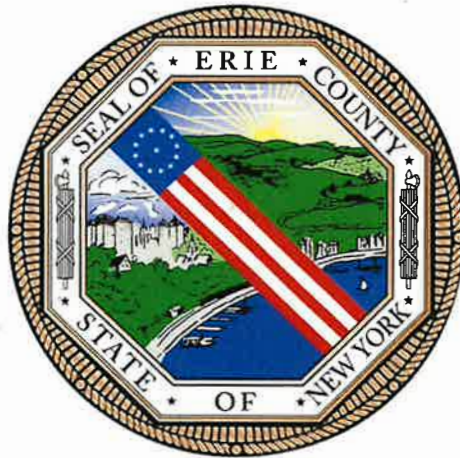


June 2025

**Erie County Cultural Funding Grant
Monitoring Program
Buffalo & Erie County Historical Society
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 9, 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. 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	TAX YEAR 2019	TAX YEAR 2020	TAX YEAR 2021
51701	Enlightenment Literary Arts Center & Long Bars Bookstore	551882	\$ 29,800.00	\$ 56,900.00	\$ 55,000.00
518004	African American Cultural Center	512604	\$ 275,050.00	\$ 311,050.00	\$ 200,000.00
518014	Ameluz Theatre	109340	\$ 8,500.00	\$ 8,500.00	\$ 11,000.00
518038	American Legion Band of	100379	\$ 7,500.00	\$ 7,500.00	\$ 45,000.00
518037	Amherst Symphony Orchestra	100475	\$ 32,500.00	\$ 26,750.00	\$ 28,740.00
518039	Arts Services Initiative of WNY Inc	547159	\$ 26,050.00	\$ 26,050.00	\$ 30,000.00
518074	Ballet Joffe of WNY Region	100754	\$ 24,000.00	\$ 25,000.00	\$ 30,000.00
518080	Buffalo Arts Studio (Arts Studio of Western New York, Inc)	101244	\$ 18,000.00	\$ 45,500.00	\$ 33,000.00
518044	Buffalo Inner City Ballet Co. Inc	118397	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00
518050	Buffalo Music Hall of Fame	133142	\$ 4,500.00	\$ -	\$ 5,000.00
518051	Buffalo Music Hall of Fame	107329	\$ 30,000.00	\$ 30,000.00	\$ 35,000.00
518074	Calvinist Musicians Club	130377	\$ 5,000.00	\$ -	\$ 12,500.00
518044	El Museo Gallery	120636	\$ 12,885.00	\$ 8,385.00	\$ 11,000.00
518104	GracyM Conservancy	103197	\$ 59,200.00	\$ 59,200.00	\$ 60,000.00
518213	Hill House Foundation	149473	\$ 19,475.00	\$ 9,375.00	\$ 7,500.00
518213	Jewish Community Center Cultural	132238	\$ 11,500.00	\$ 8,750.00	\$ 13,500.00
518120	Just Buffalo Library Center	106377	\$ 78,200.00	\$ 78,200.00	\$ 82,500.00
518132	Locust St Neighborhood Art Classes	109485	\$ 29,250.00	\$ 25,250.00	\$ 28,500.00
518138	Marian House Restoration	120483	\$ 175,500.00	\$ 175,500.00	\$ 200,000.00
518139	Music is Art	135615	\$ 48,000.00	\$ 48,000.00	\$ 39,000.00
518188	Music Arts Club of Buffalo Inc	106132	\$ 7,000.00	\$ 7,000.00	\$ 3,800.00
518187	Preservation Buffalo Niagara	147309	\$ 4,615.00	\$ 4,615.00	\$ 6,000.00
518186	Springville Center for the Arts	111308	\$ 10,825.00	\$ 10,825.00	\$ 16,000.00
518184	Southeast Wheel	101164	\$ 20,930.00	\$ 20,930.00	\$ 27,000.00
518112	Theodore Roosevelt Inaugural Site	146532	\$ 32,225.00	\$ 32,120.00	\$ 37,000.00
518176	Ulysses Company	103047	\$ 83,000.00	\$ 63,000.00	\$ 57,715.00
518191	Western New York Artists Group	108295	\$ 8,275.00	\$ 8,275.00	\$ 7,500.00
518181	WNY Book Arts Collaborative, Inc	135959	\$ 4,640.00	\$ 4,640.00	\$ 6,000.00
518181	Young Builders of WNY	129215	\$ 22,500.00	\$ 10,500.00	\$ 14,000.00
518181	Buffalo Niagara Heritage Village	151996	\$ 16,500.00	\$ 16,500.00	\$ 24,500.00
518200	Michigan St African American Heritage	152578	\$ 15,000.00	\$ 15,000.00	\$ 22,500.00
518201	General Pulaski Association	103060	\$ 10,000.00	\$ 11,000.00	\$ 12,500.00
518204	Brighton Place, Inc	146154	\$ 12,000.00	\$ 18,000.00	\$ 20,000.00
518211	Hispanic Heritage Council of WNY	159105	\$ 12,000.00	\$ 20,000.00	\$ 24,500.00
518218	Black Rock Historical Society (Black Rock Riverside Alliance)	170355	\$ 12,500.00	\$ 7,500.00	\$ 12,000.00
518233	Centro Culturale Italiano in Buffalo	167000	\$ 25,000.00	\$ 20,000.00	\$ 35,000.00
518241	Leahy Buffalo Irish Festival New Org	112641	\$ 13,000.00	\$ 13,000.00	\$ 15,000.00
518256	Nes Positive DBA The Foundry	165005	\$ 5,000.00	\$ -	\$ 5,000.00

Monitoring Program – Phase II

ACT#	APPROPRIATION	VENDOR	TAX YEAR 2019	TAX YEAR 2020	TAX YEAR 2021
517013	Buffalo Children's Park Conservancy	140237	\$ 15,515.00	\$ 15,515.00	\$ 15,200.00
518009	Albright-Knox Art Gallery	108707	\$ 575,000.00	\$ 575,000.00	\$ 675,000.00
518009	Albright-Knox Public Art Curator	147228	\$ 68,250.00	\$ 68,250.00	\$ -
518025	Assembly House 150, Inc	137747	\$ 1,000.00	\$ 1,000.00	\$ 6,900.00
518034	Buffalo & Erie County Botanical Garden	126743	\$ 22,000.00	\$ 25,000.00	\$ 15,200.00
518038	Buffalo & Erie Co Historical Society	108772	\$ 43,000.00	\$ 667,000.00	\$ 617,000.00
518038	Buffalo & Erie Co Historical Society	108772	\$ 43,000.00	\$ 667,000.00	\$ 617,000.00
518032	Park	139129	\$ 15,000.00	\$ 15,000.00	\$ 10,000.00
518051	Buffalo Promotional Club Society	101032	\$ 308,000.00	\$ 308,000.00	\$ 400,000.00
518051	Buffalo Promotional Club Society	129796	\$ 34,500.00	\$ 34,500.00	\$ 38,000.00
518064	Buffalo Society Natural Sciences	109767	\$ 955,000.00	\$ 955,000.00	\$ 555,000.00
518063	Buffalo String Works, Inc	147813	\$ 7,500.00	\$ 3,000.00	\$ 3,155.00
518068	Buffalo's Family Art Center	101004	\$ 155,800.00	\$ 155,800.00	\$ 140,000.00
518072	Center for Photography and Research	109924	\$ 33,000.00	\$ 33,000.00	\$ 43,000.00
518082	Chenoweth	135619	\$ 2,500.00	\$ 5,000.00	\$ 3,000.00
518098	Explore & More Children's Museum	127758	\$ 42,000.00	\$ 42,000.00	\$ 73,000.00
518106	Healthcare Contemporary Arts Center	105560	\$ 57,000.00	\$ 57,000.00	\$ 60,000.00
518112	International Artist Society/Book Club	123281	\$ 18,314.00	\$ 18,314.00	\$ 16,114.00
518115	Irish Classical Theatre Company	107727	\$ 83,500.00	\$ 83,500.00	\$ 83,500.00
518124	2nd Avenue College for Day Theater	129421	\$ 11,700.00	\$ -	\$ 3,400.00
518128	Landscape Opera House	111681	\$ 45,100.00	\$ 30,100.00	\$ 35,000.00
518140	Music Theatre	125248	\$ 61,125.00	\$ 61,125.00	\$ 66,000.00
518161	New Phoenix Theatre	109362	\$ 7,000.00	\$ 7,000.00	\$ -
518176	Open Arts Theatre of Buffalo Inc	121243	\$ 43,000.00	\$ 43,000.00	\$ 47,300.00
518181	Open Arts Theatre of Buffalo Inc	118113	\$ 50,000.00	\$ 40,000.00	\$ 50,000.00
518186	Shakespeare in the Park	101479	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
518188	Theatre of Youth	109868	\$ 69,400.00	\$ 69,400.00	\$ 74,000.00
518176	Theatre of Youth	146775	\$ 12,190.00	\$ 12,190.00	\$ 15,000.00
518188	Buffalo Niagara Heritage Village	108633	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,700,000.00
518195	Orchestra 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 Opera Unlimited Incorporated	170905	\$ 1,750.00	\$ -	\$ 3,000.00
518205	Cheerleaders Comm. Symphony Orchestra	109177	\$ -	\$ 7,500.00	\$ -
518219	Newstead - Musical Society	105119	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
518213	Orchestra & Comedy Productions	159162	\$ 23,100.00	\$ 13,100.00	\$ 31,500.00
518213	Orchestra & Comedy Productions	159162	\$ 23,100.00	\$ 13,100.00	\$ 31,500.00
518218	Black Rock Historical Society (Black Rock Riverside Alliance)	157045	\$ 1,000.00	\$ 1,000.00	\$ 6,000.00
518221	Buffalo Center for Arts and Technology	152077	\$ 1,000.00	\$ 1,000.00	\$ 7,500.00
518226	Chenoweth Arts & Music Association	161111	\$ 1,000.00	\$ 1,000.00	\$ 6,000.00
518239	Edmund Genesee Theatre Company	146937	\$ 2,010.00	\$ 2,010.00	\$ 5,000.00
518235	Edmund Genesee Theatre Company	147740	\$ 2,010.00	\$ 2,010.00	\$ 5,000.00
518243	Allen Christian Theatre Society	134358	\$ 10,000.00	\$ -	\$ 8,000.00
518244	Chenoweth Arts & Music Association	147719	\$ 1,000.00	\$ -	\$ 3,000.00
518245	Chenoweth Arts & Music Association	118067	\$ 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 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 & ERIE COUNTY HISTORICAL SOCIETY

BACKGROUND

The Buffalo and Erie County Historical Society (BHS) dba The Buffalo History Museum is a 501(c)(3) non-profit organization founded in 1862 to serve as Western New York's premier historical institution. The stated mission of BHS is to tell authentic stories unique to the region, steward collections of significant artifacts, and promote exhibits and programs that preserve the legacies of people, events, and movements which demonstrate Western New York's essential role in shaping American history.

BHS was awarded \$417,000 in Cultural Grant Funding (CGF) for the years 2020 and 2022. BHS was initially awarded \$417,000 for the year 2021, but the award was subsequently amended to \$667,000 which includes an additional \$250,000 awarded through a County budget adjustment for the Bicentennial celebration. BHS also received a Cultural Capital Grant for \$500,000 during the year 2022 for improvements to the second-floor gallery which included demolition, fabrication and installation of a new exhibit. Funding received by the organization for capital improvements and the bicentennial celebration both fall outside of the scope of this review.

Auditor's Observations

Originally established in 1862 as the Buffalo Historical Society, BHS was co-founded by U.S. President Millard Fillmore. In 1901, the organization took advantage of the Pan-American Exposition, commissioning architect George Cary to design the New York State Building. Following the exposition, this structure became the permanent home of the Buffalo History Museum. Over the next century, BHS amassed a collection of more than 100,000 artifacts and over 200,000 historical documents. It is one of approximately 800 museums in the U.S. accredited by the American Alliance of Museums.

During the review period, BHS's primary source of revenue came from grants, contributions, and donations, which accounted for more than 65% of total revenue. Investment income was the second-largest source. Additional revenue was generated through mission-aligned activities, such as membership sales, tiered general admissions, ticketed events, facility rentals, and fundraising initiatives like the Red Jacket Award Dinner and Paint the Town Auction.

The Covid-19 pandemic affected the operation of BHS as it was required to shut down from March through August 2020. During this time, the organization shifted to digital engagement, furloughed customer-facing staff, and had administrative staff work remotely. BHS also developed resources that could be used remotely by students and teachers while classroom instruction was virtual. The closure also allowed for acceleration of planned renovations. BHS received both rounds of Paycheck Protection Program (PPP) funding, enabling it to recall furloughed staff and mitigate revenue losses from suspended programming.

Primary operating expenses during the review period included salaries, occupancy costs, investment fees, and office expenses. Per contractual obligations with Erie County, Cultural Grant Funding (CGF) were allocated toward personnel, supplies and equipment, and programming costs. County funding represented roughly 25% of BHS's annual operating budget.

Auditor's Conclusion

During the grant monitoring process, the Buffalo History Museum (BHS) provided sufficient documentation to substantiate its use of Cultural Grant Funding (CGF) for each year under review. Documentation provided included copies of federal tax returns, informational filings, credit and bank statements, budget narratives, organizational policies and procedures, and electronic financial records. In all the years examined, the CGF awards were allocated to cover salaries and wages, with total salary-related expenses exceeding the amount of CGF received.

An analysis of executive compensation for the years under review found an average annual increase of 3.37%, which aligns with the national average of 3%–5%. A review of the organization's operating expenses revealed no excessive or unusual expenses. Many costs were also documented as having been reviewed or discussed during Board of Directors meetings, reflecting appropriate governance and oversight.

BHS currently has a Board of Directors consisting of 21 members. Terms are limited to two 3-year terms, which can be served consecutively. Board members must step down for a minimum of one year before being able to return. The organization affirmed that the Board of Directors is part of the internal controls system for BHS. Internal policies, compensation packages, and conflicts of interest are reviewed and acted upon by the Board. The Board's Audit Committee reviews and recommends the organization's Form 990 to the full Board, which is expected to review, amend (if needed), and approve the form before it is filed. All conflicts of interest must be referred to the Audit Committee for review. For any purchase more than \$2,500 the Board's practice is to submit contracts for bidding. The organization also requires Board approval for any payments above \$5,000.

BHS maintains formal procedures for credit card use. While the Executive Director and Director of Exhibits each have assigned credit cards, other staff members are required to sign out cards as needed. All users must log their purchases and upload corresponding receipts to a shared file. The bookkeeping department then reconciles the monthly credit card statements against these logs to ensure accuracy and compliance.

Based on the review of the organization's records, it was identified that during their annual audits, while no material weaknesses were found, BHS has received multiple recommendations for additional separation of duties, more comprehensive inventory and regular inspections. BHS has acknowledged these recommendations and noted that its small staff presents challenges at times. However, the organization indicated steps are being taken to address these issues, including staff expansion, reassignment of responsibilities, and modifications to internal reporting.

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