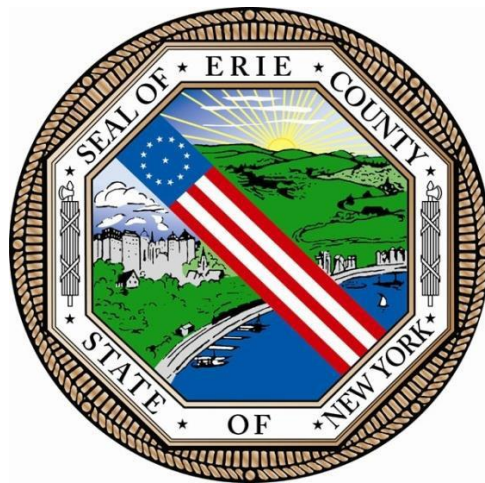


**December 2023**

**Erie County Cultural Funding Grant  
Monitoring Program  
Newstead Historical Society  
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



December 4, 2023

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	VENDOR NUMBER	TAX YEAR 2020	TAX YEAR 2021	TAX YEAR 2022
517125	Enlightenment Literary Arts Center & Dog Ears Bookstore	152184	\$ 28,600.00	\$ 36,600.00	\$ 55,000.00
518004	African American Cultural Center	112604	\$ 275,450.00	\$ 311,950.00	\$ 200,000.00
518012	Alleyway Theatre	109340	\$ 8,500.00	\$ 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
518028	Ballet Artists Of WNY (Nergia)	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	113142	\$ 4,500.00	\$ -	\$ 5,500.00
518051	Buffalo Heritage Carousel	167929	\$ 30,000.00	\$ 30,000.00	\$ 35,000.00
518074	Colored Musicians Club	130377	\$ 5,000.00	\$ -	\$ 12,500.00
518084	El Museo Gallery	109836	\$ 12,585.00	\$ 8,585.00	\$ 11,000.00
518104	Graycliff Conservancy	103197	\$ 59,200.00	\$ 59,200.00	\$ 60,000.00
518113	Hull House Foundation	143473	\$ 15,375.00	\$ 5,375.00	\$ 7,500.00
518119	Jewish Community Center Cultural (Jewish Ctr 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	104863	\$ 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	106132	\$ 7,000.00	\$ 7,000.00	\$ 8,800.00
518147	Preservation Buffalo Niagara	147509	\$ 4,615.00	\$ 4,615.00	\$ 6,000.00
518160	Springville Center For The Arts	111308	\$ 20,505.00	\$ 20,505.00	\$ 36,000.00
518164	Squeaky Wheel	101268	\$ 20,920.00	\$ 20,920.00	\$ 27,000.00
518172	Theodore Roosevelt Inaugural Site	106552	\$ 32,320.00	\$ 32,320.00	\$ 37,000.00
518176	Ujima Company	101047	\$ 83,000.00	\$ 83,000.00	\$ 57,714.00
518180	Western New York Artists Group	108295	\$ 6,275.00	\$ 6,275.00	\$ 7,500.00
518181	WNY Book Arts Collaborative, Inc	135995	\$ 4,640.00	\$ 4,640.00	\$ 6,000.00
518194	Young Audiences Of WNY	109818	\$ 10,500.00	\$ 10,500.00	\$ 14,000.00
518196	Buffalo Niagara Heritage Village	151996	\$ 18,500.00	\$ 18,500.00	\$ 24,500.00
518200	Michigan Str African Amer Heritage	152578	\$ 15,000.00	\$ 15,000.00	\$ 32,500.00
518201	General Pulaski Association	103060	\$ 10,000.00	\$ 11,000.00	\$ 12,500.00
518204	Brighton Place, Inc	156194	\$ 10,000.00	\$ 16,000.00	\$ 20,000.00
518211	Hispanic Heritage Council of WNY	159505	\$ 12,000.00	\$ 20,000.00	\$ 24,500.00
518216	Black Rock Historical Society (Black Rock-Riverste Alliance)	170369	\$ 22,500.00	\$ 7,500.00	\$ 10,000.00
518233	Centro Culturale Italiano di Buffalo	167500	\$ 25,000.00	\$ 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	Net Positive DBA The Foundry	168005	\$ 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	106707	\$ 575,000.00	\$ 575,000.00	\$ 675,000.00
518009	Albright-Knox Public Art Curator	147228	\$ 68,250.00	\$ 68,250.00	\$ -
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	\$ 667,000.00	\$ 417,000.00
518052	Buffalo & Erie County Naval & Servicemans Park	109339	\$ 35,000.00	\$ 35,000.00	\$ 50,000.00
518060	Buffalo Philharmonic Orch Society	101023	\$ 926,000.00	\$ 926,000.00	\$ 940,000.00
518061	Buffalo Philharmonic Chorus	109796	\$ 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	\$ 3,500.00	\$ 3,500.00	\$ 3,555.00
518068	Burchfield 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
518090	Chanceability	156639	\$ 2,500.00	\$ 2,500.00	\$ 3,000.00
518096	Explore & More Children's Museum	102758	\$ 42,000.00	\$ 42,000.00	\$ 78,000.00
518108	Hallwalls Contemporary Arts Center	108998	\$ 57,000.00	\$ 57,000.00	\$ 60,000.00
518112	Hamburg Nat Hist Society/Penn-Dixie	103282	\$ 96,314.00	\$ 96,314.00	\$ 96,314.00
518116	Inish Classical Theatre Company	103727	\$ 83,500.00	\$ 83,500.00	\$ 93,500.00
518124	D'Youville College Kavinsky Theater	109341	\$ 11,750.00	\$ -	\$ 9,500.00
518128	Lancaster Opera House	111681	\$ 43,300.00	\$ 30,300.00	\$ 35,000.00
518140	MusicalAffare Theatre	105308	\$ 61,525.00	\$ 61,525.00	\$ 66,000.00
518141	New Phoenix Theatre	109942	\$ 7,500.00	\$ 7,500.00	\$ -
518146	Road Less Traveled Productions	121043	\$ 65,500.00	\$ 65,500.00	\$ 67,000.00
518152	Roycroft Campus Cooperation	118213	\$ 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	109888	\$ 69,400.00	\$ 69,400.00	\$ 74,000.00
518173	Tom Space Theatre	143670	\$ 20,460.00	\$ 15,460.00	\$ 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 Media WNEO/WBFO	172909	\$ 3,750.00	\$ -	\$ 5,000.00
518209	Newstead Historical Society	105518	\$ 5,500.00	\$ 3,500.00	\$ 5,000.00
518213	O'Connell & Company Productions	159162	\$ 23,100.00	\$ 23,100.00	\$ 31,500.00
518219	Amherst Male Glee Club dba Red Blazer	162045	\$ 3,000.00	\$ 3,000.00	\$ 6,000.00
518221	Buffalo Center for Arts and Technology	152207	\$ 3,000.00	\$ 3,000.00	\$ 7,500.00
518226	Cheektowaga Historical Association	163121	\$ 3,250.00	\$ 6,250.00	\$ 5,000.00
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
518505	aiden Christian Theater Society	116356	\$ 10,000.00	\$ -	\$ 3,000.00
518514	Clarence Concert Association	101711	\$ 3,500.00	\$ -	\$ 5,000.00
518515	Clarence Museum (Historical Soc. of the Town of Clarence)	113067	\$ 5,500.00	\$ -	\$ 6,000.00

## 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

The Division of Audit found a large quantity of small-dollar expenses made with debit cards which appeared 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 approved and paid by the organization's board of directors. Thus, the use of credit cards, particularly with smaller organizations, can provide a critical layer of expense control.

### 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.

## NEWSTEAD HISTORICAL SOCIETY

### **BACKGROUND**

The Newstead Historical Society (NHS) is a non-profit volunteer organization established in 1958 with the mission of ensuring a sense of community in the Town of Newstead by preserving and interpreting the Town's social and cultural history through educational programming. The organization is registered as a 501(c)3 non-profit entity.

NHS owns and operates the Rich-Twinn Octagon House (Octagon House) and the Knight-Sutton Museum (Museum). The Octagon House was built sometime between 1850-1855 and had approximately four owners before it was acquired by NHS in 1981. The Octagon House was restored and placed on the National Register of Historic Places in 1995. In 1997, the Museum was established in an effort to house and display the extensive collection of artifacts that have outgrown the Octagon House. The Museum has offered an annual rotating exhibit on the history of Akron and Newstead since 2006.

In 2020, NHS received \$5,500 in County Cultural Grant funding. \$3,500 was received in 2021; \$5,000 was received in 2022.

### **AUDITOR'S FINDINGS**

NHS is an all-volunteer non-profit organization. NHS does not have any paid positions or personnel receiving stipends.

NHS operates the Museum which displays artifacts and materials related to the history of Akron and Newstead. Museum exhibits are displayed for approximately six to eight months, and visitors are admitted free of charge. In addition to exhibits at the Museum, NHS has created a resource room within the museum. The resource room holds a collection of manuscripts and other antiquarian written material.

The NHS also operates the Octagon House, which is a circular-style home, built in the 1800s and restored to its original state. NHS charges a fee for entry and provides guided tours of the property.

NHS ceased operation of the Museum and the Octagon House during portions of 2020 and 2021 due to the Covid-19 pandemic. All programming previously scheduled for 2020 was shifted to the second half of 2021. NHS used the shutdown period to catalog their museum artifact inventory.

In 2020, the Octagon House suffered major water damage due to a malfunction in its air conditioning system. The malfunction caused approximately \$150,000 in damages, which were covered by NHS's insurance policy. In addition to conducting a full review of the Museum's artifacts, NHS used the shutdown period to repair the damage to the Octagon House.

The funding received pursuant to the Erie County Cultural Grant (CGF) is currently the only source of public funding received by the organization. CGF is utilized by the organization to offset the cost of operating expenses at the Octagon House and the Museum. NHS was able to substantiate operating expenses incurred, which exceeded the amount of grant funding received.

In addition to its CGF award, NHS hosts a series of fundraising events throughout the year including an Amish quilt raffle and pie sales. NHS also receives funding in the form of corporate sponsorship, memberships, and private donations.

Finally, during 2020, NHS started a new project to restore parts of the Maple Lawn Cemetery, which is owned by the Town of Newstead. The cemetery is the final resting place for many of the town's founders, including veterans of the Revolutionary War and the War of 1812. NHS has received a series of donations for this project. The organization has set up a separate bank account to hold funds that are being raised for this project.

## **AUDITOR'S CONCLUSION**

The Newstead Historical Society will be undergoing several capital improvement projects, including foundation repairs to the Octagon House and an expansion of the Museum's storage space. The Auditor informed members of the NHS board of the availability of Erie County Cultural Service Grants for capital improvements, which could provide the necessary financial assistance. The organization should refer to the New York State Council for the Arts (NYSCA) for additional information on funding availability, application requirements and deadlines<sup>1</sup>.

With regard to the Maple Lawn Cemetery project undertaken by NHS, the organization could not say whether the cemetery is listed on the National Register of Historic Places. The Auditor suggested that NHS inquire with the State Historic Preservation Office (SHPO) for additional information on the nomination process and what funding sources may be available. In addition, the Auditor suggested that NHS inquire about Historic Cemetery Preservation Programs and the options that exist for funding public benefit preservation projects, including public and non-for-profit grant programs<sup>2</sup>.

Finally, based on a review of the organization's website and social media accounts, the Auditor was not able to identify an acknowledgment of County support. However, the Auditor was able to verify an acknowledgment of County support on the organization's quarterly newsletter. The Auditor suggests that the organization make the necessary updates to their webpage and social media accounts in order to comply with Erie County Cultural Service Contract § 21. That section stipulates that an "Organization agrees to acknowledge in any and all promotional material the fact that the Organization receives financial support from the County, including, but not limited to the Organization's website, marketing materials and/or publications."

cc: Daniel Castle, Commissioner of Environment and Planning  
Robert Keating, Director of Budget and Management

---

<sup>1</sup>-New York State Council for the Arts (NYSCA) - <https://arts.ny.gov/>

Arts Service Initiative of WNY – [www.asiwny.org](http://www.asiwny.org)

<sup>2</sup> National Register of Historic Places – <https://nps.gov/subjects/nationalregister/what-is-the-national-register.htm>

NYS Parks State Parks, Recreation and Historic Preservation – <http://parks.ny.gov/shpo/>