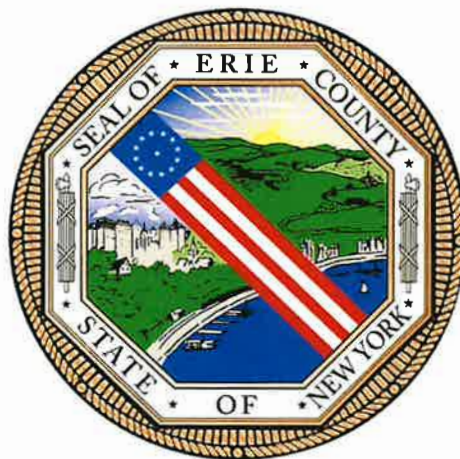


January 2026

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**Erie County Cultural Funding Grant Monitoring Program
Hallwalls 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**



January 9, 2026

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 Literary Arts Center & Dog Ears Bookstore	152183	\$ 28,600.00	\$ 36,400.00	\$ 55,000.00
518004	African American Cultural Center	112604	\$ 275,450.00	\$ 111,910.00	\$ 200,000.00
518012	Altway Theatre	109340	\$ 5,500.00	\$ 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	106475	\$ 32,500.00	\$ 21,750.00	\$ 28,740.00
518019	Arts Services Initiative of WNY Inc	147158	\$ 26,050.00	\$ 26,050.00	\$ 30,000.00
518028	Ballet Artists of WNY (Regional)	100794	\$ 24,000.00	\$ 24,000.00	\$ 30,000.00
518040	Buffalo Arts Studio (Arts Studio of Western New York, Inc)	101244	\$ 48,000.00	\$ 45,500.00	\$ 51,000.00
518044	Buffalo Inner City Ballet Co. Inc	148597	\$ 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	167879	\$ 30,000.00	\$ 30,000.00	\$ 35,000.00
518074	Colored Musicians Club	136377	\$ 5,000.00	\$ -	\$ 12,500.00
518084	El Museo Gallery	107416	\$ 12,450.00	\$ 5,885.00	\$ 11,000.00
518104	Gravelly Conservancy	103197	\$ 59,200.00	\$ 59,200.00	\$ 60,000.00
518113	Jewish House Foundation	143473	\$ 15,375.00	\$ 1,875.00	\$ 7,500.00
511129	Jewish Community Center Cultural	111229	\$ 13,500.00	\$ 8,750.00	\$ 13,500.00
518130	Jazz Buffalo Literary Center	108577	\$ 75,100.00	\$ 75,100.00	\$ 83,500.00
518132	Luxist St Neighborhood Art Classes	107985	\$ 25,250.00	\$ 25,250.00	\$ 28,500.00
518136	Martin House Restoration	104363	\$ 175,500.00	\$ 175,500.00	\$ 190,000.00
518139	Music is Art	139613	\$ 48,000.00	\$ 48,000.00	\$ 59,000.00
518146	Polish Arts Club of Buffalo Inc	106132	\$ 7,000.00	\$ 7,000.00	\$ 8,500.00
518147	Preservation Buffalo Niagara	147509	\$ 4,615.00	\$ 4,615.00	\$ 6,000.00
518149	Springville Center for the Arts	113308	\$ 30,500.00	\$ 20,500.00	\$ 36,500.00
518164	Squeaky Wheel	101268	\$ 20,920.00	\$ 20,920.00	\$ 27,000.00
518172	Theodore Roosevelt Inaugural Site	106552	\$ 32,250.00	\$ 32,250.00	\$ 37,000.00
518176	Ujima Company	101047	\$ 83,000.00	\$ 83,000.00	\$ 57,714.00
518180	Western New York Arts Group	148293	\$ 1,275.00	\$ 9,275.00	\$ 7,500.00
518181	WNY Book Arts Collaborative, Inc	135959	\$ 4,640.00	\$ 4,640.00	\$ 6,000.00
518184	Young Audiences of WNY	109418	\$ 10,500.00	\$ 10,500.00	\$ 14,000.00
518196	Buffalo Niagara Heritage Village	131996	\$ 18,500.00	\$ 18,500.00	\$ 24,500.00
518200	Michigan Synagogue Jewish Heritage	151578	\$ 15,500.00	\$ 12,500.00	\$ 32,500.00
518201	General Putnik Association	103060	\$ 10,000.00	\$ 11,000.00	\$ 12,500.00
517204	Brighton Place, Inc	156154	\$ 10,000.00	\$ 16,000.00	\$ 20,000.00
518232	Hugan Heritage Council of WNY	159305	\$ 12,000.00	\$ 20,000.00	\$ 24,500.00
518233	Black Rock Historical Society Inc	170169	\$ 22,500.00	\$ 7,500.00	\$ 10,000.00
518234	Rock Riverdale Alliance	151578	\$ 15,500.00	\$ 12,500.00	\$ 32,500.00
518233	Centro Culturale Italiano di Buffalo	167500	\$ 25,000.00	\$ 20,000.00	\$ 15,000.00
518549	South Buffalo Irish Fest/Can You Dig	113041	\$ 11,300.00	\$ 15,000.00	\$ 15,000.00
518098	Nat Festival BSA The Foundry	180205	\$ 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	\$ 15,000.00
518008	Albright-Knox Art Gallery	106707	\$ 175,000.00	\$ 175,000.00	\$ 175,000.00
518009	Art of the Africa People Art Center	147214	\$ 1,500.00	\$ 68,400.00	\$ 870,000.00
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	\$ 125,000.00	\$ 150,000.00
518036	Buffalo & Erie Co Historical Society	108772	\$ 417,000.00	\$ 467,000.00	\$ 417,000.00
518052	Park	105319	\$ 1,000.00	\$ 15,000.00	\$ 40,000.00
518060	Buffalo Philharmonic Oth Society	101032	\$ 948,000.00	\$ 926,000.00	\$ 940,000.00
518061	Buffalo Philharmonic Chorus	109796	\$ 34,400.00	\$ 34,400.00	\$ 35,000.00
518064	Buffalo Society Natural Sciences	109757	\$ 955,000.00	\$ 955,000.00	\$ 955,000.00
518067	Buffalo Spring Arts Inc	167153	\$ 3,500.00	\$ 3,500.00	\$ 2,250.00
518068	Burchfield Penney Art Center	101004	\$ 155,000.00	\$ 155,000.00	\$ 160,000.00
518072	Center for Education and Heritage	129734	\$ 35,000.00	\$ 35,000.00	\$ 6,000.00
518082	Danceability	154439	\$ 3,500.00	\$ 3,500.00	\$ 3,000.00
518094	Elmore & Mure Children's Museum	102138	\$ 23,000.00	\$ 23,000.00	\$ 28,000.00
518108	Heidelberg Contemporary Arts Center	108598	\$ 57,000.00	\$ 57,000.00	\$ 60,000.00
518112	Longview Historical Society/Perennial	232382	\$ 88,240.00	\$ 41,250.00	\$ 71,125.00
518116	Irish Classical Theatre Company	103727	\$ 85,500.00	\$ 85,500.00	\$ 93,500.00
518124	O'Connell's Theatre Company	105341	\$ 11,750.00	\$ -	\$ 9,500.00
518128	Lancaster Opera House	111611	\$ 45,300.00	\$ 40,300.00	\$ 35,000.00
518140	Musical Theatre	105358	\$ 41,320.00	\$ 41,320.00	\$ 46,000.00
518141	New Phoenix Theatre	109342	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
518148	Road Less Travelled Productions	121042	\$ 33,500.00	\$ 63,500.00	\$ 67,000.00
518152	Roycroft Campus Cooperation	118213	\$ 50,000.00	\$ 40,000.00	\$ 38,000.00
518156	Shakespeare in the Park	109151	\$ 6,700.00	\$ 10,000.00	\$ 10,000.00
518168	Theatre of Youth	109888	\$ 49,400.00	\$ 49,400.00	\$ 74,000.00
518177	Turk Square Theatre	134673	\$ 21,400.00	\$ 21,400.00	\$ 25,000.00
518188	Zoological Society of Buffalo	108623	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,700,000.00
518193	Buffalo Park Community Orchestra	147147	\$ 1,415.00	\$ 4,415.00	\$ 6,000.00
518200	Buffalo Opera Unlimited Incorporated	155973	\$ 2,300.00	\$ 4,300.00	\$ 10,000.00
518250	Buffalo-Saratoga Public Media (WGLI/WGLT)	172929	\$ 1,750.00	\$ -	\$ 2,000.00
518255	Cherkowicz Community Symphony Orchestra	109777	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
518258	Cherkowicz Community Symphony Orchestra	155518	\$ 1,500.00	\$ 3,000.00	\$ 3,000.00
518259	Cherkowicz Community Symphony Orchestra	159162	\$ 23,300.00	\$ 23,300.00	\$ 23,300.00
518263	Cherkowicz Community Symphony Orchestra	162045	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
518271	Buffalo Center for Arts and Technology	152207	\$ 1,000.00	\$ 3,000.00	\$ 7,500.00
518276	Cherkowicz Community Symphony Orchestra	161121	\$ 2,225.00	\$ 4,200.00	\$ 6,000.00
518279	Second Generation Theatre Company	144957	\$ 2,000.00	\$ 2,000.00	\$ 5,000.00
518280	Steele Point Museum of Western New York	157146	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
518293	Steele Point Museum of Western New York	141358	\$ 30,000.00	\$ -	\$ 3,000.00
518294	Steele Point Museum of Western New York	151711	\$ 1,500.00	\$ -	\$ 5,000.00
518295	Steele Point Museum of Western New York	113061	\$ 3,500.00	\$ -	\$ 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 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.

HALLWALLS, INC.

BACKGROUND

Hallwalls, Inc., also known as the Hallwalls Contemporary Art Center (HCAC) is a 501(c)(3) non-profit organization formally established in 1974. The stated mission is to provide a center for contemporary art as well as to serve artists by supporting the creation and presentation of new work in the visual, media, performing and literary arts.

HCAC received \$57,000 in Cultural Grant Funding (CGF) for the years 2020 and 2021; HCAC received a CGF award in the amount of \$60,000 for the year 2022.

AUDITOR'S OBSERVATIONS

HCAC was founded by a group of student artists in an abandoned icehouse with the intent of showcasing their work to the community. In subsequent years, the organization expanded its scope to include exhibitions and presentations by musicians, writers, filmmakers, performers, and visual artists. Over the past five decades, HCAC has grown substantially and now administers multiple programs designed to advance its mission.

HCAC's programming is primarily categorical and event based. Activities include exhibitions and performances encompassing visual arts, media arts, music, performance, and literature, as well as special events. Historically, HCAC has also offered programs such as a science-and-art cabaret, miniature exhibitions, and drawing rallies.

For the years under review, grants, contributions, and donations represented the organization's primary source of revenue, accounting for more than 60 percent of total income. Program-related activities constituted the second-largest revenue stream. Additional operating revenue was generated through fundraising activities.

The COVID-19 pandemic affected HCAC's operations, requiring a temporary shutdown of in-person activities. Programming and events were canceled or rescheduled during this period. HCAC adapted by offering live screenings and conducting fundraising activities virtually, while administrative functions were performed remotely. Staff remained employed, with rotating on-site schedules implemented to minimize direct contact. Community-based outdoor events continued where feasible. Financial losses associated with canceled programming were partially offset by pandemic-related assistance, including two rounds of federal Paycheck Protection Program (PPP) funding.

For the years under review, HCAC's primary operating expenses included salaries and wages, programming costs, occupancy expenses, and artist fees. CGF funds received from Erie County were applied to allowable operational expenses, including staffing and occupancy costs.

AUDITOR'S CONCLUSIONS

Based on the documentation provided and procedures performed, including a review of IRS Forms 990 and related financial records, HCAC adequately supported its use of CGF awards for each year under review. Documentation reviewed included Forms 990, bank statements, and expenditure records. For each year reviewed, total qualifying expenditures exceeded the applicable CGF award amounts, indicating full utilization of grant funds for allowable purposes.

A review of the executive compensation for the years under review indicated salary changes remained below the national average of 3% to 5% for non-profit executives.

During the course of the grant review, the Auditor identified several purchases of alcoholic beverages from local retail outlets. The purchases were identified as purchased for events conducted. The Auditor was unable to identify a permanent or temporary liquor permit. Under the New York State Alcoholic Beverage Control (ABC) Law, alcohol may only be sold or served by licensed establishments. HCAC must obtain the necessary New York State Liquor Authority (NYSLA) license in order to sell or provide alcohol.

The governance structure of HCAC includes a 21-member Board of Directors. Board terms are limited to two 2-year terms, which might be served consecutively. The organization stated that the Board is actively involved in the internal controls process, including reviewing policies, compensation and financial disclosures. Based on information provided and reviewed, the Board appears to be more involved in funding and occupancy-related issues. The Board appeared to be less involved in the operational oversight of the organization. For the years under review, HCAC lacked formal procurement and reimbursement policies.

At the conclusion of the review, HCAC was found to be in compliance with filing requirements for IRS form 990 and New York State Form CHAR500 for all years under review.