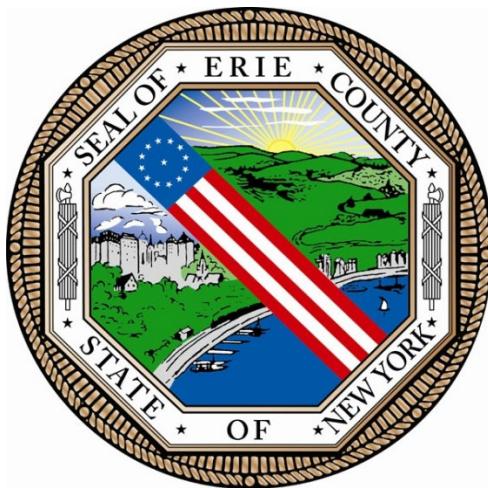


January 2026

**Erie County Cultural Funding Grant Monitoring Program
Alleyway Theatre 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, 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 Dog Ear Bookstore	152183	\$ 28,600.00	\$ 36,600.00	\$ 35,000.00	
518004 African American Cultural Center	112694	\$ 272,450.00	\$ 311,950.00	\$ 200,000.00	
518021 Alleyway Theater	109340	\$ 8,500.00	\$ 8,500.00	\$ 11,000.00	
518056 American Legion Band of	100379	\$ 7,500.00	\$ 7,500.00	\$ 45,000.00	
518071 Amherst Symphony Orchestra	100475	\$ 32,500.00	\$ 26,750.00	\$ 28,740.00	
518039 Arts Services Initiative of WNY Inc	147159	\$ 26,050.00	\$ 26,050.00	\$ 30,000.00	
518022 Ballet Artists Of WNY (Nigela)	100794	\$ 24,000.00	\$ 24,000.00	\$ 30,000.00	
Buffalo Arts Studio (Arts Studio of					
518040 Western New York, Inc)	101244	\$ 38,000.00	\$ 45,500.00	\$ 53,000.00	
518041 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	108384	\$ 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	
Jewish Community Center Cultural					
518119 Jewish (City 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	109984	\$ 29,250.00	\$ 25,250.00	\$ 28,500.00	
518135 Martin House Restoration	104863	\$ 175,500.00	\$ 175,500.00	\$ 190,000.00	
518139 Musics In All	139615	\$ 48,000.00	\$ 48,000.00	\$ 39,000.00	
518140 Polish Arts Club Of Buffalo Inc	106132	\$ 7,000.00	\$ 7,000.00	\$ 8,800.00	
518141 Preserves Buffalo Niagara	100247	\$ 4,000.00	\$ 4,615.00	\$ 4,000.00	
518160 Sewardville Center For The Arts	113908	\$ 30,505.00	\$ 30,505.00	\$ 36,000.00	
518172 Squeaky Wheel	101268	\$ 29,920.00	\$ 29,920.00	\$ 27,000.00	
518172 Theodore Roosevelt Inaugural Site	106552	\$ 32,320.00	\$ 32,320.00	\$ 37,000.00	
518176 Ultima Company	101047	\$ 83,000.00	\$ 83,000.00	\$ 57,714.00	
518180 Western New York Artists Group	108295	\$ 6,375.00	\$ 6,275.00	\$ 7,500.00	
518181 WNY Book Arts Collaborative, Inc	135983	\$ 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	151994	\$ 18,500.00	\$ 18,500.00	\$ 24,500.00	
518200 Michigan Str Afr American 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	158903	\$ 12,000.00	\$ 20,000.00	\$ 24,500.00	
Black Rock Historical Society (Black					
518216 Rock-Riverside Alliance)	170369	\$ 22,500.00	\$ 7,500.00	\$ 10,000.00	
518239 Centro Culturalito 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
517353 Buffalo Olmsted Parks Conservancy	140237	\$ 25,010.00	\$ 21,310.00	\$ 35,000.00	
518008 Albright-Knox Art Gallery	108701	\$ 375,000.00	\$ 975,000.00	\$ 675,000.00	
518009 Albright-Knox Public Art Curator	147128	\$ 68,350.00	\$ 68,350.00		
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	
Buffalo & Erie County Naval & Sailorsmans					
518052 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 Orchestra	109795	\$ 31,000.00	\$ 36,000.00	\$ 35,000.00	
518064 Buffalo Society Natural Sciences	109918	\$ 955,000.00	\$ 955,000.00	\$ 955,000.00	
518065 Buffalo String Works, Inc	157853	\$ 3,500.00	\$ 3,500.00	\$ 3,535.00	
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 Hallwalls Contemporary Arts Center	108598	\$ 57,000.00	\$ 57,000.00	\$ 60,000.00	
518110 The National Buffalo & Navalist Society/Penn-Dixie	108125	\$ 91,144.00	\$ 96,314.00	\$ 96,540.00	
518116 Irish Dance Hall Buffalo Company	108914	\$ 83,500.00	\$ 83,500.00	\$ 83,500.00	
518124 D'Youville College Kenway Theater	109341	\$ 11,750.00	\$ -	\$ 9,500.00	
518128 Lancaster Opera House	111681	\$ 45,300.00	\$ 30,300.00	\$ 35,000.00	
518140 Musicalfare Theatre	105308	\$ 61,525.00	\$ 61,525.00	\$ 66,000.00	
518143 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 Roycroft 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	
518170 Theatrical Stage	108915	\$ 69,000.00	\$ 69,000.00	\$ 69,000.00	
518173 Tom Space Theatre	143673	\$ 20,480.00	\$ 15,480.00	\$ 23,500.00	
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 WNET/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	
518216 Theatricals Green Club dba Red Blazer					
518219 Men's Chorus	162045	\$ 3,000.00	\$ 3,000.00	\$ 6,000.00	
518221 Buffalo Center for Arts and Technology	152307	\$ 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	
518508 Alden Christian Theater Society	114358	\$ 10,000.00	\$ -	\$ 3,000.00	
518514 Clarence Concert Society	101711	\$ 3,500.00	\$ -	\$ 5,000.00	
Clarence Museum (Historical Soc. of the					
518515 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 commingled 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.

ALLEYWAY THEATRE INC.

BACKGROUND

Alleyway Theatre, Inc. (ATI) is a 501(c)(3) nonprofit professional theatre company founded in 1980 by Neal Radice and incorporated in 1981. ATI was established to serve as a collaborative incubator for bold, visceral new theatrical works.

ATI's mission is to educate and develop innovative theatrical programs while fostering the talents of emergent artists from Western New York and beyond. The organization supports the creation and production of plays and musicals that embrace fearless theatricality, humanity, and authenticity.

Alleyway Theatre, Inc. (ATI) received 8,500 in Cultural Grant Funding (CGF) in both 2020 and 2021. ATI was also awarded \$11,000 in 2022.

AUDITOR'S OBSERVATION

Alleyway Theatre, Inc. (ATI) serves as a hub of authentic connectivity where history and innovation converge through a dynamic community of storytellers and theatre-makers. ATI energizes Western New York by producing bold, thought-provoking work that challenges the status quo and engages diverse audiences.

The organization is deeply committed to active community engagement, elevating ATI and Western New York within the national theatre conversation. ATI collaborates with artists at the highest professional level. Through this work, ATI brings new ideas and fresh perspectives to the regional cultural landscape. Audiences are drawn to Alleyway Theatre for its reputation for excellence and innovation and leave inspired and transformed invited to reflect on their own lives and the lives of their neighbors in new and meaningful ways.

For the years under review, grants, contributions, and donations represented ATI largest source of revenue, comprising more than 50% of total organizational revenue. Additional revenue was generated through program service activities, including ticket sales, entry fees, facility rentals, concessions, and tuition.

The COVID-19 pandemic significantly impacted ATI's operations. ATI was required to suspend in-person programming for approximately 18 months; however, the organization quickly adapted by launching virtual programming, including online play presentations beginning in April 2020 and a full season of virtual theatre during Fall 2020.

Throughout the pandemic, ATI maintained organizational stability by retaining two staff members and providing employment opportunities for more than 100 artists. ATI responsibly leveraged pandemic-related financial assistance to sustain operations, including Payroll Protection Program (PPP) funding totaling \$29,800 (Round 1) and \$36,715 (Round 2). In addition, ATI received a Shuttered Venue Operators Grant (SVOG) of \$62,237 and Employee Retention Tax Credits (ERTC) totaling \$61,995.

Primary expenses of ATI during the review period were salaries and wages, advertising and promotion, occupancy costs, costumes, sets, props and general office expenses. In accordance with its contract CGF was allocated toward general operation expenses.

AUDITOR'S CONCLUSION

During the Cultural Grant Funding (CGF) review period, ATI provided adequate and appropriate documentation to support the expenditure of CGF funds for all years under review. Documentation examined included IRS Forms 990 and 1099, bank and credit card statements, receipts, general ledger records, payroll

reports, copy of employee handbook and Board of Directors meeting minutes. In each year reviewed, total eligible expenses incurred and paid exceeded the amount of CGF funding awarded.

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.

A review of the Executive Director's compensation for the period 2020–2022 found that salary increased by an average of approximately 26.5% annually, well above the national average annual salary increase of 3% to 5%. These increases reflect a planned, board-approved adjustment to bring compensation to a living-wage level following a leadership transition. All compensation reported reflects Executive Director duties only; any teaching performed after the promotion was included within the scope of the position and was not compensated separately.

ATI is governed by a Board of Directors consisting of 9 members and 4 executive members. Board terms are limited to two consecutive three-year terms for Board of Directors, after which members must step down for at least one year for re-election. The Executive Director and Board Treasurer are responsible for reviewing and approving the draft IRS Form 990 prior to filing with the IRS and for New York State CHAR500 reporting requirements. Board members are required to complete annual conflict-of-interest disclosures.

Based on our review of the documentation provided by ATI, internal control procedures related to governance structure and financial oversight appear to be adequate.

At the conclusion of the grant review, the Auditor determined that ATI was in compliance with IRS Form 990 and New York State Form CHAR500 filing requirements for the years 2020, 2021, and 2022. No instances of noncompliance with applicable federal or state laws and regulations were identified during the review period.