



# **Internal Audit Department El Paso Zoo – Financial Activity Audit A2025-09**

# Objectives

The audit objectives were to perform an assessment of the El Paso Zoo's (Zoo) financial activity (Revenues & Expenses) to ensure proper accounting and reporting. The audit reviewed the El Paso Zoo's internal controls and compliance with the City's Policies and Procedures. The audit concentrated on the following areas:

- Ticket Sales,
- Zoo Memberships,
- Zoo Sponsorships,
- Zoo Events.

# Scope

The audit scope was Fiscal Years 2024 & 2025. To achieve our audit objectives, we:

- Conducted interviews with El Paso Zoo management and staff.
- Reviewed the El Paso Zoo Policies and Procedures.
- Reviewed how the El Paso Zoo handles Daily Ticket Sales, Membership Sales, Group and School Fieldtrip Reservations, Events and Sponsorships.
- Reviewed cash closeout procedures at the ticket booths.
- Reviewed if the daily cash collected at the El Paso Zoo was accurately reported and deposited accordantly with City Policies and Procedures.
- Selected a sample of school fieldtrip reservations to review.
- Reviewed a sample of El Paso Zoo Memberships to review.
- Selected events held at the El Paso Zoo to review.

# Finding 1

## El Paso Zoo Events & Sponsorships

A review of four (4) events held at the El Paso Zoo during the period of April 1, 2024 to April 30, 2025 identified the following:

- The four (4) events resulted in a net profit totaling \$166,457.57.
  - Three (3) out of four (4) events (75%) resulted in a profit for the Zoo totaling \$170,931.56.
  - One (1) out of four (4) events (25%) resulted in a loss of \$4,473.99 due to:
    - Event expenses exceeding ticket sales.
    - Event not having a financial sponsorship in place.



# Finding 1 (Cont.)

## El Paso Zoo Events & Sponsorships

- Two (2) out of four (4) events (50%) received financial sponsorships from Raising Cane's LLC totaling \$8,500.00. A review of the two (2) event sponsorships identified the following deficiencies:
  - Both sponsorships were handled by the El Paso Zoo without a Sponsorship Agreement in place.
  - Per the City Attorney's Office, sponsorship arrangements should be formalized either through a Sponsorship Agreement prepared in consultation with the City Attorney's Office or managed directly by the Paso Del Norte Community Foundation.

# Finding 1 (Cont.)

#	Event	Event Dates	Total # of Attendees	Total Revenues	Total Sponsorships	Total Expenses	Net Profit/Loss
1	Party for the Planet	April 13 & 14, 2024	4,346	\$ 51,861.59	\$ -	\$ -	\$ 51,861.59
2	Brew at the Zoo	September 14, 2024 (After-Hours Event)	838	\$ 36,290.60	\$ -	\$ (40,764.59)	\$ (4,473.99)
3	Boo at the Zoo	October 26 & 27, 2024	7,268	\$ 62,272.43	\$ 5,000.00	\$ (11,047.57)	\$ 56,224.86
4	Eggstravaganzoo	April 19 & 20, 2025	5,363	\$ 60,445.11	\$ 3,500.00	\$ (1,100.00)	\$ 62,845.11
		Totals:	17,815	\$ 210,869.73	\$ 8,500.00	\$ (52,912.16)	\$ 166,457.57

# Recommendation

The El Paso Zoo should:

- Monitor expenditures to ensure event costs are recovered.
- Consult with the City Attorney's Office when seeking event sponsorships to review if the Sponsorship Agreement should be executed by the City Attorney's Office or by the Paso Del Norte Community Foundation.

# Finding 2

## Accounts Payable: Invoice Payments

The four (4) events (mentioned in Finding #1) held at the El Paso Zoo during the period April 1, 2024 to April 30, 2025 identified 71 invoice payments for event-related expenditures. A review of the 71 invoice payments identified the following:

- 40 out of 71 (56.34%) invoice payments were not paid within 30 calendar days of the invoice date, invoice received date, or service date.
  - 39 invoice payments totaling \$7,498.07 for the “Boo at the Zoo” event were paid 26 to 117 calendar days after the due date.
  - One (1) invoice payment totaling \$276.00 for the “Brew at the Zoo” event was paid 24 calendar days after the due date.



# Recommendation

The El Paso Zoo should ensure that invoices are paid within 30 calendar days of receiving the invoice or service as outlined on the City of El Paso Accounts Payable Policy dated September 10, 2024.

# Finding 3

## Accounts Receivable: Field Trip Reservations

A review of fifteen (15) invoices issued by the El Paso Zoo for school group/field trips made during the week of April 21, 2025 to April 27, 2025 identified the following:

- Three (3) out of 15 (20%) invoices reviewed were not paid by the respective school within 30 calendar days from the invoice date.
  - Two (2) invoices totaling \$769.90 with an invoice date of June 6, 2025 have not been paid as of August 19, 2025 (75 days late from the invoice due date).
  - One (1) invoice totaling \$277.50 was paid 43 days from the invoice date (13 days late).
  - According to the El Paso Zoo, these invoices were not paid on time due to the school's scheduled summer closure.

# Recommendation

The El Paso Zoo should establish a process for collecting payments due from school districts prior to the summer closures.

# Conclusion

The El Paso Zoo met the audit objectives in the following areas:

- Has proper internal controls in place and documented Policies and Procedures for handling admission and membership sales.
- Properly charging and collecting fees in accordance with the City of El Paso *Schedule C Departmental Fee List*.
- Properly depositing and accurately reporting admission and membership revenues.
- Ensuring Accounts Payable transactions are approved for payment by authorized personnel.

# Conclusion

The El Paso Zoo did **not meet** the audit objectives in the following areas:

- Monitoring event expenses to ensure event costs were offset by revenues/sponsorships.
- Properly vetting and formalizing Sponsorship Agreements for Zoo Events.
- Paying invoices within 30 calendar days of receiving the service, goods, or invoice as outlined on the City of El Paso *Accounts Payable Policy*.
- Collecting outstanding payments due to the El Paso Zoo within 30 calendar days from the invoice date.

# Management Response

## Finding 1

“The 2024 Brew at the Zoo event was the first year the El Paso Zoo coordinated the event independently. In previous years, the event was coordinated by the Zoological Society with the Zoo team serving in a supporting role. In the first year we invested in marketing, entertainment, lighting, maps, barriers and merchandise to support a successful event and to build on this in future potential Brew events. Program expenses in the initial year were high but will drop in 2025 and subsequent years. In the present year, we leveraged our social media platforms to reduce external marketing expenses and were able to produce a successful fundraising event. Our revised financial model produced a net profit for the 2025 Brew at the Zoo event, which is now comparable to other Zoo public fundraising events.

El Paso Zoo has consulted with City Attorney's Office to establish a standard Event Sponsorship Agreement that will be approved by each sponsor, the Zoo Director, and Deputy City Manager going forward.”



# Management Response

## Finding 2

“The El Paso Zoo has adjusted internal processes to maintain alignment with the City of El Paso Accounts Payable Policy. The previously vacant Budget & Services Coordinator position has since been filled. This position will ensure that all purchases are pre-approved and that all associated documentation has been properly completed and maintained. Once the Purchase Order is dispatched and the purchase made, the Budget and Services Coordinator will follow up to ensure that all invoices have been submitted on time by running the Open Purchase Orders report and verifying against our internal spreadsheet. By having a dedicated individual, we will ensure that our invoices are paid within the 30-day deadline. We will also offer additional training to all staff involved with purchasing and invoice submittal to ensure the purchasing process flows smoothly and in compliance with proper procedures.”

# Management Response

## Finding 3

“The El Paso Zoo has adjusted internal processes to maintain alignment with the City of El Paso Accounts Receivable Policy. We will continue to send the School District's Accounts Payable Department their invoices as soon as they are billed, but the following procedures will be added:

- Aged Receivables Report will be processed weekly during peak field trip season
- Outstanding invoices will be verified 15 days before due date
- Follow-up email and phone call will be made to any School District with outstanding invoices prior to the Accounts Payable Department Summer closure.
- Reservations for future field trips will not be confirmed until any outstanding invoices are paid in full.”

# Requested Action

To accept the results of the El Paso Zoo – Financial Activity Audit A2025-09.