

Review the Facts

There was a Borough Council Meeting on 11/4/2019. Two days later there is a property settlement agreement.

Mike, I'm going to try and help you understand this information once again...

You are consistently conflating issues and you are confusing Bath's public with nonsense. If you stay this course, it will become evident that you have no interest in trying to understand the information from Bath. You will then be publishing false information with malice (ill intent) and you will be held liable. I'm not sure how else I can get this point across to you. Proceed accordingly.

This published report IS misinformation. My mark up of this report to explain your inaccuracies is in red bold typeface.

Thanks,

**Brad Flynn, Borough Manager
Borough of Bath**

CASE DOCKET ENTRIES

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Date Category Documents

DIVORCE

DOCKET ENTRY DETAILS



Entered: 11/07/2019

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Category: PROPERTY SETTLEMENT AGRMT

Notes:

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PROPERTY SETTLEMENT AGREEMENT BETWEEN PARTIES DATED NOVEMBER 6, 2019 FILED BY RICKY GOWER, PLAINTIFF.
(CONFIDENTIAL DOCUMENT FORM FILED)

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ADDITIONAL CASE DOCUMENTS

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On Dec 2019 we have multiple transfers.

Again, what does the divorce have anything to do with Borough finances? I'm cautioning you against deliberately publishing false information with malice.

Budget line 392.00 shows the interfund transfers (from) which is a revenue line showing deposits into the boroughs general fund account (3107) cash unrestricted. You will only see the 7,396.73.

BOROUGH OF BATH - OPERATING "GENERAL" FUND				
Profit & Loss Budget vs. Actual (w/o Inactive Accts)				
January through December 2019				
10/03/22 Cash Basis	Jan - Dec 19	Budget	\$ Over Bu...	% of Budget
379.00 · OTHER CHARGES FOR SERVICES				
379.10 · Other Charge for Service - Misc	439.94	3,000.00	-2,560.06	14.7%
Total 379.00 · OTHER CHARGES FOR SERVICES	439.94	3,000.00	-2,560.06	14.7%
389.00 · ALL OTHER MISCELLANEOUS REVENUE				
389.10 · Miscellaneous Revenue - Misc.	61.25			
389.30 · Insurance Reimbursement	12,769.00			
389.40 · Escrow Reimbursement	3,232.50			
Total 389.00 · ALL OTHER MISCELLANEOUS REVENUE	16,062.75			
391.00 · PROCEEDS OF GEN. FXD ASSET DISP				
391.10 · Sale of Gen Fixed Assests	233,456.10			
Total 391.00 · PROCEEDS OF GEN. FXD ASSET DISP	233,456.10			
392.00 · INTERFUND OPER'G TRNSFRS (FROM)	7,396.73	12,043.89	-4,647.16	61.4%
Total 300 · REVENUES	2,109,556.55	1,556,390.82	553,165.73	135.5%
Total Income	2,109,556.55	1,556,390.82	553,165.73	135.5%
Gross Profit	2,109,556.55	1,556,390.82	553,165.73	135.5%
Expense				
400 · EXPENDITURES				
400.00 · GENERAL GOVERNMENT				
400.11 · Council's Salary	12,600.00	13,125.00	-525.00	96.0%
400.20 · Council Office Supplies	0.00	80.00	-80.00	0.0%
400.26 · Council Small Equipment Purchas	1,839.92			
400.30 · General Gvrnmnt - Miscellaneous	1,217.43	2,500.00	-1,282.57	48.7%
400.32 · Council's Tablets-Data/AV Chg's	2,654.29	950.00	1,704.29	279.4%

This is the 2019 year end audit. If we review the same line we see a significant difference yet despite the difference it's still not a sum large enough to encompass the \$86,170.53

For the public to understand, the alleged report above appears to be the Borough's 2019 General Fund Budget vs. Actual report (for short). Assuming it is a correct version:

Yes, line 392.00 is the Borough's Interfund Operating Fund Transfers. This line is to book interfund transfers between accounts that FUND BOROUGH OPERATIONS. Let me be clear, and put this broadly, the Budget vs. Actual report books expenses and revenues that ONLY pertain to borough operations.

The 2019 Budget vs. Actual, line 392.00 only lists \$7,396.73. YES! CORRECT, because this was a transfer from the Mayors Fund to reimburse the General Fund for Paw Park expenses (actual Borough operations). Huratiak's release of security IS NOT a Borough operation, it's Huratiak's property.

BATH BORO, NORTHAMPTON County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

General Fund	Governmental Funds			Proprietary Funds		Fiduciary Fund	Total
	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Charges for Service							
369.00	Bars						
370.00	Cemeteries						
372.00	Electric System						
373.00	Gas System						
374.00	Housing System						
375.00	Markets						
377.00	Transit Systems						
378.00	Water System						
379.00	All Other Charges for Service						
Total Charges for Service		385,310					385,310

Unclassified Operating Revenues							
383.00	Special Assessments						
386.00	Escheats (sale of personal property)						
387.00	Contributions and Donations from Private Sectors						
388.00	Fiduciary Fund Pension Contributions					1,815	1,815
389.00	All Other Unclassified Operating Revenues	3,326					3,326
Total Unclassified Operating Revenues		3,326				1,815	5,141

Other Financing Sources							
391.00	Proceeds of General Fixed Asset Disposition	403,000					403,000
392.00	Interfund Operating Transfers	64,023		285,319			349,342
393.00	Proceeds of General Long-Term Debt						
394.00	Proceeds of Short Term-Debt						

What follows was my request as to why they didn't align and what I got was a lie, misdirection, incompetence. Whatever you wanna call it, it's a crime under the Right to Know law.

Assuming the report above is a true and correct version, it appears to be Bath's 2019 DCED CLGS-30. This form is filled out by the Borough's Auditors. This form is not filled out by Borough staff. So, DCED CLGS-30 and Budget vs. Actual are TWO different things.

The DCED CLGS-30 line 392.00 (OR ANY OTHER LINES) DOES NOT automatically mean the Budget vs. Actual and the DCED CLGS-30 WILL align, line-by-line. The Auditors group line items and enter data differently than what's reported by staff on Bath's Budget vs. Actual.

Line 392.00 of the DCED CLGS-30 in the amount of \$64,023 is reporting "Other Financing Sources" such as the Borough's debt servicing millage-- a portion of property taxes collected to pay the Borough's loan. The excerpt of a letter from me to Mike Long dated May 21, 2024, cited below explains all this. Mike just refuses the explanation.

The calculation listed in my letter IS NOT my calculation, but IT IS NOT incorrect. Mike fails to explain how he believes the math doesn't work. The auditor calculation provided is a way to capture as much as the debt service millage from property taxes and to report as other financing sources. Plus, any work papers underlying an audit are exempt from the Right-to-Know Law, even if Mike had filed a Right-to-Know Request. Here, I went above and beyond to provide Mike this information from an audit note, even though I was not obligated to do so.

Mike incorrectly states this was a request under the Right-to-Know Law. The letter from me to Mike Long WAS NOT from a Right-to-Know Request. I was answering his questions, trying to help him understand these reports.

The Huratiak escrow money of \$86,170.53 transferred into the General Fund to return this cash to Huratiak IS NOT REVENUE OF THE BOROUGH. Repeat: Huratiak's escrow money is HIS property, not revenue of Bath. Therefore, it WILL NOT be listed on line 392.00 of the Budget vs. Actual, or line 392.00 of the DCED-CLGS-30 regardless of the check issued to Huratiak from the General Fund checking account. Using Mike's own logic (not to mention it wouldn't be booked correctly) but to book the \$86,170.53 to the Budget vs. Actual WOULD inflate actual revenues. Mike's answers are in plain sight, but he's blinded by his stubborn bias to prove fraud that doesn't exist. I can't make this any more clear.

- 4) You asked for all records showing the inbound transfers to the General Fund 'Cash Unrestricted' account (3107) related to account line 392.00 in the 2019 audit, which shows the full breakdown and sources of the recorded \$64,023.

I am not legally required to provide you with work papers underlying an audit and I will not do so. That said, I am explaining to you how the \$64,023 was determined by the Borough's Auditor. First, the Auditor isolates the Borough's debt servicing real estate millage. For the Auditors to do that, it looks at the total millage rate and the millage rate set aside for debt servicing. The Auditor then divides the total debt millage rate into the total millage rate. The quotient is 0.83333333 (truncated seven spaces after the decimal). This 'rate' is multiplied by the property tax revenue collected. In 2019, the property tax revenue collected

"Bath, History Nestled With Friendship"

2024
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was reported as \$768,274.13. The product is \$64,022.84, rounded to the nearest dollar resulting in the reported total of \$64,023.

Derivative

$$1.25 \text{ (Debt Service Millage)} / 15 \text{ (Real Estate Millage)} = 0.83333333$$

$$0.83333333 \text{ (Rate)} \times \$768,274.13 \text{ (R.E. Taxes Collected)} = \mathbf{\$64,022.84}$$

\$64,023

First he was right in his video that he isn't that smart, because even the BS answer shows a math equation that doesn't actually create the amount he shows. It actually equals \$640,228.44

What are you talking about?? This is truly baffling...

The Truth about budget line 392.00

Budget line 392.00 in Pennsylvania municipalities refers to "Interfund Operating Transfers." This line item is part of the financial reporting requirements for municipalities in Pennsylvania, as outlined in

[1] [PDF] HONEY BROOK TOWNSHIP DECEMBER 31, 2023 ANNUAL AUDIT ...

<https://www.honeybrooktwp.com/media/2136>

[2] PENNSYLVANIA MUNICIPALITIES PLANNING CODE

<https://www.legis.state.pa.us/WU01/LI/LI/US/HTM/1968/0/0247..HTM>

[3] [PDF] Legislative Budget and Finance Committee

<https://lbfc.legis.state.pa.us/Resources/Documents/Annual-Reports/2022-LBFC-AnnualReport.pdf?t=20230731>

[4] [PDF] Pennsylvania Indigent Criminal Defense Services Funding and ...

<https://lbfc.legis.state.pa.us/Resources/Documents/Reports/701.pdf>

[5] [PDF] Executive Budget 2022-2023 - Budget.PA.gov <https://www.budget.pa.gov/Publications and Reports/CommonwealthBudget/Documents/2022-23 Proposed Budget/Budget Book 2022-23.pdf>

[6] [PDF] Municipal Annual Audit & Financial Report - Drumore Township, PA

<http://drumoretownship.org/DocumentCenter/View/1742/2023-Municipal-Annual-Audit--Financial-Report>

[7] [PDF] EXETER TOWNSHIP <https://cms3.revize.com/revize/exetertwp/Exeter Twp Elected Auditor Handbook V1 .pdf>