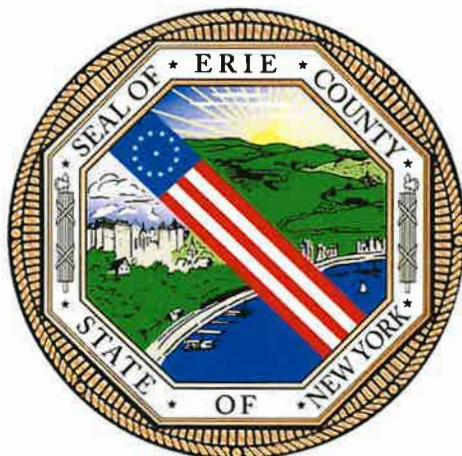


**January 2026**

**Erie County Cultural Funding Grant Monitoring Program**

**Hallwalls Inc.**

**January 1, 2020 through December 31, 2022**



**HON. KEVIN R. HARDWICK  
ERIE COUNTY COMPTROLLER**

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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	VERSION	FY2020	FY2021	FY2022
517125	Enlightenment Literary Arts Center & Dog Ears Bookstore	152183	\$ 28,600.00	\$ 36,600.00	\$ 55,000.00
518004	African American Cultural Center	112604	\$ 275,450.00	\$ 111,910.00	\$ 300,000.00
518012	Alleyway Theatre	109340	\$ 8,300.00	\$ 8,300.00	\$ 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	\$ 25,750.00	\$ 28,400.00
518019	Arts Services Initiative of WNY Inc	147159	\$ 26,050.00	\$ 26,050.00	\$ 30,000.00
518020	Arts Artists On WNY's Regional Stage	100744	\$ 24,000.00	\$ 24,000.00	\$ 30,000.00
518040	Western New York, Inc.	101244	\$ 48,000.00	\$ 45,000.00	\$ 55,000.00
518041	Buffalo Inner City Ballet Co., Inc.	106397	\$ 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	167879	\$ 30,000.00	\$ 30,000.00	\$ 35,000.00
518074	Colored Musicians Club	130377	\$ 5,000.00	\$ -	\$ 12,500.00
518082	El Museo Gallery	104916	\$ 11,485.00	\$ 5,585.00	\$ 11,000.00
518084	Graycliff Conservancy	103197	\$ 19,200.00	\$ 59,200.00	\$ 60,000.00
518113	Buffalo House Foundation	145473	\$ 15,475.00	\$ 5,375.00	\$ 7,300.00
518116	Buffalo Institute of Visual Cultural	111239	\$ 18,500.00	\$ 8,750.00	\$ 15,500.00
518120	Just Buffalo Literary Center	108577	\$ 73,100.00	\$ 73,100.00	\$ 33,300.00
518132	Locusz St Neighborhood Art Classes	109843	\$ 28,250.00	\$ 23,250.00	\$ 28,500.00
518136	Marin House Restaurant	104463	\$ 173,300.00	\$ 175,500.00	\$ 190,000.00
518139	Music Is Art	139815	\$ 48,000.00	\$ 48,000.00	\$ 39,000.00
518146	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
518150	Preservation Springs Center For The Arts	113308	\$ 30,505.00	\$ 20,505.00	\$ 16,305.00
518164	Squeaky Wheel	106552	\$ 32,320.00	\$ 32,320.00	\$ 28,000.00
518172	Theodore Roosevelt Inaugural Site	101041	\$ 83,000.00	\$ 83,000.00	\$ 57,714.00
518173	Ujima Center	108295	\$ 1,275.00	\$ 6,275.00	\$ 7,500.00
518181	Western New York Arts Group	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
518190	Buffalo Niagara Heritage Village	151996	\$ 18,500.00	\$ 18,500.00	\$ 24,500.00
518201	Michigan Sir African American Heritage	152578	\$ 17,700.00	\$ 12,500.00	\$ 16,300.00
518201	General Puttash Association	103060	\$ 10,000.00	\$ 11,000.00	\$ 12,500.00
518204	Brighton Place Inc	156154	\$ 5,000.00	\$ 16,000.00	\$ 20,000.00
518221	Buffalo Hemicycle Society of WNY	159305	\$ 12,000.00	\$ 20,000.00	\$ 24,500.00
518236	Rock-N-Rescue Alliance	170269	\$ 22,500.00	\$ 2,500.00	\$ 10,000.00
518233	Centro Culturale Italiano di Buffalo	167500	\$ 25,000.00	\$ 20,000.00	\$ 15,000.00
518242	South Buffalo Irish Fest Can You Dig	113043	\$ 14,300.00	\$ 15,000.00	\$ 15,300.00
518266	Net Positive D&B The Foundry	160205	\$ 5,000.00	\$ -	\$ 5,000.00

## Monitoring Program – Phase II

ACT #	APPROPRIATION	VERSION	FY2020	FY2021	FY2022
517533	B. Taft Olmsted Parks Conservancy	140237	\$ 25,912.00	\$ 25,210.00	\$ 15,000.00
518008	Amherst Kiwanis Art & Craft Center	106707	\$ 576,000.00	\$ 576,000.00	\$ 576,000.00
518009	Art & Craft Center	107777	\$ 60,000.00	\$ 60,000.00	\$ 6,500.00
518023	Armenian House 150th	107747	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
518234	Buffalo & Erie County Botanical Garden	108743	\$ 102,000.00	\$ 125,000.00	\$ 154,000.00
518016	Buffalo & Erie Co Historical Society	108772	\$ 431,000.00	\$ 987,000.00	\$ 1,117,000.00
518017	Bureau & Erie CountyNever & Servicemans	109339	\$ 7,000.00	\$ 5,000.00	\$ 10,000.00
518052	Park	109342	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
518060	Buffalo Philharmonic Orh Society	109343	\$ 9,000.00	\$ 10,000.00	\$ 10,000.00
518061	Buffalo Philharmonic Orh Society	109344	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
518064	Buffalo Society Natural Sciences	109767	\$ 95,000.00	\$ 95,000.00	\$ 95,000.00
518471	Buffalo Spring Arts Inc	167153	\$ 3,500.00	\$ 3,500.00	\$ 2,250.00
518066	Burchfield Penney Art Center	101004	\$ 155,000.00	\$ 155,000.00	\$ 160,000.00
518072	Center for Education and Research	109634	\$ 5,000.00	\$ 6,000.00	\$ 6,000.00
518082	Danceworks Buffalo	156879	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
518083	Day & More Children's Museum	109635	\$ 25,000.00	\$ 23,000.00	\$ 28,000.00
518120	Horizon Contemporary Arts Center	108598	\$ 7,000.00	\$ 7,000.00	\$ 60,000.00
518122	Irving Nat. & Associates/Penn & Wie	109382	\$ 94,314.00	\$ 46,124.00	\$ 31,314.00
518116	Irish Classical Theatre Company	103727	\$ 8,500.00	\$ 8,500.00	\$ 9,500.00
518124	D'youville College University Theater	109341	\$ 11,150.00	\$ 11,150.00	\$ 9,400.00
518128	Lancaster Opera House	110181	\$ 4,000.00	\$ 4,000.00	\$ 3,000.00
518130	Local 100	102364	\$ 15,155.00	\$ 15,155.00	\$ 9,000.00
518281	New Phoenix Theatre	109342	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
518148	Roadless Traveling Productions	109343	\$ 81,500.00	\$ 81,500.00	\$ 87,000.00
518152	Royce Campus Corporation	110233	\$ 50,000.00	\$ 45,000.00	\$ 30,000.00
518156	Theatreworks No. 1 Park	109675	\$ 5,000.00	\$ 5,000.00	\$ 10,000.00
518166	Theatre Of Youth	109686	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
518177	Theatreworks No. 1 Park	109676	\$ 5,000.00	\$ 5,000.00	\$ 7,000.00
518186	University at Buffalo	108623	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,700,000.00
518230	Orchard Park Symphony Orchestra	147747	\$ 1,150.00	\$ 4,612.00	\$ 8,000.00
518005	Buffalo Opera Unlimited Incorporated	155973	\$ 2,300.00	\$ 4,000.00	\$ 8,075.00
518220	Buffalo-Japan Young Men's Philanthropic Union	172959	\$ 1,750.00	\$ 1,750.00	\$ 2,000.00
518205	Cheekwood Conservatory Symphony Orchestra	109747	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
518206	Buffalo National Ballet	105154	\$ 500.00	\$ 500.00	\$ 3,000.00
518223	Common & Company Productions	109162	\$ 21,100.00	\$ 21,100.00	\$ 32,500.00
518229	Amherst May & June Choral and Choral	162045	\$ 1,000.00	\$ 1,000.00	\$ 6,000.00
518221	Men's Chorus	152207	\$ 3,000.00	\$ 3,000.00	\$ 7,500.00
518222	Buffalo Center for Arts and Technology	152208	\$ 2,000.00	\$ 2,000.00	\$ 6,250.00
518223	Chemungas - African American	152209	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
518224	Buffalo Center for Arts and Technology	154951	\$ 2,000.00	\$ 2,000.00	\$ 1,000.00
518225	Buffalo Center for Arts and Technology	107540	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
518226	Albion Christian Theater Society	110358	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
518227	Canfield Concert Association	101731	\$ 100.00	\$ 100.00	\$ 5,000.00
518228	Town of Cheektowaga	113061	\$ 3,500.00	\$ 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.