



**Internal Audit Department
Hotel Occupancy Tax Audit - Round 9
(January 1, 2021 to December 31, 2024)**

Issued by the
Internal Audit Department
April 24, 2025



Internal Audit Department

MAYOR
Renard U. Johnson

CITY COUNCIL

District 1
Alejandra Chávez

District 2
Dr. Josh Acevedo

District 3
Deanna M. Rocha

District 4
Cynthia Boyar Trejo

District 5
Ivan Niño

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Art Fierro

District 7
Lily Limón

District 8
Chris Canales

CITY MANAGER
Dionne Mack

DATE: April 24, 2025

TO: Margarita Marin, Deputy Chief Financial Officer/City Comptroller

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

SUBJECT: Hotel Occupancy Tax Audit – Final Report (Round 9)

The City of El Paso has contracted Avenu Insights & Analytics to conduct Hotel Occupancy Tax (HOT) Reviews in accordance with Contract No. 2020-780R. On April 14, 2025, Avenu Insights & Analytics concluded their review of HOT compliance for 20 El Paso area hotels. The period under review was from January 1, 2021, through December 31, 2024 (48 months). The review of the 20 hotels identified that all 20 hotels have a deficiency totaling \$1,417,289.09.

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

#	Hotel Name	Deficiency	Deficiency Amount
1	Aloft El Paso	Under Reported Gross Revenue, Unreported Taxable Fees, Over-Stated Exempt Revenue, Invalid Exempt Revenue	\$16,206.65
2	Best Western Airport	Under Reported Gross Revenue, Over-Stated Exempt Revenue, Invalid Exempt Revenue	\$34,006.24
3	Candlewood Suites El Paso	Unreported Pet Fees	\$3,201.12
4	Comfort Suites (1940)	Over-Stated Exempt Revenue, Invalid Exempt Revenue (Exemptions), Disallowed Tax Adjustments	\$16,600.66
5	Comfort Suites El Paso West	Under-Reported Gross Revenue, Over-Stated Exempt Revenue, Unreported Other Revenue	\$257,507.78
6	Courtyard Downtown – Convention Center	Over-Stated Exempt Revenue, Invalid Exempt Revenue	\$28,284.39
7	Courtyard El Paso – Airport	Under Reported Gross Revenue, Unreported Taxable Fees, Under Stated Exempt Revenue, Invalid Exempt Revenue	\$40,710.63
8	Desert Inn/Days Inn	Unreported Taxable Fees	\$490.52
9	Extended Stay America - Airport	Under-Reported Gross Revenue, Unexplained Misc Revenue, Under Stated Exempt Revenue, Invalid Exempt Revenue	\$62,044.03

Edmundo S. Calderón, CIA, CGAP, CRMA – Chief Internal Auditor
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DELIVERING EXCEPTIONAL SERVICES



Internal Audit Department

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#	Hotel Name	Deficiency	Deficiency Amount
10	Extended Stay America - West	Under Reported Gross Revenue, Under Stated Exempt Revenue, Invalid Exempt Revenue	\$59,588.61
11	Hampton Inn & Suites	Over-Stated Exempt Revenue, Unreported Taxable Fees, Invalid Exempt Revenue	\$7,826.38
12	Holiday Inn El Paso West – Sunland Park	Under-Reported Gross Revenue, Unexplained Misc Revenue, Disallowed Exempt Revenue	\$701,305.79
13	Holiday Inn Express & Suites	Unreported Taxable Fess, Invalid Exempt Revenue	\$5,641.84
14	Holiday Inn Express	Under Reported Gross Revenue, Unreported Taxable Fees, Over-Stated Exempt Revenue	\$47,646.17
15	Home2 Suites by Hilton	Unreported Misc Revenue, Over-Stated Exempt Revenue, Invalid Exempt Revenue	\$60,215.33
16	Motel 6 – West	Under-Reported Gross Revenue, Under-Stated Exempt Revenue, Invalid Exempt Revenue	\$4,626.03
17	Palace Inn	Under-Reported Gross Revenue, Disallowed Exempt Revenue, Unreported Misc Charges	\$456.37
18	Springhill Suites	Under-Reported Gross Revenue, Under Stated Exempt Revenue, Unreported Texas Recovery Fee, Invalid Exempt Revenue	\$21,644.12
19	TownePlace Suites	Unreported Taxable Fees, Over-Stated Exempt Revenue, Invalid Exempt Revenue	\$11,772.59
20	Tru by Hilton	Under-Reported Gross Revenue, Unreported Taxable Fees, Over-Stated Exempt Revenue, Invalid Exempt Revenue	\$37,513.84
Total:			\$1,417,289.09

The Office of the Comptroller should collect the \$1,417,289.09 owed to the City for uncollected Hotel Occupancy Tax from the twenty hotels above. For more details, please see the attached Avenue 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

Dionne Mack, City Manager

Robert Cortinas, Chief Financial Officer/Deputy City Manager

Edmundo S. Calderón, CIA, CGAP, CRMA – Chief Internal Auditor

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DELIVERING EXCEPTIONAL SERVICES



The City of El Paso, TX

HOTEL OCCUPANCY TAX REVIEW – FINAL REPORT



April 14th, 2025

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

The City of El Paso commissioned Avenu Insights & Analytics to perform on-site/remote hotel occupancy tax examinations for twenty (20) hotels. This report is our Final Audit Report with respect to the assigned hotel occupancy tax compliance reviews.

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 details 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 twenty (20) properties reviewed and completed resulted in total findings of **\$1,417,289.09**.

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
1	Aloft El Paso	Deficiency	\$16,206.65	Under Reported Gross Revenue, Unreported Taxable Fees, Over-Stated Exempt Revenue, Invalid Exempt Revenue
2	Best Western Airport	Deficiency	\$34,006.24	Under Reported Gross Revenue, Over Stated Exempt Revenue, Invalid Exempt Revenue
3	Candlewood Suites El Paso	Deficiency	\$3,201.12	Unreported Pet Fees
4	Comfort Suites (1940)	Deficiency	\$16,600.66	Over Stated Exempt Revenue, Invalid Exempt Revenue (Exemptions), Disallowed Tax Adjustments
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8	Desert Inn/Days Inn	Deficiency	\$490.52	Unreported Taxable Fees
9	Extended Stay America - Airport	Deficiency	\$62,044.03	Under-Reported Gross Revenue, Unexplained Misc Revenue, Under Stated Exempt Revenue, Invalid Exempt Revenue
10	Extended Stay America - West	Deficiency	\$59,588.61	Under Reported Gross Revenue, Under Stated Exempt Revenue, Invalid Exempt Revenue
11	Hampton Inn & Suites	Deficiency	\$7,826.38	Over Stated Exempt Revenue, Unreported Taxable Fees, Invalid Exempt Revenue



12	Holiday Inn El Paso West – Sunland Park	Deficiency	\$701,305.79	Under-Reported Gross Revenue, Unexplained Misc Revenue, Disallowed Exempt Revenue
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16	Motel 6 – West	Deficiency	\$4,626.03	Under-Reported Gross Revenue, Under-Stated Exempt Revenue, Invalid Exempt Revenue
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20	Tru by Hilton	Deficiency	\$37,513.84	Under-Reported Gross Revenue, Unreported Taxable Fees, Over Stated Exempt Revenue, Invalid Exempt Revenue
Total Count		20	\$1,417,289.09	