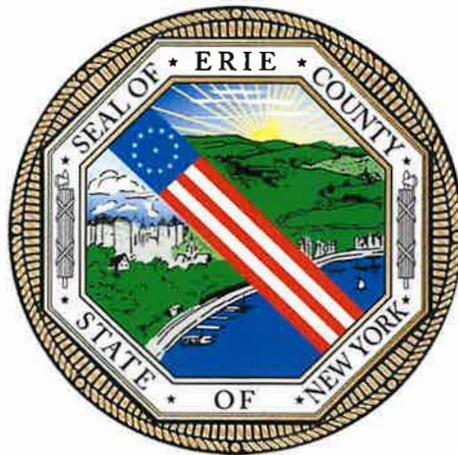


January 2026

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**Erie County Cultural Funding Grant Monitoring Program
Burchfield Penney Art Center
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 30, 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, 2023.

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	REVENUE BUDGET	TAX YEAR 2020	TAX YEAR 2021	TAX YEAR 2022
517215	Enlightenment Literary Arts Center	152111	\$ 23,600.00	\$ 18,600.00	\$ 18,000.00
518090	Dog Ears Bookstore	112694	\$ 225,450.00	\$ 211,900.00	\$ 200,000.00
518012	African American Cultural Center	102140	\$ 3,000.00	\$ 3,000.00	\$ 11,000.00
518036	American Legion Band of	100370	\$ 7,500.00	\$ 7,500.00	\$ 6,900.00
518017	American Legion Orchestra	100413	\$ 11,500.00	\$ 12,750.00	\$ 12,450.00
518029	Arts Society of Buffalo Inc.	107155	\$ 26,000.00	\$ 18,500.00	\$ 10,000.00
518025	Arts Society of West. Buffalo	107154	\$ 24,000.00	\$ 24,300.00	\$ 20,000.00
518040	Buffalo Area Studio Arts Studio of	102146	\$ 38,000.00	\$ 45,300.00	\$ 53,000.00
518044	Western New York, Inc.	102112	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00
518093	Buffalo Music Hall of Fame	111442	\$ 4,500.00	\$ -	\$ 5,000.00
518011	Buffalo Heritage Council	29-429	\$ 30,000.00	\$ 30,000.00	\$ 18,000.00
518074	Colored Missions Chur.	110572	\$ 5,000.00	\$ -	\$ 12,000.00
518042	El Museo Gallery	102116	\$ 12,585.00	\$ 8,813.00	\$ 11,000.00
518104	Glaciers Conservancy	103197	\$ 78,200.00	\$ 78,200.00	\$ 60,000.00
518111	High Woods Foundation	104313	\$ 13,719.00	\$ 8,319.00	\$ 7,500.00
518115	Health Communities Center Cultural	114229	\$ 13,500.00	\$ 4,700.00	\$ 15,000.00
518115	Health Ctr of Greater Buff	108177	\$ 78,100.00	\$ 78,100.00	\$ 88,300.00
518132	Joseph St Neighborhood Art Classes	109945	\$ 28,250.00	\$ 22,250.00	\$ 28,000.00
518138	Victory House Repertory	02049	\$ 173,500.00	\$ 173,500.00	\$ 150,000.00
518116	Musical Islet	119615	\$ 48,000.00	\$ 40,000.00	\$ 39,000.00
518114	Polish Arts Club of Buffalo Inc.	106111	\$ 7,000.00	\$ 7,000.00	\$ 5,300.00
518147	Preservation Buffalo Buffalo	147595	\$ 4,415.00	\$ 4,811.00	\$ 6,000.00
518180	Spring Arts Center For The Arts	101264	\$ 20,930.00	\$ 20,930.00	\$ 27,000.00
518112	Shakespeare Society of Buffalo	106512	\$ 12,100.00	\$ 12,100.00	\$ 17,000.00
518114	Theodore Roosevelt Linguistic Line	101017	\$ 81,000.00	\$ 81,000.00	\$ 77,714.00
518120	Western New York Artists Group	102215	\$ 8,270.00	\$ 8,270.00	\$ 7,520.00
518080	White Rose Arts Collaborative, Inc.	109989	\$ 4,800.00	\$ 4,800.00	\$ 5,000.00
518124	Young Business of WNY	204618	\$ 15,500.00	\$ 15,500.00	\$ 14,000.00
518136	Buffalo Niagara Heritage Village	112176	\$ 16,500.00	\$ 16,500.00	\$ 16,500.00
518130	Wineyard for African American Heritage	112178	\$ 11,000.00	\$ 11,000.00	\$ 12,500.00
518201	General Palazzi Association	109990	\$ 10,000.00	\$ 14,000.00	\$ 14,500.00
518205	Buffalo Place	104114	\$ 17,000.00	\$ 16,000.00	\$ 20,000.00
518211	Hispanic Heritage Council of WNY	119315	\$ 14,000.00	\$ 10,000.00	\$ 26,000.00
518214	Black Upper Historical Society (Black	102146	\$ 22,000.00	\$ 7,500.00	\$ 13,000.00
518215	Centro Culturale Italiano di Buffalo	107990	\$ 20,000.00	\$ 20,000.00	\$ 15,000.00
518216	Down Street from Park Over 100 Yr	113011	\$ 15,000.00	\$ 15,000.00	\$ -
518258	Red Positive OBA The Foundry	108025	\$ 1,000.00	\$ -	\$ 6,000.00

Monitoring Program – Phase II

ACT #	APPROPRIATION	REVENUE BUDGET	TAX YEAR 2020	TAX YEAR 2021	TAX YEAR 2022
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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.

BURCHFIELD PENNEY ART CENTER

BACKGROUND

The Burchfield Penney Art Center (BPAC) is a 501(c)(3) nonprofit organization established in 2001 for the purpose of operating a museum dedicated to the art and vision of Charles E. Burchfield and to the art and artists of Western New York. BPAC's mission is to encourage learning and celebrate a richly creative and diverse community through its affiliation with Buffalo State University.

BPAC received \$155,000 in Cultural Grant Funding (CGF) in 2020 and 2021; BPAC was awarded \$160,000 of the County's CGF distribution in 2022.

AUDITOR'S OBSERVATIONS

BPAC was originally established in 1966 to embrace a wide range of commitments and activities, while maintaining a strong focus on the work of renowned painter Charles E. Burchfield, the first artist to receive a solo exhibition at the Museum of Modern Art in New York City. The museum's name was later amended to reflect the contributions of Charles Rand Penney, who donated a significant collection of artistic works to the Center in the early 1990s. BPAC is a single-artist and regional art center accredited by the American Alliance of Museums. The organization offers a wide range of classes, workshops, and special events that are open to the community on a regular basis.

For the years under review, grants, contributions, and donations represented BPAC's largest source of revenue, comprising more than 60% of total organizational revenue. Investment-related activities accounted for approximately 8% to 10% of total revenue, which represented the organization's secondary source of income. Additional revenue was generated through programming-related activities, including admissions, membership sales, and guest services. BPAC also generated operating revenue from rental fees, research income, and other ancillary activities. With the support of various community sponsors, BPAC hosts several fundraising events each year. Fundraising revenue showed a significant recovery following the COVID-19 pandemic, totaling approximately \$30,000 in 2020, \$75,000 in 2021, and \$120,000 in 2022.

The Covid-19 pandemic affected the operations of BPAC, requiring a temporary shutdown of the facility. Reopening of the gallery was contingent upon the reopening of the adjacent college campus, as BPAC is considered part of the campus and was therefore subject to approval by the State University of New York (SUNY) system. During this period, BPAC continued to offer programming through virtual platforms. As a result of the mandated shutdown, some staff members were furloughed, while others continued working remotely. Pandemic-related financial losses were offset through financial assistance received. The organization received approximately \$489,000 through the Paycheck Protection Program (PPP) and approximately \$10,000 through the Economic Injury Disaster Loan (EIDL) program. During the pandemic, BPAC also undertook a comprehensive rebranding initiative.

For each of the years under review, BPAC's primary operating expenses included salaries and wages, investment fees, supplies and materials, taxes, art acquisitions, and shipping costs. Cultural Grant Funding received during the years under review was applied toward personnel and space rental expenses. Salary and space rental costs exceeded the amount of CGF awarded each year.

AUDITOR'S CONCLUSIONS

During the grant monitoring review process, BPAC provided adequate documentation to substantiate its use of CGF funds for each year under review. Supporting documentation included IRS Forms 990, New York State Forms CHAR500, bank and credit statements, financial statements, and other electronic financial

records. Total operating expenses exceeded the amount of CGF awarded by the County in each year under review.

A review of executive compensation indicated that salary increases for members of the executive team averaged approximately 4.8%, which is within the national average range of 3% to 5%. Salary decreases for other executive members were also noted during the same period. Executive compensation is performance-based and is determined annually by the Board of Directors with input from the Personnel Committee.

During the grant review, the Auditor identified several purchases related to alcoholic beverages. Upon review, these purchases were determined to be associated with application fees for special event liquor permits. BPAC was found to be in compliance with New York State Alcoholic Beverage Control (ABC) Law requirements.

BPAC is governed by a 29-member Board of Directors. Officer terms are structured as three-year terms, with a maximum of two consecutive terms. Following completion of two terms, officers are required to step down for a minimum of one year. The organization confirmed that the Board plays an integral role in the system of internal controls and is responsible for reviewing and approving IRS Form 990 prior to filing. A review of Board meeting minutes demonstrated active involvement in financial oversight and strategic planning. Board members are required to complete annual conflict-of-interest disclosures, which are reviewed by the Board.

At the conclusion of the grant review, the Auditor determined that BPAC was in compliance with IRS Form 990 and New York State Form CHAR500 filing requirements for the years 2020, 2021, and 2022. BPAC was also in compliance with all other applicable federal and state requirements for the years under review.