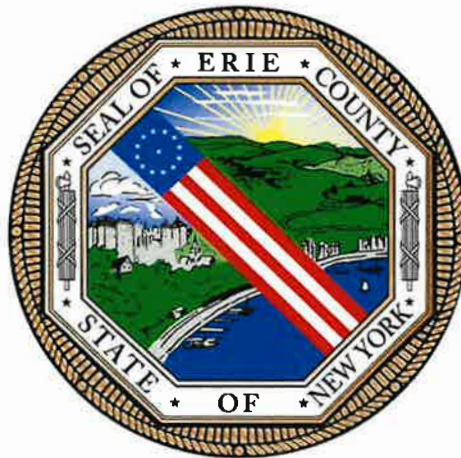


August 2025

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**Erie County Cultural Funding Grant Monitoring Program
MusicalFare Theatre
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**



August 22, 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 December 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	VENDOR NUMBER	TAX YEAR 2020	TAX YEAR 2021	TAX YEAR 2022
517125	Enlightenment Literate Arts Center & Dog Ears Bookstore	152183	\$ 28,600.00	\$ 36,400.00	\$ 55,000.00
518004	African American Cultural Center	112694	\$ 275,450.00	\$ 311,950.00	\$ 209,000.00
518012	Alleyway Theatre	106940	\$ 3,500.00	\$ 8,500.00	\$ 11,000.00
518016	American 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
518025	Ballet Artists Of WNY (Negra)	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	113442	\$ 4,500.00	\$ -	\$ 5,500.00
518051	Buffalo Heritage Carousel	167525	\$ 30,000.00	\$ 30,000.00	\$ 35,000.00
518074	Colored Musicians Club	130377	\$ 5,000.00	\$ -	\$ 12,500.00
518104	El Museo Gallery	108336	\$ 12,585.00	\$ 8,585.00	\$ 11,000.00
518104	Graycliff Conservancy	103197	\$ 59,200.00	\$ 59,200.00	\$ 60,000.00
518117	Hull House Foundation	142473	\$ 15,375.00	\$ 3,375.00	\$ 7,500.00
518119	Jewish Community Center Cultural (Jewish War of Greater Buff)	111239	\$ 13,500.00	\$ 8,750.00	\$ 13,500.00
518120	Just Buffalo Literacy 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
518136	Martin House Restoration	104361	\$ 175,500.00	\$ 175,500.00	\$ 190,000.00
518139	Music Is Art	139615	\$ 48,000.00	\$ 48,000.00	\$ 39,000.00
518146	Polish Arts Club Of Buffalo Inc	106137	\$ 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	111301	\$ 30,105.00	\$ 20,105.00	\$ 36,000.00
518164	Squeaky Wheel	101268	\$ 20,920.00	\$ 20,920.00	\$ 27,000.00
518172	Theodore Roosevelt Inaugural Site	106532	\$ 31,320.00	\$ 31,320.00	\$ 37,000.00
518176	Ulima Company	101047	\$ 83,000.00	\$ 83,000.00	\$ 57,714.00
518180	Western New York Artists Group	108295	\$ 3,275.00	\$ 8,275.00	\$ 7,500.00
518181	Why Books Arts Collaborative, Inc	135959	\$ 4,640.00	\$ 4,640.00	\$ 5,000.00
518184	Young Audiences Of WNY	109418	\$ 10,500.00	\$ 10,500.00	\$ 14,000.00
518196	Buffalo Niagara Heritage Village	151906	\$ 18,500.00	\$ 18,500.00	\$ 24,500.00
518200	African American Heritage	112578	\$ 15,000.00	\$ 15,000.00	\$ 32,500.00
518201	General Pulaski Association	103060	\$ 10,000.00	\$ 11,000.00	\$ 12,500.00
518204	Brington Place, Inc	156194	\$ 10,000.00	\$ 10,000.00	\$ 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)	170269	\$ 22,500.00	\$ 7,500.00	\$ 10,000.00
518233	Centro Culturale Italiano di Buffalo	167500	\$ 23,000.00	\$ 20,000.00	\$ 15,000.00
518549	South Buffalo Irish Feis/Can You Dig	113041	\$ 18,000.00	\$ 15,000.00	\$ 15,000.00
518596	New Positive ORA The Foundry	580005	\$ 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	147229	\$ 68,250.00	\$ 68,250.00	\$ -
518035	Assembly House 150, Inc	167747	\$ 1,000.00	\$ 1,000.00	\$ 6,500.00
518034	Buffalo & Erie County Botanical Garden	108742	\$ 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	Buffalo & Erie County Naval & Servicemen's Park	109339	\$ 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	109756	\$ 34,500.00	\$ 34,500.00	\$ 35,000.00
518064	Buffalo Society Natural Sciences	109767	\$ 955,000.00	\$ 955,000.00	\$ 955,000.00
518065	Buffalo String Works, Inc	167853	\$ 1,300.00	\$ 1,300.00	\$ 3,355.00
518068	Burnhillfield Penney Art Center	101004	\$ 155,000.00	\$ 155,000.00	\$ 160,000.00
518072	Center for Exploratory and Perceptu	109934	\$ 55,000.00	\$ 55,000.00	\$ 63,000.00
518082	Danceability	156639	\$ 2,500.00	\$ 5,500.00	\$ 3,000.00
518099	Explore & More Children's Museum	102758	\$ 47,000.00	\$ 42,000.00	\$ 78,000.00
518108	Hallwalls Contemporary Arts Center	108598	\$ 57,000.00	\$ 57,000.00	\$ 60,000.00
518112	Hamburg Nat Hist Society/Penn-Dixie	103282	\$ 98,114.00	\$ 96,314.00	\$ 96,314.00
518116	Irish Classical Theatre Company	103727	\$ 83,500.00	\$ 83,500.00	\$ 95,500.00
518124	O'Youville College Kew-Forest Theater	109341	\$ 11,750.00	\$ -	\$ 9,500.00
518128	Leicester Opera House	111681	\$ 45,300.00	\$ 30,300.00	\$ 35,000.00
518140	Musicalfare Theatre	105308	\$ 61,525.00	\$ 61,525.00	\$ 66,000.00
518141	New Phoenix Theatre	109340	\$ 7,500.00	\$ 7,500.00	\$ -
518143	Road Less Traveled Productions	121043	\$ 63,500.00	\$ 63,500.00	\$ 67,000.00
518152	Roycroft Campus Corporation	118115	\$ 50,000.00	\$ 40,000.00	\$ 50,000.00
518156	Shakespeare In The Park	109675	\$ 95,000.00	\$ 95,000.00	\$ 95,000.00
518168	Theatre Of Youth	109988	\$ 69,400.00	\$ 69,400.00	\$ 74,000.00
518173	Torn Space Theatre	143673	\$ 20,446.00	\$ 15,490.00	\$ 29,500.00
518188	Zoological Society Of Buffalo	109633	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,700,000.00
518195	Orchard Park Symphony Orchestra	147747	\$ 4,615.00	\$ 4,615.00	\$ 8,000.00
518202	Buffalo Opera Unlimited Incorporated	155973	\$ 2,300.00	\$ 2,300.00	\$ 10,000.00
518203	Buffalo-Toronto Public Media WNED/WBFO	172909	\$ 1,750.00	\$ -	\$ 5,000.00
518205	Cheektowaga Comm Symphony Orchestra	109177	\$ -	\$ 7,500.00	\$ -
518209	Newstead Historical Society	105518	\$ 3,500.00	\$ 3,500.00	\$ 3,000.00
518213	O'Connell & Company Productions	159162	\$ 23,100.00	\$ 23,100.00	\$ 31,500.00
518219	Amherst Male Glee Club aka Red Blazer Men's Chorus	167045	\$ 1,000.00	\$ 3,000.00	\$ 6,000.00
518221	Buffalo Center for Arts and Technology	153207	\$ 3,000.00	\$ 3,000.00	\$ 7,500.00
518225	Cheektowaga Historical Association	163121	\$ 3,250.00	\$ 6,250.00	\$ 6,100.00
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
518514	Clarence Concert Association	101711	\$ 1,500.00	\$ -	\$ 5,000.00
518515	Clarence Museum (Historical Soc. of the Town of Clarence)	113067	\$ 1,500.00	\$ -	\$ 4,000.00

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 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.

MUSICALFARE THEATRE COMPANY

BACKGROUND

MusicalFare Theatre Company, Inc. (MFT), known as MusicalFare, is a 501(c)(3) non-profit organization established in 1990 with the goal of becoming a significant regional theater with national prominence by developing and presenting world premiere musicals, re-imagined classics, and regional premieres. The stated mission of MFT is to establish a professional theater group capable of bringing top-quality musical productions to Western New York.

Between 2020 and 2022, MFT received Cultural Grant Funding (CGF) as follows:

- \$61,525 in 2020 (including \$8,500 over the executive recommendation)
- \$61,525 in 2021 (including \$8,500 over the executive recommendation)
- \$66,000 in 2022 (including \$9,000 over the executive recommendation)

AUDITOR'S OBSERVATIONS

MFT has been a cultural staple in the Town of Amherst for more than three decades. Currently in its 34th season, MFT has put on over 200 theatrical productions and employed over 3,000 local actors, musicians, and designers while entertaining over 750,000 people. The Theater has won 121 Artie Awards, which is more than any other company in Western New York. MFT has collaborated with several different theater companies over the years and presents annual shows at Shea's. MFT engages more intimate audiences with its cabaret and provides internship opportunities to students at the University of Buffalo, Daemen College, and Niagara University.

After 35 years at Daemen College, MFT was fundraising to relocate to a new state-of-the-art theater as part of the "Amherst Central Park" initiative. However, those plans were canceled when the venue portion of the project was subjected to a public referendum following a successful petition by Amherst residents. Upon the expiration of MFT's lease with Daemen College in May 2025, the organization will begin its 2025–2026 season at Shea's 710 with which a long-term partnership has been established.

For the years under review, grants, contributions, and donations represented the organization's largest source of revenue, comprising more than 50% of total revenue. MFT generated approximately 10% to 30% of its revenue from programming, admissions, memberships, and guest services, making this its second-largest revenue stream. Additional revenue was derived from mission-related activities, including concession sales, galas, and at least one signature fundraising event annually. In prior years, programming activities served as the primary revenue source; however, this shifted due to the COVID-19 pandemic.

The pandemic significantly disrupted MFT's operations, requiring the cancellation of scheduled programming. In response, the organization produced livestreamed events and maintained administrative functions remotely, while actors and production staff were laid off until in-person programming resumed. Financial losses were offset by pandemic-related assistance, including foundation grants, two rounds of Paycheck Protection Program (PPP) funding, Employee Retention Credit, and approximately \$670,000 from the federal Shuttered Venue Operators Grant. Collectively, these relief sources resulted in an operating revenue surplus.

For the years under review, MFT's primary operating expenses included salaries and wages, compensation, occupancy, production costs, and office expenses. CGF received during the review period was allocated toward personnel and space rental expenses.

AUDITOR'S CONCLUSIONS

During the grant monitoring review process, MFT provided adequate documentation to substantiate its use of the CGF awards for each year under review. Documentation included IRS Form 990s, payroll return documents and records, external audit reports, and electronic financial records. The organization's operating expenses exceeded the CGF amounts awarded by the County in each of the years under review.

A review of executive compensation revealed that, during the years under review, total compensation increased by an average of approximately 11% annually, which is well above the national average of 3% to 5%. For the fiscal year ending August 31, 2022, compensation included a bonus payment; however, salary and other compensation did not decrease in subsequent years, but instead increased by 6% and 5%, respectively.

During the course of the review, the Auditor also identified an expense related to a private club membership for an executive team member. Such expenses are atypical for local non-profit organizations. Furthermore, there was no disclosure in the organization's annual tax return or board minutes indicating that this membership was either part of the individual's compensation package or an ordinary and necessary business expense.

MFT is governed by a Board of Directors consisting of 19 individuals. Officers are limited to three consecutive 3-year terms and must step down for at least one year before returning. The organization affirmed that the Board is integral to its system of internal controls. The Board is responsible for reviewing and approving IRS Form 990 before it is filed and participates in financial oversight, including decisions on grant and loan applications and conflict-of-interest monitoring. A review of Board meeting minutes from 2022 showed that a committee was directed to review executive compensation packages, though it remains unclear whether these packages are reviewed and approved on an annual basis.

At the conclusion of the grant review, the Auditor was able to determine that MFT is in compliance with filing requirements for IRS Form 990 and New York State Form CHAR500. MFT was in compliance with other relevant federal and state obligations for the years under review.