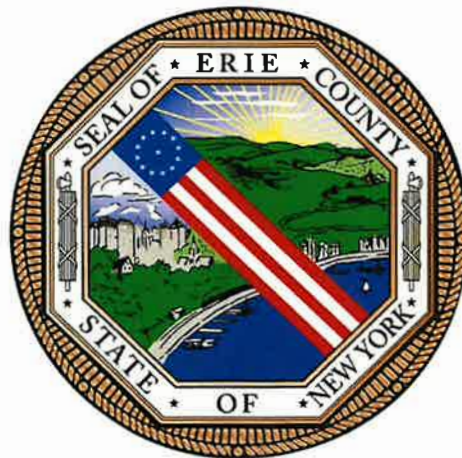


June 2025

**Erie County Cultural Funding Grant
Monitoring Program
Buffalo Toronto Public Media
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**

June 4, 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, with a second batch scheduled to be sent in early October 2023. The review of all agencies is expected to be completed by July 31, 2025.

2023 Program

During the interview phase, the Auditor identifies use of funding to narrow down the expenses to be verified. If an organization fails to respond to the Auditor's request for records, they will be deemed non-responsive. If an organization refuses to provide some or all requested documentation, it will be deemed non-compliant. Either designation will be reported to the Department of Environment and Planning. 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	YENOW AMOUNT	TAXYEAR 2020	TAXYEAR 2021	TAXYEAR 2022
517213	Enlightenment Literary Arts Center & Doug Lars Bookstore	153181	\$ 28,600.00	\$ 36,000.00	\$ 33,000.00
518006	African American Cultural Center	112604	\$ 275,450.00	\$ 311,500.00	\$ 300,000.00
518012	Artway Theatre	109342	\$ 8,500.00	\$ 8,500.00	\$ 11,000.00
518016	American Legion Band of	100379	\$ 7,300.00	\$ 7,300.00	\$ 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	\$ 26,000.00	\$ 26,000.00	\$ 30,000.00
518028	Ballet Artists Of WNY (Neglia)	100794	\$ 24,000.00	\$ 24,000.00	\$ 30,000.00
	Buffalo Arts Studio (Arts Studio of				
518040	Western New York, Inc.	101264	\$ 38,000.00	\$ 45,300.00	\$ 53,000.00
518042	Buffalo Inner City Ballet Co. Inc.	106571	\$ 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	107824	\$ 30,000.00	\$ 30,000.00	\$ 35,000.00
518074	Colored Musicians Club	110377	\$ 5,000.00	\$ -	\$ 12,500.00
518144	El Museo Gallery	109836	\$ 12,585.00	\$ 8,585.00	\$ 11,000.00
518164	Graycliff Conservancy	103197	\$ 19,200.00	\$ 59,200.00	\$ 60,000.00
518113	Hunt House Foundation	144278	\$ 15,375.00	\$ 5,375.00	\$ 7,500.00
	Jewish Community Center Cultural				
518119	(Jewish Ctr of Greater Buff)	112239	\$ 13,500.00	\$ 8,750.00	\$ 13,500.00
518120	Just Buffalo Literacy Center	108377	\$ 78,100.00	\$ 78,100.00	\$ 81,500.00
518132	Lacust St Neighborhood Art Classes	109985	\$ 25,250.00	\$ 25,250.00	\$ 28,500.00
518135	Martin House Association	105461	\$ 175,500.00	\$ 175,500.00	\$ 190,000.00
518139	Music is Art	139615	\$ 48,000.00	\$ 48,000.00	\$ 39,000.00
518141	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	Springsville Center for The Arts	113364	\$ 10,505.00	\$ 20,505.00	\$ 36,000.00
518164	Squidley 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	Ulima Company	101047	\$ 83,000.00	\$ 83,000.00	\$ 57,714.00
518198	Western New York Artists Group	108295	\$ 6,275.00	\$ 6,275.00	\$ 7,500.00
518191	WNY Book Arts Collaborative, Inc.	113559	\$ 6,400.00	\$ 6,400.00	\$ 6,000.00
518194	Young Audiences Of WNY	109814	\$ 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 St African Amer Heritage	152575	\$ 15,000.00	\$ 15,000.00	\$ 22,500.00
518201	Generali Furasta Association	100690	\$ 10,000.00	\$ 13,000.00	\$ 12,500.00
518204	Bingham Park, Inc.	156194	\$ 10,000.00	\$ 15,000.00	\$ 20,000.00
518211	Hispanic Heritage Council of WNY	159305	\$ 12,000.00	\$ 20,000.00	\$ 24,500.00
	Black Rock Historical Society(Black				
518215	Rock Riverside Alliance)	170369	\$ 22,500.00	\$ 7,500.00	\$ 10,000.00
518218	Centro Culturale Italiano di Buffalo	167500	\$ 25,000.00	\$ 20,000.00	\$ 15,000.00
518501	South Buffalo Irish Fest/Can You Dig	115041	\$ 18,000.00	\$ 15,000.00	\$ 15,000.00
518506	Net Positive DBA The Foundry	158005	\$ 5,000.00	\$ -	\$ 5,000.00

Monitoring Program – Phase II

ACT #	APPROPRIATION	YENOW AMOUNT	TAXYEAR 2020	TAXYEAR 2021	TAXYEAR 2022
517131	Buffalo Childrens Park Conservancy	148237	\$ 25,910.00	\$ 25,910.00	\$ 35,000.00
518008	Albright-Knox Art Gallery	108707	\$ 375,000.00	\$ 375,000.00	\$ 675,000.00
518009	Albright-Knox Public Art Center	147228	\$ 68,250.00	\$ 68,250.00	\$ -
518025	Assembly House 150, Inc.	187147	\$ 1,000.00	\$ 1,000.00	\$ 6,500.00
518028	Buffalo & Erie County Historical Garden	106743	\$ 22,000.00	\$ 12,000.00	\$ 150,000.00
518038	Buffalo & Erie Co. Historical Society	108772	\$ 417,000.00	\$ 847,000.00	\$ 417,000.00
	Buffalo & Erie County Naval & Servicemans				
518051	Irish	109134	\$ 15,000.00	\$ 31,000.00	\$ 50,000.00
518060	Buffalo Philharmonic Oth Society	109182	\$ 324,000.00	\$ 324,000.00	\$ 940,000.00
518061	Buffalo Philharmonic Chorus	108786	\$ 34,500.00	\$ 34,500.00	\$ 35,000.00
518064	Buffalo Society Natural Sciences	108783	\$ 955,000.00	\$ 955,000.00	\$ 955,000.00
518065	Buffalo String Works, Inc.	107553	\$ 1,000.00	\$ 1,500.00	\$ 1,515.00
518066	Buffalo Philharmonic Art Center	101004	\$ 155,000.00	\$ 155,000.00	\$ 160,000.00
518072	Center for Exploratory and Perceptu	109434	\$ 55,000.00	\$ 55,000.00	\$ 63,000.00
518082	Danceability	156639	\$ 2,500.00	\$ 3,500.00	\$ 3,000.00
518094	Edwin & Marie O'Brien's Museum	102759	\$ 42,000.00	\$ 42,000.00	\$ 78,000.00
518100	Holloway Contemporary Arts Center	108198	\$ 57,000.00	\$ 57,000.00	\$ 60,000.00
518112	Hamburg Nat Hist Society/Penn Drive	101221	\$ 98,114.00	\$ 98,114.00	\$ 98,114.00
518116	Irish Classical Theatre Company	103727	\$ 83,500.00	\$ 83,500.00	\$ 93,500.00
518121	O'Connell College Summer Theater	109141	\$ 11,750.00	\$ -	\$ 9,500.00
518126	Lancaster Opera House	111681	\$ 45,300.00	\$ 30,300.00	\$ 35,000.00
518140	MusicaFare Theatre	105308	\$ 61,325.00	\$ 61,325.00	\$ 66,000.00
518141	New Phoenix Theatre	109342	\$ 7,500.00	\$ 7,500.00	\$ -
518144	Rock Less Theatre Productions	121043	\$ 69,500.00	\$ 69,500.00	\$ 67,000.00
518152	Shedlet Campus Corporation	118235	\$ 50,000.00	\$ 40,000.00	\$ 50,000.00
518156	Shakespeare in the Park	109675	\$ 95,000.00	\$ 95,000.00	\$ 85,000.00
518168	Theatre Of Youth	109486	\$ 69,400.00	\$ 69,400.00	\$ 70,000.00
518174	Tom Space Theatre	118173	\$ 10,460.00	\$ 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	107747	\$ 4,815.00	\$ 4,815.00	\$ 4,800.00
518202	Buffalo Opera Unlimited Incorporated	158973	\$ 2,300.00	\$ 2,300.00	\$ 30,000.00
518203	Buffalo/Toronto Public Media WNYD/WBFO	172906	\$ 3,750.00	\$ -	\$ 5,000.00
518205	Cheerwage Comm Symposium Orchestra	109177	\$ -	\$ 7,500.00	\$ -
518209	Newslead Historical Society	105214	\$ 5,500.00	\$ 3,500.00	\$ 3,500.00
518213	O'Connell & Company Productions	159165	\$ 23,100.00	\$ 23,100.00	\$ 31,500.00
	Amherst Male Glee Club aka Red Blazer				
518219	Men's Chorus	162045	\$ 3,000.00	\$ 3,000.00	\$ 6,000.00
518221	Buffalo Center for Arts and Technology	155207	\$ 3,000.00	\$ 3,000.00	\$ 3,500.00
518228	Cheerwage Musical Association	109121	\$ 1,700.00	\$ 6,200.00	\$ 4,200.00
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	\$ 2,000.00
518238	Alden Christian Theatre Society	154548	\$ 88,000.00	\$ -	\$ 8,000.00
518244	Carnegie Concert Association	101711	\$ 3,500.00	\$ -	\$ 1,500.00
	Carnegie Museum Historical Soc. of the				
518255	Team of Creation	113067	\$ 5,500.00	\$ -	\$ 6,500.00

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 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.

BUFFALO TORONTO PUBLIC MEDIA

Background

The Western New York Public Broadcasting Association, operating as Buffalo Toronto Public Media (BTPM), is a 501(c)(3) tax-exempt organization classified as a public charity under section 509(a)(1). Established in 1955, BTPM was created to serve the people of Western New York and Southern Ontario with a community-supported alternative to commercial media. Its mission is to engage the communities of the Golden Horse-shoe through exploration and entertainment, reaching an estimated annual audience of approximately two million.

BTPM received \$3,750 in Cultural Grant Funding (CGF) in 2020 and \$5,000 in 2022. The organization also received payments for services rendered to other County departments, along with a Capital Grant of \$177,210 awarded in 2023. However, these payments fall outside the scope of this review.

Auditor's Observations

BTPM was founded with the objective of educating the public, promoting informed civic engagement, and facilitating respectful dialogue. Headquartered in both New York and Ontario, with several satellite locations, BTPM is a prominent binational public broadcasting organization operating three television and three radio stations, all locally programmed. As a PBS and NPR affiliate, BTPM offers a diverse range of programming, including @create, WNED PBS, PBS Kids, WBFO NPR, Classical 94.5, WBFO The Bridge, and Radio Bilingüe. Notably, the Canadian audience size is double that of its U.S. counterpart.

For the years under review, the primary source of revenue for BTPM came from memberships, grants, contributions, and donations, collectively accounting for over 80% of total income. Additional revenue was generated from programming, related entities, mission-related functions such as royalties, rental income, membership dues, and contributions from affiliated organizations. Income was also derived from investments and unrelated business activities. In 2022, BTPM reported an insurance recovery exceeding \$1.5 million. The organization also promotes numerous giving opportunities, including legacy giving, sponsorships, a travel club, vehicle donation, exclusive memberships, and a foundation.

BTPM remained operational during the COVID-19 pandemic, having been designated an essential service. During this period, the organization experienced increased viewership and collaborated with entities such as the Erie County Botanical Gardens, the Buffalo Science Museum, and Buffalo Opera Unlimited to offer virtual programming. With in-person events suspended, BTPM pivoted to virtual fundraising efforts and received significant pandemic-related financial assistance, including Payroll Protection Program loans and support from foundations and grantors.

Throughout the reviewed years, BTPM's primary operating expenses included salaries, wages, employee benefits, occupancy costs, office and programming expenses, fundraising premiums, and other operational costs. CGF received from Erie County was directed towards specific expenses outlined in contractual agreements. In 2020, the funding supported the WBFO Buffalo Blues Bash Event, while in 2022, the funds were used for the purchase of Comrex Access NX units—portable devices that enhance live broadcasting quality and reliability. Per the contract terms, CGF was not allocated for capital expenditures.

The nature and extent of BTPM's fundraising activities were not entirely transparent. While the organization consistently reported spending an average of approximately \$100,000 on professional fundraising services and about \$530,000 on fundraising premiums each year, the reported net revenue from fundraising activities remained below \$5,000. This inconsistency is partially attributed to separately reported Canadian fundraising income.

Auditor's Conclusions

During the review, BTPM provided sufficient documentation to substantiate the appropriate use of CGF for each reviewed year. Supporting materials included IRS Form 990s, bank statements, general ledgers, board meeting minutes, and electronic financial records. The expenses attributed to CGF, along with BTPM's overall operating expenses, exceeded the total grant amounts awarded by Erie County for each year reviewed.

BTPM maintains distinct general ledgers and bank accounts to separate Canadian and American operations. A review of payroll data revealed that executive compensation rose by an average of approximately 10.9% between 2020 and 2022—above the national average increase of 3% to 5%.

The review also identified several expenses atypical for local nonprofit organizations. These included private club memberships, substantial travel expenditures, staff retreats, and sizable bonuses for executives. While the value of these expenses exceeded the CGF awarded during the same years, BTPM provided appropriate disclosure of these costs in its tax filings.

The Auditor also noted the presence of travel, meals, and entertainment expenses categorized as "trade" or barter transactions. According to Internal Revenue Code § 61(a), compensation includes all forms of income, including the value of exchanged services. A review of records confirmed that BTPM accurately recognized the fair market value of such services as income when received.

BTPM's Board of Directors includes 32 members, with officers serving up to two consecutive three-year terms. The Board plays an active role in internal controls, reviewing and approving all federal tax filings including Form 990 prior to submission. Any concerns raised are addressed by the Vice President and Chief Operating Officer, with final approval from the Board. Board members, officers, and key employees are required to complete annual conflict-of-interest disclosures and acknowledge the organization's conflict and recusal policies. Compensation packages are reviewed and recommended for approval by organizational officers.

BTPM has implemented a comprehensive procurement policy addressing vendor selection, conflict of interest, and frequently occurring exceptions that require Chief Operating Officer approval. The policy outlines tiered approval procedures based on expenditure levels and mandates that purchases made with grant funding comply with state and federal requirements. Additionally, BTPM maintains a reimbursement and credit card policy that permits management and authorized personnel to use corporate credit cards for business

purposes. However, beyond requiring monthly expense reports and imposing potential termination for non-compliance, the policy relies heavily on the discretion and judgment of cardholders, lacking more detailed procedural guidance.

At the conclusion of the review, BTPM was found to be in compliance with all filing requirements for IRS Form 990 and New York State Form CHAR500 for the years 2020 and 2022. The organization was also in compliance with other relevant federal and state obligations during the period under review.