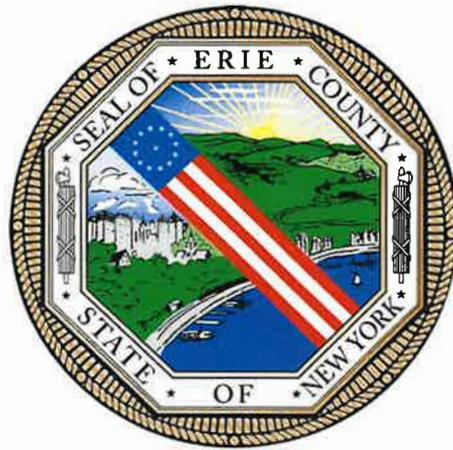


January 2026

**Erie County Cultural Funding Grant Monitoring Program
Graycliff Conservancy 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 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, and a second batch was sent in early October 2023. The review of all agencies is expected to be completed by December 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	SYNDICATE NUMBER	TAX YEAR 2019	TAX YEAR 2020	TAX YEAR 2021	TAX YEAR 2022
	Entertainment Literacy Arts Center K					
517113	Doc Eric Bookstore	152183	\$ 28,900.00	\$ 28,600.00	\$ 35,000.00	
518004	African American Cultural Center	112604	\$ 275,450.00	\$ 311,950.00	\$ 280,000.00	
518012	Allegheny Theatre	105340	\$ 8,300.00	\$ 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	100476	\$ 23,500.00	\$ 26,750.00	\$ 25,740.00	
518019	Arts Services Initiative of WNY Inc.	147137	\$ 26,050.00	\$ 26,050.00	\$ 30,000.00	
518021	Ballet Artists Of WNY (Regina)	100764	\$ 24,000.00	\$ 25,000.00	\$ 30,000.00	
	Buffalo Arts Studio (Arts Studio of)					
518040	Buffalo New York, Inc.	101244	\$ 38,000.00	\$ 45,500.00	\$ 53,000.00	
518044	Buffalo Inner City Ballet Co. Inc.	105387	\$ 27,000.00	\$ 27,000.00	\$ 24,000.00	
518050	Buffalo Music Hall of Fame	113142	\$ 4,300.00	\$ -	\$ 5,500.00	
518051	Buffalo Heritage Carousel	167820	\$ 20,000.00	\$ 20,000.00	\$ 25,000.00	
518074	Colored Musicians Club	143877	\$ 5,000.00	\$ -	\$ 12,500.00	
518084	El Museo Gallery	102816	\$ 12,365.00	\$ 5,325.00	\$ 11,000.00	
518204	Graydill Conservancy	105197	\$ 59,200.00	\$ 59,200.00	\$ 60,000.00	
518111	High Income Foundation	143473	\$ 15,375.00	\$ 5,375.00	\$ 7,500.00	
	Jewish Community Center Cultural					
518119	(Jewish Co of Greater Buff)	111239	\$ 13,500.00	\$ 9,750.00	\$ 13,500.00	
518120	Just Buffalo Library Center	108577	\$ 78,100.00	\$ 78,100.00	\$ 85,500.00	
518132	Locust St Neighborhood Art Classes	109960	\$ 29,250.00	\$ 25,250.00	\$ 28,500.00	
518136	Martin House Restoration	102852	\$ 175,500.00	\$ 172,550.00	\$ 190,000.00	
518139	Musicians Art	139615	\$ 48,000.00	\$ 48,000.00	\$ 39,000.00	
518146	Orchestra Jazz Club of Buffalo Inc	108112	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	
518147	Preservation Buffalo Niagara	147599	\$ 4,615.00	\$ 4,615.00	\$ 6,000.00	
518164	Square Wheel	115308	\$ 10,500.00	\$ 20,500.00	\$ 26,000.00	
518168	Square Wheel	101268	\$ 20,900.00	\$ 20,900.00	\$ 27,000.00	
518172	Theodore Roosevelt Inaugural Site	102552	\$ 32,320.00	\$ 31,320.00	\$ 37,000.00	
518176	Ujima Company	101047	\$ 85,000.00	\$ 83,000.00	\$ 57,714.00	
518180	Women New York Artists Group	104298	\$ 6,274.00	\$ 6,175.00	\$ 7,500.00	
518181	WNY Book Arts Collaborative, Inc.	133598	\$ 4,640.00	\$ 4,640.00	\$ 6,000.00	
518184	Youth Audiences Of WNY	100818	\$ 10,500.00	\$ 10,500.00	\$ 14,000.00	
518196	Buffalo Niagara Heritage Village	151998	\$ 18,500.00	\$ 18,500.00	\$ 24,500.00	
518200	Michigan St African Amer Heritage	152578	\$ 15,000.00	\$ 11,000.00	\$ 21,500.00	
518201	General Pulaski Association	102060	\$ 10,000.00	\$ 11,000.00	\$ 12,500.00	
518204	Highland Place, Inc.	158154	\$ 10,000.00	\$ 16,000.00	\$ 20,000.00	
518211	Hispanic Heritage Council of WNY	159305	\$ 12,000.00	\$ 20,000.00	\$ 24,500.00	
	Black Rock Historical Society (Black					
518216	Rock-A-Round Alliance	170959	\$ 12,500.00	\$ 7,500.00	\$ 10,000.00	
518213	Centro Culturale Italiano di Buffalo	167500	\$ 25,000.00	\$ 20,000.00	\$ 15,000.00	
518249	South Buffalo Irish Fest/Can You Dig	113041	\$ 10,000.00	\$ 10,000.00	\$ 15,000.00	
518556	Van Peltville DRA The Family	168005	\$ 5,000.00	\$ -	\$ 5,000.00	

Monitoring Program – Phase II

ACT#	APPROPRIATION	SYNDICATE NUMBER	TAX YEAR 2020	TAX YEAR 2021	TAX YEAR 2022	TAX YEAR 2023
517333	Buffalo Olmsted Parks Conservancy	140287	\$ 23,910.00	\$ 23,910.00	\$ 35,910.00	\$ 35,000.00
518008	Albright-Knox Art Gallery	108707	\$ 926,000.00	\$ 926,000.00	\$ 926,000.00	\$ 940,000.00
518009	Albright-Knox Public Art Curator	147223	\$ 66,250.00	\$ 61,250.00	\$ 61,250.00	\$ -
518025	Assembly House 150, Inc.	167747	\$ 1,000.00	\$ 1,000.00	\$ 6,500.00	
518034	Buffalo Erie County Botanical Garden	106743	\$ 102,000.00	\$ 125,000.00	\$ 150,000.00	\$ 150,000.00
518036	Buffalo Erie Co Historical Society	108772	\$ 417,000.00	\$ 667,000.00	\$ 417,000.00	
	Buffalo Erie County Naval & Servicemen's					
518052	Park	109399	\$ 31,000.00	\$ 35,000.00	\$ 30,000.00	
518060	Buffalo Philharmonic Oren Society	103012	\$ 926,000.00	\$ 926,000.00	\$ 926,000.00	
518061	Buffalo Philharmonic Chorus	109786	\$ 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 Living Works, Inc.	167553	\$ 3,500.00	\$ 3,500.00	\$ 3,350.00	
518068	Burchfield Penney Art Center	101004	\$ 155,000.00	\$ 155,000.00	\$ 160,000.00	
518072	Center for Exploratory and Perceptu	109714	\$ 35,000.00	\$ 35,000.00	\$ 61,000.00	
518082	Danceability	156639	\$ 2,500.00	\$ 5,500.00	\$ 3,000.00	
518096	Explore & More Children's Museum	102758	\$ 42,000.00	\$ 42,000.00	\$ 77,000.00	
518108	Hallwalls Contemporary Arts Center	108998	\$ 57,000.00	\$ 57,000.00	\$ 60,000.00	
518112	Hammond East First Society/Carriage	103282	\$ 98,314.00	\$ 96,114.00	\$ 93,310.00	
518116	Irish Classical Theatre Company	103727	\$ 83,500.00	\$ 83,500.00	\$ 93,500.00	
518124	Lincoln College Kennedy Theater	109241	\$ 11,250.00	\$ -	\$ 3,500.00	
518126	Lancaster Opera House	111681	\$ 45,800.00	\$ 20,300.00	\$ 35,000.00	
518140	Musicalfare Theatre	105301	\$ 61,325.00	\$ 61,325.00	\$ 48,000.00	
518141	New Phoenix Theatre	109342	\$ 7,500.00	\$ 7,500.00	\$ -	
518148	Road Less Traveled Productions	121242	\$ 62,500.00	\$ 63,250.00	\$ 47,000.00	
518151	Royster Campus Cooperation	118213	\$ 30,000.00	\$ 30,000.00	\$ 40,000.00	
518156	Shakespeare in The Park	109575	\$ 93,000.00	\$ 93,000.00	\$ 93,000.00	
518168	Theatre Of Youth	109848	\$ 69,400.00	\$ 69,400.00	\$ 78,000.00	
518173	Torn Sobce Theatre	143573	\$ 29,460.00	\$ 15,450.00	\$ 29,500.00	
518188	Zoological Society Of Buffalo	108623	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,700,000.00	
518195	Orchard Park Symphony Orchestra	147747	\$ 4,615.00	\$ 4,615.00	\$ 6,000.00	
518202	Buffalo Opera Unlimited Incorporated	155973	\$ 2,300.00	\$ 2,300.00	\$ 10,000.00	
518203	Buffalo Toronto Public Music In NEDE/WHO	172009	\$ 3,750.00	\$ -	\$ 7,500.00	
518205	Cheektowaga Germ Symphony Orchestra	109177	\$ -	\$ -	\$ 5,000.00	
518209	Historical Historical Society	105118	\$ 3,500.00	\$ 3,200.00	\$ 3,000.00	
518215	O'Connell & Company Productions	159162	\$ 23,100.00	\$ 33,100.00	\$ 31,500.00	
	Amherst Dale Glen Club (Dale Glen)					
518219	Men's Chorus	162025	\$ 3,000.00	\$ 3,000.00	\$ 5,000.00	
518221	Buffalo Center for Arts and Technology	152207	\$ 3,000.00	\$ 3,000.00	\$ 7,500.00	
518226	Cheektowaga Historical Association	181121	\$ 3,250.00	\$ 6,750.00	\$ 3,100.00	
518229	Second Generation Theatre Company	164957	\$ 2,020.00	\$ 2,020.00	\$ 3,000.00	
518230	Steel Plant Museum of Western New York	147740	\$ 2,020.00	\$ 2,020.00	\$ 3,000.00	
518203	Athen Christian Treasur Society	114358	\$ 10,000.00	\$ -	\$ 3,000.00	
518134	Clarence Concert Association	101711	\$ 3,500.00	\$ -	\$ 3,000.00	
	Clarence Museum (Historical Soc of the					
518151	Town of Clarence)	115067	\$ 5,500.00	\$ -	\$ 9,000.00	

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.

GRAYCLIFF CONSERVANCY INC.

BACKGROUND

Graycliff Conservancy, Inc. (GCI), a 501(c)(3) non-profit organization, was formally established in 1997 with the purpose of preserving the Graycliff Estate, an architectural landmark designed by renowned architect Frank Lloyd Wright in the later stages of his career.

GCI received Cultural Grant Funding (CGF) of \$59,200 for the years 2020 and 2021, and \$60,000 in 2022.

AUDITOR'S OBSERVATIONS

GCI was founded to establish a publicly accessible historic site that serves as a community space where visitors can experience, learn, and connect through the intersection of architecture, nature, and history. Similar to the Darwin Martin House, Graycliff was originally built as a summer residence for a prominent Buffalo industrialist on the shores of Lake Erie in the late 1920s.

In 1951, the property was sold to a Hungarian order of Catholic priests, who occupied it for nearly 50 years. When the Piarists sought to sell the estate, Carol Bronnenkant initiated a public campaign to preserve the Wright-designed property as a public landmark.

GCI's primary means of fulfilling its mission is through public tours and events, operating five days per week during the summer season. To enhance its impact, GCI has undertaken an ambitious restoration project. When the organization acquired the property in the late 1990s, the estate was in severe disrepair. Over the past two decades, GCI has raised approximately \$9 million to fund restoration efforts and has successfully completed the majority of the rehabilitation work.

For the years under review, grants, contributions, and donations represented ATI largest source of revenue, comprising more than 50% of total organizational revenue. Programming revenue was the second-largest source of income. Additionally, revenue is generated through mission-related functions such as membership fees and merchandise sales from the website and on-site gift shop. Further operating income is generated through fundraising activities.

The Covid-19 pandemic affected GCI operations, necessitating a complete shutdown. Some employees were furloughed, while others worked in a hybrid in-person and remote capacity. The organization continued to offer private tours to minimize exposure. The organization received approximately \$71,000 through the Paycheck Protection Program (PPP) and approximately \$150,000 through the Economic Injury Disaster Loan (EIDL) program.

Primary expenses during the review period included salaries and wages, accounting fees, office expenses, insurance costs, and in-kind contributions. According to contractual obligations with Erie County, CGF awards were allocated toward administrative support salaries. Salary expenses exceeded the CGF amount awarded for each year under review.

AUDITOR'S CONCLUSION

During the grant monitoring process, GCI provided adequate documentation to substantiate its use of CGF awards for the years under review. Documentation included IRS Form 990s, payroll records, information return documents, financial statements, and electronic financial records. The organization's operating expenses exceeded the CGF awards for each year under review.

A review of executive compensation indicated a salary decrease of approximately 2.3%, followed by a salary increase of approximately 14.75%. This resulted in an average salary increase of approximately 6.2%, which is slightly above the national average and the average salary increase for other local non-profits. Executive compensation is performance-based and determined annually by the Board, with input from the Personnel Committee.

The Auditor also noted a significant amount of travel expenses. Information provided by GCI indicated that the majority of these expenses were incurred for educational purposes and enhancing staff knowledge about other Frank Lloyd Wright structures. Under Section §162 of the Internal Revenue Code, business-related travel expenses directly related to the mission of the organization are deductible.

As part of the grant review process, the Auditor reviewed the organization's financial records and transactions conducted for the years under review. Based on a review of the organization's records, no unusual or questionable operational expenses were identified.

During the grant review, the Auditor also identified several purchases of alcoholic beverages. The Auditor was able to confirm that these purchases were associated with application fees for special event liquor permits. GCI complied with the New York State Alcohol Beverage Control (ABC) Law in this regard.

As part of GCI's documentation review, the Auditor identified a substantial number of in-kind contributions, which are non-monetary donations such as goods, services, or professional expertise. Under GAAP, in-kind contributions must be recorded in a separate revenue account from cash or other monetary donations and recognized as both revenue and a corresponding expense within the same accounting period, effectively offsetting each other. Information provided by the organization indicated that GCI received significant in-kind donations, including professional services related to branding, web development, and graphic design. GCI appropriately recognized the fair market value of these contributions as revenue and recorded the corresponding expenses in accordance with applicable accounting standards. The organization also provided executed conflict of interest statements acknowledging the existing relationship with the Board member who donated these services.

GCI's Board of Directors consists of approximately 20 members and operates through nine active committees. Officer terms are three years in duration and are limited to two consecutive terms; upon completion of two terms, officers are required to step down for a minimum of one year. The organization affirmed that the Board plays a central 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 Board involvement in financial oversight and strategic planning. Additionally, 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 confirmed that GCI complied with IRS filing requirements for Form 990 and New York State Form CHAR500 for 2020, 2021, and 2022. GCI also adhered to all other relevant federal and state obligations for these years.