

Section E

Kids Kingdom and Merchandise Sales

The Prosecutor's reports states: "Profits generated from the Kids Kingdom (\$1,874) "were deposited in the County's account promptly after the conclusion of MusicFest." However, it does not give a breakdown of the total amount generated from Kids Kingdom.

The Prosecutor's report also states: "The \$15,471.10 generated from the sale of County merchandise and artist's merchandise was placed in a safe at the Finance Department of Union County. The \$15,471.10 remained there until the initiation of this investigation when our investigative staff discovered this oversight." However, the report does not give a breakdown of the total costs of the merchandise and the total amount generated.

Exhibits Attached:

E2-E3 Excerpt from Prosecutor's Report

deposit, Devanney informed our investigators that he did this as a safety precaution because he was not comfortable carrying large amounts of cash at one time.

This Office recommends that:

- (1) County employees should not personally handle the funds raised by a charitable organization;
- (2) Proceeds collected by a charity should not be placed in a County safe;
- (3) A charity should be responsible for collecting the funds, transporting the funds, accounting for the funds, and depositing the funds into its own account;
- (4) All County officials with authority to select contractors, vendors, concessionaires, or any other party with a commercial interest in the event should be required to disclose their commercial or personal interest with that party to the Board of Freeholders; and
- (5) Other charities should be afforded the opportunity to engage in fundraising in connection with the event, or the alternative, the County should reconsider the policy of contributing to a charity to the exclusion of others.

KIDS KINGDOM AND MERCHANDISE SALES:

Additionally, Union County operated independent, income-generating events at the MusicFest, including the sale of artist merchandise, county merchandise, and a children's play area called *Kids Kingdom*. These events produced profits of \$17,345.10.

County Merchandise Sales	\$	13,327.00
Artist Merchandise Sales	\$	2,144.10
<i>Kids Kingdom</i>	\$	1,874.00
Total	\$	17,345.10

The *Kids Kingdom* profits were deposited in the County's account promptly after the conclusion of MusicFest. The \$15,471.10 generated from the sale of County merchandise and artist's merchandise was placed in a safe at the Finance Department of Union County. The \$15,471.10

remained there until the initiation of this investigation when our investigative staff discovered this oversight. This money is now being held in the vault at the Union County Prosecutor's Office and will be turned over to the Union County Finance Department at the conclusion of this investigation.

This Office recommends that:

- (1) Reconciliation of cash at the end of each day with all individuals involved in the handling of cash by comparing to control totals. This will ensure proper accountability;
- (2) Adequate protocols be implemented and adhered to for the counting, transporting, and depositing of all funds, especially cash, related to MusicFest; and
- (3) A policy be implemented to deposit any cash held in the County safe into a County bank account the next business day following the event.

UNION COUNTY:

The total out-of-pocket expense to Union County for this event was \$844,279.67³.

Recipient	Amount
TIIP	\$ 265,000.00
UCPAC	\$ 315,000.00
Across The River, LLC	\$ 27,500.00
Weather Insurance	\$ 19,200.00
Union County Educational Services (Transportation)	\$ 7,250.00
Mailing List/Database	\$ 8,247.00
Ice	\$ 270.00
Promotional Signs	\$ 840.63
Soda and Water	\$ 887.75
Overtime for Police and County Employees	\$ 200,084.29
Total	\$ 844,279.67

³ All expenses and revenue for the 2010 MusicFest were verified by an independent accounting firm.