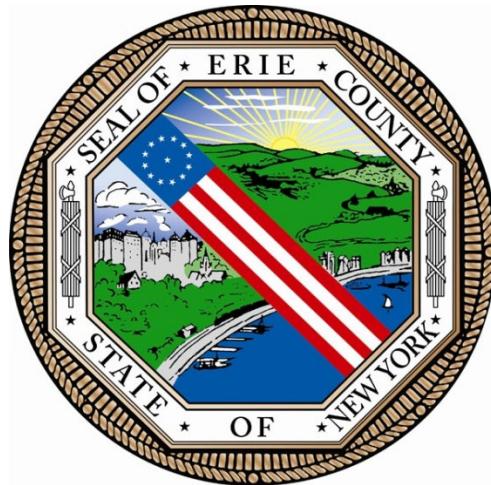


January 2026

**Erie County Cultural Funding Grant Monitoring Program
Buffalo Heritage Carousel
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, 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	VENDOR NUMBER	TAX YEAR 2021		TAX YEAR 2022	
			2020	2021	2020	2021
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	\$ 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 (Neglia)	100794	\$ 24,000.00	\$ 24,000.00	\$ 30,000.00	
518040	Buffalo 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	167829	\$ 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	\$ 58,200.00	\$ 60,000.00	
518113	Hull House Foundation	145473	\$ 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	\$ 3,800.00	
518147	Preservation Buffalo Niagara	147509	\$ 4,615.00	\$ 4,615.00	\$ 6,000.00	
518160	Springville Center For The Arts	113308	\$ 30,505.00	\$ 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	135959	\$ 4,640.00	\$ 4,640.00	\$ 6,000.00	
518184	Young Audiences Of WNY	109818	\$ 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 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	159305	\$ 12,000.00	\$ 20,000.00	\$ 24,500.00	
518216	Black Rock Historical Society (Black Rock-Riverside 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	
			2020	2021	2020	2021
517533	Buffalo Olmsted Parks Conservancy	140237	\$ 25,910.00	\$ 25,910.00	\$ 35,000.00	
518008	Albright-Knox Art Gallery	108707	\$ 575,000.00	\$ 575,000.00	\$ 675,000.00	
518009	Albright-Knox Public Art Curator	147223	\$ 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	101032	\$ 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	\$ 5,355.00	
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	
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	\$ 78,000.00	
518108	Halfwails Contemporary Arts Center	108598	\$ 57,000.00	\$ 57,000.00	\$ 60,000.00	
518112	Hamburg Nat Hist Society/Penn-Dixie	103282	\$ 98,314.00	\$ 96,314.00	\$ 96,314.00	
518116	Irish Classical Theatre Company	103727	\$ 83,500.00	\$ 83,500.00	\$ 93,500.00	
518124	D'Youville College Kavinoky Theater	109341	\$ 11,750.00	\$ -	\$ 9,500.00	
518128	Lancaster Opera House	111681	\$ 45,300.00	\$ 30,300.00	\$ 35,000.00	
518140	Musicalcare Theatre	105908	\$ 61,525.00	\$ 61,525.00	\$ 66,000.00	
518141	New Phoenix Theatre	109342	\$ 7,500.00	\$ 7,500.00	\$ -	
518148	Road Less Traveled Productions	121043	\$ 63,500.00	\$ 63,500.00	\$ 67,000.00	
518152	Recroft Campus Corporation	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	109884	\$ 69,400.00	\$ 69,400.00	\$ 74,000.00	
518173	Torn Space Theatre	143673	\$ 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 WNED/WBFO	172909	\$ 3,750.00	\$ -	\$ 5,000.00	
518205	Cheektowaga Comm Symphony Orchestra	109177	\$ -	\$ 7,500.00	\$ -	
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 Men's Chorus	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	\$ 6,100.00	
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	
518503	Alden Christian Theater Society	114358	\$ 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

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.

BUFFALO HERITAGE CAROUSEL

BACKGROUND

Buffalo Heritage Carousel, Inc. (BHC) is a 501(c)(3) non-profit organization established in 2015 for the purpose of promoting and demonstrating the use of renewable energy through public engagement, recreation, and hands-on educational experiences. BHC owns, operates, and maintains a fully restored, solar-powered 1924 Spillman Engineering Corporation carousel.

BHC received \$30,000 in Cultural Grant Funding (CGF) for calendar years 2020 and 2021 and was awarded \$35,000 for calendar year 2022.

AUDITOR'S OBSERVATIONS

BHC was established to purchase and restore the DeAngelis carousel, a vintage, park-style menagerie carousel custom-designed and manufactured in 1924 by Spillman Engineering of North Tonawanda for Dominic DeAngelis. Following Mr. DeAngelis' death, the carousel remained in storage for approximately 28 years until it was acquired by BHC. Over a five-year period, BHC completed a full restoration using historically authentic methods with the objective of achieving recognition as a historically significant landmark carousel.

The carousel opened to the public on May 28, 2021. It is one of the few solar-powered carousels in the world, operated by a Tesla solar roof system. BHC constructed an enclosed structure to support year-round operations. In alignment with its mission, BHC provides free and low-cost rides, programs for special needs groups, opportunities for private rentals, and educational programming related to restoration and preservation.

During the years under review, the organization's primary revenue sources consisted of grants, contributions, and donations. Revenue generated from programming-related activities such as admission fees and gift shop sales represented the second-largest revenue stream. Additional revenue was derived from mission-related activities including fundraising events and naming rights. In 2020 and earlier, grants and contributions constituted the sole revenue source, as the facility remained under restoration and was not yet open to the public. Funding during this period included substantial capital support designated for structural restoration and solar infrastructure installation.

The Covid-19 pandemic directly affected restoration, construction, and opening timelines. Upon opening, public health restrictions related to social distancing and capacity limitations adversely impacted projected earned revenue. BHC also received federal pandemic relief funding, including Paycheck Protection Program (PPP) funds based on commission payments to subcontractors, as no wage-earning employees were on payroll at that time and an Economic Injury Disaster Loan (EIDL).

For the years examined, primary operating expenses included commission payments, salaries and wages, repairs and maintenance, program service expenditures, insurance costs, and occupancy costs. Cultural Grant Funding (CGF) awarded during the review period was applied toward eligible operating expenses.

AUDITOR'S CONCLUSIONS

BHC provided sufficient documentation to substantiate its use of Cultural Grant Funding for each year under review. Documentation included IRS Forms 990 and 941, New York State Forms 45, financial statements, activity statements, and statements of financial position. Operating expenses exceeded the grant funds awarded by the County in each reviewed year.

A review of executive compensation indicated that salary levels were consistent with national benchmarks. Compensation increased approximately 5 percent in the second year reviewed, with no increase in the subsequent year. The Executive Director, hired during the final quarter of 2020, was the organization's first wage-earning employee.

BHC's governance structure consists of a 12-member Board of Directors. Officers are limited to two consecutive three-year terms and must step down for at least one year before becoming eligible to return. The Board is integrated into the organization's internal control framework and is responsible for reviewing and approving internal policies, compensation packages, fundraising strategies, and financial disclosures. Board members and individuals with delegated authority are required to sign annual conflict of interest disclosures. Draft IRS Form 990 filings are reviewed and approved by the Board prior to submission.

During the grant review, the Auditor identified payments to contractors with apparent direct relationships to BHC. The organization provided executed conflict-of-interest statements; however, the documents had been executed prior to the review period, and updated disclosures were not provided. While the existence of a conflict of interest does not prohibit BHC from engaging a vendor, full and current disclosure of financial interests and fiduciary responsibilities is required.

In 2021, the organization experienced legal and financial issues related to multiple on-site incidents involving patron and volunteer injuries due to falls. Additional safety measures were implemented thereafter; however, insurance premiums increased significantly, becoming one of the organization's highest operating expenses.

According to the organization's 2020 independent audit, internal control deficiencies were identified that required adjustments to accounting methods and depreciation practices.

At the conclusion of the review, the Auditor determined that BHC was in compliance with IRS Form 990 filing requirements, New York State Form CHAR500 requirements, and all other relevant federal and state regulatory obligations for all years under review.