



TENNESSEE

A C WHARTON, JR. - Mayor
 GEORGE M. LITTLE - Chief Administrative Officer
EXECUTIVE DIVISION
 Internal Audit Service Center
 LEON PATTMAN, CIA, CISA, CRMA, CMFO
 City Auditor

January 9, 2015

Quality Inn & Suites – Sycamore View
 c/o Ms. Susan Mashburn
 Ward's Inc.
 171 HWY 51 South
 Ripley, TN 38063

Dear Ms. Mashburn:

Pursuant to Tennessee Code Annotated Section 67-4-1409, the City's Internal Audit Department conducted an examination of the records supporting the Hotel Motel Occupancy Tax returns for Quality Inn & Suites located on Sycamore View. The scope of the examination was limited to the occupancy tax returns and support documentation for December 1, 2013 through September 30, 2014.

The intent of this letter is to communicate examination results to the hotel operator. The results are being provided to you as the official designee for conveying this information to the hotel operator. If you feel this information should not be provided to you, please contact us immediately.

With respect to gross occupancy revenue reported on the City occupancy tax returns, based upon the specific months tested, records reviewed provided reasonable assurance that the returns were valid. However, we found that taxes for the period January through August 2014 were remitted in October 2014, and did not include interest and penalties. Based on our assessment of interest and penalties for the late payments, the City is due \$1,957.48, as noted in the following table.

INTEREST AND PENALTIES DUE

2014 TAX RETURN MONTH	INTEREST DUE	PENALTY DUE	CIVIL PENALTY DUE	TOTAL DUE
January	98.23	117.88	50.00	266.11
February	136.28	163.54	50.00	349.82
March	160.75	192.91	50.00	403.66
April	103.08	123.69	50.00	276.77
May	85.36	102.44	50.00	237.80
June	66.09	79.31	50.00	195.40
July	40.38	48.45	50.00	138.83
August	17.77	21.32	50.00	89.09
	\$ 707.94	\$ 849.54	\$ 400.00	\$1,957.48

Quality Inn and Suites – Sycamore View
Examination Report
January 9, 2015
Page 2

Our examination may not necessarily disclose all weaknesses related to the Hotel Motel Occupancy Tax returns. The results of our examination will be forwarded to the City Treasurer.

We appreciate the cooperation we received from you and your staff during our examination. If you have any questions or concerns, please feel free to contact Debbie Banks, City Audit Supervisor at (901) 636-6241.

Sincerely,

A handwritten signature in blue ink, appearing to read "Leon Pattman", with a long horizontal flourish extending to the right.

Leon Pattman, CIA, CISA, CRMA, CMFO
City Auditor

c: Brian Collins, Director, Finance Division, City of Memphis
Marie Kirk Owens, City Treasurer, Finance Division