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**NEWS
RELEASE**

05/20/2024

City of El Paso Issues Second Statement Regarding Zoological Society

EL PASO, Texas—Once again, the City is aware the Zoological Society has issued another statement to the media advising that they have, “formally accepted the City of El Paso’s offer to conduct a mutual audit of both the Zoo’s and the Society’s finances.”

On May 16, the Society, [via a letter to the City Attorney](#) (dated May 15) from the Society’s attorney, said “Absent a new agreement between the City and the Society that would allow for such review, the Society has no obligation to engage in such an audit.”

The contract between the City and the Zoological Society to support the Zoo expired on March 17, 2024. At today’s City Council meeting, the Mayor and City Council directed City staff to pursue other fundraising opportunities for our Zoo.

The City has been working on closing out this contract since February 26, 2024, to include the accounting for all finances.

On two separate occasions ([March 20, 2024](#) and [May 9, 2024](#)), the City Attorney sent letters to the Society’s lawyer requesting for the Society to agree to a full accounting and to provide the names of three (3) neutral third-party certified public accountants that the Society would consider using.

In the [May 9, 2024](#) letter, the City Attorney told the Society’s lawyer, **“City Council has requested that this item be brought back for an update at their next scheduled meeting of May 20, 2024. Please confirm whether the Society will agree to this accounting and provide the names of three (3) neutral third-party certified public accountants that the Society would consider using, no later than May 19, 2024.”**

They rejected the City’s offer on [May 16, 2024](#).

It is factually untrue, that the City has not directly communicated to the Society of our request for a full accounting.

[According Section 9 of the agreement](#), the Society is required to “maintain complete and accurate records of all its financial transactions” and provide the City Manager “the right to examine or audit such records at any time or require the Society to have financial records reviewed by a certified public accountant.” **This has not occurred.**

On February 16, 2024, City Comptroller Margarita Marin, relying on Section 9 of the agreement, requested detailed financial information from the Society. [Here is the link to the email for this request.](#) The Society provided their [FY24 first quarter balance sheet](#) to Ms. Marin. The balance sheet was dated November 30, 2024, but Executive Director Renee Neuert stated that it was from November 2023. This is not the detailed financial information requested by Ms. Marin.

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[On February 28, 2024](#), Deputy City Manager Dionne Mack explained to the Society the Council's decision to allow the agreement to expire and the next steps regarding the finances as per the agreement, including a detailed report of any amount not owed to the City.

[On March 18, 2024](#), the Society's lawyer Elisaveta Dolghih, stated that, "since the City did not renew the contract the Society can keep all the funds it collected during the term of the agreement and not turn over any of those monies for the current needs of the Zoo or any current or future projects, and the Society wants the City to retract all statements made to the media." In the same letter, Ms. Dolghih says, "Finally, for the Society and the City to have a realistic chance at continuing their partnership under new terms, you and other City employees have to stop making disparaging and false statements about the Society to the press and to any third parties." All statements referenced in Ms. Dolghih letter were factual and therefore, we took her letter to mean that she wished the City stop making statements to the press in order for the City and Society to amicably negotiate the close out of the agreement.

On [March 20, 2024](#), via a letter from City Attorney Karla Nieman to Elisaveta Dolghih, Ms. Nieman said, **"In order to properly initiate the close out of the contract, I am proposing that a neutral third-party Certified Public Accountant be retained to conduct a forensic financial analysis of both parties' financial transactions, accounts, and records, including detailed general ledger information for the purpose of clarifying what funds exist, and to what purpose they should be applied."**

[Here is a link to several other documents, letters, and emails](#) in which the City directly advises the Society to provide a full accounting and their rejection of the full accounting.

Regarding the City's Internal Audit review, as the City previously stated, the Internal Auditor conducted a limited scope audit, which generally focused on the major requirements of the License Agreement; however, the audit did not include a financial analysis of the use of the funds.

Per the City's letter to the Society dated May 9, 2024, the Society has until May 24, 2024 to take the following actions:

1. Provide financial review for fiscal year 2023 by external auditors and general ledger detail information of all accounts for the past three years. (This information was requested February 16, 2024 by City Comptroller Margarita Marin; on February 27, 2024, by Deputy City Manager Dionne Mack; on March 20, 2024, by City Attorney Karla Nieman; and on April 19, 2024, by Interim City Manager Cary Westin).
2. Pursuant to Section 3(a) of the agreement, provide all membership funds for zoo development, marketing, operation, education, conservation, and promotion.
3. Provide all funds raised for membership funds, invitational events, Society sponsored events (i.e., funds to be used for Zoo betterment or Society sponsored projects as per Section 3(b) of the agreement, referencing the 2024 Audit by the Association of Zoos and Aquariums.)
4. Provide funds collected from donors intended for specific purposes at the El Paso Zoo, including those solicited from City employees for specific projects.
5. Provide all funds raised in support of the Zoo's Master Plan as per Article 10 of the agreement.

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6. Provide funds raised via concessions intended for conservation efforts, including the 'round-up' donations by zoo visitors.
7. Provide certifications of liability insurance, general liability insurance, and insurance against employee dishonesty as required by Sections 3(k) through 3(m) of the agreement. Include all policy information for the last three years of the agreement period.

To be clear, [the Society rejected the City's request to a full accounting](#) and to provide the names of three (3) neutral third-party certified public accountants on May 16, 2024.

The [Society has until May 24, 2024](#), to comply with the items 1 through 7, listed above.

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