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Morris Township Day'07 is in jeopardy

Troubles with state could lead to cancellation of event

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Morris Township's annual May carnival could be canceled unless state officials determine its finances are in order and restore its tax-exempt status, according to the group overseeing the event.

The Morris Township Day carnival, now scheduled for Memorial Day weekend, raises money for scholarships and local organizations and draws thousands to the township's Ginty Field to enjoy rides, games, food and entertainment.

However, the group that runs the event, Morris Township Day Inc., lost its tax-exempt status 20 years ago, according to the state Department of Treasury. Unless its status is restored, the group could owe taxes on the money it has collected, said Mark Perkiss, a treasury spokesman.

Peter Mancuso, chairman of Morris Township Day Inc., said the group will meet over the next few weeks to decide whether the four-day celebration can go ahead as planned.

"We're going to get to the bottom of this some way or another," said Mancuso, a former township mayor and recently retired member of the New York Stock Exchange. "As far as I'm concerned, if we don't have the necessary papers done that we need that would put us in compliance, I can't imagine having a carnival."

The group has been working to update its financial statements, said Joseph Calvanelli, its treasurer for three years.

"It just takes time to dot all the i's and cross all the t's," said Calvanelli, a Republican and first-time township committee member who faces a special election on Tuesday. "That doesn't mean it shouldn't have been done earlier, because it should."

The group's finances have been under the supervision of Peg Adams, the group's secretary, Calvanelli and Mancuso said. Mancuso said he believed Adams has submitted all the required paperwork.

Adams, who retired as township recreation director earlier this year, did not return a call for comment.

Morris Township Day Inc.'s tax-exempt status lapsed in 1987 after the group failed to file two annual reports, according to the state Department of Treasury. The department has not received any documentation from the group since then, and its status has not been restored, Perkiss said on Friday.

The group also has been lax in filing annual registration and tax forms with the state Division of Consumer Affairs, according to the division, which supervises not-for-profit organizations.

The division warned the group last November that its charity status had lapsed, since it had not filed registration statements -- listing its income, expenses and donations, among other information -- since 2000. The following month, the group submitted statements through 2005, according to the division.

However, the group did not file its required tax forms for 1999 through 2004 until this month, according to the division.

Those tax forms are still under review, and until they are approved, the group will not be deemed compliant, said a spokesman, Jeff Lamm.

Calvanelli's Democratic rival in the special election, Jeffrey Grayzel, said last week he found it "disturbing" that the group still has not resolved its problems.

"The residents of Morris Township deserve accountability from our elected officials and a township carnival run by an organization as good as the people it serves," Grayzel said in a statement.

Calvanelli declined comment.

He was sworn in last year, but a Superior Court judge ordered a new election after a recount of the ballots resulted in a tie between him and Grayzel.

The carnival committee raised more than \$490,000 from 1999 through 2005, according to its Division of Consumer Affairs registration statements.

It donated \$177,000 during that seven-year period, including \$97,000 for scholarships to the County College of Morris; \$26,000 to the College of St. Elizabeth; and nearly \$54,000 to local sports, religious and community groups that run booths at the fair, according to the statements.

From 1990, when the annual carnival began, until now, the event has contributed \$137,000 to the county college and \$84,000 to the College of St. Elizabeth, according to the two colleges and the township.

The group's filings leave a few questions unanswered. For instance, Morris Township Day runs an annual golf tournament at the Spring Brook Country Club in the township. However, the charity statements do not appear to list the income or expenses for the golf outing.

The event roughly breaks even, since it is priced at \$200-a-head to make it affordable, Calvanelli said. However, said Lamm of the Division of Consumer Affairs, charities must account for all their income and expenses, even if the event breaks even.

"We're doing something that's very, very good for the community," Mancuso said. "If we did something wrong, it certainly wasn't done with any malice, and we're making it as better as we can as quickly as we can."

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