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**REPORT TO THE ERIE COUNTY LEGISLATURE  
92 FRANKLIN STREET  
BUFFALO, NEW YORK 14202**

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**AUGUST 2007**

**AUDIT OF THE  
ERIE COUNTY DEPARTMENT OF LAW  
RISK RETENTION FUND & PROFESSIONAL  
SERVICES CONTRACTS AND FEES ACCOUNTS  
FOR THE PERIOD JANUARY 1, 2005 TO DECEMBER 31, 2006**



**MARK C. POLONCARZ  
ERIE COUNTY COMPTROLLER**

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**Michael R. Szukala  
Deputy Comptroller - Audit & Control**

**ERIE COUNTY  
COMPTROLLER'S OFFICE**

**HON. MARK C. POLONCARZ  
DIVISION OF AUDIT & CONTROL  
95 FRANKLIN STREET  
BUFFALO, NEW YORK 14202**

August 28, 2007

Erie County Legislature  
92 Franklin Street, 4<sup>th</sup> Floor  
Buffalo, New York 14202



Dear Honorable Members:

The Erie County Comptroller's Office has completed an audit ("Audit") of the Erie County Department of Law ("Law Department") for the period January 1, 2005 to December 31, 2006. The scope of our audit was limited to expenditures of the Risk Retention Fund and the Law Department's Professional Services Contracts and Fees accounts and included a review of budget appropriations.

This Audit, performed in accordance with Generally Accepted Government Auditing Standards with the exception of a peer review every three years<sup>1</sup>, included such tests of records, inquiries, and analyses as considered necessary under the circumstances.

The Audit's objective was to verify the accuracy and propriety of Risk Retention Fund and Law Department professional services expenditures and transactions, inclusive of the Risk Retention Imprest Account. Internal Control Procedures relating to cash receipts and disbursements are adequate. Specifically excluded from our Audit objective was assessment of the appropriateness of settlement payments.

No significant matters adversely affecting compliance with applicable laws, rules, and procedures came to our attention except as disclosed in this report. Our review was performed for the objectives previously described and would not necessarily disclose all instances of noncompliance with respect to areas of operation not reviewed.

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<sup>1</sup> The Comptroller Office's Division of Audit and Control's last Peer Review was for the three year period ending December 31, 2003. A peer review for the period January 1, 2004 through December 31, 2006 has begun and is expected to be completed by November 1, 2007.

## BACKGROUND

The Erie County Attorney is responsible for the administration and operation of the self insurance, risk retention and loss prevention programs of the County.

The Law Department is headed by the County Attorney, who is appointed by the County Executive subject to confirmation by the County Legislature. The County Attorney is responsible for providing legal services to Erie County government including the defense of all negligence and medical malpractice claims, human rights cases, administrative hearings, arbitration and any other matters involving the County. The County Attorney is the legal advisor to the executive and legislative branches of County government including all County departments, offices, and independently elected officials. The County Attorney, within appropriations, appoints assistant county attorneys to perform duties to meet the responsibilities of the Law Department. This involves the rendering of legal opinions to all elected officials and departments of County government in addition to the drafting of proposed state and local legislation. Staff members of the Law Department appear on behalf of the County in Family Court proceedings including juvenile delinquency and Persons In Need of Supervision ("PINS"). The County Attorney also provides legal assistance in the sale of properties foreclosed for failure to pay back taxes and administers the Indigent Defense Program.

The Erie County Legislature approves the annual budget and supplemental budgetary requests that set the appropriations available in a variety of accounts to support each county department's operations.

Expenditures are made in accordance with the provisions of the Erie County Charter and Administrative Code and established Erie County policies and procedures. Under the Charter, the Erie County Legislature is required to approve all contracts valued in excess of \$10,000.00. However, Erie County Administrative Code (the "Code") Section 6.02 (c) provides an exception with regards to Professional Service Contracts and Fees: "The county attorney may, within the limits of the appropriations provided therefore, employ special counsel, professional, technical or other consultant services and incur such expenses in connection therewith as he may deem necessary for the performances of his duties." Consequently, the County Attorney, in his/her professional judgment, is authorized under the Code to engage the services of legal and other professional firms. Through annual Budget Resolutions in the County's annual adopted Budget, the County Attorney is also authorized to retain and pay professional firms and to engage in litigation or to settle litigation brought against the County.

Payment of settlements and claims are generally paid from the County's Vendor Bank Account. In addition, the Law Department maintains a separate Imprest Account totaling up to \$50,000 to directly pay disbursements, settlements or judgments which are less than \$10,000 each.

In the County's Audited 2005 and 2006 financial statements, the total Risk Retention Fund expense recorded was \$722,428.32 (EXHIBIT I) and \$3,495,486.50 (EXHIBIT IV) respectively (accrual basis used).

The Law Department's Professional Service Contracts and Fees expenditures for 2005 were \$336,513.12 (EXHIBIT III) and \$159,598.45 in 2006 (EXHIBIT VI).

Expenditures from the Imprest Account were \$161,039.16 (EXHIBIT II) and \$181,857.34 (EXHIBIT V) for 2005 and 2006 respectively. It should be noted that expenditures for the Imprest payments are, for the most part, included as expenditures in the Risk Retention Fund since the Imprest Account is reimbursed from that Fund. The only difference between the amounts shown as Imprest Expenditures and Risk Retention reimbursements to the Imprest Account would entail timing differences which would be minimal.

### SUMMARY

For the two-year period we noted:

- The County paid \$1 million in 2005 and \$1.5 million in 2006 for legal services provided by outside counsel to represent the County in certain litigation suits against the County.
- Following this office's Risk Retention Audit dated January 2001, supervisory procedures were still not formalized to ensure that payments are recorded properly in the County's financial accounting system.
- Mileage and Travel Reimbursement payments to County employees were not made in accordance with the established Erie County policies and procedures.
- There are no written policies and procedures with regards to mileage and travel reimbursement payments to non-employees (witnesses).
- Independent contractors hired by the Law Department were consistently paid for hours worked in excess of their allowable hours as stated in their contracts.
- The cash accounting program used to administer the Imprest checking account is underutilized to record payments on SAP.
- There are no written policies governing how the Law Department can make payments out of the Risk Retention Fund or the department's Professional Services account.
- The County has under budgeted appropriations in the Risk Retention Fund in the 2005, 2006 and 2007 budgets. To correct this, the County later appropriated additional funds in mid-year.
- There is no central control to administer, monitor and maintain the purchase of insurance policies for Erie County and there are no written procedures and policies with regard to the acquisition of those policies.

- The County expended \$421,838.75 from the Risk Retention Fund and \$26,656.77 from the Law Department's professional services account to defend itself in litigations related to the 2005 Budget. All payments were to two law firms.
- The County expended \$168,178.47 from the Risk Retention Fund to pay the four law firms hired by the County Sheriff, County Comptroller, County Clerk and District Attorney in their 2005 Budget lawsuits against the County Administration.
- The County expended \$39,097.04 from the Risk Retention Fund and \$6,079.65 from the Law Department's professional services account to defend itself in various Aurora Barn Department of Public Works litigations.
- The County expended \$8,430.90 from the Risk Retention Fund to pay one law firm in regard to the Buffalo Office Interiors matter.
- The County expended \$49,693.67 from the Risk Retention Fund and \$51,412.70 from the Law Department's professional services account on Erie County Medical Center ("ECMCC") related litigation. All payments were to two law firms.
- The County expended \$53,934.05 from the Law Department's professional services account to pay for the services of two law firms relating to the Erie County Fiscal Stability Authority ("ECFSA").
- The County paid \$22,732.04 from the Law Department's professional services account to two firms for lobbying services.
- The County paid \$35,000 from the Law Department's professional services account to one law firm for services concerning the removal of local toll booths.
- The County paid \$8,576 from the Law Department's professional services account to one law firm for services relating to the city-county merger.

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## FINDINGS AND RECOMMENDATIONS

### A. RETENTION OF OUTSIDE COUNSEL

Our disbursement review identified that a number of law firms as shown in Figure 1 were paid \$1,034,257.93 in 2005 and \$1,518,118.39 in 2006 for settlements/judgments and services rendered on behalf of Erie County or Erie County officials. (See Figure 1)

An examination of contracts revealed that the previous County Attorney issued a Request for Proposal ("RFP") on June 16, 2000 to identify law firms that would be pre-qualified to provide general counsel in a wide range of areas of law to the County of Erie and/or the Erie County Medical Center. Competitive bidding requirements under General Municipal Law §103 and §104 for political subdivisions provide for the promoting of public interest to guard against favoritism, improvidence, extravagance, fraud and corruption and to assure the prudent and economical use of public moneys for the benefit of all taxpayers.

Below is the listing of law firms that were pre-qualified or were used as outside counsel in 2005 and 2006. All but two of these firms were pre-qualified to provide services to Erie County through an RFP.

**Figure 1**

| OUTSIDE COUNSEL LIST                                     | 2005           | 2006           | Payments       |
|--|----------------|----------------|----------------|
| Block & Colucci LLP                                      | \$0.00         | \$0.00         | \$0.00         |
| Bouvier Law **   | 0.00           | 58,033.63      | 58,033.63      |
| Cohen, Swados, Wright, Hanifin, Bradford & Brett         | 0.00           | 0.00           | 0.00           |
| Damon & Morey LLP  | 15,300.83      | 2,788.50       | 18,089.33      |
| Falk & Siemer  | 0.00           | 0.00           | 0.00           |
| Gross, Shuman, Bridzdle & Gilfillian                     | 0.00           | 0.00           | 0.00           |
| Harris, Beach & Wilcox                                   | 0.00           | 7,513.00       | 7,513.00       |
| Harter, Secrest & Emery                                  | 330,294.20     | 37.00          | 330,331.20     |
| Hiscock & Barclay (Saperston & Day)                      | 272,150.79     | 237,766.26     | 509,917.05     |
| Hodgson Russ LLP   | 8,420.90       | 68,709.75      | 77,130.65      |
| Hurwitz & Fine, PC                                       | 0.00           | 51,449.05      | 51,449.05      |
| Jaeckle, Fleishchmann & Mugel LLP                        | 0.00           | 16,522.50      | 16,522.50      |
| Lippes, Silverstein, Mathias & Wexler LLP                | 0.00           | 0.00           | 0.00           |
| Lipsitz, Green, Fahringer, Roll, Salisbury & Cambria LLP | 20,244.05      | 854,485.96     | 874,730.01     |
| Magavern Magavern & Grimm LLP                            | 192,531.15     | 61,244.63      | 253,775.78     |
| Mattar & D'Agostino                                      | 49,120.15      | 86,192.87      | 135,313.02     |
| Nixon Peabody LLP  | 0.00           | 0.00           | 0.00           |
| Phillips Lytle LLP                                       | 133,620.86     | 44,515.15      | 178,136.01     |
| Renaldo, Myers Palumbo LLP                               | 0.00           | 0.00           | 0.00           |
| Stamm, Reynolds & Stamm                                  | 0.00           | 0.00           | 0.00           |
| Sullivan, Oliverio & Gioia **                            | 0.00           | 28,860.09      | 28,860.09      |
| Dennis C. Vacco Esq. **                                  | 12,575.00      | 0.00           | 12,575.00      |
| Williams, Stevens, McCarville & Frizzell                 | 0.00           | 0.00           | 0.00           |
| Total payments   | \$1,034,257.93 | \$1,518,118.39 | \$2,552,376.32 |

\*\* These firms were not pre-qualified but provided services to elected County officials. They were paid pursuant to Supreme Court Order in the matter of the 2005 Budget litigations by independently elected County officials

We note that the law firm Lipsitz, Green, Farhringer, Roll, Salisbury & Cambria (now known as Lipsitz Green Scime Cambria LLP) did not respond to the RFP and was not pre-qualified to represent Erie County or ECMCC. As noted in Figure 1, the County paid settlements and fees totaling \$874,730.01 to Lipsitz Green. Of that sum, \$836,501.07 was paid as settlements to non-County employees suing the County for damages. The remaining \$38,228.94 was related to the Aurora Barns matter for representing current or former County employees suing the County. Due to the "conflict of interest" issues for the County, such employees were allowed to choose his or her own attorney/consultant pursuant to Section 18 of the NY Public Officers Law and prior Erie County Legislature resolutions.

In addition, the law firm Hurwitz & Fine PC did not respond to the RFP. They were chosen by the County Attorney to provide legal services relating to the County Administration's relationship with the Erie County Fiscal Stability Authority. Hurwitz & Fine PC was paid \$51,449.05 for such legal services in 2006.

In November 2005, the Erie County Comptroller's Office, pursuant to an Order and Judgment of New York State Supreme Court Justice Joseph G. Makowski, paid out \$168,178.47 in legal fees to the four law firms representing County elected officials Frank Clark, Nancy Naples, David Swarts and Patrick Gallivan in their litigations against Erie County related to the County's 2005 Budget (see Auditor Comments for further details.) At that time there were insufficient budget appropriations available to fund these payments. However, the Law Department, citing General Municipal Law §70, stated that such payment should be made by the treasurer or other County finance officer regardless of whether there is a specific appropriation, if the money is in fact available.

Excluding settlements paid, the County Attorney has reduced fees paid to outside firms over the span of our audit.

### **Other Litigation**

There are instances where the Erie County Law Department cannot represent County employees or former employees when they initiate legal actions against the County. These situations create a conflict of interest for the Law Department. The employee or former employee must select outside counsel to represent their interests. Secondly, there are certain litigation matters where the County Law Department does not have the necessary legal expertise to properly represent the County. In these instances, the County Attorney uses professional judgment and hires outside counsel to defend the County. The below items summarize significant, high-profile, cases where expenditures were made to outside law firms during the period of our audit. Details of the payments and litigants are provided in Exhibit VIII.

The investigation of allegations concerning activities at the Erie County Highway Department Barns in Aurora, New York resulted in criminal prosecution by the District Attorney. In conjunction with those allegations and charges, actions were brought against the County by employees resulting in the County paying the firms of Lipsitz Green et al. and Thomas H.

Burton, Esq. \$38,228.94 and \$5,922.00 respectively to represent employees of Erie County in civil matters. In addition \$1,025.75 was paid to Lori L. Strong for reporter/transcript services.

Buffalo Office Interiors (“BOI”) sold Erie County furniture and provided other services to Erie County. It was alleged that Erie County was overcharged for these goods and services. The County paid the firm of Hodgson, Russ LLP \$8,430.90 for services relating to excessive payments for office furniture. On August 16, 2006, a Supreme Court ordered settlement was approved and BOI is paying Erie County \$225,000 over five years.

During the period of our audit, Erie County suffered severe budget reductions, referred to as the “Red and Green Budgets.” As a result of these reductions, the County was taken to court by some individuals, several unions and some elected officials. In order to defend itself, the County retained the firms of Harter, Secrest & Emery LLP and Magavern, Magavern & Grimm. These firms were paid \$281,573.65 and \$166,921.87 respectively.

Also during the period of our audit, the County Law Department was unable to defend the County on certain matters related to the County Budget, and yet advocate for certain elected officials on those same matters. In order to act for these local elected officials, the individual officials hired their own representation, as per the Erie County Charter and certain resolutions. The County paid the law firms of Hodgson, Russ LLP \$68,709.75 to represent the District Attorney, Bouvier Law \$58,033.63 to represent the Sheriff, Sullivan, Oliverio & Gioia \$28,860.09 to represent the County Clerk and Dennis C. Vacco, Esq. \$12,575.00 to represent the Comptroller for a total of \$168,178.47.

Other matters for which the County hired outside legal assistance included the possibility of a City-County merger. Magavern, Magavern & Grimm was retained to render legal advice with regard to City-County merger issues. The County paid \$8,576.00 for this service.

During the period of our audit, Erie County came under the oversight of the ECFSA. The County paid the firms of Hurwitz & Fine LLP and Damon & Morey LLP \$51,449.05 and \$2,485.00 respectively for legal services pertaining to actions taken by the ECFSA.

Legal services relating to the Sale, Purchase and Operations Agreement (“SPOA”) between the County and ECMCC caused the County to pay the firms of Magavern, Magavern & Grimm and Damon & Morey LLP \$97,711.37 and \$3,395.00.

The firms of Featherstonhaugh Conway and Bolton-St John, Inc were paid \$3,166.66 and \$19,615.38 respectively for services relating to NYS legislation.

The County paid Phillips Lytle LLP \$35,000.00 for legal services relating to the removal of toll booths on the Niagara section of the NYS Thruway.

We recognize the existence of a well-established exception to competitive bidding requirements for professional services such as legal services, especially in areas where specific expertise in the subject matter is required. However, we believe that RFP’s should always be conducted to pre-qualify law firms to provide services to Erie County. Such a pre-qualified list of firms with



expertise in litigation in a variety of areas of law allow the County Attorney, in his or her professional judgment, the ability to choose the firm best qualified to represent the County.

**WE RECOMMEND** that the Law Department continues the practice of issuing an RFP to develop a list of pre-qualified law firms and that such lists be utilized and that an RFP be issued, at minimum, every three to four years to refresh the list of qualified firms.

**WE FURTHER RECOMMEND** that the Law Department utilize that list for the retention of outside counsel and avoid, whenever possible, retaining firms that are not pre-qualified.

To determine if a contract, engagement letter or retainer letter was on file, we selected a sample of fifteen (15) cases assigned to eight (8) law firms. Of that sample, only Lipsitz Green had not responded to the RFP. Consequently there is no estimate of hourly rates on file for that law firm. This firm handles only Erie County conflict of interest cases.

In response to our request, the Law Department provided only seven (7) contracts, engagement letters or retainers to support retention of outside counsel. As a result, we identified that only forty-seven percent (47%) of the litigation cases assigned to outside counsel had an engagement contract, letter or retainer with the County. The Law Department's apparent failure to have a document establishing a relationship with these firms and agreeing to payment terms in advance of the entering into of any relationship is inconsistent with County contracting policies.

Although seven (7) of the eight (8) firms were pre-qualified pursuant to the RFP, the RFP itself does not constitute a contract but merely an offer to provide services at a set rate.

**WE RECOMMEND** that the County implement policies and procedures to ensure that whenever the County retains outside counsel or a consultant, regardless of whether that party has been or is retained by the County on another matter, that a contract, engagement letter and/or a retainer confirming the assignment to outside counsel and specifying the hourly rates to be charged should be on file.

## **B. MILEAGE AND TRAVEL REIMBURSEMENT**

Our review of the Imprest Account payments for 2005 and 2006 included ten (10) payments for mileage and travel. Nine (9) of the payments went to County employees and one payment went to a non-employee witness. All ten (10) of the reimbursement requests were accompanied by departmental check request forms. The ten (10) sample items reviewed were broken down as follows: three (3) items included payments for mileage only, two (2) items were for parking only, two (2) other items were for airfare only, and the last three (3) items were for other travel related expenses, two (2) of which included mileage. Four (4) of the five (5) mileage payments were to County employees in 2006 and were paid at the rate of \$0.445 per mile. The fifth mileage payment went to a non-county employee in 2005 and was reimbursed at the rate of \$0.405 per mile. Erie County uses the standard mileage rate set annually by the Internal Revenue Service ("IRS") for mileage reimbursement to employees. We confirmed that all mileage payments were based on the appropriate prevailing IRS rate.

For one (1) reimbursement involving a person other than an Erie County employee, there was no receipt found for tolls and payment was made for both gas and mileage. The payment for both gas and mileage was inappropriate, as the mileage reimbursement rate set by the IRS covers both. In addition, a reimbursement of \$87.00 was paid for three (3) meals. The Comptroller's Accounting Prescription (CAP210-1), County Travel Policy and Prescription governing meals reads as follows: "In terms of both necessary and reasonable, reimbursement for meals, excluding alcoholic beverages will be allowed up to a maximum of \$25.00 per day." While there is no existing County policy for reimbursements to non-county employees, the cost of these meals appears excessive based on the County reimbursement rate for County employees of \$25.00 per day.

We note that one (1) County employee was reimbursed for the cost of hotel, mileage and tolls without having receipts for the tolls or the completed County mileage form.

In violation of the meal policy, a second County employee was reimbursed for meals in excess of the County maximum. Reimbursement was made for two (2) meals on October 23, 2006 for \$64.05 and two (2) meals on October 24, 2006 for \$49.86.

We believe that because the Law Department occasionally makes travel and mileage reimbursement payments to witnesses that are not County employees, there should be written policies and procedures to follow regarding travel, mileage and lodging reimbursements that could be applied county wide for non-County employees. The policy could be as simple as acknowledging that they will apply the same rules used by County employees set forth in CAP210-1, Chapter I Section 13 and Chapter X Section 20 of the Erie County Personal Policies and Procedures, and Sections 38.1 and 38.2 of the Collective Bargaining Agreement between the County and the Civil Service Employees Association.

Please see the section entitled "Results of Exit Conference" for the County Attorney's comments on this section during the Exit Conference.

**WE RECOMMEND** that the Law Department follow the applicable rules and regulations for travel and mileage reimbursements for employees.

**WE RECOMMEND** that the Law Department recoup the overpaid meal reimbursements from County employees.

**WE FURTHER RECOMMEND** that the Law Department develop written procedures for non-employees that are similar to those that apply to county employees for travel and mileage reimbursements.

### **C. INDEPENDENT CONTRACTOR CONTRACT ANALYSIS**

Our review of the Imprest Account included payments to six (6) people that were paid for hours worked as independent contractors. Four (4) of the independent contractors were former County Attorney employees, one (1) was a former ECMCC employee and the remaining one (1) was never a County or ECMCC employee. Each had their own personal contract, and in some

instances multiple contracts with the Law Department. Four (4) of these contracts took place in 2005 and two (2) in 2006.

Four (4) of the contracts were based on working a maximum number of hours per day and week, while the other two (2) were based on a maximum dollar payment level per month. Of the four (4) contracts based on hours worked, one (1) contract was followed with no instances of exception while the remaining three produced the following instances of non-compliance:

- Contractor's daily hours worked exceeded the maximum allowed per the contract 65% of the time (222 of 343 days) with the worst offender averaging 70% higher than allowed.
- Contractor's weekly hours worked exceeded the maximum allowed per the contract 20% of the time (16 of 81 weeks) with the worst offender averaging 28% higher than allowed.
- One contractor had one instance (out of 25 total days worked) of working a Monday while the contract stated the work week to be Tuesday through Thursday.

The contracts that were based on an aggregate monthly payment of \$5,000 had one (1) exception to their terms. There were two (2) instances where the monthly payment exceeded the \$5,000 limit. The first instance was for a payment that was arranged ahead of time using a contract amendment since the contractor worked well below her limit the preceding month. The second instance had no such amendment and was therefore in non-compliance with the contract. We found that even though two monthly payment totals exceeded the \$5,000 limit, the totals paid over the life of the contracts did not surpass the contract limits.

All payments made by the Law Department to the independent contractors, some of whom were former County employees, including laid-off employees, were reported to the Comptroller's Office for 1099 reporting purposes and the 1099s were mailed accordingly.

As a result of our review, we have identified several other related issues:

- A universal time sheet was not used for all the contractors.
- During the 29 week period dated April 11, 2005 through October 27, 2005, one consultant's timesheet recorded an unpaid lunch on 92% of the days when she worked at least five (5) hours. During the subsequent eight (8) week period dated October 31 through December 22, 2005, that rate in which lunch was recorded dropped to 23%. Since the independent contractors do not get paid for lunch hours, management should ensure that they are recording all instances when a lunch break is taken.
- It should be noted that the Law Department issued their own legal opinion on June 10, 2005 stating that "... it was proper for the Law Department to hire ex-employees as independent consultants...". In addition, the opinion further says that the consultants "...were only asked to perform certain specific tasks and their hours of work were not regulated by the department head." However, this Audit notes that some of the consultants contracts specifically state the daily maximum number of hours to work and which days to work.

**WE RECOMMEND** the Law Department review the working arrangements of each independent contractor to ensure that all legal definitions regarding independent contractors are met to prevent future sanctions by the IRS and/or the Social Security Administration.

**WE FURTHER RECOMMEND** that the Law Department ensures that all contracts are being adhered to and that all instances where lunch is being taken are also being recorded on the time sheets.

#### **D. BUDGET**

Our examination of budget transactions for 2005 and 2006 also required a review of budget transactions for the fiscal years 2004 and 2007. We found that no appropriation for Risk Retention expense was provided for in the Annual Adopted Budgets for 2004 and 2005. The Annual Adopted Budget appropriation for the years 2006 and 2007 was \$1,500,000 and \$1,000,000 respectively.

We identified that in each of the four (4) years, supplemental appropriations were approved by the Erie County Legislature at the request of the County Administration. The results of our examination for each year are as follows:

##### **Fiscal Year 2004**

On July 8, 2004 the County Legislature approved 2003 Year-End Budget Balancing Amendments (Comm. 9E-65) which designated \$3,000,000 of the 2003 fund balance for "Judgments and Claims" against the Risk Retention Fund. It should be noted that the designation is a non-binding commitment of fund balance. The purpose can be changed at any time prior to it being appropriated by the Erie County Legislature. Included in the resolution were additional clauses inserted by the Legislature, two of which effectuated immediately and for all future years, a policy that allows no changes or rollovers of the designated fund balance without the prior formal approval of the Erie County Legislature.

While Comm. 9E-65 approved the designation of fund balance for the Risk Retention Fund, we could not confirm that a subsequent resolution, authorizing the appropriation of the designation, was approved by the Erie County Legislature. The wording of the resolution is specific as to the establishment of a Fund Balance designation in 2003 yet omits mentioning that approval has been given to appropriate such designated fund balance in 2004. The language of the policy change in the resolution does not support the consideration that the intent of the legislature was to authorize the re-appropriation of the designated fund balance in 2004 without a second resolution.

Of the \$3 million budgeted we identified that cash disbursements were \$1,180,852.98, net of a prior year accrual of \$10,000, leaving an unspent balance of \$1,819,147.02. Of this amount, using appropriate accounting and reporting guidance, an expense accrual totaling \$1,811,000 was charged to 2004. This transaction thus provided the funding mechanism to make cash disbursements of Risk Retention funds in 2005.

**WE RECOMMEND** that any resolution relating to the designation of fund balance be very specific as to the intent of the Legislature's approval. It should specify if the designation made in the prior year is also authorized to be appropriated or re-appropriated in the subsequent year if that is the intent of the Legislature. Without such wording, the appropriation of designated fund balance must be approved by the Legislature via a separate resolution.

### **2005 Fiscal Year**

On December 1, 2005 the County Legislature approved Departmental Year-End Budget Transfers for 2005 (Comm. 28E-17) which included an increase of \$3,000,000 for "Insurance Charges" funded by a corresponding decrease of County expense in the MMIS Medicaid Local Share account. We noted no discrepancies with the resolution.

Of the \$3 million budgeted we identified that cash disbursements were \$1,800,852.57 and net of the prior year accrual of \$1,811,000, left an unspent balance of \$3,010,147.43. Of this amount, using appropriate accounting and reporting guidance, an expense accrual totaling \$732,575.75 was charged to 2005. This transaction provided the funding mechanism to make cash disbursements of Risk Retention Funds in 2006. The result of these transactions was an unspent budget of \$2,284,971.68. We confirmed that the County's 2005 Financial Statements contained a designation of fund balance totaling \$2,267,424.25.

However, on June 8, 2006 the County Legislature adopted Comm. 10E-3 which included an authorization to designate \$2,867,425 of the 2005 fund balance within the Risk Retention Fund. This amount is \$600,000 greater than the actual amount recorded on the County's 2005 Financial Statements. The original amount of \$2,867,425 recorded in the County's SAP accounts on February 15, 2006 was based on the actual unspent budget of the Risk Retention Fund available at December 31, 2005. Subsequent to the resolution's adoption a year-end audit adjustment in the amount of \$600,000, confirmed by the County's independent auditors, was recorded on the County's accounting system on June 28, 2006. However, the controlling budget accounts were not adjusted consequently providing an additional \$600,000 budget appropriation to the Risk Retention Fund. The Division of Budget, Management and Finance was notified of the change but has failed to make the required adjustment entry. The Legislature was/is unaware the Risk Retention fund had these additional funds. Consequently, the budget entries on SAP were not authorized by the Legislature.

(Recommendations for 2005 are combined with 2006 and are listed below.)

### **2006 Fiscal Year**

The 2006 Adopted Budget contained a \$1,500,000 appropriation for the Risk Retention Fund.

On December 14, 2006 at the request of the County Administration, the County Legislature approved 2006 Year-End Budget Balancing Amendments (Comm. 25E-14) that provided an additional \$1,500,000 appropriation to the Risk Retention Fund.

We identified additional budget entries made by the County Administration increasing the 2006 Risk Retention appropriations by an additional \$3,150,000 due to the January 2006 Tobacco secondary financing. Consequently \$9,026,374.25, including \$8,950.00 of encumbrance reserves, was available for Risk Retention expenditures in 2006. The 2006 net expenses totaled \$3,495,486.50 leaving an unexpended balance of \$5,530,887.75. (See EXHIBIT VII)

On May 17, 2007, the County Legislature approved 2006 Year-End Budget Balancing Amendments (Comm. 9E-8) which designated \$2,530,887 of 2006 funds to the Risk Retention Fund for re-appropriation.

The designation amount is \$3,000,000 less than the available balance and we confirmed that this \$3,000,000 appropriation lapsed and became part of the County's Undesignated Fund Balance at December 31, 2006.

EXHIBIT VII is a comparative summary of Risk Retention Fund monies spend for the period January 2005 through December 2006.

**WE RECOMMEND** that the Division of Budget, Management and Finance confirm that the amounts approved by the Legislature for the Risk Retention fund match the budget appropriation.

#### **E. IMPREST ACCOUNT**

The Law Department maintains an Imprest Account to expedite payments for litigation fines, fees, settlements and judgments and various minor expenses typical of a petty cash fund. An Imprest Account is defined as a petty cash control mechanism in which an individual is given a fund of money (imprest) to meet certain expenses. When a portion of the money has been spent, the individual submits vouchers and the fund is replenished.

The Law Department has an established policy allowing for the Imprest Account to pay settlements and judgments and other litigation expenses in amounts not exceeding \$10,000. Payments in excess of \$10,000 must be made out of the County's Vendor Bank Account. The Law Department uses "Quicken" financial software to process Imprest Account transactions and generate checks.

Our examination of Imprest Account transactions found that there were no instances where payments exceeded \$10,000 and that monthly bank reconciliation reports were on file in the Comptroller's Office. No material discrepancies were detected in our review of Quicken transactions.

Replenishment payments from the County's SAP accounting system and the corresponding deposits to the Imprest Bank Account were traced and verified. However, a reconciliation of expense postings on SAP to the payment detail recorded on Quicken could not be fully completed because the category structure of the transactions did not readily match the account class originally assigned in the replenishment requests. For example, a replenishment request of Quicken payments categorized as "Travel and Mileage" should have been classified on SAP as

account 555020, "Travel & Mileage-Litigation", but was instead recorded on SAP in account 555030 "Litigation Disbursements."

Our review finds that the Imprest Account Administrator spends an inordinate amount of time manually creating bank reconciliations and reports to support replenishment requests. We found that Quicken's built-in reconciliation feature has never been used since the Law Department began using the software in 2001. As a result, there is \$1,534.02 of stale dated checks issued prior to January 2006 that should be voided.

**WE RECOMMEND** the utilization of the class feature to assign the SAP account numbers to all disbursements at the time of check issuance and the creation of data uploads to SAP to record expenditures and request replenishment payments. The creation of data uploads should be done with the assistance of the County's Division of Information and Support Services ("DISS")/SAP programmers and the Comptroller's Office accounting staff. Implementing the above recommendations will reduce the time expended by the Account Administrator to manage the Imprest Account.

**WE RECOMMEND** that the Law Department immediately utilize SAP to allow the creation of an Imprest Bank Account that would replace Quicken and effectively eliminate the need to record the transaction twice. Currently, it is recorded once on Quicken to generate the check and again on SAP to record the expense and request a replenishment check.

**WE RECOMMEND** the write-off of \$1,534.02 of stale dated checks on the Quicken system and a corresponding SAP entry to record the recovery of prior year expense.

## **F. INSURANCE**

On July 6, 1978 the County Legislature approved a resolution (Comm. 12D-12) declaring that Erie County is self-insured. That resolution also directed that the County Attorney shall "establish, administer and operate a program of risk management for the administration, investigation, compromise, defense and payment of automobile and general liability claims and the administration of such necessary services in connection therewith as loss prevention, investigation and adjustment of claims, actuarial services and risk management evaluation services." At that time the County maintained a Supervisor of Insurance, a county position that no longer exists.

Our examination of insurance premium payments included, for comparative purposes, expenditures in 2004, 2005 and 2006. It should be noted that there was a substantial decrease of \$238,107.33 in expenditures for property insurance from 2004 to 2005 and 2006. The decrease in expenditures in 2005 and 2006 was found to be both the result of the removal of the Erie County paid insurance coverage for the Erie County Home and ECMCC as well as a general drop in insurance rates throughout the industry. This insurance coverage is now paid by ECMCC itself.

Further examination revealed that the Law Department, as the responsible department for the administration of the County's risk and insurance program, was unaware of the existence of a

number of insurance policies. Listed below are two (2) summary schedules of expenditures for insurance premiums reported on SAP. The first is from the Risk Retention Funds and the second shows the expenditures made by various other departments.

**Figure 2**

**ERIE COUNTY  
SUMMARY OF INSURANCE PREMIUM PAYMENTS  
SAP ACCOUNT 555050  
PAID BY RISK RETENTION FUNDS - COST CENTER 1602010**

| Vendor Name                           | Cost Ctr | 2004                | 2005                | 2006                | Grand Total           |
|---------------------------------------|----------|---------------------|---------------------|---------------------|-----------------------|
| Lawley Service Insurance Group        | 1602010  | \$111,321.00        |                     | \$73,780.00         | 185,101.00            |
| McManus Peard Gesl Inc                | 1602010  |                     | 20,582.00           | 20,582.00           | 41,164.00             |
| Municipal Insurance Consultants, Inc. | 1602010  | 52,500.00           | 37,500.00           | 24,975.00           | 114,975.00            |
| Northeast Agencies Inc                | 1602010  |                     | 32,999.00           |                     | 32,999.00             |
| Scott Danahy Naylor Co Inc            | 1602010  | 27,884.00           | 14,935.00           |                     | 42,819.00             |
| Vanner Insurance Agency               | 1602010  | 376,669.00          | 176,103.00          | 122,753.92          | 675,525.92            |
| <b>Risk Retention Total</b>           |          | <b>\$568,374.00</b> | <b>\$282,119.00</b> | <b>\$242,090.92</b> | <b>\$1,092,583.92</b> |

We found that payments listed for Municipal Insurance Consultants Inc. are not insurance premiums; rather, they represent contractual fees for providing general risk management services.

**WE RECOMMEND** that payments to Municipal Insurance Consultants, Inc. be recorded in the Law Department's SAP Account 516020 - Professional Service Contracts and Fees rather than as SAP Account 555050 - Insurance Premiums.

Our Audit found that four (4) departments make payments for insurance premiums: the Department of Environment and Planning (fund center 163, and the Division of Sewerage Management, fund centers 181, 182, 183 and 186), Department of Public Works (fund center 122), Department of Health (fund center 127), and the Buffalo and Erie County Public Library (fund center 420).

**Figure 3**

**ERIE COUNTY  
SUMMARY OF INSURANCE PREMIUM PAYMENTS  
SAP ACCOUNT 555050  
PAID BY OTHER COUNTY DEPARTMENTS' FUNDS**

| Vendor Name                             | Cost Ctr | 2004                | 2005                | 2006                | Grand Total           |
|---|----------|---------------------|---------------------|---------------------|-----------------------|
| CIMA Companies                          | 1632010  | \$3,761.45          |                     | \$7,953.88          | \$11,715.33           |
| First Niagara Risk Management Inc       | 1811010  | 76,446.00           | 20,800.00           | 16,896.79           | 114,142.79            |
| First Niagara Risk Management Inc       | 1821010  | 22,677.00           | 31,000.00           | 25,917.08           | 79,594.08             |
| First Niagara Risk Management Inc       | 1831010  | 49,139.00           | 84,000.00           | 92,156.05           | 225,295.05            |
| First Niagara Risk Management Inc       | 1861010  | 15,664.00           | 18,000.00           | 25,917.08           | 59,581.08             |
| Lawley Service Insurance Group          | 1222010  |                     | 73,780.00           |                     | 73,780.00             |
| Nathan Lane Agency Inc                  | 1831010  | 4,096.00            | 4,127.00            |                     | 8,223.00              |
| Scott Danahy Naylor Co Inc <sup>1</sup> | 4202140  |                     | 26.00               |                     | 26.00                 |
| Vanner Insurance Agency                 | 1271670  | 3,186.31            | 181.00              | 231.00              | 3,598.31              |
| <b>Other Department Total</b>           |          | <b>\$174,969.76</b> | <b>\$231,914.00</b> | <b>\$169,071.88</b> | <b>\$575,955.64</b>   |
| <b>Grand Total - Insurance Premiums</b> |          | <b>\$743,343.76</b> | <b>\$514,033.00</b> | <b>\$411,162.80</b> | <b>\$1,668,539.56</b> |

<sup>1</sup> Scott Danahy Naylor Co. Inc. payment of \$26.00 was an adjustment paid by the Library.



The insurance carriers listed in the above Figures 2 and 3 carry insurance policies for various County entities as follows: Lawley provides insurance to the Erie County Tobacco Asset Securitization Corporation that covers directors and officers liability. McManus Peard Gesl provides insurance to Erie County for employee theft. Northeastern Agencies provides Erie County with excess workers compensation and employee liability. Scott Danahy Naylon Co. Inc. provides insurance coverages for Erie Community College, ECMCC and the Buffalo and Erie County Public Library. Vanner Insurance Agency provides insurance for the Erie County Stop DWI Program, Ralph Wilson Stadium and the Erie County Botanical Gardens. CIMA Companies provide insurance covering volunteers working for various Erie County programs. First Niagara Risk Management Inc. provides insurance coverage for the Erie County Sewer Districts. Nathan Lane Agency Inc. provides coverage for the Southtowns Advanced Wastewater Treatment Facility.

The fact that the Law Department has little or no knowledge of certain insurance premiums being paid by other departments re-enforces the intent of the legislative resolutions that the County Attorney administer and operate the programs of self insurance, risk management and loss prevention for Erie County. We obtained information from departmental sources indicating that insurance policies within their departments are required by grant sponsors in order to qualify for program funding.

**WE RECOMMEND** that the County implement procedures to ensure that the Law Department is informed of all insurance policies purchased with County funds.

**WE RECOMMEND** that the Law Department develop and maintain a database to include a history of claim activity for each insurance policy purchased with County funds.

**WE RECOMMEND** that internal department policies and procedures relating to the payment of claims and settlements should be written to assist staff to ensure the proper accounting, recording and categorization of Risk Retention Fund expenditures.

Our review included testing for compliance with Erie County Purchasing Policies and Procedures relating to the bid procurement and RFP process.

We reviewed the documentation used in the selection of a vendor to provide risk management services to Erie County, including the management of the bid process for insurance underwriting. We found that three local firms were solicited by the Law Department and only one vendor, Municipal Insurance Consultants, Inc ("MIC"), responded to the RFP. MIC was awarded the contract by the Law Department. We question why an RFP with a wider search process was not conducted.

The Law Department could not provide documentation to confirm that bids or RFP's were issued prior to the selection of insurance carriers and brokers. Further inquiries were made to MIC to verify if policies and procedures for bids and RFP's complied with established County purchasing policies and procedures. Their response outlined that their services, as contained in their contract with the County, include identifying and quantifying property and casualty

exposure, reviewing contract language for insurance, working with vendors and the Law Department to ensure compliance with insurance and risk management issues, preparing insurance and underwriting data specifications, managing the bid process and providing continuing review of current insurance policies and coverage limits. Citing the complexity of the insurance industry and various loss exposure scenarios, an RFP generally requiring the selection of the lowest cost responsible bidder is too restrictive. If modifications are required because of an insurance carrier's varying coverage criteria, a new RFP would be required. However, competitive bidding would allow for MIC to challenge coverage costs and have the bidders refine and recalculate their bid proposals to achieve the lowest cost without having to initiate a completely new bid or RFP. MIC does acknowledge that when conditions exist where insurance coverage is very specific with little or no variations, an RFP can be used to solicit bids.

We find that although MIC is not required to abide by Erie County's Purchasing and Bid procedures, it does in-fact, as industry specialists, provide the oversight and evaluation services similar to and greater than the Erie County Director of Purchase to ensure that the County obtains the most beneficial insurance coverage at the least amount of cost.

Of the six (6) insurance coverage renewals reviewed by MIC, two (2) were for county-owned property, one (1) for directors and officers liability for the Erie Tobacco Asset Securitization Corporation that were renewed with the incumbent agency and carriers with no RFP or bid request issued to other agencies. RFP's were issued for Sewer District and Erie Community College insurance coverage. Relative to the Buffalo and Erie County Public Library's Rare Books insurance coverage, a RFP was deemed unnecessary because of the limited market selection of carriers providing such coverage.

**WE RECOMMEND** that a consistent policy be established by the Law Department and MIC to define the procedures required to be followed for the purchase of insurance coverage. Considering insurance industry business practices and the complexity of insurance coverage, the policy should be written to provide guidance to determine when and where an RFP should be issued and in the alternative, when competitive bidding should be engaged. Such policies and procedures should be on file with the Erie County Division of Purchase.

**WE FURTHER RECOMMEND** that the Law Department designate that the County Department of Personnel's Risk Manager assume the duties necessary to become that single point of contact for the insurance consultant and county departments to manage and control the risks and associated costs of the County's Workers Compensation and General Insurance programs.

#### **AUDITOR COMMENTS**

Through their professional services account, the Law Department subscribes to the Westlaw online research service in which they pay for subscriber access based on the number of passwords used. Included with the Law Department are users from the Sheriff's Office, County Legislature, ECMCC and Department of Environment and Planning. The Law Department stated that although the Law Department pays the fees for other departmental users, there is a benefit to the Law Department because the other customers are almost all attorneys and are able

to, in many cases, get enough information through the online research so that they do not need to utilize the Law Department's Attorneys for case research. As such, this is a symbiotic relationship that benefits all related parties thus justifying the Law Departments responsibility to pay for all users. In addition, the cost of the seven (7) non-Law Department users is nominal.

\* \* \* \* \*

While working on site during the course of our Audit, the network at the Law Department crashed three times causing our loss of unsaved work on two of those instances. We were told by Law Department staff that this was not unusual and that the network had crashed numerous other times during our Audit. About six (6) years ago the server for the Law Department crashed and they were told by DISS that they either had to buy a new server or switch to the CITRIX network, which the County would be eventually using. Ever since that time there have been problems. Recently there have been a group of people that have been taken off the CITRIX network and connected to the County's network through Windows XP. This has caused the additional problem in that WordPerfect is not working properly. WordPerfect is used by the Law Department since it is very "attorney friendly" and is used by many law offices. DISS has advised the Law Department to update to a more current version of WordPerfect which should fix the current problem of incompatibility with Windows XP. This will be expensive in that a site license will cost about \$500 per user. The Law Department may have to limit the number of users for this reason.

\* \* \* \* \*

During the County's 2005 Budget crisis, numerous lawsuits were brought against the County by various parties, including County elected officials, the Board of Elections, ECMCC, and the AFSCME, CSEA and Teamsters bargaining units. According to Section 18 of the New York State Public Officers Law, when there is a conflict of interest that prevents the County from representing an employee, in this case an employee suing the County, the employee is able to retain their own attorney, with the only requirement being that the attorney's rates are reasonable. In all there were about thirteen (13) separate lawsuits filed against the County which were represented by six (6) different law firms. The County Attorney chose to retain outside counsel due to a potential conflict of interest against County officials as well as to take advantage of their expertise as is explained both above and below.

\* \* \* \* \*

Our testing included a review of payments made from the Risk Retention Accounts and the Professional Services Contracts and Fees, SAP Account 516020. Risk Retention included the following SAP Accounts: 555000-General Liability, 555010-Settlements and Judgments Litigation, 555020-Travel and Mileage Litigation, 222030-Litigation Disbursements, 555040-Expert/Consulting Fees Litigation, and 555050-Insurance Premiums. Our testing for the Professional Services Contracts and Fees included a review of payment authorizations, check request forms and contracts or engagement letters for each payment. For Risk Retention, in addition to the previously mentioned, we looked at settlement agreements. The review of 163 payments found that only twelve (12) had no departmental check request form, however all

twelve (12) did have a payment authorization signature on the invoice itself thus showing evidence of review and approval. The risk payment folders had all of the applicable settlement agreements. It appears that controls over payments made from the Risk and Professional Services accounts are tight and much improved from the time of the previous Risk Retention Audit dated January 2001.

The 2001 Audit recommended the development and implementation of supervisory and other procedures to ensure that payments; were properly authorized, complied with County procurement policies and procedures, and were timely. The Law Department has implemented procedures to address those recommendations; however department policies and procedures were still not formalized and written. Internal department policies and procedures relating to the payment of claims and settlements should be written to assist staff to ensure the proper accounting, recording and categorization of Risk Retention expenditures are made.

### **OTHER OBSERVATIONS**

The 2007 Adopted County Budget included a 2007 appropriation for \$1,500,000 for the Risk Retention Fund. On May 3, 2007, upon a request of the County Administration (Comm. 7E-16), the Legislature approved an additional appropriation of \$3,000,000 to the Fund using "unanticipated" 2007 revenue from ECMCC. As a result, the balance in the Risk Retention Fund as of August 1, 2007 was approximately \$4.9 million.

As an independent contractor, after he had been laid-off in March 2005, a Comptroller's Office employee, Eugene Przespo, performed a reconciliation of the Imprest account (Exhibit II). Mr. Przespo returned to the Comptrollers Office in early 2006. He did not participate in this audit.

### **RESULTS OF EXIT CONFERENCE**

An exit conference was held on Friday, August 24, 2007 with the County Attorney and members of his staff. The contents of this report were discussed and the County Attorney indicated general agreement with our findings and recommendations.

One area where no agreement occurred was the area of mileage and travel reimbursements. The County Attorney believes that the "County reimbursement rate may not be appropriate for some non-County persons." When asked about this, he specifically mentioned expert witnesses retained by the County.

The County Attorney also takes exception with Section C, Independent Contractor Contract Analysis. He was quick to point out that no contract had exceeded a contract limit, a point with which we agree. The County Attorney believes that outside contractors working with his department deal with situations, such as absolute and unalterable deadlines, that demand flexibility.

The County Attorney also asserts that the Legislature has tasked the Law Department with the former responsibilities of Erie County's Risk Manager. These responsibilities include monitoring Erie County's insurance coverage. The County Attorney does not believe this is an appropriate responsibility for the Erie County Law Department.

In accordance with the County's Audit Response System and Procedures, we request that the County Attorney prepare a written response to our office and the County Executive concerning the findings and recommendations. A draft of this written response should be submitted to the Division of Budget, Management and Finance for review and approval prior to its submission to the County Executive. The final written response should be submitted to our office and the County Executive by September 28, 2007.

We further request that the County Attorney forward copies of the response to the Erie County Legislature and the Erie County Fiscal Stability Authority by September 28, 2007.

**ERIE COUNTY COMPTROLLER'S OFFICE**

cc: Hon. Joel A. Giambra, County Executive  
Lawrence K. Rubin, Esq., County Attorney  
James Hartman, Director of Budget, Management and Finance  
Erie County Fiscal Stability Authority

## EXHIBIT I

## Risk Retention Expenditures 2005

### Risk Accounts<sup>1</sup>

| VENDOR NAME   | DESCRIPTION  | AMOUNT     |
|---|--|------------|
| Ali A. Fadel  | *31.20050022 - Fadel Settlement                        | 2,125.00   |
| Angelo S. Curtis  | *31.20050016 Curtis Settlement                         | 2,125.40   |
| Barbara Herrera   | *15.00990021 - Herrera                                 | 25,000.00  |
| Barbara L. Hidalgo  | *Hidalgo Settlement - 25.20050004                      | 3,054.29   |
| Brian Calame c/o Paul Swazzi, Esq.                                    | *13.20040176 - Settlement - Calame                     | 1,559.97   |
| Buffalo General Hospital  | *31.20010022 - Shaheed                                 | 6,988.75   |
| CELINE MURRAY   | Independent Contractor Agreement                       | 2,450.00   |
| Christopher W Lentz MD  | *16.00970186 - Boling v ECMC                           | 4,331.61   |
| CONFIDENTIAL  | *1.20010006 - CONFIDENTIAL                             | 2,500.00   |
| CONFIDENTIAL  | *31.20010015 CONFIDENTIAL                              | 15,000.00  |
| Damon & Morey LLP   | *13.00920387 - Senf v. COE                             | 3,771.50   |
| Damon & Morey LLP   | *16.00980116 - Caswell v. COE                          | 2,194.00   |
| David Kaufman MD  | *16.00960857 - Hammell v ECMC                          | 1,875.00   |
| David Kaufman MD  | *16.00980116 - Caswell                                 | 2,000.00   |
| Dempsey & Dempsey, Attys Michael Carcione & Denise Carcione           | *40.20020008 Carcione v. COE Settlement                | 32,500.00  |
| Dennis C Vacco Esq  | *1.20050010 - Naples                                   | 12,575.00  |
| Donna Mehs  | *13.20050060 - Mehs                                    | 1,434.01   |
| Empire Medicare Services  | *30.20000009 - Harkleroad v. COE                       | 19,553.81  |
| Frank Booker, III   | *13.20050047 - Booker - Settlement                     | 1,150.73   |
| Government Employees Insurance Comp as Subrogee of Joseph Irvin       | *31.20040056 - GEICO                                   | 2,026.12   |
| Harter, Secrest & Emery LLP   | *1.20050003 - Clark                                    | 55.50      |
| Harter, Secrest & Emery LLP   | *1.20050003 - Clerk v COE                              | 1,616.50   |
| Harter, Secrest & Emery LLP   | *1.20050005 - AFSCME                                   | 37.00      |
| Harter, Secrest & Emery LLP   | *1.20050006 - Gallivan                                 | 25,206.70  |
| Harter, Secrest & Emery LLP   | *1.20050006 - Gallivan v COE                           | 76.00      |
| Harter, Secrest & Emery LLP   | *1.20050007 - Civil Serves Employees v. COE            | 74.00      |
| Harter, Secrest & Emery LLP   | *1.20050009 - Teamsters Local 264/Ronald Lucas, et     | 111.00     |
| Harter, Secrest & Emery LLP   | *1.20050010 - Naples                                   | 12,426.50  |
| Harter, Secrest & Emery LLP   | *1.20050010 - Naples v COE                             | 10,526.00  |
| Harter, Secrest & Emery LLP   | *1.20050011 - Warren v. COE                            | 6,273.50   |
| Harter, Secrest & Emery LLP   | *1.20050012 - Mohr                                     | 1,329.39   |
| Harter, Secrest & Emery LLP   | *1.20050012 - Mohr v. COE                              | 641.00     |
| Harter, Secrest & Emery LLP   | *1.20050013 - Swarts v COE                             | 30,277.30  |
| Harter, Secrest & Emery LLP   | *1.20050013 - Swartz                                   | 5,398.23   |
| Harter, Secrest & Emery LLP   | *21.20050000 - General Matters                         | 7,383.29   |
| Harter, Secrest & Emery LLP   | *21.20050025 - 2005 Budget                             | 16,065.48  |
| Harter, Secrest & Emery LLP   | *21.20050025 - AFS Co. Local 1095 - 2005 Budget        | 921.20     |
| Harter, Secrest & Emery LLP   | *21.20050025 - Clark, Frank                            | 14,575.70  |
| Harter, Secrest & Emery LLP   | *21.20050025 - Clark, Frank - 2005 Budget              | 22,294.14  |
| Harter, Secrest & Emery LLP   | *21.20050025 - Gallivan, Patrick - 2005 Budget         | 26,027.20  |
| Harter, Secrest & Emery LLP   | *21.20050025 - General Matters                         | 11,998.00  |
| Harter, Secrest & Emery LLP   | *21.20050025 - Mohr v. Giambra - 2005 Budget           | 3,569.99   |
| Harter, Secrest & Emery LLP   | *21.20050025 - Naples, Nancy - 2005 Budget             | 20,941.30  |
| Harter, Secrest & Emery LLP   | *21.20050025 - NYS Nurses Assoc/Pelton-2005 Budget     | 222.00     |
| Harter, Secrest & Emery LLP   | *21.20050025 - Pawarski, Chester                       | 21,272.75  |
| Harter, Secrest & Emery LLP   | *21.20050025 - Pawarski, Chester - 2005 Budget         | 226.25     |
| Harter, Secrest & Emery LLP   | *21.20050025 - Ralph Mohr, et al. v. Giambra et al     | 38,221.43  |
| Harter, Secrest & Emery LLP   | *21.20050025 - Swarts, David - 2005 Budget             | 20,610.90  |
| Harter, Secrest & Emery LLP   | *21.20050025 - Warren, Daniel                          | 14,929.50  |
| Harter, Secrest & Emery LLP   | *21.20050025 - Warren, Daniel - Budget Matters 2005    | 444.00     |
| Harter, Secrest & Emery LLP   | *21.20050025 - Civil Ser. Empl. Assoc - 2005 Budget    | 1,886.40   |
| Harter, Secrest & Emery LLP   | *21.20050025 - Teamsters Local 264 Lucas - 2005 Budget | 222.00     |
| Harter, Secrest & Emery LLP   | *31.20000018 - Farley/Roman                            | 12,785.30  |
| Harvey P. Sanders, as Attorney  | *15.00990008 - Settlement - Wilson                     | 30,000.00  |
| Herschel Gelber, LLC, as Attorneys and Kerry LeSanti                  | *17.20010006 - Lesanti v. COE Settlement               | 8,000.00   |
| Hiscock & Barclay   | *31.20040044 - Pritchard                               | 178,837.24 |
| Hiscock & Barclay (Split Payment \$10,856.17 to A/C #516020)          | *31.20040044 - Pritchard                               | 5,433.00   |
| Hodgson, Russ LLP   | *29.20040001 - BOI                                     | 2,540.80   |
| Hodgson, Russ LLP   | *29.20040001 - State of NY v. BOI                      | 4,314.50   |
| Hodgson, Russ LLP   | *Buffalo Office Interiors                              | 1,575.60   |
| James A. Partacz, as Attorney for Irene Colvin and George Colvin      | *28.20010006 - Settlement - Colvin                     | 27,500.00  |
| Jason Joseph  | *31.20040143 - Settlement - Jason Joseph               | 2,250.80   |
| John A O'Sullivan MD  | *16.00990106 - DiVincenzo v. COE                       | 2,375.00   |
| John J. Fromen, as Attorney for Ronald A. Grimm, Jr. & Susan M. Grimm | *31.00950799 - Grimm v. COE                            | 100,000.00 |
| Jon Louis Wilson, As Attorney and Doris M. LeFrois                    | *16.00990175 - Settlement - LeFrois v. COE             | 10,000.00  |
| Joseph L. Hari  | *13.20050073 - Hari                                    | 1,185.99   |
| Kenneth G. Scinta   | *13.20050021 - Settlement - Scinta                     | 1,310.91   |
| Kevin Sullivan, Esq. as Atty for Elizabeth Balone                     | *13.20000132 - Balone v. COE                           | 17,500.00  |
| Knoer, Crawford & Bender, LLP - Francis Klug and Dawn Klug            | *25.20010007 Klug Settlement                           | 35,000.00  |
| Lang V. Nguyen  | *13.20050040 - Nguyen                                  | 1,255.92   |
| Law Office of Venita A. Parker, PLLC                                  | *6.20010019 - Settlement - Ellison                     | 11,000.00  |
| Law Offices of Thomas H. Burton                                       | *Maria Lehman, Aurora Barns Investigation              | 5,922.00   |

EXHIBIT I

Risk Retention Expenditures 2005  
Risk Accounts<sup>1</sup>

| VENDOR NAME   | DESCRIPTION  | AMOUNT               |
|---|--|----------------------|
| Lawrence M. Levine  | *31.20020043 - Ousler v. COE                       | 9,410.00             |
| Leigh E. Anderson, Esq. as Attorney for Robert J. Morgan, Jr.           | *31.20040012 - Settlement - Morgan                 | 6,000.00             |
| Lipsitz Green ETAL  | *13.20030042 - Wrobel                              | 7,311.00             |
| Lipsitz Green ETAL  | *13.20030042 - Wrobel v COE                        | 3,796.65             |
| Lipsitz Green ETAL  | *13.20040006 - Rebrovich                           | 960.65               |
| Lipsitz Green ETAL  | *13.20040006 - Rebrovich v. COE                    | 1,782.00             |
| Lisa Pazderski  | *16.00970186 - Boling v ECOMC                      | 2,750.00             |
| Lloyd R Saberski MD   | *28.20030040 - James                               | 5,007.64             |
| Lori L. Strong RPR  | *13.20030108 - Kennedy                             | 1,025.75             |
| Lorraine Jordan   | *28.20050018 Settlement                            | 1,145.35             |
| Magavern, Magavern & Grimm LLP  | *1.20050012 - Mohr                                 | 2,297.25             |
| Magavern, Magavern & Grimm LLP  | *1.20050012 - Mohr v. COE                          | 23,237.50            |
| Magavern, Magavern & Grimm LLP  | *1.20050018 - Ward & Mohr                          | 13,563.25            |
| Magavern, Magavern & Grimm LLP  | *16.20040098 - ECOMC v COE                         | 18,185.00            |
| Magavern, Magavern & Grimm LLP  | *21.20050025 - Budget Procedure & Litigation 2005  | 29,213.18            |
| Magavern, Magavern & Grimm LLP  | *21.20050027 - Budget Procedure and Litigation 05  | 10,369.75            |
| Magavern, Magavern & Grimm LLP  | *21.20050027 - EC Budget Litigation                | 6,129.00             |
| Mark Firzak   | *13.20040152/13.20040185 - Firzak Settlement       | 1,523.25             |
| Mattar & D'Agostino   | *31.20020032 - Bennett                             | 8,157.95             |
| Mattar & D'Agostino   | *31.20040044 - Pritchard                           | 33,589.58            |
| McManus Peard Gesl Inc  | *Insurance Payment - Triple D Bonds                | 20,582.00            |
| Michael J. Lynch MD CM  | *16.00970186 - Boling v ECOMC                      | 5,445.00             |
| Michael M. Metzger, Esq. and Jane Knight                                | *13.00970362 - Knight v. COE                       | \$ 7,500.00          |
| MUNICIPAL INSURANCE CONSULTANT  | RISK MANAGEMENT CONSULTING SERVICES                | 37,500.00            |
| National Grange Mutual Insurance  | *13.20040054- National Grange Settlement           | 5,347.37             |
| Northeast Agenices Inc  | *Worker's Comp Audit - County's Share              | 32,999.00            |
| Northtowns Orthopedics PC   | *6.20010023 - Hark                                 | 1,500.00             |
| O'Brien Boyd, PC  | *35.00990008 - Settlement - Walsh v. COE           | 55,704.00            |
| Peerless Insurance  | *31.20040027 - Peerless Insurance                  | 1,513.36             |
| Peter M. Vito & Associates Inc.   | *19.20030004 - Marion                              | 4,794.65             |
| Phillips Lytle Hitchcock  | *10.20010023 - Tolbert                             | 11,515.75            |
| Phillips Lytle Hitchcock  | *9.20020003 - Flaherty                             | 56,494.76            |
| Reesie Nash   | *13.20030066 - Nash v. Stone Settlement            | 1,000.00             |
| Richard L. Baumgarten, Esq. as Attorney, and Regina Carter              | *16.00950692 - Carter v. COE                       | 5,000.00             |
| Robert B. Druar, as Attorney for Tamara Greathouse, Individually and as | *31.20040052 - Settlement - Greathouse v. COE      | 4,286.56             |
| Robson Forensic Inc.  | *13.20020136-Ac#1168600&04AL0146                   | 1,443.75             |
| Scott Danahy Naylon Co Inc  | *Rare Books, Valuable Papers, Fine Arts Ins.       | 14,935.00            |
| State Farm Mutual Automobile Ins Co                                     | *13.20040081 State Farm Mutual Settlement          | 3,862.14             |
| Stephen F. Pusatier, Esq. and the Estate of Leo J. Swartz               | *31.20030052 - Schwartz                            | 5,000.00             |
| Susannah M Bochenek Custodian   | *February 2005Risk Retention Imprest Reimbursement | 11,528.78            |
| Susannah M Bochenek Custodian   | *March 2005 Risk Ret. Imprest Reimbursement        | 1,022.50             |
| Susannah M Bochenek Custodian   | *Risk Imprest Account                              | 16,402.50            |
| Susannah M Bochenek Custodian   | *Risk Imprest Account (Total check Amount)         | 4,143.92             |
| Susannah M Bochenek Custodian   | *Risk Imprest Reimbursement - July 2005            | 19,237.14            |
| Susannah M Bochenek Custodian   | *Risk Imprest Reimbursement - June 2005            | 7,916.01             |
| Susannah M Bochenek Custodian   | *Risk Retention Imprest Account Reimbursement      | 36,658.53            |
| Susannah M Bochenek Custodian   | *Risk Retention Reimbursement                      | 20,957.40            |
| Susannah M Bochenek Custodian   | *Risk Retention Reimbursement 8/05                 | 16,484.49            |
| Susannah M Bochenek Custodian   | *Risk Retention Reimbursement 9/05                 | 9,629.31             |
| URS Corp  | *13.20030152 - COE v. Town of Elma                 | 3,507.50             |
| Valerie Vullo MD  | *19.20030004                                       | 2,225.00             |
| Vanner Insurance Agency   | *Insurance for Ralph Wilson Stadium and Botanical  | 176,103.00           |
| Walsh Qualified Settlement Fund   | *35.00990008 - Settlement - Walsh v. COE           | 94,296.00            |
| Accrual   | MONTHLY ACCRUAL REVERSAL                           | (752,551.70)         |
| Accrual   | 2004 LIABILITY CARRY FORWARD TO 2005               | (1,811,000.00)       |
| Accrual   | 2005 LIABILITY CARRY FORWARD TO 2006               | 732,575.75           |
| Accrual   | MONTHLY ACCRUAL                                    | 752,551.70           |
| <b>Grand Total</b>  |  | <b>\$ 722,428.32</b> |

<sup>1)</sup> Risk Accounts include:

- 555000 General Liability
- 555010 Settlements & Judgments - Litigation
- 555020 Travel & Mileage - Litigation
- 555030 Litigation Disbursements
- 555040 Expert/Consulting Fees - Litigation
- 555050 Insurance Premiums

## 2005 Risk Retention Imprest Account Expenditures

| Payee  | Total     |
|--|-----------|
| A. Marc Tetro, M.D.                                      | \$ 15.00  |
| Accurate Reporting                                       | 284.24    |
| Accurate Reporting                                       | 215.00    |
| Accurate Reporting                                       | 792.40    |
| Adam's Mark  | 81.00     |
| Allegiance Health Services                               | 950.00    |
| Allen D. Depew, M.D.                                     | 20.25     |
| Ambulatory Surgery Center Of WNY                         | 21.75     |
| American Arbitration Association                         | 437.00    |
| Amherst Orthopedic Physical                              | 200.25    |
| Amherst Orthopedic Physical                              | 15.08     |
| Amherst Orthopedic Physical                              | 22.06     |
| Andre Hall   | 100.00    |
| Andrew Smith   | 300.00    |
| Angela Dodge   | 435.16    |
| Angela L. Guadagno                                       | 430.29    |
| Anthony J. Colucci, III, Esq.                            | 15.00     |
| Anthony J. Kiepp   | 220.00    |
| Anthony V. Morgante, D.C.                                | 125.37    |
| Antoinette Warnes  | 19.92     |
| Associated Reporters Int'l., Inc.                        | 232.28    |
| Augustine Loschiavo                                      | 216.50    |
| Auto RX  | 228.98    |
| Balance Adjustment                                       | -3,424.35 |
| Barbara F. Cultrara, CSR, CMR, CRR                       | 12.00     |
| Barbara Maze   | 339.96    |
| Barnes Primary Care Associates, PC                       | 25.52     |
| Bison Travel Services                                    | 370.40    |
| BJ Bates Jackson Engraving Company, Inc.                 | 117.94    |
| Bouvier Partnership LLP, As Attys For NYS Electric & Gas | 800.00    |
| Brian O'Malley   | 129.76    |
| Brian S. Joseph, M.D., F.A.P.A.                          | 60.00     |
| Brooks Memorial Hospital                                 | 8.00      |
| Brown & Tarantino  | 35.80     |
| Bry-Lin Hospital   | 15.00     |
| BUFFALO CITY COURT                                       | 55.00     |
| Buffalo Law Journal                                      | 296.00    |
| Buffalo Neurosurgery Group                               | 24.75     |
| Buffalo Psychiatric Center                               | 15.00     |
| Buffalo Psychiatric Center                               | 15.00     |
| Buffalo Psychiatric Center                               | 15.00     |
| Buffalo Spine & Sports Medicine                          | 12.00     |
| Buyers & Kaczor Reporting Services                       | 264.96    |
| Buyers & Kaczor Reporting Services                       | 293.76    |
| Buyers & Kaczor Reporting Services                       | 93.50     |
| Carl Anderson  | 101.39    |
| Carol Bigos  | 239.23    |
| Carolyn A. Vario   | 66.00     |
| Cellino & Barnes   | 36.54     |



## 2005 Risk Retention Imprest Account Expenditures

| Payee                                       | Total    |
|---|----------|
| A. Marc Tetro, M.D.                         | \$ 15.00 |
| Charles Frisicaro                           | 498.01   |
| Charles J. Vacanti, MD                      | 1,250.00 |
| Chart One, Inc.                             | 140.24   |
| Chautauqua MRI                              | 110.00   |
| Check Charge                                | 112.93   |
| Chelus Herdzik, Speyer, Monte & Pajak       | 600.11   |
| Cherilynn M. Parent                         | 315.00   |
| Cheryl Voss                                 | 400.00   |
| Christopher L. Hamill, M.D.                 | 4.50     |
| City Of Buffalo                             | 148.95   |
| City Of Buffalo                             | 4.25     |
| Clerk, United States District Court         | 250.00   |
| Colucci & Gallaher, PC, Attorneys           | 80.00    |
| Complete Homecare, Inc.                     | 12.00    |
| Continental Reporting Service, Inc.         | 735.00   |
| Coronet Process Service, Inc.               | 70.00    |
| Coronet Process Service, Inc.               | 50.00    |
| Cynthia E. Oppenheimer                      | 445.00   |
| Cynthia Goss                                | 597.77   |
| Cynthia L. Williams, Sr. Court Stenographer | 45.38    |
| Damon & Morey, LLP                          | 10.83    |
| Damon & Morey, LLP                          | 315.00   |
| Dana B. Baker                               | 368.00   |
| Daniel Cox, D.C.                            | 15.00    |
| Daniel Schmauss                             | 419.25   |
| Daniel Wheeler                              | 513.63   |
| David Jackson                               | 550.00   |
| Dawn Rosser                                 | 416.28   |
| Deborah A. Bruno                            | 200.00   |
| Deborah A. Zito                             | 12.00    |
| Denall, Vitrano And Associates              | 364.63   |
| Denall, Vitrano And Associates              | 159.30   |
| Denall, Vitrano And Associates              | 963.10   |
| Denall, Vitrano And Associates              | 1,228.38 |
| Denall, Vitrano And Associates              | 571.00   |
| Denall, Vitrano And Associates              | 1,461.17 |
| Denall, Vitrano And Associates              | 513.64   |
| Depaolo Crosby Reporting                    | 3,403.20 |
| Depaolo Crosby Reporting                    | 4,347.00 |
| Depaolo Crosby Reporting                    | 1,933.40 |
| Depaolo Crosby Reporting                    | 3,225.60 |
| Depaolo Crosby Reporting                    | 544.00   |
| Depaolo Crosby Reporting                    | 1,067.80 |
| Depaolo Crosby Reporting                    | 1,639.00 |
| Depaolo Crosby Reporting                    | 6,842.35 |
| Diane L. Reboj d/b/a DLR Associates         | 1,050.67 |
| Diane Rahn                                  | 81.31    |
| Diebel's Legal Process Service              | 20.00    |

## 2005 Risk Retention Imprest Account Expenditures

| Payee                               | Total    |
|-------------------------------------|----------|
| A. Marc Tetro, M.D.                 | \$ 15.00 |
| Diebel's Legal Process Service      | 58.00    |
| Diebel's Legal Process Service      | 307.00   |
| Diebel's Legal Process Service      | 430.00   |
| Diebel's Legal Process Service      | 260.50   |
| Diebel's Legal Process Service      | 483.00   |
| Diebel's Legal Process Service      | 336.50   |
| Diebel's Legal Process Service      | 532.50   |
| Diebel's Legal Process Service      | 655.50   |
| Document Advantage                  | 191.54   |
| Donald Burke                        | 278.10   |
| Donald J. Nenno, II, M.D.           | 5.25     |
| Dr. David Speach                    | 250.00   |
| Dr. Purandath Lall                  | 246.47   |
| Dr. Thomas F. Hughes III, MD LLC    | 12.00    |
| Dr. Valerie Vullo                   | 28.50    |
| Dwayne Holley, Sr.                  | 25.00    |
| East Amherst Physical Therapy       | 135.00   |
| Eastwood-Stein                      | 228.90   |
| Eckerd Corporation                  | 30.00    |
| Ellen Silver, LCSW                  | 2.25     |
| Elmer Cone Baker                    | 2,040.00 |
| Enterprise Rent-A-Car               | 706.25   |
| Erie County Medical Center          | 15.00    |
| Erie County Medical Center          | 15.00    |
| Erie County Medical Center          | 15.00    |
| Erie County Medical Center          | 30.00    |
| Erie County Medical Center          | 15.00    |
| Erie County Medical Center          | 15.00    |
| Erie County Medical Center          | 15.00    |
| Erie County Medical Center          | 15.00    |
| Erie County Medical Center          | 15.00    |
| Erie County Medical Center          | 15.00    |
| Erie County Medical Center          | 30.00    |
| Erie County Medical Center          | 15.00    |
| Erie County Medical Center          | 15.00    |
| Ethel Kendricks                     | 45.00    |
| Exacta                              | 582.00   |
| Exacta                              | 200.54   |
| Exacta                              | 48.36    |
| Exacta                              | 154.29   |
| Exacta                              | 1,250.04 |
| Exacta                              | 242.82   |
| Exacta                              | 78.72    |
| Feldman, Kieffer & Herman, LLP      | 25.00    |
| First Niagara Risk Management, Inc. | 135.77   |
| Frank Falzone                       | 6,487.25 |
| Frederick B. McAdam, M.D.           | 15.00    |

## EXHIBIT II

## 2005 Risk Retention Imprest Account Expenditures

| Payee                               | Total    |
|-------------------------------------|----------|
| A. Marc Tetro, M.D.                 | \$ 15.00 |
| Frederick M. Occhino, D.O.          | 178.00   |
| Gaetan A. DiBiasio                  | 51.60    |
| Gene Przespo                        | 480.00   |
| George Salem                        | 606.20   |
| George Zimmermann                   | 117.64   |
| George Zimmermann                   | 59.04    |
| Grand Island Physical Therapy       | 2.62     |
| Gregory Rick                        | 75.00    |
| Gregory Tramont                     | 16.60    |
| H&R Block WHQ, Legal Department     | 15.75    |
| Hamburg Counseling Services, Inc.   | 2.25     |
| Hoelschers Services, Inc.           | 82.67    |
| Horvath Chiropractic Center         | 21.75    |
| Hospice Buffalo, Inc.               | 48.00    |
| IDEX                                | 230.00   |
| IDEX                                | 230.00   |
| Ikon Office Solutions               | 21.65    |
| Jack W. Hunt & Associates           | 1,301.30 |
| Jack W. Hunt & Associates           | 1,092.66 |
| James A. Marchese, Court Reporter   | 155.00   |
| James A. Partacz, Esq.              | 850.00   |
| Jeanette Dennison                   | 133.35   |
| Jeanette Mazurkiewicz               | 62.99    |
| Jeffrey O. Burnett, DO              | 15.75    |
| Jennifer Turesky                    | 271.55   |
| Jerome L. McClain                   | 50.00    |
| Jesslynn Oswald                     | 154.37   |
| Jill Blachaniec                     | 73.34    |
| Jill McKinsey                       | 500.78   |
| Jill R. Draskiewicz, RPR            | 357.50   |
| JMS Scanning & Copy Services, Inc.; | 67.64    |
| Jody Keem                           | 162.33   |
| John A. Villafranca                 | 559.00   |
| John Bender                         | 669.11   |
| John J. Bodkin, II, M.D.            | 15.00    |
| John McNeal                         | 80.00    |
| John Santillo                       | 216.50   |
| John Santospirito                   | 112.60   |
| Joseph J. Maute                     | 319.50   |
| Joseph Lume                         | 963.71   |
| Joseph Vitale                       | 536.27   |
| Kailash C. Lall, MD                 | 2.99     |
| Kaleida Buffalo General Hospital    | 15.00    |
| Kaleida Buffalo General Hospital    | 15.00    |
| Kaleida Buffalo General Hospital    | 15.00    |
| Kaleida Buffalo General Hospital    | 15.00    |
| Kaleida Buffalo General Hospital    | 15.00    |
| Kaleida Buffalo General Hospital    | 15.00    |

## 2005 Risk Retention Imprest Account Expenditures

| Payee   | Total    |
|---|----------|
| A. Marc Tetro, M.D.                                       | \$ 15.00 |
| Kaleida Buffalo General Hospital                          | 30.00    |
| Kaleida Buffalo General Hospital                          | 15.00    |
| Kaleida Buffalo General Hospital                          | 15.00    |
| Kaleida Buffalo General Hospital                          | 15.00    |
| Kaleida Buffalo General Hospital                          | 15.00    |
| Kara A. Hartman   | 35.75    |
| Karen Lougen  | 200.00   |
| Kathleen Stegner  | 89.95    |
| Kathleen Sullivan   | 800.00   |
| Kathy Greenacker  | 75.77    |
| Kenmore Mercy Hospital                                    | 79.43    |
| Kenneth Kurtz & Associates                                | 7.50     |
| Kevin Kliensmith  | 53.33    |
| Kim M. Haettich   | 162.25   |
| Kristin Klein Wheaton                                     | 438.37   |
| Kristin Klein Wheaton                                     | 75.88    |
| Kristin Klein Wheaton                                     | 78.40    |
| Kyle Johnson  | 944.86   |
| Lake Shore Hospital                                       | 15.00    |
| Lauren Getz   | 64.00    |
| Laverne Wannemacher                                       | 183.48   |
| Le'Shawn Thompson   | 50.00    |
| Lifetime Health   | 75.00    |
| Lifetime Health   | 12.00    |
| Lifetime Health   | 25.50    |
| Linda L. Wolniewicz                                       | 48.00    |
| Lipsitz, Green, Fahringer, Roll, Salisbury & Cambria, LLP | 206.10   |
| Lipsitz, Green, Fahringer, Roll, Salisbury & Cambria, LLP | 108.00   |
| Lisa A. Mullane, RPR                                      | 30.00    |
| Lisa G. Pazderski   | 43.00    |
| Lisa G. Pazderski   | 904.50   |
| Liza G. Pazderski   | 15.00    |
| Lockport Memorial Hospital                                | 60.00    |
| Loubert S. Suddaby, M.D.                                  | 5.85     |
| Loubert Suddaby, M.D.                                     | 139.92   |
| Louise O. Cerrone   | 65.25    |
| Louise O. Cerrone   | 77.36    |
| Luisa Borrelli  | 45.46    |
| Lustig & Brown, LLP                                       | 32.48    |
| Manendra Mirani, MD                                       | 9.00     |
| Mark Cross  | 500.00   |
| Mark L. Miller  | 339.62   |
| Mary Jo M. Dean, Court Reporter                           | 20.00    |
| Mary Szatkowski   | 362.21   |
| Mattar & D'Agostino, LLP                                  | 780.97   |
| Mattar & D'Agostino, LLP                                  | 203.50   |
| Maureen Majewski  | 265.42   |
| Medical Records Corporation Of Maryland                   | 80.00    |

## 2005 Risk Retention Imprest Account Expenditures

| Payee                                     | Total    |
|---|----------|
| A. Marc Tetro, M.D.                       | \$ 15.00 |
| Melissa B. Wilson                         | 96.35    |
| Melissa LoTempio                          | 1,966.50 |
| Metro Reporting Services                  | 277.70   |
| Metro Reporting Services                  | 460.50   |
| Michael D. Calabrese Physician, PC        | 195.20   |
| Michael J. Bloom, M.Sc., M.D., F.A.A.F.P. | 175.50   |
| Michael Martin, Official Court Reporter   | 20.00    |
| Michael McCarthy                          | 306.59   |
| Michael T. Grant, M.D.                    | 28.50    |
| Michael T. Grant, M.D.                    | 30.50    |
| Michael Wurster                           | 500.00   |
| Michell A. Jacob, Official Court Reporter | 1,256.00 |
| Millard Fillmore Suburban Hospital        | 15.00    |
| Morgante Family Chiropractic, LLP         | 9.75     |
| Nancy Guzik                               | 210.59   |
| Niagara Falls Memorial Hospital           | 15.00    |
| Niagara Frontier Psychiatry               | 6.00     |
| Niagara Frontier Transportation Authority | 20.00    |
| Nicholas Leyland                          | 402.71   |
| Niswander Eye Center                      | 7.50     |
| NOAA National Data Center                 | 34.00    |
| NYS Division Of Human Rights              | 46.05    |
| NYS Division Of Human Rights              | 19.50    |
| Orchard Park Family Practice P.C.         | 17.25    |
| P.K. Parikh, M.D.                         | 2.62     |
| Pacer Service Center                      | 129.14   |
| Pauline Landes                            | 261.63   |
| Philip M. Stegemann, M.D.                 | 250.00   |
| Phillips, Lytle Et. Al.                   | 1,591.21 |
| Raphael Torres                            | 20.00    |
| Regina Hanchak                            | 507.72   |
| Rensselaer County Sheriff                 | 20.52    |
| Richard A. Wall                           | 750.00   |
| Richard A. Wall, Ph.D, CFA                | 650.00   |
| Rita Woodward                             | 514.12   |
| Riverfront Medical Services, Inc.         | 271.50   |
| Robert M. Woods                           | 50.00    |
| Robson Lapina                             | 343.75   |
| Rodney C. Early, Clerk Of The Court       | 250.00   |
| Rodney C. Early, Clerk Of The Court       | 250.00   |
| Rodney C. Early, Clerk Of The Court       | 250.00   |
| Ron Carney/ACS Copy                       | 330.87   |
| Ronald L. Burrows, PhD                    | 33.98    |
| Rose M. McGee                             | 227.33   |
| Roseann Kroboth                           | 36.00    |
| Roxanne Huyler                            | 84.33    |
| Rupp, Baase, Pfalzgraf, & Cunningham, LLC | 175.63   |
| Rural Metro Medical                       | 4.50     |

## EXHIBIT II

## 2005 Risk Retention Imprest Account Expenditures

| Payee                                    | Total     |
|--|-----------|
| A. Marc Tetro, M.D.                      | \$ 15.00  |
| Rural Metro Medical                      | 3.75      |
| Rural Metro Medical                      | 3.75      |
| Ruthanne Wannop                          | 74.26     |
| Ruthanne Wannop                          | 73.21     |
| Ruthanne Wannop                          | 70.81     |
| Sanders Legal                            | 36.00     |
| Sanders Legal                            | 65.00     |
| Sanders Legal                            | 210.00    |
| Sanders Legal                            | 87.00     |
| Sandra A. Lelito                         | 15.00     |
| Sandra Sweeney                           | 200.00    |
| Seneca Blue Print                        | 32.56     |
| Seneca Blue Print                        | 12.50     |
| Sheila O. Thie, Court Stenographer       | 107.25    |
| Shelia O. Thie                           | 98.00     |
| Sinus Center Of WNY At ECMC              | 9.00      |
| Smart Document Solutions, LLC            | 15.00     |
| Smart Document Solutions, LLC            | 15.00     |
| Sound Video Solutions                    | 75.00     |
| Southtowns Physical Therapy Group, P.C.  | 124.00    |
| Southtowns Radiology Associates, LLC     | 120.00    |
| Star Program/Sisters Of Charity Hospital | 15.00     |
| Stehlin & Brummer Reporting Service      | 593.75    |
| Stephen J. Metschl & Associates          | 326.25    |
| Stephen J. Metschl & Associates          | 169.25    |
| Stephen J. Metschl & Associates          | 1,080.75  |
| Stephen J. Metschl & Associates          | 1,325.75  |
| Stephen Jasinski                         | 346.40    |
| Stephone Jordan                          | 30.00     |
| Steven R. Caprow, DC                     | 17.00     |
| Suburban Psychiatric Associates, LLP     | 11.56     |
| Sue Ann Simonin Court Reporting, Inc.    | 1,312.50  |
| Sue Ann Simonin Court Reporting, Inc.    | 932.70    |
| Sue Ann Simonin Court Reporting, Inc.    | 1,220.15  |
| Sue Ann Simonin Court Reporting, Inc.    | 654.00    |
| Surburban Psychiatric Associates, Llp    | 3.60      |
| Surgical Associates Of WNY, PC           | 6.83      |
| Susan Baldasarri, M.D.                   | 23.75     |
| Susan M. Bianchi                         | 427.37    |
| Suzanne Marasi                           | 21,249.58 |
| Sweet Home Central School District       | 20.00     |
| Tamara M. Piscitello                     | 253.00    |
| Tammy White                              | 297.09    |
| The Barnes Firm                          | 13.50     |
| The Copy Store                           | 6.00      |
| The Copy Store                           | 51.78     |
| The Copy Store                           | 199.43    |
| The Daily Record                         | 357.40    |

## 2005 Risk Retention Imprest Account Expenditures

| Payee   | Total                |
|---|----------------------|
| A. Marc Tetro, M.D.                               | \$ 15.00             |
| The Daily Record                                  | 95.80                |
| The Daily Record                                  | 1,187.79             |
| The Daily Record                                  | 121.40               |
| Thomas G. Lyons, D.C.                             | 15.00                |
| Thomas Kelly                                      | 97.41                |
| Timothy T. Longwith                               | 150.29               |
| Town Of Amherst                                   | 15.00                |
| Town Of Amherst Police Department                 | 20.00                |
| Travco Insurance Company                          | 597.04               |
| Troy Wilson                                       | 50.00                |
| U.S. District Court, Western District Of New York | 12.50                |
| United Services Automobile Association            | 699.83               |
| URS Corporation                                   | 2,742.50             |
| Valerie Leuthe                                    | 2,470.24             |
| Valerie Leuthe                                    | 24,672.15            |
| Vincent J. Alimonti, Jr.                          | 758.02               |
| Virginia Copti, Supreme Court Reporter            | 220.37               |
| VOID  | 0.00                 |
| Waters Of Aurora Park                             | 245.25               |
| WCA Services Corp - Alstar EMS                    | 6.75                 |
| Webster Szanyi, LLP                               | 38.97                |
| Wendy Raber                                       | 671.09               |
| Wendy Royce McCann                                | 125.00               |
| Wendy Royce McCann                                | 430.60               |
| Western New York Urology Associates, LLC          | 10.50                |
| Wilbert Hockenbury                                | 30.00                |
| Willcare  | 189.00               |
| William Capicotto, M.D.                           | 160.43               |
| William J. Flynn, MD                              | 15.00                |
| William N. Capicotto, M.D.                        | 142.54               |
| Williamsville Medical Imaging, P.C.               | 1.50                 |
| Windsong Radiology, P.C.                          | 1.50                 |
| Worker's Compensation Board                       | 133.50               |
| Worker's Compensation Board                       | 89.50                |
| Zenith Medical, P.C.                              | 112.13               |
| <b>Grand Total</b>                                | <b>\$ 161,039.16</b> |

**2005 EXPENDITURES  
PROFESSIONAL SERVICE CONTRACTS AND FEES**

| <b>Vendor Name</b>             | <b>Description</b>   | <b>Total</b>               |
|--------------------------------|--|----------------------------|
| AUDREY MINKEL CSR              | *39.20050057 - Juan Carlos Rivera                          | \$ 96.80                   |
| BOLTON-ST JOHNS INC            | Lobbying Fees  | 10,000.00                  |
| BOLTON-ST JOHNS INC            | Lobbying Fees - Contract#04-631-LA                         | 5,000.00                   |
| Bee Group Newspapers           | *Legal Notice - Public Hearing LL#10-2005                  | 12.87                      |
| Bee Group Newspapers           | *Local Law - Prevent Misuse of Photo Phones                | 11.39                      |
| Bee Group Newspapers           | *Local Law No. 1 - 1959                                    | 14.85                      |
| Bee Group Newspapers           | *Local Law No. 11 of 2005                                  | 16.34                      |
| Bee Group Newspapers           | *Local Law No. 2 - 1992                                    | 13.37                      |
| Bee Group Newspapers           | *Local Law No. 8 of 2005                                   | 14.85                      |
| Bee Group Newspapers           | *Resolution #133 - 2005                                    | 11.39                      |
| Bridgit P. Marszalkowski       | *Appellate Div. - Russell v. COB                           | 5,370.75                   |
| COMMAND INFORMATION SERVICES   | 2005 Opinion of Comptroller-Order#46877                    | 80.00                      |
| Damon & Morey PC               | Outside Counsel Fees -City of Buffalo bankruptcy           | 595.00                     |
| Damon & Morey PC               | Outside Counsel Fees-Adelphia claim - Bankruptcy           | 889.50                     |
| Damon & Morey PC               | Outside Counsel Fees-Bond issue                            | 105.00                     |
| Damon & Morey PC               | Outside Counsel Fees-ECC-SEQR/RAN issue                    | 315.00                     |
| Damon & Morey PC               | Outside Counsel Fees-ECFSA                                 | 315.00                     |
| Damon & Morey PC               | Outside Counsel Fees-ECMCC Sale agreement                  | 3,325.00                   |
| Damon & Morey PC               | Outside Counsel Fees-ECMCC Subsidy                         | 70.00                      |
| Damon & Morey PC               | Outside Counsel Fees-Ran issue /ECFSA                      | 2,170.00                   |
| Damon & Morey PC               | Outside Counsel Fees-Ran issue 2004                        | 1,225.00                   |
| DEAF ADULT SERVICES            | *Court Interpreter Services - Alice                        | 105.00                     |
| DEAF ADULT SERVICES            | *Court Interpreter Services - Michelle                     | 105.00                     |
| DEAF ADULT SERVICES            | *Thomas Madill   | 105.00                     |
| ECMC (TWO VENDOR #S 114653)    | Record Outside Attny Services for ECMCC                    | 17,690.00                  |
| FEATHERSTONHAUGH CONWAY        | Federal Express charges paid by vendor                     | 14.15                      |
| FEATHERSTONHAUGH CONWAY        | Lobbying Fees  | 3,116.66                   |
| FRONT PAGE GROUP INC           | Legal Notices  | 191.10                     |
| Harter, Secrest & Emery LLP    | *1.20050006 - Gallivan v. COE                              | 74.00                      |
| Harter, Secrest & Emery LLP    | *1.20050010 - Naples v. COE                                | 462.50                     |
| Harter, Secrest & Emery LLP    | *1.20050011 - Warren v. COE                                | 1,112.25                   |
| HISCOCK & BARCLAY              | *31.20040044 - Pritchard                                   | 75,880.55                  |
| HISCOCK & BARCLAY              | Outside Counsel Fees - EC General Matters                  | 1,405.10                   |
| HISCOCK & BARCLAY              | Outside Counsel Fees - Pritchard                           | 10,594.90                  |
| HODGSON, RUSS LLP              | GR/IR adjustment   | (10.00)                    |
| INTL INSTITUTE OF BFLO         | *Court Ordered Interpreter Services                        | 1,160.00                   |
| INTL INSTITUTE OF BFLO         | *Interpreting Services - Anan Rivera - 12/19/2005          | 80.00                      |
| INTL INSTITUTE OF BFLO         | *Interpreting Services - Jesus Diaz - 10/31/2005           | 80.00                      |
| Lipsitz, Green ETAL            | *13.20030042 - Wrobel                                      | 5,587.81                   |
| Lipsitz, Green ETAL            | *13.20040006 - Rebrovich                                   | 491.84                     |
| Magavern, Magavern & Grimm LLP | *1.20050012 - Mohr v. Giambra (Mohr I)                     | 8,786.42                   |
| Magavern, Magavern & Grimm LLP | *1.20050018 - Mohr v. Greenan (Mohr II)                    | 1,778.30                   |
| Magavern, Magavern & Grimm LLP | *16.20040098 - ECMC I                                      | 46,212.45                  |
| Magavern, Magavern & Grimm LLP | *21.20050025 - EC Budget Litigation - 2005                 | 8,801.55                   |
| Magavern, Magavern & Grimm LLP | *City-County Merger  | 8,402.00                   |
| Magavern, Magavern & Grimm LLP | *General Matters   | 435.00                     |
| Magavern, Magavern & Grimm LLP | Outside Counsel Fees - City County merger meeting          | 174.00                     |
| Magavern, Magavern & Grimm LLP | Outside Counsel Fees - Dept of Family Services             | 1,745.75                   |
| Magavern, Magavern & Grimm LLP | Outside Counsel Fees - ECMC vs COE                         | 1,631.25                   |
| Magavern, Magavern & Grimm LLP | Outside Counsel Fees - HIPPA & employee handbook           | 297.00                     |
| Magavern, Magavern & Grimm LLP | Outside Counsel Fees - HIPPA Policies                      | 3,926.00                   |
| Magavern, Magavern & Grimm LLP | Outside Counsel Fees - HIPPA security / risk               | 1,221.00                   |
| Magavern, Magavern & Grimm LLP | Outside Counsel Fees - Opinion on abolition of positions   | 2,376.00                   |
| Magavern, Magavern & Grimm LLP | Outside Counsel Fees - Vacancy appoint Sheriff/Comptroller | 3,575.50                   |
| Magavern, Magavern & Grimm LLP | Outside Counsel Fees- ECMCC - Home sale                    | 174.00                     |
| Mattar & D'Agostino            | *31.20020032 - Bennett                                     | 111.00                     |
| Mattar & D'Agostino            | *31.20040044 - Pritchard                                   | 6,277.15                   |
| Phillips Lytle Hitchcock       | *10.20010023 - Tolbert                                     | 15,803.17                  |
| Phillips Lytle Hitchcock       | *9.20020003 - Flaherty                                     | 41,960.97                  |
| Phillips Lytle Hitchcock       | Outside Counsel Fees - General advice - Auditor Letter     | 150.00                     |
| Phillips Lytle Hitchcock       | Outside Counsel Fees - Tolbert vs Adamczyk et. al.         | 6,105.00                   |
| Roscetti & Decastro PC         | *NYS Power Authority Relicensing                           | 6,000.00                   |
| SOFTWARE TECHNOLOGY INC        | Casemaster-Practicemaster                                  | 2,025.00                   |
| The Sun                        | Legal Notices  | 71.40                      |
| THOMSON WEST                   | Online Research  | 6,453.62                   |
| THOMSON WEST                   | Reclass Exp from a/c 510200 Training                       | 10,829.87                  |
| Zito Deborah A                 | *Appellate Div. Russell v. COB                             | 3,291.75                   |
| <b>Grand Total</b>             |  | <b><u>\$336,513.12</u></b> |



## Risk Retention Expenditures 2006

### Risk Accounts <sup>1</sup>

| Vendor Name  | Description                                   | Total        |
|--|---|--------------|
| A. Robert Gilson and Shirley Gilson                          | *35.20010004 - Gilson v COE Settlement        | \$ 49,676.62 |
| ACCRUAL  | 2005 Audit AJE-Claims & Judgments             | (600,000.00) |
| ACCRUAL  | 2006 Direct Pays in 2007                      | 126,580.80   |
| ACCRUAL  | Accrual                                       | 68,900.00    |
| ACCRUAL  | Correct 2005 posting                          | 155,603.47   |
| ACCRUAL  | Insurance Premiums                            | (132,575.75) |
| Amica Mutual Insurance                                       | *28.20050026 - Amica                          | 2,764.89     |
| Andrews, Herstein & Maranto and Abdul Shaheed                | *31.20010022 - Shaheed Settlement             | 320,000.00   |
| Anthony Schifano   | *13.20050075 - Schifano Settlement            | 5,700.00     |
| Barth Sullivan Hehr  | *32.20010006 Carney Settlement                | 2,000.00     |
| Batavia Legal Printing                                       | *16.00970186 - Preparation of Record          | 3,634.60     |
| Berkowitz & Pace   | *10.20010023 - Tolbert                        | 5,260.00     |
| Bonnie G. Tolbert and David Seeger                           | *10.20010023 - Tolbert                        | 57,500.00    |
| Burgio Kita & Curvin   | *19.20030004 - Marion v. COE                  | 3,731.00     |
| Burgio Kita & Curvin   | *31.20010022 - Sheheed                        | 3,690.00     |
| Charles J Vacanti MD PC                                      | *16.00990106 - DiVincenzo                     | 8,875.00     |
| Charles J. Mustaller   | *31.20030053 - Mustaller Settlement           | 1,500.00     |
| Chart One Inc  | *16.20060020 - Frank                          | 1,769.05     |
| Christopher Walczak  | *13.20060138 - Walczak Settlement             | 1,160.00     |
| CMR Claims c/o Verizon                                       | *13.20050087 - Settlement                     | 3,126.33     |
| CONFIDENTIAL   | *1.20000011 - CONFIDENTIAL                    | 150,000.00   |
| CONFIDENTIAL   | *15.20050002 - CONFIDENTIAL                   | 5,000.00     |
| Darryl R. Styn   | *12.20060021 - Styn Settlement                | 3,868.80     |
| Dave Liskiewicz  | *25.20060021 - Liskiewicz Settlement          | 1,321.19     |
| David Burnette   | *25.20060013 - Burnette Settlement            | 2,567.00     |
| David Kaufman MD   | *16.00980116 - Hammell                        | 1,375.00     |
| David Kaufman MD   | *16.20010007                                  | 2,125.00     |
| Dawn Wagner  | *13.20060103 - Wagner Settlement              | 1,189.42     |
| Denise L. Brinson  | *16.20030080 - Brinson Settlement             | 20,000.00    |
| Donna Purves and Bruce Purves and The Carey Firm, LLC        | *13.20010218 - Perves Settlement              | 135,000.00   |
| Edward C. Crangle  | *13.20060112 - Settlement                     | 880.00       |
| Elmer Cone Baker   | *Transcript Family Court - Poor Person Status | 1,888.00     |
| Erie Insurance Co.   | *13.20060020 - Erie Ins. Settlement           | 2,059.78     |
| Eugene C. Tenney   | *25.20000020                                  | 4,000.00     |
| First Financial Asset Management                             | *31.20050007 - Probst Settlement              | 1,405.77     |
| Gibson, McAskill & Crosby, LLP                               | *19.20030004 - David Marion v COE             | 500,000.00   |
| Gibson, McAskill & Crosby, LLP                               | *19.20030004 - James Marion v COE             | 100,000.00   |
| Handelman, Witkowitz, & Levitsky                             | *13.20050027 - Laduca settlement              | 4,000.00     |
| Harris Beach Attys at Law                                    | *31.20040044 - Pritchard - Inv. #1649890      | 1,319.50     |
| Harris Beach Attys at Law                                    | *32.20040044 - Pritchard                      | 5,528.50     |
| Harry Dobson   | *25.20050018 - Dobson                         | 1,509.62     |
| Heather Kacala, Aaron Kacala and Arcangelo J. Petricca, Esq. | *15.20020035 - Kacala Settlement              | 5,000.00     |
| Hiscock & Barclay  | *31.20040044 - Pritchard                      | 237,618.26   |
| Jaeckle Fleischmann & Mugel LLP                              | *20.20060001 - EC Sheriff                     | 6,552.50     |
| Jaeckle Fleischmann & Mugel LLP                              | *31.20060031 - EC Sheriff                     | 9,970.00     |
| James E Morris   | *32.20010006 - Carney                         | 1,100.00     |
| James L. Bass and David J. Seeger                            | *31.20050020 - Bass                           | 20,000.00    |
| James M. Hassett MD  | *16.20030043 - O'Brien v COE                  | 2,400.00     |
| James P. Davis Esq..   | *18.20030003 - Spann Settlement               | 17,500.00    |
| James R. Carney, Mary Carney, Theresa A. Carney              | *32.20010006 - Carney                         | 112,500.00   |
| Jamie Lawrence and Linda Hassberg                            | *28.20020033 - Lawrence                       | 35,000.00    |
| Jason Chudzik  | *13.20060125 - Chudzik Settlement             | 1,030.00     |
| Jason Galley and Barbara Galley                              | *31.20050050                                  | 3,500.00     |
| Jeffery C. Sundquist   | *33.20060001 - Sundquist Settlement           | 4,150.00     |
| Jeffery E. Marion Esq.                                       | *28.20040030 - Ferdiando Cimato Settlement    | 6,500.00     |
| Joel Lang  | *13.20060157 - Lang Settlement - Damage       | 1,462.00     |
| John Diebel  | *18.00970009 - Diebel Settlement              | 2,500.00     |
| John Leddy   | *13.20030140 - Reynolds                       | 1,650.00     |

## Risk Retention Expenditures 2006

### Risk Accounts <sup>1</sup>

| Vendor Name  | Description                               | Total      |
|--|---|------------|
| John Lloyd Egan, Jr.                                     | *31.20030054 - Baez Settlement            | 50,000.00  |
| John S McIntyre MD                                       | *16.00990170 - Boyar                      | 1,500.00   |
| Joseph Malorana  | *15.20060013 - Maiorana Settlement        | 2,575.13   |
| Kenney, Shelton, Liptak & Nowak                          | *13.20010238 - Kozak v. COE settlement    | 4,500.00   |
| Kim F, Turner  | *30.20020006 - Turner Settlement          | 75,000.00  |
| Lawley Service Insurance Group                           | *28.20040005 - Insurance                  | 73,780.00  |
| Lawrence M. Levine                                       | *13.20010218 - Purves v. COE              | 7,880.00   |
| Lawrence M. Levine                                       | *13.20030105 - Smith v. COE               | 4,080.00   |
| Legal Med  | *13.20030139 - Krull                      | 2,312.50   |
| Lewis & Lewis, PC  | *35.20010004 - Gilson v COE Settlement    | 30,323.38  |
| Lillian A. DeChillis                                     | *13.20060065 - DeChillis Settlement       | 1,000.00   |
| Lipsitz, Green Etal                                      | *13.20030024 -File No. 32092.0020         | 2,462.39   |
| Lipsitz, Green Etal                                      | *13.20030042 - Wrobel                     | 7,524.31   |
| Lipsitz, Green Etal                                      | *13.20040006 - Rebrovich                  | 10,774.68  |
| Lipsitz, Green, Fahringer, Roll, Salisbury & Cambria     | *16.00980116 - Caswell Settlement         | 800,000.00 |
| Lipsitz, Green, Fahringer, Roll, Salisbury & Cambria LLP | *16.20020080 - Grinage Settlement         | 30,000.00  |
| Lotempio & Brown and Kathleen Besch                      | *13.20020130 - Besch Settlement           | 10,000.00  |
| Louis Gonzalez   | *31.20040035 - Gonzalez Settlement        | 2,809.24   |
| Magavern, Magavern & Grimm LLP                           | *1.20050012 - Mohr 1                      | 7,644.75   |
| Magavern, Magavern & Grimm LLP                           | *1.20050012 - Mohr I                      | 1,869.46   |
| Magavern, Magavern & Grimm LLP                           | *1.20050018 - Mohr II                     | 19,037.75  |
| Magavern, Magavern & Grimm LLP                           | *16.20040098 - ECMC 1                     | 4,493.25   |
| Magavern, Magavern & Grimm LLP                           | *16.20040098 - ECMC I                     | 27,015.42  |
| Margaret Murphy, Esq.                                    | *1.20000011- Settlement - Krause/Murphy   | 30,000.00  |
| Mark Hudzinski   | *13.20060126 - Hudzinski Settlement       | 2,000.00   |
| Mattar & D'Agostino                                      | *31.20020032 - Bennett                    | 20,668.67  |
| Mattar & D'Agostino                                      | *31.20020032 - Bennett 15241-A            | 5,808.60   |
| Mattar & D'Agostino                                      | *31.20020032 - Bennett v. COE             | 2,444.85   |
| Mattar & D'Agostino                                      | *31.20040044 - Pritchard                  | 56,913.55  |
| Matthew Mueller  | *13.20060078 - Mueller Settlement         | 1,386.00   |
| Matusick, Spadafor & Verrastro                           | *13.20030016 - Bett Settlement            | 20,000.00  |
| McManus Peard Gesl Inc                                   | *Employee Dishonesty and "triple D" bonds | 20,582.00  |
| Michael A Torres MD MBA                                  | *16.20000031 - Dietrich                   | 3,000.00   |
| Midland Asphalt Materials, Inc.                          | *13.20060014 - Midland Asphalt Settlement | 5,358.59   |
| Mr. and Mrs. William E. Schultz                          | *13.20020136 - Schultz                    | 60,000.00  |
| Municipal Insurance Consultant                           | *Stadium Renewal                          | 4,575.00   |
| Municipal Insurance Consultant                           | Insurance Consulting Fee                  | 10,000.00  |
| Municipal Insurance Consultant                           | Insurance Consulting Fees                 | 6,500.00   |
| Mustafa Yamani and Law Offices of James E. Morris        | *9.20020009 - Yamani Settlement           | 25,000.00  |
| New York Central Mutual                                  | *13.20060074 - NY Central Mutual          | 1,322.74   |
| Nicole M. Blatner  | *13.20060002 - Blatner                    | 4,089.04   |
| One Beacon Insurance Company                             | *25.20060004 - Regan                      | 3,413.97   |
| Patrick Barnum   | *31.20040032 - Barnum Settlement          | 1,500.00   |
| Paul Numeracki   | *25.20050016 - Numeracki                  | 2,584.96   |
| Peerless Insurance Co.                                   | *13.20060015 - Peerless Settlement        | 1,511.87   |
| Phillips Lytle Hitchcock                                 | *9.20020003 - Flaherty                    | 4,900.74   |
| Progressive Northwestern                                 | *19.20040002 - Sennett Settlement         | 3,290.30   |
| Richard A Wall PHD CFA                                   | *31.20020032 - Bennett                    | 1,200.00   |
| Roach, Brown, McCarthy & Gruber PC                       | *16.20010007 - Drake v. COE               | 3,634.50   |
| Roach, Brown, McCarthy & Gruber PC                       | *16.20030019 - Fahnestock                 | 11,567.00  |
| Robert H. Perk   | *6.00980083 - Kwasniewski Settlement      | 7,000.00   |
| Robert S Novak   | *13.20050005 - Novak                      | 4,500.00   |
| Robson Forensic Inc                                      | *13.20020136 - Schultz                    | 12,098.25  |
| Robson Forensic Inc                                      | *13.20020136 - Schultz v COE              | 6,711.26   |
| Roland M Cercone PLL                                     | *31.200000018                             | 29,793.75  |
| Roland M Cercone PLLC                                    | *16.20010113 - Curtis v. ECMC Settlement  | 22,500.00  |
| Ryder Truck Rental, Inc.                                 | *15.20060011 - Ryder Settlement           | 2,083.67   |
| Security Mutual Insurance Co.                            | *13.20050095 - Settlement                 | 5,834.22   |

## Risk Retention Expenditures 2006

### Risk Accounts <sup>1</sup>

| Vendor Name                       | Description                                      | Total                         |
|-----------------------------------|--|-------------------------------|
| Shaw & Shaw, PC                   | *6.20010023 - Hark                               | 15,000.00                     |
| Shekinah Brown                    | *13.20060016 - Brown                             | 1,493.63                      |
| State Farm Insurance              | *13.20020014 - State Farm Settlement             | 11,483.26                     |
| State Insurance Fund              | *32.00990004 - Scanlon v COE Settlement          | 5,000.00                      |
| Susannah M Bochenek Custodian     | *April 2006 Reconciliation                       | 2,460.89                      |
| Susannah M Bochenek Custodian     | *April 2006 Risk Reimbursement                   | 4,032.82                      |
| Susannah M Bochenek Custodian     | *August 2006 Reimbursement                       | 2,676.06                      |
| Susannah M Bochenek Custodian     | *December 2006 Reimbursement                     | 5,718.62                      |
| Susannah M Bochenek Custodian     | *July 2006 Reimbursement                         | 2,370.90                      |
| Susannah M Bochenek Custodian     | *June 2006 Reimbursement                         | 7,074.13                      |
| Susannah M Bochenek Custodian     | *March 2006 Reconciliation                       | 4,227.50                      |
| Susannah M Bochenek Custodian     | *May 2006 Risk Reimbursement                     | 8,528.31                      |
| Susannah M Bochenek Custodian     | *November 2006 Reimbursement                     | 1,429.46                      |
| Susannah M Bochenek Custodian     | *October 2006 Reimbursement                      | 1,881.67                      |
| Susannah M Bochenek Custodian     | *Risk Imprest Reimbursement                      | 1,654.24                      |
| Susannah M Bochenek Custodian     | *September 2006 Reimbursement                    | 654.43                        |
| Susannah M Bochenek Custodian     | Litigation Disbursements                         | 16,261.16                     |
| Susannah M Bochenek Custodian     | Travel & Mileage-Litigation                      | 6.50                          |
| Susannah M Bochenek Custodian     | (blank)  | 142,173.35                    |
| The Daily Record                  | *32.20030013 - Swierczynski v. COE               | 1,347.80                      |
| Thomas Rogalski                   | *13.20060003 - Rogalski Settlement               | 1,563.14                      |
| Thomson West                      | *31.20040060 - Thomson West Settlement           | 4,000.00                      |
| Travco Insurance Company          | *19.20050001 - Travco a/s/o Gerrety Settlement   | 2,414.11                      |
| UBA Fire Inc                      | *32.20010006 - Carney                            | 3,188.75                      |
| Vanner Insurance Agency           | *28.20000080 - Bills Stad, Botanical Gardens Ins | 122,753.92                    |
| Verizon                           | *13.20050153 - settlement                        | 722.00                        |
| Verizon New York, Inc.            | *13.20050085 - Verizon Settlement                | 3,000.00                      |
| Verizon New York, Inc.            | *13.20050089 - Verizon Settlement                | 4,200.00                      |
| Virginia Cobti                    | *16.00990106 - DiVincenzo                        | 1,380.00                      |
| William H. Scott, Jr.             | *13.20060130 - Scott Settlement                  | 1,116.00                      |
| Wilson Farms, Inc.                | *13.20060050 - Wilson Farms                      | 1,407.25                      |
| Winship Rehabilitation Inc        | *16.00980116 - Caswell v. COE                    | 3,500.00                      |
| YE CLOSE                          | Close 2005 Balance                               | (1,955.54)                    |
| Zurich American Insurance Company | *16.20020080 - Grinage Settlement                | 30,000.00                     |
| <b>Grand Total</b>                |  | <b><u>\$ 3,495,486.50</u></b> |

<sup>1)</sup> Risk Accounts include:

|        |                                      |
|--------|--------------------------------------|
| 555000 | General Liability                    |
| 555010 | Settlements & Judgments - Litigation |
| 555020 | Travel & Mileage - Litigation        |
| 555030 | Litigation Disbursements             |
| 555040 | Expert/Consulting Fees - Litigation  |
| 555050 | Insurance Premiums                   |

## EXHIBIT V

## 2006 Risk Retention Imprest Account Expenditures

| Payee   | Total    |
|---|----------|
| Accurate Reporting                            | \$ 72.50 |
| Accurate Reporting                            | 264.50   |
| Accurate Reporting                            | 155.52   |
| Accurate Reporting                            | 568.50   |
| Adam's Mark                                   | 103.63   |
| Advanced Diagnostic Pain Treatment Centers    | 150.00   |
| Agnes Richards                                | 245.00   |
| Albany County Clerk                           | 35.00    |
| All Care Physical Therapy Services, P.C.      | 15.00    |
| Altona Correctional Facility                  | 28.50    |
| Ambulatory Surgery Center Of WNY              | 12.50    |
| American Arbitration Association              | 4.00     |
| Amherst Chiropractic Associates               | 47.25    |
| Amherst Medical Associates, LLP               | 35.25    |
| Amherst Orthopedics                           | 21.00    |
| Amy E. Coghlan                                | 440.00   |
| Amy Weiss                                     | 195.00   |
| Ann Young a/k/a Mance                         | 400.00   |
| Anne H. Boyle                                 | 222.83   |
| Apex Reporting, Inc.                          | 404.70   |
| Apex Reporting, Inc.                          | 136.30   |
| Appellate Division, Fourth Department         | 360.00   |
| Appellate Division, Fourth Department         | 45.00    |
| Appellate Division, Fourth Department         | 45.00    |
| Ashley Klahn                                  | 956.00   |
| Associated Reporters Int'l., Inc.             | 220.03   |
| Atkinson-Baker, Inc.                          | 289.81   |
| Autumn View Health Care Facility              | 60.27    |
| Barbara A. Boughton                           | 481.35   |
| Barbara Andrzejewski                          | 172.00   |
| Barry L. Radlin                               | 112.50   |
| Batavia Legal Printing                        | 317.89   |
| Betty Sante                                   | 200.00   |
| BJ Bates Jackson Engraving Company, Inc.      | 117.94   |
| Brian Cox                                     | 14.25    |
| Brian E. MacKenzie                            | 130.00   |
| Brown & Tarantino                             | 643.04   |
| Bruce Becker, MD                              | 20.00    |
| Bruce G. Bennett                              | 50.00    |
| Bry-Lin Hospital                              | 10.00    |
| Buffalo Board Of Education                    | 63.50    |
| Buffalo Cardiology & Pulmonary Associates, PC | 11.12    |
| Buffalo Ergonomics & Rehabilitation Services  | 15.00    |
| Buffalo General Hospital                      | 15.00    |
| Buffalo Hearing And Speech Center             | 0.75     |
| Buffalo Neurosurgery Group                    | 6.00     |
| Burnett Health Care                           | 10.50    |
| Buyers & Kaczor Reporting Services            | 568.25   |
| C. William Marts                              | 57.71    |

## EXHIBIT V

## 2006 Risk Retention Imprest Account Expenditures

| Payee  | Total     |
|--|-----------|
| Carolyn A. Vario   | 11.00     |
| Carrie Waterman  | 1,100.00  |
| Cecelia Kubant   | 98.00     |
| Chart One, Inc.  | 53.02     |
| Chart One, Inc.  | 58.35     |
| Chart One, Inc.  | 30.33     |
| Cheryl L. Hornberger                                       | 537.80    |
| Cheryl Longbine  | 35.21     |
| Chris G. Trapp, Esq., Bouvier Partnerhip, LLP              | 672.10    |
| Christine A. Trojan  | 51,150.00 |
| Christine Lozina   | 229.33    |
| Christopher Chiropractic Center, LLP                       | 2.25      |
| Christopher L. Hamill, M.D.                                | 5.25      |
| Cincinnati Sportsmedicine                                  | 22.00     |
| Civil Service Employees Association, Local 1000, Erie Unit | 688.00    |
| Clerk Of The Court   | 45.00     |
| Clerk Of The Court, Appellate Division, Fourth Department  | 45.00     |
| Clerk, Court Of Appeals                                    | 45.00     |
| Colleen O'brien-Chollis                                    | 627.20    |
| Concord Medical Group                                      | 5.25      |
| Continental Reporting Service, Inc.                        | 296.16    |
| Cora Sroka   | 113.67    |
| Coronet Process Service, Inc.                              | 40.00     |
| Crystal Hisel  | 607.11    |
| Crystal Sopko  | 155.00    |
| D.F. Bailey, Inc.  | 432.00    |
| Daishia Wilson   | 265.06    |
| Dale E. Hediger  | 285.19    |
| Damon & Morey, LLP   | 11.00     |
| Damon & Morey, LLP   | 252.00    |
| Danette M. Fix   | 121.78    |
| Daniel R. Wild, M.D.                                       | 28.83     |
| Daren North  | 90.00     |
| David E. Myers   | 280.00    |
| Deepak Khanna  | 751.42    |
| Delores T. Dominiak  | 240.00    |
| Denall, Vitrano And Associates                             | 83.70     |
| Denall, Vitrano And Associates                             | 159.00    |
| Denall, Vitrano And Associates                             | 86.00     |
| Denall, Vitrano And Associates                             | 379.48    |
| Denall, Vitrano And Associates                             | 235.00    |
| Denall, Vitrano And Associates                             | 440.30    |
| Depaolo Crosby Reporting                                   | 978.55    |
| Depaolo Crosby Reporting                                   | 1,985.25  |
| Depaolo Crosby Reporting                                   | 1,695.65  |
| Depaolo Crosby Reporting                                   | 2,635.62  |
| Depaolo Crosby Reporting                                   | 1,789.25  |
| Depaolo Crosby Reporting                                   | 1,900.40  |
| Depaolo Crosby Reporting                                   | 3,038.80  |

## EXHIBIT V

## 2006 Risk Retention Imprest Account Expenditures

| Payee                                  | Total    |
|--|----------|
| Depaolo Crosby Reporting               | 8,568.00 |
| Diagnostic Imaging Associates          | 80.00    |
| Diebel's Legal Process Service         | 41.50    |
| Diebel's Legal Process Service         | 464.50   |
| Diebel's Legal Process Service         | 184.50   |
| Diebel's Legal Process Service         | 191.00   |
| Diebel's Legal Process Service         | 184.70   |
| Diebel's Legal Process Service         | 174.50   |
| DLS                                    | 87.89    |
| DocuLegal LLC                          | 19.00    |
| Document Advantage                     | 18.23    |
| Document Advantage                     | 11.48    |
| Dominic Ragusa                         | 225.00   |
| Donald Shelters                        | 50.00    |
| Dr. Cheri Kalil Anisman                | 20.00    |
| Dwight D. Lewis, M.D.                  | 58.50    |
| Edward Caster                          | 507.42   |
| Ellen G. Edwards                       | 70.00    |
| Elmer Cone Baker                       | 3,859.00 |
| Empire State Process Service           | 600.65   |
| Eric Braunscheidel                     | 155.00   |
| Eric County Sheriff                    | 14.00    |
| Eric S. Pyhtilla                       | 600.00   |
| Erie County Medical Center Corporation | 15.00    |
| Erika B. McCann                        | 95.00    |
| Exacta                                 | 15.00    |
| Exacta                                 | 175.60   |
| Exacta                                 | 210.12   |
| Exacta                                 | 125.13   |
| Exacta                                 | 965.09   |
| Exacta                                 | 198.06   |
| First Niagara Risk Management, Inc.    | 256.30   |
| Forest Medical Group, PLLC             | 102.00   |
| Frederick M. Occhino, D.O.             | 37.98    |
| George M. Zimmermann                   | 197.00   |
| George Michael Zimmermann              | 508.13   |
| George Riter                           | 54.13    |
| George S. Parlato, MD                  | 7.50     |
| George Sanders                         | 300.00   |
| Gerald P. Igoe, MD                     | 15.00    |
| Giant Food Stores LLC                  | 3.63     |
| Glenn Swartwood                        | 302.50   |
| Gordon Brumagin                        | 120.58   |
| Grand Island Town Court                | 40.20    |
| Gresens & Gillen, LLP                  | 75.00    |
| Harnath Clerk, MD                      | 29.25    |
| Harris Beach PLLC                      | 665.00   |
| Harter, Secrest & Emery LLP            | 37.00    |
| Harvey A. Brummer                      | 259.75   |

## EXHIBIT V

## 2006 Risk Retention Imprest Account Expenditures

| Payee  | Total     |
|--|-----------|
| Healthcare Solutions WNY, LLC                                  | 215.25    |
| Ida Mathews  | 837.80    |
| IDEX   | 210.00    |
| IDEX   | 113.00    |
| IDEX   | 73.00     |
| Investigator Dennis Dempsey                                    | 23.00     |
| Investigator J. M. Quigley                                     | 23.00     |
| Investigator Scott Lawida                                      | 23.00     |
| J.D. Britt   | 45.00     |
| Jack W. Hunt & Associates                                      | 555.75    |
| Jack W. Hunt & Associates                                      | 504.00    |
| James A. Smith, M.D.   | 50.00     |
| James Bielmeier  | 90.00     |
| James P. McCann  | 752.66    |
| James Schmidt  | 350.90    |
| James T. Moran   | 97.00     |
| Jamie Kosis  | 55.00     |
| Janet Jacobs   | 362.20    |
| Janice Leone   | 90.00     |
| Jeannette Doran  | 136.00    |
| Jeff Thomson   | 356.00    |
| Jeffrey Hicks  | 513.90    |
| Jennifer Kish  | 15.00     |
| Jerome P. Pollutro   | 80.00     |
| Jocelyn Willett  | 17,500.00 |
| John A. Mombrea  | 182.68    |
| John A. Villafranca  | 350.00    |
| John J. Leddy, MD  | 300.00    |
| John S. McIntyre, MD   | 300.00    |
| John T. Hill   | 249.23    |
| Joseph Farrell   | 190.00    |
| Joseph Reina   | 203.00    |
| Kaleida Health   | 15.75     |
| Karen Gugino   | 98.00     |
| Keith Harvey   | 350.12    |
| Keith Jamison  | 727.12    |
| Kenneth J. Pomichter   | 100.00    |
| Kentucky Diagnostic Center                                     | 20.00     |
| Kevin Kelly  | 480.00    |
| Kristin Klein Wheaton  | 6.51      |
| Kristin Klein Wheaton  | 6.00      |
| Kristin Klein Wheaton  | 13.00     |
| Kristine Gavin   | 250.00    |
| Lancaster-Depew Pediatrics                                     | 40.00     |
| Laurence A. Henry  | 1,216.25  |
| Laurie Manzella  | 32.00     |
| Liberty Mutual Company A/s/o Rita Paoella And Carman, Callahan | 470.63    |
| Lifetime Health  | 44.25     |
| Lightning Legal Services, LLC                                  | 158.52    |

## EXHIBIT V

## 2006 Risk Retention Imprest Account Expenditures

| Payee   | Total    |
|---|----------|
| Linda C. Cancilla   | 30.00    |
| Linda Granger   | 192.00   |
| Linda Ruthenberg  | 126.19   |
| Lindsay Colson  | 90.00    |
| Lipsitz, Green Attorneys                                  | 1,085.94 |
| Lipsitz, Green, Fahringer, Roll, Salisbury & Cambria, LLP | 204.00   |
| Lipsitz, Green, Fahringer, Roll, Salisbury & Cambria, LLP | 2,434.64 |
| Lisa Hawayek  | 171.43   |
| Lisa J. Staffeldt   | 250.00   |
| Lloyd Meiler  | 120.13   |
| Lori Moll   | 45.00    |
| Lorianne Jasinski   | 574.75   |
| Louis W. Irmisch, MD                                      | 111.30   |
| Louise O. Cerrone   | 39.16    |
| Lovejoy Chiropractic, John Ward, DC                       | 15.00    |
| Lynn Weiss  | 320.00   |
| Magavern, Magavern & Grimm                                | 672.50   |
| Magavern, Magavern & Grimm                                | 222.00   |
| Magavern, Magavern & Grimm                                | 289.50   |
| Manendra Mirani, MD                                       | 27.84    |
| Marilyn L. Shimskey                                       | 33.00    |
| Mark L. Case  | 30.00    |
| Martin A. Ezzo  | 227.46   |
| Mary Ann McDonald   | 140.00   |
| Mary Ellen Wohlrab  | 69.95    |
| Mattar & D'Agostino, LLP                                  | 357.20   |
| Mattie Britt  | 45.00    |
| Melanie Hachten   | 190.00   |
| Melissa Rodgers   | 75.00    |
| Melvin M. Brothman, MD                                    | 715.00   |
| Mercy Hospital  | 40.05    |
| Metro Reporting Services                                  | 387.20   |
| Michael Fortunate   | 947.97   |
| Michael Gamble  | 800.00   |
| Michael Lucow   | 134.00   |
| Michael Spagnola  | 165.00   |
| Michael T. Grant, M.D.                                    | 84.50    |
| Miguel Castro   | 50.00    |
| Millard Fillmore Gates Hospital                           | 15.00    |
| Millard Fillmore Gates Hospital                           | 15.00    |
| MLQ Attorney Services                                     | 74.00    |
| Monica Abshire  | 40.00    |
| Mrs. Clyde Weber  | 215.00   |
| Nancy Hourihan  | 549.54   |
| Nereida DeJesus As P/N/G Of Vanessa Diaz, An Infant       | 102.00   |
| New York Central Mutual Fire Insurance Company            | 0.75     |
| News Trax, Inc.   | 232.95   |
| Niagara County Clerk's Office, Actions & Proceedings      | 45.00    |
| Niagara Rehabilitation And Nursing Center                 | 81.75    |



## EXHIBIT V

## 2006 Risk Retention Imprest Account Expenditures

| Payee                                     | Total    |
|---|----------|
| Nicole Lis                                | 161.00   |
| Nicole M. Blatner                         | 200.00   |
| Nikiya Mason                              | 15.00    |
| NOAA National Data Center                 | 34.00    |
| Norman Kubiak                             | 100.73   |
| Northtowns Imaging, PC                    | 76.45    |
| NY Temporary State Commission On Lobbying | 50.00    |
| OcuSight Eye Care Center                  | 6.00     |
| OneSource Document Management, Inc.       | 279.99   |
| Our Lady Of Peace Nursing Care Residence  | 39.00    |
| Owen W. Young, MD                         | 165.00   |
| P. Jeffrey Lewis, MD                      | 36.75    |
| P.K. Parikh, M.D.                         | 8.35     |
| Pacer Service Center                      | 219.44   |
| Parkview Primary Care Physicians, PLLC    | 30.33    |
| Patrick Jackson                           | 750.00   |
| Paul Radder                               | 160.21   |
| Paul Waterman                             | 100.00   |
| Paula Bielat Reporting Services           | 135.00   |
| Paulette Hotchkiss                        | 100.00   |
| Pedro Alvarado                            | 214.43   |
| Peter Vasilion, Esq.                      | 27.50    |
| Philip R. Fenton                          | 52.55    |
| Philip R. Niswander, MD                   | 15.00    |
| Phillips, Lytle Et. Al.                   | 842.50   |
| Phillips, Lytle Et. Al.                   | 3,268.25 |
| Phillips, Lytle Et. Al.                   | 420.00   |
| Practicing Law Institute                  | 25.00    |
| Ralph Krohn                               | 175.00   |
| Richard A. Wall                           | 150.00   |
| Richard Krause, MD                        | 15.00    |
| Rob Richter                               | 658.71   |
| Robert Crowley, Jr.                       | 200.00   |
| Roberta C. Gigante                        | 85.00    |
| Robson Forensic, Inc.                     | 1,327.50 |
| Rodney C. Early, Clerk Of The Court       | 350.00   |
| Rodney C. Early, Clerk Of The Court       | 350.00   |
| Rodney C. Early, Clerk Of The Court       | 350.00   |
| Rodney C. Early, Clerk Of The Court       | 350.00   |
| Ronald Reid                               | 815.85   |
| Ronda Sass                                | 300.00   |
| Rosanne Modica                            | 75.00    |
| Rosemarie Gengo                           | 33.16    |
| Rowena Moritz                             | 70.00    |
| Rural/Metro Ambulance                     | 15.00    |
| Ruthanne Wannop                           | 326.63   |
| Ruthanne Wannop                           | 6.50     |
| Ruthanne Wannop                           | 9.50     |
| Sally Durwald                             | 248.92   |

## EXHIBIT V

## 2006 Risk Retention Imprest Account Expenditures

| Payee   | Total    |
|---|----------|
| Sanders Legal   | 65.00    |
| Sanders Legal   | 33.24    |
| Sanders Legal   | 65.00    |
| Sanders Legal   | 153.00   |
| Saratoga Sheriff's Office                                 | 20.98    |
| Schmieder & Meister, Court Reporters                      | 459.55   |
| Schofield Residence                                       | 241.50   |
| Senior Investigator Kevin Murphy                          | 23.00    |
| Seton Imaging   | 0.75     |
| Shawn Gardner   | 230.00   |
| Shirley Stokes  | 200.00   |
| Siegel, Kelleher & Kahn                                   | 65.50    |
| Simmons Orthopaedic & Spine Associates, A. Mark Tetro, MD | 15.00    |
| Sisters Of Charity Hospital                               | 15.00    |
| Smart Document Solutions, LLC                             | 15.00    |
| Smart Document Solutions, LLC                             | 15.00    |
| Smart Document Solutions, LLC                             | 285.60   |
| Smith, Keller, Miner & O'Shea                             | 6.29     |
| South Towns Surgical Associates                           | 11.25    |
| Southtowns Magnetic Imaging                               | 50.00    |
| State Farm Insurance A/s/o Maria DiPirro-Olivo            | 800.00   |
| State University Of New York                              | 5.00     |
| Stephen Balcerzak   | 15.00    |
| Stephen J. Metschl & Associates                           | 50.00    |
| Stephen J. Metschl & Associates                           | 304.75   |
| Stephen J. Metschl & Associates                           | 178.75   |
| Stephen J. Metschl & Associates                           | 107.00   |
| Stephen J. Metschl & Associates                           | 465.50   |
| Stephen J. Metschl & Associates                           | 1,208.75 |
| Stephen Joyce, M.D.                                       | 15.00    |
| Sue Ann Simonin Court Reporting, Inc.                     | 2,516.70 |
| Sue Ann Simonin Court Reporting, Inc.                     | 128.55   |
| Sue Ann Simonin Court Reporting, Inc.                     | 87.00    |
| Sue Ann Simonin Court Reporting, Inc.                     | 425.30   |
| Sue Ann Simonin Court Reporting, Inc.                     | 644.75   |
| Sue Ann Simonin Court Reporting, Inc.                     | 1,319.85 |
| Susan M. Breckon  | 444.91   |
| Susan Tirone  | 225.00   |
| Suzanne Marasi  | 317.39   |
| Suzanne Parkhurst   | 161.18   |
| Teri Wolf   | 402.00   |
| The Copy Store  | 10.64    |
| The Daily Record  | 149.80   |
| The Daily Record  | 877.75   |
| The Daily Record  | 242.10   |
| The Daily Record  | 583.70   |
| The Daily Record  | 150.30   |
| The Daily Record  | 88.00    |
| The Daily Record  | 111.70   |

## EXHIBIT V

## 2006 Risk Retention Imprest Account Expenditures

| Payee   | Total                |
|---|----------------------|
| The Daily Record                                | 309.55               |
| Theresa Flatau                                  | 505.00               |
| Timothy Fulton                                  | 614.49               |
| Timothy M. Wrobel                               | 1,188.00             |
| Transit Hill Pharmacy                           | 5.75                 |
| Tri-County Physical Therapy                     | 5.25                 |
| University Dental Associates                    | 90.00                |
| University Orthopaedic Services, Inc.           | 7.50                 |
| Usha Kaul, MD                                   | 15.00                |
| Valerie Leuthe                                  | 517.48               |
| Verizon - CMR Claims                            | 206.84               |
| Victor Guevara                                  | 45.00                |
| Victor Merlo Construction, Inc.                 | 550.00               |
| Walsh, Roberts & Grace                          | 590.00               |
| Wayne W. Cole                                   | 850.00               |
| Wendy Royce McCann                              | 321.40               |
| William Belles, MD                              | 15.00                |
| William Belles, MD                              | 6.75                 |
| William C. Hill                                 | 350.00               |
| William E. Geary, Jr.                           | 708.00               |
| William J. Belles                               | 450.00               |
| William N. Capicotto, M.D.                      | 39.64                |
| William Pease                                   | 616.00               |
| WNY Physical & Occupational Therapy Group, PLLC | 55.92                |
| Worker's Compensation Board                     | 80.00                |
| Worker's Compensation Board                     | 74.25                |
| Zaid Haykal                                     | 50.00                |
| <b>Grand Total</b>                              | <b>\$ 181,857.34</b> |

**EXHIBIT VI**  
**2006 EXPENDITURES**  
**PROFESSIONAL SERVICE CONTRACTS AND FEES**

| Vendor Name                         | Description  | Total     |
|-------------------------------------|--|-----------|
| Accrual                             | A/P Interim Accrual - 2006 Direct pays in 2007     | \$ 369.75 |
| Bee Group Newspapers                | *Local Law 1-1959 - 08/04                          | 29.36     |
| Bee Group Newspapers                | *Local Law 1-1959 - Public Hearing                 | 28.86     |
| Bee Group Newspapers                | *Local Law Intro 2 -2006 Public Hearing Announceme | 27.38     |
| Bee Group Newspapers                | *NYS Cert Worker Training Public Hearing           | 28.37     |
| Bee Group Newspapers                | *Public Hearing - ECC Lease                        | 27.38     |
| Bee Group Newspapers                | *Worker Training Program Public Hearing            | 27.38     |
| Bolton-St Johns Inc                 | Lobbying Fees                                      | 4,615.38  |
| Buffalo News                        | *Ad for Attorney                                   | 226.38    |
| Buffalo News                        | *Ad for Attorney - 2nd run                         | 226.38    |
| Clerk US District Court             | Admission Fee for Federal Court                    | 200.00    |
| Damon & Morey LLP                   | Outside Counsel Fees                               | 2,525.50  |
| Deaf Adult Services                 | *Interpreter Services - Mahmoud Kayed              | 105.00    |
| Deaf Adult Services                 | *Interpreting Services - Debra Madill              | 105.00    |
| Deaf Adult Services                 | *Interpreting Services - Leffler                   | 105.00    |
| Deaf Adult Services                 | *Interpreting Services - Mahmoud Kayed             | 130.00    |
| Deaf Adult Services                 | *Interpreting Services - Steven Wright             | 105.00    |
| Deaf Adult Services                 | *Warren Hartinger                                  | 105.00    |
| Front Page Group Inc                | Legal Notices                                      | 119.77    |
| Great Lakes Environmental           | *Buffalo Casino                                    | 3,356.25  |
| Hiscock & Barclay                   | *28.20040010 - Buffalo Condemnation                | 148.00    |
| Hurwitz & Fine PC                   | *1.20060007 - ECFSA                                | 51,449.05 |
| Intl Institute of BFLO              | *Interpreter - Acquino                             | 200.00    |
| Intl Institute of BFLO              | *Interpreter - Zhiryada                            | 120.00    |
| Intl Institute of BFLO              | *Interpreter Services - Edwell Figueroa/Vilmarie   | 80.00     |
| Intl Institute of BFLO              | *Interpreting Services - Ana Rivera Duprey         | 160.00    |
| Intl Institute of BFLO              | *Interpreting Services - Deputap                   | 120.00    |
| Intl Institute of BFLO              | *Interpreting Services - Edwall Nazario Figueroa   | 80.00     |
| Intl Institute of BFLO              | *Interpreting Services - Epifano Pabon Vega        | 160.00    |
| Intl Institute of BFLO              | *Interpreting Services - Jesus M. Diaz             | 80.00     |
| Intl Institute of BFLO              | *Interpreting Services - Monserat Mendez           | 120.00    |
| Intl Institute of BFLO              | *Interpreting Services - Pabon Vega                | 80.00     |
| Intl Institute of BFLO              | *Interpreting Services - Than Khan Nguyen          | 120.00    |
| Intl Institute of BFLO              | *Interpreting Services - Vasily Ukharkin           | 80.00     |
| Intl Institute of BFLO              | *Interpreting Services - Weung Sau Chuen           | 120.00    |
| Intl Institute of BFLO              | *Interpreting Services - Zheliazniuk Dzmitry       | 160.00    |
| Intl Institute of BFLO              | *Interpreting Services - Zhiryada                  | 200.00    |
| Intl Institute of BFLO              | *Interpreting Services - Zolmarie Laboy            | 80.00     |
| Laurence K. Rubin                   | Filing fee for narary public application           | 40.00     |
| Mark Noznisky                       | *Interpreter - Elieler Diaz                        | 140.00    |
| Mark Noznisky                       | *Interpreter - Rafael Dones                        | 210.00    |
| Mark Noznisky                       | *Interpreter Services - Rafael Dones               | 140.00    |
| Mark Noznisky                       | *Interpreting Services - Berrios                   | 140.00    |
| Mark Noznisky                       | *Interpreting Services - Dones                     | 280.00    |
| Michele M Czekala                   | *Poor Persons Court Reporter                       | 11.00     |
| NY Temporary St Commission on Lobby | *Letter Dated May 9, 2006                          | 500.00    |
| Phillips Lythe Hitchcock            | *21.20060001 - Removal of Local Toll Booths        | 35,000.00 |
| Phillips Lythe Hitchcock            | Outside Counsel Fees                               | 83.66     |
| Postage by Phone Reserve Acct       | *Postage 2006                                      | 10,000.00 |
| Robert J Koshinski                  | *Buffalo Casino Site Research                      | 82.95     |
| Software Technology Inc.            | Casemaster   | 2,025.00  |

EXHIBIT VI  
**2006 EXPENDITURES**  
**PROFESSIONAL SERVICE CONTRACTS AND FEES**

| <b>Vendor Name</b> | <b>Description</b>                        | <b>Total</b>         |
|--------------------|---|----------------------|
| The Daily Record   | *39.20060059 - Daniel M - Appellate Brief | 61.10                |
| Thomas West        | Online Research                           | 44,864.55            |
| <b>Grand Total</b> |   | <u>\$ 159,598.45</u> |

**Risk Retention Budget Analysis**

|   | Legislature Adoption Date | Data Source: SAP Budget Reports |                 |                 |                 |
|---|---------------------------|---------------------------------|-----------------|-----------------|-----------------|
|   |                           | 2004                            | 2005            | 2006            | 2007            |
| <b>Adopted Annual Budget</b>  |                           | \$ -                            | \$ -            | \$ 1,500,000.00 | \$ 1,000,000.00 |
| <b>Legislature Approved Transfers:</b>  |                           |                                 |                 |                 |                 |
| YE Carry Forward COMM. 9E-65  | 7/8/04                    | 3,000,000.00                    |                 |                 |                 |
| Comm. 28E-17 - Adopted  | 12/1/05                   |                                 | 3,000,000.00    |                 |                 |
| Comm. 25E-14 - Adopted  | 12/14/06                  |                                 |                 | 1,500,000.00    |                 |
| No legislative resolution found *   |                           |                                 |                 | 3,150,000.00    |                 |
| Comm. 7E-16 - Adopted   | 5/3/2007                  |                                 |                 |                 | 3,000,000.00    |
| Budget Balance at Year-End  |                           | \$ 3,000,000.00                 | \$ 3,000,000.00 | \$ 6,150,000.00 | \$ 4,000,000.00 |
| 2005 Re-Appropriation COMM. 10E-3 (6/8/2006)                                  |                           |                                 |                 | 2,867,424.25    |                 |
| 2006 Re-Appropriation COMM. 9E-8 pending Reserve for Encumbrances (Open PO's) |                           | 15,900.00                       | 7,400.00        | 8,950.00        | 2,530,887.00    |
| Total available budget(s)   |                           | \$ 3,015,900.00                 | \$ 3,007,400.00 | \$ 9,026,374.25 | \$ 6,530,887.00 |
| Annual Expenditures   |                           | 1,190,852.98                    | 1,800,852.57    | 4,034,536.99    | NA              |
| Accrued Expenses  |                           | 1,811,000.00                    | 732,575.75      | 195,480.80      | NA              |
| Total Expense 2005 (Budget used)  |                           | \$ 3,001,852.98                 | \$ 2,533,428.32 | \$ 4,230,017.79 |                 |
| Prior year Accrual Reversals  |                           | (10,000.00)                     | (1,811,000.00)  | (734,531.29)    | (195,480.80)    |
| <b>Net Annual Expense</b>   |                           | \$ 2,991,852.98                 | \$ 722,428.32   | \$ 3,495,486.50 | \$ (195,480.80) |
| Budget Excess / (Deficiency)  |                           | \$ 24,047.02                    | \$ 2,284,971.68 | \$ 5,530,887.75 |                 |
| YE Reappropriations:  |                           |                                 |                 |                 |                 |
| Reserve for Encumbrances (Open PO's)  |                           | 7,400.00                        | 8,950.00        | -               |                 |
| Re-Appropriation COMM. 10E-3 (6/8/2006)                                       |                           |                                 | 2,867,424.25    | 2,530,887.00    |                 |
| Total Budget Designations   |                           |                                 |                 |                 |                 |
| Budget Excess / (Deficiency)  |                           | \$ 16,647.02                    | \$ (591,402.57) | \$ 3,000,000.75 |                 |

\* - No supporting documentation to support budget increase. Supplement - ECMCC Settlement

**YE Budget Reappropriations:**

|   |                        |
|---|------------------------|
| Reserve for Encumbrances (Open PO's)    | \$ 8,950.00            |
| Re-Appropriation COMM. 10E-3 (6/8/2006) | 2,867,424.25           |
| Total Budget Designations               | <u>\$ 2,876,374.25</u> |

**Financial Statement Fund Balance:**

|  |                        |
|--|------------------------|
| Designated for Encumbrances            | \$ 8,950.00            |
| Designated for Risk Retention          | 2,267,424.25           |
| Total Financial Statement Designations | <u>\$ 2,276,374.25</u> |

Variance - Excess Budget \$ 600,000.00

**EXHIBIT VIII**  
**Other Litigation Case Costs**

| <b>Amount</b>        | <b>Entry date</b> | <b>Description</b>   | <b>Vendor Name</b>             |
|----------------------|-------------------|--|--------------------------------|
| 55.50                | 09/13/2005        | *1.20050003 Clark  | Harter, Secret & Emery LLP     |
| 1,616.50             | 08/16/2005        | *1.20050003 Clerk v COE  | Harter, Secret & Emery LLP     |
| 37.00                | 09/22/2005        | *1.20050005 AFSCME   | Harter, Secret & Emery LLP     |
| 220.60               | 09/13/2005        | *1.20050006 Gallivan   | Harter, Secret & Emery LLP     |
| 24,986.10            | 09/22/2005        | *1.20050006 Gallivan   | Harter, Secret & Emery LLP     |
| 76.00                | 08/16/2005        | *1.20050006 Gallivan v COE   | Harter, Secret & Emery LLP     |
| 74.00                | 08/16/2005        | *1.20050007 Civil Serves Employees v. COE                                | Harter, Secret & Emery LLP     |
| 111.00               | 09/22/2005        | *1.20050009 Teamsters Local 264/Ronald Lucas, et                         | Harter, Secret & Emery LLP     |
| 37.00                | 09/13/2005        | *1.20050010 Naples   | Harter, Secret & Emery LLP     |
| 12,389.50            | 09/22/2005        | *1.20050010 Naples   | Harter, Secret & Emery LLP     |
| 10,526.00            | 08/16/2005        | *1.20050010 Naples v COE   | Harter, Secret & Emery LLP     |
| 164.50               | 09/22/2005        | *1.20050011 Warren v. COE  | Harter, Secret & Emery LLP     |
| 2,699.50             | 08/16/2005        | *1.20050011 Warren v. COE  | Harter, Secret & Emery LLP     |
| 3,409.50             | 09/13/2005        | *1.20050011 Warren v. COE  | Harter, Secret & Emery LLP     |
| 256.80               | 09/13/2005        | *1.20050012 Mohr   | Harter, Secret & Emery LLP     |
| 1,072.59             | 09/22/2005        | *1.20050012 Mohr   | Harter, Secret & Emery LLP     |
| 2,297.25             | 09/13/2005        | *1.20050012 Mohr   | Magavern, Magavern & Grimm LLP |
| 641.00               | 08/16/2005        | *1.20050012 Mohr v. COE  | Harter, Secret & Emery LLP     |
| 8,424.75             | 08/16/2005        | *1.20050012 Mohr v. COE  | Magavern, Magavern & Grimm LLP |
| 14,812.75            | 08/16/2005        | *1.20050012 Mohr v. COE  | Magavern, Magavern & Grimm LLP |
| 2,220.00             | 09/13/2005        | *1.20050013 Swarts v COE   | Harter, Secret & Emery LLP     |
| 28,057.30            | 09/22/2005        | *1.20050013 Swarts v COE   | Harter, Secret & Emery LLP     |
| 2,257.70             | 08/16/2005        | *1.20050013 Swartz   | Harter, Secret & Emery LLP     |
| 3,140.53             | 08/16/2005        | *1.20050013 Swartz   | Harter, Secret & Emery LLP     |
| 13,563.25            | 09/13/2005        | *1.20050018 Ward & Mohr  | Magavern, Magavern & Grimm LLP |
| 1,575.30             | 07/29/2005        | *21.20050025 2005 Budget   | Harter, Secret & Emery LLP     |
| 14,490.18            | 07/29/2005        | *21.20050025 2005 Budget   | Harter, Secret & Emery LLP     |
| 255.20               | 07/29/2005        | *21.20050025 AFS Co. Local 1095 2005 Budget                              | Harter, Secret & Emery LLP     |
| 666.00               | 07/29/2005        | *21.20050025 AFS Co. Local 1095 2005 Budget                              | Harter, Secret & Emery LLP     |
| 29,213.18            | 05/02/2005        | *21.20050025 Budget Procedure & Litigation 2005                          | Magavern, Magavern & Grimm LLP |
| 14,575.70            | 05/31/2005        | *21.20050025 Clark, Frank  | Harter, Secret & Emery LLP     |
| 6,439.80             | 09/07/2005        | *21.20050025 Clark, Frank 2005 Budget                                    | Harter, Secret & Emery LLP     |
| 15,854.34            | 09/07/2005        | *21.20050025 Clark, Frank 2005 Budget                                    | Harter, Secret & Emery LLP     |
| 12,994.90            | 08/09/2005        | *21.20050025 Gallivan, Patrick 2005 Budget                               | Harter, Secret & Emery LLP     |
| 13,032.30            | 09/07/2005        | *21.20050025 Gallivan, Patrick 2005 Budget                               | Harter, Secret & Emery LLP     |
| 11,998.00            | 05/31/2005        | *21.20050025 General Matters   | Harter, Secret & Emery LLP     |
| 1,315.45             | 07/29/2005        | *21.20050025 Mohr v. Giambra 2005 Budget                                 | Harter, Secret & Emery LLP     |
| 2,254.54             | 07/29/2005        | *21.20050025 Mohr v. Giambra 2005 Budget                                 | Harter, Secret & Emery LLP     |
| 9,892.90             | 08/09/2005        | *21.20050025 Naples, Nancy 2005 Budget                                   | Harter, Secret & Emery LLP     |
| 11,048.40            | 09/07/2005        | *21.20050025 Naples, Nancy 2005 Budget                                   | Harter, Secret & Emery LLP     |
| 222.00               | 07/29/2005        | *21.20050025 NYS Nurses Assoc/Pelton2005 Budget                          | Harter, Secret & Emery LLP     |
| 21,272.75            | 07/18/2005        | *21.20050025 Pawarski, Chester   | Harter, Secret & Emery LLP     |
| 226.25               | 07/29/2005        | *21.20050025 Pawarski, Chester 2005 Budget                               | Harter, Secret & Emery LLP     |
| 38,221.43            | 05/31/2005        | *21.20050025 Ralph Mohr, et al. v. Giambra et al                         | Harter, Secret & Emery LLP     |
| 10,147.30            | 08/09/2005        | *21.20050025 Swarts, David 2005 Budget                                   | Harter, Secret & Emery LLP     |
| 10,463.60            | 09/07/2005        | *21.20050025 Swarts, David 2005 Budget                                   | Harter, Secret & Emery LLP     |
| 14,929.50            | 05/31/2005        | *21.20050025 Warren, Daniel  | Harter, Secret & Emery LLP     |
| 222.00               | 07/29/2005        | *21.20050025 Warren, Daniel Budget Matters 2005                          | Harter, Secret & Emery LLP     |
| 222.00               | 07/29/2005        | *21.20050025 Warren, Daniel Budget Matters 2005                          | Harter, Secret & Emery LLP     |
| 486.30               | 07/29/2005        | *21.20050025 Civil Ser. Empl. Assoc 2005 Budget                          | Harter, Secret & Emery LLP     |
| 1,400.10             | 07/29/2005        | *21.20050025 Civil Ser. Empl. Assoc 2005 Budget                          | Harter, Secret & Emery LLP     |
| 222.00               | 07/29/2005        | *21.20050025 Teamsters Local 264 Lucas2005 Budget                        | Harter, Secret & Emery LLP     |
| 10,369.75            | 09/13/2005        | *21.20050027 Budget Procedure and Litigation 05                          | Magavern, Magavern & Grimm LLP |
| 6,129.00             | 08/16/2005        | *21.20050027 EC Budget Litigation  | Magavern, Magavern & Grimm LLP |
| <b>\$ 393,286.79</b> |                   | <b>Cost of Budget Litigation for County to Defend Itself (2005 Risk)</b> |                                |
| 2,610.00             | 6/9/2006          | *1.20050012 - Mohr 1   | Magavern, Magavern & Grimm LLP |
| 1,869.00             | 6/9/2006          | *1.20050012 - Mohr 1   | Magavern, Magavern & Grimm LLP |
| 3,165.75             | 6/9/2006          | *1.20050012 - Mohr 1   | Magavern, Magavern & Grimm LLP |

**EXHIBIT VIII**  
**Other Litigation Case Costs**

| Amount               | Entry date  | Description   | Vendor Name                     |
|----------------------|---|---|---------------------------------|
| 1,869.46             | 4/3/2006  | *1.20050012 - Mohr I                                  | Magavern, Magavern & Grimm LLP  |
| 10,902.00            | 6/9/2006  | *1.20050018 - Mohr II                                 | Magavern, Magavern & Grimm LLP  |
| 8,135.75             | 6/9/2006  | *1.20050018 - Mohr II                                 | Magavern, Magavern & Grimm LLP  |
| <b>\$ 28,551.96</b>  | <b>Cost of Budget Litigation for County to Defend Itself (2006 Risk)</b>                      |   |                                 |
| 74.00                | 01/10/2006  | *1.20050006 - Gallivan v. COE                         | Harter, Secret & Emery LLP      |
| 462.50               | 01/26/2006  | *1.20050010 - Naples v. COE                           | Harter, Secret & Emery LLP      |
| 1,112.25             | 01/10/2006  | *1.20050011 - Warren v. COE                           | Harter, Secret & Emery LLP      |
| 610.42               | 01/10/2006  | *1.20050012 - Mohr v. Giambra (Mohr I)                | Magavern, Magavern & Grimm LLP  |
| 734.65               | 01/10/2006  | *1.20050012 - Mohr v. Giambra (Mohr I)                | Magavern, Magavern & Grimm LLP  |
| 7,441.35             | 01/10/2006  | *1.20050012 - Mohr v. Giambra (Mohr I)                | Magavern, Magavern & Grimm LLP  |
| 783.00               | 01/10/2006  | *1.20050018 - Mohr v. Greenan (Mohr II)               | Magavern, Magavern & Grimm LLP  |
| 995.30               | 01/10/2006  | *1.20050018 - Mohr v. Greenan (Mohr II)               | Magavern, Magavern & Grimm LLP  |
| 800.80               | 01/10/2006  | *21.20050025 - EC Budget Litigation - 2005            | Magavern, Magavern & Grimm LLP  |
| 1,370.00             | 01/10/2006  | *21.20050025 - EC Budget Litigation - 2005            | Magavern, Magavern & Grimm LLP  |
| 1,627.75             | 01/10/2006  | *21.20050025 - EC Budget Litigation - 2005            | Magavern, Magavern & Grimm LLP  |
| 5,003.00             | 01/10/2006  | *21.20050025 - EC Budget Litigation - 2005            | Magavern, Magavern & Grimm LLP  |
| 435.00               | 01/10/2006  | *General Matters                                      | Magavern, Magavern & Grimm LLP  |
| 1,631.25             | 07/22/2005  | Outside Counsel Fees - ECMC vs COE                    | Magavern, Magavern & Grimm LLP  |
| 3,575.50             | 09/19/2005  | Outside Counsel Fees - Vacancy appoint Sheriff/Comptr | Magavern, Magavern & Grimm LLP  |
| <b>\$ 26,656.77</b>  | <b>Cost of Budget Litigation for County to Defend Itself (2005 Prof Serv)</b>                 |   |                                 |
| <b>\$ 448,495.52</b> | <b>Total Cost of Budget Litigation for County to Defend Itself</b>                            |   |                                 |
| 12,575.00            | 09/15/2005  | *1.20050010 Naples                                    | Dennis C Vacco Esq              |
| <b>\$ 12,575.00</b>  | <b>Cost of Budget Litigation to Pay Outside Firms Defending Elected Officials (2005 Risk)</b> |   |                                 |
| 68,709.75            | 11/29/2005  | *Outside Counsel Fees ( Represented Frank Clark)      | Hodgson Russ LLP                |
| 58,033.63            | 11/29/2005  | *Outside Counsel Fees ( Represented Patrick Gallivan) | Bouvier Law                     |
| 28,860.09            | 11/29/2005  | *Outside Counsel Fees ( Represented David Swarts)     | Sullivan, Oliveri & Gioia       |
| <b>\$ 155,603.47</b> | <b>Cost of Budget Litigation to Pay Outside Firms Defending Elected Officials (2006 Risk)</b> |   |                                 |
| <b>\$ 168,178.47</b> | <b>Total Cost of Budget Litigation to Pay Outside Firms Defending Elected Officials</b>       |   |                                 |
| 1,984.00             | 06/01/2005  | *13.20030042 Wrobel                                   | Lipsitz Green ETAL              |
| 3,814.00             | 05/03/2005  | *13.20030042 Wrobel                                   | Lipsitz Green ETAL              |
| 1,513.00             | 01/05/2006  | *13.20030042 Wrobel                                   | Lipsitz Green ETAL              |
| 3,796.65             | 08/01/2005  | *13.20030042 Wrobel v COE                             | Lipsitz Green ETAL              |
| 1,025.75             | 10/19/2005  | *13.20030108 Kennedy                                  | Lori L. Strong RPR              |
| 960.65               | 08/08/2005  | *13.20040006 Rebrovich                                | Lipsitz Green ETAL              |
| 1,782.00             | 06/08/2005  | *13.20040006 Rebrovich v. COE                         | Lipsitz Green ETAL              |
| 5,922.00             | 08/19/2005  | *Maria Lehman, Aurora Barns Investigation             | Law Offices of Thomas H. Burton |
| <b>\$ 20,798.05</b>  | <b>Cost of Aurora DPW Scandal (2005 Risk)</b>   |   |                                 |
| 374.60               | 8/1/2006  | *13.20030042 - Wrobel                                 | Lipsitz, Green Etal             |
| 68.00                | 8/1/2006  | *13.20030042 - Wrobel                                 | Lipsitz, Green Etal             |
| 663.00               | 8/1/2006  | *13.20030042 - Wrobel                                 | Lipsitz, Green Etal             |
| 6,418.71             | 12/6/2006   | *13.20030042 - Wrobel                                 | Lipsitz, Green Etal             |
| 3,573.00             | 3/27/2006   | *13.20040006 - Rebrovich                              | Lipsitz, Green Etal             |
| 1,426.48             | 3/27/2006   | *13.20040006 - Rebrovich                              | Lipsitz, Green Etal             |
| 34.00                | 8/1/2006  | *13.20040006 - Rebrovich                              | Lipsitz, Green Etal             |
| 1,569.60             | 8/1/2006  | *13.20040006 - Rebrovich                              | Lipsitz, Green Etal             |
| 646.00               | 8/1/2006  | *13.20040006 - Rebrovich                              | Lipsitz, Green Etal             |
| 3,525.60             | 12/6/2006   | *13.20040006 - Rebrovich                              | Lipsitz, Green Etal             |
| <b>\$ 18,298.99</b>  | <b>Cost of Aurora DPW Scandal (2006 Risk)</b>   |   |                                 |
| 70.09                | 11/02/2005  | *13.20030042 - Wrobel                                 | Lipsitz, Green ETAL             |
| 119.00               | 11/02/2005  | *13.20030042 - Wrobel                                 | Lipsitz, Green ETAL             |



**EXHIBIT VIII**  
**Other Litigation Case Costs**

| Amount               | Entry date | Description  | Vendor Name                    |
|----------------------|------------|--|--------------------------------|
| 3,339.40             | 11/02/2005 | *13.20030042 - Wrobel  | Lipsitz, Green ETAL            |
| 2,059.32             | 11/02/2005 | *13.20030042 - Wrobel  | Lipsitz, Green ETAL            |
| 40.50                | 11/02/2005 | *13.20040006 - Rebrovich                                       | Lipsitz, Green ETAL            |
| 40.50                | 11/02/2005 | *13.20040006 - Rebrovich                                       | Lipsitz, Green ETAL            |
| 233.34               | 11/02/2005 | *13.20040006 - Rebrovich                                       | Lipsitz, Green ETAL            |
| 177.50               | 11/02/2005 | *13.20040006 - Rebrovich                                       | Lipsitz, Green ETAL            |
| <b>\$ 6,079.65</b>   |            | <b>Cost of Aurora DPW Scandal (2005 Prof Serv)</b>             |                                |
| <b>\$ 45,176.69</b>  |            | <b>Total Cost of Aurora DPW Scandal</b>                        |                                |
| 1,636.90             | 09/07/2005 | *29.20040001 BOI   | Hodgson, Russ LLP              |
| 519.50               | 09/08/2005 | *29.20040001 BOI   | Hodgson, Russ LLP              |
| 384.40               | 09/07/2005 | *29.20040001 BOI   | Hodgson, Russ LLP              |
| 1,003.00             | 05/31/2005 | *29.20040001 State of NY v. BOI                                | Hodgson, Russ LLP              |
| 3,311.50             | 08/05/2005 | *29.20040001 State of NY v. BOI                                | Hodgson, Russ LLP              |
| 1,575.60             | 08/18/2005 | *Buffalo Office Interiors                                      | Hodgson, Russ LLP              |
| <b>\$ 8,430.90</b>   |            | <b>Cost of Buffalo Office Interiors Issues (2005 Risk)</b>     |                                |
| <b>\$ 8,430.90</b>   |            | <b>Total Cost of Buffalo Office Interiors Issues</b>           |                                |
| 7,499.25             | 08/16/2005 | *16.20040098 ECMC v COE Subsidy Litigation                     | Magavern, Magavern & Grimm LLP |
| 10,685.75            | 09/13/2005 | *16.20040098 ECMC v COE Subsidy Litigation                     | Magavern, Magavern & Grimm LLP |
| <b>\$ 18,185.00</b>  |            | <b>Cost of ECMCC Issues (2005 Risk)</b>                        |                                |
| 4,493.25             | 6/9/2006   | *16.20040098 - ECMC 1  | Magavern, Magavern & Grimm LLP |
| 27,015.42            | 4/3/2006   | *16.20040098 - ECMC I  | Magavern, Magavern & Grimm LLP |
| <b>\$ 31,508.67</b>  |            | <b>Cost of ECMCC Issues (2006 Risk)</b>                        |                                |
| 11,912.00            | 01/10/2006 | *16.20040098 - ECMC I  | Magavern, Magavern & Grimm LLP |
| 26,401.70            | 01/10/2006 | *16.20040098 - ECMC I  | Magavern, Magavern & Grimm LLP |
| 1,245.50             | 01/10/2006 | *16.20040098 - ECMC I  | Magavern, Magavern & Grimm LLP |
| 6,653.25             | 01/10/2006 | *16.20040098 - ECMC I  | Magavern, Magavern & Grimm LLP |
| 1,631.25             | 07/22/2005 | Outside Counsel Fees - ECMC vs COE                             | Magavern, Magavern & Grimm LLP |
| 174.00               | 11/02/2005 | Outside Counsel Fees- ECMCC - Home sale                        | Magavern, Magavern & Grimm LLP |
| 332.50               | 03/22/2005 | Outside Counsel Fees-ECMCC Sale agreement                      | Damon & Morey PC               |
| 980.00               | 04/28/2005 | Outside Counsel Fees-ECMCC Sale agreement                      | Damon & Morey PC               |
| 262.50               | 06/17/2005 | Outside Counsel Fees-ECMCC Sale agreement                      | Damon & Morey PC               |
| 1,295.00             | 07/01/2005 | Outside Counsel Fees-ECMCC Sale agreement                      | Damon & Morey PC               |
| 157.50               | 07/21/2005 | Outside Counsel Fees-ECMCC Sale agreement                      | Damon & Morey PC               |
| 297.50               | 11/15/2005 | Outside Counsel Fees-ECMCC Sale agreement                      | Damon & Morey PC               |
| 70.00                | 03/16/2005 | Outside Counsel Fees-ECMCC Subsidy                             | Damon & Morey PC               |
| <b>\$ 51,412.70</b>  |            | <b>Cost of ECMCC Issues (2005 Prof Serv)</b>                   |                                |
| <b>\$ 101,106.37</b> |            | <b>Total Cost of ECMCC Issues</b>                              |                                |
| 315.00               | 11/15/2005 | Outside Counsel Fees-ECFSA                                     | Damon & Morey PC               |
| 2,170.00             | 09/20/2005 | Outside Counsel Fees-Ran issue /ECFSA                          | Damon & Morey PC               |
| <b>\$ 2,485.00</b>   |            | <b>Total Cost of ECFSA Related Activities (2005 Prof Serv)</b> |                                |
| 3,949.46             | 12/21/2006 | *1.20060007 - ECFSA  | Hurwitz & Fine PC              |
| 10,078.69            | 12/21/2006 | *1.20060007 - ECFSA  | Hurwitz & Fine PC              |
| 29,979.17            | 12/27/2006 | *1.20060007 - ECFSA  | Hurwitz & Fine PC              |
| 7,441.73             | 01/26/2007 | *1.20060007 - ECFSA  | Hurwitz & Fine PC              |
| <b>\$ 51,449.05</b>  |            | <b>Cost of ECFSA Related Activities (2006 Prof Serv)</b>       |                                |
| <b>\$ 53,934.05</b>  |            | <b>Total Cost of ECFSA Related Activities</b>                  |                                |
| 3,116.66             | 03/16/2005 | Lobbying Fees  | FEATHERSTONHAUGH CONWAY        |

**EXHIBIT VIII**  
**Other Litigation Case Costs**

| <b>Amount</b>        | <b>Entry date</b> | <b>Description</b>   | <b>Vendor Name</b>             |
|----------------------|-------------------|--|--------------------------------|
| 5,000.00             | 05/03/2005        | Lobbying Fees  | BOLTON-ST JOHNS INC            |
| 5,000.00             | 07/12/2005        | Lobbying Fees  | BOLTON-ST JOHNS INC            |
| 5,000.00             | 03/16/2005        | Lobbying Fees - Contract#04-631-LA                             | BOLTON-ST JOHNS INC            |
| <b>\$ 18,116.66</b>  |                   | <b>Lost of Lobbying for the County (2005 Prof Serv)</b>        |                                |
| 4,615.38             | 12/05/2006        | Lobbying Fees  | Bolton-St Johns Inc            |
| <b>\$ 4,615.38</b>   |                   | <b>Cost for Lobbying Related Activities (2006 Prof Serv)</b>   |                                |
| <b>\$ 22,732.04</b>  |                   | <b>Total Cost for Lobbying Related Activities</b>              |                                |
| 35,000.00            | 12/14/2006        | *21.20060001 - Removal of Local Toll Booths                    | Phillips Lytle                 |
| <b>\$ 35,000.00</b>  |                   | <b>Cost for Toll Booth Related Activities (2006 Prof Serv)</b> |                                |
| <b>\$ 35,000.00</b>  |                   | <b>Total Cost for Toll Booth Related Activities</b>            |                                |
| 8,402.00             | 08/18/2005        | *City-County Merger  | Magavern, Magavern & Grimm LLP |
| 174.00               | 11/02/2005        | Outside Counsel Fees - City County merger meeting              | Magavern, Magavern & Grimm LLP |
| <b>\$ 8,576.00</b>   |                   | <b>Cost of Regionalism Issue (2005 Prof Serv)</b>              |                                |
| <b>\$ 8,576.00</b>   |                   | <b>Total Cost of Regionalism Issue</b>                         |                                |
| <b>\$ 891,630.04</b> |                   | <b>Total of all payments</b>                                   |                                |