findings
Motel 6 El Paso West	Commendation	\$0.00	No Adverse Findings
Palace Inn Blue El Paso	Commendation	\$0.00	No Adverse Findings
Stanton House	Commendation	\$0.00	No Adverse Findings
Tru by Hilton El Paso East	Commendation	\$0.00	No Adverse Findings
Total Count	19	(\$21,279.83)	