

March 2025

**Erie County Cultural Funding Grant Monitoring Program
Hamburg Natural History Society, Inc.
January 1, 2020 through December 31, 2022**



**HON. KEVIN R. HARDWICK
ERIE COUNTY COMPTROLLER**

**HON. KEVIN R. HARDWICK
ERIE COUNTY COMPTROLLER'S OFFICE
DIVISION OF AUDIT & CONTROL
95 FRANKLIN STREET
BUFFALO, NEW YORK 14202**



March 25, 2025

Erie County Legislature
92 Franklin Street, Fourth Floor
Buffalo, New York 14202

Dear Honorable Members:

In 2023, the Erie County Comptroller's Office, Division of Audit & Control initiated a regular Monitoring Program of Erie County Cultural Funding Grants. The Erie County Cultural Funding program provides annual grants to non-profit arts and cultural organizations operating within the County. County funds are intended to be limited in their use to current operating expenses including salaries, program costs, fringe benefits, rents, utilities, office supplies, and equipment. Grant funds may not be used for or applied towards capital projects or physical improvements of buildings or facilities, nor as a revenue offset against accounts receivable. No funds received shall be used for any services provided or activities performed outside Erie County. The County's Department of Environment and Planning executes contracts with organizations and is the primary agency charged with monitoring.

Objective

The objective of the Cultural Funding Monitoring Program is to verify that the recipients have utilized County funds according to the terms and conditions associated with the Erie County Cultural Funding grant process and the recipient's contract with the County. In order to verify the proper use of the grant award, a number of agencies were selected in order to review their expenses and financial records.

Scope and Methodology

Approximately 120 different organizations receive funding annually from Erie County. The Comptroller's Cultural Funding Grant Monitoring Program is intended to review organizations that received a minimum of \$5,000 in funding during any of the three prior years. Approximately 80 agencies were identified as receiving \$5,000 or more in grant funding. The list of recipient organizations was split into two groups of approximately 40 agencies. The first batch of letters announcing the commencement of a review was sent to the selected non-profit organizations during mid-February 2023, and a second batch was sent in early October 2023. The review of all agencies is expected to be completed by July 31, 2025.

2023 – 2024 Program

During the interview phase, the Auditor identifies use of funding to narrow down the expenses to be verified. A table of agencies which meet the criteria for review along with the amount of grant awards can be found on the following page.

Monitoring Program – Phase I

ACT #	APPROPRIATION	VENDOR NUMBER	TAX YEAR 2020	TAX YEAR 2021	TAX YEAR 2022
517125	Enlightenment Literary Arts Center & Dog Ears Bookstore	152183	\$ 28,600.00	\$ 36,600.00	\$ 55,000.00
518004	African American Cultural Center	112604	\$ 275,450.00	\$ 311,950.00	\$ 200,000.00
518012	Alleyway Theatre	109540	\$ 8,500.00	\$ 8,500.00	\$ 11,000.00
518016	Amherst Legion Band of	100379	\$ 7,500.00	\$ 7,500.00	\$ 45,000.00
518017	Amherst Symphony Orchestra	100475	\$ 32,500.00	\$ 26,750.00	\$ 28,740.00
518019	Arts Services Initiative of WNY Inc	147159	\$ 26,050.00	\$ 26,050.00	\$ 30,000.00
518028	Ballet Artists Of WNY (Neglia)	100794	\$ 24,000.00	\$ 24,000.00	\$ 30,000.00
518040	Buffalo Arts Studio (Arts Studio of Western New York, Inc)	101244	\$ 38,000.00	\$ 45,500.00	\$ 53,000.00
518044	Buffalo Inner City Ballet Co, Inc	108597	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00
518050	Buffalo Music Hall of Fame	113142	\$ 4,500.00	\$ -	\$ 5,500.00
518051	Buffalo Heritage Carousel	167829	\$ 30,000.00	\$ 30,000.00	\$ 35,000.00
518074	Colored Societies Club	120377	\$ 5,000.00	\$ -	\$ 12,500.00
518084	EI Museo Gallery	109816	\$ 12,585.00	\$ 8,585.00	\$ 11,000.00
518104	Grandiff Conservancy	103197	\$ 59,200.00	\$ 59,200.00	\$ 60,000.00
518113	Hull House Foundation	143473	\$ 15,375.00	\$ 5,375.00	\$ 7,500.00
518119	Jewish Community Center Cultural (Jewish Ctr of Greater Buff)	111239	\$ 13,500.00	\$ 8,750.00	\$ 13,500.00
518120	Just Buffalo Literary Center	108577	\$ 78,100.00	\$ 78,100.00	\$ 83,500.00
518132	Locust St Neighborhood Art Classes	109983	\$ 29,250.00	\$ 25,250.00	\$ 28,500.00
518136	Martin House Restoration	104881	\$ 175,500.00	\$ 175,500.00	\$ 190,000.00
518139	Music is Art	159615	\$ 48,000.00	\$ 48,000.00	\$ 39,000.00
518146	Polish Arts Club Of Buffalo Inc	106132	\$ 7,000.00	\$ 7,000.00	\$ 3,800.00
518147	Preservation Buffalo Niagara	147509	\$ 4,615.00	\$ 4,615.00	\$ 6,000.00
518160	Springville Center For The Arts	113308	\$ 30,505.00	\$ 20,505.00	\$ 36,000.00
518164	Squeaky Wheel	101268	\$ 20,920.00	\$ 20,920.00	\$ 27,000.00
518172	Theodore Roosevelt Inaugural Site	106552	\$ 32,320.00	\$ 32,320.00	\$ 37,000.00
518176	Ujima Company	101047	\$ 83,000.00	\$ 83,000.00	\$ 57,714.00
518180	Western New York Artists Group	108291	\$ 6,275.00	\$ 6,275.00	\$ 7,500.00
518181	WNY Book Arts Collaborative, Inc	135999	\$ 4,640.00	\$ 4,640.00	\$ 6,000.00
518184	Young Audiences Of WNY	105811	\$ 10,500.00	\$ 10,500.00	\$ 14,000.00
518196	Buffalo Niagara Heritage Village	151996	\$ 18,500.00	\$ 18,500.00	\$ 24,500.00
518200	Michigan Str African Amer Heritage	152571	\$ 15,000.00	\$ 15,000.00	\$ 12,500.00
518201	General Pulaski Association	105060	\$ 10,000.00	\$ 11,000.00	\$ 12,500.00
518204	Brighton Place, Inc	156194	\$ 10,000.00	\$ 16,000.00	\$ 20,000.00
518211	Hispanic Heritage Council of WNY	159305	\$ 12,000.00	\$ 20,000.00	\$ 24,500.00
518216	Black Rock Historical Society (Black Rock-Riverside Alliance)	170369	\$ 22,500.00	\$ 7,500.00	\$ 10,000.00
518233	Centro Culturale Italiano di Buffalo	167500	\$ 25,000.00	\$ 20,000.00	\$ 15,000.00
518349	South Buffalo Irish Feis/Can You Dig	113041	\$ 18,000.00	\$ 15,000.00	\$ 15,000.00
518396	Net Positive DBA The Foundry	166005	\$ 5,000.00	\$ -	\$ 5,000.00

Monitoring Program – Phase II

ACT #	APPROPRIATION	VENDOR NUMBER	TAX YEAR 2020	TAX YEAR 2021	TAX YEAR 2022
517533	Buffalo Olmsted Parks Conservancy	140237	\$ 25,910.00	\$ 25,910.00	\$ 35,000.00
518008	Albright-Knox Art Gallery	108707	\$ 575,000.00	\$ 575,000.00	\$ 675,000.00
518009	Albright-Knox Public Art Curator	147238	\$ 68,250.00	\$ 68,250.00	\$ -
518025	Assembly House 150, Inc	167747	\$ 1,000.00	\$ 1,000.00	\$ 6,500.00
518034	Buffalo & Erie County Botanical Garden	108743	\$ 102,000.00	\$ 123,000.00	\$ 150,000.00
518036	Buffalo & Erie Co Historical Society	108772	\$ 417,000.00	\$ 667,000.00	\$ 417,000.00
518052	Buffalo & Erie County Naval & Servicemans Park	109139	\$ 35,000.00	\$ 35,000.00	\$ 50,000.00
518060	Buffalo Philharmonic Orch Society	101032	\$ 926,000.00	\$ 926,000.00	\$ 940,000.00
518061	Buffalo Philharmonic Chorus	109796	\$ 34,500.00	\$ 34,500.00	\$ 35,000.00
518064	Buffalo Society Natural Sciences	109767	\$ 955,000.00	\$ 955,000.00	\$ 955,000.00
518068	Burchfield Penney Art Center	167851	\$ 3,500.00	\$ 3,500.00	\$ 5,355.00
518072	Center for Exploratory and Perceptu	109934	\$ 55,000.00	\$ 55,000.00	\$ 83,000.00
518082	Danceability	156679	\$ 2,500.00	\$ 5,500.00	\$ 3,000.00
518096	Explore & More Children's Museum	102758	\$ 42,000.00	\$ 42,000.00	\$ 78,000.00
518108	Hallwalls Contemporary Arts Center	108998	\$ 57,000.00	\$ 57,000.00	\$ 60,000.00
518112	Hamburg Nat Hist Society/Penn-Diary	103282	\$ 96,314.00	\$ 96,314.00	\$ 96,314.00
518116	Irish Classical Theatre Company	103727	\$ 83,500.00	\$ 83,500.00	\$ 93,500.00
518124	O'Youville College Ravinoky Theater	109341	\$ 11,750.00	\$ -	\$ 9,500.00
518128	Lancaster Opera House	111881	\$ 45,300.00	\$ 30,300.00	\$ 35,000.00
518140	Musicalfare Theatre	105308	\$ 61,525.00	\$ 61,525.00	\$ 66,000.00
518241	New Phoenix Theatre	109542	\$ 7,500.00	\$ 7,500.00	\$ -
518148	Road Less Traveled Productions	112043	\$ 63,500.00	\$ 63,500.00	\$ 47,000.00
518152	Roycroft Campus Corporation	118218	\$ 50,000.00	\$ 40,000.00	\$ 50,000.00
518156	Snakeeater in The Park	109675	\$ 95,000.00	\$ 95,000.00	\$ 95,000.00
518168	Theatre Of Youth	108888	\$ 69,400.00	\$ 69,400.00	\$ 74,000.00
518173	Tom Space Theatre	143671	\$ 20,460.00	\$ 13,460.00	\$ 29,500.00
518188	Zoological Society Of Buffalo	108623	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,700,000.00
518195	Orchard Park Symphony Orchestra	147747	\$ 4,615.00	\$ 4,615.00	\$ 6,000.00
518202	Buffalo Opera Unlimited Incorporated	155973	\$ 2,300.00	\$ 2,300.00	\$ 10,000.00
518203	Buffalo-Toronto Public Media WNED/WBFO	172909	\$ 3,750.00	\$ -	\$ 5,000.00
518205	Cheektowaga Comm Symphony Orchestra	109177	\$ -	\$ 7,500.00	\$ -
518209	Newstead Historical Society	105518	\$ 3,500.00	\$ 3,500.00	\$ 5,000.00
518213	O'Connell & Company Productions	159162	\$ 23,100.00	\$ 23,100.00	\$ 31,500.00
518219	Amherst Male Glee Club dba Red Blazer Men's Chorus	162045	\$ 3,000.00	\$ 3,000.00	\$ 6,000.00
518221	Buffalo Center for Arts and Technology	152207	\$ 3,000.00	\$ 3,000.00	\$ 7,500.00
518226	Onondaga Historical Association	163111	\$ 3,250.00	\$ 6,250.00	\$ 6,300.00
518229	Second Generation Theatre Company	164957	\$ 2,000.00	\$ 2,000.00	\$ 5,000.00
518230	Steel Plant Museum of Western New York	147740	\$ 2,020.00	\$ 2,020.00	\$ 5,000.00
518263	Alden Christian Theater Society	114358	\$ 10,000.00	\$ -	\$ 3,000.00
518314	Clarence Concert Association	101711	\$ 3,500.00	\$ -	\$ 5,000.00
518315	Clarence Museum (Historical Soc of the Town of Clarence)	113067	\$ 5,500.00	\$ -	\$ 6,000.00

BEST PRACTICES

Over the course of the Monitoring Program, the Division of Audit found a number of problematic practices and questionable expense categories on a recurring basis. In order to address issues pertaining to a large number of organizations, certain generally applicable best practices and recommendations are included here.

Alcohol

Several organizations used or appeared to use CGF funds to obtain alcohol. While the Division of Audit does not recommend that CGF awards be made contingent on the absence of alcohol from events hosted by the organization, alcohol should not be purchased with CGF funds. The Division of Audit found dozens of alcohol purchases that appeared to be personal in nature and several more which likely violated NYS Alcoholic Beverage Control Laws. Furthermore, the NYS Comptroller has long held that alcohol is not a "lawful county charge", meaning that government officials and employees may not use taxpayer funds to purchase alcohol. The Division of Audit sees no reason that organizations receiving taxpayer funds should be treated differently.

Debit Cards

Credit cards, particularly with smaller organizations, can provide a critical layer of expense control. The Division of Audit found a large quantity of small-dollar expenses at several organizations appearing personal in nature. If a debit card is used, the money is gone by the time statements are typically reviewed, while a credit card bill often needs to be paid and approved by the organization's board of directors.

Alternate Funding Sources and Segregation of Accounts

Organizations may have several sources of governmental or philanthropic funding. One way to ensure that CGF funds go farthest is to tailor awards to the needs of the organization. Such an assessment would require

applicants to provide certain financial documents covering prior years and a disclosure of current year funding applications. Furthermore, accounts received from Erie County should not be comingled with the other funds of the organization. Having source information upfront and requiring the segregation of accounts substantially decreases the likelihood of wasted CGF funds.

HAMBURG NATUAL HISTORY SOCIETY, INC.

Background

The Hamburg Natural History Society (HNHS) is a 501(c)(3) non-profit organization founded in 1993 to facilitate preservation of the former Penn Dixie Cement Corporation quarry located in Hamburg, New York, which would otherwise have been turned into a landfill. The stated mission of the organization is to promote the hands-on study of natural sciences, including geology, astronomy, and ecology through the operation of the Penn Dixie Fossil Park and Nature Reserve.

HNHS received \$98,314 in Cultural Grant Funding (CGF) for the year 2020 and \$96,314 for the years 2021 and 2022. The grant award received for the year 2020 was \$2,000 over the Executive recommendation.

Auditor's Observations

HNHS acquired the former Penn Dixie Cement Corporation quarry in January 1995 after the Town of Hamburg purchased and deeded a significant portion of the land to the organization. As part of the agreement, HNHS was responsible for clearing decades of illegally dumped waste and maintaining the site as an educational resource. Today, the Penn Dixie Fossil Park and Nature Reserve is recognized as a globally significant geological site, drawing tens of thousands of visitors eager to discover and collect fossils from a 380-million-year-old shallow ocean environment.

During the years under review, government grants and contributions served as the primary source of revenue for HNHS, making up a substantial portion of its annual income. Programming and educational events represented the second-largest revenue stream, with additional funds generated through fundraising efforts. HNHS also supplemented its income by renting its facilities for private events, such as birthday parties.

The Covid-19 pandemic temporarily disrupted HNHS operations during its 25th season, requiring a short-term closure. However, as an outdoor site, it was able to reopen under limited occupancy in June 2020. Administrative functions continued remotely, and reserve funding helped the organization avoid layoffs. Additionally, pandemic-related economic assistance enabled HNHS to expand employment opportunities by hiring additional staff for that season.

The organization's primary operating expenses include wages and salaries, programming expenses such as supplies and annual site re-opening groundwork. Other operating expenses incurred by the organization for the years under review include office space and equipment rental costs, office expenses, site repair and travel expenses.

Auditor's Conclusion

During the grant monitoring review, HNHS successfully provided the Auditor with sufficient documentation to substantiate its use of CGF awards for the years under review. The CGF funds received were allocated toward wage and salary expenses, as well as programming costs, including chisels, collection bags, and other light excavation equipment.

To verify expenditures and the use of CGF funds, HNHS submitted bank statements, credit card statements, tax return documents, invoices, and payroll records. The review confirmed that the organization's wage expenses exceeded the amount of CGF funding awarded by the County for each year under review.

As part of the financial review, the Auditor identified a series of atypical food and beverage expenses. While some of these expenses were determined to have a programming-related business purpose, others lacked clear justification. Under §162 of the Internal Revenue Code (IRC), deductible business expenses must be both ordinary and necessary. Although such expenditures may contribute to employee morale, they may not qualify as necessary for tax purposes or income production.

HNHS currently has a Board of Directors consisting of 12 members, with directors limited to two consecutive three-year terms. Officers must step down for at least one year before becoming eligible to serve again. The organization confirmed that the Board plays a key role in internal controls, overseeing expenses, approving large purchases, and reviewing IRS Form 990 before filing. Multiple Board members have bank account access, and HNHS has implemented a purchase and reimbursement policy as part of its financial management practices.

At the conclusion of the grant review, the Auditor determined that HNHS was fully compliant with all filing requirements, including IRS Form 990, New York State Form CHAR500, and all necessary information return documents