

Michael Long, Pro Se
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Bath, Pa 18014
(610)507-3721
Michael.Long479@gmail.com

	:	IN THE COURT OF COMMON PLEAS
BOROUGH OF BATH,		
Petitioner,	:	NORTHAMPTON COUNTY,
	:	
v.	:	PENNSYLVANIA
	:	
MICHAEL LONG,	:	CIVIL DIVISION
Respondent.	:	
	:	
	:	NO. <u>No. C-48-CV-2024-01039</u>
	:	

MOTION FOR APPOINTMENT OF COURT EXPERTS

COMES NOW, Respondent, Michael Long, by and through himself, and hereby moves this Honorable Court for the appointment of two (2) independent, court-appointed experts:

1. **A qualified Digital Forensics Specialist** to examine and analyze electronic documents produced by Petitioner, Borough of Bath, in response to Respondent's Right-to-Know Law (RTKL) requests.
2. **A certified Forensic Accountant** to review and assess the Borough's financial records to determine the accuracy of their representations regarding the cost of responding to Respondent's RTKL requests and to investigate potential financial irregularities.

In support thereof, Respondent states as follows:

STATEMENT OF FACTS

1. Respondent is a resident of Bath Borough and has been engaged in a protracted dispute with Petitioner over access to public records under the RTKL (65 P.S. §§ 67.101 et seq.). This matter is currently before this Court on appeal (C-48-CV-2024-1039).

2. In response to Respondent's multiple RTKL requests, Petitioner has produced numerous documents, both electronic and in paper form. Respondent's careful review of these documents has revealed several areas of concern:

a. **Potential Evidence Tampering:** Respondent has uncovered evidence suggesting that Petitioner may have deliberately altered or tampered with electronic documents provided in response to his RTKL requests.

Specifically, the redacted email chain (Exhibit B) appears to have a portion of the communication removed, and its metadata indicates that the document was modified AFTER the date on which it was exported from the email system. Further, there are inconsistencies and evolving statements in Solicitor Kratz's affidavit (Exhibit F) regarding a privileged email related to Mark Saginario's resignation. This email predates Mr. Saginario's actual

resignation, raising questions about the veracity of the Borough's privilege claims and the potential manipulation of evidence.

b. Financial Discrepancies and Potential Misconduct: Respondent's detailed analysis of the Borough's financial records, as presented in his reports "Dearest Bradford" (Exhibit G), "Show Me the Money Trail" (Exhibit H), and "Comprehensive Analysis of Financial Irregularities in Bath Borough (2019-2022) Part 1" (Exhibit K), has uncovered numerous discrepancies and irregularities that suggest the possibility of financial misconduct, including:

- * Misappropriation of funds.
- * Fabrication of financial transactions.
- * Intentional misclassification of funds.
- * Lapping (a form of money laundering).
- * Inaccurate and misleading statements about the costs associated with responding to Respondent's RTKL requests (Exhibit A).

3. Respondent, as a pro se litigant, lacks the resources and expertise to independently conduct a thorough forensic examination of the Borough's electronic and financial records. Respondent needs the assistance of

qualified experts to properly analyze the evidence, present his case effectively, and ensure that justice is served.

ARGUMENT

A. Court-Appointed Experts Are Necessary to Uncover the Truth and Ensure a Fair Hearing

1. The appointment of impartial, court-appointed experts is essential for the fair and just adjudication of this matter. The complex financial and digital forensic issues in this case require specialized knowledge and expertise that Respondent, as a pro se litigant, cannot be reasonably expected to possess.
2. **Digital Forensics Expertise:** A qualified Digital Forensics Specialist is needed to:
 - Conduct a thorough examination of the redacted email chain (Exhibit B) and any other relevant electronic documents provided by the Borough.
 - Analyze the metadata and content of these documents, using specialized tools and techniques, to determine if they were altered, when and how those alterations occurred, and the implications of those changes for this case.

- Provide an unbiased expert opinion to the Court about the authenticity of the electronic documents and the possibility of evidence tampering.

3. Forensic Accounting Expertise: A certified Forensic Accountant is necessary to:

- Review the Borough's financial records for the relevant periods, including bank statements, general ledger data, and QuickBooks audit trails. This review will assess the overall accuracy, completeness, and transparency of the Borough's financial management practices and will be essential in determining if the Borough has misrepresented the actual costs of responding to Respondent's RTKL requests.
- Investigate the specific transactions and financial practices identified in Respondent's reports (Exhibits G, H, and K) to uncover potential financial misconduct and provide evidence to support Respondent's claims.
- Analyze the Borough's use of cash basis accounting and its impact on financial transparency. This analysis will help the Court understand the limitations of the Borough's accounting methods and assess the reliability of their financial reporting.

B. Respondent's Pro Se Status Justifies Court Appointment.

1. As a pro se litigant, Respondent lacks the financial means to hire the necessary experts. Court appointment would level the playing field, ensuring Respondent has a fair chance to present his case, challenge the Borough's actions, and uncover the truth, despite his lack of legal representation.

C. The Public Interest Demands Transparency and Accountability.

1. This case involves serious allegations of government misconduct and potential misuse of public funds. The appointment of court-appointed experts would serve the public interest by promoting transparency, ensuring a thorough and independent investigation, and ultimately restoring public trust in the Borough's financial management practices and decision-making processes.

RELIEF REQUESTED

WHEREFORE, for the foregoing reasons, Respondent respectfully requests that this Honorable Court:

1. Appoint a qualified and independent **Digital Forensics Specialist** to perform the analysis outlined in Paragraph 5 of this Motion.
2. Appoint a certified and independent **Forensic Accountant** to perform the analysis outlined in Paragraph 6 of this Motion.

3. Determine a fair and equitable process for sharing the costs of the court-appointed experts, taking into consideration Respondent's limited financial resources as a pro se litigant.
4. Grant such other and further relief as this Court deems just and equitable.

Respectfully submitted,

/s/ Michael Long
Michael Long, Pro Se Respondent
Dated: September 11, 2024

Verification

I, Michael Long, verify that the statements made in this MOTION FOR APPOINTMENT OF COURT EXPERTS are true and correct to the best of my knowledge, information, and belief. I understand that false statements herein are subject to the penalties of 18 Pa. C.S. § 4904, relating to unsworn falsification to authorities.

/s/ Michael Long
Michael Long

Date: September 11, 2024

CERTIFICATE OF SERVICE

I hereby certify that on September 11, 2024, a true and correct copy of the foregoing MOTION FOR APPOINTMENT OF COURT EXPERTS, and all attached exhibits were served on the following parties via email:

J. Chadwick Schnee, Esq.
Schnee Legal Services, LLC
74 E Main Street #648
Lititz, PA 17543

Chadwick@schneelegal.com

/s/ Michael Long
Michael Long, Pro Se Respondent

September 11, 2024

Supporting Documents:

- **Exhibit A:** The Borough's website page detailing the alleged costs of Long's RTKL requests ("Right-to-Know: The Costs Behind One Requestor").
- **Exhibit B:** The redacted email chain showing potential evidence tampering (Attachment #5).
- **Exhibit F:** Solicitor Kratz's July 24, 2023, affidavit to the OOR, containing inconsistencies related to evidence tampering.
- **Exhibit G:** Long's "Dearest Bradford" report, detailing his findings of potential nepotism and abuse of power by the Mayor, to support the need for a forensic accountant.
- **Exhibit H:** Long's financial analysis report, "Show Me the Money Trail," providing evidence of financial irregularities to support the need for a forensic accountant.
- **Exhibit K:** Long's "Comprehensive Analysis of Financial Irregularities in Bath Borough (2019-2022) Part 1" report, further supporting the need for a forensic accountant.

Exhibit

A

Right-to-Know: The Costs Behind One Requestor

 bathborough.org/right-to-know-one-man-is-costing-his-community-a-fortune/

By: Brad Flynn | Published July 9, 2024 | Revised August 16, 2024

Total costs listed below represent billable hours incurred by the Borough through its various professional services to process record requests by Borough resident, Michael Long from October 2022 through July 2024.

TOTAL COSTS TO DATE (AS OF JULY 31, 2024)

\$151,150.23*

Average Cost Per Month \$6,870.47

(22-month Period)

**Estimation based on the Borough's review of professional service invoicing where at the time (between late 2022 and early 2023) 'Michael Long' was not specifically related or was mixed with other job or matter numbers. In 2023, professional services began billing their time based on work performed specifically for Michael Long.*

At the time of this publication, July 9, 2024: In a given year where Bath's General Fund Budget is around \$1.5 million, the total cost would represent 10% of overall Borough expenditures.

How did we get here?

This webpage will be devoted to the numerous Right-to-Know Requests and appeals filed by, Michael Long. The Borough is providing this additional transparency because of the enormous fiscal impact this has on the Borough. From submitting multiple Right-to-Know Requests on a single day and in multiple subparts, spanning several years of records, then forcing the Borough through multiple appeals, to the [Borough filing a court challenge](#).

The workload has been immense from the start. Michael Long's requests cause annoyance because of the potential universe of records sought (hundreds to tens of thousands of documents) in an overly broad, non-specific way that has caused the Borough to make judgement calls as to what exactly is being asked for. There are times where the requests have been filed by Long in succession or on the same day. Even after staff attempts to discuss these issues with Michael Long, his conduct has only become increasingly vexatious.

The Borough has even tried to work with Michael Long providing him numerous records requested outside of the Right-to-Know Law (RTKL) as a courtesy. These efforts exhaust man hours and required a legal review, having a negative impact on normal Borough operations. And the total expenditure listed above is representative of all records requests processed for Michael Long, both within and outside the realm of the RTKL.

Since the RTKL was revised in 2008, the Borough has faced 8 appeals in its history with the Pennsylvania Office of Open Records (OOR). Michael Long accounts for 75% of these appeal proceedings in under two years. It's created an enormous uptick in legal expenditures because of the quasi-judicial nature of such proceedings; participating in a review, filing position statements, and performing additional searches for records under question.

The Borough also wants the public to know it has no choice but to respond to Right-to-Know Requests, for whatever the Requestor's reasons. There is no limitation on the number of records that could be sought. Also, the burden of proof falls on Bath if it denies access of a public record under the RTKLs more than 30 exemptions. In other cases, Michael Long's requests have been labor intensive requiring legal to review documents, redact information where necessary, or generate hundreds of pages of logs at the request of OOR during the appeals process.

Bath has engaged in a court challenge to review the way in which OOR has incorrectly applied certain rules in one of Long's Right-to-Know appeals. An otherwise standard process has devolved into a circus by Michael Long. Long appears to be using artificial intelligence technology to file motion after motion in county court that are completely unnecessary and procedurally flawed. Long's motions also contain false court case citations and posit false legal propositions. This becomes extremely taxing on the Borough for its legal team to review and respond to these unnecessary court filings.

The costs listed on this webpage do not account for designated Borough staff time. And as an example, throughout 2023, the Borough Manager alone has logged 331.37 hours of work related to all Right-to-Know matters. Of this, approximately 314.8 hours (95%) was spent solely on Michael Long's Right-to-Know requests. At 8 hours a day, this equates to nearly 40 days straight of working for one person.

These costs also do not include additional email and data storage subscriptions the Borough was required to purchase because Michael Long engaged the Borough in a litigation hold. This has created an additional expense of \$600 per month from the General Fund for software preserving data under Michael Long's litigation hold notice.

Why does all of this matter? First, the Borough has a right to level with its residents. It's to raise awareness that at this current rate of operational demand and expenditures related to the RTKL, (by one resident) is positioning the Borough to raise property taxes on the entire

community to cover these costs. Tax money will need to be set aside in order to meet the demands of maintaining compliance with the RTKL under normal circumstances and to anticipate future requests by Michael Long.

Below is a year-by-year breakdown of costs associated with records requests by Michael Long. Long's records requests are included. Michael Long's phone number, email address, and home address have been redacted from the records request forms.

2022

Michael Long started submitting Right-to-Know Requests toward the end of 2022.

From October through November 2022, 2 Requests with multiple sub-parts were submitted. The Borough has logged an estimated **\$4,554.00** in legal fees to process these requests. The figure is estimated because during this time Right-to-Know matters were not being separated out on an individual basis by the Borough. There was never a need to do so because records request workloads were more routine. The Borough Solicitor would group Right-to-Know work under 'General Solicitorship Services' of the Borough, no matter how many requests the Borough processed in a given year.

The estimate means, for example, if the Solicitor worked on 2 separate Right-to-Know request matters (calling out the name of the Requestors on invoices, one being Michael Long) and the bill was \$100, the Borough split this time between Michael Long and the other Requestor evenly. *NOTE: These estimates have not been independently analyzed by the Borough Solicitor's Office.*

It would be costly for the Borough to have the solicitor, or any other professional services, review their invoices to identify work specifically for Michael Long prior to when expense tracking was initiated. This is why, on a go-forward basis, professional services will begin logging hours of work on a per individual basis, should the Borough find a repetitious pattern from a Requestor.

Long accounted for 9% of the Borough's entire 2022 Right-to-Know Request case load. To date, 2022 costs compared to all other Right-to-Know matters have not been estimated.

See Long's Right-to-Know Requests below:

[RTK-Request-Form-11.2022-REDACTEDDownload](#)

[RTK-Request-21.2022-REDACTEDDownload](#)

2023

In 2023, Long submitted 10 Right-to-Know Requests. In some cases, multiple Right-to-Know Requests were filed on the same day. In each circumstance, the Right-to-Know Requests were written in multiple sub-parts. This was on top of Long's Right-to-Know Requests from 2022 of which RTKR #11.2022 was appealed by Long to OOR.

In total, Long would file 5 Right-to-Know appeals.

Long has accounted for the most amount of money spent by Bath to handle Right-to-Know Requests and appeals to OOR.

In 2023, this was the first time Bath started to separate out expenses for Right-to-Know matters by a single individual. If any vendor worked on Long's Right-to-Know Request, these expenses would now be booked accordingly. Bath's Solicitor's Office began separating out a 'Long' matter number by April 2023. *NOTE: The estimates prior to the Solicitor's Office establishing a separate matter number for Michael Long have not been independently analyzed by the Borough Solicitor's Office.*

Separating out matters numbers is now an ongoing bookkeeping practice Bath will perform, should a Requestor like Long occur in the future. It's only fair and transparent for the community to know where its tax dollars are being spent.

In 2023, Long accounted for an estimated \$68,746.93 in Right-to-Know legal fees. The Borough Auditor charged an additional \$1,820 in Right-to-Know fees relative to Long's requests. The Borough's bookkeeper completed another estimated \$665 in work related to Long's requests. Finally, the Borough's IT vendor performed \$2,886.24 in Right-to-Know work for Long.

In total, Michael Long's 2023 Right-to-Know cost the Borough an estimated **\$74,153.17** for work related to his Requests, ensuing OOR appeals, and Bath's court challenge.

Long accounted for 26% of the Borough's entire 2023 Right-to-Know Request case load. When compared to overall Right-to-Know costs (non-Michael Long), legal fees amounted to \$16,658.45 (one other Requestor accounted for an estimated \$9,365.35 of this total; see 2023 Bath Right to Know Tracking Log). The Borough's bookkeeper completed an estimated \$35 of work. Total fees accrued by Right-to-Know and records processing not associated with Michael Long is estimated at \$16,693.45.

In 2023, of the \$90,846.62 in total Right-to-Know records processing Bath has completed, Michael Long accounts for approximately 82% of these costs.

See Long's Right-to-Know Requests below:

[RTK-Requests-12-14.2023-REDACTEDDownload](#)

[RTK-Request-15.2023-REDACTEDDownload](#)

[RTK-20.2023-REDACTEDDownload](#)

[RTK-24.2023-REDACTEDDownload](#)
[RTKR-32.2023-REDACTEDDownload](#)
[RTKR-33.2023-REDACTEDDownload](#)
[RTKR-37.2023-REDACTEDDownload](#)
[RTKR-38.2023-REDACTEDDownload](#)

2024

Through June 30, 2024, Long has submitted 2 Requests. Right-to-Know Requests and legal matters stemming from the Borough's court challenge accounts for \$59,972.26 in new legal expenses. RTK Request #02.2024 was in an email format, which the Borough processed. In March, Bath has since adopted a revised Right-to-Know policy requiring the use of the [Standard Right-to-Know Request Form](#).

In addition, legal expenses have been incurred for attempting to handle Long's request for information and documents outside of the RTKL, totaling \$5,624.85. This has now become unsustainable as Long has asked for research, reports, and documents in the months of March, April, May and June. This work is not shown on [Bath's Right-to-Know Tracking logs](#). The impact on staff and operations precludes any further individualized attention Long has sought.

On June 25th, Long attempted to request access to additional records via email while also submitting a Right-to-Know request, doubling down on burdening the Borough with records searching, retrieval, and processing. Michael Long's June 25th email is below:

[Request-for-Bank-Statements-and-Audit-TrailsDownload](#)

Through July 31, 2024, Bath's IT vendor has expended \$4,154.70 in Right-to-Know matters related to Long. The Borough's bookkeeper logged work on Long's Right-to-Know matters, costing the Borough an additional \$1,591.25. Plus, another \$1,100 in bookkeeping work to review financial data and prepare documents for Long outside of the Right-to-Know Law as a courtesy.

Long's request for records both within and outside of the RTKL have totaled **\$72,443.06** through July 2024.

As of July 31, 2024, Long accounts for 22% of the Borough's entire 2024 Right-to-Know Request case load. When compared to overall Right-to-Know costs (non-Michael Long), legal fees amounted to \$761.95. The Borough's bookkeeper completed an estimated \$83.75 of work. Total fees accrued by Right-to-Know Requests not associated with Michael Long is estimated at \$845.70.

As of June 30, 2024, of the \$66,736.85 in total Right-to-Know and records processing Bath has completed, Michael Long accounts for approximately 99% of these costs.

Long would go on to file 1 appeal stemming from a 2023 Right-to-Know Request.

See Long's Right-to-Know Requests below:

RTKR-08.2024_REDACTEDDownload

Exhibit

B

From: [Fiorella Reginelli-Mirabito](#)
To: [Bradford Flynn](#)
Cc: [Michele Ehr Gott](#); [Barry Fenstermaker](#); [Frank Hesch](#); [Mark Saginario](#); [Carol Bear-Heckman](#); [Phyllis Andrews](#); [Anthony Kovalovsky](#); [Marena Rasmus](#); [Tanya Lamparter](#)
Subject: Re: CONCERNS
Date: Thursday, October 28, 2021 8:13:03 AM

Brad...

Believe me I understand “conception” and “law” - again, for some reason I cannot shake the fact that it concerns me...that is all.

Safe travels home!

#5

Exhibit B

Fiorella Reginelli Mirabito

Mayor

Borough of Bath

121 South Walnut Street

Suite 111

Bath, PA 18014

610-837-6525 - Borough Office

610-837-8989 - Fax

484-281-3628 - Mayors Office

visit us at: www.bathborough.org

“Bath...History Nestled With Friendship”

**Need to read from
the bottom up**

“Believe you can, and you’re half way there...” - Theodore Roosevelt

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On Oct 28, 2021, at 8:00 AM, Bradford Flynn
<bradford.flynn@boroughofbath.org> wrote:

Understood. And as an objective fact, certain things must occur before the seat is filled.

#4

Public knowledge of him resigning and the actual law on this is not aligned here. The Borough Code dictates what Council can do in this situation. Council accepts Marks resignation in public session. Which hasn't occurred yet. That sets the timetable for filling a seat, depending on the outgoing members tendered resignation date. A seat only opens when a member officially submits his/her resignation and Council accepts it.

We'll get it straightened out. Jamie has been guiding Michele and I. We can discuss further in executive session.

Brad

Sent from my Verizon, Samsung Galaxy smartphone
Get [Outlook for Android](#)

From: Fiorella Reginelli-Mirabito <mayor@boroughofbath.org>
Sent: Thursday, October 28, 2021 3:54:12 AM
To: Michele Ehrgott <mehrgott@boroughofbath.org>
Cc: Barry Fenstermaker <bfenstermaker@boroughofbath.org>; Frank Hesch <fhesch@boroughofbath.org>; Mark Saginario <mark.saginario@boroughofbath.org>; Carol Bear-Heckman <checkman@boroughofbath.org>; Phyllis Andrews <pandrews@boroughofbath.org>; Anthony Kovalovsky <akovalovsky@boroughofbath.org>; Bradford Flynn <bradford.flynn@boroughofbath.org>; Marena Rasmus <marena.rasmus@boroughofbath.org>; Tanya Lamparter <tanya.lamparter@boroughofbath.org>
Subject: Re: CONCERNS

Thanks, Michele...

#3

Although, I believe Brad has just made it clear on what the steps are and how Council is going to proceed. Again, in my humble opinion...it all concerns me.

Have a good day!

Fiorella Reginelli Mirabito
Mayor
Borough of Bath
121 South Walnut Street
Suite 111
Bath, PA 18014
610-837-6525 - Borough Office
610-837-8989 - Fax
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"Believe you can, and you're half way there..." - Theodore Roosevelt

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???

**Where is the message
referenced in #3**

On Oct 27, 2021, at 6:56 PM, Michele Ehrgott
<mehrgott@boroughofbath.org> wrote:

#2

Next meeting November 8th council can discuss np

Sent from my iPhone

On Oct 27, 2021, at 5:15 PM, Fiorella Reginelli-Mirabito

<mayor@boroughofbath.org> wrote:

Good afternoon, everyone...

A quick message to you all, in reference to Mark's resignation on Council.

This weekend at the campfire I spoke to several people in reference to many things throughout our Borough. I listened closely, didn't really give any answers - just smiled and told them I would take their opinions under advisement. One of the items was Mark's resignation from Borough Council and how that is going to be handled. Also, Mr. Mike Long pulled me to the side and gave me his "dissertation" on how things should go; what we should do; what should've been done; available grants; etc. - and, lastly - and, most concerning his firm decision to run as a write-in on Council. Please know - ANYONE receiving the highest votes will get the seat. Those on the ballot really have no reason to worry - since voters usually don't take the time to "write-in". There are others who know of Mark's resignation since it's in the newspaper that he has taken the position in Tatamy, and others wanting to apply for that seat.

I want to go on record - I completely disagree with waiting for Mark's resignation to take effect in January 2022. I think the seat should be filled now. I realize, again, ultimately - the decision is Borough Councils and not mine. Although, I have a terrible feeling about the outcome if you wait to fill the seat. Manny has indicated interest in "applying" to fill the seat - to be honest, I'm not in agreement - but, not my decision either. He DOES NOT want ANY office on Council. He wants to just fulfill the two years and that's it. Michele - please do not be concerned that he wants to be President - or VP for the matter - NO interest at all.

Thank you for allowing me to express my concern... ultimately, as in all things I do - my concern is for the Borough...nothing more.

Best,
Fi

#1

Fiorella Reginelli Mirabito
Mayor
Borough of Bath
121 South Walnut Street
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610-837-6525 - Borough Office
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Theodore Roosevelt*

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Exhibit

F

Please note that this request includes any relevant communications that are not covered by attorney-client privilege. Under the RTKL, attorney-client privilege does not apply to factual information or data, the application of law to fact, or legal strategy, among other things.”

8. I will refer to the above referenced part of the Right-to-Know Law request, dated May 17, 2023, as “RTKL Request”.

9. Mr. Long’s above statement in is RTKL Request regarding the scope of attorney-client privileged communications is erroneous.

10. The attorney-client privilege has the purpose of fostering the free and open exchange of relevant information between the lawyer and the client. Gillard v. AIG insurance Company, 15 A.3d 44 (Pa. Supreme 2011).

11. To establish the attorney-client privilege, the person claiming it must demonstrate:

- (1) The asserted holder of the privilege is or sought to become a client.
- (2) The person to whom the communication was made is a member of the bar of a court, or his subordinate.
- (3) The communication relates to a fact of which the attorney was informed by his client, without the presence of strangers, for the purpose of securing either an opinion of law, legal services or assistance in a legal matter, and not for the purpose of committing a crime or tort.
- (4) The privilege has been claimed and is not waived by the client.

Office of the Governor v. Davis, Jr., 122 A.3d 1185 (Pa. Cmwlth. 2015)(citing Nationwide Mutula Insurance Company v. Fleming, 924 A.2d 1259 (Pa. Super. 2007), *affirmed by an equally divided court*, 992 A.2d 65 (Pa. Supreme 2010).

12. The attorney-client privilege operates in a two-way fashion to protect confidential client-to-attorney or attorney-to-client communications made for the purpose of obtaining or providing professional legal advice. Gillard, *supra*.

13. The holder of the privilege is the client or person seeking to become the client. Office of the Governor, *supra*.

14. Here, the holder of the privilege is the Borough of Bath (the “Borough”) and the Borough has not waived the privilege.

15. Bradford T. Flynn (“Flynn”) is an Open Records Officer for the Borough.

16. Flynn is also the Manager for the Borough.

17. On or around June 23, 2023, Flynn, in his capacity as a Borough Open Records Officer, asked me to review several potentially responsive emails that he located via his search on the Borough's server for emails between Bradford Flynn, Fiorella Mirabito, Michele Ehrgott, Phyllis Andrews, Barry Fenstermaker, and me from September 20, 2021, to May 15, 2022, regarding the subject matters identified in the RTKL Request.

18. Based on my review of the potentially responsive emails that Flynn located via his search on the Borough's server, I identified only my email of December 3, 2021, from me to former Borough employee Marena Rasmus with copy to me, Borough Engineer Madison, Mayor Fiorella Mirabito and all Council members at that time (including, but not limited to, Michele Ehrgott, Phyllis Andrews, and Barry Fenstermaker) (the "JFK Email of 12-3-21") as containing my legal advice regarding several parts of proposed Resolution #2021-012 including, but not limited to, Article 2.7(f) of proposed Resolution #2021-012.

19. Article 2.7 of proposed Resolution #2021-012 relates to the process to appoint a person to a vacated Council seat. Thus, Article 2.7(f) of proposed Resolution #2021-012 relates to the process to appoint a person to a vacated Council seat. Because of that, my legal advice in the JFK Email of 12-3-21 regarding Article 2.7(f) of proposed Resolution #2021-012 relates to the appointment of a person to a vacated Council seat and, therefore, it related to the prospective appointment of Emmanuel Mirabito to the Council seat that was imminently being vacated by former Councilmember Mark Saginario.

20. The JFK Email of 12-3-21 falls within the "between Bradford Flynn, Fiorella Mirabito, Michele Ehrgott, Phyllis Andrews, Barry Fenstermaker, **and** James Kratz, from September 20, 2021, to May 15, 2022" stated in Mr. Long's RTKL Request. Emphasis added.

21. The JFK Email of 12-3-21 was made to representatives of my client, the Borough, for purposes of providing legal advice, outside the presence of strangers, in response to a communication from Flynn, outside the presence of strangers, for an opinion of law regarding any part of proposed Resolution #2021-012 and not for the purpose of committing a crime or tort.

22. The JFK Email of 12-3-21 is protected by the attorney-client privilege. Office of the Governor, supra; Gillard, supra.

23. On or around June 23, 2023, I also stated to Flynn that, as a precautionary measure, he should note in the Borough's letter of June 23, 2023, to Mr. Long that emails from me to Flynn, Mayor Fiorella Mirabito and/or members of Council regarding my legal advice regarding the resignation of Mark Saginario from Council, the vacated Council seat following Mark Saginario's resignation, the appointment of Emmanuel Mirabito to the Council seat and the process to appoint a person to Council seat are attorney-client privileged and not subject to access per RTKL Section 102 (definitions of "privilege" and "public record").

24. I stated "and/or" to Flynn because (a) the JFK Email of 12-3-21 which falls within the "between Bradford Flynn, Fiorella Mirabito, Michele Ehrgott, Phyllis Andrews, Barry Fenstermaker, **and** James Kratz" but also (b) I had/have the following email exchange for legal advice that does not fall within "between Bradford Flynn, Fiorella Mirabito, Michele Ehrgott, Phyllis Andrews, Barry Fenstermaker, **and** James Kratz":

(a) Email exchange in October 2021 (the "Email Exchange in October 2021") with Flynn and Council President Ehrgott regarding their request for legal advice regarding the resignation of then Councilmember Mark Saginario, the vacated Council seat following Mark Saginario's resignation and the general process to appoint a Council person. The prospective appointment of Emmanuel Mirabito to the Council seat was not a part of this email exchange. The legal advice that I provided via the JFK Email of 12-3-21 related to the prospective appointment of Emmanuel Mirabito because it related to the prospective appointment of any person to a vacated Council seat.

25. The Email Exchange in October 2021 was made to representatives of my client, the Borough, for purposes of providing legal advice, outside the presence of strangers, in response to emails from Flynn and Council President Ehrgott, outside the presence of strangers, for an opinion of law and legal assistance regarding the resignation of then Councilmember Mark Saginario, the vacated Council seat following Mark Saginario's resignation and the general process to appoint a Council person and not for the purpose of committing a crime or tort.

26. The Email Exchange in October 2021 is protected by the attorney-client privilege. Office of the Governor, supra; Gillard, supra.

27. I stated “and/or” to Flynn as stated in paragraph 24 above because I desired that Flynn inform Mr. Long that I did provide legal advice on the topics covered by the Email Exchange in October 2021 so Mr. Long is aware that Flynn and/or Council President Ehrgott were aware of my legal advice so Mr. Long may possibly find that he does not need to make another right-to-know law request on that topic/time period.

28. On or around June 23, 2023, I also searched my email records for the Borough and did not find any other email exchanges regarding Mr. Long’s other subject matters during the relevant time frame so I informed Flynn that I didn’t have other attorney-client privileged emails to note for Mr. Long.

29. In preparing this Affidavit, I performed another search to ensure my initial search was correct and I located the following email exchanges:

(a) Email exchange on April 21, 2022 (the “JFK 4-21-22 Email Exchange #1”), between Flynn and me wherein Flynn sought legal opinions regarding the prospective employment of Fiorella Mirabito as a part-time office clerk of the Borough and form of compensation and where I provided legal advice in response to same.

(b) Email exchange on April 21, 2022 (the “JFK 4-21-22 Email Exchange #2”), between Council President Ehrgott and me wherein Council President Ehrgott sought legal opinion regarding the prospective employment of Fiorella Mirabito as a part-time office clerk of the Borough and where I provided legal advice in response to same.

30. The JFK 4-21-22 Email Exchange #1 was made to a representative of my client, the Borough, for purposes of providing legal advice, outside the presence of strangers, in response to a communication from Flynn, outside the presence of strangers, for opinion of laws regarding the prospective employment of Fiorella Mirabito as a part-time office clerk of the Borough and form of compensation.

31. The JFK 4-21-22 Email Exchange #1 is protected by the attorney-client privilege. Office of the Governor, supra; Gillard, supra.

32. The “JFK 4-21-22 Email Exchange #2” was made to a representative of my client, the Borough, for purposes of providing legal advice, outside the presence of strangers, in response to a communication from Council President Ehrgott, outside the presence of strangers, for an opinion of law regarding the prospective employment of Fiorella Mirabito as a part-time office clerk of the Borough.

33. The JFK 4-21-22 Email Exchange #2 is protected by the attorney-client privilege. Office of the Governor, supra; Gillard, supra.

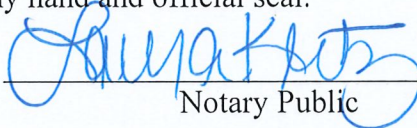
34. While the JFK 4-21-22 Email Exchange #1 and JFK 4-21-22 Email Exchange #2 each fall outside of Mr. Long's "between Bradford Flynn, Fiorella Mirabito, Michele Ehrgott, Phyllis Andrews, Barry Fenstermaker, and [Solicitor Kratz]" designation via his RTKL Request and are attorney-client privileged, I am informing Mr. Long of the existence of the JFK 4-21-22 Email Exchange #1 and JFK 4-21-22 Email Exchange #2 so Mr. Long is aware that Flynn and Council President Ehrgott were aware of the legal advice that I provided so Mr. Long may possibly find that he does not need to make another right-to-know law request on those topics/time period.



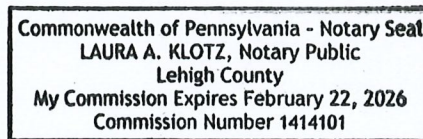
JAMES F. KRATZ, ESQ.

On this, the 24th day of July, 2023, before me a Notary Public in and for the Commonwealth of Pennsylvania, the undersigned officer, personally appeared JAMES F. KRATZ, ESQ., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained.

In Witness Whereof, I hereunto set my hand and official seal.



Notary Public



Exhibit

G



Dearest Bradford,

You can fool some of the people some of the time,
but..

I strongly disagree with your assessment in the "Notable Statements of 2024" [P.O.S] document regarding the appointment of Emanuel Mirabito to the Borough Council and the handling of related communications. The evidence clearly demonstrates serious issues of nepotism, conflict of interest, and potentially illegal document manipulation. These concerns are rooted in several key areas:

Nepotism and Conflict of Interest:

The claim that the mayor had no voting power in council decisions and thus could not have had a conflict of interest in recommending her husband for the vacant council seat is demonstrably false. The mayor has undeniably exercised her voting power in the past, most notably during the April 2018 meeting, where she broke a 3-3 tie to appoint Frank Hesch to Council. This clearly proves that the mayor does

indeed have voting power and has used it to influence council outcomes, directly contradicting the initial claim [D].

The mayor's involvement in advocating for her husband's appointment, combined with her established ability to vote on the appointment of empty council positions, presents an undeniable conflict of interest. This issue is further exacerbated by the mayor's previous actions, which suggest a pattern of leveraging her position to influence council decisions in ways that benefit her personally. Examples include:

1. In fall 2021, the mayor advocated for the appointment of a new engineering firm for the borough. Notably, this seemed to have benefited a very, very small portion of the towns populous as the Firms Representative is father of her son's wife. Following this change, residents celebrated the significant increase in the cost of engineering services, rising from \$118/hr to \$180/hr for any project requiring such expertise.
2. In April 2022, when Marena quit, the mayor was given the job as clerk without public announcement. To this day, the borough only refers to that position as "the clerk" and never mentions that it's also the mayor herself.

The lack of transparency regarding the replacement of a council member, especially when contrasted with how the same individuals handled the very same situation in 2018, raises serious concerns about the integrity of the appointment process.

The email dated October 28, 2021 [A] clearly shows that Mayor Fiorella Mirabito was advocating for her husband's appointment to the council vacancy somehow months before it even known to be happening. This use of insider information to promote a family member's interests is a clear example of nepotism and conflicts with the PA Mayors Handbook's definition of conflict of interest [B]. These connections between her personal interests and official responsibilities further solidifies the conflict of interest in this situation.

Misuse of Confidential Information and Inconsistent Process:

The email dated October 28, 2021 [A] not only demonstrates that Mayor Mirabito was discussing the council vacancy behind closed doors, but it also highlights a troubling inconsistency in how the Borough handled public disclosure compared to past practices. In this email she CC'd Brad, all council as well as both Tanya and Marena. Both of whom were neither authorized to participate in executive session, yet the mayor shared such sensitive information with them.

So while you make mention that IF Mark had told me he had resigned that day, you are quick to suggest that IF he had, it would've been a violation of the sunshine act. This is true, but I then ask you which is it, did he resign on October 4, 2021 or December 31, 2021 [C] (because it's easier with the taxes)? You can't have it both ways. Plus I'm not suggesting that HE leveraged such knowledge to his advantage, but I'm showing you, that she did!!!

COURT:

Which, funny enough, leads us right into why we're in court to begin with, not because of me, no, that's just some more false narrative the borough loves to push. But rather, it's because you two have spared no expense trying to keep these emails under wraps. But now, after getting slapped down not just once, then hiring the best RTK lawyer in the state and hoping two lawyers were better than one, only to be disappointed for a second time by the OOR, who ordered you to crack open those so-called "privileged" emails and spill any non-exempt facts, instead you decided to piss away even more money and went running to the courts. Not one, not two, but three separate appeals filed! Only to have the first two be premature, but that hasn't stopped you from letting those lawyers keep filing more and more paperwork into cases that are DOA. I wonder if this

desperate legal scramble that doesn't seem to be going so well, has anything to do with the Solicitor suddenly bailing on municipal law and you having to interview replacements on Monday? Quite the coincidence, don't you think?

It doesn't help that during the OOR appeal, the borough needed three versions of the affidavit, sworn to under penalty of perjury, regarding these privileged emails. Because someone messed up and mentioned that an email on 12/3[E] was related to Manny's impending seat on council. A full month before anyone supposedly even knew it would be available. Although the first hint should've probably been that Mark never attended another council meeting after October 4th.

Now, I'm sure you're insisting that I'm wrong about everything, but.... I'm not. You keep telling the council, "We have to do this because it's our duty to correct this great injustice," and "Long did it all, I hold no responsibility, he made me spend \$150,000." Nope..... No I didn't, and in court, your lawyer didn't even want to say that nonsense because he knew it would make you look bad to the judge, just as claiming such a thing does. But the lawyers like easy money, so they support your claims of this great impending victory. But... It's ... not.... coming. "We will get all our money back." Still... Nada... Nope! You're probably going to have to pay me, actually! But I'm just some idiot living in my mom's basement.

You're so sure you're going to win in court and figure I'll have to defend against a seasoned attorney with real time arguments in court against the guy who wrote the literally book on RTK law, and you would've had a good chance,.. MAYBE!

But I have a feeling that the judge won't take to kindly when he realizes that you tried to claim a conversation between you and Kratz was privileged regarding Marks resignation. One you have no legal reason to hold privilege as you are not involved in the process of choosing a replacement, you don't have a vote and thus no legal standing to require privilege.

I'm sure you and Kratz would argue against this. But it wouldn't matter because even after making multiple amendments to the affidavit already, you failed to even realize that you claimed this for a conversation on October 3, 2021[E] that you clearly wanted to ensure was kept in the dark.

But guess what... Mark didn't know and no one on council knew till about 7:30pm on October 4th. Plus I have more surprises which will be more than enough to trigger the Fraud-Crime exemption and require an in person review of those emails.

180°:

What should be concerning to everyone is the 180° shift in how the council handled public disclosure between 2018 and 2021. In 2018, with the exact same individuals present as per Roll Call, the council operated with far greater transparency, allowing for public knowledge and participation in the process. However, in 2021, this same group chose to withhold critical information from the public until mere moments before announcing Emanuel Mirabito's appointment. This stark inconsistency suggests a deliberate effort to manipulate the outcome while keeping the public in the dark, a move that not only undermines public trust but also violates the principles of open governance.

The conversation in the October 2021[A] email gives the impression that the mayor believes she knows better than the public who should be in office, as evidenced by her clear opposition to the idea of a write-in candidate—a sentiment that further illustrates a disregard for the democratic process.

By withholding information and exerting influence behind the scenes, the mayor and the council members involved subverted the very transparency and accountability that are supposed to guide their actions. Really makes you wonder what changed so much over a few short years.

I wonder if it had anything to do with all the extra cash the borough saved by dropping CRPD and taking the free option. I mean at the end of 2018 Brad grossed \$68k[G] and by the end of 2021 it was over \$90k[H]. At the end of 2018 the Mayor budget expense was \$3,386.36 and at the end of 2021 it over \$23k, she had her husband set for a seat on council and flipped the engineering firm contract to her Daughter in Laws Father. Plus when you consider the claims I've been making for last 18 months and reread that email, the mayors words take on a very different context and hit just a little bit different.

..this time, your only fooling yourself!

Referenced Documents:

- **[A] Email thread dated October 28, 2021.**

[Dissertation .pdf](#)

- **[B] PA Mayors Handbook excerpt on conflict of interest.**

[Exerpt from PA Borough Mayors Manual - Ethics.pdf](#)

- **[C] October 4, 2021, and January 3, 2022 Borough Council meeting minutes.**

[October 4, 2021, and January 3, 2022 Borough Council meeting minutes](#)

- **[D] March and April 2018 Borough Council meeting minutes.**

[March and April Minutes 2018.pdf](#)

- **[E] Redaction log provided by the Borough.**

[Exemption Log.pdf](#)

- **[F] Borough Solicitor's first affidavit.**

[JFK First Affidavit 7-24-23.pdf](#)

- **[G] 2018 Payroll Data**

[2018 brad Payroll.pdf](#)

- **[H] 2021 Payroll Data**

[2021 Brad Payroll.pdf](#)

- [P.O.S]

[Notable Statements of 2024 – Borough of Bath.pdf](#)

P.S.

If you're like me and also wondered where the message went that obviously missing from the email chain. Well I'll say that from the context of the conversation is highly likely that what Brad said was related to the his conversation with the Solicitor. One of those 'Privileged' heart to hearts.

By Brad disclosing such in that email he would be waiving his right (if he had any) to privilege. As the email chain itself isn't protected, it seems someone deliberately removed a part. But one, that's illegal and hence a crime and two no one from your upstanding borough would do such a thing. I mean it's not like they have anything to hide, they've ensured you all that I just have a grudge and I'm just a big meanie.

Exhibit

H



Show Me The Money Trail

A long time ago in a galaxy far, far away...

Or as we call it 121 South Walnut Street Bath, PA 18014 sat the Masterminds of a complicated and complex scheme to defraud the people whom lived along a stream and what follows is a story that people don't want to believe but the truth is out there and so today I choose to seize, and put it out there that criminals they decided to be.

The truth shall set you free!

Let's begin with a page from the 2019 Preliminary Budget[A] for the Borough of Bath, focusing on the Mayor's Fund.

This document, typically issued in the fall, presents three key pieces of information: 1. The 2018 Budget column shows the year-to-date financial figures for 2018. 2. The 2018 Estimated Budget column reflects the final approved numbers for 2018. 3. The 2019 Proposed Budget column serves as the starting point for the upcoming year's budget discussions. This preliminary budget was issued in fall 2018.

The "Mayor's Fund" is somewhat misleadingly named. It was established in 2016 to hold donations and fundraising proceeds for the construction of what is now

Paw Park. The Borough, facing rising costs, couldn't afford the project on its own. However, if the community raised the funds, the project could proceed—and indeed, over \$20,000 in donations poured in before completion.

Construction was initially planned for 2018, but excessive rainfall that fall delayed progress. Yost Fencing, who had donated labor for fence installation, had to postpone until 2019. It was in that year that Paw Park finally became a reality, transforming a community dream into a tangible asset.

While the Mayor's Fund shows budgeted amounts, these weren't Borough funds per se—no Borough dollars were allocated to it. This explains why the 2018 Estimated Budget showed a year-end fund balance of \$0.00.

Now, let's examine the same page from the 2020 Preliminary Budget[B], again focusing on the Mayor's Fund. As expected, this fund was zeroed out in the first column, reflecting the year-to-date numbers as of fall 2019. Interestingly, while the previous document showed a 2019 estimated budget of \$10,000.00, here we see the 2019 Estimated Budget amount has changed to \$18,500.00. Both figures are crucial—keep them in mind.

BUDGET SUMMARY **ALL FUNDS – 2019**

FUND	2018 Budget	2018 Estimated Budget	2019 Proposed Budget	2019 Final Budget
<u>General Fund</u>				
Available Assets and Revenues	\$1,425,416.02	\$1,458,260.38	\$1,547,390.82	
Expenditures and Transfers	\$1,713,060.01	\$1,442,563.39	\$1,547,390.82	
Closing Balance	-\$287,643.99	\$15,696.99	\$0.00	
<u>Highway Aid Fund</u>				
Available Assets and Revenues	\$165,705.53	\$219,153.51	\$194,225.92	
Expenditures and Transfers	\$29,102.28	\$153,543.89	\$99,543.89	
Closing Balance	\$136,603.25	\$63,609.62	\$94,682.03	
<u>Mayors Fund</u>				
Available Assets and Revenues	\$16,783.52	\$15,000.00	\$10,000.00	
Expenditures and Transfers	\$2,248.87	\$15,000.00	\$10,000.00	
Closing Balance	\$14,534.65	\$0.00	\$0.00	
<u>Non-General Fund Escrow</u>				
Available Assets and Revenues	\$5,231.46	\$1,259.45	\$5,231.46	
Expenditures and Transfers	\$0.00	\$0.00	\$1,477.79	
Closing Balance	\$5,231.46	\$1,259.45	\$3,753.67	
<u>Capital Improvement Fund</u>				
Available Assets and Revenues	\$197,043.02	\$200,000.00	\$120,000.00	
Expenditures and Transfers	\$56,063.11	\$0.00.00	\$50,000.00	
Closing Balance	\$141,221.27	\$200,000.00	\$70,000.00	
<u>Fire Protection Fund</u>				
Available Assets and Revenues	\$12,742.47	\$13,408.45	\$13,408.45	
Expenditures and Transfers	\$12,742.47	\$13,408.45	\$13,408.45	
Closing Balance	\$0.00	\$0.00	\$0.00	
<u>Developers Escrow</u>				
Available Assets and Revenues	\$71,617.70	\$26,030.20	\$59,617.70	
Expenditures and Transfers	\$12,000.00	\$25,176.79	\$0.00	
Closing Balance	\$59,617.70	\$853.41	\$59,617.70	

Next, we'll review a page from the 2019 Mayor's Fund Reconciliation Detail[C]. These documents, obtained through Right-to-Know Requests initiated on September 27, 2022, have become central to discussions involving Borough Manager **Bradford Flynn** and Mayor **Fiorella Mirabito**. While I'm presenting excerpts, the full documents are attached and accessible via the [Tags].

A reconciliation detail, in this context, is a financial document that compares Mayor's Fund transactions with bank statements and internal records. This process ensures all recorded financial activities align with actual bank transactions and obligations.

On March 31, 2019, the Mayor's Fund balance stood at \$12,242.27. Curiously, this same figure appears in the 2020 Preliminary Budget under the 2019 Budget column as being zeroed out. This discrepancy raised the first of many red flags for me, suggesting the account was already at zero when the 2020 preliminary budget was issued.

Here's the balance at the beginning of the year:

6:50 PM

04/04/19

BOROUGH OF BATH - NON-GENERAL FUND ESCROWS

Reconciliation Detail

100.20 · MAYOR'S FUND - Checking, Period Ending 01/31/2019

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						12,384.94
Cleared Transactions						
Checks and Payments - 2 items						
Check	01/18/2019	128	Fiorella Reginelli-Mir...	X	-200.00	-200.00
Check	01/21/2019	127	School Outfitters LLC	X	-511.80	-711.80
Total Checks and Payments					-711.80	-711.80
Deposits and Credits - 1 item						
Deposit	01/10/2019			X	561.80	561.80
Total Deposits and Credits					561.80	561.80
Total Cleared Transactions					-150.00	-150.00
Cleared Balance					-150.00	12,234.94
Register Balance as of 01/31/2019					-150.00	12,234.94
Ending Balance					-150.00	12,234.94

For consistency, I've included February here as well

8:27 PM

04/04/19

BOROUGH OF BATH - NON-GENERAL FUND ESCROWS

Reconciliation Detail

100.20 · MAYOR'S FUND - Checking, Period Ending 02/28/2019

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						12,234.94
Cleared Transactions						
Deposits and Credits - 1 item						
Deposit	02/28/2019			X	5.20	5.20
Total Deposits and Credits					5.20	5.20
Total Cleared Transactions					5.20	5.20
Cleared Balance					5.20	12,240.14
Register Balance as of 02/28/2019					5.20	12,240.14
Ending Balance					5.20	12,240.14

Here's March, showing the account balance at \$12,242.27:

8:05 PM

04/30/19

BOROUGH OF BATH - NON-GENERAL FUND ESCROWS
Reconciliation Detail

100.20 · MAYOR'S FUND - Checking, Period Ending 03/31/2019

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						12,240.14
Cleared Transactions						
Deposits and Credits - 1 item						
Deposit	03/31/2019			X	9.71	9.71
Total Deposits and Credits					9.71	9.71
Total Cleared Transactions					9.71	9.71
Cleared Balance					9.71	12,249.85
Uncleared Transactions						
Checks and Payments - 1 item						
General Journal	12/31/2017	Audit			-7.58	-7.58
Total Checks and Payments					-7.58	-7.58
Total Uncleared Transactions					-7.58	-7.58
Register Balance as of 03/31/2019					2.13	12,242.27
Ending Balance					2.13	12,242.27

▼ \$114.35

I wanted to highlight the \$114.35 transaction as it appears in both the Mayor's Fund and the General Fund. There are several instances where transactions are recorded twice, suggesting they were actually billed to the General Fund.

6:16 PM
02/18/20

BOROUGH OF BATH - NON-GENERAL FUND ESCROWS
Reconciliation Detail
100.20 - MAYOR'S FUND - Checking, Period Ending 04/30/2019

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						12,249.85
Cleared Transactions						
Checks and Payments - 1 item						
Check	04/24/2019	129	Godshall's Landscap...	X	-1,550.25	-1,550.25
Total Checks and Payments					-1,550.25	-1,550.25
Deposits and Credits - 1 item						
Deposit	04/30/2019			X	5.33	5.33
Total Deposits and Credits					5.33	5.33
Total Cleared Transactions					-1,544.92	-1,544.92
Cleared Balance					-1,544.92	10,704.93
Uncleared Transactions						
Checks and Payments - 1 item						
General Journal	12/31/2017	Audit			-7.58	-7.58
Total Checks and Payments					-7.58	-7.58
Total Uncleared Transactions					-7.58	-7.58
Register Balance as of 04/30/2019					-1,552.50	10,697.35
New Transactions						
Checks and Payments - 9 items						
Check	05/08/2019	130	Landscape Products...		-114.35	-114.35
Check	06/06/2019	131	Landscape Products...		-24.13	-138.48
Check	08/08/2019	133	Landscape Products...		-761.38	-899.86
Check	08/08/2019	132	Blue Mountain Land...		-570.00	-1,469.86
Check	09/12/2019	134	Blue Mountain Land...		-880.00	-2,349.86
Check	09/12/2019	135	Northampton County...		-252.00	-2,601.86
Check	09/12/2019	136	Landscape Products...		-152.71	-2,754.57
Check	10/26/2019	137	David Backsenstoe		-500.00	-3,254.57
Check	12/19/2019	138	Daniel C. Kiriposki, I...		-145.00	-3,399.57
Total Checks and Payments					-3,399.57	-3,399.57
Total New Transactions					-3,399.57	-3,399.57
Ending Balance					-4,952.07	7,297.78

6:16 PM
02/18/20

BOROUGH OF BATH - NON-GENERAL FUND ESCROWS
Reconciliation Detail
100.20 - MAYOR'S FUND - Checking, Period Ending 05/31/2019

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						10,704.93
Cleared Transactions						
Checks and Payments - 1 item						
Check	05/08/2019	130	Landscape Products...	X	-114.35	-114.35
Total Checks and Payments					-114.35	-114.35
Deposits and Credits - 1 item						
Deposit	05/31/2019			X	4.53	4.53
Total Deposits and Credits					4.53	4.53
Total Cleared Transactions					-109.82	-109.82
Cleared Balance					-109.82	10,595.11
Uncleared Transactions						
Checks and Payments - 1 item						
General Journal	12/31/2017	Audit			-7.58	-7.58
Total Checks and Payments					-7.58	-7.58
Total Uncleared Transactions					-7.58	-7.58
Register Balance as of 05/31/2019					-117.40	10,587.53
New Transactions						
Checks and Payments - 8 items						
Check	06/06/2019	131	Landscape Products...		-24.13	-24.13
Check	08/08/2019	133	Landscape Products...		-761.38	-785.51
Check	08/08/2019	132	Blue Mountain Land...		-570.00	-1,355.51
Check	09/12/2019	134	Blue Mountain Land...		-880.00	-2,235.51
Check	09/12/2019	135	Northampton County...		-252.00	-2,487.51
Check	09/12/2019	136	Landscape Products...		-152.71	-2,640.22
Check	10/26/2019	137	David Backsenstoe		-500.00	-3,140.22
Check	12/19/2019	138	Daniel C. Kiriposki, I...		-145.00	-3,285.22
Total Checks and Payments					-3,285.22	-3,285.22
Total New Transactions					-3,285.22	-3,285.22
Ending Balance					-3,402.62	7,302.31

BOROUGH OF BATH
MAYOR'S FUND
215 E. MAIN STREET
BATH, PA 18014

60-7224/2313

130

DATE 5/8/19


COPY

© 2014 BANK OF AMERICA

PAY TO THE ORDER OF Landscape Products \$ 114.35
one hundred fourteen and 35/100 DOLLARS

ESSA Bank & Trust

MEMO Inv 7800098-IN
the park

HRy  MP

⑆ 231372248 ⑆ 022700433 ⑆ 0130

SPECIALLY BLUE



LANDSCAPEPRODUCTS.COM

Mayor Fund

1039 Trexlertown Road
Trexelertown, PA 18087
610-530-7100
Fax 484-223-2111

Rt.512 PO Box 117
Bath, PA 18014
610-837-8888
Fax 610-837-8554

INVOICE

SOLD TO:
Borough of Bath
121 S. Walnut Street
Bath, PA 18014

INVOICE NUMBER: 7800098-IN
INVOICE DATE: 03/19/2019
STORE LOCATION: Bath

SHIP TO:
Borough of Bath
121 S. Walnut Street
Bath, PA 18014

CUSTOMER NUMBER: 8376525
SALESPERSON: Sherry Laury
ORDER NUMBER:

CUSTOMER CONTACT: Brad Flynn
CUSTOMER PHONE: (610) 837-6525
CUST. PO NUM / REF:

ITEM NAME	WHSE	UNITS	TYPE	PRICE	AMOUNT
SRW Land. Fabric SB3 (6 x 300)	BATH	1.00	ROLL	114.354	114.35

Dog Park

OK to pay
\$114.35
5/7/19
3/19/19 paid
16793 - General acct.

PAYMENT TYPE	ACCT NUM:
--------------	-----------

SUB-TOTAL: 114.35
SALES TAX: 0.00
LESS DEPOSIT: 0.00
BALANCE DUE: 114.35

Customer Signature
I hereby acknowledge that the above items have been received in full and are in good order.
Bulk Products are not returnable. Returns are charged a 10% restocking fee.
Landscape Products is not responsible for any damage that may occur while loading products.

4:23 PM
08/22/19

**BOROUGH OF BATH - OPERATING "GENERAL" FUND
Reconciliation Detail**

100.00 - CASH-UNRESTRICTED, Period Ending 05/31/2019

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						119,621.21
Cleared Transactions						
Checks and Payments - 45 items						
Bill Pmt -Check	04/24/2019	16797	RCN (Business Pho...	X	-650.85	-650.85
Bill Pmt -Check	04/24/2019	16795	PA State Associatio...	X	-550.00	-1,200.85
Bill Pmt -Check	04/24/2019	16800	UGI Utilities, Inc.	X	-239.07	-1,439.92
Bill Pmt -Check	04/24/2019	16794	PA Department of L...	X	-163.52	-1,603.44
Bill Pmt -Check	04/24/2019	16798	Reliable Sign & Strip...	X	-130.35	-1,733.79
Bill Pmt -Check	04/24/2019	16793	Landscape Products...	X	-114.35	-1,848.14
Transfer	05/01/2019			X	-10,500.00	-12,348.14
Bill Pmt -Check	05/09/2019	16808	J.P. Mascaro & Sons	X	-19,089.00	-31,437.14
Bill Pmt -Check	05/09/2019	16813	Stevens & Lee, P.C.	X	-6,149.56	-37,586.70
Bill Pmt -Check	05/09/2019	16806	Delaware Valley He...	X	-5,579.54	-43,166.24
Bill Pmt -Check	05/09/2019	16812	Met-Ed	X	-3,264.42	-46,430.66
Bill Pmt -Check	05/09/2019	16811	Kinsman Company, ...	X	-609.00	-47,039.66
Bill Pmt -Check	05/09/2019	16807	Hot Frog Print Media...	X	-316.41	-47,356.07
Bill Pmt -Check	05/09/2019	16809	Keystone Collections	X	-63.94	-47,420.01
Check	05/10/2019			X	-12.00	-47,432.01
Transfer	05/11/2019			X	-10,750.00	-58,182.01
Bill Pmt -Check	05/13/2019	16823	Suburban Propane	X	-1,213.18	-59,395.19
Bill Pmt -Check	05/13/2019	16815	American Bankers L...	X	-866.00	-60,261.19
Bill Pmt -Check	05/13/2019	16822	RCN (Business Pho...	X	-672.04	-60,933.23
Bill Pmt -Check	05/13/2019	16817	Keystone Cement C...	X	-557.71	-61,490.94
Bill Pmt -Check	05/13/2019	16825	Verizon Wireless	X	-470.82	-61,961.76
Bill Pmt -Check	05/13/2019	16819	Landscape Products...	X	-288.68	-62,250.44
Bill Pmt -Check	05/13/2019	16816	Daniel C. Kiriposki, I...	X	-210.00	-62,460.44
Bill Pmt -Check	05/13/2019	16814	A. J. Trunzo, Inc.	X	-100.00	-62,560.44
Bill Pmt -Check	05/13/2019	16820	Quality Experience ...	X	-80.19	-62,640.63
Bill Pmt -Check	05/13/2019	16824	Sun Life Assurance ...	X	-71.60	-62,712.23
Bill Pmt -Check	05/13/2019	16821	Radio Maintenance, ...	X	-66.98	-62,779.21
Transfer	05/23/2019			X	-11,750.00	-74,529.21
Bill Pmt -Check	05/23/2019	16833	T & D Construction ...	X	-300.00	-74,829.21
Bill Pmt -Check	05/23/2019	16832	SUNOCO [effective...	X	-157.01	-74,986.22
Bill Pmt -Check	05/23/2019	16834	UGI Utilities, Inc.	X	-82.55	-75,068.77
Bill Pmt -Check	05/23/2019	16828	D. Gogel's Auto Part...	X	-11.96	-75,080.73
Check	05/24/2019	16837	ESSA BANK & TRU...	X	-60,419.04	-135,499.77
Check	05/24/2019	16835	ESSA BANK & TRU...	X	-39,719.26	-175,219.03
Check	05/24/2019	16836	ESSA BANK & TRU...	X	-27,858.35	-203,077.38
Bill Pmt -Check	05/24/2019	16842	Met-Ed	X	-3,311.90	-206,389.28
Bill Pmt -Check	05/24/2019	16839	France, Anderson, B...	X	-2,480.00	-208,869.28
Bill Pmt -Check	05/24/2019	16840	Keystone Collections	X	-2,288.82	-211,158.10
Bill Pmt -Check	05/24/2019	16845	Reliable Sign & Strip...	X	-1,344.25	-212,502.35
Bill Pmt -Check	05/24/2019	16843	Miller Supply ACE H...	X	-802.14	-213,304.49
Bill Pmt -Check	05/24/2019	16846	Whitehall Turf Equip...	X	-184.79	-213,489.28
Bill Pmt -Check	05/24/2019	16841	M.S. Techz LLC [eff...	X	-145.00	-213,634.28
Bill Pmt -Check	05/28/2019	16847	DriveLocker.com [D...	X	-1,724.32	-215,358.60
Bill Pmt -Check	05/28/2019	16853	Tri-Boro Fencing Co...	X	-120.76	-215,479.36
Bill Pmt -Check	05/28/2019	16851	Radio Maintenance, ...	X	-41.68	-215,521.04

NPO Checking-XXXXX23I07 (continued)**Deposits (continued)**

Date	Description	Amount
05/24/2019	REMOTE DEPOSIT	\$784.50
05/24/2019	REMOTE DEPOSIT	\$9,433.38
05/24/2019	DEPOSIT BATH	\$315.00
		12 item(s) totaling \$591,933.97

Electronic Credits

Date	Description	Amount
05/01/2019	PLGIT ACH REDEMPTION CCD	\$1,701.17
05/03/2019	KEYSTONE KCG EFILE PPD	\$26,700.00
05/06/2019	KEYSTONE KCG EFILE PPD	\$3,892.16
05/07/2019	KEYSTONE KCG EFILE PPD	\$900.00
05/09/2019	KEYSTONE KCG EFILE PPD	\$1,800.00
05/14/2019	KEYSTONE KCG EFILE PPD	\$5,600.00
05/21/2019	KEYSTONE KCG EFILE PPD	\$3,900.00
05/29/2019	KEYSTONE KCG EFILE PPD	\$800.00
		8 item(s) totaling \$45,293.33

Other Credits

Date	Description	Amount
05/31/2019	INTEREST PAID 5/01 THROUGH 5/31	\$22.66
		1 item(s) totaling \$22.66

Other Debits

Date	Description	Amount
05/01/2019	TRANSFER WITHDRAWAL	\$10,500.00
05/09/2019	DEPOSIT ITEM RETURNED	\$10.00
05/09/2019	DEPOSIT ITEM RETURNED FEE	\$12.00
05/11/2019	TRANSFER WITHDRAWAL	\$10,750.00
05/24/2019	TRANSFER WITHDRAWAL	\$11,750.00
		5 item(s) totaling \$33,022.00

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount
16793	05/01/2019	\$114.35	16823	05/20/2019	\$1,213.18
16794	05/02/2019	\$163.52	16824	05/17/2019	\$71.60
16795	05/29/2019	\$550.00	16825	05/16/2019	\$470.82
16797*	05/01/2019	\$650.85	16828*	05/29/2019	\$11.96
16798	05/01/2019	\$130.35	16832*	05/28/2019	\$157.01
16800*	05/01/2019	\$239.07	16833	05/29/2019	\$300.00
16806*	05/16/2019	\$5,579.54	16834	05/31/2019	\$82.55
16807	05/28/2019	\$316.41	16835	05/24/2019	\$39,719.26
16808	05/16/2019	\$19,089.00	16836	05/24/2019	\$27,858.35
16809	05/22/2019	\$63.94	16837	05/24/2019	\$60,419.04
16811*	05/16/2019	\$609.00	16839*	05/29/2019	\$2,480.00
16812	05/20/2019	\$3,264.42	16840	05/31/2019	\$2,288.82
16813	05/17/2019	\$6,149.56	16841	05/30/2019	\$145.00
16814	05/15/2019	\$100.00	16842	05/29/2019	\$3,311.90
16815	05/22/2019	\$866.00	16843	05/29/2019	\$802.14
16816	05/20/2019	\$210.00	16845*	05/29/2019	\$1,344.25
16817	05/16/2019	\$557.71	16846	05/29/2019	\$184.79
16819*	05/22/2019	\$288.68	16847	05/31/2019	\$1,724.32
16820	05/20/2019	\$80.19	16851*	05/31/2019	\$41.68
16821	05/17/2019	\$66.98	16853*	05/30/2019	\$120.76
16822	05/20/2019	\$672.04			
					41 item(s) totaling \$182,509.04

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount	Date	Amount
05/01/2019	\$109,687.76	05/03/2019	\$136,224.24	05/07/2019	\$151,880.32
05/02/2019	\$109,524.24	05/06/2019	\$140,116.40	05/08/2019	\$721,607.49

▼ **\$24.13 or \$20.07**

Let's highlight this transaction, as it becomes crucial later. You'll notice it was initially a check for \$24.13, which, after interest, was calculated as a \$20.07 drawdown from the account.

6:17 PM

02/18/20

**BOROUGH OF BATH - NON-GENERAL FUND ESCROWS
Reconciliation Detail**

100.20 · MAYOR'S FUND - Checking, Period Ending 06/30/2019

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						10,595.11
Cleared Transactions						
Checks and Payments - 1 item						
Check	06/06/2019	131	Landscape Products...	X	-24.13	-24.13
Total Checks and Payments					-24.13	-24.13
Deposits and Credits - 1 item						
Deposit	06/30/2019			X	4.06	4.06
Total Deposits and Credits					4.06	4.06
Total Cleared Transactions					-20.07	-20.07
Cleared Balance					-20.07	10,575.04
Uncleared Transactions						
Checks and Payments - 1 item						
General Journal	12/31/2017	Audit			-7.58	-7.58
Total Checks and Payments					-7.58	-7.58
Total Uncleared Transactions					-7.58	-7.58
Register Balance as of 06/30/2019					-27.65	10,567.46
New Transactions						
Checks and Payments - 7 items						
Check	08/08/2019	133	Landscape Products...		-761.38	-761.38
Check	08/08/2019	132	Blue Mountain Land...		-570.00	-1,331.38
Check	09/12/2019	134	Blue Mountain Land...		-880.00	-2,211.38
Check	09/12/2019	135	Northampton County...		-252.00	-2,463.38
Check	09/12/2019	136	Landscape Products...		-152.71	-2,616.09
Check	10/26/2019	137	David Backsenstoe		-500.00	-3,116.09
Check	12/19/2019	138	Daniel C. Kiriposki, I...		-145.00	-3,261.09
Total Checks and Payments					-3,261.09	-3,261.09
Total New Transactions					-3,261.09	-3,261.09
Ending Balance					-3,288.74	7,306.37

COPY Mayers Fund

BOROUGH OF BATH
MAYOR'S FUND
215 E. MAIN STREET
BATH, PA 18014

60-7224/2313

131

DATE 6/6/19

PAY TO THE ORDER OF Landscape Products Co Inc \$ 24.13
twenty-four and 13/100 DOLLARS

ESSA Bank & Trust

MEMO Inv 7802924.

[Signature] MP

⑆231372248⑆ 0227708433⑆ 0134

SPECIALTY BLUE



LANDSCAPEPRODUCTS.COM

INVOICE

SOLD TO:
Bath Borough Authority
P.O. Box 87
BATH, PA 18014

1039 Trexlertown Road Rt.512 PO Box 117
Trexlerstown, PA 18087 Bath, PA 18014
610-530-7100 610-837-8888
Fax 484-223-2111 Fax 610-837-8554

INVOICE NUMBER: 7802924-IN
INVOICE DATE: 05/17/2019
STORE LOCATION: Bath

SHIP TO:
Bath Borough Authority
P.O. Box 87
BATH, PA 18014

CUSTOMER NUMBER: 8370652
SALESPERSON: Patrick Gargone
ORDER NUMBER:

CUSTOMER CONTACT:
CUSTOMER PHONE: (610) 837-0652
CUST. PO NUM / REF: 11/2019

ITEM NAME	WHSE	UNITS	TYPE	PRICE	AMOUNT
Brownwood Mulch - REGULAR	BATH	1.00	CY	24.129	24.13

Tree @ Paw Park
OK to pay
[Signature] 5/20/19

PAYMENT TYPE	ACCT NUM:
--------------	-----------

SUB-TOTAL: 24.13
SALES TAX: 0.00
LESS DEPOSIT: 0.00
BALANCE DUE: 24.13

Customer Signature
I hereby acknowledge that the above items have been received in full and are in good order. Bulk Products are not returnable. Returns are charged a 10% restocking fee. Landscape Products is not responsible for any damage that may occur while loading products.

▼ \$880.00, \$500.00 and \$145.00

COPY

BOROUGH OF BATH
MAYOR'S FUND
215 E. MAIN STREET
BATH, PA 18014

60-7224/2313 135

DATE 9/12/19

PAY TO THE ORDER OF Northampton County Seed \$ 252.00
two hundred fifty-two ⁰⁰/₁₀₀ DOLLARS

ESSA Bank & Trust
MEMO 93593 Michelle Elgott MB

⑆231372248⑆ 0227700433⑆ 0135

BOROUGH OF BATH
MAYOR'S FUND
215 E. MAIN STREET
BATH, PA 18014

60-7224/2313 134

DATE 9/12/19

PAY TO THE ORDER OF Blue Mt. Landscaping \$ 880.00
eight hundred eighty ⁰⁰/₁₀₀ DOLLARS

ESSA Bank & Trust
MEMO 37048/37063 Michelle Elgott MB

⑆231372248⑆ 0227700433⑆ 0136

BOROUGH OF BATH
MAYOR'S FUND
215 E. MAIN STREET
BATH, PA 18014

60-7224/2313 136

DATE 9/12/19

PAY TO THE ORDER OF Landscape Products \$ 152.71
one hundred fifty two ⁷¹/₁₀₀ DOLLARS

ESSA Bank & Trust
MEMO 208940/7809054/7809018 Michelle Elgott MB

⑆231372248⑆ 0227700433⑆ 0136

BOROUGH OF BATH - OPERATING "GENERAL" FUND
Account QuickReport
January 1 through December 6, 2019

COPY

Type	Date	Num	Name	Memo	Split	Amount
Bill	10/04/2019	Mstr Inv#95008213720	Met-Ed	Parks "WITHOUT" Cliff Cowling Concession Stand *8* Storage/Bathrooms *NextEra ...	200.00 ...	126.11
Bill	10/04/2019	Mstr Inv#95008213720	Met-Ed	Parks - Cliff Cowling Field's storage/bathroom bldg's ACTUAL reading *NextEra Energ...	200.00 ...	58.57
Bill	10/04/2019	Mstr Inv#95008213720	Met-Ed	Parks - Cliff Cowling Field's concession stand's ACTUAL reading - *NextEra Energy S...	200.00 ...	58.27
Bill	11/05/2019	Mstr Inv#95008265899	Met-Ed	Parks "WITHOUT" Cliff Cowling Concession Stand *8* Storage/Bathrooms *NextEra ...	200.00 ...	126.11
Bill	11/05/2019	Mstr Inv#95008265899	Met-Ed	Parks - Cliff Cowling Field's storage/bathroom bldg's ACTUAL reading *NextEra Energ...	200.00 ...	12.16
Bill	11/05/2019	Mstr Inv#95008265899	Met-Ed	Parks - Cliff Cowling Field's concession stand's ACTUAL reading - *NextEra Energy S...	200.00 ...	12.16
Total 454.30 - Electricity						2,205.93
454.60 - Park Improve/Equipment Purchase						
Bill	04/04/2019	871690	Miller Supply ACE Har...	(78) 2x6x8 pres treated lumber for park benches	200.00 ...	680.16
Bill	04/04/2019	871690	Miller Supply ACE Har...	(16) 2x4x8 pre treated lumber for park benches	200.00 ...	108.48
Credit Card Charge	05/10/2019		Amazon Marketplace ...	Craft Supplies for Kids Crafts @ BFM - totes, tubes, stampers	200.20 ...	111.15
Credit Card Charge	05/15/2019		Amazon Marketplace ...	Set of Stampers for Kids Crafts @ BFM	200.20 ...	19.98
Bill	06/03/2019	16542	M.S. Techz LLC [effe...	(300) flyers for Kids Crafts [requested by P. Vogrin, approved by FRM]	200.00 ...	75.00
Credit Card Charge	06/07/2019		Amazon Marketplace ...	(2) 25ct packs of blank totes for Reusable market bags	200.20 ...	67.98
Credit Card Charge	06/07/2019		Amazon Marketplace ...	50ct pack of tubes	200.20 ...	53.43
Credit Card Charge	06/07/2019		Amazon Marketplace ...	paint stampers	200.20 ...	29.70
Credit Card Charge	06/07/2019		Amazon Marketplace ...	paint stampers	200.20 ...	19.30
Bill	08/10/2019	3207	Blue Barn Nursery	(1) Red Bud Tree - to replace bad one @ Cliff Cowling	200.00 ...	269.00
Bill	08/10/2019	3207	Blue Barn Nursery	(2) Okame Cherry - to replace the two that were cut down @ Cliff Cowling - all were fro...	200.00 ...	538.00
Credit Card Charge	06/12/2019		Etsy.com	Personalized BFM Stencils for market bag projects and others	200.20 ...	54.22
Credit Card Charge	06/20/2019	Kids Crafts	clickclick.com / Blick A...	(9) singular paints and (1) starter set of paints for marbling craft @ Farmers Market	200.20 ...	37.35
Credit Card Charge	06/20/2019	Kids Crafts	Amazon Marketplace ...	100-ct pack of craft tassels [plus S&H]	200.20 ...	13.98
Credit Card Charge	06/25/2019	Kids Crafts	Michaels	Misc Acrylic Paint, Sharpies, Magnet Strips, Blank Wooden Picture Frames	200.20 ...	91.79
Credit Card Charge	06/25/2019	Crafts/Office	The Restaurant Store	Supplies for Kids Crafts @ BFM [table cloth rolls, paper plates, foil pans]	200.20 ...	27.38
Bill	07/11/2019	28747	American Fence & Flag	35' Aluminum Flag Pole for Monocacy Creek Park [S1737.76 plus \$380 s&h]	200.00 ...	2,117.76
Bill	08/27/2019	7808691-IN	Landscape Products ...	Fabric	200.00 ...	122.19
Bill	08/28/2019	7703017	Landscape Products ...	Straw Matting (14) rolls	200.00 ...	674.55
Bill	08/28/2019	37011	Blue Mountain Landsc...	Screened Topsoil	200.00 ...	1,140.00
Bill	08/28/2019	37027	Blue Mountain Landsc...	Screened Topsoil	200.00 ...	1,140.00
Bill	08/28/2019	93579	Northampton County ...	#50 bag swale lawn seed	200.00 ...	96.00
Bill	08/30/2019		Keystone Cement Co...	Paw Park Invoices for the Month of August	200.00 ...	2,254.91
Bill	09/04/2019	37063	Blue Mountain Landsc...	Screened Topsoil	200.00 ...	310.00
Bill	09/04/2019	37048	Blue Mountain Landsc...	Screened Topsoil	200.00 ...	570.00
Bill	09/25/2019	7702943	Landscape Products ...	Delaware Blend Stone 3/8 - (92) tons PLUS Delivery (200.00)	200.00 ...	2,846.84
Bill	09/28/2019	1416	Reliable Sign & Stripl...	Paw Park Sign and Posting Supplies	200.00 ...	114.50
Bill	10/05/2019		Keystone Cement Co...	Paw Park 2A Aggregate	200.00 ...	294.88
Bill	12/02/2019	100119-11	Tri-Boro Fencing Cont...	Paw Park Fencing - Large Breed, Small Breed, and Sono Tubes. Labor was Donation	200.00 ...	9,124.00
Total 454.60 - Park Improve/Equipment Purchase						25,002.63
454.00 - PARKS - Other						
Bill	08/18/2019	21581	Bujno Pottery	Setup fee and special order dye for Crocks to be sold by Mayor	200.00 ...	100.00
Bill	11/06/2019	21553	Bujno Pottery	(50 @ 17.25) Crocks to be sold by Mayor @ \$25/ea	200.00 ...	862.50
Bill	11/06/2019	21553	Bujno Pottery	(50 @ 10.25) 10oz Mugs to be sold by Mayor @ \$15/ea	200.00 ...	512.50
Total 454.00 - PARKS - Other						1,475.00
Total 454.00 - PARKS						34,693.15
Total 400 - EXPENDITURES						34,693.15
TOTAL						34,693.15

Keystone Cement + Delaware Stone \$ 7,394.73

**BOROUGH OF BATH - OPERATING "GENERAL" FUND
Reconciliation Detail**

100.00 - CASH-UNRESTRICTED, Period Ending 01/31/2020

Type	Date	Num	Name	Clr	Amount	Balance
Deposit	01/13/2020			X	2,400.00	319,374.06
Deposit	01/16/2020			X	200.00	319,574.06
Deposit	01/20/2020			X	1,900.00	321,474.06
Deposit	01/21/2020			X	120.00	321,594.06
Deposit	01/21/2020			X	4,729.16	326,323.22
Deposit	01/27/2020			X	1,200.00	327,523.22
Deposit	01/31/2020			X	8.84	327,532.06
Total Deposits and Credits					327,532.06	327,532.06
Total Cleared Transactions					163,943.74	163,943.74
Cleared Balance					163,943.74	193,955.18
Uncleared Transactions						
Checks and Payments - 16 items						
Check	09/27/2019	16982	Commonwealth of P...		-2,000.00	-2,000.00
Check	10/11/2019	17009	Northampton County...		-1,200.00	-3,200.00
Bill Pmt -Check	12/06/2019	17082	Northampton County...		-29.24	-3,229.24
Bill Pmt -Check	01/21/2020	17154	Nazareth Area Coun...		-1,107.21	-4,336.45
Bill Pmt -Check	01/29/2020	17162	iWorQ Systems		-4,175.00	-8,511.45
Bill Pmt -Check	01/29/2020	17157	CodeMaster Inspecti...		-3,800.00	-12,311.45
Bill Pmt -Check	01/29/2020	17160	First Regional Comp...		-2,477.50	-14,788.95
Bill Pmt -Check	01/29/2020	17159	DriveLocker.com [D...		-1,425.03	-16,213.98
Bill Pmt -Check	01/29/2020	17164	Reliable Sign & Strip...		-1,270.00	-17,483.98
Bill Pmt -Check	01/29/2020	17161	Greater Lehigh Valle...		-474.00	-17,957.98
Bill Pmt -Check	01/29/2020	17155	Associated Fastener...		-324.47	-18,282.45
Bill Pmt -Check	01/29/2020	17165	T & D Construction ...		-300.00	-18,582.45
Bill Pmt -Check	01/29/2020	17156	Bath Supply Co., Inc.		-217.62	-18,800.07
Bill Pmt -Check	01/29/2020	17163	Miller Supply ACE H...		-125.66	-18,925.73
Bill Pmt -Check	01/29/2020	17166	Whitehall Turf Equip...		-60.94	-18,986.67
Bill Pmt -Check	01/29/2020	17158	D. Gogel's Auto Part...		-30.98	-19,017.65
Total Checks and Payments					-19,017.65	-19,017.65
Deposits and Credits - 6 items						
Deposit	03/08/2019				1,100.00	1,100.00
Deposit	05/01/2019				1,701.17	2,801.17
Deposit	05/07/2019				7,226.09	10,027.26
Check	11/13/2019	317	Borough of Bath		500.00	10,527.26
Deposit	01/08/2020				120.00	10,647.26
Deposit	01/30/2020				1,566.08	12,213.34
Total Deposits and Credits					12,213.34	12,213.34
Total Uncleared Transactions					-6,804.31	-6,804.31
Register Balance as of 01/31/2020					157,139.43	187,150.87
New Transactions						
Checks and Payments - 79 items						

▼ The \$7,396.73 Transfer

This transaction is one of two transfers that occurred on the 19th: the \$86,000 transfer and this \$7,396.73 transfer. A pressing question remains: if this account was zeroed out by the time the preliminary budget was introduced—even if it wasn't dated for, say, the end of March (which it appears to be)—where did the \$7,396.73 come from? The account was supposedly at zero. We can't seem to trust the reconciliation, as some of these transactions were doubled up and also appear in the general fund. This discrepancy raises numerous red flags about the accuracy and transparency of these financial records.

BOROUGH OF BATH
MAYOR'S FUND
215 E. MAIN STREET
BATH, PA 18014

60-7224/2313

138

DATE 12/19/19

10RS fund
VOICE

Number: 24374
Date: Oct 25, 2019
1

PAY TO THE ORDER OF Full Moon Rentals \$ 145.00
one hundred forty-five and 00/100 DOLLARS

ESSA Bank & Trust

MEMO Inv 24874

⑆231372248⑆ 0227700433⑆ 01/18

COPY

TRANSFER SLIP

DATE 12/19/19
SIGN HERE [Signature]
FROM ACCOUNT NUMBER Mayor's
* 0227700433
TO ACCOUNT NUMBER General
* 0500223107

ESSA BANK & TRUST

AMOUNT
\$ 7396.73

⑆500⑆⑆3000⑆

52

*to pay
Mun...*

Payment Terms	
Net 10 Days	
Date	Due Date
	11/4/19
Unit Price	Amount
145.00	145.00

Subtotal	145.00
Sales Tax	
Total Invoice Amount	145.00
Payment/Credit Applied	
TOTAL	145.00

Check/Credit Memo No:

Statement Ending 1213112019

Page 1 of 2

RETURN SERVICE REQUESTED

BOROUGH OF BATH
GENERAL LEDGER
121 S WALNUT ST
BATH PA 18014-1020

Customer Service Contact	
Phone	855-713-8001
Hours	8:00 a.m. - 6:00 p.m. M-F
Website	essabank.com
Email	iBank@essabank.com

Summary of Accounts		
Account Type	Account Number	Ending Balance
NPO Checking	XXXXX23107	\$30,011.44

NPO Checking-XXXXX23107

Account Summary		Interest Summary		
Date	Description	Amount	Description	Amount
11/30/2019	Beginning Balance	\$72,551.79	Annual Percentage Yield Earned	0.05%
	14 Credit(s) This Period	\$161,567.59	Interest Days	32
	52 Debit(s) This Period	-\$204,107.94	Interest Earned	\$3.25
12/31/2019	Ending Balance	\$30,011.44	Interest Paid This Period	\$3.25
			Interest Paid Year-to-Date	\$111.32

Deposits		
Date	Description	Amount
12/03/2019	DEPOSIT BATH	\$1,474.50
12/04/2019	REMOTE DEPOSIT	\$3,927.28
12/04/2019	REMOTE DEPOSIT	\$11,458.86
12/13/2019	DEPOSIT BATH	\$440.00
12/18/2019	DEPOSIT BATH	\$80.00
12/19/2019	REMOTE DEPOSIT	\$14,624.11
12/19/2019	DEPOSIT BATH	\$10,803.00
12/19/2019	DEPOSIT BATH	\$86,170.53
12/19/2019	DEPOSIT BATH	\$7,396.73
		9 item(s) totaling \$136,375.01

BOROUGH OF BATH - OPERATING "GENERAL" FUND
Account QuickReport
January 1 through December 6, 2019

COPY

Type	Date	Num	Name	Memo	Split	Amount
Bill	10/04/2019	Mstr Inv#95008213720	Met-Ed	Parks "WITHOUT" Cliff Cowling Concession Stand *8* Storage/Bathrooms *NextEra ...	200.00 ...	126.11
Bill	10/04/2019	Mstr Inv#95008213720	Met-Ed	Parks - Cliff Cowling Field's storage/bathroom bldg's ACTUAL reading *NextEra Energ...	200.00 ...	58.57
Bill	10/04/2019	Mstr Inv#95008213720	Met-Ed	Parks - Cliff Cowling Field's concession stand's ACTUAL reading - *NextEra Energy S...	200.00 ...	58.27
Bill	11/05/2019	Mstr Inv#95008265899	Met-Ed	Parks "WITHOUT" Cliff Cowling Concession Stand *8* Storage/Bathrooms *NextEra ...	200.00 ...	126.11
Bill	11/05/2019	Mstr Inv#95008265899	Met-Ed	Parks - Cliff Cowling Field's storage/bathroom bldg's ACTUAL reading *NextEra Energ...	200.00 ...	12.16
Bill	11/05/2019	Mstr Inv#95008265899	Met-Ed	Parks - Cliff Cowling Field's concession stand's ACTUAL reading - *NextEra Energy S...	200.00 ...	12.16
Total 454.30 - Electricity						2,205.93
454.60 - Park Improve/Equipment Purchase						
Bill	04/04/2019	871690	Miller Supply ACE Har...	(78) 2x6x8 pres treated lumber for park benches	200.00 ...	680.16
Bill	04/04/2019	871690	Miller Supply ACE Har...	(16) 2x4x8 pre treated lumber for park benches	200.00 ...	108.48
Credit Card Charge	05/10/2019		Amazon Marketplace ...	Craft Supplies for Kids Crafts @ BFM - totes, tubes, stampers	200.20 ...	111.15
Credit Card Charge	05/15/2019		Amazon Marketplace ...	Set of Stampers for Kids Crafts @ BFM	200.20 ...	19.98
Bill	06/03/2019	16542	M.S. Techz LLC [effe...	(300) flyers for Kids Crafts [requested by P. Vogrin, approved by FRM]	200.00 ...	75.00
Credit Card Charge	06/07/2019		Amazon Marketplace ...	(2) 25ct packs of blank totes for Reusable market bags	200.20 ...	67.98
Credit Card Charge	06/07/2019		Amazon Marketplace ...	50ct pack of tubes	200.20 ...	53.43
Credit Card Charge	06/07/2019		Amazon Marketplace ...	paint stampers	200.20 ...	29.70
Credit Card Charge	06/07/2019		Amazon Marketplace ...	paint stampers	200.20 ...	19.30
Bill	08/10/2019	3207	Blue Barn Nursery	(1) Red Bud Tree - to replace bad one @ Cliff Cowling	200.00 ...	269.00
Bill	08/10/2019	3207	Blue Barn Nursery	(2) Okame Cherry - to replace the two that were cut down @ Cliff Cowling - all were fro...	200.00 ...	538.00
Credit Card Charge	06/12/2019		Etsy.com	Personalized BFM Stencils for market bag projects and others	200.20 ...	54.22
Credit Card Charge	06/20/2019	Kids Crafts	clickclick.com / Blick A...	(9) singular paints and (1) starter set of paints for marbling craft @ Farmers Market	200.20 ...	37.35
Credit Card Charge	06/20/2019	Kids Crafts	Amazon Marketplace ...	100-ct pack of craft tassels [plus S&H]	200.20 ...	13.98
Credit Card Charge	06/25/2019	Kids Crafts	Michaels	Misc Acrylic Paint, Sharpies, Magnet Strips, Blank Wooden Picture Frames	200.20 ...	91.79
Credit Card Charge	06/25/2019	Crafts/Office	The Restaurant Store	Supplies for Kids Crafts @ BFM [table cloth rolls, paper plates, foil pans]	200.20 ...	27.38
Bill	07/11/2019	28747	American Fence & Flag	35' Aluminum Flag Pole for Monocacy Creek Park [S1737.76 plus \$380 s&h]	200.00 ...	2,117.76
Bill	08/27/2019	7808691-IN	Landscape Products ...	Fabric	200.00 ...	122.19
Bill	08/28/2019	7703017	Landscape Products ...	Straw Matting (14) rolls	200.00 ...	674.55
Bill	08/28/2019	37011	Blue Mountain Landsc...	Screened Topsoil	200.00 ...	1,140.00
Bill	08/28/2019	37027	Blue Mountain Landsc...	Screened Topsoil	200.00 ...	1,140.00
Bill	08/28/2019	93579	Northampton County ...	#50 bag swale lawn seed	200.00 ...	96.00
Bill	08/30/2019		Keystone Cement Co...	Paw Park Invoices for the Month of August	200.00 ...	2,254.91
Bill	09/04/2019	37063	Blue Mountain Landsc...	Screened Topsoil	200.00 ...	310.00
Bill	09/04/2019	37048	Blue Mountain Landsc...	Screened Topsoil	200.00 ...	570.00
Bill	09/25/2019	7702943	Landscape Products ...	Delaware Blend Stone 3/8 - (92) tons PLUS Delivery (200.00)	200.00 ...	2,846.84
Bill	09/28/2019	1416	Reliable Sign & Strip...	Paw Park Sign and Posting Supplies	200.00 ...	114.50
Bill	10/05/2019		Keystone Cement Co...	Paw Park 2A Aggregate	200.00 ...	294.88
Bill	12/02/2019	100119-11	Tri-Boro Fencing Cont...	Paw Park Fencing - Large Breed, Small Breed, and Sono Tubes. Labor was Donation	200.00 ...	9,124.00
Total 454.60 - Park Improve/Equipment Purchase						25,002.63
454.00 - PARKS - Other						
Bill	08/16/2019	21581	Bujno Pottery	Setup fee and special order dye for Crocks to be sold by Mayor	200.00 ...	100.00
Bill	11/06/2019	21553	Bujno Pottery	(50 @ 17.25) Crocks to be sold by Mayor @ \$25/ea	200.00 ...	862.50
Bill	11/06/2019	21553	Bujno Pottery	(50 @ 10.25) 10oz Mugs to be sold by Mayor @ \$15/ea	200.00 ...	512.50
Total 454.00 - PARKS - Other						1,475.00
Total 454.00 - PARKS						34,693.15
Total 400 - EXPENDITURES						34,693.15
TOTAL						34,693.15

Keystone Cement + Delaware Stone \$7,394.73

12:41 PM

01/31/24

Cash Basis

**BOROUGH OF BATH - OPERATING "GENERAL" FUND
Account QuickReport
January through December 2019**

Type	Date	Num	Name	Memo	Split	Original Amount	Paid Amount	
400 - EXPENDITURES								
454.00 - PARKS								
454.60 - Park Improve/Equipment Purchase								
Bill	04/12/2019	871690	Miller Supply ACE Ha...	(78) 2x4x8 pres treated lumber for park benches	200.00 ACCO...	680.16	680.16	
Bill	04/12/2019	871690	Miller Supply ACE Ha...	(16) 2x4x8 pre treated lumber for park benches	200.00 ACCO...	108.48	108.48	
Credit Card Charge	05/10/2019		Amazon Marketplace ...	Craft Supplies for Kids Crafts @ BFM - totes, tubes, stampers	200.20 ESSA ...	111.15	111.15	
Credit Card Charge	05/15/2019		Amazon Marketplace ...	Set of Stampers for Kids Crafts @ BFM	200.20 ESSA ...	19.98	19.98	
Credit Card Charge	06/07/2019		Amazon Marketplace ...	(2) 25ct packs of blank totes for Reusable market bags	200.20 ESSA ...	67.98	67.98	
Credit Card Charge	06/07/2019		Amazon Marketplace ...	50ct pack of tubes	200.20 ESSA ...	53.43	53.43	
Credit Card Charge	06/07/2019		Amazon Marketplace ...	paint stampers	200.20 ESSA ...	29.70	29.70	
Credit Card Charge	06/12/2019		Etsy.com	Personalized BFM Stencils for market bag projects and others	200.20 ESSA ...	19.30	19.30	
Credit Card Charge	06/20/2019	Kids C...	kickkick.com / Blick A...	(8) singular paints and (1) starter set of paints for marbling craft @ Farmers Market	200.20 ESSA ...	54.22	54.22	
Credit Card Charge	06/20/2019		Amazon Marketplace ...	100-ct pack of craft tassels (plus S&H)	200.20 ESSA ...	37.35	37.35	
Credit Card Charge	06/25/2019	Kids C...	Michaels	Misc Acrylic Paint, Sharpies, Magnet Strips, Blank Wooden Picture Frames	200.20 ESSA ...	13.98	13.98	
Credit Card Charge	06/25/2019	Crafts...	The Restaurant Store	Supplies for Kids Crafts @ BFM [table cloth rolls, paper plates, foil pans]	200.20 ESSA ...	91.79	91.79	
Bill	07/03/2019	16542	M.S. Techz LLC (Jeff...	(300) flyers for Kids Crafts (requested by P. Vogrin, approved by FRM)	200.00 ACCO...	27.38	27.38	
Bill	07/03/2019	3207	Blue Barn Nursery	(1) Red Bud Tree - to replace bad one @ Cliff Cowling	200.00 ACCO...	75.00	75.00	
Bill	07/03/2019	3207	Blue Barn Nursery	(2) Okame Cherry - to replace the two that were cut down @ Cliff Cowling - all were from Treeviva...	200.00 ACCO...	269.00	269.00	
Bill	07/18/2019	28747	American Fence & Flag	35 Aluminum Flag Pole for Monocacy Creek Park (\$137.76 plus \$380 s&h)	200.00 ACCO...	538.00	538.00	
Bill	09/27/2019	7702943	Landscape Products ...	Dalaware Blend Stone 3/8 - (92) tons PLUS Delivery (200.00)	200.00 ACCO	2,117.76	2,117.76	
Bill	09/27/2019	76296	Landscape Products ...	Fabric	200.00 ACCO	2,846.84	2,846.84	
Bill	09/27/2019	7703017	Landscape Products ...	Straw Matting (14) rolls	200.00 ACCO	122.19	122.19	
Bill	09/27/2019	37011	Blue Mountain Lands...	Screened Topsoil	200.00 ACCO	674.55	674.55	
Bill	09/27/2019	37027	Blue Mountain Lands...	Screened Topsoil	200.00 ACCO	1,140.00	1,140.00	
Bill	09/27/2019	93579	Northampton County	#50 bag swale lawn seed	200.00 ACCO	96.00	96.00	
Bill	09/27/2019		Keystone Cement Co.	Paw Park Invoices for the Month of August	200.00 ACCO	4,254.91	4,254.91	
Bill	10/15/2019	1416	Reliable Sign & Strap...	Paw Park Sign and Posting Supplies	200.00 ACCO...	114.50	114.50	
Bill	10/24/2019		Keystone Cement Co.	Paw Park 2A Aggregate	200.00 ACCO...	294.98	294.98	
Bill	12/02/2019	10011...	Tri-Boro Fencing Con...	Paw Park Fencing - Large Breed, Small Breed, and Sono Tubes. Labor was Donation	200.00 ACCO	9,124.00	9,124.00	
Total 454.60 - Park Improve/Equipment Purchase							24,122.63	
Total 454.00 - PARKS								24,122.63
Total 400 - EXPENDITURES								24,122.63
TOTAL								24,122.63

** Included w/ \$7,396.73 Funds Transfer*

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

EXPENDITURES

Public Works - Highways and Streets							
435.00	Sidewalks and Crosswalks						
436.00	Storm Sewers and Drains	5,050					5,050
437.00	Repairs of Tools and Machinery	17,660					17,660
438.00	Maintenance and Repairs of Roads and Bridges	132					132
439.00	Highway Construction and Rebuilding Projects	304,741		143,000			447,741
Total Public Works - Highways and Streets		511,008		143,000			654,008

Other Public Works Enterprises							
440.00	Airports						
441.00	Cemeteries						
442.00	Electric System						
443.00	Gas System						
444.00	Markets						
445.00	Parking						
446.00	Storm Water and Flood Control						
447.00	Transit System						
448.00	Water System						
449.00	Water Transport and Terminals						
Total Other Public Works Enterprises							

Culture and Recreation							
451.00	Culture-Recreation Administration						
452.00	Participant Recreation						
453.00	Spectator Recreation						
454.00	Parks	38,804					38,804

BOROUGH OF BATH - OPERATING "GENERAL" FUND				
Profit & Loss Budget vs. Actual (w/o Inactive Accts)				
January through December 2019				
Cash Basis	Jan - Dec 19	Budget	\$ Over Bu...	% of Budget
437.00 · REPAIRS OF TOOLS & MACHINERY				
437.10 · Truck Fleet Maint. & Repairs	5,381.97	6,000.00	-618.03	89.7%
437.20 · Equipment Repairs & Supplies	2,445.17	3,500.00	-1,054.83	69.9%
Total 437.00 · REPAIRS OF TOOLS & MACHINERY	7,827.14	9,500.00	-1,672.86	82.4%
438.00 · MAINT. & REPAIRS ROADS/BRIDGES				
438.33 · FUEL-Gas & Diesel (Trks/Equip)	9,553.43	9,500.00	53.43	100.6%
438.37 · Road Repairs & Maint. Services	131.94	250,000.00	-249,868.06	0.1%
438.72 · Roads/Streets -Capital Improv's	215,242.84			
438.00 · MAINT. & REPAIRS ROADS/BRIDGES - Other	278.98			
Total 438.00 · MAINT. & REPAIRS ROADS/BRIDGES	225,207.19	259,500.00	-34,292.81	86.8%
452.00 · PARTICIPANT RECREATION & CULTURE				
452.10 · Professional Fees(HARB Consult)	300.00	150.00	150.00	200.0%
452.11 · Clock Expenses	0.00	250.00	-250.00	0.0%
452.00 · PARTICIPANT RECREATION & CULTURE - O...	4,500.00	4,500.00	0.00	100.0%
Total 452.00 · PARTICIPANT RECREATION & CULTURE	4,800.00	4,900.00	-100.00	98.0%
454.00 · PARKS				
454.10 · Parks-Repairs & Maintenance	6,049.85	7,000.00	-950.15	86.4%
454.30 · Electricity	2,205.93	2,500.00	-294.07	88.2%
454.60 · Park Improve/Equipment Purchase	24,122.63	10,000.00	14,122.63	241.2%
454.00 · PARKS - Other	1,475.00			
Total 454.00 · PARKS	33,853.41	19,500.00	14,353.41	173.6%

▼ Quick List of Other Issues

1. Disappearing Deposits
2. Failed Pension Audit
3. Early But Late Trash
4. Bounced Checks
5. Treasury Reports, we don't need no Treasury Reports
6. Invisible Payroll
7. Where that transfer Go?
8. Escrow, you owe Me
9. 100 Things I don't remember

10. 232 Account Lines in the budget and only 9 produced 120 pages of audit trails
11. Modifying RTK Documents
12. Cash Basis Accounting only when convenient
13. Where's the accountability
14. Ensuring No one looks
15. Fake Ass Checks
16. Fraudulent Financial Statements
17. List of Accounts, where is the rest
18. EMBEZZLEMENT
19. LYING
20. WHERE IS THE ACCOUNTABILITY

Now, let's follow the money trail. Due to time constraints, I haven't included all the documents, but I'll update this to a more comprehensive status later this week.

Before continuing, I want to address two important points. First, let's discuss the Mayor's insurance. The Borough didn't provide coverage for her. Instead, she requested to join the borough plan—a perfectly legal move. This arrangement was granted with the understanding that she would pay the monthly premium out of pocket. It's worth noting that the Mayor's pay, set by State Law based on population, wouldn't even cover two months of these payments.



Borough of Bath

121 South Walnut Street, Bath, PA 18014
Phone: 610-837-6525 Fax: 610-837-8989

October 15, 2018

Mayor Fiorella Reginelli-Mirabito
270 East Northampton Street
Bath, PA 18014

Subject: 2018/2019 Health Insurance (Delaware Valley Health Trust) Elected Official Contribution

Mayor Mirabito,

As discussed, effective December 1, 2018 you will be enrolled on the Borough's Health Insurance policy with Delaware Valley Health Trust. You have opted for the Couple's Health Coverage Plan (PPO and Rx) and have declined the Delta Dental option. The co-pays are as follows: PPO- \$25/\$35; Rx- \$10/\$30/\$50. Your total payment for December 2018 will be \$1301.36.

Beginning January 1, 2019, the monthly rate for PPO is \$1249.42 and the 2019 monthly rate for Rx is \$152.16. The total monthly cost to be paid to the Borough for your health coverage plan in the new year is \$1401.58. No payroll deductions will be set up.

You may make this monthly payment of \$1401.58 within the first week of each month to coincide with Delaware Valley Health Trust's billing cycle. Each payment made will be for the current month (eg. Payment made the first week of January is for January coverage period). Your check may be made payable to the Borough of Bath. Should any questions arise, please come to myself or Brad and we will be able to assist.

Sincerely,

Marena C. Rasmus, Office Administrator
Borough of Bath

Cc: Personnel File

"Bath, History Nestled With Friendship"

Secondly, Secretary Tanya Lamparter was granted the same arrangement beginning in January 2018.

Mr. Long
May 21, 2024
Page 4 of 4

- 452.00 Participation Recreation & Culture	\$4,500.00
- 452.10 Professional Fees (HARB Consult)	\$300.00
- 454.00 Parks	\$1,475.00
- 454.10 Parks-Repairs & Maintenance	\$6,049.85
- 454.30 Electricity	\$2,205.93
- 454.60 Park Improve/Equipment Purchase	\$16,725.90
- 457.25 Repairs & Maintenance Supplies	\$1,844.39
- 457.26 Minor Equipment	\$95.84
- 457.36 Electric for Holiday Lighting	\$5,126.96
- 459.05 Mayor's Special Event Expense	\$480.00
TOTAL	\$38,803.87

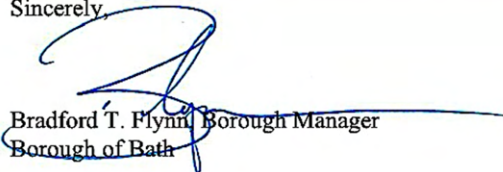
The total of \$38,803.87 is then reported to the nearest dollar value of \$38,804.

- 2) You asked for all financial records, reports, or other relevant documents related to the reported charges against the Secretary – Health Ins. line item (405.18) on October 2, 2019 Treasurer's Report (\$2,803.16) and the 2021 preliminary budget (\$4,500.80), despite the absence of this line item in the 2019 Final Profit vs. Loss statement.

As you know, Tanya Lamparter was paying for her own health insurance for a period. The October 2, 2019, Treasurer's Report does indicate, under General Fund ledger line 405.18, an amount of \$2,803.16. This amount accounts for two billed amounts of Tanya's health insurance in the amount of \$1,401.58 each, at the time the report was run. The 2019 Final Profit vs. Loss statement does not show a value under ledger line 405.18 at the end of the year because Tanya timely reimbursed the Borough for her health insurance premiums, therefore the account 'zeroed' out. Please see **Attachment G** relative to the account activity for ledger line 405.18 January through December 2019.

As to your statement about the 2021 preliminary budget showing \$4,500.80 for the Secretary – Health Ins.; this was simply a preliminary budget placeholder at the time the preliminary budget was created.

Sincerely,



Bradford T. Flynn
Borough Manager
Borough of Bath

encls

cc: James F. Kratz, Esq. Borough Solicitor (via email)

"Bath, History Nestled With Friendship"

In 2018, she was part-time, so the Borough wouldn't provide insurance coverage due to its high cost. The monthly premium was \$1,301.36, totaling \$15,616.32 for the year. This expense was steep, considering her gross annual pay was merely \$2.33 more than what she'd be paying the borough for insurance. After taxes, she'd actually lose money just by going to work, even before factoring in other expenses. It's curious that anyone would agree to such an arrangement, as it defies economic logic. This situation raises questions about potential hidden benefits or alternative motivations, as a more financially sensible solution would typically be sought.

BOROUGH OF BATH - OPERATING "GENERAL" FUND				
Profit & Loss Budget vs. Actual (w/o Inactive Accts)				
January through December 2018				
10/03/22 Cash Basis	Jan - Dec 18	Budget	\$ Over Bu...	% of Budget
405.17 · Salary of Office Secretary				
405.171 · Office Secretary Bonus	943.96	943.96	0.00	100.0%
405.17 · Salary of Office Secretary - Other	25,804.95	31,730.40	-5,925.45	81.3%
Total 405.17 · Salary of Office Secretary	26,748.91	32,674.36	-5,925.45	81.9%
405.19 · Secretary - Life Ins.	0.00	125.00	-125.00	0.0%
405.20 · PT Secretary I - Wages	15,618.75			
405.35 · Bonding/Insurance	495.00	475.00	20.00	104.2%
405.46 · EE Training	298.10	1,000.00	-701.90	29.8%
Total 405.00 · SECRETARY (OFFICE)	65,337.20	71,870.88	-6,533.68	90.9%
406.00 · GENERAL GOVT. ADMINISTRATION				
406.30 · Bank Charges	940.26	100.00	840.26	940.3%
406.50 · Returned Check Fee	0.00	100.00	-100.00	0.0%
Total 406.00 · GENERAL GOVT. ADMINISTRATION	940.26	200.00	740.26	470.1%
408.00 · ENGINEERING SERVICES				
408.31 · Engineering Services	61,682.19	20,000.00	41,682.19	308.4%
408.33 · Storm Sewer (MS4) Update	8,073.01	700.00	7,373.01	1,153.3%
Total 408.00 · ENGINEERING SERVICES	69,755.20	20,700.00	49,055.20	337.0%
409.00 · MUNICIPAL BUILDING & PROPERTY				
409.20 · Bldg-Cleaning & Misc. Supplies	1,660.11	425.00	1,235.11	390.6%
409.23 · Heating Fuel	7,280.20	4,000.00	3,280.20	182.0%
409.24 · Electricity	3,621.06	2,000.00	1,621.06	181.1%

Recall the 2019 Mayor's Fund budget figures—which included all funds raised by both local businesses and residents for the Paw Park construction. The account

balance recorded in the 2020 Preliminary Budget stood at \$12,242.27.

8:05 PM

04/30/19

BOROUGH OF BATH - NON-GENERAL FUND ESCROWS
Reconciliation Detail

100.20 · MAYOR'S FUND - Checking, Period Ending 03/31/2019

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						12,240.14
Cleared Transactions						
Deposits and Credits - 1 item						
Deposit	03/31/2019			X	9.71	9.71
Total Deposits and Credits					9.71	9.71
Total Cleared Transactions					9.71	9.71
Cleared Balance					9.71	12,249.85
Uncleared Transactions						
Checks and Payments - 1 item						
General Journal	12/31/2017	Audit			-7.58	-7.58
Total Checks and Payments					-7.58	-7.58
Total Uncleared Transactions					-7.58	-7.58
Register Balance as of 03/31/2019					2.13	12,242.27
Ending Balance					2.13	12,242.27

On January 2, 2020, a deposit of \$12,262.34 appeared in the Borough General Fund. I'll now draw some connections based on my extensive research into this matter. This will also clarify why I needed to request specific documents.



200 Palmer Street • PO Box L
Stroudsburg, PA 18360-0160

RETURN SERVICE REQUESTED

BOROUGH OF BATH
GENERAL LEDGER
121 S WALNUT ST
BATH PA 18014-1020

Statement Ending 01/31/2020

Page 1 of 2

Customer Service Contact

	Phone	855-713-8001
	Hours	8:00 a.m. - 6:00 p.m. M-F
	Website	essabank.com
	Email	iBank@essabank.com

Summary of Accounts

Account Type	Account Number	Ending Balance
NPO Checking	XXXXX23107	\$193,955.18

NPO Checking-XXXXX23107

Account Summary

Date	Description	Amount
01/01/2020	Beginning Balance	\$30,011.44
	13 Credit(s) This Period	\$365,710.06
	37 Debit(s) This Period	-\$201,766.32
01/31/2020	Ending Balance	\$193,955.18

Interest Summary

Description	Amount
Annual Percentage Yield Earned	0.05%
Interest Days	31
Interest Earned	\$8.84
Interest Paid This Period	\$8.84
Interest Paid Year-to-Date	\$8.84

Deposits

Date	Description	Amount
01/02/2020	REMOTE DEPOSIT	\$12,262.34
01/08/2020	DEPOSIT BATH	\$300,335.00
01/21/2020	REMOTE DEPOSIT	\$120.00
01/21/2020	REMOTE DEPOSIT	\$4,729.16
01/23/2020	DEPOSIT BATH	\$440.00
		5 item(s) totaling \$317,886.50

Electronic Credits

Date	Description	Amount
01/07/2020	KEYSTONE KCG EFILE PPD	\$900.00
01/08/2020	KEYSTONE KCG EFILE PPD	\$3,036.72
01/14/2020	KEYSTONE KCG EFILE PPD	\$2,400.00
01/16/2020	PROP RC 2901 Comm Remit PPD	\$200.00
01/21/2020	KEYSTONE KCG EFILE PPD	\$1,900.00
01/28/2020	KEYSTONE KCG EFILE PPD	\$1,200.00
		6 item(s) totaling \$9,636.72

Other Credits

Date	Description	Amount
01/31/2020	INTEREST PAID 1/01 THROUGH 1/31	\$8.84
		1 item(s) totaling \$8.84

Other Debits

Date	Description	Amount
01/06/2020	CHECK NUMBER 17038 RETURNED	\$38,178.00



Now, I understand that these two figures aren't identical. However, if you recall, we discussed the check for \$24.13 which, after interest was applied, resulted in a total drawdown of the account by \$20.07.

6:17 PM
02/18/20

BOROUGH OF BATH - NON-GENERAL FUND ESCROWS
Reconciliation Detail
100.20 · MAYOR'S FUND - Checking, Period Ending 06/30/2019

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						10,595.11
Cleared Transactions						
Checks and Payments - 1 item						
Check	06/06/2019	131	Landscape Products...	X	-24.13	-24.13
Total Checks and Payments					-24.13	-24.13
Deposits and Credits - 1 item						
Deposit	06/30/2019			X	4.06	4.06
Total Deposits and Credits					4.06	4.06
Total Cleared Transactions					-20.07	-20.07
Cleared Balance					-20.07	10,575.04
Uncleared Transactions						
Checks and Payments - 1 item						
General Journal	12/31/2017	Audit			-7.58	-7.58
Total Checks and Payments					-7.58	-7.58
Total Uncleared Transactions					-7.58	-7.58
Register Balance as of 06/30/2019					-27.65	10,567.46
New Transactions						
Checks and Payments - 7 items						
Check	08/08/2019	133	Landscape Products...		-761.38	-761.38
Check	08/08/2019	132	Blue Mountain Land...		-570.00	-1,331.38
Check	09/12/2019	134	Blue Mountain Land...		-880.00	-2,211.38
Check	09/12/2019	135	Northampton County...		-252.00	-2,463.38
Check	09/12/2019	136	Landscape Products...		-152.71	-2,616.09
Check	10/26/2019	137	David Backsenstoe		-500.00	-3,116.09
Check	12/19/2019	138	Daniel C. Kiriposki, I...		-145.00	-3,261.09
Total Checks and Payments					-3,261.09	-3,261.09
Total New Transactions					-3,261.09	-3,261.09
Ending Balance					-3,288.74	7,306.37

This amount must have been included in the balance for reasons I can't determine without more information. While I'll draw my own conclusions later, let's continue following the trail for now.

Intrigued by this deposit, I reached out to Brad to inquire about its nature.

Mr. Long
May 21, 2024
Page 2 of 4

Report for General Fund ledger line #392.00. **Attachment B** is another copy of this report. **Attachment B1** is a copy of the fund-to-fund transfer slip of \$86,170.53. **Attachment B2** is a copy of the cancelled check issued to Huratiak Homes, LLC for the Security Release in the amount of \$86,170.53. You also have a copy of the General Fund Bank Statement dated December 31, 2019, indicating \$86,170.53 was transferred into the account, and was also cleared out of the account in the same month, check #17119, cleared December 23, 2019. The activity represents a pass-through transaction.

It is likely Marena wrote out a General Fund check to Huratiak Homes, LLC, because of the amount of the cash being returned and it was easier for her to issue a General Fund check instead of trying to write out, by hand, a manual check from the Developer's Escrow checking account.

- 3) You asked for all transaction details, records, and relevant documents related to the \$12,262.30 remote deposit into the General Fund 'Cash Unrestricted' account (3107) on January 2, 2020, including the specific funding source accounts from which these funds were drawn.

The remote deposit is actually in the amount of \$12,262.34, not \$12,262.30 as stated in your email. The deposit was comprised of the following checks:

- Verizon Wireless Monopole Royalty	\$1,833.33
- Real Estate Transfer Tax Revenue	\$5,144.51
- UCC Fees	\$14.50
- 2018 Act 101 Recycling Grant	\$4,170
- January Bethlehem Township EMS Rent	\$1,100

TOTAL **\$12,262.34**

Please see **Attachment C**, remote deposit is enclosed. Bank account numbers have been redacted.

- 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"

After multiple interactions with Brad, I became convinced he was being dishonest. Digging deeper, I discovered audit trails that I had previously requested multiple times through Right to Know requests. Interestingly, these records were in the very Audit Trail for the Mayor's Health Insurance that Brad had repeatedly sworn under affidavit didn't exist.

To obtain these records, I had to use account line numbers instead of names in my requests. I anticipate Brad has a prepared explanation for why this was my fault, but his words hold no weight at this point. The truth will come out in court.

Now, let's examine a page from the Mayor's Health Insurance Audit Trail for 2019-2022. To understand this document, we need to break down each column:

1. **Num:** A unique identifier for each financial entry, used for tracking and referencing transactions.
2. **Entered/Last Modified:** Shows when a transaction was first recorded and last updated. These modifications are typically made by the financial officer or bookkeeper.
3. **Date of Transaction:** The supposed date of the transaction. Note that this can be modified or backdated, potentially misrepresenting the actual timing.
4. **Memo/Description:** Provides details about the transaction, including accounts or individuals involved. Here, it includes initials like FRM and TRL for health insurance lines.
5. **Split:** Indicates how a transaction is divided between different accounts or categories, helping track fund allocation.
6. **Amount:** The monetary value of the transaction.

Top of the Page Transaction (Num 1625)

Let's start with transaction number 1625. This was entered on January 2, 2020, but backdated to September 10, 2019.

1. Entry at 19:38:13 (most recent):
 - Total deposit: \$15,712.34

- Includes:
 - "Sept Reimb for FRM" (Mayor's health insurance): -\$1,401.00
 - "Sept Reimb for TRL" (Office Secretary health insurance): -\$1,401.58
 - Various other items (fines, permits, taxes, etc.)

Second Transaction (Num 318) – Analyzed from Bottom to Top

Now let's examine transaction Num 318. To understand this fully, we'll start from the bottom and work our way up, following the sequence of modifications.

1. **Initial Entry (01/02/2020):** Made on January 2, 2020, backdated to August 30, 2019. Original amount: \$5,446.33.
2. Entry at 20:05:19 (original):
 - Total deposit: \$5,406.33
 - Includes:
 - "FRM October Insurance" (Mayor's health insurance): -\$1,401.00
 - Various other items (permits, rent, etc.)
3. **First Modification (02/25/2020):** A \$40.00 bounce check fee was added, increasing the total to \$5,486.33.
4. **Second Modification (02/25/2020):** The transaction date was changed from August 30, 2019, to October 25, 2019, altering the financial record.
5. **Third Modification (02/25/2020):** Just three minutes later, the \$40.00 bounce check fee was removed, returning the total to \$5,446.33. The final version shows October 25, 2019, as the transaction date with the original amount.

Potential Manipulation and Its Implications

The quick addition and removal of \$40 could potentially create funds "out of thin air" for distribution elsewhere. Here's how:

1. **Temporary Fund Creation:** Adding a \$40 fee temporarily creates \$40 in the system that could be allocated elsewhere before being removed.
2. **Fund Diversion:** If quickly moved to another account or used to balance another entry, this \$40 could be siphoned off without leaving a clear trace.

3. **Covering Discrepancies:** This technique could cover small discrepancies in other accounts, balancing them temporarily before removing the \$40 from the original entry.
4. **Audit Evasion:** Such manipulation could go undetected in routine audits, especially if done quickly within the same day.

Implications:

- **Financial Integrity:** While \$40 is small, this method could indicate a larger pattern of financial manipulation, potentially leading to significant discrepancies over time.
- **Trust and Transparency:** In a municipal setting, this erodes trust in financial management and accountability.
- **Legal and Ethical Issues:** Depending on how the \$40 was used, this could have legal or ethical implications, potentially constituting fraud if used for personal gain or to cover up financial issues.

In conclusion, the quick addition and removal of \$40 in this transaction could indeed be a method to create and redistribute funds or cover discrepancies. Even with small amounts, such manipulation raises red flags about the overall integrity of financial management.

9:57 AM
01/15/24

BOROUGH OF BATH - OPERATING "GENERAL" FUND
Audit Trail

Entered/Last Modified January 2019 through December 2022

Num	Entered/Last Modified	Last modified by	State	Date	Name	Memo	Account	Split	Amount
1625	01/02/2020 19:38:13	Admin	Latest	09/10/2019	Deposit		100.00 CASH-UNRESTRICTED (3107)	-SPLIT-	15,712.34
232					Sept Reimb for FRM	401.02 Health & Dental - Mayor	100.00 CASH-		-1,401.00
630					Sept Reimb for TR	405.18 Office Secretary - Health Ins.	100.00 CASH-		-1,401.88
509					Ticket 5286 (E.29 pt 9.3	331.14 Parking Violation Fines	100.00 CASH-		-20.00
270					Yard Sale Registration Community Yard Sale (S. Hogue)	322.20 Yard/Garage Sale Permit	100.00 CASH-		-5.00
905386					Z-2019-10-01 for patio (B. Carr)	362.41 Building & Zoning Permit Fees	100.00 CASH-		-76.00
4709					Z-2019-10-02 for Manufacturing Facility	362.41 Building & Zoning Permit Fees	100.00 CASH-		-110.00
1012					August Tax Claim	310.10 REAL ESTATE TRANSFER TAX	100.00 CASH-		-1,599.74
89474					Athletic Permit - Rahing Field (Softball- Bethlehem Steal)	342.20 Park / Pavilion Rental	100.00 CASH-		-80.00
904835					CP-45-CP-2016-2012 - Restitution (R.J. Looney)	331.12 Ordinance/Criminal Violations	100.00 CASH-		-9,000.00
13736					July Tax Claim	301.00 Real Estate Tax/Tax Claim	100.00 CASH-		-1,911.00
					August Ord Violations	331.12 Ordinance/Criminal Violations	100.00 CASH-		-100.00
1639	02/25/2020 10:16:07	Admin	Latest	10/25/2019	Deposit		100.00 CASH-UNRESTRICTED (3107)	-SPLIT-	5,406.33
104					FRM October Insurance	401.02 Health & Dental - Mayor	100.00 ...		-225.00
1478					2019 Bath Farmers Market Transient Permits - (9) vendors	321.61 Transient Retail Permits	100.00 ...		-750.00
3823					ZHB Appeal Application Fee for 267 Park Terrace (A. Lope)	361.30 Zoning Hearing Board Fees	100.00 ...		-55.00
4311493					Z-2019-10-01 for fencing @ 348 E Main (J. Diobardo)	362.41 Building & Zoning Permit Fees	100.00 ...		-1,833.33
2432					Monopole - 1st month of rent for monopole @ 121 center S.	342.53 Monopole - 121 Center St Yard	100.00 ...		-220.00
6312					B-2019-10-02 permit for commercial electrical @ 374 W M.	362.30 Distressed Property Registr Fee	100.00 ...		-100.00
73709					September Remit - 1 prop	362.30 UCC Bldg Permit Fees (10%)	100.00 ...		-27.50
73709					B-2019-10-01 Admin	362.39 Bldg Permit UCC State Fee	100.00 ...		-4.50
73709					B-2019-10-01	362.41 Building & Zoning Permit Fees	100.00 ...		-165.00
4366					Balance owed on B-2019-10-01	321.61 Transient Retail Permits	100.00 ...		-825.00
318					2019 Spuds and Suds Event - (25) vendors total	B. Ostrander bounced check for ...	331.14 Parking Violation Fines	100.00 ...	0.00
1639	02/25/2020 10:12:21	Admin	Prior	10/25/20	Deposit		100.00 CASH-UNRESTRICTED	-SPLIT-	5,446.33
104					FRM October Insurance	400 EXPENDITURES:401.00 MAYOR:401.02 Health & Dental - Mayor	100.00 CASH-		-1,401.00
1478					2019 Bath Farmers Market Transient Permits - (9) vendors	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH-		-225.00
3823					ZHB Appeal Application Fee for 267 Park Terrace (A. Lope)	300 REVENUES:361.00 GENERAL GOVERNMENT:361.30 Zoning Hea...	100.00 CASH-		-750.00
4311493					Z-2019-10-01 for fencing @ 348 E Main (J. Diobardo)	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH-		-55.00
2432					Monopole - 1st month of rent for monopole @ 121 center S.	300 REVENUES:342.00 RENTS AND ROYALTIES:342.22 Monopole - 12...	100.00 CASH-		-1,833.33
6312					B-2019-10-02 permit for commercial electrical @ 374 W M.	300 REVENUES:362.00 PUBLIC SAFETY:362.30 Distressed Property Re...	100.00 CASH-		-220.00
73709					September Remit - 1 prop	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH-		-100.00
73709					B-2019-10-01 Admin	300 REVENUES:362.00 PUBLIC SAFETY:362.39 Bldg Permit UCC State...	100.00 CASH-		-27.50
73709					B-2019-10-01	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH-		-4.50
4366					Balance owed on B-2019-10-01	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH-		-165.00
318					2019 Spuds and Suds Event - (25) vendors total	300 REVENUES:331.00 FINES:331.14 Parking Violation Fines	100.00 CASH-		-40.00
1639	02/25/2020 10:11:45	Admin	Prior	08/30/2019	Deposit		100.00 CASH-UNRESTRICTED	-SPLIT-	5,446.33
104					FRM October Insurance	400 EXPENDITURES:401.00 MAYOR:401.02 Health & Dental - Mayor	100.00 CASH-		-1,401.00
1478					2019 Bath Farmers Market Transient Permits - (9) vendors	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH-		-225.00
3823					ZHB Appeal Application Fee for 267 Park Terrace (A. Lope)	300 REVENUES:361.00 GENERAL GOVERNMENT:361.30 Zoning Hea...	100.00 CASH-		-750.00
4311493					Z-2019-10-01 for fencing @ 348 E Main (J. Diobardo)	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH-		-55.00
2432					Monopole - 1st month of rent for monopole @ 121 center S.	300 REVENUES:342.00 RENTS AND ROYALTIES:342.22 Monopole - 12...	100.00 CASH-		-1,833.33
6312					B-2019-10-02 permit for commercial electrical @ 374 W M.	300 REVENUES:362.00 PUBLIC SAFETY:362.30 Distressed Property Re...	100.00 CASH-		-220.00
73709					September Remit - 1 prop	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH-		-100.00
73709					B-2019-10-01 Admin	300 REVENUES:362.00 PUBLIC SAFETY:362.39 Bldg Permit UCC State...	100.00 CASH-		-27.50
73709					B-2019-10-01	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH-		-4.50
4366					Balance owed on B-2019-10-01	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH-		-165.00
318					2019 Spuds and Suds Event - (25) vendors total	300 REVENUES:331.00 FINES:331.14 Parking Violation Fines	100.00 ...		-40.00
1639	01/02/2020 20:05:19	Admin	Prior	08/30/2019	Deposit		100.00 CASH-UNRESTRICTED	-SPLIT-	5,406.33
104					FRM October Insurance	400 EXPENDITURES:401.00 MAYOR:401.02 Health & Dental - Mayor	100.00 CASH-		-1,401.00
1478					2019 Bath Farmers Market Transient Permits - (9) vendors	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH-		-225.00
3823					ZHB Appeal Application Fee for 267 Park Terrace (A. Lope)	300 REVENUES:361.00 GENERAL GOVERNMENT:361.30 Zoning Hea...	100.00 CASH-		-750.00
4311493					Z-2019-10-01 for fencing @ 348 E Main (J. Diobardo)	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH-		-55.00
2432					Monopole - 1st month of rent for monopole @ 121 center S.	300 REVENUES:342.00 RENTS AND ROYALTIES:342.22 Monopole - 12...	100.00 CASH-		-1,833.33
6312					B-2019-10-02 permit for commercial electrical @ 374 W M.	300 REVENUES:362.00 PUBLIC SAFETY:362.30 Distressed Property Re...	100.00 CASH-		-220.00
73709					September Remit - 1 prop	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH-		-100.00
73709					B-2019-10-01 Admin	300 REVENUES:362.00 PUBLIC SAFETY:362.39 Bldg Permit UCC State...	100.00 CASH-		-27.50
73709					B-2019-10-01	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH-		-4.50
4366					Balance owed on B-2019-10-01	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH-		-165.00
318					2019 Spuds and Suds Event - (25) vendors total	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH-		-825.00

Next, we examine the April 2020 Treasury Report. As of April 30, 2020, the EE insurance reimbursement line 360.19 shows a recorded value of \$8,860.53. This figure, in my opinion, is uncomfortably close to a round number.

7:58 PM
 04/30/20
 Cash Basis

BOROUGH OF BATH - OPERATING "GENERAL" FUND
 3-YEAR Profit & Loss Budget vs. Actual
 January through December 2020

	Jan - Dec 20	Budget	\$ Over Budget
355.01 · Public Utility Realty Tax/PURTA	0.00	1,198.48	-1,198.48
355.02 · Motor Vehicles Fuel Tax	0.00	682.41	-682.41
355.04 · Alcohol Beverage Licenses	0.00	933.33	-933.33
355.65 · Non-Uniform Pension State Aid	0.00	13,118.00	-13,118.00
355.99 · Volunteer Fire Relief State Aid	0.00	15,829.81	-15,829.81
Total 355.00 · STATE SHARED REVENUES	0.00	31,762.03	-31,762.03
360.00 · CHARGES FOR SERVICES			
360.19 · EE Paid Insurance [Reimb.]	8,860.53		
360.65 · Returned Check Fee/Bank Credit	0.00	70.00	-70.00
Total 360.00 · CHARGES FOR SERVICES	8,860.53	70.00	8,790.53
361.00 · GENERAL GOVERNMENT			
361.30 · Zoning Hearing Board Fees	0.00	1,000.00	-1,000.00
361.31 · App./Subdiv./Condition Use Fees	0.00	1,500.00	-1,500.00
361.34 · Stenographer - PComm/ZHB/PMCBOA	0.00	150.00	-150.00
361.65 · Tax & Sanitation Certifications			
361.651 · Real Estate Tax Certifications	0.00	2,000.00	-2,000.00
361.652 · Sanitation Certifications	0.00	750.00	-750.00
361.65 · Tax & Sanitation Certifications - Other	135.00		
Total 361.65 · Tax & Sanitation Certifications	135.00	2,750.00	-2,615.00
Total 361.00 · GENERAL GOVERNMENT	135.00	5,400.00	-5,265.00
362.00 · PUBLIC SAFETY			
362.13 · Alarm Permits	30.00	240.00	-210.00
362.30 · Distressed Property Registr Fee	800.00	2,150.00	-1,350.00
362.39 · Bldg Permit UCC State Fee	40.50	126.75	-86.25
362.40 · UCC Bldg Permit Fees (10%)	955.06	1,097.12	-142.06
362.41 · Building & Zoning Permit Fees	11,640.68	16,849.68	-5,209.00

The July 2020 treasury report confirms that the \$8,860.56 payment on EE insurance reimbursement line 360.19 was a single lump sum, not a series of payments over time.

07/02/20
Cash Basis

BOROUGH OF BATH - OPERATING "GENERAL" FUND
Profit & Loss Budget vs. Actual (w/o Inactive Accts)

January through December 2020

	Jan - Dec 20	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
300 · REVENUES				
301.00 · REAL ESTATE TAXES				
301.11 · Real Estate Tax-Base	621,987.98	749,776.67	-127,788.69	83.0%
301.20 · Real Estate Tax-Prior Year	5,234.20	11,673.87	-6,439.67	44.8%
301.28 · RE Tax - Pr. Yr. In Lieu Of	0.00	1,751.98	-1,751.98	0.0%
301.50 · Real Estate Tax-Tax Claim	9,946.21	22,557.38	-12,611.17	44.1%
301.90 · RE Tax - Prior Yr. Sheriff Sale	0.00	240.07	-240.07	0.0%
Total 301.00 · REAL ESTATE TAXES	637,168.39	785,999.97	-148,831.58	81.1%
310.10 · REAL ESTATE TRANSFER TAX	13,822.41	55,166.90	-41,344.49	25.1%
310.20 · EARNED INCOME TAXES	137,585.51	296,308.85	-158,723.34	46.4%
310.50 · LOCAL SERVICES TAX	6,087.78	23,558.59	-17,470.81	25.8%
321.00 · BUSINESS LICENSES & PERMITS				
321.61 · Transient Retail Permits	546.50	1,295.00	-748.50	42.2%
321.80 · Cable Franchise	10,070.45	43,127.19	-33,056.74	23.4%
321.90 · Business Registrations	60.00	3,000.00	-2,940.00	2.0%
Total 321.00 · BUSINESS LICENSES & PERMITS	10,676.95	47,422.19	-36,745.24	22.5%
322.00 · NON-BUSINESS LICENSES & PERMITS				
322.20 · Yard/Garage Sale Permit	5.00	85.00	-80.00	5.9%
Total 322.00 · NON-BUSINESS LICENSES & PERMITS	5.00	85.00	-80.00	5.9%
331.00 · FINES				
331.11 · Vehicle-Related Violations	2,416.42	6,000.00	-3,583.58	40.3%
331.12 · Ordinance/Criminal Violations	883.13	2,755.47	-1,872.34	32.1%
331.13 · State Police Fines	0.00	1,178.45	-1,178.45	0.0%
331.14 · Parking Violation Fines	1,502.65	2,390.00	-887.35	62.9%
Total 331.00 · FINES	4,802.20	12,323.92	-7,521.72	39.0%
341.00 · INTEREST EARNINGS				
341.01 · General Fund Checking Interest	17.02	141.03	-124.01	12.1%
341.05 · Payroll Checking Interest	0.00	9.49	-9.49	0.0%
341.06 · Gen. Fund Escrow Ck'g Interest	0.00	0.46	-0.46	0.0%
341.07 · Capital Improvmt Fund Interest	0.00	477.70	-477.70	0.0%
341.10 · Tax Account Interest	668.67	6,615.17	-5,946.50	10.1%
341.20 · Community Revitalization Int.	0.00	5.99	-5.99	0.0%
341.21 · S.R. 248 Realignment Fund Int.	0.00	25.11	-25.11	0.0%
341.22 · Fire Dept Bldg Improv Fund Int.	0.00	3.03	-3.03	0.0%
341.42 · Operating Reserve Fund Interest	0.00	2,038.27	-2,038.27	0.0%
341.60 · Recreation Account Interest	0.00	15.44	-15.44	0.0%
341.96 · Grants(prev'y Reserve)Interest	0.00	5.56	-5.56	0.0%
Total 341.00 · INTEREST EARNINGS	685.69	9,337.25	-8,651.56	7.3%
342.00 · RENTS AND ROYALTIES				
342.20 · Park / Pavilion Rental	1,250.00	3,200.00	-1,950.00	39.1%
342.21 · 121 Center Street (Ambul Dept)	3,300.00	12,900.00	-9,600.00	25.6%
342.22 · Monopole - 121 Center St Yard	5,499.99	21,999.96	-16,499.97	25.0%
342.25 · Rental of Council Room	35.00			
Total 342.00 · RENTS AND ROYALTIES	10,084.99	38,099.96	-28,014.97	26.5%
354.00 · STATE CAPITAL & OPER. GRANTS				
354.09 · DCED-PA Gaming Local Share Acct	51,721.00			
354.15 · Recycling/Act 101 Grant	4,170.00			
Total 354.00 · STATE CAPITAL & OPER. GRANTS	55,891.00			
355.00 · STATE SHARED REVENUES				
355.01 · Public Utility Realty Tax/PURTA	0.00	1,198.48	-1,198.48	0.0%
355.02 · Motor Vehicles Fuel Tax	0.00	682.41	-682.41	0.0%
355.04 · Alcohol Beverage Licenses	0.00	933.33	-933.33	0.0%
355.65 · Non-Uniform Pension State Aid	0.00	13,118.00	-13,118.00	0.0%
355.99 · Volunteer Fire Relief State Aid	0.00	15,829.81	-15,829.81	0.0%
Total 355.00 · STATE SHARED REVENUES	0.00	31,762.03	-31,762.03	0.0%
360.00 · CHARGES FOR SERVICES				
360.19 · EE Paid Insurance [Reimb.]	8,860.53			
360.65 · Returned Check Fee/Bank Credit	0.00	70.00	-70.00	0.0%
Total 360.00 · CHARGES FOR SERVICES	8,860.53	70.00	8,790.53	12,657.9%
361.00 · GENERAL GOVERNMENT				
361.30 · Zoning Hearing Board Fees	0.00	1,000.00	-1,000.00	0.0%

Next, we examine the Transaction Log for that account line, which shows the recorded 2020 health insurance payments for both the Mayor and Secretary. Between January and the end of March, there were five payments received—three from Tanya and two from the Mayor. In 2020, each monthly payment was \$1,491.79.

On January 21, 2020, both the Mayor and Tanya made payments. On February 4, 2020, only Tanya's payment was recorded. Then on March 4, 2020, they both made payments again. There's no record of any payments for April. While the log continues beyond this point, we'll pause our analysis here for now.

Let's do some quick math:

$1,491.79 \times 5 = \$7,458.95$ — Well, that doesn't equal \$8,860.53

$1,491.79 \times 6 = \$8,950.74$ — That's a bit high

11:19 AM

02/02/24

Cash Basis

BOROUGH OF BATH - OPERATING "GENERAL" FUND

Account QuickReport

January through December 2020

Type	Date	Num	Name	Memo	Split	Original Amount	Paid Amount
300 - REVENUES							
360.00 - CHARGES FOR SERVICES							
360.19 - EE Paid Insurance [Reimb.]							
Deposit	01/21/2020	1679		FRM January Insurance	100.00 - CAS...	1,491.79	1,491.79
Deposit	01/21/2020	259		TRL January Insurance	100.00 - CAS...	1,491.79	1,491.79
Deposit	02/04/2020	266		TRL Insurance February	100.00 - CAS...	1,491.79	1,491.79
Deposit	03/04/2020	1695		FRM March Health Insurance Reimb [Couples Plan]	100.00 - CAS...	1,491.79	1,491.79
Deposit	03/04/2020	153		TRL March Health Insurance Reimb [Couples Plan]	100.00 - CAS...	1,491.79	1,491.79
Deposit	05/22/2020			FRM x2 & TRL	100.00 - CAS...	4,475.37	4,475.37
Deposit	07/07/2020	295		TRL insurance for June	100.00 - CAS...	1,491.79	1,491.79
Deposit	07/09/2020	298		TRL July Insurance	100.00 - CAS...	1,491.79	1,491.79
Deposit	08/11/2020	307		TRL August Insurance	100.00 - CAS...	1,491.79	1,491.79
Deposit	08/31/2020			FRM	100.00 - CAS...	1,491.79	1,491.79
Deposit	09/21/2020			FRM & TRL	100.00 - CAS...	2,983.58	2,983.58
Deposit	10/13/2020			TRL	100.00 - CAS...	1,491.79	1,491.79
Deposit	11/05/2020			DEPOSIT BATH	100.00 - CAS...	1,491.79	1,491.79
Deposit	11/06/2020			DEPOSIT BATH	100.00 - CAS...	1,491.79	1,491.79
Deposit	12/21/2020			TRL & FRM	100.00 - CAS...	2,983.58	2,983.58
Total 360.19 - EE Paid Insurance [Reimb.]							28,344.01
Total 360.00 - CHARGES FOR SERVICES							28,344.01
Total 300 - REVENUES							28,344.01
TOTAL							28,344.01

11:19 AM
02/02/24
Cash Basis

BOROUGH OF BATH - OPERATING "GENERAL" FUND
Account QuickReport
January through December 2020

Filters applied on this Report:

Account: 360.19 · EE Paid Insurance [Reimb.]

Date: Custom

Page 2

Below is a table provided by the borough showing the Mayor's payments in 2019 and 2020.

In 2019, the Mayor paid \$1,401.00 in January, plus an additional 58¢ in cash. From February through November, she consistently paid \$1,401.00 each month. The borough acknowledged, however, that she missed the December payment in 2019.

2020
Mirabito Insurance

DVHT Bills		Checks from Mirabitos			Detail in QuickBooks	
Month of Bill	Mirabito Total	Check date	Check Amount	Check #	Deposit date in QB	Amount
Dec-19	\$1,491.79	1/10/2020	\$1,491.79	1679	1/21/2020	\$1,491.79
Jan-20	\$1,491.79	2/25/2020	\$1,491.79	1695	3/4/2020	\$1,491.79
Feb-20	\$1,491.79	4/3/2020	\$1,491.79	1707	4/13/2020	\$1,491.79
Mar-20	\$1,491.79	4/28/2020	\$1,491.79	1713	(Intentionally left blank)	
Apr-20	\$1,491.79	5/12/2020	\$1,491.79	1719	5/22/2020	\$2,983.58
May-20	\$1,491.79	8/11/2020	\$1,491.79	1754	8/31/2020	\$1,491.79
Jun-20	\$1,491.79	9/14/2020	\$1,491.79	1767	9/21/2020	\$1,491.79
Jul-20	\$1,491.79	11/6/2020	\$1,491.79	1782	11/5/2020	\$1,491.79
Aug-20	\$1,491.79	11/25/2020	\$1,491.79	1787	12/21/2020	\$1,491.79
Sep-20	\$1,491.79					
Oct-20	\$1,491.79					
Nov-20	\$1,491.79					

2019
Mirabito Insurance

DVHT Bills		Checks from Mirabitos			Detail in QuickBooks	
Month of Bill	Mirabito Total	Check date	Check Amount	Check #	Deposit date in QB	Amount
Dec-18	\$1,401.58	1/18/2019	\$1,401.00	1505	1/23/2019	\$1,401.00
Jan-19	\$1,401.58	(Intentionally left blank)			1/23/2019**	\$0.58
Feb-19	\$1,401.58	2/11/2019	\$1,401.00	1517	2/13/2019	\$1,401.00
Mar-19	\$1,401.58	3/20/2019	\$1,401.00	1536	3/25/2019	\$1,401.00
Apr-19	\$1,401.58	4/9/2019	\$1,401.00	1548	4/11/2019	\$1,401.00
May-19	\$1,401.58	5/6/2019	\$1,401.00	1560	5/7/2019	\$1,401.00
Jun-19	\$1,401.58	6/12/2019	\$1,401.00	1580	6/21/2019	\$1,401.00
Jul-19	\$1,401.58	7/11/2019	\$1,401.00	1595	7/19/2019	\$1,401.00
Aug-19	\$1,401.58	8/12/2019	\$1,401.00	1609	8/15/2019	\$1,401.00
Sep-19	\$1,401.58	9/9/2019	\$1,401.00	1625	9/10/2019	\$1,401.00
Oct-19	\$1,401.58	10/11/2019	\$1,401.00	1639	10/25/2019	\$1,401.00
Nov-19	\$1,401.58	11/7/2019	\$1,401.00	1646	12/4/2019	\$1,401.00
					**This was a cash deposit	

We know this to be accurate because, despite Brad's tendency to blame Marena for any errors in the books, she actually kept very good records.

As you can see in the Final Profit & Loss vs Actual for 2019, under Mayor expense line 401.02 Health and Dental, there's a recorded expense of \$1,407.38.

This figure breaks down as follows: $\$1,401.58 + \$5.80 = \$1,407.38$

It accounts for the missed December payment plus the 58¢ missed for 10 months.

BOROUGH OF BATH - OPERATING "GENERAL" FUND				
Profit & Loss Budget vs. Actual (w/o Inactive Accts)				
10/03/22 Cash Basis	January through December 2019			
	Jan - Dec 19	Budget	\$ Over Bu...	% of Budget
400.35 · Newsletter incl'g US Mail Pstg	632.82	500.00	132.82	126.6%
400.42 · Dues and Subscriptions	1,638.00	1,700.00	-62.00	96.4%
400.46 · Conferences and Seminars	0.00	1,000.00	-1,000.00	0.0%
Total 400.00 · GENERAL GOVERNMENT	20,582.46	19,855.00	727.46	103.7%
401.00 · MAYOR				
401.01 · Salary of Mayor	2,500.00	2,500.00	0.00	100.0%
401.02 · Health & Dental - Mayor	1,407.38			
401.03 · Dues & Subscriptions	395.00	100.00	295.00	395.0%
401.04 · Mayor Supplies & Misc.	820.67	750.00	70.67	109.4%
401.06 · Mayor's Tablet-Data/AVirus Chgs	120.26	150.00	-29.74	80.2%
Total 401.00 · MAYOR	5,243.31	3,500.00	1,743.31	149.8%
401.111 · BOROUGH MANAGER				
401.14 · Health & Dental - Borough Mgr	7,707.14	7,707.14	0.00	100.0%
401.15 · Life Insurance - Borough Mgr	98.67	110.00	-11.33	89.7%
401.16 · Dues & Subscriptions	7,317.78	2,700.00	4,617.78	271.0%
401.17 · Vehicle/Gasoline Stipend / Exp	4,788.55	5,000.00	-211.45	95.8%
401.18 · Educational Expense	2,600.78	3,500.00	-899.22	74.3%
401.20 · Office Supplies	616.65	4,300.00	-3,683.35	14.3%
401.21 · Office Equip.-Supplies & Maint.	2,100.13	1,500.00	600.13	140.0%
401.25 · Advertising/Promotional	4,990.81	6,500.00	-1,509.19	76.8%
401.30 · Consultant Fees	14,143.14	11,500.00	2,643.14	123.0%
401.31 · Payroll Processing Services	2,366.43	2,100.00	266.43	112.7%
401.32 · Manager's Tablet-Data/AV Chg's	333.36	135.00	198.36	246.9%
401.323 · Cellular Phone-MGR.	663.48	700.00	-36.52	94.8%
401.34 · Printing	338.49	500.00	-161.51	67.7%
401.35 · Postage	3,221.21	1,500.00	1,721.21	214.7%
401.40 · Manager/Treasurer's Bond/Ins.	299.00	350.00	-51.00	85.4%

You might be wondering how all of this connects, so let's revisit the math:

$$\$1,491.79 \times 5 = \$7,458.95 + \$1,401.58 = \$8,860.53$$

It appears that the \$8,860.53 was intended to cover the missed December payment from 2019.

Interestingly, if the mayor made that payment, it wasn't mentioned. I obtained copies of her cleared check images, and there wasn't one for December 2019. When she later made a large lump sum payment—after I uncovered the insurance issues—it was used to cover her missed December payment.

These five payments in 2020, with one being retroactive to 2019, would deplete these funds. This might explain the absence of April payments in the EE Insurance Reimbursement line's transaction log.

Let's set aside this aspect for now and focus on the transaction log and final Profit & Loss budget for 2020.

While we've examined the treasurer reports, we haven't yet addressed an important point: the transaction log showed a total amount of \$28,344.01 collected by year-end in EE insurance reimbursement.

BOROUGH OF BATH - OPERATING "GENERAL" FUND				
Profit & Loss Budget vs. Actual (w/o Inactive Accts)				
January through December 2020				
10/03/22 Cash Basis	Jan - Dec 20	Budget	\$ Over Bu...	% of Budget
360.00 · CHARGES FOR SERVICES				
360.19 · EE Paid Insurance [Reimb.]	28,344.01			
360.65 · Returned Check Fee/Bank Credit	0.00	70.00	-70.00	0.0%
Total 360.00 · CHARGES FOR SERVICES	28,344.01	70.00	28,274.01	40,491.4%
361.00 · GENERAL GOVERNMENT				
361.30 · Zoning Hearing Board Fees	2,619.50	1,000.00	1,619.50	262.0%
361.31 · App./Subdiv./Condition Use Fees	0.00	1,500.00	-1,500.00	0.0%
361.34 · Stenographer - PComm/ZHB/PMCBOA	0.00	150.00	-150.00	0.0%
361.65 · Tax & Sanitation Certifications				
361.651 · Real Estate Tax Certifications	0.00	2,000.00	-2,000.00	0.0%
361.652 · Sanitation Certifications	0.00	750.00	-750.00	0.0%
361.65 · Tax & Sanitation Certifications - Other	465.00			
Total 361.65 · Tax & Sanitation Certifications	465.00	2,750.00	-2,285.00	16.9%
Total 361.00 · GENERAL GOVERNMENT	3,084.50	5,400.00	-2,315.50	57.1%
362.00 · PUBLIC SAFETY				
362.13 · Alarm Permits	60.00	240.00	-180.00	25.0%
362.30 · Distressed Property Registr Fee	1,500.00	2,150.00	-650.00	69.8%
362.39 · Bldg Permit UCC State Fee	117.00	126.75	-9.75	92.3%
362.40 · UCC Bldg Permit Fees (10%)	1,781.52	1,097.12	684.40	162.4%
362.41 · Building & Zoning Permit Fees	41,613.76	16,849.68	24,764.08	247.0%
362.51 · Road Occupancy Permit	1,250.00	987.50	262.50	126.6%
362.52 · Bus Shelter	0.00	250.00	-250.00	0.0%
Total 362.00 · PUBLIC SAFETY	46,322.28	21,701.05	24,621.23	213.5%

This creates a conundrum for me. Based on the transaction log and knowing that December wasn't paid, plus the \$8,860.53 I calculated earlier, none of this adds up to \$28,344.01. A forensic accountant advised me that a good way to track money is to follow the cents. While dollars are easy to mask, cents are not.

Now, I can't fully explain what happened here, but you'll understand why in a moment.

Below is the General Fund Bank Statement from August 2019. Look specifically at the checks cashed against this account on 8/21/2019. This is the same month as the second transaction from the audit trail was originally recorded.

You'll see that a check cleared for \$178,304.01.

NPO Checking-XXXXX23I07 (continued)

Other Credits

Date	Description	Amount
08/30/2019	INTEREST PAID 8/01 THROUGH 8/30	\$8.57
		<u>1 item, S. totaling \$8.57</u>

Other Debits

Date	Description	Amount
08/15/2019	TRANSFER WITHDRAWAL	\$10,750.00
08/15/2019	TRANSFER WITHDRAWAL	\$10,250.00
		<u>2 item, S. totaling \$21,000.00</u>

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount
16909	08/01/2019	\$125.00	16940	08/20/2019	\$28.86
16916*	08/01/2019	\$145.00	16941	08/21/2019	\$22.21
16931*	08/21/2019	\$713.52	16942	08/21/2019	\$33.96
16932	08/22/2019	\$3,735.00	16943	08/21/2019	\$210.00
16933	08/20/2019	\$42.80	16944	08/20/2019	\$19,089.00
16934	08/21/2019	\$16,015.40	16945	08/21/2019	\$289.18
16935	08/19/2019	\$3,573.98	16946	08/22/2019	\$651.26
16936	08/21/2019	\$178,304.01	16947	08/20/2019	\$127.02
16937	08/21/2019	\$8,172.72	16948	08/23/2019	\$527.61
16938	08/21/2019	\$65.52	16949	08/22/2019	\$16.96
16939	08/21/2019	\$9,716.00	16950	08/20/2019	\$472.68

* Indicates skipped check number

22 item(s) totaling \$242,077.69

Daily Balances

Date	Amount	Date	Amount	Date	Amount
08/01/2019	\$239,574.60	08/15/2019	\$282,736.02	08/22/2019	\$63,970.29
08/02/2019	\$255,774.60	08/16/2019	\$287,604.21	08/23/2019	\$63,657.68
08/06/2019	\$270,828.79	08/19/2019	\$284,030.23	08/30/2019	\$63,666.25
08/08/2019	\$297,836.02	08/20/2019	\$281,916.03		
08/13/2019	\$303,736.02	08/21/2019	\$68,373.51		

The amount is approximately \$150,000 too much—\$149,960.00 to be exact. If there were just an extra \$40 to make it an even \$150,000, it might seem more plausible. Hold on, I think we've missed something crucial here.

Let's revisit the audit trail we discussed earlier. An audit trail preserves each iteration of a transaction whenever changes are made. The previous version is labeled as "prior," while the newer version appears above it with changes highlighted in bold.

The bottom transaction of \$5,406.33 shows some interesting revisions after its initial entry on January 2, 2020, as an August 30, 2019 transaction. On February 25, 2020, someone edited the transaction, adding a \$40 bounced check fee, which bumped the total to \$5,446.33. Now, where was it that we needed that \$40?

When attempting to commit fraud, the primary goal is to avoid detection. The most crucial aspect is ensuring that all values add up precisely, leaving no unexplainable surplus.

Now, let's look at the top transaction. I'd like to draw your attention to the smaller transactions that make up the total of \$15,712.34. Once again, that pesky change comes into play. We have two transactions from revenue line 331.12 "Ordinance/Criminal Violations." The first makes up the bulk of the deposit at \$9,000. The second, which could be easily overlooked, is for \$100.02.

I don't know about you, but I've never seen the borough issue a ticket for exactly \$100.02. However, people often make silly mistakes when they're trying to make the change balance out perfectly.

9:57 AM
01/15/24

BOROUGH OF BATH - OPERATING "GENERAL" FUND
Audit Trail

Entered/Last Modified January 2019 through December 2022

Num	Entered/Last Modified	Last modified by	State	Date	Name	Memo	Account	Split	Amount
1625	01/02/2020 19:38:13	Admin	Latest	09/10/2019	Deposit		100.00 CASH-UNRESTRICTED (3107)	-SPLIT-	15,712.34
232					Sept Reimb for FRM	401.02 Health & Dental - Mayor	100.00 CASH-		-1,401.00
630					Sept Reimb for TR	405.18 Office Secretary - Health Ins.	100.00 CASH-		-1,401.88
509					Ticket 5286 (1.29 pdt pt 3	331.14 Parking Violation Fines	100.00 CASH-		-20.00
270					Yard Sale Registration Community Yard Sale (S. Hogue)	322.20 Yard/Garage Sale Permit	100.00 CASH-		-5.00
905388					Z-2019-10-01 for patio (B. Carr)	362.41 Building & Zoning Permit Fees	100.00 CASH-		-78.00
4709					Z-2019-09-02 for Manufacturing Facility	362.41 Building & Zoning Permit Fees	100.00 CASH-		-110.00
1012					August Tax Claim	310.10 REAL ESTATE TRANSFER TAX	100.00 CASH-		-1,599.74
89474					Athletic Permit - Rahing Field (Softball- Bethlehem Deal)	342.20 Park / Pavilion Rental	100.00 CASH-		-80.00
904835					CR-45-CK-2016-2012 - Restitution (R.J. Looney)	331.12 Ordinance/Criminal Violations	100.00 CASH-		-9,200.00
13736					July Tax Claim	301.00 Real Estate Tax/Tax Claim	100.00 CASH-		-1,911.00
					August Ord Violations	331.12 Ordinance/Criminal Violations	100.00 CASH-		-100.00
1639	02/25/2020 10:16:07	Admin	Latest	10/25/2019	Deposit		100.00 CASH-UNRESTRICTED (3107)	-SPLIT-	5,406.33
104					FRM October Insurance	401.02 Health & Dental - Mayor	100.00 ...		-225.00
1478					2019 Bath Farmers Market Transient Permits - (9) vendors	321.61 Transient Retail Permits	100.00 ...		-750.00
3823					ZHB Appeal Application Fee for 267 Park Terrace (A. Lope)	361.30 Zoning Hearing Board Fees	100.00 ...		-190.00
4311493					Z-2019-10-01 for fencing @ 348 E Main (J. DiDorardo)	362.41 Building & Zoning Permit Fees	100.00 ...		-55.00
2432					Monopole - 1st month of rent for monopole @ 121 center S.	342.53 Monopole - 121 Center St Yard	100.00 ...		-1,833.33
6312					B-2019-10-02 permit for commercial electrical @ 374 W M.	362.41 Building & Zoning Permit Fees	100.00 ...		-220.00
73709					September Remit - 1 prop	362.30 Distressed Property Registr Fee	100.00 ...		-100.00
73709					B-2019-10-01 Admin	362.40 UCC Bldg Permit Fees (10%)	100.00 ...		-27.50
73709					B-2019-10-01	362.39 Bldg Permit UCC State Fee	100.00 ...		-4.50
4366					Balance owed on B-2019-10-01	362.41 Building & Zoning Permit Fees	100.00 ...		-165.00
318					2019 Spuds and Suds Event - (25) vendors total	321.61 Transient Retail Permits	100.00 ...		-825.00
					B. Ostrander bounced check for ...	331.14 Parking Violation Fines	100.00 ...		0.00
1639	02/25/2020 10:12:21	Admin	Prior	10/25/20	Deposit		100.00 CASH-UNRESTRICTED	-SPLIT-	5,446.33
104					FRM October Insurance	400 EXPENDITURES:401.00 MAYOR:401.02 Health & Dental - Mayor	100.00 CASH-		-1,401.00
1478					2019 Bath Farmers Market Transient Permits - (9) vendors	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH-		-225.00
3823					ZHB Appeal Application Fee for 267 Park Terrace (A. Lope)	300 REVENUES:361.00 GENERAL GOVERNMENT:361.30 Zoning Hear...	100.00 CASH-		-750.00
4311493					Z-2019-10-01 for fencing @ 348 E Main (J. DiDorardo)	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH-		-55.00
2432					Monopole - 1st month of rent for monopole @ 121 center S.	300 REVENUES:342.00 RENTS AND ROYALTIES:342.22 Monopole - 12...	100.00 CASH-		-1,833.33
6312					B-2019-10-02 permit for commercial electrical @ 374 W M.	300 REVENUES:362.00 PUBLIC SAFETY:362.40 Building & Zoning Perm...	100.00 CASH-		-220.00
73709					September Remit - 1 prop	300 REVENUES:362.00 PUBLIC SAFETY:362.30 Distressed Property Re...	100.00 CASH-		-100.00
73709					B-2019-10-01 Admin	300 REVENUES:362.00 PUBLIC SAFETY:362.40 UCC Bldg Permit Fees ...	100.00 CASH-		-27.50
73709					B-2019-10-01	300 REVENUES:362.00 PUBLIC SAFETY:362.39 Bldg Permit UCC State ...	100.00 CASH-		-4.50
4366					Balance owed on B-2019-10-01	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH-		-165.00
318					2019 Spuds and Suds Event - (25) vendors total	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH-		-825.00
					B. Ostrander bounced check for parking tickt - sent to DA...	300 REVENUES:331.00 FINES:331.14 Parking Violation Fines	100.00 CASH-		-40.00
1639	02/25/2020 10:11:45	Admin	Prior	08/30/2019	Deposit		100.00 CASH-UNRESTRICTED	-SPLIT-	5,446.33
104					FRM October Insurance	400 EXPENDITURES:401.00 MAYOR:401.02 Health & Dental - Mayor	100.00 CASH-		-1,401.00
1478					2019 Bath Farmers Market Transient Permits - (9) vendors	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH-		-225.00
3823					ZHB Appeal Application Fee for 267 Park Terrace (A. Lope)	300 REVENUES:361.00 GENERAL GOVERNMENT:361.30 Zoning Hear...	100.00 CASH-		-750.00
4311493					Z-2019-10-01 for fencing @ 348 E Main (J. DiDorardo)	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH-		-55.00
2432					Monopole - 1st month of rent for monopole @ 121 center S.	300 REVENUES:342.00 RENTS AND ROYALTIES:342.22 Monopole - 12...	100.00 CASH-		-1,833.33
6312					B-2019-10-02 permit for commercial electrical @ 374 W M.	300 REVENUES:362.00 PUBLIC SAFETY:362.40 Building & Zoning Perm...	100.00 CASH-		-220.00
73709					September Remit - 1 prop	300 REVENUES:362.00 PUBLIC SAFETY:362.30 Distressed Property Re...	100.00 CASH-		-100.00
73709					B-2019-10-01 Admin	300 REVENUES:362.00 PUBLIC SAFETY:362.40 UCC Bldg Permit Fees ...	100.00 CASH-		-27.50
73709					B-2019-10-01	300 REVENUES:362.00 PUBLIC SAFETY:362.39 Bldg Permit UCC State ...	100.00 CASH-		-4.50
4366					Balance owed on B-2019-10-01	300 REVENUES:362.00 PUBLIC SAFETY:362.41 Building & Zoning Perm...	100.00 CASH-		-165.00
318					2019 Spuds and Suds Event - (25) vendors total	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH-		-825.00
					B. Ostrander bounced check for ...	300 REVENUES:331.00 FINES:331.14 Pa...	100.00 ...		-40.00
1639	01/02/2020 20:05:19	Admin	Prior	08/30/2019	Deposit		100.00 CASH-UNRESTRICTED	-SPLIT-	5,406.33
104					FRM October Insurance	400 EXPENDITURES:401.00 MAYOR:401.02 Health & Dental - Mayor	100.00 CASH-		-1,401.00
1478					2019 Bath Farmers Market Transient Permits - (9) vendors	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH-		-225.00
3823					ZHB Appeal Application Fee for 267 Park Terrace (A. Lope)	300 REVENUES:361.00 GENERAL GOVERNMENT:361.30 Zoning Hear...	100.00 CASH-		-750.00
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318					2019 Spuds and Suds Event - (25) vendors total	300 REVENUES:321.00 BUSINESS LICENSES & PERMITS:321.61 Tran...	100.00 CASH-		-825.00

To wrap this up, I'll end where I began: the 2020 Preliminary Budget.

Let's take a closer look at the budgeted amount for the Mayor's Fund. Remember, this fund was originally set up to hold money fundraised and donated for the Paw Park construction. Oddly enough, after the park was built, we see the estimated budget shoot up higher than ever before. Brad's explanation? He claimed the estimated budget was based on an average of what was spent in that account over the previous three years. Sounds fishy, right?

Well... it gets even more intriguing when you dig into the 2020, 2021, and 2022 Profit & Loss vs. Actual Budgets. Pay close attention to expense line 401.02 "Mayor's Health and Dental." Surprise, surprise—they all use the same estimated budget amount of \$18,500.

10/03/22
Cash Basis

BOROUGH OF BATH - OPERATING "GENERAL" FUND
Profit & Loss Budget vs. Actual (w/o Inactive Accts)
January through December 2021

Expense	Jan - Dec 21	Budget	\$ Over Bu...	% of Budget
400 · EXPENDITURES				
400.00 · GENERAL GOVERNMENT				
400.11 · Council's Salary	13,125.00	13,125.00	0.00	100.0%
400.20 · Council Office Supplies	297.78	500.00	-202.22	59.6%
400.29 · Gifts	133.97			
400.30 · General Gvrnmnt - Miscellaneous	363.50	500.00	-136.50	72.7%
400.32 · Council's Tablets-Data/AV Chg's	672.45	900.00	-227.55	74.7%
400.35 · Newsletter incl'g US Mail Pstg	371.71	500.00	-128.29	74.3%
400.42 · Dues and Subscriptions	2,398.98	1,700.00	698.98	141.1%
400.46 · Conferences and Seminars	0.00	500.00	-500.00	0.0%
400.54 · Copier Lease	1,740.00			
Total 400.00 · GENERAL GOVERNMENT	19,103.39	17,725.00	1,378.39	107.8%
401.00 · MAYOR				
401.01 · Salary of Mayor	2,500.00	2,500.00	0.00	100.0%
401.02 · Health & Dental - Mayor	20,492.81	18,500.00	1,992.81	110.8%
401.03 · Dues & Subscriptions	358.00	100.00	258.00	358.0%
401.04 · Mayor Supplies & Misc.	45.00	500.00	-455.00	9.0%
401.06 · Mayor's Tablet-Data/AVirus Chgs	-15.49			
Total 401.00 · MAYOR	23,380.32	21,600.00	1,780.32	108.2%
401.111 · BOROUGH MANAGER				
401.14 · Health & Dental - Borough Mgr	9,787.31	8,906.87	880.44	109.9%
401.15 · Life Insurance - Borough Mgr	84.17	110.00	-25.83	76.5%
401.16 · Dues & Subscriptions	16,851.50	2,700.00	14,151.50	624.1%
401.17 · Vehicle/Gasoline Stipend / Exp	0.00	5,057.00	-5,057.00	0.0%
401.18 · Educational Expense	90.00	3,000.00	-2,910.00	3.0%
401.20 · Office Supplies	5,921.71	2,500.00	3,421.71	236.9%
401.21 · Office Equip.-Supplies & Maint.	0.00	2,500.00	-2,500.00	0.0%

01/26/23
Cash Basis

BOROUGH OF BATH - OPERATING "GENERAL" FUND
Profit & Loss Budget vs. Actual (w/o Inactive Accts)
January through December 2022

	Jan - Dec 22	Budget	\$ Over Bu...	% of Budget
401.00 · MAYOR				
401.01 · Salary of Mayor	2,500.00	2,500.00	0.00	100.0%
401.02 · Health & Dental - Mayor	-10,730.72	18,500.00	-29,230.72	-58.0%
401.03 · Dues & Subscriptions	698.75	100.00	598.75	698.8%
401.04 · Mayor Supplies & Misc.	18.01	500.00	-481.99	3.6%
Total 401.00 · MAYOR	-7,513.96	21,600.00	-29,113.96	-34.8%
401.111 · BOROUGH MANAGER				
401.14 · Health & Dental - Borough Mgr	9,415.08	9,500.00	-84.92	99.1%
401.15 · Life Insurance - Borough Mgr	17.46	110.00	-92.54	15.9%
401.16 · Dues & Subscriptions	25,018.06	14,000.00	11,018.06	178.7%
401.17 · Vehicle/Gasoline Stipend / Exp	0.00	5,075.00	-5,075.00	0.0%
401.18 · Educational Expense	0.00	3,000.00	-3,000.00	0.0%
401.20 · Office Supplies				
401.210 · RTK Reimbursements	-1.00			
401.20 · Office Supplies - Other	9,709.40	2,500.00	7,209.40	388.4%
Total 401.20 · Office Supplies	9,708.40	2,500.00	7,208.40	388.3%
401.21 · Office Equip.-Supplies & Maint.	1,897.00	2,500.00	-603.00	75.9%
401.25 · Advertising/Promotional	10,256.38	4,000.00	6,256.38	256.4%
401.30 · Consultant Fees	25,977.12	11,000.00	14,977.12	236.2%
401.31 · Payroll Processing Services	2,762.07			
401.32 · Manager's Tablet-Data/AV Chg's	26.97	150.00	-123.03	18.0%
401.323 · Cellular Phone-MGR.	649.88	700.00	-50.12	92.8%
401.34 · Printing	25.00	500.00	-475.00	5.0%
401.35 · Postage	2,614.20	1,500.00	1,114.20	174.3%
401.40 · Manager/Treasurer's Bond/Ins.	0.00	300.00	-300.00	0.0%

I always wondered why the dog park was assigned a budget placeholder of \$18,500, and now I believe we have our answer!

To conclude, let me say this: Considering everything I've presented and the behavior of certain individuals, it's abundantly clear that something is amiss.

The additional information not yet included further strengthens the case of fraud I've presented here. These additional items are interconnected in many ways, revealing a deliberate pattern of intent.

The pattern of fraudulent activity becomes even more apparent when examining the interconnected nature of these transactions. For instance, the manipulation of health insurance payments aligns suspiciously with discrepancies in other budget lines. Furthermore, the consistent use of the \$18,500 placeholder across multiple years suggests a deliberate attempt to conceal financial irregularities.

The budget contains 232 visible lines, with many more behind the scenes. Of these, I requested audit trails for just 9 lines. Those 9 lines alone accounted for 120 pages of documentation. Many of these pages reveal numerous instances of backdated transactions—a clear indicator of a practice known as "lapping," which is a form of money laundering.

- **Financial discrepancies** were found in the Borough of Bath's budgets and financial reports, particularly in the Mayor's Fund and health insurance payments.
- Evidence of **backdated transactions** and potential money laundering practices ("lapping") were discovered across multiple financial documents.
- The Mayor's health insurance payments showed inconsistencies, with **unexplained lump sums** and missing payments raising suspicion.
- Budgetary figures, especially the \$18,500 placeholder for the dog park, were used inconsistently across multiple years, suggesting potential financial manipulation.
- The investigation revealed numerous instances of **altered financial records**, indicating a systematic attempt to obscure the true financial situation.

Exhibit

K



Comprehensive Analysis of Financial Irregularities in Bath Borough (2019-2022) Part 1

▼ Table of Contents

- [1. Executive Summary: Comprehensive Analysis of Financial Irregularities in Bath Borough \(2019-2022\)](#)
- [2. Understanding Escrow](#)
- [3. Chronological Analysis of Inter-Fund Transfer Audit Trail](#)
- [4. Analysis of Developer Escrow Account Transactions](#)
- [5. Analysis of 2019 Year-End Financial Reports](#)
- [6. Discrepancies in Public Statements](#)
- [7. Impact of Cash Basis Accounting](#)
- [8. Analysis of Related Real Estate Transaction](#)
- [9. Analysis of 2020-2021 Financial Activities](#)
- [10. Detailed Analysis of the \\$86,170.53 Transaction and Subsequent Events](#)
- [11. Analysis of 2022 Escrow Account Activity](#)
- [12. Statistical Analysis](#)
- [13. Conclusion and Recommendations](#)
- [14. Glossary of Terms](#)
- [15. References](#)

▼ 1. Executive Summary: Comprehensive Analysis of Financial Irregularities in Bath Borough (2019-2022)

1.1 Purpose and Scope

This report presents a detailed investigation into the financial management practices of Bath Borough, Pennsylvania, covering the period from 2019 to 2022. The analysis focuses on several key areas of municipal finance:

- Management of escrow accounts
- Interfund transfers
- Year-end financial reporting
- Public statements about financial matters

The primary objective of this investigation was to identify any instances of financial mismanagement, reporting inaccuracies, or other irregularities that may have occurred during the specified timeframe. This report aims to provide a comprehensive, unbiased account of the borough's financial activities and practices, highlighting areas of concern and offering recommendations for improvement.

1.2 Methodology

To ensure a thorough and objective analysis, our investigation employed a multi-faceted approach:

1. **Timeline Construction:** We created a detailed chronological timeline of key financial events and transactions to establish a clear sequence of activities [[C](#), [I](#)].
2. **Financial Record Analysis:** We conducted an in-depth examination of financial statements, bank records, and transaction logs to identify patterns, discrepancies, or unusual activities [[A](#), [B](#), [D](#), [G](#), [H](#)].

3. Comparative Analysis: We compared public statements made by borough officials with the actual financial records to assess consistency and accuracy [[L](#)].
4. Document Review: We carefully reviewed audit reports, internal documents, and communications related to financial matters [[E](#), [F](#), [M](#)].
5. Accounting Method Assessment: We evaluated the impact of the borough's use of cash basis accounting on its financial reporting and management practices [[Section 7](#)].

Data for this investigation was collected from multiple sources, including:

- Bank statements [[A](#), [B](#), [D](#)]
- Audit reports [[E](#), [F](#)]
- Public records and official communications [[L](#), [M](#)]
- Internal financial documents and transaction logs [[C](#), [G](#), [H](#), [I](#), [J](#)]
- Relevant legal and regulatory documents [[P](#), [Q](#)]

1.3 Key Findings

Our investigation revealed several areas of concern in Bath Borough's financial management practices:

1. Irregular Fund Transfers: A significant transaction of \$86,170.53 on December 19, 2019, was inconsistently recorded across different financial documents [[A](#), [B](#), [C](#)]. This transaction, intended for the General Fund, was recorded in a manner that created the appearance of a deposit, but the actual movement of funds remains unclear [[Section 3](#)].
2. Delayed Recording of Transactions: Several instances of significant delays in recording transactions were observed, including the aforementioned \$86,170.53 transfer being officially recorded 15 months after the initial transaction date [[C](#), [Section 4](#)].
3. Unusual Escrow Account Activity: The Borough escrow checking account (#04141) showed an atypical increase in deposits starting in April 2022, coinciding with staff changes [[D](#), [Section 11](#)].

4. Multiple Modifications to Financial Records: The audit trail reveals frequent changes to transaction details, raising concerns about the accuracy and reliability of financial records [[C](#), [Section 4](#)].
5. Discrepancies in Public Statements: Statements made by the Borough Manager regarding fund handling and inter-fund transfers show inconsistencies with the actual financial records [[L](#), [Section 6](#)].
6. Potential Violations of Escrow Management Regulations: The observed practices may conflict with Pennsylvania regulations on escrow account management, particularly 49 Pa. Code § 35.326, which prohibits commingling of escrow funds with other accounts [[P](#), [Q](#), [Section 2](#)].
7. Cash Basis Accounting Limitations: The borough's use of cash basis accounting may have contributed to the identified issues by limiting the accuracy and completeness of financial reporting [[Section 7](#)].

1.4 Implications

The findings of this investigation suggest several potential issues in Bath Borough's financial management practices:

- Inadequate internal controls and oversight mechanisms
- Possible mismanagement of developer escrow funds
- Inconsistencies in financial reporting and public disclosure
- Potential non-compliance with state regulations on escrow account management

These issues, if left unaddressed, could lead to erosion of public trust, financial instability, and potential legal or regulatory consequences for the borough.

1.5 Recommendations

Based on our findings, we recommend the following actions:

1. Conduct a comprehensive forensic audit by an independent firm to further investigate the identified irregularities and assess the full extent of any financial mismanagement [[Section 13.2](#)].

2. Implement stricter internal controls and oversight mechanisms to prevent unauthorized modifications to financial records and ensure proper fund management [[Section 13.2](#)].
3. Improve record-keeping practices and consider transitioning to accrual basis accounting to provide a more accurate and complete picture of the borough's financial position [[Section 13.2](#)].
4. Increase transparency in financial reporting and public communications to rebuild trust with the community and stakeholders [[Section 13.2](#)].
5. Provide comprehensive training on proper financial management and regulatory compliance for all staff involved in financial operations [[Section 13.2](#)].

1.6 Conclusion

While this report identifies several areas of concern in Bath Borough's financial practices between 2019 and 2022, it's important to note that these findings do not definitively prove intentional misconduct. The irregularities and discrepancies highlighted warrant further investigation to ensure the integrity of the borough's financial management and to restore public trust.

The subsequent sections of this report provide detailed analyses of each finding, supporting evidence, and in-depth discussions of their implications. We encourage readers to review these sections for a comprehensive understanding of the financial situation in Bath Borough.

▼ 2. Understanding Escrow

2.1 Purpose and Function of Escrow Accounts in Municipal Finance

Escrow accounts play a crucial role in municipal finance, particularly in managing funds related to development projects. In Pennsylvania, these accounts serve several important purposes:

1. **Financial Security:** Escrow accounts ensure that developers have sufficient funds to complete projects according to approved plans and specifications [P].
2. **Protection of Public Interest:** They safeguard the municipality's interests by providing a financial guarantee for the completion of required infrastructure improvements and other public works [P].
3. **Risk Mitigation:** Escrow accounts help mitigate the risk of project abandonment or developer bankruptcy by setting aside funds for specific project-related purposes [P].
4. **Transparency:** These accounts promote transparency in the development process by clearly separating project-specific funds from the municipality's general operating funds [Q].

2.2 Legal Framework Governing Escrow Accounts

The management of escrow accounts in Pennsylvania is governed by specific regulations that aim to ensure proper handling and accountability of these funds:

2.2.1 49 Pa. Code § 35.325 - Escrow Account Requirements

This regulation outlines the following key requirements for maintaining escrow accounts [P]:

- a) **Account Maintenance:** Escrow accounts must be maintained in a federally- or state-insured bank or recognized depository.
- b) **Designation of Trustee:** The account must designate the broker (in this case, the municipality) as trustee.
- c) **Withdrawal Conditions:** The account must allow for the withdrawal of funds without prior notice, exclusively for escrow purposes.
- d) **Interest-Bearing Accounts:** If funds are expected to be held for more than six months, they should be deposited in an interest-bearing account. Interest should be disbursed in the same manner as the principal amount unless otherwise directed by the parties involved.

e) Record Keeping: Detailed records of all monies received and held in escrow must be maintained and made available for examination upon request.

2.2.2 49 Pa. Code § 35.326 - Prohibition Against Commingling or Misappropriation

This regulation provides crucial guidelines to prevent misuse of escrow funds [Q]:

a) Prohibition of Commingling: A broker (or municipality) is prohibited from commingling escrow funds or interest earned on these funds with business, personal, or other funds.

b) Exception for Account Maintenance: The only exception allows for the deposit of business or personal funds into an escrow account to cover service charges or maintain a minimum balance as required by bank regulations.

c) Prohibition of Misappropriation: The regulation strictly prohibits the misappropriation of escrow funds or interest earned on these funds for business, personal, or other purposes.

2.3 Importance of Proper Escrow Management

Adhering to these regulations and maintaining proper escrow management practices is critical for several reasons:

1. Legal Compliance: Proper management ensures compliance with state regulations, avoiding potential legal issues [P, Q].
2. Financial Integrity: Correct handling of escrow funds maintains the financial integrity of both the municipality and the development projects [Section 7].
3. Public Trust: Transparent and proper management of escrow accounts builds and maintains public trust in municipal financial operations [Section 6].
4. Project Completion: Proper escrow management ensures that funds are available when needed for project completion, benefiting both the municipality and developers [P].

2.4 Typical Activity Patterns in Escrow Accounts

Under normal circumstances, escrow accounts should exhibit certain characteristics:

1. Limited Transaction Volume: Escrow accounts typically have minimal transaction activity, with movements primarily occurring at specific project milestones or upon project completion [\[D\]](#).
2. Clear Purpose for Transactions: Each transaction in an escrow account should have a clear, documented purpose related to the specific project for which the account was established [\[P\]](#).
3. Regular Reconciliation: Routine reconciliation of escrow account balances with project progress helps ensure accuracy and compliance with contractual agreements [\[Section 7\]](#).
4. Proper Authorization: Withdrawals from escrow accounts should only occur with proper authorization and documentation, typically tied to project milestones or completion [\[P, Q\]](#).

Understanding these principles and regulations is crucial for evaluating the financial practices observed in Bath Borough, particularly concerning the management of developer escrow accounts and related transactions.

▼ 3. Chronological Analysis of Inter-Fund Transfer Audit Trail

3.1 Overview of Interfund Transfers

Interfund transfers in municipal accounting represent movements of resources between different funds within the same government entity. In Bath Borough, these transfers primarily involve the General Fund and various escrow accounts. Proper management of these transfers is crucial for maintaining financial integrity and compliance with accounting standards [\[E, F\]](#).

3.2 Initial Transactions (December 18-19, 2019)

3.2.1 Check Issuance

- Date: December 18, 2019, 18:40:55
- Amount: \$86,170.53
- Description: Check #17119 issued to Huratiak Homes, LLC
- From: 100.00 · CASH-UNRESTRICTED 3107
- To: 392.00 · INTERFUND OPER'G TRNSFRS FROM
- Memo: "Security Release per AIA dated 12.17.19"
- Source: [\[M\]](#)

3.2.2 Immediate Reversal

- Date: December 18, 2019, 18:43:37 (2 minutes 42 seconds later)
- Amount: \$86,170.53
- Description: Deposit recorded
- From: 392.00 · INTERFUND OPER'G TRNSFRS FROM
- To: 100.00 · CASH-UNRESTRICTED 3107
- Memo: "Portion of Security Release per AIA dated 12.17.19 - ok'd b..."
- Source: [\[M\]](#)

3.3 Bank Statement Records

3.3.1 Deposit Record

- Date: December 19, 2019
- Amount: \$86,170.53
- Description: "DEPOSIT BATH"
- Source: [\[A\]](#)

3.3.2 Check Clearing

- Date: December 23, 2019
- Amount: \$86,170.53

- Description: Check #17119 cleared
- Source: [\[A\]](#)

3.4 Additional Relevant Transactions

- Date: December 19, 2019
- Amount: \$7,396.73
- Description: "GF Reimbursement from Mayors Fund for Paw Park Expenses - topsoil, stone, seeding"
- From: 392.00 · INTERFUND OPER'G TRNSFRS FROM
- To: 100.00 · CASH-UNRESTRICTED 3107
- Source: [\[M\]](#)

3.5 Key Observations

1. The initial transaction and its reversal occurred within 3 minutes on December 18, 2019, raising questions about the purpose and validity of these entries [\[M\]](#).
2. The bank statement shows a deposit on December 19, 2019, one day after the audit trail entries, creating a discrepancy in the timeline [\[A, M\]](#).
3. The check cleared on December 23, 2019, four days after the recorded deposit, further complicating the sequence of events [\[A\]](#).
4. An additional transaction of \$7,396.73 was recorded on the same day, allegedly from a different fund, potentially complicating the audit trail [\[M\]](#).
5. The rapid reversal of the initial transaction suggests potential manipulation of financial records or, at minimum, confusion in the recording process [\[M\]](#).

▼ 4. Analysis of Developer Escrow Account Transactions

4.1 Overview of Developer Escrow Account

The Developer Escrow Account (Account #0228803435) was established for Huratiak Homes, LLC, under the title "Bathview Phs II Security" [B].

4.2 Initial Transaction

- Date: December 19, 2019
- Amount: \$86,170.53
- Description: DEBIT MEMO
- Source: [B]

4.3 Audit Trail Modifications

4.3.1 First Recorded Entry

- Entry Date: March 17, 2020, 15:44:24
- Transaction Date: December 19, 2019
- Amount: \$86,170.53
- From: 119.00 · Huratiak Security
- To: 259.00 · HURATIAK-SECURITY
- Memo: "Bond Release #2 per AIA from KCE - transferred to General fund"
- Source: [C]

4.3.2 Revised Entry

- Entry Date: March 24, 2021, 19:36:21
- Transaction Date: December 19, 2019
- Amount: \$86,170.53
- From: 119.00 · Huratiak Security
- To: 230.01 · DUE TO GENERAL FUND
- Memo: "Funds Transfer"

- Source: [C]

4.4 Account Closure

- Date: July 2, 2020
- Final Transactions:
 - INTEREST CREDIT: \$0.01
 - DEBIT MEMO: \$11,802.23
- Ending Balance: \$0.00
- Source: [B]

4.5 Post-Closure Modifications

- Entry Date: March 24, 2021, 19:44:23
- Transaction Date: July 2, 2020
- Description: Closure
- Amount: \$11,802.23
- Source: [C]

4.6 Key Observations

1. The initial transaction in the bank statement does not align with the audit trail entries, suggesting potential discrepancies in record-keeping [B, C].
2. The first recorded entry in the audit trail was made nearly 3 months after the transaction date, indicating a significant delay in recording [C].
3. Significant modifications were made to the audit trail over 15 months after the transaction date, raising concerns about the integrity of the financial records [C].
4. Post-closure modifications were made to the account, which is highly unusual and potentially problematic from an accounting standpoint [B, C].
5. The multiple revisions and delayed recordings suggest a lack of proper controls and timely record-keeping practices [C].

These observations raise significant concerns about the accuracy, timeliness, and integrity of Bath Borough's financial record-keeping practices, particularly in relation to developer escrow accounts and interfund transfers.

▼ 5. Analysis of 2019 Year-End Financial Reports

5.1 Total Revenue and Interfund Transfers

The 2019 year-end financial reports for Bath Borough reveal significant discrepancies and irregularities. A detailed review of the Profit & Loss Budget vs. Actual and Statement of Revenues and Expenditures highlights several key issues:

1. Total Revenue: The total revenue reported for 2019 includes misclassified funds, particularly concerning inter-fund transfers [[G](#), [H](#)].
2. Inter-fund Transfers: Line 392.00, which represents inter-fund operating transfers, shows amounts that are not consistent with typical accounting practices and lack proper documentation [[G](#), [H](#)].

5.2 Misclassification and Misreporting

The financial reports indicate misclassification and misreporting of funds. Key examples include:

1. Escrow Funds Misclassified as Revenue: Developer escrow funds that should have been recorded as liabilities were instead misclassified as revenue. This misclassification inflates the Borough's revenue figures and misrepresents its financial position [[J](#)].
2. Improper Recording of Transfers: Transfers between funds were not accurately recorded, leading to discrepancies in the financial statements. This includes the \$86,170.53 intended transfer from the developer escrow account to the General Fund, which was reversed and never properly recorded [[C](#), [A](#)].

5.3 Issues Raised in the Audit

The audit identified several issues with the Borough's financial practices:

1. **Delayed Recording:** Transactions were not recorded in a timely manner, leading to a lack of transparency and potential manipulation of financial records [C].
2. **Multiple Adjustments:** Frequent adjustments to transaction details suggest potential manipulation and raise concerns about the accuracy of the financial statements [C].

5.4 Misclassification of Funds

Specific instances of misclassification of funds include:

1. **Developer Escrow Funds:** Funds intended for specific development projects were incorrectly recorded as general revenue. This misclassification not only inflates revenue but also obscures the true financial obligations of the Borough [J].
2. **Inter-fund Transfers:** Transfers recorded as inter-fund transfers were not supported by actual cash movements between accounts, leading to discrepancies in the financial records [G, H].

5.5 Detailed Breakdown of Discrepancies

A detailed breakdown of the discrepancies includes:

1. **\$86,170.53 Transfer:** The transfer intended for the General Fund was recorded and then reversed, creating an illusion of a transfer without actual funds being moved. This transaction was not properly accounted for until over 15 months later, in March 2021 [C, M].
2. **Escrow Fund Deposits:** The Borough escrow checking account (#04141) saw significant deposits starting in April 2022, totaling \$93,964.45 by December 2022. These deposits appear to be attempts to reconcile previous discrepancies and were unusually high compared to historical activity in the account [D].

5.6 Conclusion on 2019 Year-End Financial Reports

The analysis of the 2019 year-end financial reports reveals significant misclassification, misreporting, and discrepancies in Bath Borough's financial records. The improper handling of interfund transfers, delayed recording of transactions, and misclassification of escrow funds indicate a lack of transparency and potential manipulation of financial records. These issues underscore the need for improved financial oversight, stricter adherence to accounting standards, and a comprehensive forensic audit to ensure the integrity of the Borough's financial practices.

▼ 6. Discrepancies in Public Statements

Public statements made by the Borough Manager, Bradford Flynn, regarding financial transactions do not align with the actual records, suggesting potential misinformation and deliberate attempts to obscure the true nature of these transactions.

6.1 Borough Manager's Claims in Response to Inquiries

Claim 1: Transfer of \$86,170.53

- Statement: The Borough Manager claimed that the \$86,170.53 deposit into the General Fund on December 19, 2019, was a pass-through transaction from a developer's escrow account established for Huratiak Homes, LLC (developer), specifically the "Bathview Phs II Security" account. He suggested that the bookkeeper, Marena Rasmus, wrote a General Fund check to Huratiak Homes, LLC because it was easier than issuing a manual check from the Developer's Escrow checking account [[L](#)].
- Supporting Documents: The Borough Manager provided a copy of the fund-to-fund transfer slip, a copy of the canceled check issued to Huratiak Homes, LLC, and the General Fund Bank Statement dated December 31, 2019 [[L](#), [A](#)].

- Discrepancy: Despite these documents, the actual audit trail shows that the funds were recorded in the General Fund only to be reversed almost immediately, resulting in no actual transfer of funds into the General Fund. This creates an illusion of a transfer without any real financial impact. Furthermore, the Developer Escrow Account (#03435) shows a debit memo for \$86,170.53 on December 19, 2019, indicating that the funds were indeed removed from the escrow account [C].

Claim 2: Blaming the Bookkeeper

- Statement: The Borough Manager attributed the irregularities to the bookkeeper, Marena Rasmus, suggesting she issued the General Fund check instead of a Developer's Escrow check due to convenience [L].
- Contradiction: As the custodian of the account, the Borough Manager's responsibility would make it difficult, if not impossible, for the bookkeeper to execute these transactions without his involvement. This claim shifts responsibility away from himself, raising concerns about accountability and transparency within the Borough's financial management practices [C].

Claim 3: Inter-fund Transfers in the 2019 Audit

- Statement: The Borough Manager claimed that all records showing the inbound transfers to the General Fund related to account line 392.00 in the 2019 audit were handled properly and declined to provide work papers underlying the audit [L].
- Discrepancy: Despite his claims, the inter-fund transfers, particularly the \$86,170.53, do not appear in the final 2019 audit or the Borough's Profit and Loss vs. Actual Budget report for 2019. This raises further concerns about the accuracy and completeness of the financial records [G, H].

Claim 4: Misleading Calculation and Explanation

- Statement: The Borough Manager provided an explanation for the amount of \$64,023 in the 2019 audit, stating that it was determined by the auditor by isolating the debt servicing real estate millage and multiplying it by the property tax revenue collected [L].
- Analysis and Flaws:

1. Misclassification of Transfers: The calculation described involves allocating property tax revenue to debt service, not calculating interfund operating transfers.
2. Nature of Interfund Transfers: These transfers (line 392.00) should reflect actual movements of funds between different accounts or funds, not allocations of tax revenue.
3. Documentation and Authorization: Proper calculation of interfund operating transfers would involve reviewing financial records, including general ledger entries, budget documents, and council meeting minutes authorizing these transfers.
4. Discrepancy in Amounts: The Borough Manager's claim of \$64,023 in inter-fund transfers is contradicted by both the actual transaction log for account 392.00, which shows only \$7,396.73, and the 2019 DCED CLGS Municipal Annual Audit & Financial Report, which reports \$64,023 in inter-fund operating transfers for the General Fund [[G](#), [H](#), [I](#)].

Claim 5: 2020 Recording of Other Escrow Funds Improperly as Revenue

- Statement: The Borough Manager's explanation of how escrow funds were recorded as revenue during 2020 was questioned in the 2022 letter from the auditor. The manager claimed this was handled correctly [[M](#)].
- Discrepancy: The audit trail shows that these escrow accounts were actually closed, and the balances recorded as revenue on the same day, suggesting improper recording practices [[J](#)].

6.2 Inconsistencies in Fund Movements

1. The transactions described as "developer escrow refunds" in the audit trail appear as "transfer withdrawals" in the bank statements. This discrepancy in terminology obscures the true nature of these transactions [[C](#)].
2. In June and July, there are transactions listed as "refunds" in the audit trail but shown as "transfer withdrawals" in the bank statements. These funds are then moved to the Borough Escrow checking account before being disbursed via checks [[C](#)].

3. The Borough Manager's explanation for routing the \$86,170.53 through the General Fund is further undermined by the existence of a \$55,108.58 check, which was handled differently despite being a similarly large amount [C, H].

6.3 Audit Trail Irregularities

Numerous revisions to the audit trail for account #03435 occur not only months later but even after the account was closed. Such post-facto modifications to financial records, especially after account closure, raise serious questions about the integrity of the financial record-keeping process [C].

6.4 Conclusion on Public Statements

The Borough Manager's statements and explanations regarding key financial transactions are inconsistent with the actual audit trails and financial records. The attempts to attribute responsibility to the bookkeeper, coupled with the refusal to provide comprehensive documentation and the misleading explanations, highlight significant concerns about the integrity and transparency of the Borough's financial management practices.

The inconsistencies in the Borough Manager's explanations, the discrepancies between stated practices and actual fund movements, as well as the irregular audit trail modifications strongly indicate the need for a full and immediate forensic audit to ensure proper financial management and accountability.

▼ 7. Impact of Cash Basis Accounting

7.1 Definition and Comparison with Accrual Accounting

Cash Basis Accounting is an accounting method where revenues (income) and expenses are recorded only when cash is received or paid. In contrast, Accrual Basis Accounting records revenues when they are earned and expenses when they are incurred, regardless of when the cash transaction happens.

Comparison: Cash Basis vs Accrual Basis Accounting

Category	Cash Basis Accounting	Accrual Basis Accounting
Revenue Recognition	Recorded when cash is received	Recorded when earned (even if the cash hasn't been received yet)
Expense Recognition	Recorded when cash is paid	Recorded when incurred (even if the bill hasn't been paid yet)
Simplicity	Easier to maintain and understand due to fewer transactions to track	More complex to maintain as it requires tracking accounts receivable and payable
Accuracy	May not provide an accurate picture of financial health because it does not account for money that is owed (receivables) or bills that need to be paid (payables)	Provides a more accurate picture of financial health because it includes all financial obligations and receivables
Compliance	Often used by small municipalities for internal reporting where GAAP (Generally Accepted Accounting Principles) compliance is not required	Required for larger municipalities to comply with GAAP and other regulatory requirements
Financial Management	Can lead to misleading financial analysis due to the timing of cash flows	Allows for better financial management and planning as it reflects the true financial position of the municipality

7.2 Implications for the Borough of Bath

The Borough of Bath uses cash basis accounting, which has several important implications:

1. **Timing of Revenue and Expense Recognition:** Revenues and expenses are only recognized when cash changes hands. This timing can sometimes make the Borough's financial health look better or worse than it actually is.
 - a. **Delayed Recording of Transactions:** If there are delays in recording transactions, such as the \$86,170.53 transfer, it can hide the true financial activities and make it harder to see discrepancies and potential issues [\[C\]](#).
2. **Misalignment with Project Completion:** For projects funded by developer escrow accounts, cash basis accounting might not accurately show when

the work is completed and what financial obligations exist. This misalignment can lead to mismanagement of funds [J].

7.3 Challenges with Cash Basis Accounting

Using cash basis accounting presents several challenges:

1. **Limited Financial Picture:** This method only shows the money that has been received and paid, but not what is owed or expected. It can give an incomplete view of the Borough's financial situation.
2. **Difficulty in Financial Analysis:** It is harder to analyze the Borough's financial performance and spot trends or issues because it doesn't account for all financial activities.
3. **Inadequate Financial Oversight:** Relying on cash transactions alone can make it easier to hide financial problems and harder to maintain oversight.

7.4 Impact on Financial Oversight

Using cash basis accounting significantly impacts the Borough's ability to keep track of finances:

1. **Delayed Detection of Discrepancies:** Delays in recording transactions can hide financial discrepancies, making it difficult to catch problems early [C].
2. **Limited Audit Trail:** There is less documentation available to trace financial transactions, which complicates audits and financial reviews [C, M].
3. **Challenges in Financial Management:** Without a full view of all financial obligations and resources, decision-making and planning can be less effective.

7.5 Conclusion on Cash Basis Accounting

Using cash basis accounting in the Borough of Bath has major implications for financial transparency and accuracy. While it simplifies record-keeping, it also makes it harder to detect discrepancies, manage financial obligations, and ensure effective oversight. Switching to accrual basis accounting, or incorporating some of its elements, could give a more accurate and complete view of the Borough's finances, improving transparency and accountability.

▼ 8. Analysis of Related Real Estate Transaction

8.1 Property Transfer Details

- Date: December 26, 2019
- Property: 2632 Winston Road, Bethlehem, PA 18017
- Buyers: Bradford Flynn (Borough Manager) and Sarah L. Gower
- Listed Sale Price on Deed: \$1.00
- Estimated Actual Value: \$187,084 (based on transfer tax)
- Source: [\[O\]](#)

8.2 Timing Correlation

1. The property transfer occurred one week after the \$86,170.53 transaction in the Borough's accounts [\[A, O\]](#).
2. The transfer was recorded three days after Check #17119 cleared the bank [\[A, O\]](#).

8.3 Financial Correlation

The combined total of the December 19, 2019 transactions (\$86,170.53 + \$7,396.73 = \$93,567.26) closely matches half of the estimated property value (\$187,084 / 2 = \$93,542) [\[A, M, O\]](#).

8.4 Related Personal Event

- Date: December 19, 2019
- Event: Divorce finalization between Sarah L. Gower and Ricky C. Gower Jr.
- Source: [\[N\]](#)

8.5 Implications

1. The timing of the Borough transactions, divorce finalization, and subsequent property purchase raises questions about the potential use of public funds for personal benefit.
2. The close match between the combined Borough transactions and half the property value suggests a possible connection between these events.
3. The involvement of the Borough Manager in a property transaction so closely timed with unusual financial activities in Borough accounts warrants further investigation.

8.6 Conclusion

While correlation does not imply causation, the timing and financial similarities between the Borough transactions and the subsequent property purchase involving the Borough Manager are significant enough to merit a thorough investigation. This situation raises potential ethical and legal concerns regarding the use of public funds and conflicts of interest.

It is important to note that these observations do not constitute proof of wrongdoing, but rather highlight the need for a comprehensive forensic audit and investigation to determine if there is any connection between the Borough's financial activities and the personal real estate transaction of the Borough Manager.

▼ 9. Analysis of 2020-2021 Financial Activities

9.1 Escrow Account Activities in 2020

9.1.1 Account Closure

- Date: July 2, 2020
- Account: Developer Escrow Account (#0228803435)
- Final Transactions:
 - INTEREST CREDIT: \$0.01

- DEBIT MEMO: \$11,802.23
- Ending Balance: \$0.00
- Source: [\[B\]](#)

9.1.2 Post-Closure Modifications

- Entry Date: March 24, 2021 19:44:23
- Transaction Date: July 2, 2020
- Description: Closure
- Amount: \$11,802.23
- Source: [\[C\]](#)

9.2 Audit Findings and Communications

9.2.1 2020 Audit Communication

- Date: December 7, 2022
- Key Points:
 1. Correction of material misstatement related to escrow accounts.
 2. Decreased escrow revenue accounts and increased related escrow net asset accounts by \$13,089.
 3. Correction of posting of custodial activity.
- Source: [\[M\]](#)

9.3 Analysis and Implications

1. The closure of the Developer Escrow Account in July 2020 and subsequent modifications in March 2021 raise questions about the accuracy and timeliness of financial record-keeping [\[B, C\]](#).
2. The 2020 audit communication, delivered in December 2022, indicates ongoing issues with the classification and recording of escrow funds [\[M\]](#).

3. The delay between the 2020 financial year and the audit communication (delivered in late 2022) suggests potential long-term impacts of the identified misstatements [\[M\]](#).

▼ 10. Detailed Analysis of the \$86,170.53 Transaction and Subsequent Events

10.1 Overview and Initial Transactions

The financial activities surrounding the \$86,170.53 transaction present a complex timeline filled with multiple modifications, deletions, and suspicious anomalies. This section provides a comprehensive walkthrough of these transactions, the closing of the developer escrow account, and the numerous issues that have emerged in the aftermath.

December 18, 2019 - Initial Transactions:

1. 18:40:55 - Check #17119 Issued to Huratiak Homes, LLC
(Entered/Modified: 12/19/2019)
 - Amount: \$86,170.53
 - Memo: "Security Release per AIA dated 12.17.19"
 - From Account: 100.00 · CASH-UNRESTRICTED 3107
 - To Account: 392.00 · INTERFUND OPER'G TRNSFRS FROM
 - Source: [\[M\]](#)

Explanation: This transaction was entered and modified on December 19, 2019, indicating that the check was issued on December 18 but recorded the following day. Funds were initially taken from the borough's general cash account and credited to the interfund operating transfers account as part of a security release related to Huratiak Homes.

2. 18:43:37 - Deposit Recorded (2 minutes 42 seconds later)
(Entered/Modified: 12/19/2019)
 - Amount: \$86,170.53

- Memo: "Portion of Security Release per AIA dated 12.17.19 - ok'd b..."
- From Account: 392.00 · INTERFUND OPER'G TRNSFRS FROM
- To Account: 100.00 · CASH-UNRESTRICTED 3107
- Source: [\[M\]](#)

Explanation: This deposit reversed the initial transaction by moving the funds back into the general cash account from the interfund operating transfers account. The transaction was also recorded on December 19, 2019, but reflects a rapid reversal of funds within minutes, suggesting that no actual movement occurred, raising questions about the necessity and purpose of this step.

10.2 Subsequent Modifications and the Developer Escrow Account

May 24, 2020 - Transaction #2546 in Developer Escrow Account

(Entered/Modified: 05/24/2019)

19:15:19 - Transaction #2546 Recorded:

- Amount: \$86,170.53
- Memo: "Amt of unsigned AIA - KCE reviewed open punch list items and assessed amount to release"
- From Account: 259.00 - BATHVIEW PHS II SECURITY
- To Account: 100.20 - ESCROW-CHECKING
- Source: [\[C\]](#)

Explanation: This transaction was recorded on May 24, 2019, but the entered/modified timestamp suggests it was officially entered into the records on the same date. This transfer within the developer escrow account moved funds from the Bathview PHS II security account to the escrow checking account. This action does not correspond with the December 18, 2019, entries in the general fund, leading to a discrepancy in the financial records.

May 28, 2020 - Transaction #2547 in Developer Escrow Account

(Entered/Modified: 05/28/2019)

15:51:36 - Transaction #2547 Recorded:

- Amount: \$86,170.53
- Memo: Same as #2546
- From Account: 259.00 - BATHVIEW PHS II SECURITY
- To Account: 100.20 - ESCROW-CHECKING
- Source: [\[C\]](#)

Explanation: Another transfer within the developer escrow account occurred four days later, duplicating the movement of funds. The transaction was entered and modified on May 28, 2019, suggesting that this was a deliberate action rather than an error. However, the rationale for this duplication is unclear and may indicate an attempt to adjust the records retroactively.

10.3 Closing of the Developer Escrow Account and Subsequent Modifications

July 2, 2020 - Closure of Developer Escrow Account #0228803435

(Entered/Modified: 07/02/2020)

19:44:23 - Final Transactions:

- Interest Credit: \$0.01
- Debit Memo: \$11,802.23
- Ending Balance: \$0.00
- Source: [\[B\]](#)

Explanation: The developer escrow account was officially closed on July 2, 2020, with a final debit of \$11,802.23 and an interest credit of \$0.01, leaving a zero balance. This transaction was entered and modified on the same date, marking the account as inactive. However, subsequent modifications suggest

that the closure did not align with the ongoing adjustments made after this date.

10.4 Post-Closure Modifications and Issues

March 17, 2020 - Modifications in Developer Escrow Account

(Backdated to December 19, 2019, Entered/Modified: 03/17/2020)

15:44:24 - Multiple Modifications Recorded:

- From Account: 119.00 - Huratiak Security
- To Account: 259.00 - BATHVIEW PHS II SECURITY
- Source: [\[C\]](#)

Explanation: Modifications on March 17, 2020, indicate several changes to the flow of funds, including a backdated transfer from Huratiak Security to Bathview PHS II Security. These modifications were entered and modified on March 17, 2020, but backdated to December 19, 2019, suggesting an attempt to retroactively alter the records to match previous entries or correct discrepancies.

March 24, 2021 - Further Modifications Nearly a Year After Account Closure

(Entered/Modified: 03/24/2021)

19:27:45 - Further Modifications to Transaction #2546 and #2547

- Actions: Reaffirmation of initial memos and account designations, changes to the account flow, and reversions to the original states.
- Source: [\[C\]](#)

Explanation: These modifications were entered and modified on March 24, 2021, long after the account was closed. This suggests ongoing tampering with the records to achieve a desired outcome. The repeated changes and reversions reflect confusion or an effort to obscure the true nature of the transactions.

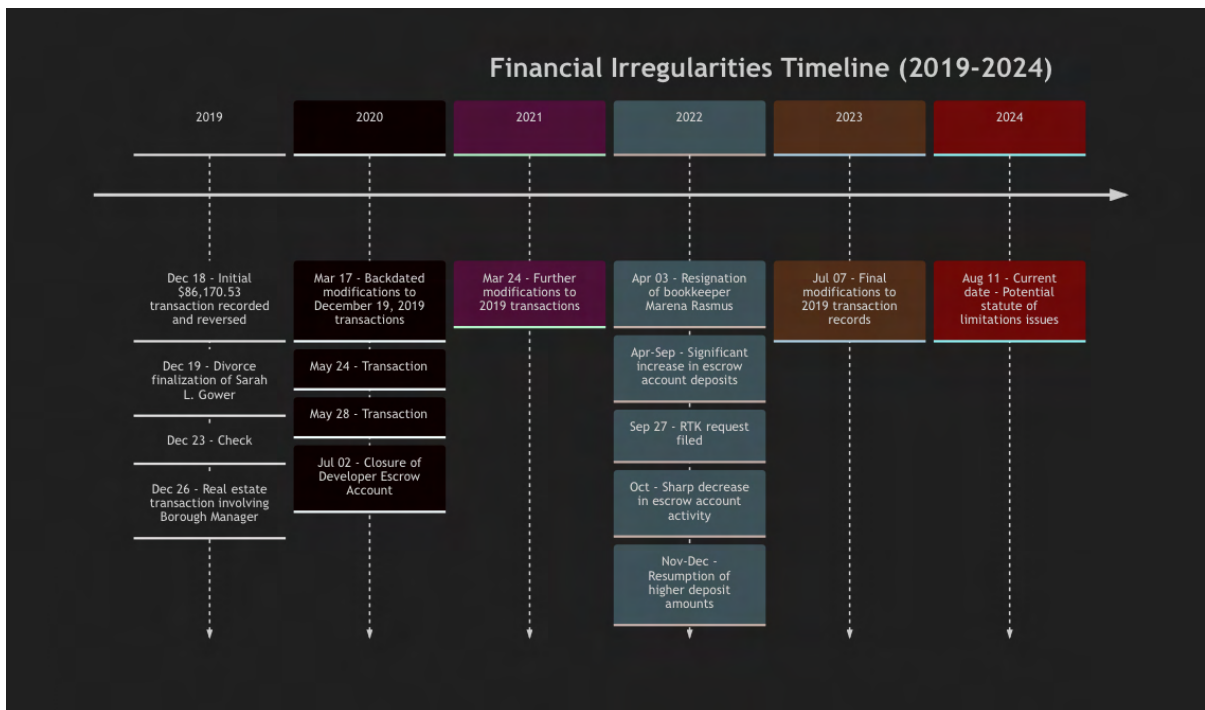
July 7, 2023 - Final Modifications Recorded

(Entered/Modified: 07/07/2023)

13:15:43 - Final Modifications:

- Memo: "Bond Release #1 ok'd by KCE"
- Account Flow: From 100.20 - ESCROW-CHECKING to 119.00 - Huratiak Security
- Source: [\[C\]](#)

Explanation: The final state of the transaction was entered and modified on July 7, 2023, marking the last in a series of questionable entries. These modifications were recorded three and a half years after the escrow account was closed, indicating an attempt to retroactively adjust the financial records.



10.5 Issues and Anomalies Identified

1. Discrepancies in Transaction Dates and Accounts: The developer escrow account shows entries from May 2019, while the general fund reflects December 2019. These discrepancies in dates suggest potential errors or intentional alterations in the records [\[B, C, M\]](#).

2. Rapid Reversal of Funds: The December 18, 2019, entries in the general fund show a rapid reversal of \$86,170.53 within minutes, raising concerns about the legitimacy and purpose of these transactions [M].
3. Improper Accounting Practices: The inconsistent handling of the interfund operating transfers account, including backdating and repeated reversals, suggests violations of standard accounting principles [C, M].
4. Post-Closure Modifications: Modifications made after the developer escrow account was officially closed raise serious concerns about the integrity of the financial records [B, C].
5. Changing Narrative and Deleted Entries: The repeated modifications and deletions indicate a potential cover-up or attempt to correct earlier errors, further compromising the credibility of the records [C].
6. Violations of Cash Basis Accounting: The retroactive adjustments and post-closure modifications violate the fundamental principles of cash basis accounting, undermining the reliability of the financial statements [C].
7. Questionable Final State: The final modifications recorded in July 2023, years after the account closure, suggest deliberate attempts to alter the financial history, further warranting investigation [C].

10.6 Conclusion

The timeline of events surrounding the \$86,170.53 transaction reveals significant irregularities, including multiple modifications, backdating, and post-closure changes. These actions violate basic accounting principles and suggest potential fraud or misrepresentation. A thorough forensic audit is necessary to determine the true flow of funds and ensure accountability in the borough's financial management.

▼ 11. Analysis of 2022 Escrow Account Activity

11.1 Significant Increase in Activity

April 2022 - December 2022: Detailed Deposit Activity

Detailed monthly deposits into the Borough Escrow Checking account (#04141):

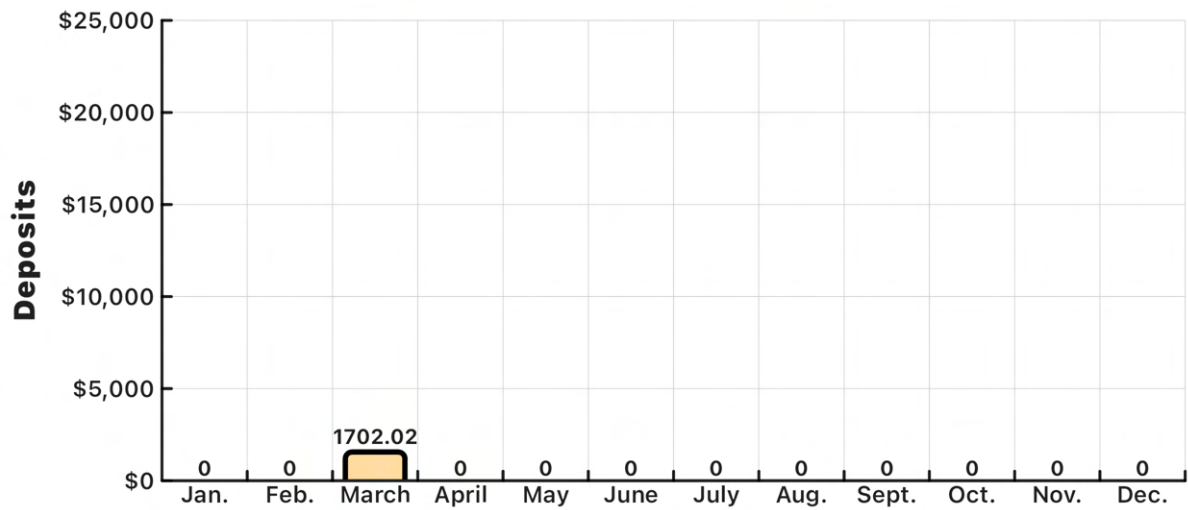
- April 2022: \$3,451.72
- May 2022: \$6,143.06
- June 2022: \$8,446.77
- July 2022: \$18,939.01
- August 2022: \$23,598.84
- September 2022: \$12,631.19
- October 2022: \$154.77
- November 2022: \$6,624.48
- December 2022: \$14,009.61

Total Deposits April - December 2022: \$93,999.45

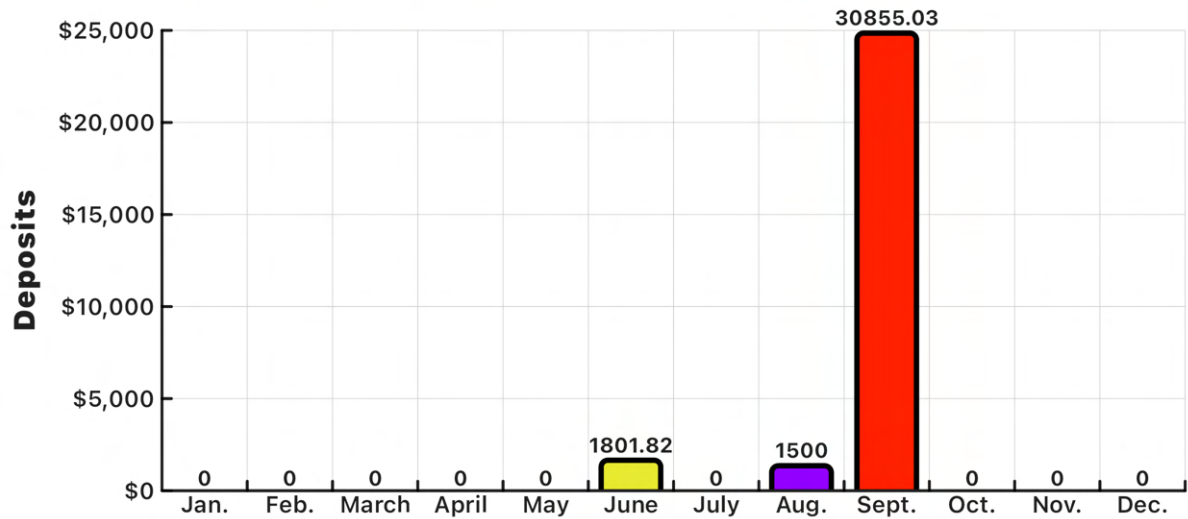
Source: [
[D](#)]

Analysis: The deposit activity shows a significant increase from April through September 2022, with August having the highest deposit amount. This pattern of increased activity is unusual compared to the account's historical behavior and warrants further investigation.

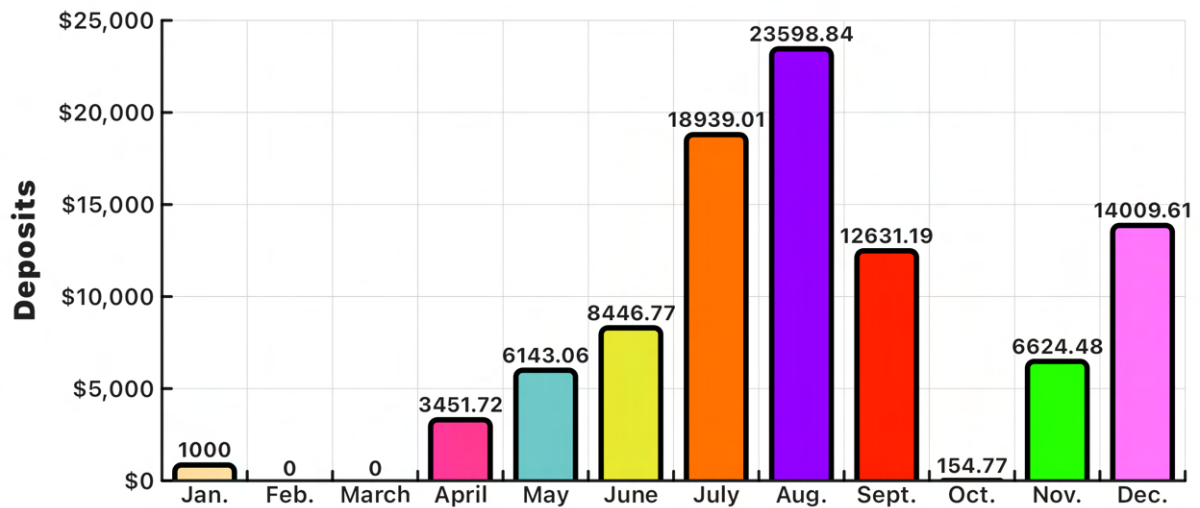
2020 Borough Escrow Checking Acct #4141



2021 Borough Escrow Checking Acct #4141



2022 Borough Escrow Checking Acct #4141



11.2 Impact of RTK Request and Subsequent Activity

RTK Request Filed: September 27, 2022

Immediate Effect: Sharp decline in deposit activity for October 2022

- October 2022 Activity: Total deposits: \$154.77 (98.8% decrease from September)

Source: [

[D](#)]

11.3 Observations and Implications

1. Pattern of Deposits: Dramatic increase in activity starting April 2022, coinciding with the resignation of the bookkeeper, Marena Rasmus, on April 3, 2022.
2. Potential Attempt to Rectify Discrepancies: Total deposits from April to December 2022 (\$93,999.45) closely match the combined total of the December 19, 2019, transfers (\$93,567.26).
3. Response to Scrutiny: Sharp decrease in October deposits following the RTK request suggests a reactive approach to financial management.

11.4 Conclusion

The 2022 escrow account activity reveals unusual financial behavior that raises significant concerns about the Borough's financial management practices. The timing and amounts of deposits, particularly in relation to the RTK request and previous discrepancies, imply potential manipulation of financial records or attempts to obscure earlier irregularities. This activity further underscores the need for a comprehensive forensic audit and improved financial oversight.

▼ 12. Statistical Analysis

12.1 Individual Event Probabilities

While it's challenging to assign precise probabilities to specific financial events without extensive historical data, we can assess the likelihood of certain occurrences based on general financial practices and the specific context of Bath Borough:

1. Two transfers totaling \$93,567.26 on 12/19/2019: The probability of this exact amount on a specific date is low, especially considering the irregular nature of the transactions [[A](#), [M](#)].
2. Real estate transaction value within \$25.26 of transfer amount: The proximity of these figures is noteworthy and statistically unlikely to occur by chance [[O](#)].
3. Timing of Borough Manager's house purchase: The close timing (one week after the transfers) warrants attention and is unlikely to be coincidental [[A](#), [O](#)].
4. Divorce finalization coinciding with transfers: While not directly related to borough finances, the timing adds to the pattern of events [[N](#)].
5. 2022 deposits matching 2019 amount within \$432.19: The closeness of these figures, separated by several years, is statistically improbable without some connecting factor [[D](#), [M](#)].

6. Timing of deposits relative to RTK request: The dramatic change in deposit patterns following the request is an important observation that is unlikely to be random [D].

12.2 Combined Probability Analysis

While it's not possible to assign precise probabilities to each event without more detailed historical data, we can make some general observations:

1. The occurrence of all these events in close temporal proximity is highly unlikely to happen by chance alone.
2. The matching of financial amounts across different years and accounts, while not impossible, is statistically improbable without some connecting factor.
3. The timing of personal events (divorce, property purchase) coinciding with significant financial transactions raises questions that merit further investigation.

12.3 Limitations of Statistical Analysis

It's crucial to note that statistical analysis alone cannot prove intent or wrongdoing. Other factors to consider include:

1. Normal variability in municipal financial transactions.
2. Potential legitimate explanations for timing coincidences.
3. The possibility of confirmation bias in identifying patterns.
4. Limited historical data for comparative analysis.

12.4 Conclusion on Statistical Analysis

While the combined occurrence of these events is statistically unlikely to be purely coincidental, this analysis should be viewed as one piece of a larger investigation. It suggests patterns that warrant thorough examination by financial experts and auditors, but should not be considered conclusive evidence of deliberate misconduct.

The unusual nature of these financial patterns, particularly the matching amounts across different time periods and the timing relative to personal events and the RTK request, indicates a need for a comprehensive forensic audit and detailed review of the Borough's financial practices.

This statistical perspective reinforces the concerns raised in previous sections and underscores the importance of a thorough investigation into Bath Borough's financial management practices.

▼ 13. Conclusion and Recommendations

13.1 Summary of Key Findings

The comprehensive analysis of Bath Borough's financial practices from 2019 to 2022 has revealed several significant areas of concern:

1. Irregular Transfers: A \$86,170.53 transaction on December 19, 2019, was recorded inconsistently across different financial documents [A, B, C].
2. Delayed Recording: Significant delays in recording transactions were observed, including the above transaction being recorded 15 months after the fact [C].
3. Unusual Escrow Account Activity: Significant increases in deposits into the Borough escrow checking account (#04141) were noted in 2022, with patterns changing after an RTK request [D].
4. Multiple Modifications to Transactions: The audit trail shows frequent changes to transaction details [C].
5. Discrepancies in Public Statements: The Borough Manager's explanations regarding fund handling and inter-fund transfers show inconsistencies with the financial records [L].
6. Potential Violations of Escrow Management Regulations: Observed practices may conflict with Pennsylvania regulations on escrow account management [P, Q].
7. Cash Basis Accounting Limitations: The borough's use of cash basis accounting may have contributed to the identified issues by limiting the

accuracy and completeness of financial reporting [[Section 7](#)].

13.2 Recommendations

Based on these findings, we recommend the following actions:

1. Conduct a Forensic Audit:

- Engage an independent, qualified forensic accounting firm to perform a comprehensive audit of the Borough's finances, focusing on the periods and transactions highlighted in this report.

2. Enhance Financial Controls:

- Implement stricter internal controls to prevent unauthorized modifications to financial records.
- Establish a system of checks and balances to ensure no single individual has unchecked control over financial transactions.

3. Improve Record Keeping:

- Transition to or incorporate elements of accrual basis accounting to provide a more accurate picture of the Borough's financial position.
- Implement modern accounting software that provides robust audit trails and prevents unauthorized modifications.

4. Increase Transparency:

- Develop policies for regular, transparent reporting of all financial activities, especially those involving escrow accounts and interfund transfers.
- Ensure all financial transactions are promptly and accurately recorded.

5. Provide Training:

- Offer comprehensive training to all staff involved in financial management on proper accounting practices, ethical considerations, and the importance of accurate record-keeping.

6. Review and Update Policies:

- Conduct a thorough review of existing financial management policies.

- Develop and implement new policies where gaps are identified, particularly regarding the management of escrow accounts and interfund transfers.

7. Establish Independent Oversight:

- Consider creating an independent financial oversight committee to regularly review the Borough's financial practices and reports.

13.3 Final Thoughts

The financial practices observed in the Borough of Bath between 2019 and 2022 raise significant concerns about the accuracy and integrity of its financial records. The irregular transfers, delayed recordings, and discrepancies in financial statements indicate potential issues in financial management that need to be addressed promptly and thoroughly.

It is crucial to approach these findings with caution and avoid premature conclusions. While the statistical analysis suggests that the observed patterns are unlikely to occur by chance, it does not in itself prove intentional misconduct. A comprehensive forensic audit and expert financial investigation are necessary to draw definitive conclusions and determine appropriate actions.

The primary goal moving forward should be to restore public trust and ensure the Borough's financial integrity. This will require a commitment to transparency, accountability, and the implementation of robust financial management practices. By addressing these issues proactively and implementing the recommended improvements, the Borough of Bath can work towards establishing a strong foundation for sound financial management and public trust.

▼ 14. Glossary of Terms

- **Accrual Basis Accounting:** An accounting method where revenues and expenses are recorded when they are earned or incurred, regardless of when cash is received or paid.

- **Audit Trail:** A chronological record of financial transactions that allows for the tracing of a transaction from beginning to end.
- **Cash Basis Accounting:** An accounting method where revenues and expenses are recorded only when cash is received or paid out.
- **Developer Escrow Account:** A trust account held by a municipality to ensure developers complete projects according to approved plans.
- **Forensic Audit:** A detailed examination of financial records to detect and investigate fraudulent activities.
- **General Fund:** The primary operating fund of a municipal entity used to account for all financial resources except those required to be accounted for in another fund.
- **Interfund Operating Transfers:** Movements of resources between different funds within the same government entity.
- **Right to Know (RTK) Request:** A formal request for access to public records under the Right-to-Know Law.
- **Security Release:** The process of releasing funds held in escrow upon the completion of a developer's project as agreed.

▼ 15. References

[A] 2019 General Fund Bank Statements

[2019-GFBankStatements.pdf](#)

[B] Developer Escrow Account #03435 - Bank Statements

[Developer Escrow Account #03435 - Bank Statments.pdf](#)

[C] Developer Escrow #03435 Audit Trail

[Account xxx03435 Audit Trail.pdf](#)

[D] Bath Borough Escrow #04141 Bank Statements 2019-2022

[Borough Escrow Checking.pdf](#)

[E] Interfund Transfers (from) - 2019 Final Budget

[Interfund transfers \(from\) - Year 2019 DCED-CLGS Municipal Annual Audit & Financial Report.pdf](#)

[F] Interfund Transfers (from) - Year 2019 DCED-CLGS Municipal Annual Audit & Financial Report

[Interfund transfers \(from\) - Year 2019 DCED-CLGS Municipal Annual Audit & Financial Report.pdf](#)

[G] 2019 Inter-fund Transfer (from) Transaction Log

[2019 Interfund Transfer \(from\) Transaction Log.pdf](#)

[H] SAI_2019 acct #392.00 check stubs

[SA-I_2019 acct #392.00 check stubs 2_compressed_compressed.pdf](#)

[I] Audit Trail - Inter-fund Transfers (from) (392.00)

[Audit Trail - Interfund Transfers \(from\) \(392.00\).pdf](#)

[J] Inter-fund Transfer & Escrow Reimbursement Audit Trails

[Inter-fund Transfer & Escrow Reimbursement Audit Trails.pdf](#)

[K] December 2019 Deposit Summary and Check Image

[December 2019 Deposit Summary and Check Image.pdf](#)

[L] Response Letter - Mr. Long 05.06.2024 Inquiries w/ Enclosures

[Pages from Response Ltr. Mr. Long 05.06.pdf](#)

[M] Year 2020 Communication with Governance - BOROUGH OF BATH

[Year 2020 Communication with Governance - BOROUGH OF BATH.pdf](#)

[N] Northampton County Prothonotary Case Details - Gower vs. Gower Divorce Finalized

[property settlement agreement notice.pdf](#)

[Divorce Finalized.pdf](#)

[O] Flynn Deed and Transfer Tax Records

[Flynn Deed 1.pdf](#)

[P] 49 Pa. Code § 35.325

[49 Pa. Code § 35.325.pdf](#)

[Q] Section 35.326 - Prohibition against commingling or misappropriation

[Section 35.326 - Prohibition against commingling or misappropriation 2.pdf](#)