



El Paso Zoo – Financial Activity Audit No. A2025-09

DRAFT

Issued by the
Internal Audit Department
August 28, 2025

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

EXECUTIVE SUMMARY

The Internal Audit Department has concluded the El Paso Zoo – Financial Activity Audit. The audit was approved in the Fiscal Year 2024-2025 Annual Audit Plan. The scope for this audit was Fiscal Years 2024 and 2025. The audit objectives were to:

1. Perform an assessment of the El Paso Zoo’s financial activity (Revenues & Expenses) to ensure proper accounting and reporting.
2. Review the El Paso Zoo’s internal controls and compliance with the City’s Policies and Procedures.

The audit identified control weakness and violations of City Policy. As a result, three findings were noted:

1. A sample of four (4) events held at the El Paso Zoo during the period of April 1, 2024 to April 30, 2025 identified the following:
 - 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.
 - Two (2) out of four (4) events (50%) reviewed received financial sponsorship. Both sponsorships were handled by the El Paso Zoo with no 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.
2. A review of 71 invoice payments related to four (4) events held at the El Paso Zoo during April 1, 2024 to April 30, 2025 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 as outlined on the City’s *Accounts Payable Policy*.
 - 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.
3. 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 were not paid 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 El Paso Zoo Management, these invoices were not paid on time due to the school’s scheduled summer closure.

For a detailed explanation of the findings, please refer to the body of the Audit Report.

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BACKGROUND

The El Paso Zoo sits on 35 acres of “fun and adventure for visitors to enjoy.” It features several animal exhibits and offers several interactive family activities like the: Hunt Family Splash Pad, Foster Tree House Playground, and the Hunt Endangered Species Carousel. The El Paso Zoo is open to the public on Wednesdays through Sundays from 9:00 am to 5:00 pm.

Daily Tickets or Zoo Memberships can be purchased online or in-person at the gate. A Zoo Membership gets you: free admission all year-round, express entry to the Zoo, and discounts on concessions and other amenities (ex: Summer Camp, Carousel, Rope Course, and more). Membership Packages vary in price depending on the number of adults, children, and guests included in the package.

On June 1, 2024, the El Paso Zoo took over the responsibility of Zoo Memberships after the completion of the *License Agreement between the City of El Paso and the El Paso Zoological Society # 148046/12-1045-013 (License Agreement.)* As a result, the El Paso Zoo purchased a new Point-of-Sale Software called “Doubleknot” to manage ticket sales and Zoo Memberships.

The El Paso Zoo provided the following counts of Zoo Memberships and the actual number of Zoo Members for the period of June 1, 2024 to May 31, 2025 (12months):

Month	Total Zoo Memberships (New/Revised)	Total Zoo Members
June 2024	2,694	5,398
July 2024	2,713	5,721
August 2024	2,721	5,772
September 2024	2,813	5,981
October 2024	2,841	6,060
November 2024	2,665	5,733
December 2024	2,767	5,975
January 2025	2,537	5,525
February 2025	2,719	5,929
March 2025	2,881	6,255
April 2025	2,850	6,232
May 2025	2,878	6,327
Average:	2,757	5,909

Note: Membership count data was not available prior to June 2024, limiting the ability to analyze historical trends.

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Under the terms of the previous “*License Agreement*,” the income collected from the sale of memberships was split 75/25; 75% to the Society and 25% to the El Paso Zoo. Today, the El Paso Zoo collects and retains all the income (100%) collected from memberships. The following table compares the “25% Revenue Allocation” for the El Paso Zoo (prior to June 1, 2024) and the revenues collected by the El Paso Zoo after taking over the Zoo Memberships (after June 1, 2024.):

	25% Membership Revenue Allocated to the El Paso Zoo (See Note 1)			Membership Revenues Reported by the El Paso Zoo
Month	June 1, 2021 to May 31, 2022	June 1, 2022 to May 31, 2023	June 1, 2023 to May 31, 2024	June 1, 2024 to May 31, 2025
June	\$7,821.25	\$7,494.25	\$7,061.25	\$18,960.00
July	\$8,332.50	\$7,880.75	\$4,786.25	\$31,375.00
August	\$3,507.50	\$5,725.00	\$4,256.25	\$12,160.00
September	\$4,327.50	\$6,157.13	\$6,031.25	\$18,529.20
October	\$8,660.00	\$11,071.25	"No Data" ⁽²⁾	\$25,485.00
November	\$3,370.00	\$2,366.25	"No Data" ⁽²⁾	\$16,845.00
December	\$5,437.50	\$5,517.50	"No Data" ⁽²⁾	\$25,690.00
January	\$4,002.50	\$3,948.75	"No Data" ⁽²⁾	\$16,365.00
February	\$9,152.50	\$13,810.00	"No Data" ⁽²⁾	\$26,190.00
March	\$25,778.75	\$24,008.87	\$0.00 ⁽³⁾	\$63,370.00
April	\$15,080.00	\$13,952.00	\$0.00 ⁽³⁾	\$26,000.00
May	\$10,521.25	\$10,718.75	\$0.00 ⁽³⁾	\$29,640.00
Totals:	\$105,991.25	\$112,650.50	\$22,135.00	\$310,609.20

Notes:

1. The “25% Revenue Allocation” amounts were obtained from a previous audit conducted by the Internal Audit Department – *El Paso Zoological Society Agreement Audit A2024-01*. These amounts were provided by the Society to the Internal Audit Department as part of the audit.
2. The El Paso Zoo did not have the “25% Revenue Allocation” data amounts for the months of October 2023 to February 2024.
3. According to the El Paso Zoo, no membership revenues were sold by either the El Paso Zoo or El Paso Zoological Society during the period of March 2024 to May 2024.

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The following table compares the revenues from memberships sold by the Society (without the 75/25 split) and the El Paso Zoo.

	Total Membership Revenues Reported by the Zoological Society (See Note 1)			Total Membership Revenues Reported by the El Paso Zoo
Month	June 1, 2021 to May 31, 2022	June 1, 2022 to May 31, 2023	June 1, 2023 to May 31, 2024	June 1, 2024 to May 31, 2025
June	\$31,285.00	\$29,977.00	\$28,245.00	\$18,960.00
July	\$33,330.00	\$31,523.00	\$19,145.00	\$31,375.00
August	\$14,030.00	\$22,900.00	\$17,025.00	\$12,160.00
September	\$17,310.00	\$24,628.52	\$24,125.00	\$18,529.20
October	\$34,640.00	\$44,285.00	"No Data" ⁽²⁾	\$25,485.00
November	\$13,480.00	\$9,465.00	"No Data" ⁽²⁾	\$16,845.00
December	\$21,750.00	\$22,070.00	"No Data" ⁽²⁾	\$25,690.00
January	\$16,010.00	\$15,795.00	"No Data" ⁽²⁾	\$16,365.00
February	\$36,610.00	\$55,240.00	"No Data" ⁽²⁾	\$26,190.00
March	\$103,115.00	\$96,035.48	\$0.00 ⁽³⁾	\$63,370.00
April	\$60,320.00	\$55,808.00	\$0.00 ⁽³⁾	\$26,000.00
May	\$42,085.00	\$42,875.00	\$0.00 ⁽³⁾	\$29,640.00
Totals:	\$423,965.00	\$450,602.00	\$88,540.00	\$310,609.20

Notes:

- 1) The monthly revenue amounts were calculated by dividing the "25% Revenue Allocation" amounts listed on the prior table by 25%. (Ex: \$7,821.25/0.25 = \$31,285.00 for the month of June 2021)
- 2) The El Paso Zoo did not have revenue information for the Society for the months of October 2023 to February 2024.
- 3) According to the El Paso Zoo, no membership revenues were sold by either the El Paso Zoo or El Paso Zoological Society during the period of March 2024 to May 2024.

On July 9, 2024, the City of El Paso and the Paso Del Norte Community Foundation (PDNCF) signed an "Agreement Regarding Mutual Cooperation" to coordinate Zoo Fund Programs and provide fundraising support to the El Paso Zoo. The PDNCF accepts private donations to support the financial needs of the Zoo. Both the Zoo and the PDNCF organize several fundraising events throughout the year to collect donations for the Zoo. The El Paso Zoo also receives financial sponsorships to sponsor activities and/or events hosted at the Zoo.

AUDIT OBJECTIVES

The audit objectives were to perform an assessment of the El Paso Zoo's 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.

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AUDIT SCOPE AND METHODOLOGY

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

- Reviewed the El Paso Zoo Policies and Procedures.
- Obtained an understanding of how the El Paso Zoo handles:
 - Daily Ticket Sales,
 - Memberships Sales,
 - Group and School Fieldtrip Reservations,
 - Events and Sponsorships.
- Conducted interviews with El Paso Zoo management and staff.
- Reviewed cash closeout procedures at the ticket booths.
- Reviewed if the daily cash collected at the El Paso Zoo was accurately reported and deposited accordingly with City Policies and Procedures.
- Selected a sample of school fieldtrip reservations to review if:
 - Admission fees were properly charged and consistent with the City of El Paso *Schedule C Departmental Fee List*.
 - Admission payments were collected timely and properly deposited.
 - Admission payments were posted and reported accurately.
- Reviewed a sample of Zoo Memberships to review if:
 - Active Zoo Members paid their Membership Fees.
 - Fees were properly charged and consistent with the City of El Paso *Schedule C Departmental Fee List*.
 - Memberships were properly supported and accurately reported.
- The following four (4) events held at the El Paso Zoo were selected for review:

#	Zoo Event	Event Day(s)
1	Party for the Planet	April 13& 14, 2024
2	Brew at the Zoo	September 14, 2024
3	Boo at the Zoo	October 26&27, 2024
4	Eggstravaganzoo	April 19& 20, 2025

Our review determined if:

- Event revenues and expenses were accurately reported.
- Event expenses were properly and accurately paid.
- Event sponsorships were properly supported and used.

We conducted this audit in accordance with *Generally Accepted Government Auditing Standards* and the *Global Internal Audit Standards*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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***FINDINGS, CRITERIA, RECOMMENDATIONS,
AND MANAGEMENT'S RESPONSES***

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.
- 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.

Below is a breakdown of the number of attendees, income, and expenses identified for the four Zoo Events reviewed:

#	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

Standard/Criteria

City of El Paso Strategic Plan:

- *Goal 6.6 Ensure continued financial stability and accountability through sound financial management, budgeting and reporting.*
- *Goal 6.12 Maintain systems integrity, compliance and business continuity.*

City of El Paso Fiscal Year 2025 Budget Resolution:

- *Section 43 For any programs, activities, presentations, classes or services that have a fee range listed within Schedule C, the department head shall determine and charge a fee within the stated range for each particular activity, presentation, class or service in the amount that will recover the City's costs, as reviewed and approved by the City Manager or designee.*

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Standard/Criteria (cont.)

Agreement Regarding Mutual Cooperation between City of El Paso and the Paso Del Norte Community Foundation (PDNCF) (HQ24-2877) dated July 9, 2024:

- *Section 2(d) Cooperate with the City on any agreements PDNCF may seek to enter into in furtherance of providing on-going financial support to the Program, and shall include the City as a party and in all negotiations that involve use of the funds.*

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.

Management's Response

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.

Responsible Party

Willie Diaz - Administrative Services Manager

Implementation Date

October 1, 2025

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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.

Standard/Criteria

City of El Paso Strategic Plan:

- Goal 6.6 *Ensure continued financial stability and accountability through sound financial management, budgeting and reporting.*
- Goal 6.12 *Maintain systems integrity, compliance and business continuity.*

City of El Paso Accounts Payable Policy dated September 10, 2024:

- Section 5.0 General Guidelines *As per the Prompt Payment Act, invoices are to be paid before the 30th day after the latest of:*
 1. *the date the governmental entity receives the goods under the contract,*
 2. *the date the performance of the service under the contract is completed, or*
 3. *the date the governmental entity receives an invoice for the goods or service*

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.

Management's Response

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.

Responsible Party

Willie Diaz - Administrative Services Manager

Implementation Date

August 28, 2025

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Finding 3

Accounts Receivable: Timely Collection

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.

Standard/Criteria

City of El Paso Strategic Plan:

- Goal 6.6 *Ensure continued financial stability and accountability through sound financial management, budgeting and reporting.*
- Goal 6.12 *Maintain systems integrity, compliance and business continuity.*

City of El Paso Accounts Receivable Policy dated November 2024:

- Section 4.2 *Ensure timely collection of revenues by establishing policy that maximizes the efficiency of collecting payments due to the City, minimizing delays and ensuring funds are available for City operations.*
- Section 6.5 *Invoice terms are net 30 days unless otherwise stated in the contract or agreement*

Recommendation

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

Management's Response

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.

Responsible Party

Willie Diaz - Administrative Services Manager

Implementation Date

February 1, 2026

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INHERENT LIMITATIONS

Because of the inherent limitations of internal controls, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods beyond the Audit Report date are subject to the risk that procedures may become inadequate due to changes in conditions, management override of internal controls, or that the degree of compliance with the procedures may deteriorate. This was a limited scope audit which only reviewed the areas stated in the Audit Objectives during the Audit Scope period. No representations of assurance are made to other areas or periods not covered by this audit.

CONCLUSION

We have concluded our work on the objectives of the El Paso Zoo – Financial Activity Audit. The audit evidence used in our analysis is sufficient and appropriate for addressing the objectives and supporting the findings and conclusion. In accordance with Generally Accepted Government Auditing Standards, we are required to conclude on whether the El Paso Zoo met the objectives of this audit. Based on our audit work, we have determined that:

1. 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.
2. 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.

We wish to thank El Paso Zoo management and staff for their assistance and courtesies extended during the completion of this audit.

Liz De La O, CFE, CIA, CGAP, MPA
Deputy Chief Internal Auditor

Miguel A. Ortega, CIA, CGAP
Auditor III

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