

REQUIRED COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Board of Directors
Industrial Development Authority of the
Town of Front Royal and the County of Warren, Virginia
Front Royal, Virginia

We have audited the financial statements of the Industrial Development Authority of the Town of Front Royal and the County of Warren, Virginia, dba Economic Development Authority collectively hereafter referred to as the “Authority” for the years ended June 30, 2019 and 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 22, 2020 and our initial meeting in March 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019 or 2018. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority’s financial statements were:

- The useful lives of capital assets is based on management’s knowledge and judgment, which is based on history.
- The allowance for doubtful accounts related to notes receivable is based on historical records and an analysis of the collectability of accounts.

We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements include those related to:

- Capital assets, construction in progress and land investments, notes receivable, long-term debt and lines of credit, commitments and contingencies, restatement of net position and alleged unauthorized expenses, due from Town of Front Royal, Virginia and due from County of Warren, Virginia, litigation and alleged fraud, and related party transactions.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered difficulties in obtaining third party verification of certain accounts as a part of our audit, including verification of the note payable to FMC Corporation and the EPA as disclosed in Note 5, various notes receivable, and debt confirmations. Delays in the audit were also the result of significant changes to the original trial balances provided to us requiring numerous significant adjusting journal entries. We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attachment included provides a listing of all audit adjustments we proposed, which were recorded by the Authority, which indicate matters that had a significant effect on the Authority's financial reporting process.

Management has determined that the effects of the unrecorded misstatements included in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 4, 2021, a copy of which is attached.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We intend to modify our auditor's opinion and issue a qualified opinion on the financial statements. The reasons for this modification include our inability to obtain appropriate audit evidence as follows:

- We were unable to obtain written representations from previous management of the Authority concerning transactions prior to May 8, 2019, which took place under the previous management.
- We are unable to perform procedures to conclude on completeness of all identified related parties and related party transactions or completeness of commitments and liabilities associated with the alleged fraud as discussed in Notes 12 and 14 to the financial statements.

Other Audit Findings or Issues (Continued)

- Our procedures related to transactions alleged to be fraudulent or unauthorized were limited to reliance on current management's conclusion and limited corroboration for the basis of these matters.
- Current management attempted to secure, but was unable to obtain an update from the Environmental Protection Agency (EPA) and FMC Corporation (FMC) as referenced in Note 10 related to the Front Royal site of Avtex Fibers.

Other Matters

We were not engaged to report on the introductory section, which accompanies the financial statements but is not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
October 4, 2021

Attachments



October 4, 2021

Brown Edwards & Company L.L.P.
1909 Financial Drive
Harrisonburg, VA 22801

This representation letter is provided in connection with your audits of the financial statements of the Industrial Development Authority of the Town of Front Royal and the County of Warren, Virginia, dba Economic Development Authority (the “Authority”), which comprise the respective financial position of the Authority as of June 30, 2019 and 2018, and the respective changes in financial position and, where applicable, cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, for the period of May 8, 2019 to the date of this letter, and with the caveat that the Authority’s records were rendered inaccurate and incomplete as a result of misconduct by prior management of the Authority which inaccuracies and incompleteness we have attempted to remedy the following representations made to you during your audit.

In addition, due to the matters disclosed in Notes 12 and 14 of the financial statements, we are not providing representations in regards to completeness of commitments, contingencies, fraud, abuse, noncompliance, and related parties. We agree with the matters disclosed in the referenced notes, however, our representations do not extend beyond those matters. As a result, we understand your audit opinion has been modified accordingly.

Financial Statements – The following representations relate to the presentation of the financial statements, including form and content in relation to Generally Accepted Accounting Principles (GAAP). Management must take responsibility that they reviewed the financial statements for appropriate form and content, as well as presentation and disclosure in accordance with GAAP.

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 22, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the Authority required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 4) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

- 5) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34, as amended, and GASB Statement No. 84.
- 6) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 7) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 8) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 9) Provisions for uncollectible receivables have been properly identified and recorded.
- 10) Special and extraordinary items are appropriately classified and reported, if applicable.
- 11) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 12) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 13) Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility.
- 14) We have not completed the process of evaluating the impact that will result from adopting new Governmental Accounting Standards Board (GASBS) Statements that are not yet effective, as discussed in the notes to financial statements. The entity is therefore unable to disclose the impact that adopting these Statements will have on its financial position and the results of its operations when the Statements are adopted.
- 15) We agree with the findings of specialists in evaluating the appraisal of the property at 426 Baugh Drive and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- 16) We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 17) As disclosed in Note 15 to the financial statements, adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

Information Provided – These representations provide the auditor with assurance that management provided all information requested by the auditor.

- 18) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings or summaries of actions of recent meetings for which minutes have not yet been prepared.

19) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

Government—specific

- 20) We have a process to track the status of audit findings and recommendations.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 22) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 23) The entity has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position.
- 24) The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral except as otherwise disclosed.
- 25) For the period May 9, 2019 through today, we acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 26) For the period May 9, 2019 through today, we acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.


Independence Representations – The following two representations are required due to the auditor’s assistance with the preparation of the financial statements. While the auditor provided this assistance, the financial statements are the responsibility of management and management must take responsibility for the financial statements to support the auditor’s role as being independent.

- 27) As part of your audit, you assisted with preparation of the financial statements and related notes, and assistance with depreciation calculations. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 28) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter. In addition, you have proposed adjusting journal entries that have been posted to the entity’s accounts. We are in agreement with those adjustments.

Federal Award Representation – This representation provides the auditor with assurance that you are not aware of any federal awards over the threshold required a Federal Single Audit compliance audit in accordance with the Uniform Guidance.

- 29) Expenditures of federal awards were below the \$750,000 threshold in the audit period, and we were not required to have an audit in accordance with the Uniform Guidance.

Doug Parsons

Signature: 
Executive Director, Front Royal/Warren County
Economic Development Authority
during the 2018-19 audit

**SUMMARY OF ADJUSTMENTS PASSED AND EVALUATION
OF ALLOWANCE FOR UNDETECTED ERROR**

Description	Pretax effect Debit (Credit) (2) of Misstatement and Classification Errors On:													Equity	
	Assets		Deferred	Liabilities		Deferred	Income Statement					Income (5)			
	Current	Long-term	Outflows	Current	Long-term	Inflows	Revenue	C of Sales	G & A	Selling	Other				
Reversed opening R/E misstatements (4)														-	
Nonreversed opening R/E misstatements (4)														-	
Cut off issues with the timing of construction related invoices, ultimately due from Town and County for Leach Run project - projected error across sampled population	31,189				(31,189)									-	
1.5 months of depreciation on Baugh Drive property		(13,821)										13,821		13,821	
Items related to Royal Lane purchase		43,598										(43,598)		(43,598)	
														-	
														-	
														-	
Total (6)	31,189	29,778	-		(31,189)	-	-	-	-	-	-	(29,778)		(29,778)	-
														(7)	(29,778)
															(29,778)

Cumulative Misstatement Errors

**SUMMARY OF ADJUSTMENTS PASSED AND EVALUATION
OF ALLOWANCE FOR UNDETECTED ERROR**

Description	Pretax effect Debit (Credit) (2) of Misstatement and Classification Errors On:													Equity
	Assets		Deferred	Liabilities		Deferred	Income Statement					Income (5)		
	Current	Long-term	Outflows	Current	Long-term	Inflows	Revenue	C of Sales	G & A	Selling	Other			
Reversed opening R/E misstatements (4)													-	-
Nonreversed opening R/E misstatements (4)		29,777											-	(29,777)
Cut off issues with the timing of construction related invoices, ultimately due from Town and County for Leach Run project - projected error across sampled population		(31,189)						31,189				-	31,189	
Additions unable to be substantiated on Afron Inn		(44,581)						44,581					44,581	
													-	
													-	
													-	
													-	
													-	
													-	
													-	
Total (6)		-	(45,993)	-	-	-	-	-	75,770	-	-	-	75,770	(29,777)
													(7)	75,770
													Cumulative Misstatement Errors	45,993

Client: **0611341.000 - Front Royal Warren County EDA**
 Engagement: **AUD 18-19 - Front Royal Warren County EDA**
 Period Ending: **6/30/2018**
 Trial Balance: **3001 - Trial Balance - 2018**
 Workpaper:

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
To adjust amount in A/P per subsequent disbursement testing			
NM01	NMTC - Town Police Dept	268,163.53	
NM03	NMTC RJES Construction	29,503.27	
2000	A/P Account		243,163.72
NM06	Voter Reg & Special Services		54,503.08
Total		297,666.80	297,666.80
Adjusting Journal Entries JE # 2			
To record retainage payable			
NM01	NMTC - Town Police Dept	168,907.52	
NM03	NMTC RJES Construction	93,416.07	
NM04	NMTC Crooked Run Revenue Sharin	69,601.55	
NM05	Health and Human Service Buildi	3,476.46	
NM06	Voter Reg & Special Services	2,910.29	
2001	Retainage Payable		338,311.89
Total		338,311.89	338,311.89
Adjusting Journal Entries JE # 3			
To reclassify Bohle item from NM04 to 1954 West Main per Carolyn's request			
1954	West Main Extension Project	3,938.75	
NM04	NMTC Crooked Run Revenue Sharin		3,938.75
Total		3,938.75	3,938.75
Adjusting Journal Entries JE # 4			
To move construction in progress items related to County projects in which the EDA will be reimbursed by Warren County to a receivable account			
1203	Due from Warren County	5,706,946.56	
NM02	NMTC RJES Parking Lot		1,134,919.78
NM03	NMTC RJES Construction		4,244,931.88
NM04	NMTC Crooked Run Revenue Sharin		236,486.68
NM05	Health and Human Service Buildi		69,529.28
NM06	Voter Reg & Special Services		21,078.94
Total		5,706,946.56	5,706,946.56
Adjusting Journal Entries JE # 5			
To move construction in progress items (West Main and Police Dept) in which the EDA will be reimbursed by the Town of Front Royal to a receivable account			
1204	Due from Town of Front Royal	3,560,030.13	
1954	West Main Extension Project		130,009.19
NM01	NMTC - Town Police Dept		3,430,020.94
Total		3,560,030.13	3,560,030.13
Adjusting Journal Entries JE # 6			
To move prior years unearned reimbursements received by the County and Town to offset new receivable due to EDA related to Leach Run Project.			
2352	Deferred Rev LRP	2,862,325.30	
1203	Due from Warren County		1,889,134.70
1204	Due from Town of Front Royal		973,190.60
Total		2,862,325.30	2,862,325.30
Adjusting Journal Entries JE # 7			
To move prior years unearned reimbursements received by the Town to offset new receivable due to EDA related to Leach Run Project.			
2354	Deferred Rev W Main Ext	71,548.61	
1204	Due from Town of Front Royal		71,548.61
Total		71,548.61	71,548.61
Adjusting Journal Entries JE # 8			
To move construction in progress items related to Leach Run Parkway in which the EDA will be reimbursed by Warren County (66%) and Front Royal (34%) to a receivable account			
1203	Due from Warren County	2,422,063.70	
1204	Due from Town of Front Royal	1,247,729.79	
1950	Leach Run Parkway		3,669,793.49
Total		3,669,793.49	3,669,793.49

Adjusting Journal Entries JE # 9

PBC - Additional items noted by Carolyn related to leach run project

1203	Due from Warren County	8,141.90	
1204	Due from Town of Front Royal	4,194.31	
3175	Prior to FY2017 Adjustments		8,618.71
D7842	Leach Run Pkw Prop:-Maintenance & Repairs		2,992.50
D7843	Leach Run Pkw Prop:-LRP Engineering		725.00
Total		12,336.21	12,336.21

Adjusting Journal Entries JE # 10

To correct prepaid insurance at 6/30/18

1300	Prepaid Insurance	10,682.25	
A5100-71	Administrative Expenses:70 -+ Insurance:-Insurance/General Business	511.25	
A5500-A5550	EDA Funded Avtex Expenses:-Insurance	10,726.77	
D8015	426 Baugh Dr:-Baugh Dr Utilities	533.78	
1300	Prepaid Insurance		10,726.77
A5100-71	Administrative Expenses:70 -+ Insurance:-Insurance/General Business		511.25
A5100-72	Administrative Expenses:70 -+ Insurance:-Insurance/Workers Comp		1,299.00
D6560	404 Fairground Road:-Misc.		744.00
D7062	404 Kendrick Lane:-Insurance		1,435.00
D8014	426 Baugh Dr:-Baugh Dr Insurance		533.78
Q5000	Community Project		511.25
S5001	Stokes Mart Property:-Insurance		6,693.00
Total		22,454.05	22,454.05

Adjusting Journal Entries JE # 11

To reverse part of BE entry #1 related to Voter Reg project. All should be accrued at year end related to Juniper invoice for 72k. Also, to increase retainage booked in AJE #2 to 3,824.83 to match 6/20/18 invoice (3,824.83-2,910.29)

NM06	Voter Reg & Special Services	54,503.08	
NM06	Voter Reg & Special Services	914.54	
2000	A/P Account		54,503.08
2001	Retainage Payable		914.54
Total		55,417.62	55,417.62

Adjusting Journal Entries JE # 12

To record 10 days of CIP activity related to 7/30/18 Juniper invoice 148k, for Voter Reg project. Also to record additional retainage on project (8,077.54-3,824.83)

NM06	Voter Reg & Special Services	38,079.55	
NM06	Voter Reg & Special Services	4,252.71	
2000	A/P Account		38,079.55
2001	Retainage Payable		4,252.71
Total		42,332.26	42,332.26

Adjusting Journal Entries JE # 13

To record 10 days of CIP activity related to 7/30/18 Juniper invoice 194k, for Special Services project. Also to record additional retainage on project (9,501.49-3,476.46)

NM05	Health and Human Service Buildi	49,774.44	
NM05	Health and Human Service Buildi	6,025.03	
2000	A/P Account		49,774.44
2001	Retainage Payable		6,025.03
Total		55,799.47	55,799.47

Adjusting Journal Entries JE # 14

PBC entry - West Main extension project adjustments(see detail at WP 3812)

1954	West Main Extension Project	6,335.35	
1954	West Main Extension Project	2,558.75	
3175	Prior to FY2017 Adjustments	2,840.00	
1800	Avtex Project		2,558.75
1954	West Main Extension Project		2,840.00
9994	Unauthorized Expenditures		6,335.35
Total		11,734.10	11,734.10

Adjusting Journal Entries JE # 15

To reclassify CIP amounts to due from Town and County based on journal entries 11-14

1203	Due from Warren County	153,549.35	
1204	Due from Town of Front Royal	6,054.10	
1954	West Main Extension Project		6,054.10
NM05	Health and Human Service Buildi		55,799.47
NM06	Voter Reg & Special Services		97,749.88
Total		159,603.45	159,603.45

Adjusting Journal Entries JE # 16

To reverse accrued interest entries @ 6-30-2017

2300	Accrued Interest	35,483.00	
2300	Accrued Interest	20,111.18	
D5012	D5000 -+ Shenandoah Shores Rd HC:D5010 -+ Debt Service:D5012 -+ Interest		762.00
D5712	Success Ind. Park:D571-Success Interest		316.00
D6512	404 Fairground Road:-Interest		468.00
D7512	Avtex Business Park:D7510-Interest		56.00
D7812	Leach Run Pkw Prop:-Interest		585.00
D7812	Leach Run Pkw Prop:-Interest		1,427.00
D7812	Leach Run Pkw Prop:-Interest		537.00
D7812	Leach Run Pkw Prop:-Interest		400.00
D7812	Leach Run Pkw Prop:-Interest		43.00
D7812	Leach Run Pkw Prop:-Interest		226.00
D7812	Leach Run Pkw Prop:-Interest		609.00
D8012	426 Baugh Dr.-Baugh Extension Interest Exp		1,050.00
D8512	IT Federal NP Interest Exp		28,391.00
NM5012	New Market Tax Credit Ex-New Market Tax Credit Interest		20,111.18
S5002	Stokes Mart Property:-Mortgage Interest		613.00
Total		55,594.18	55,594.18

Adjusting Journal Entries JE # 17

To reverse accrued interest entry @ 6-30-2018

2300	Accrued Interest	39,902.00	
D5012	D5000 -+ Shenandoah Shores Rd HC:D5010 -+ Debt Service:D5012 -+ Interest		769.00
D5712	Success Ind. Park:D571-Success Interest		319.00
D6012	Stephens Industrial Park-Interest		1,060.00
D6512	404 Fairground Road:-Interest		472.00
D7512	Avtex Business Park:D7510-Interest		76.00
D7812	Leach Run Pkw Prop:-Interest		1,431.00
D7812	Leach Run Pkw Prop:-Interest		537.00
D7812	Leach Run Pkw Prop:-Interest		404.00
D7812	Leach Run Pkw Prop:-Interest		43.00
D7812	Leach Run Pkw Prop:-Interest		226.00
D7812	Leach Run Pkw Prop:-Interest		609.00
D8012	426 Baugh Dr.-Baugh Extension Interest Exp		591.00
D8512	IT Federal NP Interest Exp		21,189.00
NM5012	New Market Tax Credit Ex-New Market Tax Credit Interest		11,788.00
S5002	Stokes Mart Property:-Mortgage Interest		388.00
Total		39,902.00	39,902.00

Adjusting Journal Entries JE # 18

To record accrued interest @ 6/30/2018

D5012	D5000 -+ Shenandoah Shores Rd HC:D5010 -+ Debt Service:D5012 -+ Interest	511.87	
D5712	Success Ind. Park:D571-Success Interest	212.46	
D6012	Stephens Industrial Park-Interest	705.02	
D6512	404 Fairground Road:-Interest	314.07	
D7512	Avtex Business Park:D7510-Interest	44.01	
D7812	Leach Run Pkw Prop:-Interest	1,572.51	
D7812	Leach Run Pkw Prop:-Interest	2,161.76	
D8012	426 Baugh Dr.-Baugh Extension Interest Exp	393.00	
D8016	426 Baugh Dr.-426 Baugh Dr Interest	6,554.35	
D8512	IT Federal NP Interest Exp	11,787.17	
I5001	IRP Expenses:-IRP Interest Expense	1,205.48	
S5002	Stokes Mart Property:-Mortgage Interest	375.05	
2300	Accrued Interest		25,836.75
Total		25,836.75	25,836.75

Adjusting Journal Entries JE # 19

Corrections to USDA IRP loan

2000	A/P Account	16,225.00	
I5001	IRP Expenses:-IRP Interest Expense		16,225.00
Total		16,225.00	16,225.00

Adjusting Journal Entries JE # 20

To record 1 month of debt service on 426 Baugh Drive

1203	Due from Warren County	22,450.41	
D4120	Debt Service - County		22,450.41
Total		22,450.41	22,450.41

Adjusting Journal Entries JE # 21

To record interest due from Town on Police Dept. as of 6/30/2018

--	--	--	--

1204	Due from Town of Front Royal	17,347.09	
D4020	Debt Service - Town of F.R.		<u>17,347.09</u>
Total		<u>17,347.09</u>	<u>17,347.09</u>

Adjusting Journal Entries JE # 22

To reflect Royal Lane board approved purchase as of 6/30/18

1951.1	Land Royal lane property	445,000.00	
3175	Prior to FY2017 Adjustments		<u>445,000.00</u>
Total		<u>445,000.00</u>	<u>445,000.00</u>

Adjusting Journal Entries JE # 23

To break out land related to Baugh drive purchase

1961	426 Baugh Drive - Land	905,838.03	
1959	426 Baugh Drive		<u>905,838.03</u>
Total		<u>905,838.03</u>	<u>905,838.03</u>

Client: **0611341.000 - Front Royal Warren County EDA**
 Engagement: **AUD 18-19 - Front Royal Warren County EDA**
 Period Ending: **6/30/2019**
 Trial Balance: **3002 - Trial Balance - 2019**
 Workpaper:

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
PBC entry to correct debt			
2561	2561 -+ United Connector Rd. Loan 91005	2.19	
2656	2656 -+ United LRP Loan 91008	15,609.88	
2656	2656 -+ United LRP Loan 91008	10,870.83	
2658	2658 -+ United Avtex Loan 91006	41,094.67	
2659	2659 -+ United Happy Creek Loan 91004	0.79	
NM5012	NM5000 -+ New Market Tax Credit Expenses:NM5012 -+ New Market Tax Credit Interest	74,267.63	
NM5013	NM5000 -+ New Market Tax Credit Expenses:NM5013 -+ New Market Tax Credit - Misc	1,271.12	
2561	2561 -+ United Connector Rd. Loan 91005		10,870.83
9998	9998 -+ United Loan Pmts-Requires dispo		132,246.28
Total		143,117.11	143,117.11
Adjusting Journal Entries JE # 2			
To adjust IT Federal note payable to actual			
D8512	IT Federal N/P Interest Expense	417,134.25	
2654	2654 -+ First Bank IT Federal Loan		417,134.25
Total		417,134.25	417,134.25
Adjusting Journal Entries JE # 3			
To reclass escrow cash			
1007	United Escrow Account	250,000.00	
1004	1004 -+ United Bank Checking		250,000.00
Total		250,000.00	250,000.00
Adjusting Journal Entries JE # 4			
To agree United loan 90978 and 91005 to confirmed balance			
2531	2531 -+ 426 Baugh Drive Loan 90978	509.24	
2561	2561 -+ United Connector Rd. Loan 91005	270.00	
D8010	D8010 -+ 426 Baugh Dr:D8012 -+ Baugh Extension Interest Exp		509.24
NM5012	NM5000 -+ New Market Tax Credit Expenses:NM5012 -+ New Market Tax Credit Interest		270.00
Total		779.24	779.24
Adjusting Journal Entries JE # 5			
To record depreciation for 2019 based on client request			
A5100-90	Administrative Expenses-Depreciation	37,440.00	
1410	1410 -+ A/D FF&E		2,139.00
1530	1530 -+ A/D 1285-89 Progress		5,126.00
1532	1532 -+ A/D 1325 Progress Dr.		11,687.00
1533	1533 -+ A/D 404 Fairground Road		8,732.00
1737	1737 -+ A/D 404 Fairground Improvements		2,393.00
1742	1742 -+ A/D 404 Kendrick		7,363.00
Total		37,440.00	37,440.00
Adjusting Journal Entries JE # 6			
To reclassify new roof for 404 Fairground from maintenance expense to capital asset			
1724	1724 -+ Bldg. - 404 Fairground Road	18,225.00	
D6542	D6500 -+ 404 Fairground Road:D6540 -+ Maintenance & Utilities:D6542 -+ Maintenance		18,225.00
Total		18,225.00	18,225.00
Adjusting Journal Entries JE # 7			
To record depreciation for 426 Baugh Drive (not a CIP project)			
A5100-90	Administrative Expenses-Depreciation	133,211.47	
1746	A/D 426 Baugh Drive		133,211.47
Total		133,211.47	133,211.47
Adjusting Journal Entries JE # 8			
To remove CIP assets to be reimbursed by Town and County and reclassify as Due from Town or County. Remaining difference of 17,922.70 appears to be related to RJES Construction account which was negative 17,686. Moved to miscellaneous expense.			
1204	Due from Town of Front Royal	4,980,366.00	
NM02	1958 -+ New Market Tax Credit Projects:NM02 - NMTC RJES Parking Lot	1,134,919.78	
NM03	1958 -+ New Market Tax Credit Projects:NM03 -+ NMTC RJES Construction	4,262,618.56	

NM04	1958 -+ New Market Tax Credit Projects:NM04 -+ NMTC Crooked Run Revenue Sharin	236,723.68	
NM05	1958 -+ New Market Tax Credit Projects:NM05 - Health and Human Service Buildi	69,529.28	
NM06	1958 -+ New Market Tax Credit Projects:NM06 - Voter Reg & Special Services	21,078.94	
NM5013	NM5000 -+ New Market Tax Credit Expenses:NM5013 -+ New Market Tax Credit - Misc	17,686.68	
1203	Due from Warren County		5,698,718.46
1950	1950 -+ Leach Run Parkway		12,467.84
NM01	1958 -+ New Market Tax Credit Projects:NM01 -+ NMTC - Town Police Dept		4,976,127.24
NM03	1958 -+ New Market Tax Credit Projects:NM03 -+ NMTC RJES Construction		17,686.68
NM5013	NM5000 -+ New Market Tax Credit Expenses:NM5013 -+ New Market Tax Credit - Misc		17,922.70
Total		10,722,922.92	10,722,922.92

Adjusting Journal Entries JE # 9

To remove CIP projects not undertaken

D5042	D5000 -+ Shenandoah Shores Rd HC:D5040 -+ Utilities/Maint.:D5042 -+ Maintenance	6,811.00	
1957	1957 -+ Royal Phoenix Project		3,960.00
1964	1964 -+ 999 Shenandoah Shores Rd		2,851.00
Total		6,811.00	6,811.00

Adjusting Journal Entries JE # 10

To correct prepaid insurance at 6/30/19

1300	1300 -+ Prepaid Insurance	12,971.99	
A5100-71	A5100 -+ Administrative Expenses:70 -+ Insurance:71 -+ Insurance/General Business	511.25	
A5100-71	A5100 -+ Administrative Expenses:70 -+ Insurance:71 -+ Insurance/General Business	511.25	
A5100-72	A5100 -+ Administrative Expenses:70 -+ Insurance:72 -+ Insurance/Workers Comp	1,299.00	
D6560	D6500 -+ 404 Fairground Road:D6560 -+ Misc.	744.00	
D7062	D7000 -+ 404 Kendrick Lane:D7062 -+ Insurance	1,449.00	
D7062	D7000 -+ 404 Kendrick Lane:D7062 -+ Insurance	1,435.00	
D8014	D8010 -+ 426 Baugh Dr:D8014 -+ Baugh Dr Insurance	533.78	
S5001	S5000 -+ Stokes Mart Property:S5001 -+ Insurance	6,693.00	
1300	1300 -+ Prepaid Insurance		10,682.25
A5100-72	A5100 -+ Administrative Expenses:70 -+ Insurance:72 -+ Insurance/Workers Comp		1,275.08
A5100-72	A5100 -+ Administrative Expenses:70 -+ Insurance:72 -+ Insurance/Workers Comp		511.25
D6560	D6500 -+ 404 Fairground Road:D6560 -+ Misc.		776.00
D7062	D7000 -+ 404 Kendrick Lane:D7062 -+ Insurance		1,449.00
D8015	D8010 -+ 426 Baugh Dr:D8015 -+ Baugh Dr Utilities		533.78
Q5000	Q5000 -+ Community Project		511.25
Q5000	Q5000 -+ Community Project		1,449.00
S5001	S5000 -+ Stokes Mart Property:S5001 -+ Insurance		8,960.66
Total		26,148.27	26,148.27

Adjusting Journal Entries JE # 11

To properly state beginning net position and account for entries made in 2018, not yet reflected in 2019

1203	Due from Warren County	6,424,017.22	
1204	Due from Town of Front Royal	3,790,616.21	
1951.1	Land Royal lane property	445,000.00	
2300	2300 -+ Accrued Interest	69,659.43	
2352	2352 -+ Deferred Rev LRP	2,862,325.30	
2354	2354 -+ Deferred Rev W Main Ext	71,548.61	
1300	1300 -+ Prepaid Insurance		44.52
1800	1800.1 -+ Avtex Properties:1800 -+ Avtex Project		2,558.75
1950	1950 -+ Leach Run Parkway		3,669,793.49
1954	1954 -+ West Main Extension Project		126,070.44
2000	Accounts Payable		369,295.79
2001	Retainage Payable		349,504.17
3100	3100 -+ Invested in Capital Assets		135,690.26
3175	3175 -+ Prior to FY2017 Adjustments		450,778.71
NM01	1958 -+ New Market Tax Credit Projects:NM01 -+ NMTC - Town Police Dept		2,992,949.89
NM02	1958 -+ New Market Tax Credit Projects:NM02 - NMTC RJES Parking Lot		1,134,919.78
NM03	1958 -+ New Market Tax Credit Projects:NM03 -+ NMTC RJES Construction		4,122,012.54
NM04	1958 -+ New Market Tax Credit Projects:NM04 -+ NMTC Crooked Run Revenue Sharin		170,823.88
NM05	1958 -+ New Market Tax Credit Projects:NM05 - Health and Human Service Buildi		66,052.82
NM06	1958 -+ New Market Tax Credit Projects:NM06 - Voter Reg & Special Services		72,671.73
Total		13,663,166.77	13,663,166.77

Adjusting Journal Entries JE # 12

Reverse 2018 AP and retainage entries

2000	Accounts Payable	385,520.79	
2001	Retainage Payable	349,504.17	
NM01	1958 -+ New Market Tax Credit Projects:NM01 -+ NMTC - Town Police Dept		268,163.53
NM01	1958 -+ New Market Tax Credit Projects:NM01 -+ NMTC - Town Police Dept		168,907.52
NM03	1958 -+ New Market Tax Credit Projects:NM03 -+ NMTC RJES Construction		29,503.27
NM03	1958 -+ New Market Tax Credit Projects:NM03 -+ NMTC RJES Construction		93,416.07

NM04	1958 -> New Market Tax Credit Projects:NM04 -> NMTC Crooked Run Revenue Sharin		69,601.55
NM05	1958 -> New Market Tax Credit Projects:NM05 - Health and Human Service Buildi		59,275.93
NM06	1958 -> New Market Tax Credit Projects:NM06 - Voter Reg & Special Services		46,157.09
Total		735,024.96	735,024.96

Adjusting Journal Entries JE # 13

PBC A/P JE

A5100-19	A5100 -> Administrative Expenses:19 -> Board Expenses		42.34
A5100-30	A5100 -> Administrative Expenses:30 -> Office Supplies		325.00
A5100-40	A5100 -> Administrative Expenses:40 -> Postage & UPS		22.00
A5100-85	A5100 -> Administrative Expenses:85 -> EDA Office Utilities		360.33
A5200-10	A5200 -> Professional Fees:10 -> Accounting Fees		10,121.16
A5200-20	A5200 -> Professional Fees:20 -> Legal Fees		7,272.00
A5200-30	A5200 -> Professional Fees:030 -> Audit Fees		86,989.25
A5400-20	A5400 -> Marketing Expenses:20 -> Copier Lease		270.34
D5341	D5300 -> Kelley Industrial Park:D5340 -> Utilities/Maint.:D5341 -> Utilities		167.16
D6541	D6500 -> 404 Fairground Road:D6540 -> Maintenance & Utilities:D6541 -> Utilities		138.37
D7040	D7000 -> 404 Kendrick Lane:D7040 -> Maintenance & Utilities		223.84
D8015	D8010 -> 426 Baugh Dr:D8015 -> Baugh Dr Utilities		1,763.73
NM01	1958 -> New Market Tax Credit Projects:NM01 -> NMTC - Town Police Dept		14,654.29
2000	Accounts Payable		122,349.81
Total		122,349.81	122,349.81

Adjusting Journal Entries JE # 14

To reclassify CIP related items for Town police department, also included in AP, to Due From the Town at 6/30/19

1204	Due from Town of Front Royal		14,654.29
NM01	1958 -> New Market Tax Credit Projects:NM01 -> NMTC - Town Police Dept		14,654.29
Total		14,654.29	14,654.29

Adjusting Journal Entries JE # 15

To reverse 6/30/2018 accrued interest

2300	2300 -> Accrued Interest		25,836.75
D5012	D5000 -> Shenandoah Shores Rd HC:D5010 -> Debt Service:D5012 -> Interest		511.87
D5712	D5700 -> Success Ind. Park:D5710 -> Debt Service:D5712 -> Success Interest		212.46
D6012	D6000 -> Stephens Industrial Park:D6010 -> Debt:D6012 -> Interest		705.02
D6512	D6500 -> 404 Fairground Road:D6510 -> Debt Service:D6512 -> Interest		314.07
D7512	D7500 -> Avtex Business Park:D7510 -> Debt Service:D7512 -> Interest		44.01
D7812	D7800 -> Leach Run Pkw Prop:D7812 -> Interest		1,572.51
D7812	D7800 -> Leach Run Pkw Prop:D7812 -> Interest		2,161.76
D8010	D8010 -> 426 Baugh Dr:D8012 -> Baugh Extension Interest Exp		393.00
D8016	D8010 -> 426 Baugh Dr:D8016 -> 426 Baugh Dr Interest		6,554.35
D8512	IT Federal N/P Interest Expense		11,787.17
I5001	I5000 -> IRP Expenses:I5001 -> IRP Interest Expense		1,205.48
S5002	S5000 -> Stokes Mart Property:S5002 -> Mortgage Interest		375.05
Total		25,836.75	25,836.75

Adjusting Journal Entries JE # 16

To record accrued interest at 6/30/2019

1301	Prepaid interest		1,062.55
D5012	D5000 -> Shenandoah Shores Rd HC:D5010 -> Debt Service:D5012 -> Interest		1,014.14
D5712	D5700 -> Success Ind. Park:D5710 -> Debt Service:D5712 -> Success Interest		398.20
D6012	D6000 -> Stephens Industrial Park:D6010 -> Debt:D6012 -> Interest		1,377.30
D6512	D6500 -> 404 Fairground Road:D6510 -> Debt Service:D6512 -> Interest		614.05
D7812	D7800 -> Leach Run Pkw Prop:D7812 -> Interest		4,218.99
D8010	D8010 -> 426 Baugh Dr:D8012 -> Baugh Extension Interest Exp		773.21
D8016	D8010 -> 426 Baugh Dr:D8016 -> 426 Baugh Dr Interest		6,419.69
D8512	IT Federal N/P Interest Expense		19,910.79
I5001	I5000 -> IRP Expenses:I5001 -> IRP Interest Expense		1,166.13
NM5012	NM5000 -> New Market Tax Credit Expenses:NM5012 -> New Market Tax Credit Interest		23,095.18
S5002	S5000 -> Stokes Mart Property:S5002 -> Mortgage Interest		366.38
2300	2300 -> Accrued Interest		59,354.06
NM5012	NM5000 -> New Market Tax Credit Expenses:NM5012 -> New Market Tax Credit Interest		1,062.55
Total		60,416.61	60,416.61

Adjusting Journal Entries JE # 17

Various entries related to correct united bank loans, interest and legal expenses

2656	2656 -> United LRP Loan 91008		515.47
2656	2656 -> United LRP Loan 91008		1,857.13
2658	2658 -> United Avtex Loan 91006		9,047.95
2658	2658 -> United Avtex Loan 91006		5,591.83
2662	2662 -> United Police Dept Loan 91007		630.49
A5200-20	A5200 -> Professional Fees:20 -> Legal Fees		5,000.00

NM03	1958 -> New Market Tax Credit Projects:NM03 -> NMTC RJES Construction	17,686.68	
NM5012	NM5000 -> New Market Tax Credit Expenses:NM5012 -> New Market Tax Credit Interest	8,429.97	
NM5012	NM5000 -> New Market Tax Credit Expenses:NM5012 -> New Market Tax Credit Interest	270.00	
NM5013	NM5000 -> New Market Tax Credit Expenses:NM5013 -> New Market Tax Credit - Misc	198.13	
NM5013	NM5000 -> New Market Tax Credit Expenses:NM5013 -> New Market Tax Credit - Misc	1,100.00	
2561	2561 -> United Connector Rd. Loan 91005		270.00
2656	2656 -> United LRP Loan 91008		198.13
2658	2658 -> United Avtex Loan 91006		5,000.00
2658	2658 -> United Avtex Loan 91006		8,429.97
2662	2662 -> United Police Dept Loan 91007		1,100.00
A5200-20	A5200 -> Professional Fees:20 -> Legal Fees		5,000.00
A5200-20	A5200 -> Professional Fees:20 -> Legal Fees		2,156.00
NM5012	NM5000 -> New Market Tax Credit Expenses:NM5012 -> New Market Tax Credit Interest		9,047.95
NM5012	NM5000 -> New Market Tax Credit Expenses:NM5012 -> New Market Tax Credit Interest		5,591.83
NM5012	NM5000 -> New Market Tax Credit Expenses:NM5012 -> New Market Tax Credit Interest		515.47
NM5012	NM5000 -> New Market Tax Credit Expenses:NM5012 -> New Market Tax Credit Interest		1,857.13
NM5012	NM5000 -> New Market Tax Credit Expenses:NM5012 -> New Market Tax Credit Interest		10,530.68
NM5013	NM5000 -> New Market Tax Credit Expenses:NM5013 -> New Market Tax Credit - Misc		630.49
Total		50,327.65	50,327.65

Adjusting Journal Entries JE # 18

Various entries related to correct first bank loans and interest

2530	2530 -> First Bank - Stokes Bldg 50625	2,383.45	
2602	2601 -> First Bank Combined Loan 48682:2602 -> Success Park Loan	1,773.85	
2603	2601 -> First Bank Combined Loan 48682:2603 -> 404 Fairground Road	934.99	
2604	2601 -> First Bank Combined Loan 48682:2604 -> Happy Creek Industrial Park	637.35	
2605	2601 -> First Bank Combined Loan 48682:2605 -> Stephens Park Loan	2,173.55	
2606	2601 -> First Bank Combined Loan 48682:2606 -> Baugh Dr. Loan	848.85	
2607	2601 -> First Bank Combined Loan 48682:2607 -> Ramsey Property Loan	2,983.72	
2608	2601 -> First Bank Combined Loan 48682:2608 -> 1497 Happy Creek Road Loan	1,142.29	
2609	2601 -> First Bank Combined Loan 48682:2609 -> NVA Loan	854.15	
2610	2601 -> First Bank Combined Loan 48682:2610 -> Benson Property Loan	90.27	
2611	2601 -> First Bank Combined Loan 48682:2611 -> 1425 Happy Creek Loan	551.86	
2612	2601 -> First Bank Combined Loan 48682:2612 -> 1433 Happy Creek Loan	1,314.91	
D5012	D5000 -> Shenandoah Shores Rd HC:D5010 -> Debt Service:D5012 -> Interest		637.35
D5712	D5700 -> Success Ind. Park:D5710 -> Debt Service:D5712 -> Success Interest		1,773.85
D6012	D6000 -> Stephens Industrial Park:D6010 -> Debt:D6012 -> Interest		2,173.55
D6512	D6500 -> 404 Fairground Road:D6510 -> Debt Service:D6512 -> Interest		934.99
D7812	D7800 -> Leach Run Pkw Prop:D7812 -> Interest		6,937.20
D8010	D8010 -> 426 Baugh Dr:D8012 -> Baugh Extension Interest Exp		848.85
S5002	S5000 -> Stokes Mart Property:S5002 -> Mortgage Interest		2,383.45
Total		15,689.24	15,689.24

Adjusting Journal Entries JE # 19

Corrections to USDA IRP loan

2652	2652 -> IRP - Rural Dev. Loan	1,820.96	
I5001	I5000 -> IRP Expenses:I5001 -> IRP Interest Expense	16,225.00	
2000	Accounts Payable		16,225.00
I5001	I5000 -> IRP Expenses:I5001 -> IRP Interest Expense		1,820.96
Total		18,045.96	18,045.96

Adjusting Journal Entries JE # 20

Various items to correct Leach Run Parkway accounts

1950	1950 -> Leach Run Parkway	5,278.65	
1950	1950 -> Leach Run Parkway	650.00	
A4050	A4000 -> Town of Front Royal:A4050 -> LRP Construction - Town	16,882.74	
A4050	A4000 -> Town of Front Royal:A4050 -> LRP Construction - Town	16,882.74	
1931	19290 -> Leach Run Pwy Properties:1931 -> NVA Leach Run Pwy		5,278.65
1931	19290 -> Leach Run Pwy Properties:1931 -> NVA Leach Run Pwy		650.00
1950	1950 -> Leach Run Parkway		16,882.74
D7864	D7800 -> Leach Run Pkw Prop:D7864 -> LRP Construction Acct.		16,882.74
Total		39,694.13	39,694.13

Adjusting Journal Entries JE # 21

Reclassify Leach Run items from entry #20 to Due from Town or County as applicable

1950	1950 -> Leach Run Parkway	10,954.09	
1203	Due from Warren County		7,229.70
1204	Due from Town of Front Royal		3,724.39
Total		10,954.09	10,954.09

Adjusting Journal Entries JE # 22

To record additional amounts due from town related to loan fees and legal fees with police department

1204	Due from Town of Front Royal	17,636.00	
A5200-20	A5200 -+ Professional Fees:20 -+ Legal Fees		16,536.00
NM5013	NM5000 -+ New Market Tax Credit Expenses:NM5013 -+ New Market Tax Credit - Misc		1,100.00
Total		<u>17,636.00</u>	<u>17,636.00</u>

Adjusting Journal Entries JE # 23

To correct county projects and due from county based on changes from 2018

NM05	1958 -+ New Market Tax Credit Projects:NM05 - Health and Human Service Buildi	55,799.47	
NM06	1958 -+ New Market Tax Credit Projects:NM06 - Voter Reg & Special Services	97,749.88	
1203	Due from Warren County		153,549.35
Total		<u>153,549.35</u>	<u>153,549.35</u>

Adjusting Journal Entries JE # 24

To record bond administration fees for FY19 for Royal Arms and Christendom Educational Corporation

1200	Accounts receivable	27,682.92	
A4400	A4400 -+ Administrative Fees		27,682.92
Total		<u>27,682.92</u>	<u>27,682.92</u>

Adjusting Journal Entries JE # 25

To record debt service due for FY2019

1203	Due from Warren County	137,265.03	
1204	Due from Town of Front Royal	56,899.01	
D4020	Debt Service - Town of F.R.		56,899.01
D4120	D4120 -+ Debt Service - County		137,265.03
Total		<u>194,164.04</u>	<u>194,164.04</u>

Adjusting Journal Entries JE # 26

To record additional debt service due from Town on Police Dept.

1204	Due from Town of Front Royal	205,837.53	
D4020	Debt Service - Town of F.R.		205,837.53
Total		<u>205,837.53</u>	<u>205,837.53</u>

Adjusting Journal Entries JE # 27

To record conveyence of Royal lane property in 2019

9993	Loss on Royal Land Property	445,000.00	
1951.1	Land Royal lane property		445,000.00
Total		<u>445,000.00</u>	<u>445,000.00</u>

Adjusting Journal Entries JE # 28

To correct due from town for interest for 17k (already captured in FY18)

D4020	Debt Service - Town of F.R.	17,347.09	
1204	Due from Town of Front Royal		17,347.09
Total		<u>17,347.09</u>	<u>17,347.09</u>

Adjusting Journal Entries JE # 29

To break out land on 426 Baugh Drive asset

1961	426 Baugh Drive - Land	905,838.00	
1959	1959 -+ 426 Baugh Drive		905,838.00
Total		<u>905,838.00</u>	<u>905,838.00</u>

Adjusting Journal Entries JE # 30

To reduce depreciation on Baugh drive after land reclass

1746	A/D 426 Baugh Drive	22,645.47	
A5100-90	Administrative Expenses-Depreciation		22,645.47
Total		<u>22,645.47</u>	<u>22,645.47</u>

Adjusting Journal Entries JE # 31

To reverse 6/25/19 debt service payment for the County

D4120	D4120 -+ Debt Service - County	22,450.00	
1203	Due from Warren County		22,450.00
Total		<u>22,450.00</u>	<u>22,450.00</u>