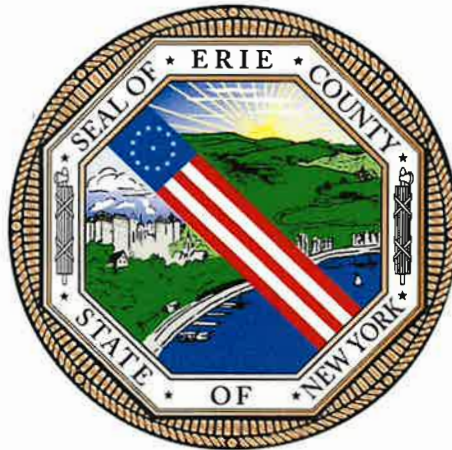


June 2025

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**Erie County Cultural Funding Grant
Monitoring Program
Assembly House 150
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, 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 2009	TAX YEAR 2010	TAX YEAR 2011
517125	Enlightenment Literary Arts Center & Dog Ears Bookstore	152181	\$ 28,500.00	\$ 36,600.00	\$ 35,000.00
518004	African American Cultural Center	112604	\$ 275,450.00	\$ 311,950.00	\$ 200,000.00
513011	Alleyway Theatre	109140	\$ 8,500.00	\$ 8,500.00	\$ 11,000.00
516016	American Legion Band of	100379	\$ 7,500.00	\$ 7,500.00	\$ 45,000.00
513017	Amherst Symphony Orchestra	100475	\$ 32,300.00	\$ 36,750.00	\$ 28,740.00
518019	Arts Services Initiative of WNY Inc	147159	\$ 26,050.00	\$ 26,050.00	\$ 30,000.00
513021	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	\$ 36,000.00	\$ 45,500.00	\$ 53,000.00
513044	Buffalo Inner City Ballet Co. Inc	105597	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00
518050	Buffalo Music Hall of Fame	113142	\$ 4,500.00	\$ -	\$ 5,000.00
512051	Buffalo Heritage Carousel	167829	\$ 30,000.00	\$ 30,000.00	\$ 35,000.00
518074	Colored Musicians Club	130377	\$ 5,000.00	\$ -	\$ 12,500.00
512044	El Museo Gallery	109816	\$ 12,585.00	\$ 8,185.00	\$ 11,000.00
518104	Graycliff Conservancy	103197	\$ 59,200.00	\$ 59,200.00	\$ 60,000.00
513113	Hull House Foundation	143473	\$ 15,375.00	\$ 3,375.00	\$ 7,500.00
516119	Jewish Community Center Cultural	111239	\$ 13,500.00	\$ 8,750.00	\$ 13,500.00
513120	Just Buffalo Literary Center	108577	\$ 78,100.00	\$ 78,100.00	\$ 83,500.00
518132	Locust St Neighborhood Art Classes	109985	\$ 29,250.00	\$ 25,250.00	\$ 28,500.00
512136	Martin House Restoration	104963	\$ 175,300.00	\$ 175,300.00	\$ 150,000.00
518139	Muscle Is Art	139615	\$ 48,000.00	\$ 48,000.00	\$ 39,000.00
513145	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
513160	Springville Center For The Arts	113308	\$ 30,305.00	\$ 20,505.00	\$ 36,000.00
518164	Squeaky Wheel	101268	\$ 20,920.00	\$ 20,920.00	\$ 27,000.00
512172	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	108295	\$ 6,275.00	\$ 6,275.00	\$ 7,300.00
518181	WNY Book Arts Collaborative, Inc	135959	\$ 3,640.00	\$ 4,640.00	\$ 6,000.00
513184	Young Audiences Of WNY	109818	\$ 10,300.00	\$ 10,300.00	\$ 14,000.00
518196	Buffalo Niagara Heritage Village	151996	\$ 16,500.00	\$ 18,500.00	\$ 24,500.00
513200	Michigan St African Amer heritage	162578	\$ 15,300.00	\$ 15,000.00	\$ 32,500.00
518201	General Pulaski Association	103080	\$ 10,000.00	\$ 11,000.00	\$ 12,500.00
513204	Brighton Place, 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
512216	Black Rock Historical Society (Black Rock Riverside Alliance)	170369	\$ 12,300.00	\$ 7,500.00	\$ 10,000.00
518233	Centro Culturale Italiano di Buffalo	167500	\$ 25,000.00	\$ 20,000.00	\$ 15,000.00
518549	South Buffalo Irish Feis/Can You Die	113041	\$ 18,000.00	\$ 15,000.00	\$ 15,000.00
518596	Net Positive DBA The Foundry	168005	\$ 5,000.00	\$ -	\$ 5,000.00

Monitoring Program – Phase II

ACT #	APPROPRIATION	VENDOR NUMBER	TAX YEAR 2009	TAX YEAR 2010	TAX YEAR 2011
517533	Buffalo Olmsted Parks Conservancy	140237	\$ 25,910.00	\$ 35,910.00	\$ 35,000.00
518008	Albright-Knox Art Gallery	108707	\$ 575,000.00	\$ 575,000.00	\$ 675,000.00
518009	Albright-Knox Public Art Curator	147128	\$ 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	168743	\$ 102,000.00	\$ 125,000.00	\$ 150,000.00
518036	Buffalo & Erie Co Historical Society	108772	\$ 417,000.00	\$ 667,000.00	\$ 417,000.00
518052	Bank Buffalo & Erie County Naval & Servicemen's	106139	\$ 35,000.00	\$ 35,000.00	\$ 50,000.00
518060	Buffalo Philharmonic Orch Society	101032	\$ 928,000.00	\$ 928,000.00	\$ 940,000.00
518061	Buffalo Philharmonic Chorus	106796	\$ 34,500.00	\$ 34,500.00	\$ 35,000.00
518064	Buffalo Society Natural Sciences	109767	\$ 955,000.00	\$ 955,000.00	\$ 955,000.00
518069	Buffalo String Works, Inc	157853	\$ 3,500.00	\$ 3,500.00	\$ 5,355.00
518068	Burchfield Penney Art Center	101004	\$ 155,000.00	\$ 155,000.00	\$ 160,000.00
518072	Center for Expository and Perceptu	109934	\$ 55,000.00	\$ 35,000.00	\$ 93,000.00
518082	Danceability	156639	\$ 2,500.00	\$ 5,500.00	\$ 1,000.00
518091	Explore & More Children's Museum	102758	\$ 42,000.00	\$ 42,000.00	\$ 78,000.00
518108	Hallwalls Contemporary Arts Center	108598	\$ 57,000.00	\$ 57,000.00	\$ 60,000.00
518112	Hamburg Nativist Society/Penn Dixie	101282	\$ 98,314.00	\$ 96,314.00	\$ 96,312.00
518116	Irish Classical Theatre Company	103727	\$ 83,500.00	\$ 83,500.00	\$ 93,500.00
518124	O'Connell College Kavinsky Theater	109341	\$ 11,750.00	\$ -	\$ 9,500.00
518128	Lancaster Opera House	111681	\$ 45,300.00	\$ 30,300.00	\$ 35,000.00
518140	Musical Fare Theatre	105364	\$ 61,525.00	\$ 81,525.00	\$ 96,000.00
518141	New Phoenix Theatre	109342	\$ 7,500.00	\$ 7,500.00	\$ -
518144	Read Less Traveled Productions	121044	\$ 63,500.00	\$ 63,500.00	\$ 67,000.00
518152	Roycroft Campus Cooperation	118213	\$ 50,000.00	\$ 40,000.00	\$ 50,000.00
518156	Shakespeare In The Park	106675	\$ 95,000.00	\$ 95,000.00	\$ 95,000.00
518168	Theatre Of Youth	106888	\$ 69,400.00	\$ 69,400.00	\$ 74,000.00
518173	Torn Space Theatre	143673	\$ 20,460.00	\$ 15,460.00	\$ 29,500.00
518188	Zoological Society Of Buffalo	106623	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,700,000.00
513195	Orchard Park Symphony Orchestra	117747	\$ 4,615.00	\$ 4,615.00	\$ 6,000.00
518202	Buffalo Opera Unlimited Incorporated	155973	\$ 2,300.00	\$ 2,300.00	\$ 10,000.00
518223	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	105511	\$ 5,300.00	\$ 3,500.00	\$ 5,000.00
518213	O'Connell & Company Productions	159162	\$ 23,100.00	\$ 23,100.00	\$ 31,500.00
518219	Men's Chorus	162045	\$ 3,000.00	\$ 3,000.00	\$ 4,000.00
518221	Buffalo Center for Arts and Technology	152207	\$ 3,000.00	\$ 3,000.00	\$ 7,500.00
518225	Cheektowaga Historical Association	163121	\$ 3,250.00	\$ 4,250.00	\$ 4,200.00
518229	Second Generation Theatre Company	164957	\$ 2,020.00	\$ 2,020.00	\$ 5,000.00
518230	Steel Plant Museum of Western New York	147740	\$ 2,020.00	\$ 2,020.00	\$ 5,000.00
518503	Alden Christian Theater Society	114358	\$ 10,000.00	\$ -	\$ 3,000.00
519514	Clarence Concert Association	101711	\$ 3,500.00	\$ -	\$ 5,000.00
518515	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 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.

Assembly House 150, Inc. (A150)

Background

Assembly House 150, Inc. (A150) is a 501(c)(3) nonprofit organization founded in 2015. The organization operates as an experimental space that blends art and architecture, focusing on the design and display of imaginative environments. Its mission is to host public exhibitions, educational programs, and events that inspire a sense of wonder in everyday surroundings.

A150 received Cultural Grant Funding (CGF) from Erie County in the following amounts:

- 2020 – \$1,000
- 2021 – \$1,000
- 2022 – \$6,500 (an increase of \$5,000 over the Executive recommendation)

Auditor's Observations

Assembly House 150 (A150) operates as a hybrid organization—part interactive architectural museum, part design studio, and part construction trades workshop. It functions as a community incubator with a focus on skills training and career development in building trades. Through programs such as Society for the Advancement of Construction Related Arts (SACRA), Model City Builders, and Assembly House (AH) Craft, A150 delivers approximately 17,000 hours of skill-based education annually.

- Model City Builders introduces high school students to architecture and design concepts.
- SACRA is an immersive training program with an 80% job placement rate in fine carpentry, historic restoration, and general construction.
- AH Craft is a six-month paid apprenticeship for SACRA graduates, intended to build advanced construction skills and improve earning potential.

An analysis of Form 990 filings shows that the organization's primary source of revenue during the review period was grants, contributions, and donations. Program-related income accounted for 10% or less of total revenue. Additional income was generated from tuition, tours, and mission-related service fees. Although the organization conducts minimal fundraising, it receives consistent support from over a dozen foundations and corporate donors.

During the COVID-19 pandemic, A150 reduced in-person programming and implemented social distancing measures. The organization was able to retain its staff and received pandemic-related financial assistance, which increased operating revenue during the years under review. However, the Auditor was unable to conduct a complete pandemic-related analysis due to a lack of supporting documentation.

A review of the organization's tax returns and partial financial records showed that A150's primary operating expenses included salaries and wages, supply purchases, construction consulting fees, payments to teachers and artists, and occupancy-related costs. The studio space leased by the organization is partially owned (67%) by a corporation affiliated with a member of A150's executive team. This related-party transaction is disclosed

in the notes to the organization's financial statements. In accordance with its contracts with the County, Cultural Grant Funds (CGF) received during the review period were restricted to personnel expenses, space rental, and program-related costs. A150 reported that CGF funds were used each year to support the salary of one employee. CGF funds could not be used for capital improvements or applied as a set-off against accounts receivable.

Auditor's Conclusions

During the grant monitoring review, A150 provided only limited documentation to support its use of CGF funds, including IRS Form 990s, financial statements, and partial payroll records. Each year, CGF funds were applied to partially support one employee's salary. Based on the records submitted, the use of CGF funds was sufficiently substantiated, and A150 is deemed compliant regarding expenditure documentation.

However, the Auditor's review encompasses broader compliance expectations. Under Sections 5, 7, 8, and 9 of the County Cultural Services Contract, A150 is required to maintain accurate and complete financial records, make them available upon request, and permit inspection of books, facilities, and governance documentation. Despite multiple formal requests and ample opportunity to comply, A150 declined to provide the necessary documentation. As a result, A150 is deemed noncompliant with the review process.

In reviewing available tax returns, the Auditor noted significant fluctuations in executive compensation over a five-year period. With full payroll records unavailable, the Auditor relied on Form 990 data, which showed changes in executive compensation ranging from a 5.7% decrease to increases as high as 135%—well above the national average annual increase of 3%–5%.

A150 is governed by one officer and a seven-member board of directors. Per Form 990 disclosures, the board has been assigned certain internal control responsibilities. After preparation by an independent accounting firm, the Form 990 is reviewed by the Board Treasurer and approved by the full board prior to submission to the IRS. Board members complete annual conflict of interest disclosures, reviewed by the Board Chair, and executive compensation is reportedly set annually by the board. However, these governance practices could not be independently verified, as A150 did not provide board meeting minutes or related documentation.

At the close of the review, the Auditor confirmed that A150 met its filing requirements for IRS Form 990 and New York State CHAR500 for fiscal years 2020 through 2022. However, due to the organization's failure to fully comply with the review, the Auditor could not determine whether it met all other applicable federal and state compliance requirements during the period in question.