



## Industrial Development Authority of the County of Clarke Virginia

### Agenda

**Thursday, February 2, 2017, 1:00 pm**

Meeting Room AB, Berryville Clarke County Government Center  
101 Chalmers Court 2nd Floor, Berryville, Virginia

1. Call to Order
2. Organizational Items:
  - Elect Chair
    - o Lora Walburn, IDA Clerk, will call for nominations for 2017 Chair.
    - o *Action: Move to nominate and elect \_\_\_\_\_ to serve as 2017 Chair.*
    - o Lora Walburn, IDA Clerk, will call for vote on the motion to nominate and elect.  
Following vote, the meeting will be turned over to the newly elected 2017 Chair.
  - Elect Vice Chair
    - o Chair will call for nominations for 2017 Vice Chair.
    - o *Action: Move to nominate and elect \_\_\_\_\_ to serve as 2017 Vice Chair.*
    - o Chair will call for vote on the motion to nominate and elect.
  - Elect Secretary
    - o Chair will call for nominations for 2017 Secretary.
    - o *Action: Move to nominate and elect \_\_\_\_\_ to serve as 2017 Vice Chair.*
    - o Chair will call for vote on the motion to nominate and elect.
  - Elect Treasurer
    - o Chair will call for nominations for 2017 Treasurer.
    - o *Action: Move to nominate and elect \_\_\_\_\_ to serve as 2017 Vice Chair.*
    - o Chair will call for vote on the motion to nominate and elect.
  - Set Meeting Date, Time and Location
    - o *Action: Move to adopt the schedule as presented, or corrected, modified with specifics*
  - Adopt Bylaws and Rules and Procedures of the Industrial Development Authority of the Clarke County, Virginia
    - o *Action: Move to adopt revision dated July 28, 2016 as presented or corrected, modified with specifics.*
3. Approval of Agenda
4. Approval of October 27, 2016 Minutes

101 Chalmers Court, Suite B  
Berryville, VA 22611

Telephone: [540] 955-5100  
Fax: [540] 955-5180

*Action: "Move to approve as [presented] or [as amended listing specific change[s]]."*

5. Treasurer's Report by Allen Frederickson

*Action: "move to accept the Treasurer's report."*

6. Old Business:

- Investment Options Continued Discussion
- Economic Development by Len Capelli
  - o Marketing Options Other than "The Gateway to the Shenandoah Valley."
  - o Brochure Funding

7. New Business:

- Resolution of Appreciation and Recognition of Service Wayne Armbrust

8. Adjourn

Monthly Reports In Packet:

- Economic Development and Tourism December 2016

Annual Distribution In Packet:

- Code of Clarke County, Virginia 1997 as amended Code of Clarke County, Virginia Chapter 36 Chapter 36 Industrial Development Authority
- Code of Virginia Title 15.2. Counties, Cities and Towns Chapter 49. Industrial Development and Revenue Bond Act
- Code of Virginia Code of Virginia Title 2.2. Administration of Government Chapter 31. State and Local Government Conflict of Interests Act
- Code of Virginia Title 2.2. Administration of Government Chapter 37. Virginia Freedom of Information Act
- Code of Virginia Title 42.1. Libraries Chapter 7. Virginia Public Records Act –  
Financial Report For Year Ended June 30, 2016 by Robinson Farmer Cox



## County of Clarke Industrial Development Authority

### 2017 Meeting Schedule

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**February 2 – Organizational [*Changed from January 26*]**

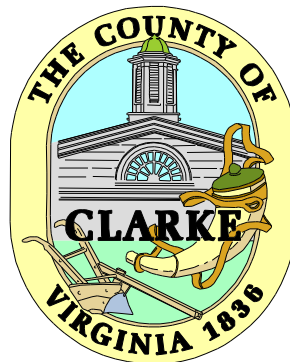
**April 27**

**July 27**

**October 26**

**1:00 pm, 4th Thursday Quarterly  
Meeting Room AB**

# Bylaws and Rules and Procedures of the Industrial Development Authority of the Clarke County, Virginia



Adopted January 12, 1999

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Amended July 28, 2016

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# Bylaws Of The Industrial Development Authority Of The Clarke County, Virginia

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## Table of Contents

Table of Contents .....	2
Bylaws .....	1
Article I .....	1
Name. Purpose And Powers.....	1
Section 101. Name.....	1
Section 102. Purposes.....	1
Section 103. Powers.....	1
Article II .....	1
Directors.....	1
Section 201. Board of Directors.....	1
Section 202. Number, Appointment and Terms of Directors.....	1
Section 203. Vacancies.....	2
Section 204. Annual Meetings.....	2
Section 205. Special Meetings.....	2
Section 206. Notices.....	2
Section 207. Quorum.....	3
Section 208. Voting.....	3
Section 209: Removal of Board Members Before Their Terms in Office Expires .....	3
Section 210: Remuneration for Meeting Attendance .....	4
Article III .....	4
Officers .....	4
Section 301. Officers.....	4
Section 302. Duties of Officers.....	4
Section 303. Elections.....	5
Article IV.....	5
General Provisions.....	5
Section 401. Seal.....	5
Section 402. Compensation.....	5
Section 403. Public Attendance at Meetings: Inspection of Records.....	5
Section 404. Rules Regulations and Procedure.....	6
Section 406. Authorized Signatures.....	6
Article V.....	7
Amendments.....	7
Section 501. Amendment of Bylaws.....	7
Rules and Procedures.....	1
Article I .....	1
Purpose and Scope .....	1
Section 1.1 Purpose.....	1
Section 1.2 Scope.....	1
Article II .....	1
Definitions.....	1
Section 2.1 Definitions.....	1
Article III .....	2

Revision Date: 07-28-2016

Page 2

**Bylaws Of The Industrial Development Authority Of The Clarke County, Virginia**

---

General ..... 2  
    Section 3.1 Copies to be Provided Applicants ..... 2  
    Section 3.2 Compliance with Rules and Procedures ..... 2  
    Section 3.3 Amendments ..... 2  
    Section 3.4 Preparation and Distribution of Agenda and Minutes ..... 3  
Article IV ..... 3  
    Applications Procedures, Fees and Requirements ..... 3  
        Section 4.1 Applications ..... 3  
        Section 4.2 Administrative Fees ..... 4  
        Section 4.3 Costs and Expenses ..... 4  
        Section 4.4 Modification Fee; Transaction Fee ..... 4  
        Section 4.5 Transcripts of Proceedings ..... 4  
        Section 4.6 Bond Validation Proceedings ..... 5  
        Section 4.7 Additional Information Required of Applicants ..... 5  
        Section 4.8 Notice of Public Hearing ..... 5  
        Section 4.9 Projects Outside of the County of Clarke, Virginia ..... 6  
Article V ..... 6  
    Section 5.1 Inducement Resolutions ..... 6  
    Section 5.2 Payment of Authority Expenses ..... 7  
    Section 5.3 Indemnification of the Authority ..... 7  
    Section 5.4 Bond Counsel Opinion Required ..... 8  
    Section 5.5 Covenants to Preserve Tax Exempt Status of Bonds ..... 9  
    Section 5.6 Payments in Lieu of Taxes ..... 9  
    Section 5.7 Restriction on Advertising ..... 9  
Article VI ..... 10  
    Reports ..... 10  
        Section 6.1 Interim Reports by Applicants ..... 10  
        Section 6.2 Annual Reports of Applicants ..... 10  
        Section 6.3 Reports by Authority Chairman Directors etc ..... 10  
Article VII ..... 10  
    Enforcement ..... 10  
        Section 7.1 Enforcement of Provisions ..... 10  
        Section 7.2 Repeal of Actions Previously Taken ..... 11  
Article VIII ..... 11  
    Statements of Policy ..... 11  
        Section 8.1 Construction, Operation and Effect of Rules ..... 11  
        Section 8.2 Approval of Inducement Resolution not to Constitute an Endorsement of Applicant ..... 11  
        Section 8.3 Security for Payment of Bonds ..... 12  
        Section 8.4 Compliance with Rules ..... 12

# **Bylaws Of The Industrial Development Authority Of The Clarke County, Virginia**

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## Industrial Development Authority Of The Clarke County, Virginia **Bylaws**

### **Article I**

#### **Name. Purpose And Powers.**

##### Section 101. Name.

The name of this body shall be the "Industrial Development Authority of the Clarke County, Virginia" (the "Authority").

##### Section 102. Purposes.

The purposes of the Authority shall be as set forth in Section 15.2-490 I of the Code of Virginia (1950, as amended) and all other purposes as are now or may hereafter be set forth in the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia (1950, as amended) (the "Act").

##### Section 103. Powers.

The Authority shall be vested with all powers as set forth in Section 15.2-4905 of the Code of Virginia (1950, as amended) and all other powers as are now or may hereafter be set forth in the Act.

### **Article II**

#### **Directors.**

##### Section 201. Board of Directors.

The Authority shall be governed by a Board of Directors in which all powers of the Authority shall be vested.

##### Section 202. Number, Appointment and Terms of Directors.

There shall be seven (7) Directors of the Authority who shall be appointed by the Board of Supervisors of Clarke County, Virginia (the "Board of Supervisors").

Directors shall be appointed for a term of four (4) years, except appointments to fill vacancies, which shall be for the remainder of such un-expired term.

## **Bylaws Of The Industrial Development Authority Of The Clarke County, Virginia**

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If at the end of any term of office of any Director or successor thereto has not been appointed, then the Director whose term of office has expired shall continue to hold office until a successor is appointed and qualified.

Each Director, upon his initial appointment and any reappointment, shall take and subscribe the oath prescribed by Section 49-1 of the Code of Virginia (1950, as amended).

No Director shall be an officer or employee of Clarke County, Virginia.

Every Director shall, at the time of his appointment and thereafter, reside in Clarke County, Virginia or in an adjoining locality.

### **Section 203. Vacancies.**

The Chairman of the Authority shall promptly notify the Board of Supervisors of any vacancy that may occur in the Board of Directors.

The Board of Supervisors shall make any appointments necessary to fill any vacancies upon the Board of Directors of the Authority in accordance with the Act.

In the event the term of any Director of the Authority shall expire without the Director being reappointed or a new Director being appointed by the Board of Supervisors, then the Director whose term has expired shall continue in office until his reappointment and qualification or until his successor shall have been appointed and qualified.

### **Section 204. Annual Meetings.**

The annual meeting of the Board of Directors shall be held in January of each year and meetings held once per quarter, or at such time as needed throughout the year in the Berryville Clarke County Government Center, 101 Chalmers Court, Second Floor, Berryville, Virginia or at such location as the Board of Directors may designate.

### **Section 205. Special Meetings.**

Special meetings of the Board of Directors may be called at any time by the Chairman of the Board of Directors or by any two Directors of the Authority, to be held at the time and place designated in the notice of the meeting.

### **Section 206. Notices.**

Notice specifying the time and place of any annual or special meeting of the Board of Directors shall be given to each Director of the Authority at least 24 hours before such meeting by delivering such notice to him or her or by telephoning, emailing or mailing



## **Bylaws Of The Industrial Development Authority Of The Clarke County, Virginia**

such notice to him or her at least 24 hours before the meeting. Any notice postmarked the day before the meeting shall be deemed to have been mailed at least 24 hours before the meeting.

Notices of special meetings of the Board of Directors shall specify generally the purposes thereof.

The presence of any Director at a meeting shall be deemed an acknowledgment of the timely receipt of notice thereof or a waiver of any such notice, unless specific objection to the notice of such meeting shall be raised by any Director in attendance.

Meetings may be held without notice if all of the Directors are present or if those Directors not present waive notice prior to the meeting, which waiver shall be in writing, signed either before or after the meeting.

### **Section 207. Quorum.**

Four (4) members of the Board of Directors shall constitute a quorum of the Board of Directors for the purpose of conducting Authority business, exercising Authority powers and for all other purposes, except that no facilities owned by the Authority shall be leased or disposed of in any manner without a majority vote of the Directors of the Authority.

No vacancy in the membership of the Board of Directors shall impair the right of a quorum to exercise all the powers and perform all the duties of the Authority.

### **Section 208. Voting.**

Except as otherwise required in these Bylaws or by the Act, any question submitted to a vote of the Board of Directors shall be passed by simple majority of those Directors present and voting.

No Director shall be allowed to vote by proxy at any meeting of the Authority.

### **Section 209: Removal of Directors Before Their Terms in Office Expires**

Should the Executive Committee, by a majority vote, deem that the attendance pattern of a Director at properly scheduled meetings is unacceptable, or should the performance of a Director be deemed unacceptable for any other reason by a majority vote of the Executive Committee, then the Chair of the Authority shall solicit the resignation of such Director.

In the event that no resignation is forthcoming, then the Executive Committee shall recommend the termination of such Director to the Clarke County Board of Supervisors.

## **Bylaws Of The Industrial Development Authority Of The Clarke County, Virginia**

### Section 210: Remuneration for Meeting Attendance

Each Director shall receive \$50 for attending a quarterly meeting. The Authority Treasurer shall be responsible for issuing payment.

There shall be no remuneration for special meetings.

## **Article III**

### **Officers**

#### Section 301. Officers.

The officers of the Authority shall be a Chairman, a Vice-Chairman, and from their membership or not, as they desire, Secretary and Treasurer, or a Secretary-Treasurer, who shall continue to hold office until their respective successors are elected and qualified.

#### Section 302. Duties of Officers.

The duties of the officers of the Authority shall include, but shall not be limited to, the following:

- A. The Chairman shall preside at all meetings of the Authority; shall be responsible for notice of meetings to the Directors and officers of the Authority; shall be responsible for all correspondence; shall make committee appointments; may appoint members of the Authority as liaison to any other governmental agencies, authorities and commissions; shall act as a signatory on behalf of the Authority when authorized; and shall perform such other duties as are incident to his office or may properly be required of him by the Board of Directors.
- B. The Vice Chairman shall, in the absence of the Chairman, exercise all of the Chairman's powers and duties. In the event the office of Chairman shall become vacant, the Vice-Chairman shall immediately become the Chairman.
- C. The Secretary shall transcribe detailed minutes of every meeting or proceeding of the Authority; shall issue notices for all meetings; shall keep the seal of the Authority and all books and records of the Authority; and shall perform such other duties as may be directed by the Board of Directors.
- D. The Treasurer shall have the custody of all funds and securities of the Authority, and shall deposit the same in the name of the Authority in such bank or banks as the Directors may from time to time determine; shall sign all checks, drafts, notes and orders for the payment of moneys and shall payout and dispose of the same under

## **Bylaws Of The Industrial Development Authority Of The Clarke County, Virginia**

the direction of the Chairman. The Treasurer shall keep suitable records of all financial transactions of the Authority and shall arrange to have the same audited following the end of each fiscal year of the Authority, subject to the approval of the Board of Directors. Copies of each audit shall be furnished to the Board of Supervisors.

### **Section 303. Elections.**

Officers of the Authority shall be elected annually at the annual meeting of the Authority held in January of each year, shall commence their duties immediately upon election and shall continue in office thereafter until a successor shall have been elected and qualified. The Directors may elect at any annual or special meeting such officers as may be necessary to fill any vacancy created by resignation, expiration of term of appointment as a Director, or otherwise. Any officer so elected shall serve until his successor shall have been elected at the next annual election and qualified.

## **Article IV.**

### **General Provisions**

#### **Section 401. Seal.**

The seal of the Authority shall be a flat-faced circular die with the name of the Authority engraved thereon and such other words and figures as may appear thereon as evidenced by a sample of such seal which appears on the margin of these Bylaws opposite this Section.

#### **Section 402. Compensation.**

The Directors and officers of the Authority shall receive no salary but may be compensated such amount per regular, special or committee meeting or per each official representation as may be approved by the Board of Supervisors, not to exceed the amount as provided in the Act for each meeting or official representation, and shall be reimbursed for necessary traveling and other expenses incurred in the performance of their duties.

#### **Section 403. Public Attendance at Meetings: Inspection of Records.**

All meetings of the Board of Directors at which formal action is taken shall be open to the public.

The Board of Directors may hold executive or closed meetings in accordance with The Virginia Freedom of Information Act, Chapter 37 Title 2.2 Administration of Government Code of Virginia (1950, as amended), as may be in effect from time to time (the "Virginia

## **Bylaws Of The Industrial Development Authority Of The Clarke County, Virginia**

Freedom of Information Act").

All official records of the Authority shall be open for inspection and copying in accordance with the provisions of the Virginia Freedom of Information Act.

Directors and officers of the Authority may inspect all Authority records at any reasonable time.

### **Section 404. Rules Regulations and Procedure.**

- A. Roberts Rules of Order, Newly Revised, shall govern all matters of procedure not specifically set forth in these Bylaws or the Act.
- B. The format of meetings of the Board of Directors may be as follows:
  - (1) Call to order
  - (2) Recording of attendance
  - (3) Adoption of Agenda
  - (4) Reading, approval, and correction of the minutes of the last meeting.
  - (5) Reports of officers and committee
  - (6) Old Business
  - (7) New Business
  - (8) Adjournment
- C. The Board of Directors may adopt, amend and alter from time to time such rules, regulations or forms, which it deems necessary or expedient from the management of the affairs of the Authority and which shall not be inconsistent with the Act.

The Secretary of the Authority shall maintain current copies of the Bylaws, and any rules, regulations and forms adopted by the Authority.

### **Section 406. Authorized Signatures.**

Checks, notes, drafts and other legal documents shall be signed by such Directors or officers of the Authority as may be specified in the act, these Bylaws, or as the Board of Directors may, from time to time, authorize by resolution.

The signature of any officer or Director may be by facsimile when authorized by the Board of Directors.

# **Bylaws Of The Industrial Development Authority Of The Clarke County, Virginia**

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## **Article V**

### **Amendments**

#### Section 501. Amendment of Bylaws.

These Bylaws may be amended, repealed or altered, in whole or in part, by a majority vote of the Board of Directors at any duly constituted meeting, provided notice of such amendment shall have been given to the Directors in the notice of such meeting.

# Rules and Procedures Of The Industrial Development Authority Of The Clarke County, Virginia

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## Industrial Development Authority Of The Clarke County, Virginia **Rules and Procedures**

### **Article I**

#### **Purpose and Scope**

##### Section 1.1 Purpose.

These Rules shall govern the submission of Applications to the Authority, application and administrative fees, consideration of matters to be brought to the attention of the Authority relating to the authorization, issuance and sale of its Bonds, the adoption of Financing Documents, reports to be submitted to the Authority, and such other matters as are contained herein.

##### Section 1.2 Scope.

These Rules are supplementary to the Authority's Bylaws and the Act. In the event of any conflict between the Authority's Bylaws, the Act and these Rules, the provisions of the Bylaws and the Act shall prevail.

### **Article II**

#### **Definitions**

##### Section 2.1 Definitions.

As used in these rules and procedures, the following terms shall have the meaning as set forth herein, unless the context clearly requires otherwise:

"Act" shall mean the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended.

"Applicant" shall mean any individual, person, firm, corporation, partnership or other entity applying for industrial development revenue bond financing, or for whose benefit the Authority has issued its Bonds, or who requests the Authority to take any action.

"Application" shall mean the Authority's application for industrial development revenue bond financing as in effect from time to time.

## **Rules and Procedures Of The Industrial Development Authority Of The Clarke County, Virginia**

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"Authority" shall mean the Industrial Development Authority of the Clarke County, Virginia, a political subdivision of the Commonwealth of Virginia.

"Bonds" shall mean any notes, bonds and other obligations authorized to be issued by the Authority pursuant to the Act.

"Code" shall mean the Code of Virginia of 1950, as amended.

"Financing Documents" shall mean any resolutions, instruments, documents, papers, elections, certificates or financing statements required to be adopted or authorized, executed and delivered by the Authority in connection with the authorization, issuance and sale of its Bonds.

"IRC" shall mean the Internal Revenue Code of 1986, as amended.

"Project" shall mean any land, improvements, machinery, equipment or property financed by the issuance and sale of the Authority's Bonds.

"Rules" shall mean these Rules and Procedures of the Authority, as may be in effect from time to time.

### **Article III**

#### **General**

##### Section 3.1 Copies to be Provided Applicants.

A copy of these rules and procedures shall be furnished by the Authority's Secretary to each prospective Applicant.

##### Section 3.2 Compliance with Rules and Procedures.

Each Applicant shall comply with these rules and procedures in the submission of its Application or any Financing Documents to the Authority and in requesting that the Authority take any action, including the adoption of Financing Documents.

Failure to comply with these rules and procedures shall constitute sufficient reason for the Authority to refuse to consider any Application, Financing Documents or any other matter to be brought before the Authority by or on behalf of any Applicant.

##### Section 3.3 Amendments.

These rules and procedures may be changed from time to time by the Authority by the  
Revision Date: 07-28-2016 Page 2

## **Rules and Procedures Of The Industrial Development Authority Of The Clarke County, Virginia**

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vote of a majority of its Directors present at any meeting of the Authority, provided notice of such change shall have been given to each Director before such meeting.

These rules and procedures may, notwithstanding the foregoing, be amended without prior notice upon the affirmative vote of all Directors of the Authority.

### **Section 3.4 Preparation and Distribution of Agenda and Minutes.**

- (a) A preliminary agenda for the Authority's meetings shall be prepared and distributed by the Authority's Secretary [no later than three (3) days] before the Authority's scheduled meeting date. The agenda may state that it is a preliminary agenda subject to change at or before the Authority's meeting.

*Failure to distribute the preliminary agenda as set forth above shall in no way affect the validity of any actions taken by the Authority at the meeting.*

- (b) Preliminary drafts of the minutes of the Authority's meeting shall, as soon as practicable following the meeting, be mailed or delivered to each officer and director of the Authority and the Authority's counsel. Each preliminary copy of the minutes so distributed shall be marked to indicate that it is a preliminary draft subject to additions or corrections at the Authority's next meeting.

## **Article IV**

### **Applications Procedures, Fees and Requirements**

#### **Section 4.1 Applications.**

At least twenty-one days before the Authority's meeting at which the Application is to be considered, each Applicant shall submit a fully and accurately completed Application to:

- each Director of the Authority,
- the Authority's Secretary and Counsel and
- the Economic Development Director of the County of Clarke,

Each Application shall include all requested exhibits. In the event all requested exhibits are not available or not to be made part of the public record, a statement of explanation will be attached to the Application.

The Authority recommends that each Applicant seek the advice of the Economic Development Director of the County of Clarke or the Authority's Counsel respecting completion of the Application before submitting it to the Authority.



## Rules and Procedures Of The Industrial Development Authority Of The Clarke County, Virginia

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### Section 4.2 Administrative Fees.

Each application submitted pursuant to Section 4.1 shall be accompanied with an application fee of \$5,000; provided, however, that if the amount of the application is \$1,000,000 or less, such fee shall be \$1,000.

The Authority also charges an annual administrative fee equal to:

- 1/10th of one percent for transactions of \$1,000,000 or less;
- 1/15th of one percent for transactions between \$1,000,001 and \$5,000,000; and
- 1/20th of one percent for transactions of more than \$5,000,000.

Such annual administrative fees shall be payable on the anniversary date of the closing of the transaction, **and shall be computed by multiplying the applicable percentage by the outstanding principal balance of the bonds on such date.**

The Authority reserves the right to modify the fees described in this section on a case-by-case basis, in the sole discretion of the Authority.

Fees, upon acceptance by the Authority, are non-refundable.

### Section 4.3 Costs and Expenses.

The Authority requires reimbursement of its costs and expenses incurred in connection with the issuance and sale of its Bonds and by virtue of its Bonds being outstanding. (See Section 5.2)

### Section 4.4 Modification Fee; Transaction Fee.

- (a) The Authority may, in its discretion, require payment of a \$1,000 modification fee by any Applicant requesting the Authority to approve any modification or amendment to its Bonds or the applicable Financing Documents.

The modification fee shall be due and payable on or before the date of execution and delivery of the modification or amendment.

- (b) The Authority may, **in its discretion,** charge a transaction fee in the amount of \$1,000 to any Applicant requesting the Authority to take any action, regardless of whether the Authority has Bonds outstanding for the benefit of the Applicant.

The transaction fee will be in addition to any other fees required hereunder.

### Section 4.5 Transcripts of Proceedings.

Each Applicant receiving Bond financing through the Authority shall furnish to the  
Revision Date: 07-28-2016 Page 4

## **Rules and Procedures Of The Industrial Development Authority Of The Clarke County, Virginia**

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Authority upon the sale and delivery of the Bonds, two complete transcripts of the Financing Documents relating to such Bonds. Bond transcripts shall be hardback bound in library standard quality binders at the cost and expense of the Applicant.

### Section 4.6 Bond Validation Proceedings.

The Authority may require that before issuance, its Bonds be validated by the Circuit Court of the County of Clarke, Virginia, pursuant to the requirements of Article 6, Chapter 26, Title 15.2 of the Code. The costs, expenses and fees incurred in connection with any bond validation proceedings required by the Authority, including attorneys' fees, shall be paid by the Applicant.

### Section 4.7 Additional Information Required of Applicants

- (a) The Authority may adopt an inducement resolution conditioned upon the subsequent furnishing of certain information satisfactory to the Authority. All required information shall be promptly furnished to the Authority and failure of any Applicant to furnish such information shall constitute a ground for rescission of any inducement resolution adopted pursuant to such conditions.
- (b) The Authority may, at its option, require the furnishing of appraisals, evaluations or reports respecting the Project or any portion thereof. The Authority may retain advisors and consultants to advise it regarding any Project or other action that it is requested to undertake by any Applicant. All costs, fees and expenses of such appraisals, reports, consultants and advisors incurred by the Authority after prior notification to the Applicant shall be paid by the Applicant.
- (c) Since the Authority usually acts based upon information furnished to it solely by the Applicant, the Authority reserves the right to require at any time the furnishing of additional information concerning the Applicant, its financial statements, and any other information deemed relevant by the Authority. In instances where the Applicant has undergone changes in form or management or where the security to be given for payment of the Bonds has changed, the Applicant shall report such changes promptly to the Authority.

### Section 4.8 Notice of Public Hearing

The Applicant shall publish a notice of public hearing with respect to each Application for which a public hearing is required by the Code once a week for two successive weeks, to be published in a newspaper having general circulation in the County of Clarke, Virginia and in such other newspapers as may be required.

The notice shall be in a form approved by the Authority's Counsel and Bond Counsel.

## **Rules and Procedures Of The Industrial Development Authority Of The Clarke County, Virginia**

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The second publication shall be not less than six nor more that twenty-one days before the Authority's meeting at which the Application is to be considered.

Persons who are interested in speaking at any public hearing held by the Authority are encouraged to submit their comments in writing.

The Authority shall publish such additional notice or notices and hold such additional public hearings with respect to each Application as may be required by law or recommended by Counsel to the Authority.

### Section 4.9 Projects Outside of the County of Clarke, Virginia

Any Applicant to finance a Project located outside the County of Clarke, Virginia shall be accompanied by evidence satisfactory to the Authority that the county, city or town in which the Project is proposed to be located approves the proposed financing of the Project by the Authority.

Following the adoption of an inducement resolution for such Project, the Applicant shall furnish to the Authority a certified copy of a resolution duly adopted by the governing body of such county, city or town stating that such governing body concurs with the inducement resolution adopted by the Authority evidence satisfactory to the Authority that the county, city or town in which the Project is proposed to be located approves the proposed financing of the Project by the Authority.

Following the adoption of an inducement resolution for such Project, the Applicant shall furnish to the Authority a certified copy of a resolution duly adopted by the governing body of such county, city or town stating that such governing body concurs with the inducement resolution adopted by the Authority.

The Authority may also require additional evidence concerning the impact or effect of the Project on the area where it will be located, whether the Project has received appropriate local approvals or permits, and whether the Project is acceptable to the inhabitants where it will be located

## **Article V**

### **PROVISIONS TO BE INCORPORATED INTO RESOLUTIONS AND FINANCING DOCUMENTS**

#### Section 5.1 Inducement Resolutions.

Each inducement resolution adopted by the Authority shall provide that it shall continue in full force and effect for a period of two years unless specifically extended by the Authority.

Revision Date: 07-28-2016

Page 6

## **Rules and Procedures Of The Industrial Development Authority Of The Clarke County, Virginia**

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### Section 5.2 Payment of Authority Expenses.

The Financing Documents adopted by the Authority for the benefit of any Applicant shall provide that the Applicant agrees to pay all costs, fees and expenses incurred by the Authority (including attorney's fees) in connection with: where it will be located.

- (a) the authorization, issuance and sale of the Authority's Bonds;
- (b) the ownership, occupation, operation or use of the Project being financed, whether owned by the Authority or the Applicant;
- (c) prepayment or redemption of the Authority's Bonds;
- (d) administrative costs and expenses of the Authority, including the fees of attorneys, accountants, engineers, appraisers or consultants, paid or incurred by the Authority by reason of the Bonds being outstanding or pursuant to requirements of the Financing Documents; and
- (e) Such other fees and expenses of the Authority, not directly related to the Project being financed for the Applicant, but attributable to the Authority's financing of industrial or commercial Projects, including without limitation, a share of costs of the Authority's annual audit as required by Code Section 15.2-4904, determined as follows:
  - (1) All costs and fees relating to the annual audit and directly attributable to a particular Applicant or Project, shall be charged to such Applicant; and
  - (2) Any costs and fees of such audit not directly attributable to any Applicant or Project shall be allocated among all Applicants having Bonds outstanding, pro rata, as the amount of Bonds originally issued for such Applicant bears to the total face amount of Bonds issued by the Authority of which any portion of any issue remains outstanding and unpaid.

### Section 5.3 Indemnification of the Authority.

Each Applicant shall agree to indemnify and save harmless the Authority, the County, the Board of Supervisors and their officers, directors, employees and agents (hereinafter the "Indemnitees") from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses (hereinafter referred to as "Damages"), including without limitation:

- (a) all amounts paid in settlement of any litigation commenced or threatened against the Indemnitees, if such settlement is effected with the written consent of the Applicant;

## Rules and Procedures Of The Industrial Development Authority Of The Clarke County, Virginia

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- (b) all expenses reasonably incurred in the investigation of, preparation for or defense of any litigation, proceeding or investigation of any nature whatsoever, commenced or threatened against the Applicant, the Project or the Indemnitees;
- (c) any judgments, penalties, fines, damages, assessments, indemnities or contributions; and
- (c) the reasonable fees of attorneys, auditors, and consultants; provided that the damages arise out of:
  - (i) failure by the Applicant, or its officers, employees or agents, to comply with the terms of the Financing Documents and any agreements, covenants, obligations, or prohibitions set forth therein;
  - (ii) any action, suit, claim or demand contesting or affecting the title of the Project;
  - (iii) any breach of any representation or warranty set forth in the Financing Documents or any certificate delivered pursuant thereto, and any claim that any representation or warranty of the Applicant contains or contained any untrue or misleading statement of fact or omits or omitted to state any material facts necessary to make the statements made therein not misleading in light of the circumstances under which they were made;
  - (iv) any action, suit, claim, proceeding or investigation of a judicial, legislative, administrative or regulatory nature arising from or in connection with the construction, acquisition, ownership, operation, occupation or use of the Project; or
  - (v) any suit, action, administrative proceeding, enforcement action, or governmental or private action of any kind whatsoever commenced against the Applicant, the Project or the Indemnitees which might adversely affect the validity or enforceability of the Bonds, the Financing Documents, or the performance by the Applicant or any Indemnitee of any of their respective obligations thereunder.

### Section 5.4 Bond Counsel Opinion Required.

Before issuing and delivering any of its Bonds, the Authority shall receive an unqualified approving opinion of recognized bond counsel licensed to practice law in Virginia and approved by the Authority stating, among other things, that the Bonds have been duly authorized, executed, issued and delivered, that the interest thereon is exempt from Federal income taxation under IRC §103 (or other applicable provision of law) and

## **Rules and Procedures Of The Industrial Development Authority Of The Clarke County, Virginia**

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taxation by the Commonwealth of Virginia, and that the Bonds are exempt from registration requirements under applicable state and Federal securities laws.

### Section 5.5 Covenants to Preserve Tax Exempt Status of Bonds.

All Financing Documents presented for approval by the Authority shall contain appropriate covenants of the Applicant designed to insure compliance with the requirements of IRC §103 to preserve the tax exempt status of interest on the Bonds, including without limitation, "arbitrage" requirements, capital expenditure limitations and reporting requirements.

### Section 5.6 Payments in Lieu of Taxes.

In event title to the Project is held by any person or entity not subject to real or personal property taxes, the Applicant and any user of the Project, unless specifically exempted by the Authority, shall enter into an agreement to pay all taxes, levies, assessments, charges or other impositions which may be levied by any taxing authority on the Project as if such Applicant or user held title to the Project or any portion thereof.

### Section 5.7 Restriction on Advertising.

The Applicant and any purchaser or underwriter of the Authority's Bonds shall not publish any advertisement, tombstone or other information with respect to the Authority's Bonds unless:

- (a) such advertisement has been approved by the Chairman or Vice Chairman of the Authority and Counsel to the Authority and
- (b) (such advertisement contains the statement set forth below with respect to the limited nature of the obligations.

Any bond purchase agreement entered into in connection with the Authority's Bonds shall contain a covenant in substantially the following form which shall be binding on the Applicant, any purchaser and any underwriter of such bonds: The undersigned agree that no advertisement, tombstone or other information with respect to the Bonds shall be published in any newspaper or other publication unless such advertisement:

- (a) is approved by the Chairman or Vice Chairman of the Authority and Counsel to the Authority and
- (b) clearly states that the Bonds are limited obligations of the Authority payable solely from revenues and that neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the County of Clarke, Virginia, shall be obligated to pay the principal of or the interest or premium, if any, on the Bonds

## **Rules and Procedures Of The Industrial Development Authority Of The Clarke County, Virginia**

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and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the County of Clarke, is pledged to payment of the Bonds.

### **Article VI**

#### **Reports**

##### Section 6.1 Interim Reports by Applicants.

Each Applicant shall file with the Authority a written report describing the status of its proposed financing no later than ten (10) days after receipt of written request therefore. Such written report shall include the proposed purchaser of the Bonds, the proposed terms of the Bonds, the status of Financing Documents, and the current status of the Project. Each Applicant shall promptly notify the Authority of any significant or material changes to any information previously furnished by the Applicant to the Authority, including specific descriptions of new or changed plans for the placement of the bonds and the security to be offered.

##### Section 6.2 Annual Reports of Applicants.

Each Applicant, after the issuance and sale of the Authority's Bonds for the benefit of such Applicant, shall annually report to the Authority no later than June 30 the status of the Project, which shall include the outstanding and unpaid balance of Bonds issued for the Project, whether any event of default has occurred under the Financing Documents, and other information relating to the financing of the Project and benefits to the County of Clarke, Virginia.

##### Section 6.3 Reports by Authority Chairman Directors etc.

At each meeting of the Authority, the Chairman, each Director, the Secretary, the Treasurer and the Authority's Counsel shall report any action taken on behalf of the Authority since the last meeting, including receipt of reports required under Sections 4.7, 6.1 and 6.2.

### **Article VII**

#### **Enforcement**

##### Section 7.1 Enforcement of Provisions.

The Authority may refuse to consider or adopt any inducement resolutions, Financing  
Revision Date: 07-28-2016 Page 10

## **Rules and Procedures Of The Industrial Development Authority Of The Clarke County, Virginia**

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Documents or any other matters presented for its consideration if the Applicant has failed to comply with the requirements of these Rules.

### Section 7.2 Repeal of Actions Previously Taken.

The Authority may rescind or repeal any inducement resolution previously adopted by it or any other action taken by the Authority because of failure of the Applicant to comply with the provisions of these Rules or because of substantial changes in the management, ownership, Project plan or financial circumstances of the Applicant; provided, however, no inducement resolution or action taken by the Authority shall be repealed or rescinded unless prior written notice of such proposed action shall have been mailed to the Applicant at least three weeks before the date upon which such action is proposed to be taken. Notwithstanding the foregoing, no such action shall be taken by the Authority which will impair or adversely affect the interests of the holders of the Authority's Bonds.

## **Article VIII**

### **Statements of Policy**

#### Section 8.1 Construction, Operation and Effect of Rules.

These Rules are intended as guidelines to promote and insure the orderly and consistent consideration of Applications, Financing Documents and other matters brought before the Authority. For good cause, application of these Rules may be modified and waived upon a case by case basis upon the consent of the Authority. Any action taken by the Authority not in conformity with these Rules shall, nevertheless, be fully effective as if taken in compliance with these Rules. It is, however, the policy of the Authority that each Applicant comply fully and completely with these Rules, and failure to comply with these Rules may constitute grounds for refusal by the Authority to take any action requested.

#### Section 8.2 Approval of Inducement Resolution not to Constitute an Endorsement of Applicant.

The purpose of the Authority, as set forth in the Act, is to promote industry and develop trade by inducing manufacturing, industrial, governmental, commercial and non-profit enterprises to locate in or remain in the Commonwealth of Virginia. Pursuant to the Act, the Authority's powers shall be exercised for the benefit of the inhabitants of Virginia through the promotion of their safety, health, welfare, convenience or prosperity. Accordingly, the Authority's decision to adopt an inducement resolution or take other action will be based largely upon these factors. Further, the Act prohibits the Authority from operating any enterprise or Project. Since the Authority is a conduit for providing tax exempt financing to promote the commerce and industry of the Commonwealth of Virginia and the County of Clarke, Virginia, and given the express prohibition against



## **Rules and Procedures Of The Industrial Development Authority Of The Clarke County, Virginia**

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operating enterprises or Projects, the Authority believes it is improper for it to inquire into matters relating to the business judgment of the management of any Applicant not relevant to the foregoing factors. The Authority may, however, examine the business decisions and other aspects of management of the Applicant should it deem such matters relevant to the authorization, issuance and sale of its Bonds.

In view of the foregoing limitations, the adoption of an inducement resolution or any other action taken by the Authority is not to be used by any Applicant in any manner whatsoever as an endorsement or approval of the Applicant, its policies or its management.

### Section 8.3 Security for Payment of Bonds.

The Authority will require a showing that any issue of its Bonds is fully and adequately secured.

### Section 8.4 Compliance with Rules.

These Rules were adopted by the Authority to assist in the orderly and expeditious conduct of its business. As stated in Section 3.2 of these Rules, the Authority has reserved the right to require that any Applicant strictly conform to the requirements of the Rules. Among other things, the Rules require that each Applicant inform the Authority of any new developments or material changes in information which has been submitted to the Authority, either orally or in writing. Matters concerning the structure of the financing, the prospective purchasers of the Bonds and the security for payment of the Bonds are items of particular interest to the Authority; however, the Authority expects to be kept informed of all material changes to information submitted to it.

By submitting an Application to the Authority, the Applicant agrees to abide by these Rules. Thus, the burden is placed upon the Applicant to review and to comply with these Rules. The principal sanction which may be applied by the Authority against any Applicant for failure to comply with the Rules would be a refusal to take any action requested by the applicant. Such a refusal might result in embarrassment to or considerable financial expenses on the part of the Applicant. To avoid such embarrassment or expense, the Authority urges each Applicant to keep the Authority fully informed of any new developments or material changes to information previously submitted to the Authority, including in particular, changes in the contemplated financing structure or the proposed security for the Bonds. As noted above, the burden is upon the Applicant to convey this information to the Authority in a timely manner. What constitutes "timely" depends upon the circumstances of each case; however, each Applicant is urged to provide all such information before considerable time and expense is incurred upon matters which may prove unacceptable to the Authority. Any such communications should be made directly to the Authority's officers, directors and counsel.

October 27, 2016      Industrial Development Authority of the Clarke County, Virginia  
Meeting Room AB      1:00 p.m.

At a regular session of the Industrial Development Authority of the Clarke County, Virginia held in the Berryville Clarke County Government Center, 101 Chalmers Court, 2<sup>nd</sup> Floor, Berryville, Virginia on Thursday, October 27, 2016.

Authority Members Present: Mark Cochran, Brian Ferrell, Allan Frederickson, English Koontz, Rodney Pierce

Authority Members Absent: David Juday, Paul Jones

Board of Supervisors Liaison Present: David Weiss

County Staff Present: David Ash, Len Capelli, Lora Walburn

Press Present: Cathy Kuehner

Others Present: Janice Kuhn

1. Call to Order

At 1:00 pm, Mark Cochran called the meeting to order.

2. Approval of Agenda

**Rodney Pierce, seconded by Allan Frederickson, moved to adopt the agenda as presented. The motion carried by the following vote:**

Mark Cochran	- Aye
Brian Ferrell	- Aye
Allan Frederickson	- Aye
Paul Jones	- Absent
David Juday	- Absent
English Koontz	- Absent
Rodney Pierce	- Aye

At 1:01 pm, English Koontz joined the meeting.

3. Approval of July 28, 2016 Minutes

**Rodney Pierce, seconded by Brian Ferrell, moved to approve the July 28, 2016 minutes as presented. The motion carried by the following vote:**

Mark Cochran	- Aye
Brian Ferrell	- Aye
Allan Frederickson	- Aye
Paul Jones	- Absent
David Juday	- Absent
English Koontz	- Aye
Rodney Pierce	- Aye

4. Eagle Investment Update by Janice Kuhn

Highlights of the report provided by Janice Kuhn, Eagle Investment Group, include:

- Account overview:
  - o Net worth: \$35,050.36
    - Franklin Low Duration Total 28,241.64 Mutual Fund
    - Federated Government Reserves 6,808.72 Money Fund
- Review of Investments:
  - o Eagle Investments last attended a meeting in 2012 at which the Authority agreed to keep its investments in a money market fund.
  - o Franklin Templeton Investments Fund is very conservative.
  - o In the current political climate, may see swings in the near future. English Koontz cautioned against moving at this time opining that in a volatile market the funds would fare better where they are currently invested.
  - o Money in either fund is liquid and can be distributed at any time.
  - o Authority members expressed interest in better earnings but without undue risk.
  - o The Authority discussed various options and agreed to continue discussion at its January 2017 organizational meeting. Janice Kuhn offered to attend the January meeting.

5. Treasurer's Report

Allan Frederickson, Treasurer, distributed and reviewed the quarterly report.

**Allan Frederickson, seconded by English Koontz, moved to close the MMDA account \$1,531 and transfer funds to the checking account. The motion carried by the following vote:**

Mark Cochran	- Aye
Brian Ferrell	- Aye
Allan Frederickson	- Aye
Paul Jones	- Absent
David Juday	- Absent
English Koontz	- Aye
Rodney Pierce	- Aye

**English Koontz, seconded by Brian Ferrell, moved to accept the Treasurer's Report. The motion carried by the following vote:**

Mark Cochran	- Aye
Brian Ferrell	- Aye
Allan Frederickson	- Aye
Paul Jones	- Absent
David Juday	- Absent
English Koontz	- Aye
Rodney Pierce	- Aye

Oct. 26, 2016

Checking	\$66,277.93
MMDA	\$1,431.55
<u>Brokerage Account</u>	<u>\$34,998.87</u>
Total	\$102,808.35

Income	\$0.00
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Expense;

Lord Fairfax	\$6,000.00
<u>Meeting</u>	<u>\$300.00</u>
<u>Total Expense;</u>	<u>\$6,300.00</u>

Respectfully Submitted:



Allan Frederickson

## 6. Old Business

### A. Handsome Brook Farm Update

David Weiss, Board of Supervisor's liaison, provided the following:

- Handsome Brook farm, LLC has withdrawn its plans to open a facility in Berryville.
- The County has not expended funds beyond legal fees.
- The County and Town offered tax rebates.
- The Commonwealth offered a \$200,000 economic development incentive.

Len Capelli, Economic Development and Tourism Director, advised that he had spoken with the Commonwealth and Jordan Czeizler, Handsome Brook Farm. Highlights include:

- Mr. Czeizler will be providing written reasons for withdrawal including:
  - The egg market is down nationally.
  - Remediation problems at the site.
  - High cost of litigation in recent lawsuits.
- The recently-received \$200,000 economic development incentive will be returned to the Treasurer of the Commonwealth.
- Other businesses have expressed interest in the site.

## 7. New Business

### Economic Development Update

Len Capelli reviewed the monthly economic development report provided in the packet material to the Authority. Additional highlights include:

- Governor's Annual Request for Christmas Tree Ornament:
  - Cochran Lumber designing the ornament for the Town of Berryville.
  - Renee Whitefeather designing a gourd ornament for Clarke County.
- Economic Development Advisory Committees is distributing inserts with the personal property tax bills that ask for contact information from local businesses. Another mailing will be included with the business license renewal in January 2017.
- Artist studio tour was a success.
- Artisan trail does promote Art at the Mill.

- Discussion of other means to increase awareness and participation:
  - David Weiss suggested inclusion of the Farm Bureau in agribusiness / agri-tourism discussions.
  - English Koontz suggested brochures in local businesses. Len Capelli stated that he had no funding for brochures. David Weiss commented that funds for brochures could be set aside in the FY2018 budget.
- By consensus, the Authority instructed Mr. Capelli to explore other options beyond marketing Clarke County as “The Gateway to the Shenandoah Valley.”
- There is continued interest in the Battletown Inn.
- Neighborhood Italian Kitchen will be opening soon.

#### 8. Next Meeting Date

By consensus, the Authority agreed to meet on Thursday, January 26, 2017, at 1 pm in Meeting Room AB of the Berryville Clarke County Government Center, 101 Chalmers Court, 2<sup>nd</sup> Floor, Berryville, Virginia.

#### 9. Adjournment

At 1:54 p.m., **English Koontz, seconded by David Weiss, moved to adjourn the quarterly meeting. The motion carried by the following vote:**

Mark Cochran	- Aye
Brian Ferrell	- Aye
Allan Frederickson	- Aye
Paul Jones	- Absent
David Juday	- Absent
English Koontz	- Aye
Rodney Pierce	- Aye

ATTEST: October 27, 2016

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David Juday, Chair Industrial Development  
Authority of the Clarke County, Virginia

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Minutes Recorded and Transcribed by: Lora B. Walburn, Clerk, Industrial Development Authority of the Clarke County, Virginia



# Industrial Development Authority of the Clarke County Virginia

## Resolution of Appreciation and Recognition of Service Wayne Armbrust

**WHEREAS** on February 17, 2004, the Clarke County Board of Supervisors first appointed Wayne Armbrust to the Board of Directors for the Industrial Development Authority of the Clarke County Virginia to serve the remainder of the unexpired term of Henry L. Garrett, III; and,

**WHEREAS** Mr. Armbrust served the Authority as Treasurer from 2005 through 2010, Secretary from 2006 through 2010 and Vice Chair from 2011 through 2014; and,

**WHEREAS** during Mr. Armbrust’s tenure, he promoted the work of the Authority, actively participating in the sale of lots in the Business Park, the funding processes for Berryville Clarke County Government Center, Grafton School, Shenandoah University, Lord Fairfax Community College, Mary Hardesty House, as well as the Lord Fairfax Small Business Development Center; and,

**WHEREAS** during his tenure, Mr. Armbrust also served the County on the Communications Committee, Board of Equalization, Lord Fairfax Emergency Medical Services Council and Winchester Incubation Regional Enterprise.



**NOW THEREFORE BE IT RESOLVED**, the Board of Directors of the Industrial Development Authority of the Clarke County Virginia publicly acknowledges his service and expresses appreciation to Mr. Armbrust for his efforts and dedication to the citizens of Clarke County, and;

**BE IT FURTHER RESOLVED** that this resolution of gratitude and appreciation be entered into the official record of the actions of the Industrial Development Authority of the Clarke County Virginia and that a copy of this action be provided to Mr. Armbrust as a token of the high regard and esteem in which he is held by the Authority.

**APPROVED** by the unanimous vote of the Board of Directors for the Industrial Development Authority of the Clarke County Virginia assembled in regular session on the 2<sup>nd</sup> day of February 2017.

**Attest:**

\_\_\_\_\_  
David Juday, Chair

101 Chalmers Court, Suite B  
Berryville, VA 22611

Telephone: [540] 955-5175  
Fax: [540] 955-5180

## Clarke County Economic Development and Tourism

### Annual Report

December 2016 – DRAFT 12/12/2016

2016 has been a memorable year for economic development and tourism in Clarke County and Berryville. Changing trends and demographics have helped to slightly modify the focus from the Economic Development Strategic Plan adopted October 21, 2014.

While classic economic development has remained a primary focus of the department increasing tourism and establishing Clarke County and the towns and assets within the County as tourist destinations has also been actively addressed. In the Strategic Plan tourism was viewed as more of a long term goal with no clear or immediate agenda. Recent studies and articles as well as research by several prominent organizations strongly suggest that increasing tourism by featuring strong Differentiators in the community have broad positive results. This was further acknowledged by a recent Main Street study and report. In essence, get tourists and visitors on the streets, in the shops, in the farm markets, in the wineries and increased investment and growth will follow because nothing encourages investment like success.

The biggest asset we have is still being a rural community and an agricultural community. Our towns are authentically historic, our civil war sites are real, and our historic mills, buildings and farms date back over 200 years. Yet we are a short drive from one of the major Metropolitan regions in the country.

With the changing demographics and with younger millennial as well as older empty nesters traveling more and looking for unique experiences rather than classic tourist attractions we are in a very viable position. We try to convey that as one drives over the mountains on Route 7 or Route 50, one enters literally a different world. The river, the farms, the livestock and horses look as they might have 200 years ago. The Shenandoah River, the Blue Ridge Mountains and Country Roads all contribute to a unique experience for the local or long distance travelers.

In the 2015 Virginia Tourism Guide there were two attractions listed for Clarke County and none for Berryville. In the 2016 Guide there are 18 attractions listed. Additionally we are constantly promoting family fun outings and itineraries on Virginia.org one of the most heavily used tourism sites on the Internet. We also consistently post events and articles on Facebook to insure that interested people know what exciting or interesting events are taking place within Clarke County. The number of people following our two Facebook pages has steadily increased and the number of people reached, who are engaged and take action has been surprisingly successful.

One of the successful series of marketing campaigns has actually created a problem. The Town of Berryville and Clarke County have become Appalachian Trail Communities which opens a number of far reaching tourism and economic development opportunities. We were constantly promoting day hikes on the segments of the trail accessible in Clarke County. So many people were hiking, that it caused a parking problem. We are pursuing several paths to try and increase parking to alleviate this problem.

Additionally, the section of the Shenandoah River that runs through Clarke County is the only section designated a scenic waterway. We have met with Virginia Game and inland fisheries as well as outfitters on how to better use this resource and create potential new business opportunities.



Clarke County is fortunate to be the residence of a large number of accomplished artists and artisans. In order to take advantage of this resource we have been active in promoting our artist community in a number of ways. We helped to organize the Clarke County Studio Tour, and in conjunction with partners Peter Miller and Elizabeth Mock were able to apply for and receive a Virginia Tourism Marketing Grant of \$5000 which will insure we can repeat and improve the event for the future. The tour was very successful and most if not all artists have already signed up for next year.

A second significant accomplishment was being included in the Top of the Valley Artisan Trail. This has brought together not only artists and artisans, food artists, agribusinesses, inn's and B&B's, restaurants and other trail spots throughout Clarke County. State and national advertising both in print and online will certainly help local businesses to leverage their marketing and increase business. I actually first met with the executive director prior to assuming my position because I felt strongly that it would be of benefit to the County, the Towns and the artisans, artists and businesses of the community. I have seen firsthand the many benefits of other trails in the Commonwealth like the Crooked Trail and the Oyster Trail.

We have also been active with the Shenandoah Valley DMO. This collaboration will allow us to benefit from a Valley Wide advertising and marketing initiative. Surveys were conducted to better understand the goals, objectives and desires of visitors to the area. Clarke County, although smaller and with fewer resources and assets will be able to compete nicely for our fair share of the visitors who respond to the Valley campaign. We have the three top attractions. Historic small towns, farm to table restaurants and outdoor activities including the Shenandoah River and the Appalachian Trail.

In talking to local merchants, they have all commented that visitors and business has been improving in 2016. The results for 2016 from the state tourism Corporation will not be available for several months. But the 2015 results were better than 2014 and we are expecting even better results in 2016.

Unfortunately the most significant economic development initiative for Berryville and Clarke County ended up being a disappointment through no fault of the Town or the County. I was first contacted by VEDP in very early February regarding a food processing company that was considering several locations in the mid-Atlantic and Pennsylvania. I supplied information on why Clarke County should not only be considered, but why we should be chosen. Our work force demographics, ease of transportation, local schools, colleges and universities as well as a description of the fact that we are primarily an agribusinesses focused community and a company in this business sector would be welcomed and would be a good fit. This was successful and we learned who the company was and a meeting was scheduled. Christy Dunkle, who had been included from the first, organized the visit. I was out of town, but left a welcome gift and a letter of welcome for the Babcock. Following the meeting, I was involved in numerous conference calls as the deal progressed. I was not included in the actual negotiation because as a consultant I have no fiduciary responsibility. I was kept up to date and involved on the periphery through emails and phone calls with VEDP and VADCS.

I was very involved in the Governors visit and organized the reception at the Barns of Rose Hill. I have also been very involved in the termination of the agreement and providing the cover letter for the return of the Check to the State.

There has been lately, some publicity regarding the new Go Virginia initiative. I first reached out to neighboring communities on this initiative in the fall of 2015. At present the regions have been named but no committees have been formed. I have met with the economic development director of Frederick County and we are both waiting on updated information. The NSVC is aware of our interest in being involved and my offer of helping to form and serve on committees when they are formed.

We have added the complete list of companies with business licenses to the ED Web Site. This list can be queried so that by searching on electrician or electrical, all companies with those key words in their name are listed, providing another avenue for learning about goods and services in the County. We sent out an insert with the taxes asking for businesses to provide email and web site data. Several businesses have responded. Our neighboring counties send at least quarterly email blasts to businesses.

We are continuing to maintain properties on our web site and on Virginia Scan. These are often the way the interested companies first learn of available facilities and Clarke County. We had been planning another lunch and learn for VEDP but decided to postpone it due to the recent reorganization of VEDP that is not yet complete. We have reached out several times to owners or representatives of vacant buildings and land in the industrial park but have had no response.

Last year we supported and were very involved in the Entrepreneur Café at LFFCC. We are not doing that this year. Instead we are working on several programs focused just on Clarke County. We will be having an introductory meeting followed by several sessions focused on starting or improving an agribusiness, eco-business or an Agritourism business. We have people from the state, LFFCC and other agencies committed and are communicating with other local experts like the Farm Bureau.

I continue to be proactive in reaching out to local businesses and promoting them on our web sites and Facebook pages. I have continued to work with and promote all businesses in Berryville as well, because it is important to show a strong united presence to attract Tourists, Shoppers, Visitors and potential businesses and investors to the community.

While, as the Director of Economic Development my job is to find and encourage potential new businesses to invest in Clarke County often thinking "Outside the Box" I work closely with the planning and zoning departments to insure I don't create false expectations and nurture ill will with a prospect. We have developed a process and discuss certain high profile properties in advance so we understand the current land use and can also understand what if any changes or modifications might be possible. An example of this was working with planning and zoning to develop a compromise land use that could accommodate farm based breweries and distilleries. They worked up a plan and following it through presented it to the BOS and now we are in a position to actively solicit farming based breweries and distilleries.

I have met with a number of potential businesses and have ongoing conversations with many others regarding moving their business to Clarke County, unfortunately most of these desire total confidentiality and are not announced. Additionally I try to keep in touch in a variety of ways with existing businesses to make sure we are able to grow and retain the businesses we have. I have offered to assist with recruiting, job fairs, potential grants, and promoting the companies on our web sites and Facebook. We have not had a huge response but it is steadily improving.

Because of the Agricultural focus of Clarke County a good fit may be companies that are involved in some aspect of food processing, organic and health food manufacturing or related fields. In 2017, we are exploring attending and advertising with a booth at potential industry conferences. Generally we can get support from VEDP and or VDACS to participate reducing our potential investment costs.

In order to further promote the agricultural businesses in Clarke County we are planning a farm tour for late spring. It will be patterned more after Jefferson County West Virginia's Farm tour and include 4-5 farms on a well-documented but self-directed tour. We look forward to establishing this as a worthwhile annual event.

We must remember that we are a small relatively rural county with neighboring counties having total populations of 55,000, 81,000 and 375,000. With this in mind it is imperative that we constantly leverage our current assets while looking for acceptable businesses to add to our community and our tax base. We want businesses that will make an investment in Clarke County and bring good jobs to the county. Currently there are more job opportunities in the County than there are workers. Many of our larger employers constantly have job openings. Most of our restaurants have "Hiring" signs in their windows. I have met with representatives of LFFCC, neighboring communities and other organizations to try and create a plan to get potential workers into our County. We are even discussing ride share and van pools to help alleviate this problem. Demographic regional workforce statistics are very positive, but this doesn't necessarily translate into people who are looking for or are willing to work in Clarke County.

Below is a total summary of very positive results from promoting a variety of events and information on Facebook. Weekly totals from the inception of our Facebook marketing initiative are available.

The combined statistics for the two Facebook pages are:

Total Reach; 211,347 people reached

Page Visits; 1,467

People Engaged; 11,651

Visitors Page Total Likes; 720

Economic Development Page Total Likes; 114

## Chapter 36 Industrial Development Authority

[History June 6, 1972, adopted an ordinance creating the Industrial Development Authority of Clarke County, Virginia]

### Code of Virginia References

§ 15.2-4900. Industrial Development and Revenue Bond Act

### § 36-1 Name

The name of the authority shall be the Industrial Development authority of Clarke County, Virginia.

### § 36-2 Definitions

All terms used herein shall have the meanings given them in the Act.

### § 36-3 Powers

The authority shall have all the powers set forth in and permitted by the Act, including, without limitation, all powers incidental thereto or necessary for the performance of those hereinafter stated:

- A) To sue and be sued and to prosecute and defend, at law or in equity, in any court having jurisdiction of the subject matter and of the parties;
- B) To adopt and use a corporate seal and to alter the same at pleasure;
- C) To enter into contracts;
- D) To acquire, whether by purchase, exchange, gift, lease or otherwise, and to improve, maintain, equip and furnish one or more authority facilities including all real and personal properties which the board of directors of the authority may deem necessary in connection therewith and regardless of whether any such facilities shall then be in existence;
- E) To lease to others any or all of its facilities and to charge and collect rent therefor and to terminate any such lease upon the failure of the lessee to comply with any of the obligations thereof; and to include in any such lease, if desired, a provision that the lessee thereof shall have options to renew such lease or to purchase any or all of the leased facilities, or that upon payment of all of the indebtedness of the authority it may lease or convey any or all of its facilities to the lessee thereof with or without consideration;
- F) To sell, exchange, donate, and convey any or all of its facilities or properties whenever its board of directors shall find any such action to be in furtherance of the purposes for which the authority was organized;

- G) To issue its bonds for the purpose of carrying out any of its powers, including specifically, but without intending to limit any power conferred by this ordinance, the issuance of bonds to provide long-term financing of any pollution control facility, whether any such facility was constructed prior to or after the enactment hereof or the receipt of a commitment from the authority to undertake financing pursuant hereto, subject to limitations set forth in the Act;
- H) As security for the payment of the principal of and interest on any bonds so issued and any agreements made in connection therewith, to mortgage and pledge any or all of its facilities or any part or parts thereof, whether then owned or thereafter acquired, and to pledge the revenues therefrom or from any part thereof or from any loans made by the authority;
- I) To employ and pay compensation to such employees and agents, including attorneys and real estate brokers, whether engaged by the authority or otherwise, as the board of directors shall deem necessary in carrying on the business of the authority;
- J) To exercise all powers expressly given the authority by the Board of Supervisors, or its successor, and to establish bylaws and make all rules and regulations, not inconsistent with the provisions of this ordinance or of the Act, as it may be amended from time to time, deemed expedient for the management of the authority's affairs;
- K) To appoint an industrial advisory committee or similar committee or committees to advise the authority, consisting of such number of persons as it may deem advisable. Such persons may be compensated and reimbursed for expenses as permitted by the Act;
- L) To borrow money and to accept contributions, grants and other financial assistance from the United States of America and agencies or instrumentalities thereof, the Commonwealth of Virginia (the "Commonwealth"), or any political subdivision, agency, or public instrumentality of the Commonwealth, for or in aid of the construction, acquisition, ownership, maintenance or repair of the authority facilities, for the payment of principal of any bond of the authority, interest thereon, or other cost incident thereto, or in order to make loans in furtherance of the purposes of the Act of such money, contributions, grants, and other financial assistance, and to this end the authority shall have the power to comply with such conditions and to execute such agreements, trust indentures and other legal instruments as may

be necessary, convenient or desirable and to agree to such terms and conditions as may be imposed; and

- M) To make loans or grants to any person, partnership, association, corporation, business, or governmental entity in furtherance of the purposes of the Act, including for the purposes of promoting economic development, subject to the restrictions set forth in the Act and to enter into such contracts, instruments, and agreements as may be expedient to provide for such loans and any security therefore. The authority is also permitted to forgive loans or other obligations, if it is deemed to further economic development.

**§ 36-4 Other Matters**

All matters regarding the authority, including, without limitation, the membership of its board of directors, its governance, the issuance by it of bonds, notes and other obligations, and the liability of the Commonwealth, its political subdivisions and the officers and directors of the authority with respect to bonds issued by the authority, shall be governed by the terms of the Act, subject to any restrictions set forth in the bylaws of the authority, as such bylaws may be amended from time to time.

**§ 36-5 Effective Date**

This ordinance shall take effect immediately upon its passage by the Board of Supervisors.

**Amendments Chapter  
36**

*1999-10-22*

Reestablish the Industrial Development Authority. Number assigned by staff for consistency with other localities. .

## Chapter 49. Industrial Development and Revenue Bond Act

### § 15.2-4900. Short title.

This chapter shall be known and may be cited as the "Industrial Development and Revenue Bond Act."

1966, c. 651, § 15.1-1373; 1997, c. 587.

### § 15.2-4901. Purpose of chapter.

It is the intent of the legislature by the passage of this chapter to authorize the creation of industrial development authorities by the localities in the Commonwealth so that such authorities may acquire, own, lease, and dispose of properties and make loans to the end that such authorities may be able to promote industry and develop trade by inducing manufacturing, industrial, governmental, nonprofit and commercial enterprises and institutions of higher education to locate in or remain in the Commonwealth and further the use of its agricultural products and natural resources, and to vest such authorities with all powers that may be necessary to enable them to accomplish such purposes, which powers shall be exercised for the benefit of the inhabitants of the Commonwealth, either through the increase of their commerce, or through the promotion of their safety, health, welfare, convenience or prosperity. Such authority shall not itself be authorized to operate any such manufacturing, industrial, nonprofit or commercial enterprise or any facility of an institution of higher education.

It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial development authorities the powers contained herein with respect to pollution control facilities to the end that such authorities may protect and promote the health of the inhabitants of the Commonwealth and the conservation, protection and improvement of its natural resources by exercising such powers for the control or abatement of land, sewer, water, air, noise and general environmental pollution derived from the operation of any industrial or medical facility and to vest such authorities with all powers that may be necessary to enable them to accomplish such purpose, which powers shall be exercised for the benefit of the inhabitants of the Commonwealth, either through the increase of their commerce, or through the promotion of their safety, health, welfare, convenience or prosperity.

It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial development authorities the powers contained herein with respect to medical facilities and facilities for the residence or care of the aged to the end that such authorities may protect and promote the health and welfare of the inhabitants of the Commonwealth by assisting in the acquisition, construction, equipping, expansion, enlargement and improvement of medical facilities and facilities for the residence or care of the aged in order to provide modern and efficient medical services to the inhabitants of the Commonwealth and care of the aged of the Commonwealth in accordance with their special needs and also by assisting in the refinancing of medical facilities and facilities for the residence or care of the aged owned and operated by organizations which are exempt from taxation pursuant to § 501(c)(3) of the Internal Revenue Code of 1954, as amended, in order to reduce the costs to residents of the Commonwealth of utilizing such facilities and to vest such authorities with all powers that may be necessary to enable them to accomplish such purposes, which powers shall be exercised for the benefit of the inhabitants of the Commonwealth and for the promotion of their health and welfare. It is not intended hereby that any such authority shall itself be authorized to operate any such medical facility or facility for the residence or care of the aged.

It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial development authorities the powers contained herein with respect to facilities for use by organizations (other than institutions organized and operated exclusively for religious purposes) which are described in § 501(c)(3) of the Internal Revenue Code of 1954, as amended, and which are exempt from federal income taxation pursuant to § 501(a) of the Internal Revenue Code of 1954, as amended, to the end that such authorities may protect or promote the safety, health, welfare, convenience, and prosperity of the inhabitants of the Commonwealth by assisting in the acquisition, construction, equipping, expansion, enlargement, improvement, financing, and refinancing of such facilities of the aforesaid entities and organizations in order to provide operations, recreational, activity centers, and other facilities for the use of the inhabitants of the Commonwealth and to vest such authorities with all powers that may be necessary to enable them to accomplish such purposes, which powers shall be exercised for the benefit of the inhabitants of the Commonwealth and for the promotion of their safety, health, welfare, convenience or prosperity. It is not intended hereby that any such authority shall itself be authorized to operate any such facility.

It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial development authorities the powers contained herein with respect to facilities for private, accredited and nonprofit institutions of collegiate education in the Commonwealth whose primary purpose is to provide collegiate or graduate education and not to provide religious training or theological education to the end that such authorities may protect and promote the health and welfare of the inhabitants of the Commonwealth by assisting in the acquisition, construction, equipping, expansion,

enlargement, and improvement of facilities of aforesaid institutions in order to provide improved educational facilities for the use of the inhabitants of the Commonwealth and to vest such authorities with all powers that may be necessary to enable them to accomplish such purposes, which powers shall be exercised for the benefit of the inhabitants of the Commonwealth and for the promotion of their health, welfare, convenience or prosperity. It is not intended hereby that any such authority shall itself be authorized to operate any such educational facility.

It is the further intent of the legislature and shall be the policy of the Commonwealth to grant industrial development authorities the powers contained herein with respect to facilities for a locality, the Commonwealth and its agencies, and governmental and nonprofit organizations and to vest such authorities with all powers that may be necessary to enable them to accomplish such purposes, which powers shall be exercised for the benefit of the inhabitants of the Commonwealth and for the promotion of their health, welfare, convenience or prosperity.

It is further the intent of the legislature and shall be the policy of the Commonwealth to grant to industrial development authorities the powers contained herein with respect to facilities for museums and historical education, demonstration and interpretation, together with any and all buildings, structures or other facilities necessary or desirable in connection with the foregoing, for use by nonprofit organizations in order to promote tourism and economic development in the Commonwealth, to promote the knowledge of and appreciation by the citizens of the Commonwealth of the historical and cultural development and heritage of the Commonwealth and the United States and to promote thereby their health, welfare, convenience and prosperity. It is not intended hereby that any such authority shall itself be authorized to operate any such facility.

It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial development authorities the powers contained herein with respect to facilities devoted to the staging of equine events and activities (other than racing) for use by governmental or nonprofit, nonreligious organizations and operated by such governmental or nonprofit, nonreligious organizations in order to promote the equine industry and equine-related activities (other than racing) which are integral to the Commonwealth's economy and heritage and to promote thereby the safety, health, welfare, convenience, and prosperity of the inhabitants of the Commonwealth.

It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial development authorities the powers contained herein with respect to acquiring, developing, owning and operating an industrial park and any utilities that are intended primarily to serve the park and to issue bonds for such purposes. The bonds may be secured by revenues generated by the industrial park or the utilities being financed or by any other funds of the authority.

It is the further intent of the legislature and shall be the policy of the Commonwealth to grant to industrial development authorities created by one or more municipalities whose housing authorities have not been activated as provided by §§ [36-4](#) and [36-4.1](#), in addition to the powers previously or hereafter granted in this chapter, the powers contained herein with respect to facilities used primarily for single or multi-family residences in order to promote safe and affordable housing in the Commonwealth and to benefit thereby the safety, health, welfare and prosperity of the inhabitants of the Commonwealth. It is not intended hereby that any such authority shall itself be authorized to operate any such facility or exercise any powers of eminent domain set forth in § [36-27](#).

In any instance in this chapter where an industrial development authority may issue bonds through its authority to finance, the authority may also refinance such bonds.

This chapter shall be liberally construed in conformity with these intentions.

1966, c. 651, § 15.1-1375; 1972, c. 783; 1975, c. 489; 1977, c. 619; 1978, cc. 276, 526; 1984, c. 700; 1985, c. 317, § 15.1-1392; 1986, c. 473; 1988, c. 211; 1990, c. 312; 1991, c. 6; 1997, cc. 587, [758](#), [763](#); 2002, cc. [680](#), [725](#); 2005, c. [928](#); 2012, c. [498](#).

§ 15.2-4902. Definitions.

Wherever used in this chapter, unless a different meaning clearly appears in the context:

"Authority" means any political subdivision, a body politic and corporate, created, organized and operated pursuant to the provisions of this chapter, or if the authority is abolished, the board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers given by this chapter are given by law.

"Authority facilities" or "facilities" means any or all (i) medical (including, but not limited to, office and treatment facilities), pollution control or industrial facilities; (ii) facilities for the residence or care of the aged; (iii) multi-state regional or national headquarters offices or operations centers; (iv) facilities for private, accredited and nonprofit institutions of collegiate, elementary, or secondary education in the Commonwealth whose primary purpose is to provide collegiate, elementary, secondary, or graduate education and not to provide religious training or theological education, such facilities being for use as academic or administration buildings or any other structure or application usual and customary to a college, elementary or secondary school campus other than chapels and their like; (v) parking facilities, including parking structures; (vi) facilities for use as office space by nonprofit, nonreligious organizations; (vii) facilities for museums and historical education, demonstration and interpretation, together with buildings, structures or other



facilities necessary or desirable in connection with the foregoing, for use by nonprofit organizations; (viii) facilities for use by an organization (other than an organization organized and operated exclusively for religious purposes) which is described in § 501(c) (3) of the Internal Revenue Code of 1986, as amended, and which is exempt from federal income taxation pursuant to § 501 (a) of such Internal Revenue Code; (ix) facilities for use by a locality, the Commonwealth and its agencies, or other governmental organizations, provided that any such facilities owned by a locality, the Commonwealth or its agencies or other public bodies subject to the Virginia Public Procurement Act (§ 2.2-4300 et seq.) shall not be exempt from competitive procurement requirements, under the exception granted in subsection B of § 2.2-4344; (x) facilities devoted to the staging of equine events and activities (other than racing events); however, such facilities must be owned by a governmental or nonprofit, nonreligious organization and operated by any such governmental or nonprofit, nonreligious organization; (xi) facilities for commercial enterprises that are not enterprise zone facilities (as defined in § 1394 (b) of the Internal Revenue Code of 1986, as amended) now existing or hereafter acquired, constructed or installed by or for the authority pursuant to the terms of this chapter; however, facilities for commercial enterprise that are not enterprise zone facilities but which are taxable authority facilities shall constitute authority facilities only if the interest on any bonds issued to finance such facilities is not exempt from federal income taxation; (xii) enterprise zone facilities; and (xiii) facilities used primarily for single or multi-family residences. Clause (xiii) applies only to industrial development authorities created by one or more localities whose housing authorities have not been activated as provided by §§ 36-4 and 36-4.1. Any facility may be located within or outside or partly within or outside the locality creating the authority. Any facility may consist of or include any or all buildings, improvements, additions, extensions, replacements, machinery or equipment, and may also include appurtenances, lands, rights in land, water rights, franchises, furnishings, landscaping, utilities, approaches, roadways and other facilities necessary or desirable in connection therewith or incidental thereto, acquired, constructed, or installed by or on behalf of the authority. A pollution control facility shall include any facility acquired, constructed or installed or any expenditure made, including the reconstruction, modernization or modification of any existing building, improvement, addition, extension, replacement, machinery or equipment, and which is designed to further the control or abatement of land, sewer, water, air, noise or general environmental pollution derived from the operation of any industrial or medical facility. Any facility may be constructed on or installed in or upon lands, structures, rights-of-way, easements, air rights, franchises or other property rights or interests whether owned by the authority or others.

"Bonds" or "revenue bonds" embraces notes, bonds and other obligations authorized to be issued by the authority pursuant to the provisions of this chapter.

"Cost" means, as applied to authority facilities, the cost of construction; the cost of acquisition of all lands, structures, rights-of-way, franchises, easements and other property rights and interests; the cost of demolishing, removing or relocating any buildings or structures on lands acquired, including the cost of acquiring any lands to which such buildings or structures may be moved or relocated; the cost of all labor, materials, machinery and equipment; financing charges and interest on all bonds prior to and during construction and, if deemed advisable by the authority, for a period not exceeding one year after completion of such construction; cost of engineering, financial and legal services, plans, specifications, studies, surveys, estimates of cost and of revenues, and other expenses necessary or incident to determining the feasibility or practicability of constructing the authority facilities; administrative expenses, provisions for working capital, reserves for interest and for extensions, enlargements, additions and improvements; and such other expenses as may be necessary or incident to the construction of the authority facilities, the financing of such construction and the placing of the authority facilities in operation. Any obligation or expense incurred by the Commonwealth or any agency thereof, with the approval of the authority, for studies, surveys, borings, preparation of plans and specifications or other work or materials in connection with the construction of the authority facilities may be regarded as a part of the cost of the authority facilities and may be reimbursed to the Commonwealth or any agency thereof out of the proceeds of the bonds issued for such authority facilities as hereinafter authorized.

"Enterprise" means any industry for manufacturing, processing, assembling, storing, warehousing, distributing, or selling any products of agriculture, mining, or industry and for research and development or scientific laboratories, including, but not limited to, the practice of medicine and all other activities related thereto or for such other businesses or activities as will be in the furtherance of the public purposes of this chapter.

"Loans" means any loans made by the authority in furtherance of the purposes of this chapter from the proceeds of the issuance and sale of the authority's bonds and from any of its revenues or other moneys available to it as provided herein.

"Revenues" means any or all fees, rates, rentals and receipts collected by, payable to or otherwise derived by the authority from, and all other moneys and income of whatsoever kind or character collected by, payable to or otherwise derived by the authority in connection with the ownership, leasing or sale of the authority facilities or in connection with any loans made by the authority under this chapter.

"Taxable authority facilities" means any private or commercial golf course, country club, massage parlor, tennis club, skating facility (including roller skating, skateboard and ice skating), racquet sports facility, suntan facility, race track, or facility the primary purpose of which is one of the following: (i) retail food and beverage services (excluding grocery stores), (ii) automobile sales and service, (iii) recreation or entertainment, or (iv) banks, savings and loan institutions or mortgage loan companies. The foregoing sentence notwithstanding, no facility financed as an enterprise zone facility using tax-exempt "enterprise zone facility bonds" (as such term is used in § 1394 of the Internal Revenue Code ) shall

constitute a taxable authority facility.

"Trust indenture" means any trust agreement or mortgage under which bonds authorized pursuant to this chapter may be secured.

1966, c. 651, § 15.1-1374; 1968, c. 687; 1970, c. 725; 1972, c. 783; 1973, c. 528; 1977, cc. 238, 619, 673; 1978, c. 526; 1980, c. 372; 1983, c. 514; 1984, c. 700; 1986, c. 473; 1988, c. 211; 1990, cc. 312, 469; 1991, c. 6; 1994, c. [737](#); 1997, cc. 587, [758](#), [763](#); 1999, c. [379](#); 2005, c. [928](#); 2006, c. [324](#).

§ 15.2-4903. Creation of industrial development authorities.

A. The governing body of any locality in this Commonwealth is hereby authorized to create by ordinance a political subdivision of the Commonwealth, with such public and corporate powers as are set forth in this chapter. Any such ordinance may limit the type and number of facilities that the authority may otherwise finance under this chapter, which ordinance of limitation may, from time to time, be amended. In the absence of any such limitation, an authority shall have all powers granted under this chapter.

B. The name of the authority shall be the Industrial Development Authority of \_\_\_\_\_ (the blank spaces to be filled in with the name of the locality which created the authority, including the proper designation thereof as a county, city or town).

C. Notwithstanding subsection B, for any authority authorized by this section, the name of the authority may be the Economic Development Authority of \_\_\_\_\_ (the blank space to be filled in with the name of the locality that created the authority), if the governing body of such locality so chooses.

D. The authority jointly created by the Town of South Boston and Halifax County pursuant to § [15.2-4916](#) may be named the Economic Development Authority of Halifax, Virginia, or such other name as the governing bodies of the Town of South Boston and Halifax County shall choose in the concurrent resolutions creating such authority.

1966, c. 651, § 15.1-1376; 1975, c. 254; 1997, c. [587](#); 1999, c. [157](#); 2000, c. [398](#); 2001, cc. [5](#), [6](#), [730](#); 2002, cc. [169](#), [680](#), [725](#); 2003, cc. [159](#), [343](#), [345](#), [350](#), [357](#); 2004, cc. [292](#), [782](#), [933](#); 2016, cc. [164](#), [312](#).

§ 15.2-4904. Directors; qualifications; terms; vacancies; compensation and expenses; quorum; records; certification and distribution of report concerning bond issuance.

A. The authority shall be governed by a board of directors in which all powers of the authority shall be vested and which board shall be composed of seven directors, appointed by the governing body of the locality. The seven directors shall be appointed initially for terms of one, two, three and four years; two being appointed for one-year terms; two being appointed for two-year terms; two being appointed for three-year terms and one being appointed for a four-year term. Subsequent appointments shall be for terms of four years, except appointments to fill vacancies which shall be for the unexpired terms. All terms of office shall be deemed to commence upon the date of the initial appointment to the authority, and thereafter, in accordance with the provisions of the immediately preceding sentence. If at the end of any term of office of any director a successor thereto has not been appointed, then the director whose term of office has expired shall continue to hold office until his successor is appointed and qualified.

Notwithstanding the provisions of this subsection, the board of supervisors of Wise County may appoint eight members to serve on the board of the authority, with terms staggered as agreed upon by the board of supervisors, the board of supervisors of Henrico County may appoint 10 members to serve on the board of the authority, two from each magisterial district, with terms staggered as agreed upon by the board of supervisors, the board of supervisors of Roanoke County may appoint 10 members to serve on the board of the authority, two from each magisterial district, with terms staggered as agreed upon by the board of supervisors, the board of supervisors of Mathews County may appoint from five to seven members to serve on the board of the authority, the town council of the Town of Saint Paul may appoint 10 members to serve on the board of the authority, with terms staggered as agreed upon by the town council, however, the town council may at its option return to a seven member board by removing the last three members appointed, the board of supervisors of Russell County may appoint nine members, two of whom shall come from a town that has used its borrowing capacity to borrow \$2 million or more for industrial development, with terms staggered as agreed upon by the board of supervisors and the town council of the Town of South Boston shall appoint two at-large members, Page County may appoint nine members, with one member from each incorporated town, one member from each magisterial district, and one at-large, with terms staggered as agreed upon by the board of supervisors, Halifax County shall appoint five at-large members to serve on the board of the authority jointly created by the Town of South Boston and Halifax County pursuant to § [15.2-4916](#), with terms staggered as agreed upon by the governing bodies of the Town of South Boston and Halifax County in the concurrent resolutions creating such authority, the town council of the Town of Coeburn may appoint five members to serve on the board of the authority, with terms staggered as agreed upon by the town council, the city council of Suffolk may appoint eight members to serve on the board of the authority, with one member from each of the boroughs, and one at-large member, with terms staggered as agreed upon by the city council, the City of Chesapeake may appoint nine members, with terms staggered as agreed upon by the city council, and the city council of the City of Norfolk may appoint 11 members, with terms staggered as agreed upon by the city council.

A member of the board of directors of the authority may be removed from office by the local governing body without limitation in the event that the board member is absent from any three consecutive meetings of the authority, or is absent from any four meetings of the authority within any 12-month period. In either such event, a successor shall be appointed by the governing body for the unexpired portion of the term of the member who has been removed.

B. Each director shall, upon appointment or reappointment, before entering upon his duties take and subscribe the oath prescribed by § [49-1](#).

C. No director shall be an officer or employee of the locality except (i) in a town with a population of less than 3,500 where members of the town governing body may serve as directors provided they do not constitute a majority of the board, (ii) in Buchanan County where a constitutional officer who has previously served on the board of directors may serve as a director provided the governing body of such county approves, and (iii) in Frederick County where the board of supervisors may appoint one of its members to the Economic Development Authority of the County of Frederick, Virginia. Every director shall, at the time of his appointment and thereafter, reside in a locality within which the authority operates or in an adjoining locality. When a director ceases to be a resident of such locality, the director's office shall be vacant and a new director may be appointed for the remainder of the term.

D. The directors shall elect from their membership a chairman, a vice-chairman, and from their membership or not, as they desire, a secretary and a treasurer, or a secretary-treasurer, who shall continue to hold such office until their respective successors are elected. The directors shall receive no salary but may be compensated such amount per regular, special, or committee meeting or per each official representation as may be approved by the appointing authority, not to exceed \$200 per meeting or official representation, and shall be reimbursed for necessary traveling and other expenses incurred in the performance of their duties.

E. Four members of the board of directors shall constitute a quorum of the board for the purposes of conducting its business and exercising its powers and for all other purposes, except that no facilities owned by the authority shall be leased or disposed of in any manner without a majority vote of the members of the board of directors. No vacancy in the membership of the board shall impair the right of a quorum to exercise all the powers and perform all the duties of the board.

F. The board shall keep detailed minutes of its proceedings, which shall be open to public inspection at all times. It shall keep suitable records of its financial transactions and, unless exempted by § [30-140](#), it shall arrange to have the records audited annually. Copies of each such audit shall be furnished to the governing body of the locality and shall be open to public inspection.

Two copies of the report concerning issuance of bonds required to be filed with the United States Internal Revenue Service shall be certified as true and correct copies by the secretary or assistant secretary of the authority. One copy shall be furnished to the governing body of the locality and the other copy mailed to the Department of Small Business and Supplier Diversity.

1966, c. 651, § 15.1-1377; 1979, c. 35; 1980, c. 304; 1982, c. 463; 1983, c. 514; 1984, c. 750; 1987, c. 368; 1990, c. 87; 1993, c. 896; 1996, cc. [589](#), [599](#); 1997, c. [587](#); 1999, cc. [337](#), [408](#), [414](#); 2000, c. [963](#); 2001, c. [121](#); 2003, cc. [347](#), [357](#); 2006, c. [687](#); 2007, cc. [283](#), [338](#); 2008, c. [619](#); 2009, cc. [199](#), [200](#), [460](#), [597](#); 2012, cc. [337](#), [352](#); 2013, c. [482](#); 2014, cc. [381](#), [382](#); 2016, c. [414](#).

#### § 15.2-4905. Powers of authority.

The authority shall have the following powers together with all powers incidental thereto or necessary for the performance of those hereinafter stated:

1. To sue and be sued and to prosecute and defend, at law or in equity, in any court having jurisdiction of the subject matter and of the parties;
2. To adopt and use a corporate seal and to alter the same at pleasure;
3. To enter into contracts; however, any written contract of the authority shall contain provisions addressing the issue of whether attorney's fees shall be recoverable by the prevailing party in the event the contract is subject to litigation;
4. To acquire, whether by purchase, exchange, gift, lease or otherwise, and to improve, maintain, equip and furnish one or more authority facilities including all real and personal properties which the board of directors of the authority may deem necessary in connection therewith and regardless of whether any such facilities shall then be in existence;
5. To lease to others any or all of its facilities and to charge and collect rent therefor and to terminate any such lease upon the failure of the lessee to comply with any of the obligations thereof; and to include in any such lease, if desired, a provision that the lessee thereof shall have options to renew such lease or to purchase any or all of the leased facilities, or that upon payment of all of the indebtedness of the authority it may lease or convey any or all of its facilities to the lessee thereof with or without consideration;

6. To sell, exchange, donate, and convey any or all of its facilities or properties whenever its board of directors shall find any such action to be in furtherance of the purposes for which the authority was organized;
7. To issue its bonds for the purpose of carrying out any of its powers including specifically, but without intending to limit any power conferred by this section or this chapter, the issuance of bonds to provide long-term financing of any pollution control facility, whether any such facility was constructed prior to or after the enactment hereof or the receipt of a commitment from an authority to undertake financing pursuant hereto, unless the major part of the proceeds of such bonds will be used to redeem any prior long-term financing of such facility other than financings pursuant to this chapter or any similar law;
8. As security for the payment of the principal of and interest on any bonds so issued and any agreements made in connection therewith, to mortgage and pledge any or all of its facilities or any part or parts thereof, whether then owned or thereafter acquired, and to pledge the revenues therefrom or from any part thereof or from any loans made by the authority;
9. To employ and pay compensation to such employees and agents, including attorneys, and real estate brokers whether engaged by the authority or otherwise, as the board of directors shall deem necessary in carrying on the business of the authority;
10. To exercise all powers expressly given the authority by the governing body of the locality which established the authority and to establish bylaws and make all rules and regulations, not inconsistent with the provisions of this chapter, deemed expedient for the management of the authority's affairs;
11. To appoint an industrial advisory committee or similar committee or committees to advise the authority, consisting of such number of persons as it may deem advisable. Such persons may be compensated such amount per regular, special, or committee meeting as may be approved by the appointing authority, not to exceed \$50 per meeting day, and may be reimbursed for necessary traveling and other expenses incurred while on the business of the authority;
12. To borrow money and to accept contributions, grants and other financial assistance from the United States of America and agencies or instrumentalities thereof, the Commonwealth, or any political subdivision, agency, or public instrumentality of the Commonwealth, for or in aid of the construction, acquisition, ownership, maintenance or repair of the authority facilities, for the payment of principal of any bond of the authority, interest thereon, or other cost incident thereto, or in order to make loans in furtherance of the purposes of this chapter of such money, contributions, grants, and other financial assistance, and to this end the authority shall have the power to comply with such conditions and to execute such agreements, trust indentures, and other legal instruments as may be necessary, convenient or desirable and to agree to such terms and conditions as may be imposed; and
13. To make loans or grants to any person, partnership, association, corporation, business, or governmental entity in furtherance of the purposes of this chapter including for the purposes of promoting economic development, provided that such loans or grants shall be made only from revenues of the authority which have not been pledged or assigned for the payment of any of the authority's bonds, and to enter into such contracts, instruments, and agreements as may be expedient to provide for such loans and any security therefor. An authority may also be permitted to forgive loans or other obligations if it is deemed to further economic development. The word "revenues" as used in this subdivision includes contributions, grants and other financial assistance, as set out in subdivision 12.

The authority shall not have power to operate any facility as a business other than as lessor and shall not have the power to operate any single or multi-family housing facilities. However, the authority shall have the power to apply for, establish, operate and maintain a foreign-trade zone in accordance with the provisions of Chapter 14 (§ [62.1-159](#) et seq.) of Title 62.1. Any meeting held by the board of directors at which formal action is taken shall be open to the public.

If a locality has created an industrial development authority pursuant to this chapter or any other provision of law, no other such authority, not created by such locality, shall finance facilities, except pollution control facilities, within the boundaries of such locality, unless the governing body of such locality in which the facilities are located or are proposed to be located, concurs with the inducement resolution adopted by the authority, and shows such concurrence in a duly adopted resolution. Notwithstanding the foregoing, nothing contained herein shall be deemed to invalidate or otherwise impair any existing financing by an authority or the financing of any facilities for which application has been made to an authority prior to July 1, 1981.

1966, c. 651, § 15.1-1378; 1970, c. 598; 1972, c. 783; 1973, c. 528; 1981, c. 3; 1991, c. 6; 1993, c. 896; 1994, c. [317](#); 1997, cc. 587, [758](#), [763](#); 1998, c. [728](#); 2005, c. [575](#).

#### § 15.2-4906. Public hearing and approval.

A. Whenever federal law requires public hearings and public approval as a prerequisite to obtaining federal tax exemption for the interest paid on industrial development bonds, unless otherwise specified by federal law or regulation, the public hearing shall be conducted by the authority and the procedure for the public hearing and public approval shall be in accordance with this section.

B. For a public hearing by the authority, notice of the hearing shall be published once a week for two successive weeks in a newspaper having general circulation in the locality in which the facility to be financed is to be located of intention to provide financing for a named individual or business entity. The applicant shall pay the cost of publication. The notice shall specify the time and place of hearing at which persons may appear and present their views. The hearing shall be held not less than six days nor more than twenty-one days after the second notice shall appear in such newspaper.

The notice shall contain: (i) the name and address of the authority; (ii) the name and address (principal place of business, if any) of the party seeking financing; (iii) the maximum dollar amount of financing sought; and (iv) the type of business and purpose and specific location, if known, of the facility to be financed.

If after the hearing has been held the authority approves the financing, a reasonably detailed summary of the comments expressed at the hearing shall be conveyed promptly to the locality's governing body together with the recommendation of the authority.

C. For public approval, the governing body of the locality on behalf of which the bonds of the authority are issued shall within sixty calendar days from the public hearing held by the authority either approve or disapprove financing of any facility recommended by the authority.

Action of the governing body shall be by a majority of a quorum set out in a resolution. Such vote shall be recorded and disclose how each member voted.

In case of a joint authority the approval required by the governing body of the locality shall be that governing body of the area where the facility will be located, if permitted by federal law or regulation.

The provisions of this section shall not apply to bonds, notes or other obligations issued pursuant to hearings held and governmental approvals obtained prior to the effective date of this act in compliance with federal law or regulation.

1983, c. 514, § 15.1-1378.1; 1997, c. 587.

§ 15.2-4907. Fiscal impact statement.

Every request for industrial development (facility) financing when submitted to the governing body of the locality for approval shall be accompanied by a statement in the following form:

\_\_\_\_\_

Date

\_\_\_\_\_

(Name of Applicant)

\_\_\_\_\_

(Facility)

1. Maximum amount of financing sought	\$ _____
2. Estimated taxable value of the facility's real property to be constructed in the locality	\$ _____
3. Estimated real property tax per year using present tax rates	\$ _____
4. Estimated personal property tax per year using present tax rates	\$ _____
5. Estimated merchants' capital tax per year using present tax rates	\$ _____
6. a. Estimated dollar value per year of goods that will be purchased from Virginia companies within the locality	\$ _____
b. Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality	\$ _____
c. Estimated dollar value per year of services that will be purchased from Virginia companies within the locality	\$ _____
d. Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality	\$ _____
7. Estimated number of regular employees on year round basis	\$ _____
8. Average annual salary per employee	\$ _____

Signature  
\_\_\_\_\_  
Authority Chairman

\_\_\_\_\_  
Name of Authority

If one or more of the above questions do not apply to the facility indicate by writing N/A (not applicable) on the appropriate line.

The provisions of this section shall not apply to bonds, notes or other obligations issued pursuant to hearings held and governmental approvals obtained prior to the effective date of this act in compliance with federal law or regulation.

1983, c. 514, § 15.1-1378.2; 1997, c. 587; 1998, c. [728](#).

§ 15.2-4908. Issuance of bonds, notes and other obligations of authority.

A. Subject to the limitations of Chapter 50 (§ [15.2-5000](#) et seq.) of this title, the authority may issue bonds from time to time in its discretion, for any of its purposes, including the payment of all or any part of the cost of authority facilities and including the payment or retirement of bonds previously issued by it. All bonds issued by the authority shall be payable solely from the revenues and receipts derived from the leasing or sale by the authority of its facilities or any part thereof or from payments received by the authority in connection with its loans, and the authority may issue such types of bonds as it may determine, including, without limiting the generality of the foregoing, bonds payable, both as to principal and interest: (i) from its revenues and receipts generally; (ii) exclusively from the revenues and receipts of a particular facility or loan; or (iii) exclusively from the revenues and receipts of certain designated facilities or loans whether or not they are financed in whole or in part from the proceeds of such bonds. Unless otherwise provided in the proceeding authorizing the issuance of the bonds, or in the trust indenture securing the bonds, all bonds shall be payable solely and exclusively from the revenues and receipts of a particular facility or loan. Bonds may be executed and delivered by the authority at any time and from time to time, may be in such form and denominations and of such terms and maturities, may be in registered or bearer form either as to principal or interest or both, may be payable in such installments and at such time or times not exceeding 40 years from the date thereof, may be payable at such place or places whether within or outside the Commonwealth, may bear interest at such rate or rates, may be payable at such time or times, may be evidenced in such manner, and may contain such provisions not inconsistent herewith, all as shall be determined by the board of directors. If deemed advisable by the board of directors, there may be retained in the proceedings under which any bonds of the authority are authorized to be issued an option to redeem all or any part thereof, at such price or prices and after such notice or notices and on such terms and conditions as may be determined by the board of directors and as may be briefly recited on the face of the bonds, but nothing herein contained shall be construed to confer on the authority any right or option to redeem any bonds except as may be provided in the proceedings under which they shall be issued. Any bonds of the authority may be sold at public or private sale in such manner and from time to time as may be determined by the board of directors of the authority to be most advantageous, and the authority may pay all costs, premiums and commissions which its board of directors may deem necessary or advantageous in connection with the issuance thereof. Issuance by the authority of one or more series of bonds for one or more purposes shall not preclude it from issuing other bonds in connection with the same facility or any other facility, but the proceedings whereunder any subsequent bonds may be issued shall recognize and protect any prior pledge or mortgage made for any prior issue of bonds. Any bonds of the authority at any time outstanding may from time to time be refunded by the authority by the issuance of its refunding bonds in such amount as the board of directors may deem necessary, but not exceeding an amount sufficient to refund the principal of the bonds so to be refunded, together with any unpaid interest thereon and any costs, premiums or commissions necessary to be paid in connection therewith. Any such refunding may be effected whether the bonds to be refunded shall have then matured or shall thereafter mature, either by sale of the refunding bonds and the application of the proceeds thereof to the payment of the bonds to be refunded thereby, or by the exchange of the refunding bonds for the bonds to be refunded thereby, with the consent of the holders of the bonds so to be refunded, and regardless of whether the bonds to be refunded were issued in connection with the same facilities or separate facilities, and regardless of whether the bonds proposed to be refunded are payable on the same date or on different dates or are due serially or otherwise. The determination of the form, denominations, maturities, redemption provisions, places of payment, interest rate or rates, payment installments, dates and all other terms and provisions of bonds as authorized in this section may be made by the board of directors in such manner as the board may provide, including the determination by reference to indices and formulas or by agents designated by the board of directors under guidelines established by it.

B. All bonds shall be signed by the chairman or vice-chairman of the authority or shall bear his facsimile signature, and the corporate seal of the authority or a facsimile thereof shall be impressed or imprinted thereon and attested by the signature of the secretary (or the secretary-treasurer) or the assistant secretary (or assistant secretary-treasurer) of the authority or shall bear his facsimile signature, and any coupons attached thereto shall bear the facsimile signature of the chairman. In case any officer whose signature or a facsimile signature appears on any bonds or coupons ceases to be an officer before delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. When the signatures of both the chairman or the vice-chairman and the secretary (or the secretary-treasurer) or the assistant secretary (or the assistant secretary-treasurer) are facsimiles, the bonds shall be authenticated by a corporate trustee or other authenticating agent approved by the authority.

C. If the proceeds derived from a particular bond issue, due to error of estimates or otherwise, are less than the cost of the authority facilities for which such bonds were issued, additional bonds may in like manner be issued to provide the amount of such deficit and, unless otherwise provided in the proceedings authorizing the issuance of the bonds of such issue or in the trust indenture securing the same, shall be deemed to be of the same issue and shall be entitled to

payment from the same fund without preference or priority of the bonds of the first issue. If the proceeds of the bonds of any issue shall exceed such cost, the surplus may be deposited to the credit of the sinking fund for such bonds or may be applied to the payment of the cost of any additions, improvements or enlargements of the authority facilities for which such bonds shall have been issued.

D. Prior to the preparation of definitive bonds, the authority may, under like restrictions, issue interim receipts or temporary bonds with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The authority may also provide for the replacement of any bonds which are mutilated, destroyed or lost. Bonds may be issued under the provisions of this chapter without obtaining the consent of any department, division, commission, board, bureau or agency of the Commonwealth, and without any other proceedings or the happening of any other conditions or things other than those proceedings, conditions or things which are specifically required by this chapter; however, nothing contained in this chapter shall be construed as affecting the powers and duties now conferred by law upon the State Corporation Commission.

E. All bonds issued under the provisions of this chapter shall have and are hereby declared to have all the qualities and incidents of and shall be and are hereby made negotiable instruments under the Uniform Commercial Code of Virginia (§ [8.1A-101](#) et seq.), subject only to provisions respecting registration of the bonds.

F. In addition to all other powers granted to the authority by this chapter, the authority may issue, from time to time, notes or other obligations of the authority for any of its authorized purposes. The provisions of this chapter which relate to bonds or revenue bonds shall apply to such notes or other obligations insofar as such provisions may be appropriate.

1966, c. 651, § 15.1-1379; 1968, c. 687; 1983, c. 514; 1991, c. 6; 1997, c. 587; 2003, cc. [353](#), [683](#).

#### § 15.2-4909. Liability of Commonwealth, political subdivisions, directors and officers.

A. Bonds issued pursuant to this chapter shall not be deemed to constitute a debt or a pledge of the faith and credit of the Commonwealth, or any political subdivision thereof, including the locality which created the authority issuing such bonds, but such bonds shall be payable solely from the funds provided therefor as herein authorized. All such bonds shall contain on the face thereof a statement to the effect that neither the Commonwealth, nor any political subdivision thereof, nor the authority shall be obligated to pay the same or the interest thereon or other costs incident thereto except from the revenues and moneys pledged therefor and that neither the faith and credit nor the taxing power of the Commonwealth, or any political subdivision thereof, is pledged to the payment of the principal of such bonds or the interest thereon or other costs incident thereto.

B. Neither the directors of the authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof.

C. All expenses incurred in carrying out the provisions of this chapter shall be payable solely from the funds of the authority and no liability or obligation shall be incurred by the authority hereunder beyond the extent to which moneys shall be available to the authority.

D. Bonds issued pursuant to the provisions of this chapter shall not constitute an indebtedness within the meaning of any debt limitation or restriction.

1966, c. 651, § 15.1-1380; 1997, c. 587.

#### § 15.2-4910. Security for payment of bonds; default.

The principal of and interest on any bonds issued by the authority shall be secured by a pledge of the revenues and receipts out of which the same shall be made payable, and may be secured by a trust indenture covering all or any part of the authority facilities from which revenues or receipts so pledged may be derived, including any enlargements of and additions to any such projects thereafter made. The resolution under which the bonds are authorized to be issued and any such trust indenture may contain any agreements and provisions respecting the maintenance of the projects covered thereby, the fixing and collection of rents for any portions thereof leased by the authority to others, the creation and maintenance of special funds from such revenues and the rights and remedies available in the event of default, all as the board of directors shall deem advisable not in conflict with the provisions hereof. Each pledge, agreement and trust indenture made for the benefit or security of any of the bonds of the authority shall continue effective until the principal of and interest on such bonds have been fully paid. In the event of default in such payment or in any agreements of the authority made as a part of the contract under which the bonds were issued, whether contained in the proceedings authorizing the bonds or in any trust indenture executed as security therefor, such payment or agreements may be enforced by writ of mandamus, or by a suit, action or proceeding at law or in equity to compel the authority and the directors, officers, agents or employees thereof to perform the terms, provisions, and covenants contained in any trust indenture of the authority, by the appointment of a receiver in equity or by foreclosure of any such trust indenture or any one or more of said remedies.

1966, c. 651, § 15.1-1381; 1997, c. 587.

§ 15.2-4911. Rents, fees and other charges.

The authority shall fix and revise from time to time the rents, fees and other charges to be paid to it in connection with the lease or sale of various authority facilities and for any other services furnished or provided by the authority. Such rents, fees and charges shall provide at least sufficient funds to pay the cost of maintaining, repairing and operating such projects and the principal and interest of any bonds issued by the authority or other debts contracted as the bonds become due and payable. The authority and the political subdivision in which all or any part of a particular authority facility is located may agree on payment by the authority on account of governmental services to be rendered by the political subdivision in such amounts as the authority may find to be consistent with the purposes of this chapter. A reserve may be accumulated and maintained out of the revenues and receipts of the authority for extraordinary repairs and expenses and for such other purposes as may be provided in any resolution authorizing a bond issue or in any trust indenture securing the authority's bonds. Subject to such provisions and restrictions as may be set forth in the resolution or in the trust indenture authorizing or securing any of the bonds or other obligations hereunder, the authority shall have exclusive control of the revenues and receipts derived from the lease or sale of any authority facility and the right to use the revenues and receipts in the exercise of its powers and duties set forth in this chapter.

1966, c. 651, § 15.1-1382; 1968, c. 687; 1973, c. 528; 1997, c. 587.

§ 15.2-4912. Exemption from taxation.

The authority is hereby declared to be performing a public function in behalf of the locality with respect to which the authority is created and to be a public instrumentality of such locality. Accordingly, the income, including any profit made on the sale thereof from all bonds issued by the authority, shall at all times be exempt from all taxation by the Commonwealth or any political subdivision thereof.

1966, c. 651, § 15.1-1383; 1997, c. 587.

§ 15.2-4913. Authority to be nonprofit; excess earnings.

The authority shall be nonprofit and no part of its net earnings remaining after payment of its expenses shall enure to the benefit of any individual, firm or corporation, except that if the board of directors of the authority determines that sufficient provision has been made for the full payment of the expenses, bonds and other obligations of the authority then any net earnings of the authority thereafter accruing shall be paid to the locality with respect to which the authority was created. However, nothing herein contained shall prevent the board of directors from transferring all or any part of its facilities or properties in accordance with the terms of any contract entered into by the authority.

1966, c. 651, § 15.1-1384; 1973, c. 528; 1997, c. 587.

§ 15.2-4914. Dissolution of authority; disposition of property.

Whenever the board of directors of the authority by resolution determines that the purposes for which the authority was formed have been substantially complied with and all bonds theretofore issued and all obligations theretofore incurred by the authority have been fully paid, the then members of the board of directors of the authority shall thereupon execute and file for record with the governing body of the locality which created the authority, a resolution declaring such facts. If the governing body of the locality which created the authority is of the opinion that the facts stated in the authority's resolution are true and that the authority should be dissolved, it shall so resolve and the authority shall stand dissolved. Upon such dissolution, the title to all funds and properties owned by the authority at the time of such dissolution shall vest in the locality creating the authority and possession of such funds and properties shall forthwith be delivered to such locality.

1966, c. 651, § 15.1-1385; 1997, c. 587.

§ 15.2-4915. Bonds as legal investments and lawful security.

The bonds issued pursuant to this chapter shall be and are hereby declared to be legal and authorized investments for banks, savings banks, trust companies, building and loan associations, insurance companies, fiduciaries, trustees, guardians and for all public funds of the Commonwealth or other political corporations or subdivisions of the Commonwealth. Such bonds shall be eligible to secure the deposit of public funds of the Commonwealth, localities, school districts or other political corporations or subdivisions of the Commonwealth, and shall be security for such deposits to the extent of their value when accompanied by all unmatured coupons appertaining thereto.

1966, c. 651, § 15.1-1386; 1997, c. 587.

§ 15.2-4916. Authorities acting jointly.

The powers herein conferred upon authorities created under this chapter may be exercised by two or more authorities acting jointly. Two or more localities may jointly create an authority, in which case each of the directors of such authority shall be appointed by the governing body of the respective locality which the director represents.



1966, c. 651, § 15.1-1387; 1982, c. 463; 1997, c. 587.

§ 15.2-4917. Facility sites.

Any locality may acquire, pursuant to § [15.2-1800](#), but not by condemnation, a facility site and may likewise transfer any facility site to an authority. Such transfer may be authorized by a resolution of the governing body of the locality without submission of the question to the voters and without regard to the requirements, restrictions, limitations or other provisions contained in any other general, special or local law. Such facility sites may be located within or outside or partially within or outside the locality creating the authority. If a real estate broker licensed under § [54.1-2100](#) represents a party in a transaction through which a facility site is acquired, the locality may pay a reasonable brokerage fee to such real estate broker.

1966, c. 651, § 15.1-1388; 1997, c. 587; 1998, c. [728](#).

§ 15.2-4918. Provisions of chapter cumulative; construction.

This chapter neither limits nor restricts any powers which the authority might otherwise have under any laws of this Commonwealth. No proceedings, notice or approval shall be required for the organization of the authority or the issuance of any bonds or any instrument as security therefor, except as herein provided. However, nothing herein shall be construed to deprive the Commonwealth and its political subdivisions of their respective police powers over properties of the authority or to impair any power thereover of any official or agency of the Commonwealth and its political subdivisions which may be otherwise provided by law. Nothing contained in this chapter shall be deemed to authorize the authority to occupy or use any land, streets, buildings, structures or other property of any kind, owned or used by any political subdivision within its jurisdiction, or any public improvement or facility maintained by such political subdivision for the use of its inhabitants, without first obtaining the consent of the governing body thereof.

1966, c. 651, § 15.1-1389; 1997, c. 587.

§ 15.2-4919. Provisions of chapter controlling over other statutes and charters.

Any provision of this chapter which is found to be in conflict with any other statute or charter shall be controlling and shall supersede such other statute or charter to the extent of such conflict.

1966, c. 651, § 15.1-1390; 1997, c. 587; 2015, c. [709](#).

§ 15.2-4920. Validation of creation of authorities, appointment of directors and proceedings; curative resolutions.

All proceedings heretofore taken with respect to the creation of authorities by any locality pursuant to this chapter are hereby validated and confirmed and all such authorities are declared to be legally created. All incumbent directors of authorities are declared to be and are lawfully appointed directors of authorities, notwithstanding any failure to conform to the requirements of this chapter, and all such appointments are hereby ratified, validated and confirmed. However, all terms of incumbent directors shall conform to § [15.2-4904](#). The governing body of any locality is hereby authorized to adopt such corrective resolutions as may be necessary to carry out the requirements of the immediately preceding sentence. All proceedings heretofore taken to provide for or with respect to the authorization, issuance, sale, execution or delivery of bonds by or on behalf of any authority are hereby validated, ratified, approved and confirmed, and any such bonds so issued shall be valid, legal, binding and enforceable obligations of such authority.

1980, c. 304, § 15.1-1391; 1997, c. 587.

Code of Virginia

Title 2.2. Administration of Government

Chapter 31. State and Local Government Conflict of Interests Act

## Article 1. General Provisions

### **§ 2.2-3100. Policy; application; construction.**

The General Assembly, recognizing that our system of representative government is dependent in part upon (i) citizen legislative members representing fully the public in the legislative process and (ii) its citizens maintaining the highest trust in their public officers and employees, finds and declares that the citizens are entitled to be assured that the judgment of public officers and employees will be guided by a law that defines and prohibits inappropriate conflicts and requires disclosure of economic interests. To that end and for the purpose of establishing a single body of law applicable to all state and local government officers and employees on the subject of conflict of interests, the General Assembly enacts this State and Local Government Conflict of Interests Act so that the standards of conduct for such officers and employees may be uniform throughout the Commonwealth.

This chapter shall supersede all general and special acts and charter provisions which purport to deal with matters covered by this chapter except that the provisions of §§ 15.2-852, 15.2-2287, 15.2-2287.1, and 15.2-2289 and ordinances adopted pursuant thereto shall remain in force and effect. The provisions of this chapter shall be supplemented but not superseded by the provisions on ethics in public contracting in Article 6 (§ 2.2-4367 et seq.) of Chapter 43 of this title and ordinances adopted pursuant to § 2.2-3104.2 regulating receipt of gifts.

The provisions of this chapter do not preclude prosecution for any violation of any criminal law of the Commonwealth, including Articles 2 (Bribery and Related Offenses, § 18.2-438 et seq.) and 3 (Bribery of Public Servants and Party Officials, § 18.2-446 et seq.) of Chapter 10 of Title 18.2, and do not constitute a defense to any prosecution for such a violation.

This chapter shall be liberally construed to accomplish its purpose.

1987, Sp. Sess., c. 1, § 2.1-639.1; 1990, c. 672; 2001, c. 844; 2003, c. 694; 2008, c. 532; 2014, cc. 792, 804.

### **§ 2.2-3100.1. Copy of chapter; review by officers and employees.**

Any person required to file a disclosure statement of personal interests pursuant to subsections A or B of § 2.2-3114, subsections A or B of § 2.2-3115 or § 2.2-3116 shall be furnished by the public body's administrator a copy of this chapter within two weeks following the person's election, reelection, employment, appointment or reappointment.

All officers and employees shall read and familiarize themselves with the provisions of this chapter.

2004, cc. 134, 392.

### **§ 2.2-3101. Definitions.**

As used in this chapter, unless the context requires a different meaning:

"Advisory agency" means any board, commission, committee or post which does not exercise any sovereign power or duty, but is appointed by a governmental agency or officer or is created by law for the purpose of making studies or recommendations, or advising or consulting with a

governmental agency.

"Affiliated business entity relationship" means a relationship, other than a parent-subsidary relationship, that exists when (i) one business entity has a controlling ownership interest in the other business entity, (ii) a controlling owner in one entity is also a controlling owner in the other entity, or (iii) there is shared management or control between the business entities. Factors that may be considered in determining the existence of an affiliated business entity relationship include that the same person or substantially the same person owns or manages the two entities, there are common or commingled funds or assets, the business entities share the use of the same offices or employees, or otherwise share activities, resources or personnel on a regular basis, or there is otherwise a close working relationship between the entities.

"Business" means a corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, trust or foundation, or any other individual or entity carrying on a business or profession, whether or not for profit.

"Candidate" means a person who seeks or campaigns for an office of the Commonwealth or one of its governmental units in a general, primary, or special election and who is qualified to have his name placed on the ballot for the office. The candidate shall become subject to the provisions of this chapter upon the filing of a statement of qualification pursuant to § 24.2-501. The State Board of Elections or general registrar shall notify each such candidate of the provisions of this chapter. Notification made by the general registrar shall consist of information developed by the State Board of Elections.

"Contract" means any agreement to which a governmental agency is a party, or any agreement on behalf of a governmental agency that involves the payment of money appropriated by the General Assembly or a political subdivision, whether or not such agreement is executed in the name of the Commonwealth, or some political subdivision thereof. "Contract" includes a subcontract only when the contract of which it is a part is with the officer's or employee's own governmental agency.

"Council" means the Virginia Conflict of Interest and Ethics Advisory Council established in § 30-355.

"Employee" means all persons employed by a governmental or advisory agency, unless otherwise limited by the context of its use.

"Financial institution" means any bank, trust company, savings institution, industrial loan association, consumer finance company, credit union, broker-dealer as defined in subsection A of § 13.1-501, or investment company or advisor registered under the federal Investment Advisors Act or Investment Company Act of 1940.

"Gift" means any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. It includes services as well as gifts of transportation, local travel, lodgings and meals, whether provided in-kind, by purchase of a ticket, payment in advance or reimbursement after the expense has been incurred. "Gift" does not include (i) any offer of a ticket, coupon, or other admission or pass unless the ticket, coupon, admission, or pass is used; (ii) honorary degrees; (iii) any athletic, merit, or need-based scholarship or any other financial aid awarded by a public or private school, institution of higher education, or other educational program pursuant to such school, institution, or program's financial aid standards and procedures applicable to the general public; (iv) a campaign contribution properly received and

reported pursuant to Chapter 9.3 (§ 24.2-945 et seq.) of Title 24.2; (v) any gift related to the private profession or occupation of an officer or employee or of a member of his immediate family; (vi) food or beverages consumed while attending an event at which the filer is performing official duties related to his public service; (vii) food and beverages received at or registration or attendance fees waived for any event at which the filer is a featured speaker, presenter, or lecturer; (viii) unsolicited awards of appreciation or recognition in the form of a plaque, trophy, wall memento, or similar item that is given in recognition of public, civic, charitable, or professional service; (ix) a devise or inheritance; (x) travel disclosed pursuant to the Campaign Finance Disclosure Act (§ 24.2-945 et seq.); (xi) travel paid for or provided by the government of the United States, any of its territories, or any state or any political subdivision of such state; (xii) travel provided to facilitate attendance by a legislator at a regular or special session of the General Assembly, a meeting of a legislative committee or commission, or a national conference where attendance is approved by the House Committee on Rules or its Chairman or the Senate Committee on Rules or its Chairman; (xiii) travel related to an official meeting of the Commonwealth, its political subdivisions, or any board, commission, authority, or other entity, or any charitable organization established pursuant to § 501(c)(3) of the Internal Revenue Code affiliated with such entity, to which such person has been appointed or elected or is a member by virtue of his office or employment; (xiv) gifts with a value of less than \$20; or (xv) gifts from relatives or personal friends. For the purpose of this definition, "relative" means the donee's spouse, child, uncle, aunt, niece, nephew, or first cousin; a person to whom the donee is engaged to be married; the donee's or his spouse's parent, grandparent, grandchild, brother, sister, step-parent, step-grandparent, step-grandchild, step-brother, or step-sister; or the donee's brother's or sister's spouse. For the purpose of this definition, "personal friend" does not include any person that the filer knows or has reason to know is (a) a lobbyist registered pursuant to Article 3 (§ 2.2-418 et seq.) of Chapter 4 of Title 2.2; (b) a lobbyist's principal as defined in § 2.2-419; (c) for an officer or employee of a local governmental or advisory agency, a person, organization, or business who is a party to or is seeking to become a party to a contract with the local agency of which he is an officer or an employee; or (d) for an officer or employee of a state governmental or advisory agency, a person, organization, or business who is a party to or is seeking to become a party to a contract with the Commonwealth. For purposes of this definition, "person, organization, or business" includes individuals who are officers, directors, or owners of or who have a controlling ownership interest in such organization or business.

"Governmental agency" means each component part of the legislative, executive or judicial branches of state and local government, including each office, department, authority, post, commission, committee, and each institution or board created by law to exercise some regulatory or sovereign power or duty as distinguished from purely advisory powers or duties. Corporations organized or controlled by the Virginia Retirement System are "governmental agencies" for purposes of this chapter.

"Immediate family" means (i) a spouse and (ii) any other person who resides in the same household as the officer or employee and who is a dependent of the officer or employee.

"Officer" means any person appointed or elected to any governmental or advisory agency including local school boards, whether or not he receives compensation or other emolument of office. Unless the context requires otherwise, "officer" includes members of the judiciary.

"Parent-subsidiary relationship" means a relationship that exists when one corporation directly or indirectly owns shares possessing more than 50 percent of the voting power of another

corporation.

"Personal interest" means a financial benefit or liability accruing to an officer or employee or to a member of his immediate family. Such interest shall exist by reason of (i) ownership in a business if the ownership interest exceeds three percent of the total equity of the business; (ii) annual income that exceeds, or may reasonably be anticipated to exceed, \$5,000 from ownership in real or personal property or a business; (iii) salary, other compensation, fringe benefits, or benefits from the use of property, or any combination thereof, paid or provided by a business or governmental agency that exceeds, or may reasonably be anticipated to exceed, \$5,000 annually; (iv) ownership of real or personal property if the interest exceeds \$5,000 in value and excluding ownership in a business, income, or salary, other compensation, fringe benefits or benefits from the use of property; (v) personal liability incurred or assumed on behalf of a business if the liability exceeds three percent of the asset value of the business; or (vi) an option for ownership of a business or real or personal property if the ownership interest will consist of clause (i) or (iv) above.

"Personal interest in a contract" means a personal interest that an officer or employee has in a contract with a governmental agency, whether due to his being a party to the contract or due to a personal interest in a business that is a party to the contract.

"Personal interest in a transaction" means a personal interest of an officer or employee in any matter considered by his agency. Such personal interest exists when an officer or employee or a member of his immediate family has a personal interest in property or a business or governmental agency, or represents or provides services to any individual or business and such property, business or represented or served individual or business (i) is the subject of the transaction or (ii) may realize a reasonably foreseeable direct or indirect benefit or detriment as a result of the action of the agency considering the transaction. Notwithstanding the above, such personal interest in a transaction shall not be deemed to exist where (a) an elected member of a local governing body serves without remuneration as a member of the board of trustees of a not-for-profit entity and such elected member or member of his immediate family has no personal interest related to the not-for-profit entity or (b) an officer, employee, or elected member of a local governing body is appointed by such local governing body to serve on a governmental agency, or an officer, employee, or elected member of a separate local governmental agency formed by a local governing body is appointed to serve on a governmental agency, and the personal interest in the transaction of the governmental agency is the result of the salary, other compensation, fringe benefits, or benefits provided by the local governing body or the separate governmental agency to the officer, employee, elected member, or member of his immediate family.

"State and local government officers and employees" shall not include members of the General Assembly.

"State filer" means those officers and employees required to file a disclosure statement of their personal interests pursuant to subsection A or B of § [2.2-3114](#).

"Transaction" means any matter considered by any governmental or advisory agency, whether in a committee, subcommittee, or other entity of that agency or before the agency itself, on which official action is taken or contemplated.

1987, Sp. Sess., c. 1, § 2.1-639.2; 1988, c. 536; 1992, c. 865; 1993, c. 303; 1994, cc. [74](#), [724](#); 1995, c.

495;1996, c. 77;1997, c. 641;2001, c. 844;2003, c. 694;2004, cc. 134, 392;2012, cc. 345, 771;2013, c. 475;2014, cc. 792, 804;2015, cc. 763, 777;2016, cc. 773, 774.

## Article 2. Generally Prohibited and Unlawful Conduct

### § 2.2-3102. Application.

This article applies to generally prohibited conduct that shall be unlawful and to state and local government officers and employees.

1987, Sp. Sess., c. 1, § 2.1-639.3; 2001, c. 844.

### § 2.2-3103. Prohibited conduct.

No officer or employee of a state or local governmental or advisory agency shall:

1. Solicit or accept money or other thing of value for services performed within the scope of his official duties, except the compensation, expenses or other remuneration paid by the agency of which he is an officer or employee. This prohibition shall not apply to the acceptance of special benefits that may be authorized by law;
2. Offer or accept any money or other thing of value for or in consideration of obtaining employment, appointment, or promotion of any person with any governmental or advisory agency;
3. Offer or accept any money or other thing of value for or in consideration of the use of his public position to obtain a contract for any person or business with any governmental or advisory agency;
4. Use for his own economic benefit or that of another party confidential information that he has acquired by reason of his public position and which is not available to the public;
5. Accept any money, loan, gift, favor, service, or business or professional opportunity that reasonably tends to influence him in the performance of his official duties. This subdivision shall not apply to any political contribution actually used for political campaign or constituent service purposes and reported as required by Chapter 9.3 (§ 24.2-945 et seq.) of Title 24.2;
6. Accept any business or professional opportunity when he knows that there is a reasonable likelihood that the opportunity is being afforded him to influence him in the performance of his official duties;
7. Accept any honoraria for any appearance, speech, or article in which the officer or employee provides expertise or opinions related to the performance of his official duties. The term "honoraria" shall not include any payment for or reimbursement to such person for his actual travel, lodging, or subsistence expenses incurred in connection with such appearance, speech, or article or in the alternative a payment of money or anything of value not in excess of the per diem deduction allowable under § 162 of the Internal Revenue Code, as amended from time to time. The prohibition in this subdivision shall apply only to the Governor, Lieutenant Governor, Attorney General, Governor's Secretaries, and heads of departments of state government;
8. Accept a gift from a person who has interests that may be substantially affected by the performance of the officer's or employee's official duties under circumstances where the timing and nature of the gift would cause a reasonable person to question the officer's or employee's impartiality in the matter affecting the donor. Violations of this subdivision shall not be subject

to criminal law penalties;

9. Accept gifts from sources on a basis so frequent as to raise an appearance of the use of his public office for private gain. Violations of this subdivision shall not be subject to criminal law penalties; or

10. Use his public position to retaliate or threaten to retaliate against any person for expressing views on matters of public concern or for exercising any right that is otherwise protected by law, provided, however, that this subdivision shall not restrict the authority of any public employer to govern conduct of its employees, and to take disciplinary action, in accordance with applicable law, and provided further that this subdivision shall not limit the authority of a constitutional officer to discipline or discharge an employee with or without cause.

1987, Sp. Sess., c. 1, § 2.1-639.4; 1994, cc. [663](#), [815](#), [851](#); 2001, c. [844](#); 2006, cc. [787](#), [892](#); 2015, c. [574](#).

### **§ 2.2-3103.1. Certain gifts prohibited.**

A. For purposes of this section:

"Person, organization, or business" includes individuals who are officers, directors, or owners of or who have a controlling ownership interest in such organization or business.

"Widely attended event" means an event at which at least 25 persons have been invited to attend or there is a reasonable expectation that at least 25 persons will attend the event and the event is open to individuals (i) who share a common interest, (ii) who are members of a public, civic, charitable, or professional organization, (iii) who are from a particular industry or profession, or (iv) who represent persons interested in a particular issue.

B. No officer or employee of a local governmental or advisory agency or candidate required to file the disclosure form prescribed in § [2.2-3117](#) or a member of his immediate family shall solicit, accept, or receive any single gift with a value in excess of \$100 or any combination of gifts with an aggregate value in excess of \$100 within any calendar year for himself or a member of his immediate family from any person that he or a member of his immediate family knows or has reason to know is (i) a lobbyist registered pursuant to Article 3 (§ [2.2-418](#) et seq.) of Chapter 4; (ii) a lobbyist's principal as defined in § [2.2-419](#); or (iii) a person, organization, or business who is or is seeking to become a party to a contract with the local agency of which he is an officer or an employee. Gifts with a value of less than \$20 are not subject to aggregation for purposes of this prohibition.

C. No officer or employee of a state governmental or advisory agency or candidate required to file the disclosure form prescribed in § [2.2-3117](#) or a member of his immediate family shall solicit, accept, or receive any single gift with a value in excess of \$100 or any combination of gifts with an aggregate value in excess of \$100 within any calendar year for himself or a member of his immediate family from any person that he or a member of his immediate family knows or has reason to know is (i) a lobbyist registered pursuant to Article 3 (§ [2.2-418](#) et seq.) of Chapter 4; (ii) a lobbyist's principal as defined in § [2.2-419](#); or (iii) a person, organization, or business who is or is seeking to become a party to a contract with the state governmental or advisory agency of which he is an officer or an employee or over which he has the authority to direct such agency's activities. Gifts with a value of less than \$20 are not subject to aggregation for purposes of this prohibition.

D. Notwithstanding the provisions of subsections B and C, such officer, employee, or candidate or a member of his immediate family may accept or receive a gift of food and beverages, entertainment, or the cost of admission with a value in excess of \$100 when such gift is accepted or received while in attendance at a widely attended event and is associated with the event. Such gifts shall be reported on the disclosure form prescribed in § 2.2-3117.

E. Notwithstanding the provisions of subsections B and C, such officer or employee or a member of his immediate family may accept or receive a gift from a foreign dignitary with a value exceeding \$100 for which the fair market value or a gift of greater or equal value has not been provided or exchanged. Such gift shall be accepted on behalf of the Commonwealth or a locality and archived in accordance with guidelines established by the Library of Virginia. Such gift shall be disclosed as having been accepted on behalf of the Commonwealth or a locality, but the value of such gift shall not be required to be disclosed.

F. Notwithstanding the provisions of subsections B and C, such officer, employee, or candidate or a member of his immediate family may accept or receive certain gifts with a value in excess of \$100 from a person listed in subsection B or C if such gift was provided to such officer, employee, or candidate or a member of his immediate family on the basis of a personal friendship. Notwithstanding any other provision of law, a person listed in subsection B or C may be a personal friend of such officer, employee, or candidate or his immediate family for purposes of this subsection. In determining whether a person listed in subsection B or C is a personal friend, the following factors shall be considered: (i) the circumstances under which the gift was offered; (ii) the history of the relationship between the person and the donor, including the nature and length of the friendship and any previous exchange of gifts between them; (iii) to the extent known to the person, whether the donor personally paid for the gift or sought a tax deduction or business reimbursement for the gift; and (iv) whether the donor has given the same or similar gifts to other persons required to file the disclosure form prescribed in § 2.2-3117 or 30-111.

G. Notwithstanding the provisions of subsections B and C, such officer, employee, or candidate or a member of his immediate family may accept or receive gifts of travel, including travel-related transportation, lodging, hospitality, food or beverages, or other thing of value, with a value in excess of \$100 that is paid for or provided by a person listed in subsection B or C when the officer, employee, or candidate has submitted a request for approval of such travel to the Council and has received the approval of the Council pursuant to § 30-356.1. Such gifts shall be reported on the disclosure form prescribed in § 2.2-3117.

H. During the pendency of a civil action in any state or federal court to which the Commonwealth is a party, the Governor or the Attorney General or any employee of the Governor or the Attorney General who is subject to the provisions of this chapter shall not solicit, accept, or receive any gift from any person that he knows or has reason to know is a person, organization, or business that is a party to such civil action. A person, organization, or business that is a party to such civil action shall not knowingly give any gift to the Governor or the Attorney General or any of their employees who are subject to the provisions of this chapter.

I. The \$100 limitation imposed in accordance with this section shall be adjusted by the Council every five years, as of January 1 of that year, in an amount equal to the annual increases for that five-year period in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics of the U.S. Department of Labor, rounded to the nearest whole dollar.



2014, cc. 792, 804;2015, cc. 763, 777.

**§ 2.2-3103.2. Return of gifts.**

No person shall be in violation of any provision of this chapter prohibiting the acceptance of a gift if (i) the gift is not used by such person and the gift or its equivalent in money is returned to the donor or delivered to a charitable organization within a reasonable period of time upon the discovery of the value of the gift and is not claimed as a charitable contribution for federal income tax purposes or (ii) consideration is given by the donee to the donor for the value of the gift within a reasonable period of time upon the discovery of the value of the gift provided that such consideration reduces the value of the gift to an amount not in excess of \$100 as provided in subsection B or C of § 2.2-3103.1.

2015, cc. 763, 777.

**§ 2.2-3104. Prohibited conduct for certain officers and employees of state government.**

For one year after the termination of public employment or service, no state officer or employee shall, before the agency of which he was an officer or employee, represent a client or act in a representative capacity on behalf of any person or group, for compensation, on matters related to legislation, executive orders, or regulations promulgated by the agency of which he was an officer or employee. This prohibition shall be in addition to the prohibitions contained in § 2.2-3103.

For the purposes of this section, "state officer or employee" shall mean (i) the Governor, Lieutenant Governor, Attorney General, and officers appointed by the Governor, whether confirmation by the General Assembly or by either house thereof is required or not, who are regularly employed on a full-time salaried basis; those officers and employees of executive branch agencies who report directly to the agency head; and those at the level immediately below those who report directly to the agency head and are at a payband 6 or higher and (ii) the officers and professional employees of the legislative branch designated by the joint rules committee of the General Assembly. For the purposes of this section, the General Assembly and the legislative branch agencies shall be deemed one agency.

To the extent this prohibition applies to the Governor's Secretaries, "agency" means all agencies assigned to the Secretary by law or by executive order of the Governor.

Any person subject to the provisions of this section may apply to the Council or Attorney General, as provided in § 2.2-3121 or 2.2-3126, for an advisory opinion as to the application of the restriction imposed by this section on any post-public employment position or opportunity.

1994, cc. 727, 776, § 2.1-639.4:1; 2001, c. 844;2013, c. 648;2014, cc. 792, 804;2015, cc. 763, 777.

**§ 2.2-3104.01. Prohibited conduct; bids or proposals under the Virginia Public Procurement Act, Public-Private Transportation Act, and Public-Private Education Facilities and Infrastructure Act; loans or grants from the Commonwealth's Development Opportunity Fund.**

A. Neither the Governor, his political action committee, or the Governor's Secretaries, if the Secretary is responsible to the Governor for an executive branch agency with jurisdiction over the matters at issue, shall knowingly solicit or accept a contribution, gift, or other item with a value greater than \$50 from any bidder, offeror, or private entity, or from an officer or director of such bidder, offeror, or private entity, who has submitted a bid or proposal to an executive branch agency that is directly responsible to the Governor pursuant to the Virginia Public Procurement Act (§ 2.2-4300 et seq.), the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.), or

the Public-Private Education Facilities and Infrastructure Act of 2002 (§ 56-575.1 et seq.)(i) during the period between the submission of the bid and the award of the public contract under the Virginia Public Procurement Act or (ii) following the submission of a proposal under the Public-Private Transportation Act of 1995 or the Public-Private Education Facilities and Infrastructure Act of 2002 until the execution of a comprehensive agreement thereunder.

B. The provisions of this section shall apply only for public contracts, proposals, or comprehensive agreements where the stated or expected value of the contract is \$5 million or more. The provisions of this section shall not apply to contracts awarded as the result of competitive sealed bidding as set forth in § 2.2-4302.1.

C. Any person who knowingly violates this section shall be subject to a civil penalty of \$500 or up to two times the amount of the contribution or gift, whichever is greater, and the contribution, gift, or other item shall be returned to the donor. The attorney for the Commonwealth shall initiate civil proceedings to enforce the civil penalties. Any civil penalties collected shall be payable to the State Treasurer for deposit to the general fund and shall be used exclusively to fund the Council.

2010, c. 732;2011, c. 624;2013, c. 583;2015, cc. 763, 777;2016, c. 641.

#### **§ 2.2-3104.02. Prohibited conduct for constitutional officers.**

In addition to the prohibitions contained in § 2.2-3103, no constitutional officer shall, during the one year after the termination of his public service, act in a representative capacity on behalf of any person or group, for compensation, on any matter before the agency of which he was an officer.

The provisions of this section shall not apply to any attorney for the Commonwealth.

Any person subject to the provisions of this section may apply to the attorney for the Commonwealth for the jurisdiction where such person was elected as provided in § 2.2-3126, for an advisory opinion as to the application of the restriction imposed by this section on any post-public employment position or opportunity.

2011, c. 591.

#### **§ 2.2-3104.1. Exclusion of certain awards from scope of chapter.**

The provisions of this chapter shall not be construed to prohibit or apply to the acceptance by (i) any employee of a local government, or (ii) a teacher or other employee of a local school board of an award or payment in honor of meritorious or exceptional services performed by the teacher or employee and made by an organization exempt from federal income taxation pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code .

2001, c. 48, § 2.1-639.4:2; 2008, cc. 478, 497.

#### **§ 2.2-3104.2. Ordinance regulating receipt of gifts.**

The governing body of any county, city, or town may adopt an ordinance setting a monetary limit on the acceptance of any gift by the officers, appointees or employees of the county, city or town and requiring the disclosure by such officers, appointees or employees of the receipt of any gift.

2003, c. 694.

## Article 3. Prohibited Conduct Relating to Contracts

### § 2.2-3105. Application.

This article proscribes certain conduct relating to contracts by state and local government officers and employees. The provisions of this article shall be supplemented but not superseded by the provisions on ethics in public contracting in Article 6 (§ 2.2-4367 et seq.) of Chapter 43 of this title.

1987, Sp. Sess., c. 1, § 2.1-639.5; 2001, c. 844; 2003, c. 694.

### § 2.2-3106. Prohibited contracts by officers and employees of state government and Eastern Virginia Medical School.

A. No officer or employee of any governmental agency of state government or Eastern Virginia Medical School shall have a personal interest in a contract with the governmental agency of which he is an officer or employee, other than his own contract of employment.

B. No officer or employee of any governmental agency of state government or Eastern Virginia Medical School shall have a personal interest in a contract with any other governmental agency of state government unless such contract is (i) awarded as a result of competitive sealed bidding or competitive negotiation as set forth in § 2.2-4302.1 or 2.2-4302.2 or (ii) is awarded after a finding, in writing, by the administrative head of the governmental agency that competitive bidding or negotiation is contrary to the best interest of the public.

C. The provisions of this section shall not apply to:

1. An employee's personal interest in additional contracts of employment with his own governmental agency that accrue to him because of a member of his immediate family, provided the employee does not exercise any control over the employment or the employment activities of the member of his immediate family and the employee is not in a position to influence those activities;
2. The personal interest of an officer or employee of a state institution of higher education or the Eastern Virginia Medical School in additional contracts of employment with his own governmental agency that accrue to him because of a member of his immediate family, provided (i) the officer or employee and the immediate family member are engaged in teaching, research or administrative support positions at the educational institution or the Eastern Virginia Medical School, (ii) the governing board of the educational institution finds that it is in the best interests of the institution or the Eastern Virginia Medical School and the Commonwealth for such dual employment to exist, and (iii) after such finding, the governing board of the educational institution or the Eastern Virginia Medical School ensures that the officer or employee, or the immediate family member, does not have sole authority to supervise, evaluate or make personnel decisions regarding the other;
3. An officer's or employee's personal interest in a contract of employment with any other governmental agency of state government;
4. Contracts for the sale by a governmental agency or the Eastern Virginia Medical School of services or goods at uniform prices available to the general public;
5. An employee's personal interest in a contract between a public institution of higher education in Virginia or the Eastern Virginia Medical School and a publisher or wholesaler of textbooks or other educational materials for students, which accrues to him solely because he has authored or

otherwise created such textbooks or materials;

6. An employee's personal interest in a contract with his or her employing public institution of higher education to acquire the collections or scholarly works owned by the employee, including manuscripts, musical scores, poetry, paintings, books or other materials, writings, or papers of an academic, research, or cultural value to the institution, provided the president of the institution approves the acquisition of such collections or scholarly works as being in the best interests of the institution's public mission of service, research, or education;

7. Subject to approval by the board of visitors, an employee's personal interest in a contract between the Eastern Virginia Medical School or a public institution of higher education in Virginia that operates a school of medicine or dentistry and a not-for-profit nonstock corporation that operates a clinical practice within such public institution of higher education or the Eastern Virginia Medical School and of which such employee is a member or employee;

8. Subject to approval by the relevant board of visitors, an employee's personal interest in a contract for research and development or commercialization of intellectual property between a public institution of higher education in Virginia or the Eastern Virginia Medical School and a business in which the employee has a personal interest, if (i) the employee's personal interest has been disclosed to and approved by such public institution of higher education or the Eastern Virginia Medical School prior to the time at which the contract is entered into; (ii) the employee promptly files a disclosure statement pursuant to § 2.2-3117 and thereafter files such statement annually on or before January 15; (iii) the institution has established a formal policy regarding such contracts, approved by the State Council of Higher Education or, in the case of the Eastern Virginia Medical School, a formal policy regarding such contracts in conformity with any applicable federal regulations that has been approved by its board of visitors; and (iv) no later than December 31 of each year, the institution or the Eastern Virginia Medical School files an annual report with the Secretary of the Commonwealth disclosing each open contract entered into subject to this provision, the names of the parties to each contract, the date each contract was executed and its term, the subject of each contractual arrangement, the nature of the conflict of interest, the institution's or the Eastern Virginia Medical School's employee responsible for administering each contract, the details of the institution's or the Eastern Virginia Medical School's commitment or investment of resources or finances for each contract, and any other information requested by the Secretary of the Commonwealth; or

9. Subject to approval by the relevant board of visitors, an employee's personal interest in a contract between a public institution of higher education in Virginia or the Eastern Virginia Medical School and a business in which the employee has a personal interest, if (i) the personal interest has been disclosed to the institution or the Eastern Virginia Medical School prior to the time the contract is entered into; (ii) the employee files a disclosure statement pursuant to § 2.2-3117 and thereafter annually on or before January 15; (iii) the employee does not participate in the institution's or the Eastern Virginia Medical School's decision to contract; (iv) the president of the institution or the Eastern Virginia Medical School finds and certifies in writing that the contract is for goods and services needed for quality patient care, including related medical education or research, by the institution's medical center or the Eastern Virginia Medical School, its affiliated teaching hospitals and other organizations necessary for the fulfillment of its mission, including the acquisition of drugs, therapies and medical technologies; and (v) no later than December 31 of each year, the institution or the Eastern Virginia Medical School files an annual report with the Secretary of the Commonwealth disclosing each open contract entered

subject to this provision, the names of the parties to each contract, the date each contract was executed and its term, the subject of each contractual arrangement, the nature of the conflict of interest, the institution's or the Eastern Virginia Medical School's employee responsible for administering each contract, the details of the institution's or the Eastern Virginia Medical School's commitment or investment of resources or finances for each contract, and any other information requested by the Secretary of the Commonwealth.

D. Notwithstanding the provisions of subdivisions C 8 and C 9, if the research and development or commercialization of intellectual property or the employee's personal interest in a contract with a business is subject to policies and regulations governing conflicts of interest promulgated by any agency of the United States government, including the adoption of policies requiring the disclosure and management of such conflicts of interests, the policies established by the Eastern Virginia Medical School pursuant to such federal requirements shall constitute compliance with subdivisions C 8 and C 9, upon notification by the Eastern Virginia Medical School to the Secretary of the Commonwealth by January 31 of each year of evidence of their compliance with such federal policies and regulations.

E. The board of visitors may delegate the authority granted under subdivision C 8 to the president of the institution. If the board elects to delegate such authority, the board shall include this delegation of authority in the formal policy required by clause (iii) of subdivision C 8. In those instances where the board has delegated such authority, on or before December 1 of each year, the president of the relevant institution shall file a report with the relevant board of visitors disclosing each open contract entered into subject to this provision, the names of the parties to each contract, the date each contract was executed and its term, the subject of each contractual arrangement, the nature of the conflict of interest, the institution's or the Eastern Virginia Medical School's employee responsible for administering each contract, the details of the institution's or the Eastern Virginia Medical School's commitment or investment of resources or finances for each contract, the details of how revenues are to be dispersed, and any other information requested by the board of visitors.

1987, Sp. Sess., c. 1, § 2.1-639.6; 1989, c. 74; 1991, c. 470; 1993, c. 876; 1995, c. 403; 1998, c. 838; 2001, c. 844; 2002, cc. 87, 478; 2003, c. 646; 2006, c. 839; 2013, c. 583; 2015, cc. 763, 777; 2016, cc. 773, 774.

### **§ 2.2-3107. Prohibited contracts by members of county boards of supervisors, city councils and town councils.**

A. No person elected or appointed as a member of the governing body of a county, city or town shall have a personal interest in (i) any contract with his governing body, or (ii) any contract with any governmental agency that is a component part of his local government and which is subject to the ultimate control of the governing body of which he is a member, or (iii) any contract other than a contract of employment with any other governmental agency if such person's governing body appoints a majority of the members of the governing body of the second governmental agency.

B. The provisions of this section shall not apply to:

1. A member's personal interest in a contract of employment provided (i) the officer or employee was employed by the governmental agency prior to July 1, 1983, in accordance with the provisions of the former Conflict of Interests Act, Chapter 22 (§ 2.1-347 et seq.) of Title 2.1 as it existed on June 30, 1983, or (ii) the employment first began prior to the member becoming a

member of the governing body;

2. Contracts for the sale by a governmental agency of services or goods at uniform prices available to the public; or

3. A contract awarded to a member of a governing body as a result of competitive sealed bidding where the governing body has established a need for the same or substantially similar goods through purchases prior to the election or appointment of the member to serve on the governing body. However, the member shall have no involvement in the preparation of the specifications for such contract, and the remaining members of the governing body, by written resolution, shall state that it is in the public interest for the member to bid on such contract.

1987, Sp. Sess., c. 1, § 2.1-639.7; 2001, c. 844.

**§ 2.2-3108. Prohibited contracts by members of school boards.**

A. No person elected or appointed as a member of a local school board shall have a personal interest in (i) any contract with his school board or (ii) any contract with any governmental agency that is subject to the ultimate control of the school board of which he is a member.

B. The provisions of this section shall not apply to:

1. A member's personal interest in a contract of employment provided the employment first began prior to the member becoming a member of the school board;

2. Contracts for the sale by a governmental agency of services or goods at uniform prices available to the public; or

3. A contract awarded to a member of a school board as a result of competitive sealed bidding where the school board has established a need for the same or substantially similar goods through purchases prior to the election or appointment of the member to serve on the school board. However, the member shall have no involvement in the preparation of the specifications for such contract, and the remaining members of the school board, by written resolution, shall state that it is in the public interest for the member to bid on such contract.

1996, c. 548, § 2.1-639.7:1; 2001, c. 844.

**§ 2.2-3109. Prohibited contracts by other officers and employees of local governmental agencies.**

A. No other officer or employee of any governmental agency of local government, including a hospital authority as defined in § 2.2-3109.1, shall have a personal interest in a contract with the agency of which he is an officer or employee other than his own contract of employment.

B. No officer or employee of any governmental agency of local government, including a hospital authority as defined in § 2.2-3109.1, shall have a personal interest in a contract with any other governmental agency that is a component of the government of his county, city or town unless such contract is (i) awarded as a result of competitive sealed bidding or competitive negotiation as set forth in § 2.2-4302.1 or 2.2-4302.2 or is awarded as a result of a procedure embodying competitive principles as authorized by subdivision A 10 or 11 of § 2.2-4343 or (ii) is awarded after a finding, in writing, by the administrative head of the governmental agency that competitive bidding or negotiation is contrary to the best interest of the public.

C. The provisions of this section shall not apply to:

1. An employee's personal interest in additional contracts for goods or services, or contracts of employment with his own governmental agency that accrue to him because of a member of his immediate family, provided the employee does not exercise any control over (i) the employment or the employment activities of the member of his immediate family and (ii) the employee is not in a position to influence those activities or the award of the contract for goods or services;
2. An officer's or employee's personal interest in a contract of employment with any other governmental agency that is a component part of the government of his county, city or town;
3. Contracts for the sale by a governmental agency of services or goods at uniform prices available to the general public;
4. Members of local governing bodies who are subject to § 2.2-3107;
5. Members of local school boards who are subject to § 2.2-3108; or
6. Any ownership or financial interest of members of the governing body, administrators, and other personnel serving in a public charter school in renovating, lending, granting, or leasing public charter school facilities, as the case may be, provided such interest has been disclosed in the public charter school application as required by § 22.1-212.8.

1987, Sp. Sess., c. 1, § 2.1-639.8; 1996, c. 548; 2001, c. 844; 2004, c. 530; 2009, c. 862; 2013, c. 583; 2015, c. 699.

**§ 2.2-3109.1. Prohibited contracts; additional exclusions for contracts by officers and employees of hospital authorities.**

A. As used in this section, "hospital authority" means a hospital authority established pursuant to Chapter 53 (§ 15.2-5300 et seq.) of Title 15.2 or an Act of Assembly.

B. The provisions of § 2.2-3109 shall not apply to:

1. The personal interest of an officer or employee of a hospital authority in additional contracts of employment with his own governmental agency that accrue to him because of a member of his immediate family, provided (i) the officer or employee and the immediate family member are licensed members of the medical profession or hold administrative support positions at the hospital authority, (ii) the governing board of the hospital authority finds that it is in the best interests of the hospital authority and the county, city, or town for such dual employment to exist, and (iii) after such finding, the governing board of the hospital authority ensures that neither the officer or employee, nor the immediate family member, has sole authority to supervise, evaluate, or make personnel decisions regarding the other;
2. Subject to approval by the governing board of the hospital authority, an officer or employee's personal interest in a contract between his hospital authority and a professional entity that operates a clinical practice at any medical facilities of such other hospital authority and of which such officer or employee is a member or employee;
3. Subject to approval by the relevant governing body, an officer or employee's personal interest in a contract for research and development or commercialization of intellectual property between the hospital authority and a business in which the employee has a personal interest, provided (i) the officer or employee's personal interest has been disclosed to and approved by the hospital authority prior to the time at which the contract is entered into; (ii) the officer or employee promptly files a disclosure statement pursuant to § 2.2-3117 and thereafter files such

statement annually on or before January 15; (iii) the local hospital authority has established a formal policy regarding such contracts in conformity with any applicable federal regulations that has been approved by its governing body; and (iv) no later than December 31 of each year, the local hospital authority files an annual report with the Virginia Conflict of Interest and Ethics Advisory Council disclosing each open contract entered into subject to this provision, the names of the parties to each contract, the date each contract was executed and its term, the subject of each contractual arrangement, the nature of the conflict of interest, the hospital authority's employee responsible for administering each contract, the details of such hospital authority's commitment or investment of resources or finances for each contract, and any other information requested by the Virginia Conflict of Interest and Ethics Advisory Council; or

4. Subject to approval by the relevant governing body, an officer or employee's personal interest in a contract between the hospital authority and a business in which the officer or employee has a personal interest, provided (i) the personal interest has been disclosed to the hospital authority prior to the time the contract is entered into; (ii) the officer or employee files a disclosure statement pursuant to § 2.2-3117 and thereafter annually on or before January 15; (iii) the officer or employee does not participate in the hospital authority's decision to contract; (iv) the president or chief executive officer of the hospital authority finds and certifies in writing that the contract is for goods and services needed for quality patient care, including related medical education or research, by any of the hospital authority's medical facilities or any of its affiliated organizations, or is otherwise necessary for the fulfillment of its mission, including but not limited to the acquisition of drugs, therapies, and medical technologies; and (v) no later than December 31 of each year, the hospital authority files an annual report with the Virginia Conflict of Interest and Ethics Advisory Council disclosing each open contract entered into subject to this provision, the names of the parties to each contract, the date each contract was executed and its term, the subject of each contractual arrangement, the nature of the conflict of interest, the hospital authority's employee responsible for administering each contract, the details of the hospital authority's commitment or investment of resources or finances for each contract, and any other information requested by the Virginia Conflict of Interest and Ethics Advisory Council.

C. Notwithstanding the provisions of subdivisions B 3 and B 4, if the research and development or commercialization of intellectual property or the officer or employee's personal interest in a contract with a business is subject to policies and regulations governing conflicts of interest promulgated by any agency of the United States government, including the adoption of policies requiring the disclosure and management of such conflicts of interest, the policies established by the hospital authority pursuant to such federal requirements shall constitute compliance with subdivisions B 3 and B 4, upon notification by the hospital authority to the Virginia Conflict of Interest and Ethics Advisory Council by January 31 of each year of evidence of its compliance with such federal policies and regulations.

D. The governing body may delegate the authority granted under subdivision B 2 to the president or chief executive officer of hospital authority. If the board elects to delegate such authority, the board shall include this delegation of authority in the formal policy required by clause (iii) of subdivision B 3. In those instances where the board has delegated such authority, on or before December 1 of each year, the president or chief executive officer of the hospital authority shall file a report with the relevant governing body disclosing each open contract entered into subject to this provision, the names of the parties to each contract, the date each contract was executed and its term, the subject of each contractual arrangement, the nature of the conflict of interest, the hospital authority's employee responsible for administering each contract, the details of the



hospital authority's commitment or investment of resources or finances for each contract, the details of how revenues are to be dispersed, and any other information requested by the governing body.

2015, c. 699;2016, cc. 773, 774.

**§ 2.2-3110. Further exceptions.**

A. The provisions of Article 3 (§ 2.2-3106 et seq.) shall not apply to:

1. The sale, lease or exchange of real property between an officer or employee and a governmental agency, provided the officer or employee does not participate in any way as such officer or employee in such sale, lease or exchange, and this fact is set forth as a matter of public record by the governing body of the governmental agency or by the administrative head thereof;
2. The publication of official notices;
3. Contracts between the government or school board of a town or city with a population of less than 10,000 and an officer or employee of that town or city government or school board when the total of such contracts between the town or city government or school board and the officer or employee of that town or city government or school board or a business controlled by him does not exceed \$10,000 per year or such amount exceeds \$10,000 and is less than \$25,000 but results from contracts arising from awards made on a sealed bid basis, and such officer or employee has made disclosure as provided for in § 2.2-3115;
4. An officer or employee whose sole personal interest in a contract with the governmental agency is by reason of income from the contracting firm or governmental agency in excess of \$10,000 per year, provided the officer or employee or a member of his immediate family does not participate and has no authority to participate in the procurement or letting of such contract on behalf of the contracting firm and the officer or employee either does not have authority to participate in the procurement or letting of the contract on behalf of his governmental agency or he disqualifies himself as a matter of public record and does not participate on behalf of his governmental agency in negotiating the contract or in approving the contract;
5. When the governmental agency is a public institution of higher education, an officer or employee whose personal interest in a contract with the institution is by reason of an ownership in the contracting firm in excess of three percent of the contracting firm's equity or such ownership interest and income from the contracting firm is in excess of \$10,000 per year, provided that (i) the officer or employee's ownership interest, or ownership and income interest, and that of any immediate family member in the contracting firm is disclosed in writing to the president of the institution, which writing certifies that the officer or employee has not and will not participate in the contract negotiations on behalf of the contracting firm or the institution, (ii) the president of the institution makes a written finding as a matter of public record that the contract is in the best interests of the institution, (iii) the officer or employee either does not have authority to participate in the procurement or letting of the contract on behalf of the institution or disqualifies himself as a matter of public record, and (iv) does not participate on behalf of the institution in negotiating the contract or approving the contract;
6. Except when the governmental agency is the Virginia Retirement System, contracts between an officer's or employee's governmental agency and a public service corporation, financial institution, or company furnishing public utilities in which the officer or employee has a personal interest, provided the officer or employee disqualifies himself as a matter of public record and

does not participate on behalf of his governmental agency in negotiating the contract or in approving the contract;

7. Contracts for the purchase of goods or services when the contract does not exceed \$500;

8. Grants or other payment under any program wherein uniform rates for, or the amounts paid to, all qualified applicants are established solely by the administering governmental agency;

9. An officer or employee whose sole personal interest in a contract with his own governmental agency is by reason of his marriage to his spouse who is employed by the same agency, if the spouse was employed by such agency for five or more years prior to marrying such officer or employee; or

10. Contracts entered into by an officer or employee of a soil and water conservation district created pursuant to Article 3 (§ 10.1-506 et seq.) of Chapter 5 of Title 10.1 to participate in the Virginia Agricultural Best Management Practices Cost-Share Program (the Program) established in accordance with § 10.1-546.1. This subdivision shall not apply to subcontracts or other agreements entered into by an officer or employee of a soil and water conservation district to provide services for implementation of a cost-share contract established under the Program.

B. Neither the provisions of this chapter nor, unless expressly provided otherwise, any amendments thereto shall apply to those employment contracts or renewals thereof or to any other contracts entered into prior to August 1, 1987, which were in compliance with either the former Virginia Conflict of Interests Act, Chapter 22 (§ 2.1-347 et seq.) or the former Comprehensive Conflict of Interests Act, Chapter 40 (§ 2.1-599 et seq.) of Title 2.1 at the time of their formation and thereafter. Those contracts shall continue to be governed by the provisions of the appropriate prior Act. Notwithstanding the provisions of subdivision (f)(4) of § 2.1-348 of Title 2.1 in effect prior to July 1, 1983, the employment by the same governmental agency of an officer or employee and spouse or any other relative residing in the same household shall not be deemed to create a material financial interest except when one of such persons is employed in a direct supervisory or administrative position, or both, with respect to such spouse or other relative residing in his household and the annual salary of such subordinate is \$35,000 or more.

1987, Sp. Sess., c. 1, § 2.1-639.9; 1990, c. 51; 1993, c. 303; 1994, cc. 450, 713; 1997, c. 641; 2001, c. 844; 2006, c. 839; 2010, cc. 301, 304; 2016, cc. 351, 531.

## Article 4. Prohibited Conduct Relating to Transactions

### § 2.2-3111. Application.

This article proscribes certain conduct by state and local government officers and employees having a personal interest in a transaction.

1987, Sp. Sess., c. 1, § 2.1-639.10; 2001, c. 844.

### § 2.2-3112. Prohibited conduct concerning personal interest in a transaction; exceptions.

A. Each officer and employee of any state or local governmental or advisory agency who has a personal interest in a transaction:

1. Shall disqualify himself from participating in the transaction if (i) the transaction has application solely to property or a business or governmental agency in which he has a personal interest or a business that has a parent-subsidiary or affiliated business entity relationship with the business in which he has a personal interest or (ii) he is unable to participate pursuant to

subdivision 2, 3 or 4. Any disqualification under the provisions of this subdivision shall be recorded in the public records of the officer's or employee's governmental or advisory agency. The officer or employee shall disclose his personal interest as required by subsection E of § 2.2-3114 or subsection F of § 2.2-3115 and shall not vote or in any manner act on behalf of his agency in the transaction. The officer or employee shall be prohibited from (i) attending any portion of a closed meeting authorized by the Virginia Freedom of Information Act (§ 2.2-3700 et seq.) when the matter in which he has a personal interest is discussed and (ii) discussing the matter in which he has a personal interest with other governmental officers or employees at any time;

2. May participate in the transaction if he is a member of a business, profession, occupation, or group of three or more persons the members of which are affected by the transaction, and he complies with the declaration requirements of subsection F of § 2.2-3114 or subsection H of § 2.2-3115;

3. May participate in the transaction when a party to the transaction is a client of his firm if he does not personally represent or provide services to such client and he complies with the declaration requirements of subsection G of § 2.2-3114 or subsection I of § 2.2-3115; or

4. May participate in the transaction if it affects the public generally, even though his personal interest, as a member of the public, may also be affected by that transaction.

B. Disqualification under the provisions of this section shall not prevent any employee having a personal interest in a transaction in which his agency is involved from representing himself or a member of his immediate family in such transaction provided he does not receive compensation for such representation and provided he complies with the disqualification and relevant disclosure requirements of this chapter.

C. Notwithstanding any other provision of law, if disqualifications of officers or employees in accordance with this section leave less than the number required by law to act, the remaining member or members shall constitute a quorum for the conduct of business and have authority to act for the agency by majority vote, unless a unanimous vote of all members is required by law, in which case authority to act shall require a unanimous vote of remaining members.

Notwithstanding any provisions of this chapter to the contrary, members of a local governing body whose sole interest in any proposed sale, contract of sale, exchange, lease or conveyance is by virtue of their employment by a business involved in a proposed sale, contract of sale, exchange, lease or conveyance, and where such member's or members' vote is essential to a constitutional majority required pursuant to Article VII, Section 9 of the Constitution of Virginia and § 15.2-2100, such member or members of the local governing body may vote and participate in the deliberations of the governing body concerning whether to approve, enter into or execute such sale, contract of sale, exchange, lease or conveyance. Official action taken under circumstances that violate this section may be rescinded by the agency on such terms as the interests of the agency and innocent third parties require.

D. The provisions of subsection A shall not prevent an officer or employee from participating in a transaction merely because such officer or employee is a party in a legal proceeding of a civil nature concerning such transaction.

E. The provisions of subsection A shall not prevent an employee from participating in a transaction regarding textbooks or other educational material for students at state institutions of higher education, when those textbooks or materials have been authored or otherwise created by

the employee.

1987, Sp. Sess., c. 1, § 2.1-639.11; 2001, c. [844](#);2003, c. [694](#);2007, c. [613](#);2012, c. [429](#).

## Article 5. Disclosure Statements Required to Be Filed

### **§ 2.2-3113. Application.**

This article requires disclosure of certain personal and financial interests by state and local government officers and employees.

1987, Sp. Sess., c. 1, § 2.1-639.12; 2001, c. [844](#).

### **§ 2.2-3114. Disclosure by state officers and employees.**

A. The Governor, Lieutenant Governor, Attorney General, Justices of the Supreme Court, judges of the Court of Appeals, judges of any circuit court, judges and substitute judges of any district court, members of the State Corporation Commission, members of the Virginia Workers' Compensation Commission, members of the Commonwealth Transportation Board, members of the Board of Trustees of the Virginia Retirement System, members of the Virginia Alcoholic Beverage Control Board, and members of the Virginia Lottery Board and other persons occupying such offices or positions of trust or employment in state government, including members of the governing bodies of authorities, as may be designated by the Governor, or officers or employees of the legislative branch, as may be designated by the Joint Rules Committee of the General Assembly, shall file with the Council, as a condition to assuming office or employment, a disclosure statement of their personal interests and such other information as is required on the form prescribed by the Council pursuant to § [2.2-3117](#) and thereafter shall file such a statement annually on or before January 15. When the filing deadline falls on a Saturday, Sunday, or legal holiday, the disclosure statement shall be filed on the next day that is not a Saturday, Sunday, or legal holiday.

B. Nonsalaried citizen members of all policy and supervisory boards, commissions and councils in the executive branch of state government, other than the Commonwealth Transportation Board, members of the Board of Trustees of the Virginia Retirement System, and the Virginia Lottery Board, shall file with the Council, as a condition to assuming office, a disclosure form of their personal interests and such other information as is required on the form prescribed by the Council pursuant to § [2.2-3118](#) and thereafter shall file such form annually on or before January 15. When the filing deadline falls on a Saturday, Sunday, or legal holiday, the disclosure statement shall be filed on the next day that is not a Saturday, Sunday, or legal holiday. Nonsalaried citizen members of other boards, commissions and councils, including advisory boards and authorities, may be required to file a disclosure form if so designated by the Governor, in which case the form shall be that prescribed by the Council pursuant to § [2.2-3118](#).

C. The disclosure forms required by subsections A and B shall be made available by the Council at least 30 days prior to the filing deadline. Disclosure forms shall be filed electronically with the Council in accordance with the standards approved by it pursuant to § [30-356](#). All forms shall be maintained as public records for five years in the office of the Council. Such forms shall be made public no later than six weeks after filing.

D. Candidates for the offices of Governor, Lieutenant Governor or Attorney General shall file a disclosure statement of their personal interests as required by § [24.2-502](#).

E. Any officer or employee of state government who has a personal interest in any transaction

before the governmental or advisory agency of which he is an officer or employee and who is disqualified from participating in that transaction pursuant to subdivision A 1 of § 2.2-3112, or otherwise elects to disqualify himself, shall forthwith make disclosure of the existence of his interest, including the full name and address of the business and the address or parcel number for the real estate if the interest involves a business or real estate, and his disclosure shall also be reflected in the public records of the agency for five years in the office of the administrative head of the officer's or employee's governmental agency or advisory agency or, if the agency has a clerk, in the clerk's office.

F. An officer or employee of state government who is required to declare his interest pursuant to subdivision A 2 of § 2.2-3112, shall declare his interest by stating (i) the transaction involved, (ii) the nature of the officer's or employee's personal interest affected by the transaction, (iii) that he is a member of a business, profession, occupation, or group the members of which are affected by the transaction, and (iv) that he is able to participate in the transaction fairly, objectively, and in the public interest. The officer or employee shall either make his declaration orally to be recorded in written minutes for his agency or file a signed written declaration with the clerk or administrative head of his governmental or advisory agency, as appropriate, who shall, in either case, retain and make available for public inspection such declaration for a period of five years from the date of recording or receipt. If reasonable time is not available to comply with the provisions of this subsection prior to participation in the transaction, the officer or employee shall prepare and file the required declaration by the end of the next business day.

G. An officer or employee of state government who is required to declare his interest pursuant to subdivision A 3 of § 2.2-3112, shall declare his interest by stating (i) the transaction involved, (ii) that a party to the transaction is a client of his firm, (iii) that he does not personally represent or provide services to the client, and (iv) that he is able to participate in the transaction fairly, objectively, and in the public interest. The officer or employee shall either make his declaration orally to be recorded in written minutes for his agency or file a signed written declaration with the clerk or administrative head of his governmental or advisory agency, as appropriate, who shall, in either case, retain and make available for public inspection such declaration for a period of five years from the date of recording or receipt. If reasonable time is not available to comply with the provisions of this subsection prior to participation in the transaction, the officer or employee shall prepare and file the required declaration by the end of the next business day.

H. Notwithstanding any other provision of law, chairs of departments at a public institution of higher education in the Commonwealth shall not be required to file the disclosure form prescribed by the Council pursuant to § 2.2-3117 or 2.2-3118.

1987, Sp. Sess., c. 1, § 2.1-639.13; 1988, cc. 767, 849; 1992, c. 710; 1993, c. 303; 1997, c. 641; 2001, cc. 217, 844; 2003, c. 694; 2005, c. 169; 2006, c. 779; 2014, cc. 225, 792, 804; 2015, cc. 763, 777; 2016, cc. 773, 774.

#### **§ 2.2-3114.1. Filings of statements of economic interests by General Assembly members.**

The filing of a current statement of economic interests by a General Assembly member, member-elect, or candidate for the General Assembly pursuant to §§ 30-110 and 30-111 of the General Assembly Conflicts of Interests Act (§ 30-100 et seq.) shall suffice for the purposes of this chapter. The Secretary of the Commonwealth may obtain from the Council a copy of the statement of a General Assembly member who is appointed to a position for which a statement is required pursuant to § 2.2-3114. No General Assembly member, member-elect, or candidate shall

be required to file a separate statement of economic interests for the purposes of § 2.2-3114.

2002, c. 36;2015, cc. 763, 777.

**§ 2.2-3114.2. Report of gifts by certain officers and employees of state government.**

The Governor, Lieutenant Governor, Attorney General, and each member of the Governor's Cabinet shall file, on or before May 1, a report of gifts accepted or received by him or a member of his immediate family during the period beginning on January 1 complete through adjournment sine die of the regular session of the General Assembly. The gift report shall be on a form prescribed by the Council and shall be filed electronically with the Council in accordance with the standards approved by it pursuant to § 30-356. For purposes of this section, "adjournment sine die" means adjournment on the last legislative day of the regular session and does not include the ensuing reconvened session. Any gifts reported pursuant to this section shall not be listed on the annual disclosure form prescribed by the Council pursuant to § 2.2-3117.

2016, cc. 773, 774.

**§ 2.2-3115. Disclosure by local government officers and employees.**

A. The members of every governing body and school board of each county and city and of towns with populations in excess of 3,500 shall file, as a condition to assuming office or employment, a disclosure statement of their personal interests and other information as is required on the form prescribed by the Council pursuant to § 2.2-3117 and thereafter shall file such a statement annually on or before January 15.

The members of the governing body of any authority established in any county or city, or part or combination thereof, and having the power to issue bonds or expend funds in excess of \$10,000 in any fiscal year, shall file, as a condition to assuming office, a disclosure statement of their personal interests and other information as is required on the form prescribed by the Council pursuant to § 2.2-3118 and thereafter shall file such a statement annually on or before January 15, unless the governing body of the jurisdiction that appoints the members requires that the members file the form set forth in § 2.2-3117.

Persons occupying such positions of trust appointed by governing bodies and persons occupying such positions of employment with governing bodies as may be designated to file by ordinance of the governing body shall file, as a condition to assuming office or employment, a disclosure statement of their personal interests and other information as is required on the form prescribed by the Council pursuant to § 2.2-3117 and thereafter shall file such a statement annually on or before January 15.

Persons occupying such positions of trust appointed by school boards and persons occupying such positions of employment with school boards as may be designated to file by an adopted policy of the school board shall file, as a condition to assuming office or employment, a disclosure statement of their personal interests and other information as is required on the form prescribed by the Council pursuant to § 2.2-3117 and thereafter shall file such a statement annually on or before January 15.

B. Nonsalaried citizen members of local boards, commissions and councils as may be designated by the governing body shall file, as a condition to assuming office, a disclosure form of their personal interests and such other information as is required on the form prescribed by the Council pursuant to § 2.2-3118 and thereafter shall file such form annually on or before January

15.

C. No person shall be mandated to file any disclosure not otherwise required by this article.

D. The disclosure forms required by subsections A and B shall be made available by the Virginia Conflict of Interest and Ethics Advisory Council at least 30 days prior to the filing deadline, and the clerks of the governing body and school board shall distribute the forms to designated individuals at least 20 days prior to the filing deadline. Forms shall be filed and maintained as public records for five years in the office of the clerk of the respective governing body or school board. Forms filed by members of governing bodies of authorities shall be filed and maintained as public records for five years in the office of the clerk of the governing body of the county or city. Such forms shall be made public no later than six weeks after filing.

E. Candidates for membership in the governing body or school board of any county, city or town with a population of more than 3,500 persons shall file a disclosure statement of their personal interests as required by § 24.2-502.

F. Any officer or employee of local government who has a personal interest in any transaction before the governmental or advisory agency of which he is an officer or employee and who is disqualified from participating in that transaction pursuant to subdivision A 1 of § 2.2-3112 or otherwise elects to disqualify himself, shall forthwith make disclosure of the existence of his interest, including the full name and address of the business and the address or parcel number for the real estate if the interest involves a business or real estate, and his disclosure shall be reflected in the public records of the agency for five years in the office of the administrative head of the officer's or employee's governmental or advisory agency.

G. In addition to any disclosure required by subsections A and B, in each county and city and in towns with populations in excess of 3,500, members of planning commissions, boards of zoning appeals, real estate assessors, and all county, city and town managers or executive officers shall make annual disclosures of all their interests in real estate located in the county, city or town in which they are elected, appointed, or employed. Such disclosure shall include any business in which such persons own an interest, or from which income is received, if the primary purpose of the business is to own, develop or derive compensation through the sale, exchange or development of real estate in the county, city or town. Such disclosure shall be filed as a condition to assuming office or employment, and thereafter shall be filed annually with the clerk of the governing body of such county, city, or town on or before January 15. Such disclosures shall be filed and maintained as public records for five years. Such forms shall be made public no later than six weeks after filing. Forms for the filing of such reports shall be made available by the Virginia Conflict of Interest and Ethics Advisory Council to the clerk of each governing body.

H. An officer or employee of local government who is required to declare his interest pursuant to subdivision A 2 of § 2.2-3112 shall declare his interest by stating (i) the transaction involved, (ii) the nature of the officer's or employee's personal interest affected by the transaction, (iii) that he is a member of a business, profession, occupation, or group the members of which are affected by the transaction, and (iv) that he is able to participate in the transaction fairly, objectively, and in the public interest. The officer or employee shall either make his declaration orally to be recorded in written minutes for his agency or file a signed written declaration with the clerk or administrative head of his governmental or advisory agency, as appropriate, who shall, in either case, retain and make available for public inspection such declaration for a period of five years from the date of recording or receipt. If reasonable time is not available to comply with the

provisions of this subsection prior to participation in the transaction, the officer or employee shall prepare and file the required declaration by the end of the next business day. The officer or employee shall also orally disclose the existence of the interest during each meeting of the governmental or advisory agency at which the transaction is discussed and such disclosure shall be recorded in the minutes of the meeting.

I. An officer or employee of local government who is required to declare his interest pursuant to subdivision A 3 of § 2.2-3112, shall declare his interest by stating (i) the transaction involved, (ii) that a party to the transaction is a client of his firm, (iii) that he does not personally represent or provide services to the client, and (iv) that he is able to participate in the transaction fairly, objectively, and in the public interest. The officer or employee shall either make his declaration orally to be recorded in written minutes for his agency or file a signed written declaration with the clerk or administrative head of his governmental or advisory agency, as appropriate, who shall, in either case, retain and make available for public inspection such declaration for a period of five years from the date of recording or receipt. If reasonable time is not available to comply with the provisions of this subsection prior to participation in the transaction, the officer or employee shall prepare and file the required declaration by the end of the next business day.

1987, Sp. Sess., c. 1, § 2.1-639.14; 1988, c. 849; 1995, c. 495; 1996, c. 526; 2000, c. 317; 2001, cc. 217, 844; 2003, c. 694; 2012, c. 429; 2014, cc. 792, 804; 2015, cc. 763, 777; 2016, cc. 773, 774.

**§ 2.2-3116. Disclosure by certain constitutional officers.**

For the purposes of this chapter, holders of the constitutional offices of treasurer, sheriff, attorney for the Commonwealth, clerk of the circuit court, and commissioner of the revenue of each county and city shall be required to file with the Council, as a condition to assuming office, the Statement of Economic Interests prescribed by the Council pursuant to § 2.2-3117. These officers shall file statements annually on or before January 15. Candidates shall file statements as required by § 24.2-502. Statements shall be filed electronically with the Council in accordance with the standards approved by it pursuant to § 30-356. These officers shall be subject to the prohibition on certain gifts set forth in subsection B of § 2.2-3103.1.

1988, c. 469, § 2.1-639.14:1; 2001, c. 844; 2014, cc. 792, 804; 2015, cc. 763, 777; 2016, cc. 773, 774.

**§ 2.2-3117. (Effective until January 1, 2017) Disclosure form.**

The disclosure form to be used for filings required by subsections A and D of § 2.2-3114 and subsections A and E of § 2.2-3115 shall be substantially similar to the following. Except as otherwise provided in § 2.2-3115, all completed forms shall be filed electronically with the Council in accordance with the standards approved by it pursuant to § 30-356. Any person who knowingly and intentionally makes a false statement of a material fact on the Statement of Economic Interests is guilty of a Class 5 felony.

STATEMENT OF ECONOMIC INTERESTS.

Name.....☒

Office or position held or sought.....☒

Address.....☒

Names of members of immediate family.....☒

DEFINITIONS AND EXPLANATORY MATERIAL.



"Business" means a corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, trust or foundation, or any other individual or entity carrying on a business or profession, whether or not for profit.

"Close financial association" means an association in which the person filing shares significant financial involvement with an individual and the filer would reasonably be expected to be aware of the individual's business activities and would have access to the necessary records either directly or through the individual. "Close financial association" does not mean an association based on (i) the receipt of retirement benefits or deferred compensation from a business by which the person filing this statement is no longer employed, or (ii) the receipt of compensation for work performed by the person filing as an independent contractor of a business that represents an entity before any state governmental agency when the person filing has had no communications with the state governmental agency.

"Contingent liability" means a liability that is not presently fixed or determined, but may become fixed or determined in the future with the occurrence of some certain event.

"Gift" means any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. It includes services as well as gifts of transportation, lodgings and meals, whether provided in-kind, by purchase of a ticket, payment in advance or reimbursement after the expense has been incurred. "Gift" does not include (i) any offer of a ticket, coupon, or other admission or pass unless the ticket, coupon, admission, or pass is used; (ii) honorary degrees; (iii) any athletic, merit, or need-based scholarship or any other financial aid awarded by a public or private school, institution of higher education, or other educational program pursuant to such school, institution, or program's financial aid standards and procedures applicable to the general public; (iv) a campaign contribution properly received and reported pursuant to Chapter 9.3 (§ 24.2-945 et seq.) of Title 24.2; (v) any gift related to the private profession or occupation of an officer or employee or of a member of his immediate family; (vi) food or beverages consumed while attending an event at which the filer is performing official duties related to his public service; (vii) food and beverages received at or registration or attendance fees waived for any event at which the filer is a featured speaker, presenter, or lecturer; (viii) unsolicited awards of appreciation or recognition in the form of a plaque, trophy, wall memento, or similar item that is given in recognition of public, civic, charitable, or professional service; (ix) a devise or inheritance; (x) travel disclosed pursuant to the Campaign Finance Disclosure Act (§ 24.2-945 et seq.); (xi) travel paid for or provided by the government of the United States, any of its territories, or any state or any political subdivision of such state; (xii) travel provided to facilitate attendance by a legislator at a regular or special session of the General Assembly, a meeting of a legislative committee or commission, or a national conference where attendance is approved by the House or Senate Committee on Rules; (xiii) travel related to an official meeting of the Commonwealth, its political subdivisions, or any board, commission, authority, or other entity, or any charitable organization established pursuant to § 501(c)(3) of the Internal Revenue Code affiliated with such entity, to which such person has been appointed or elected or is a member by virtue of his office or employment; or (xiv) gifts from relatives or personal friends. "Relative" means the donee's spouse, child, uncle, aunt, niece, nephew, or first cousin; a person to whom the donee is engaged to be married; the donee's or his spouse's parent, grandparent, grandchild, brother, sister, step-parent, step-grandparent, step-grandchild, step-brother, or step-sister; or the donee's brother's or sister's spouse. "Personal friend" does not include any person that the filer knows or has reason to know is (a) a lobbyist registered pursuant to Article 3 (§ 2.2-418 et

seq.) of Chapter 4 of Title 2.2; (b) a lobbyist's principal as defined in § 2.2-419; (c) for an officer or employee of a local governmental or advisory agency, a person, organization, or business who is a party to or is seeking to become a party to a contract with the local agency of which he is an officer or an employee; or (d) for an officer or employee of a state governmental or advisory agency, a person, organization, or business who is a party to or is seeking to become a party to a contract with the Commonwealth. "Person, organization, or business" includes individuals who are officers, directors, or owners of or who have a controlling ownership interest in such organization or business.

"Immediate family" means (i) a spouse and (ii) any other person who resides in the same household as the officer or employee and who is a dependent of the officer or employee.

TRUST. If you or your immediate family, separately or together, are the only beneficiaries of a trust, treat the trust's assets as if you own them directly. If you or your immediate family has a proportional interest in a trust, treat that proportion of the trust's assets as if you own them directly. For example, if you and your immediate family have a one-third interest in a trust, complete your Statement as if you own one-third of each of the trust's assets. If you or a member of your immediate family created a trust and can revoke it without the beneficiaries' consent, treat its assets as if you own them directly.

REPORT TO THE BEST OF INFORMATION AND BELIEF. Information required on this Statement must be provided on the basis of the best knowledge, information, and belief of the individual filing the Statement as of the date of this report unless otherwise stated.

COMPLETE ITEMS 1 THROUGH 10. REFER TO SCHEDULES ONLY IF DIRECTED.

You may attach additional explanatory information.

#### 1. Offices and Directorships.

Are you or a member of your immediate family a paid officer or paid director of a business? EITHER check NO // OR check YES // and complete Schedule A.

#### 2. Personal Liabilities.

Do you or a member of your immediate family owe more than \$5,000 to any one creditor including contingent liabilities? (Exclude debts to any government and loans secured by recorded liens on property at least equal in value to the loan.) EITHER check NO // OR check YES // and complete Schedule B.

#### 3. Securities.

Do you or a member of your immediate family, directly or indirectly, separately or together, own securities valued in excess of \$5,000 invested in one business? Account for mutual funds, limited partnerships and trusts. EITHER check NO // OR check YES // and complete Schedule C.

#### 4. Payments for Talks, Meetings, and Publications.

During the past six months did you receive in your capacity as an officer or employee of your agency lodging, transportation, money, or anything else of value with a combined value exceeding \$100 (i) for a single talk, meeting, or published work or (ii) for a meeting, conference, or event where your attendance at the meeting, conference, or event was designed to (a) educate you on issues relevant to your duties as an officer or employee of your agency or (b) enhance your knowledge and skills relative to your duties as an officer or employee of your agency?

EITHER check NO // OR check YES // and complete Schedule D.

5. Gifts.

During the past six months did a business, government, or individual other than a relative or personal friend (i) furnish you or a member of your immediate family with any gift or entertainment at a single event and the value received exceeded \$50 or (ii) furnish you or a member of your immediate family with gifts or entertainment in any combination and the total value received exceeded \$50, and for which you or the member of your immediate family neither paid nor rendered services in exchange? Account for entertainment events only if the average value per person attending the event exceeded \$50. Account for all business entertainment (except if related to the private profession or occupation of you or the member of your immediate family who received such business entertainment) even if unrelated to your official duties.

EITHER check NO // OR check YES // and complete Schedule E.

6. Salary and Wages.

List each employer that pays you or a member of your immediate family salary or wages in excess of \$5,000 annually. (Exclude state or local government or advisory agencies.)

If no reportable salary or wages, check here //.

- .....
- .....
- .....

7. Business Interests.

Do you or a member of your immediate family, separately or together, operate your own business, or own or control an interest in excess of \$5,000 in a business?

EITHER check NO // OR check YES // and complete Schedule F.

8. Payments for Representation and Other Services.

8A. Did you represent, excluding activity defined as lobbying in § 2.2-419, any businesses before any state governmental agencies, excluding courts or judges, for which you received total compensation during the past six months in excess of \$1,000, excluding compensation for other services to such businesses and representation consisting solely of the filing of mandatory papers and subsequent representation regarding the mandatory papers? (Officers and employees of local governmental and advisory agencies do NOT need to answer this question or complete Schedule G-1.)

EITHER check NO // OR check YES // and complete Schedule G-1.

8B. Subject to the same exceptions as in 8A, did persons with whom you have a close financial association (partners, associates or others) represent, excluding activity defined as lobbying in § 2.2-419, any businesses before any state governmental agency for which total compensation was received during the past six months in excess of \$1,000? (Officers and employees of local governmental and advisory agencies do NOT need to answer this question or complete Schedule G-2.)

EITHER check NO // OR check YES // and complete Schedule G-2.

8C. Did you or persons with whom you have a close financial association furnish services to businesses operating in Virginia pursuant to an agreement between you and such businesses, or between persons with whom you have a close financial association and such businesses for which total compensation in excess of \$1,000 was received during the past six months? Services

reported under this provision shall not include services involving the representation of businesses that are reported under item 8A or 8B.

EITHER check NO // OR check YES // and complete Schedule G-3.

9. Real Estate.

9A. State Officers and Employees.

Do you or a member of your immediate family hold an interest, including a partnership interest, valued at more than \$5,000 in real property (other than your principal residence) for which you have not already listed the full address on Schedule F? Account for real estate held in trust.

EITHER check NO // OR check YES // and complete Schedule H-1.

9B. Local Officers and Employees.

Do you or a member of your immediate family hold an interest, including a partnership interest, or option, easement, or land contract, valued at more than \$5,000 in real property (other than your principal residence) for which you have not already listed the full address on Schedule F? Account for real estate held in trust.

EITHER check NO // OR check YES // and complete Schedule H-2.

10. Real Estate Contracts with Governmental Agencies.

Do you or a member of your immediate family hold an interest valued at more than \$5,000 in real estate, including a corporate, partnership, or trust interest, option, easement, or land contract, which real estate is the subject of a contract, whether pending or completed within the past six months, with a governmental agency? If the real estate contract provides for the leasing of the property to a governmental agency, do you or a member of your immediate family hold an interest in the real estate valued at more than \$1,000? Account for all such contracts whether or not your interest is reported in Schedule F, H-1, or H-2. This requirement to disclose an interest in a lease does not apply to an interest derived through an ownership interest in a business unless the ownership interest exceeds three percent of the total equity of the business.

EITHER check NO // OR check YES // and complete Schedule I.

Statements of Economic Interests are open for public inspection.

AFFIRMATION BY ALL FILERS.

I swear or affirm that the foregoing information is full, true and correct to the best of my knowledge.

Signature.....

(Return only if needed to complete Statement.)

SCHEDULES

to

STATEMENT OF ECONOMIC INTERESTS.

NAME =If

SCHEDULE A -- Identify each business of which you or a member of your immediate family is a paid officer or paid director.

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Name of Business Address of Business Position Held and  
by Whom

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RETURN TO ITEM 2

SCHEDULE B -- Report personal liability by checking each category. Report only debts in excess of \$5,000. Do not report debts to any government. Do not report loans secured by recorded liens on property at least equal in value to the loan.

Report contingent liabilities below and indicate which debts are contingent.

1. My personal debts are as follows:

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Check appropriate categories  
Check one \$5,001 to \$50,000 More than \$50,000  
Banks  
Savings institutions  
Other loan or finance companies  
Insurance companies  
Stock, commodity or other brokerage companies

Other businesses:

(State principal business activity for each creditor and its name.)

Individual creditors:

(State principal business or occupation of each creditor and its name.)

2. The personal debts of the members of my immediate family are as follows:

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Check appropriate categories  
Check one \$5,001 to \$50,000 More than \$50,000  
Banks  
Savings institutions  
Other loan or finance companies  
Insurance companies

Stock, commodity or other brokerage companies

Other businesses:

(State principal business activity for each creditor and its name.)

Individual creditors:

(State principal business or occupation of each creditor and its name.)

RETURN TO ITEM 3

SCHEDULE C -- "Securities" INCLUDES stocks, bonds, mutual funds, limited partnerships, and commodity futures contracts.

"Securities" EXCLUDES certificates of deposit, money market funds, annuity contracts, and insurance policies.

Identify each business or Virginia governmental entity in which you or a member of your immediate family, directly or indirectly, separately or together, own securities valued in excess of \$5,000. Name each issuer and type of security individually.

Do not list U.S. Bonds or other government securities not issued by the Commonwealth of Virginia or its authorities, agencies, or local governments. Do not list organizations that do not do business in this Commonwealth, but most major businesses conduct business in Virginia. Account for securities held in trust.

If no reportable securities, check here //.

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RETURN TO ITEM 4

SCHEDULE D -- List each source from which you received during the past six months in your capacity as an officer or employee of your agency lodging, transportation, money, or any other thing of value with combined value exceeding \$100 (i) for your presentation of a single talk, participation in one meeting, or publication of a work or (ii) for your attendance at a meeting, conference, or event where your attendance at the meeting, conference, or event was designed to (a) educate you on issues relevant to your duties as an officer or employee of your agency or (b) enhance your knowledge and skills relative to your duties as an officer or employee of your agency. Any lodging, transportation, money, or other thing of value received by an officer or employee that does not satisfy the provisions of clause (i), (ii)(a), or (ii)(b) shall be listed as a gift on Schedule E.

List payments or reimbursements by an advisory or governmental agency only for meetings or travel outside the Commonwealth.

List a payment even if you donated it to charity.

Do not list information about a payment if you returned it within 60 days or if you received it from an employer already listed under Item 6 or from a source of income listed on Schedule F. If no payment must be listed, check here //.

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Type of payment  
(e.g., honoraria,  
travel reimburse-  
Payer Approximate Value Circumstances ment, etc.)  
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RETURN TO ITEM 5

SCHEDULE E -- List each business, governmental entity, or individual that, during the past six months, (i) furnished you or a member of your immediate family with any gift or entertainment at a single event, and the value received exceeded \$50 or (ii) furnished you or a member of your immediate family with gifts or entertainment in any combination and the total value received exceeded \$50, and for which you or the member of your immediate family neither paid nor rendered services in exchange. List each such gift or event. Do not list entertainment events unless the average value per person attending the event exceeded \$50. Do not list business entertainment related to the private profession or occupation of you or the member of your immediate family who received such business entertainment. Do not list gifts or other things of value given by a relative or personal friend for reasons clearly unrelated to your public position. Do not list campaign contributions publicly reported as required by Chapter 9.3 (§ 24.2-945 et seq.) of Title 24.2 of the Code of Virginia.

Name of Business, City or Exact Name of Organization, or County Gift or Recipient Individual and State Event Approximate Value
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RETURN TO ITEM 6

SCHEDULE F -- Complete this Schedule for each self-owned or family-owned business (including

rental property, a farm, or consulting work), partnership, or corporation in which you or a member of your immediate family, separately or together, own an interest having a value in excess of \$5,000.

If the enterprise is owned or operated under a trade, partnership, or corporate name, list that name; otherwise, merely explain the nature of the enterprise. If rental property is owned or operated under a trade, partnership, or corporate name, list the name only; otherwise, give the address of each property. Account for business interests held in trust.

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Name of Business, Gross Income  
Corporation,  
Partnership, Nature of Enterprise \$50,001 More  
Farm; Address of City or (farming, law, rental \$50,000 to than  
County  
Rental Property and State property, etc.) or less \$250,000  
250,000  
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RETURN TO ITEM 8

SCHEDULE G-1 -- List the businesses you represented, excluding activity defined as lobbying in § 2.2-419, before any state governmental agency, excluding any court or judge, for which you received total compensation during the past six months in excess of \$1,000, excluding compensation for other services to such businesses and representation consisting solely of the filing of mandatory papers and subsequent representation regarding the mandatory papers filed by you.

Identify each business, the nature of the representation and the amount received by dollar category from each such business. You may state the type, rather than name, of the business if you are required by law not to reveal the name of the business represented by you.

Only STATE officers and employees should complete this Schedule.

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Amount Received  
Name Type Purpose  
of of purpose of  
Business - Business - of Agency -  
nessness Represented - by \$1,001 \$10,001 \$50,001 \$100,001 \$250,001  
senta-totototoand



tion\$10,000\$50,000\$100,000\$250,000over

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If you have received \$250, 001 or more from a single business within the reporting period, indicate the amount received, rounded to the nearest \$10,000.

Amount Received:.

SCHEDULE G-2 -- List the businesses that have been represented, excluding activity defined as lobbying in § 2.2-419, before any state governmental agency, excluding any court or judge, by persons who are your partners, associates or others with whom you have a close financial association and who received total compensation in excess of \$1,000 for such representation during the past six months, excluding representation consisting solely of the filing of mandatory papers and subsequent representation regarding the mandatory papers filed by your partners, associates or others with whom you have a close financial association.

Identify such businesses by type and also name the state governmental agencies before which such person appeared on behalf of such businesses.

Only STATE officers and employees should complete this Schedule.

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Type of businessName of state governmental agency  
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SCHEDULE G-3 -- Indicate below types of businesses that operate in Virginia to which services were furnished by you or persons with whom you have a close financial association pursuant to an agreement between you and such businesses, or between persons with whom you have a close financial association and such businesses and for which total compensation in excess of \$1,000 was received during the past six months. Services reported in this Schedule shall not include services involving the representation of businesses that are reported in Schedule G-1 or G-2.

Identify opposite each category of businesses listed below (i) the type of business, (ii) the type of service rendered and (iii) the value by dollar category of the compensation received for all businesses falling within each category.

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Value of Compensation

CheckType

ifof

ser-ser-

vicesvice

wereren-  
ren-dered  
dered\$1, 001 \$10, 001 \$50, 001\$100, 001\$250, 001  
totototoand  
\$10,000\$50,000\$100,000\$250,000over  
Electric utilities  
Gas utilities  
Telephone utilities  
Water utilities  
Cable television  
companies  
Interstate  
transportation  
companies  
Intrastate  
transportation  
companies  
Oil or gas retail  
companies  
Banks  
Savings institutions  
Loan or finance  
companies  
Manufacturing  
companies(state  
type of product,  
e.g., textile,  
furniture, etc.)  
Mining companies  
Life insurance  
companies  
Casualty insurance  
companies  
Other insurance  
companies  
Retail companies  
Beer, wine or liquor  
companies or  
distributors  
Trade associations  
Professional  
associations  
Associations of  
public employees or  
officials  
Counties, cities or  
towns  
Labor organizations

Other

RETURN TO ITEM 9

SCHEDULE H-1 -- List real estate other than your principal residence in which you or a member of your immediate family holds an interest, including a partnership interest, option, easement, or land contract, valued at more than \$5,000. Each parcel shall be listed individually.

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 List each location Describe the type of real estate If the real estate is  
 (state, and county you own in each owned or recorded in  
 or city) where you location (business, recre-a name other than your  
 own real estate. ational, apartment, com-own, list that name.  
 mercial, open land, etc.).  
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SCHEDULE H-2 -- List real estate other than your principal residence in which you or a member of your immediate family holds an interest, including a partnership interest or option, easement, or land contract, valued at more than \$5,000. Each parcel shall be listed individually. Also list the names of any co-owners of such property, if applicable.

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 List each location Describe the type If the real estate List the names  
 (state, and county of real estate you is owned or rec-of any co-owners,  
 or city) where own in each orded in a name if applicable.  
 you own reallocation, other than your  
 (business,  
 estate recreational, own, list that  
 apartment, com-name.  
 mercial, open land,  
 etc.).  
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SCHEDULE I -- List all contracts, whether pending or completed within the past six months, with a governmental agency for the sale or exchange of real estate in which you or a member of your immediate family holds an interest, including a corporate, partnership or trust interest, option, easement, or land contract, valued at more than \$10,000. List all contracts with a governmental agency for the lease of real estate in which you or a member of your immediate family holds such an interest valued at more than \$1,000. This requirement to disclose an interest in a lease does not apply to an interest derived through an ownership interest in a business unless the ownership interest exceeds three percent of the total equity of the business. State officers and employees report contracts with state agencies. Local officers and employees report contracts with local agencies.  
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List your real estate interest and the person or entity, party to the contract including the type of entity, which is party to the contract. List each governmental agency which is party to the contract. State the annual income from the contract, and the amount, if any, of income you or any member derives from the contract. Describe any annual management role and the percentage ownership interest you or your immediate family member has in the real estate or entity.  
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1987, Sp. Sess., c. 1, § 2.1-639.15; 1988, c. 849; 1994, cc. 724, 733, 777, 793; 1995, c. 763; 1996, c. 77; 1997, cc. 577, 844; 1998, c. 732; 2001, c. 844; 2006, cc. 310, 779, 787, 892; 2008, c. 239; 2010, c. 670; 2012, c. 429; 2014, cc. 792, 804; 2015, cc. 763, 777.

**§ 2.2-3117. (Effective until January 1, 2017) Disclosure form.**

The disclosure form to be used for filings required by subsections A and D of § 2.2-3114 and subsections A and E of § 2.2-3115 shall be substantially similar to the following. Except as otherwise provided in § 2.2-3115, all completed forms shall be filed electronically with the Council in accordance with the standards approved by it pursuant to § 30-356. Any person who knowingly and intentionally makes a false statement of a material fact on the Statement of Economic Interests is guilty of a Class 5 felony.

STATEMENT OF ECONOMIC INTERESTS.

Name \_\_\_\_\_

Office or position held or sought \_\_\_\_\_

Address \_\_\_\_\_

Names of members of immediate family \_\_\_\_\_

DEFINITIONS AND EXPLANATORY MATERIAL.

"Business" means a corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, trust or foundation, or any other individual or entity carrying on a business or profession, whether or not for profit.

"Close financial association" means an association in which the person filing shares significant financial involvement with an individual and the filer would reasonably be expected to be aware of the individual's business activities and would have access to the necessary records either directly or through the individual. "Close financial association" does not mean an association based on (i) the receipt of retirement benefits or deferred compensation from a business by which the person filing this statement is no longer employed, or (ii) the receipt of compensation for work performed by the person filing as an independent contractor of a business that represents an entity before any state governmental agency when the person filing has had no communications with the state governmental agency.

"Contingent liability" means a liability that is not presently fixed or determined, but may become fixed or determined in the future with the occurrence of some certain event.

"Gift" means any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. It includes services as well as gifts of transportation, lodgings and meals, whether provided in-kind, by purchase of a ticket, payment in advance or reimbursement after the expense has been incurred. "Gift" does not include (i) any offer of a ticket, coupon, or other admission or pass unless the ticket, coupon, admission, or pass is used; (ii) honorary degrees; (iii) any athletic, merit, or need-based scholarship or any other financial aid awarded by a public or private school, institution of higher education, or other educational program pursuant to such school, institution, or program's financial aid standards and procedures applicable to the general public; (iv) a campaign contribution properly received and reported pursuant to Chapter 9.3 (§ 24.2-945 et seq.) of Title 24.2; (v) any gift related to the private profession or occupation of an officer or employee or of a member of his immediate family; (vi) food or beverages consumed while attending an event at which the filer is performing official duties related to his public service; (vii) food and beverages received at or registration or attendance fees waived for any event at which the filer is a featured speaker, presenter, or lecturer; (viii) unsolicited awards of appreciation or recognition in the form of a plaque, trophy, wall memento, or similar item that is given in recognition of public, civic, charitable, or professional service; (ix) a devise or inheritance; (x) travel disclosed pursuant to the Campaign Finance Disclosure Act (§ 24.2-945 et seq.); (xi) travel paid for or provided by the government of the United States, any of its territories, or any state or any political subdivision of such state; (xii) travel provided to facilitate attendance by a legislator at a regular or special session of the General Assembly, a meeting of a legislative committee or commission, or a national conference where attendance is approved by the House or Senate Committee on Rules; (xiii) travel related to an official meeting of the

Commonwealth, its political subdivisions, or any board, commission, authority, or other entity, or any charitable organization established pursuant to § 501(c)(3) of the Internal Revenue Code affiliated with such entity, to which such person has been appointed or elected or is a member by virtue of his office or employment; or (xiv) gifts from relatives or personal friends. "Relative" means the donee's spouse, child, uncle, aunt, niece, nephew, or first cousin; a person to whom the donee is engaged to be married; the donee's or his spouse's parent, grandparent, grandchild, brother, sister, step-parent, step-grandparent, step-grandchild, step-brother, or step-sister; or the donee's brother's or sister's spouse. "Personal friend" does not include any person that the filer knows or has reason to know is (a) a lobbyist registered pursuant to Article 3 (§ 2.2-418 et seq.) of Chapter 4 of Title 2.2; (b) a lobbyist's principal as defined in § 2.2-419; (c) for an officer or employee of a local governmental or advisory agency, a person, organization, or business who is a party to or is seeking to become a party to a contract with the local agency of which he is an officer or an employee; or (d) for an officer or employee of a state governmental or advisory agency, a person, organization, or business who is a party to or is seeking to become a party to a contract with the Commonwealth. "Person, organization, or business" includes individuals who are officers, directors, or owners of or who have a controlling ownership interest in such organization or business.

"Immediate family" means (i) a spouse and (ii) any other person who resides in the same household as the officer or employee and who is a dependent of the officer or employee.

TRUST. If you or your immediate family, separately or together, are the only beneficiaries of a trust, treat the trust's assets as if you own them directly. If you or your immediate family has a proportional interest in a trust, treat that proportion of the trust's assets as if you own them directly. For example, if you and your immediate family have a one-third interest in a trust, complete your Statement as if you own one-third of each of the trust's assets. If you or a member of your immediate family created a trust and can revoke it without the beneficiaries' consent, treat its assets as if you own them directly.

REPORT TO THE BEST OF INFORMATION AND BELIEF. Information required on this Statement must be provided on the basis of the best knowledge, information, and belief of the individual filing the Statement as of the date of this report unless otherwise stated.

COMPLETE ITEMS 1 THROUGH 10. REFER TO SCHEDULES ONLY IF DIRECTED.

You may attach additional explanatory information.

### 1. Offices and Directorships.

Are you or a member of your immediate family a paid officer or paid director of a business?  
EITHER check NO // OR check YES // and complete Schedule A.

### 2. Personal Liabilities.

Do you or a member of your immediate family owe more than \$5,000 to any one creditor including contingent liabilities? (Exclude debts to any government and loans secured by recorded liens on property at least equal in value to the loan.)  
EITHER check NO // OR check YES // and complete Schedule B.

### 3. Securities.

Do you or a member of your immediate family, directly or indirectly, separately or together, own securities valued in excess of \$5,000 invested in one business? Account for mutual funds, limited

partnerships and trusts.

EITHER check NO // OR check YES // and complete Schedule C.

4. Payments for Talks, Meetings, and Publications.

During the past six months did you receive in your capacity as an officer or employee of your agency lodging, transportation, money, or anything else of value with a combined value exceeding \$100 (i) for a single talk, meeting, or published work or (ii) for a meeting, conference, or event where your attendance at the meeting, conference, or event was designed to (a) educate you on issues relevant to your duties as an officer or employee of your agency or (b) enhance your knowledge and skills relative to your duties as an officer or employee of your agency?

EITHER check NO // OR check YES // and complete Schedule D.

5. Gifts.

During the past six months did a business, government, or individual other than a relative or personal friend (i) furnish you or a member of your immediate family with any gift or entertainment at a single event and the value received exceeded \$50 or (ii) furnish you or a member of your immediate family with gifts or entertainment in any combination and the total value received exceeded \$50, and for which you or the member of your immediate family neither paid nor rendered services in exchange? Account for entertainment events only if the average value per person attending the event exceeded \$50. Account for all business entertainment (except if related to the private profession or occupation of you or the member of your immediate family who received such business entertainment) even if unrelated to your official duties.

EITHER check NO // OR check YES // and complete Schedule E.

6. Salary and Wages.

List each employer that pays you or a member of your immediate family salary or wages in excess of \$5,000 annually. (Exclude state or local government or advisory agencies.)

If no reportable salary or wages, check here //.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Business Interests.

Do you or a member of your immediate family, separately or together, operate your own business, or own or control an interest in excess of \$5,000 in a business?

EITHER check NO // OR check YES // and complete Schedule F.

8. Payments for Representation and Other Services.

8A. Did you represent, excluding activity defined as lobbying in § 2.2-419, any businesses before any state governmental agencies, excluding courts or judges, for which you received total compensation during the past six months in excess of \$1,000, excluding compensation for other services to such businesses and representation consisting solely of the filing of mandatory papers and subsequent representation regarding the mandatory papers? (Officers and employees of local governmental and advisory agencies do NOT need to answer this question or complete Schedule G-1.)

EITHER check NO // OR check YES // and complete Schedule G-1.

8B. Subject to the same exceptions as in 8A, did persons with whom you have a close financial

association (partners, associates or others) represent, excluding activity defined as lobbying in § 2.2-419, any businesses before any state governmental agency for which total compensation was received during the past six months in excess of \$1,000? (Officers and employees of local governmental and advisory agencies do NOT need to answer this question or complete Schedule G-2.)

EITHER check NO // OR check YES // and complete Schedule G-2.

8C. Did you or persons with whom you have a close financial association furnish services to businesses operating in Virginia pursuant to an agreement between you and such businesses, or between persons with whom you have a close financial association and such businesses for which total compensation in excess of \$1,000 was received during the past six months? Services reported under this provision shall not include services involving the representation of businesses that are reported under item 8A or 8B.

EITHER check NO // OR check YES // and complete Schedule G-3.

## 9. Real Estate.

### 9A. State Officers and Employees.

Do you or a member of your immediate family hold an interest, including a partnership interest, valued at more than \$5,000 in real property (other than your principal residence) for which you have not already listed the full address on Schedule F? Account for real estate held in trust.

EITHER check NO // OR check YES // and complete Schedule H-1.

### 9B. Local Officers and Employees.

Do you or a member of your immediate family hold an interest, including a partnership interest, or option, easement, or land contract, valued at more than \$5,000 in real property (other than your principal residence) for which you have not already listed the full address on Schedule F? Account for real estate held in trust.

EITHER check NO // OR check YES // and complete Schedule H-2.

## 10. Real Estate Contracts with Governmental Agencies.

Do you or a member of your immediate family hold an interest valued at more than \$5,000 in real estate, including a corporate, partnership, or trust interest, option, easement, or land contract, which real estate is the subject of a contract, whether pending or completed within the past six months, with a governmental agency? If the real estate contract provides for the leasing of the property to a governmental agency, do you or a member of your immediate family hold an interest in the real estate valued at more than \$1,000? Account for all such contracts whether or not your interest is reported in Schedule F, H-1, or H-2. This requirement to disclose an interest in a lease does not apply to an interest derived through an ownership interest in a business unless the ownership interest exceeds three percent of the total equity of the business.

EITHER check NO // OR check YES // and complete Schedule I.

Statements of Economic Interests are open for public inspection.

## AFFIRMATION BY ALL FILERS.

I swear or affirm that the foregoing information is full, true and correct to the best of my knowledge.



Signature \_\_\_\_\_

(Return only if needed to complete Statement.)

SCHEDULES to STATEMENT OF ECONOMIC INTERESTS.

NAME \_\_\_\_\_

SCHEDULE A -- OFFICES AND DIRECTORSHIPS.

Identify each business of which you or a member of your immediate family is a paid officer or paid director.

a	Name of Business	Address of Business	Position Held and by Whom
b	_____ _____	_____ _____	_____ _____
c	_____ _____	_____ _____	_____ _____
d	_____ _____	_____ _____	_____ _____
e	_____ _____	_____ _____	_____ _____
f	RETURN TO ITEM 2		

SCHEDULE B -- PERSONAL LIABILITIES.

Report personal liability by checking each category. Report only debts in excess of \$5,000. Do not report debts to any government. Do not report loans secured by recorded liens on property at least equal in value to the loan.

Report contingent liabilities below and indicate which debts are contingent.

1. My personal debts are as follows:

a	Check one		
b	Check appropriate categories	\$5,001 to \$50,000	More than \$50,000
c	Banks	_____	_____
d	Savings institutions	_____	_____
e	Other loan or finance companies	_____	_____
f	Insurance companies	_____	_____

g Stock, commodity or other brokerage companies \_\_\_\_\_

h Other businesses:  
 (State principal business activity for each creditor and its name.)

i \_\_\_\_\_  
 j \_\_\_\_\_

k \_\_\_\_\_

l Individual creditors:  
 (State principal business or occupation of each creditor and its name.)

m \_\_\_\_\_  
 n \_\_\_\_\_

o \_\_\_\_\_

2. The personal debts of the members of my immediate family are as follows:

a	Check one		
b	Check appropriate categories	\$5,001 to \$50,000	More than \$50,000
c	Banks	_____	_____
d	Savings institutions	_____	_____
e	Other loan or finance companies	_____	_____
f	Insurance companies	_____	_____

g Stock, commodity or  
other brokerage \_\_\_\_\_  
companies \_\_\_\_\_

h Other businesses:  
  
i (State principal  
business activity for  
each creditor and its  
name.)

j \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

k \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

l Individual creditors:  
  
m (State principal  
business or occupation  
of each creditor and its  
name.)

n \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

o \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

p RETURN TO ITEM 3

SCHEDULE C -- SECURITIES.

"Securities" INCLUDES stocks, bonds, mutual funds, limited partnerships, and commodity futures contracts.

"Securities" EXCLUDES certificates of deposit, money market funds, annuity contracts, and insurance policies.

Identify each business or Virginia governmental entity in which you or a member of your immediate family, directly or indirectly, separately or together, own securities valued in excess of \$5,000. Name each issuer and type of security individually.

Do not list U.S. Bonds or other government securities not issued by the Commonwealth of Virginia or its authorities, agencies, or local governments. Do not list organizations that do not do business in this Commonwealth, but most major businesses conduct business in Virginia.

Account for securities held in trust.  
 If no reportable securities, check here //.

a	Check one				
	b	Name of Issuer (stocks, bonds, mutual funds, etc.)	Type of Security	\$5,001 to \$50,000	\$50,001 to \$250,000
c					
d	_____	_____	_____	_____	_____
e	_____	_____	_____	_____	_____
f	_____	_____	_____	_____	_____

g RETURN TO ITEM 4  
**SCHEDULE D -- PAYMENTS FOR TALKS, MEETINGS, AND PUBLICATIONS.**

List each source from which you received during the past six months in your capacity as an officer or employee of your agency lodging, transportation, money, or any other thing of value with combined value exceeding \$100 (i) for your presentation of a single talk, participation in one meeting, or publication of a work or (ii) for your attendance at a meeting, conference, or event where your attendance at the meeting, conference, or event was designed to (a) educate you on issues relevant to your duties as an officer or employee of your agency or (b) enhance your knowledge and skills relative to your duties as an officer or employee of your agency. Any lodging, transportation, money, or other thing of value received by an officer or employee that does not satisfy the provisions of clause (i), (ii) (a), or (ii) (b) shall be listed as a gift on Schedule E.

List payments or reimbursements by an advisory or governmental agency only for meetings or travel outside the Commonwealth.

List a payment even if you donated it to charity.

Do not list information about a payment if you returned it within 60 days or if you received it from an employer already listed under Item 6 or from a source of income listed on Schedule F.

If no payment must be listed, check here //.

a	Payer	Approximate Value	Circumstances	Type of payment (e.g., honoraria, travel)
---	-------	-------------------	---------------	---

reimbursement,  
etc.)

b	_____	_____	_____	_____
	_____	_____	_____	_____
c	_____	_____	_____	_____
	_____	_____	_____	_____
d	_____	_____	_____	_____
	_____	_____	_____	_____
e	_____	_____	_____	_____
	_____	_____	_____	_____

RETURN TO ITEM 5

**SCHEDULE E -- GIFTS.**

List each business, governmental entity, or individual that, during the past six months, (i) furnished you or a member of your immediate family with any gift or entertainment at a single event, and the value received exceeded \$50 or (ii) furnished you or a member of your immediate family with gifts or entertainment in any combination and the total value received exceeded \$50, and for which you or the member of your immediate family neither paid nor rendered services in exchange. List each such gift or event. Do not list entertainment events unless the average value per person attending the event exceeded \$50. Do not list business entertainment related to the private profession or occupation of you or the member of your immediate family who received such business entertainment. Do not list gifts or other things of value given by a relative or personal friend for reasons clearly unrelated to your public position. Do not list campaign contributions publicly reported as required by Chapter 9.3 (§ 24.2-945 et seq.) of Title 24.2 of the Code of Virginia.

a	Name of Recipient	Name of Business, Organization, or Individual	City or County and State	Exact Gift or Event	Approximate Value
b	_____	_____	_____	_____	_____
	_____	_____	-	_____	_____
c	_____	_____	_____	_____	_____
	_____	_____	-	_____	_____
d	_____	_____	_____	_____	_____
	_____	_____	-	_____	_____
e	_____	_____	_____	_____	_____
	_____	_____	-	_____	_____

SCHEDULE F -- BUSINESS INTERESTS.

Complete this Schedule for each self-owned or family-owned business (including rental property, a farm, or consulting work), partnership, or corporation in which you or a member of your immediate family, separately or together, own an interest having a value in excess of \$5,000.

If the enterprise is owned or operated under a trade, partnership, or corporate name, list that name; otherwise, merely explain the nature of the enterprise. If rental property is owned or operated under a trade, partnership, or corporate name, list the name only; otherwise, give the address of each property. Account for business interests held in trust.

a	Name of Business, Corporation, Partnership, Farm; Address of Rental Property	City or County and State	Nature of Enterprise (farming, law, rental property, etc.)	Gross Income		
				\$50,000 or less	\$50,001 to \$250,000	More than \$250,000
b						
c						
d						
e						
f						

SCHEDULE G-1 -- PAYMENTS FOR REPRESENTATION BY YOU.

List the businesses you represented, excluding activity defined as lobbying in § 2.2-419, before any state governmental agency, excluding any court or judge, for which you received total compensation during the past six months in excess of \$1,000, excluding compensation for other services to such businesses and representation consisting solely of the filing of mandatory papers and subsequent representation regarding the mandatory papers filed by you.

Identify each business, the nature of the representation and the amount received by dollar category from each such business. You may state the type, rather than name, of the business if you are required by law not to reveal the name of the business represented by you.

Only STATE officers and employees should complete this Schedule.

a					Amount Received					
	b	Name of Business	Type of Business	Purpose of Representation	Name of Agency	\$1,001	\$10,001	\$50,001	\$100,001	\$250,001
to \$10,000						to \$50,000	to \$100,000	to \$250,000	1 and over	
c	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
d	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
e	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
f	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

If you have received \$250,001 or more from a single business within the reporting period, indicate the amount received, rounded to the nearest \$10,000.

Amount Received: \_\_\_\_\_.

**SCHEDULE G-2 -- PAYMENTS FOR REPRESENTATION BY ASSOCIATES.**

List the businesses that have been represented, excluding activity defined as lobbying in § 2.2-419, before any state governmental agency, excluding any court or judge, by persons who are your partners, associates or others with whom you have a close financial association and who received total compensation in excess of \$1,000 for such representation during the past six months, excluding representation consisting solely of the filing of mandatory papers and subsequent representation regarding the mandatory papers filed by your partners, associates or others with whom you have a close financial association.

Identify such businesses by type and also name the state governmental agencies before which such person appeared on behalf of such businesses.

Only STATE officers and employees should complete this Schedule.

a	Type of business	Name of state governmental agency
b	_____	_____
c	_____	_____
d	_____	_____

e

SCHEDULE G-3 -- PAYMENTS FOR OTHER SERVICES GENERALLY.

Indicate below types of businesses that operate in Virginia to which services were furnished by you or persons with whom you have a close financial association pursuant to an agreement between you and such businesses, or between persons with whom you have a close financial association and such businesses and for which total compensation in excess of \$1,000 was received during the past six months. Services reported in this Schedule shall not include services involving the representation of businesses that are reported in Schedule G-1 or G-2.

Identify opposite each category of businesses listed below (i) the type of business, (ii) the type of service rendered and (iii) the value by dollar category of the compensation received for all businesses falling within each category.

a	b	Check if services were rendered	Type of service rendered	Value of Compensation				
				\$1,001 to \$10,000	\$10,001 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$250,000	\$250,001 and over
c	Electric utilities	_____	_____	_____	_____	_____	_____	_____
d	Gas utilities	_____	_____	_____	_____	_____	_____	_____
e	Telephone utilities	_____	_____	_____	_____	_____	_____	_____
f	Water utilities	_____	_____	_____	_____	_____	_____	_____
g	Cable television companies	_____	_____	_____	_____	_____	_____	_____
h	Intrastate transportation companies	_____	_____	_____	_____	_____	_____	_____



i	Oil or gas retail companies	_____	_____	_____	_____	_____	_____
j	Banks	_____	_____	_____	_____	_____	_____
k	Savings institutions	_____	_____	_____	_____	_____	_____
l	Loan or finance companies	_____	_____	_____	_____	_____	_____
m	Manufact uring companies (state type of product, e.g., textile, furniture, etc.)	_____	_____	_____	_____	_____	_____
n	Mining companies	_____	_____	_____	_____	_____	_____
o	Life insurance companies	_____	_____	_____	_____	_____	_____
p	Casualty insurance companies	_____	_____	_____	_____	_____	_____
q	Other insurance companies	_____	_____	_____	_____	_____	_____

r	Retail companies	_____	_____	_____	_____	_____	_____
s	Beer, wine or liquor companies or distributors	_____	_____	_____	_____	_____	_____
t	Trade associations	_____	_____	_____	_____	_____	_____
u	Professional associations	_____	_____	_____	_____	_____	_____
v	Associations of public employees or officials	_____	_____	_____	_____	_____	_____
w	Counties, cities or towns	_____	_____	_____	_____	_____	_____
x	Labor organizations	_____	_____	_____	_____	_____	_____
y	Other	_____	_____	_____	_____	_____	_____
z							

RETURN TO ITEM 9

**SCHEDULE H-1 -- REAL ESTATE -- STATE OFFICERS AND EMPLOYEES.**

List real estate other than your principal residence in which you or a member of your immediate family holds an interest, including a partnership interest, option, easement, or land contract, valued at more than \$5,000. Each parcel shall be listed individually.

a	List each location (state, and county or	Describe the type of real estate you own in	If the real estate is owned or recorded in a
---	---	--	---

	city) where you own real estate.	each location (business, recreational, apartment, commercial, open land, etc.).	name other than your own, list that name.
b	_____	_____	_____
	_____	_____	_____
c	_____	_____	_____
	_____	_____	_____
d	_____	_____	_____
	_____	_____	_____
e	_____	_____	_____
	_____	_____	_____
f	_____	_____	_____
	_____	_____	_____

**SCHEDULE H-2 -- REAL ESTATE -- LOCAL OFFICERS AND EMPLOYEES.**

List real estate other than your principal residence in which you or a member of your immediate family holds an interest, including a partnership interest or option, easement, or land contract, valued at more than \$5,000. Each parcel shall be listed individually. Also list the names of any co-owners of such property, if applicable.

	List each location (state, and county or city) where you own real estate.	Describe the type of real estate you own in each location (business, recreational, apartment, commercial, open land, etc.).	If the real estate is owned or recorded in a name other than your own, list that name.	List the names of any co-owners, if applicable.
a	_____	_____	_____	_____
b	_____	_____	_____	_____
c	_____	_____	_____	_____
d	_____	_____	_____	_____
e	_____	_____	_____	_____

f

SCHEDULE I -- REAL ESTATE CONTRACTS WITH GOVERNMENTAL AGENCIES.

List all contracts, whether pending or completed within the past six months, with a governmental agency for the sale or exchange of real estate in which you or a member of your immediate family holds an interest, including a corporate, partnership or trust interest, option, easement, or land contract, valued at more than \$10,000. List all contracts with a governmental agency for the lease of real estate in which you or a member of your immediate family holds such an interest valued at more than \$1,000. This requirement to disclose an interest in a lease does not apply to an interest derived through an ownership interest in a business unless the ownership interest exceeds three percent of the total equity of the business.

State officers and employees report contracts with state agencies.

Local officers and employees report contracts with local agencies.

a	List your real estate interest and the person or entity, including the type of entity, which is party to the contract. Describe any management role and the percentage ownership interest you or your immediate family member has in the real estate or entity.	List each governmental agency which is a party to the contract and indicate the county or city where the real estate is located.	State the annual income from the contract, and the amount, if any, of income you or any immediate family member derives annually from the contract.
b	_____ _____ _____	_____	_____ _____
c	_____ _____ _____	_____	_____ _____
d	_____ _____ _____	_____	_____ _____
e	_____ _____ _____	_____	_____ _____

f

1987, Sp. Sess., c. 1, § 2.1-639.15; 1988, c. 849; 1994, cc. 724, 733, 777, 793; 1995, c. 763; 1996, c. 77; 1997, cc. 577, 844; 1998, c. 732; 2001, c. 844; 2006, cc. 310, 779, 787, 892; 2008, c. 239; 2010, c. 670; 2012, c. 429; 2014, cc. 792, 804; 2015, cc. 763, 777.

**§ 2.2-3117. (Effective January 1, 2017) Disclosure form.**

The disclosure form to be used for filings required by subsections A and D of § 2.2-3114 and subsections A and E of § 2.2-3115 shall be prescribed by the Council. Except as otherwise provided in § 2.2-3115, all completed forms shall be filed electronically with the Council in accordance with the standards approved by it pursuant to § 30-356. Any person who knowingly and intentionally makes a false statement of a material fact on the Statement of Economic Interests is guilty of a Class 5 felony.

1987, Sp. Sess., c. 1, § 2.1-639.15; 1988, c. 849; 1994, cc. 724, 733, 777, 793; 1995, c. 763; 1996, c. 77; 1997, cc. 577, 844; 1998, c. 732; 2001, c. 844; 2006, cc. 310, 779, 787, 892; 2008, c. 239; 2010, c. 670; 2012, c. 429; 2014, cc. 792, 804; 2015, cc. 763, 777; 2016, cc. 773, 774.

**§ 2.2-3118. (Effective until January 1, 2017) Disclosure form; certain citizen members.**

A. The financial disclosure form to be used for filings required pursuant to subsection B of § 2.2-3114 and subsection B of § 2.2-3115 shall be filed in accordance with the provisions of § 30-356. The financial disclosure form shall be substantially similar to the following. Except as otherwise provided in § 2.2-3115, all completed forms shall be filed electronically with the Council in accordance with the standards approved by it pursuant to § 30-356.

**DEFINITIONS AND EXPLANATORY MATERIAL.**

"Business" means a corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, trust or foundation, or any other individual or entity carrying on a business or profession, whether or not for profit.

"Close financial association" means an association in which the person filing shares significant financial involvement with an individual and the filer would reasonably be expected to be aware of the individual's business activities and would have access to the necessary records either directly or through the individual. "Close financial association" does not mean an association based on (i) the receipt of retirement benefits or deferred compensation from a business by which the person filing this statement is no longer employed, or (ii) the receipt of compensation for work performed by the person filing as an independent contractor of a business that represents an entity before any state governmental agency when the person filing has no communications with the state governmental agency.

"Contingent liability" means a liability that is not presently fixed or determined, but may become fixed or determined in the future with the occurrence of some certain event.

"Immediate family" means (i) a spouse and (ii) any other person who resides in the same household as the filer and who is a dependent of the filer.

"Personal interest" means, for the purposes of this form only, a personal and financial benefit or liability accruing to a filer or a member of his immediate family. Such interest shall exist by

reason of (i) ownership in real or personal property, tangible or intangible; (ii) ownership in a business; (iii) income from a business; or (iv) personal liability on behalf of a business; however, unless the ownership interest in a business exceeds three percent of the total equity of the business, or the liability on behalf of a business exceeds three percent of the total assets of the business, or the annual income, and/or property or use of such property, from the business exceeds \$10,000 or may reasonably be anticipated to exceed \$10,000, such interest shall not constitute a "personal interest."

Name.....☒

Office or position held or to be held

.....☒

Address.....☒

I. My personal interests and those of my immediate family are as follows:

Include all forms of personal interests held at the time of filing: real estate, stocks, bonds, equity interests in proprietorships and partnerships. You may exclude:

1. Deposits and interest bearing accounts in banks, savings institutions and other institutions accepting such deposits or accounts;
2. Interests in any business, other than a news medium, representing less than three percent of the total equity value of the business;
3. Liability on behalf of any business representing less than three percent of the total assets of such business; and
4. Income (other than from salary) less than \$10,000 annually from any business. You need not state the value of any interest. You must state the name or principal business activity of each business in which you have a personal interest.

A. My personal interests are:

1. Residence, address, or, if no address, location.....☒
2. Other real estate, address, or, if no address, location.....☒
3. Name or principal business activity of each business in which stock, bond or equity interest is held.....☒

B. The personal interests of my immediate family are:

1. Real estate, address or, if no address, location.....☒
2. Name or principal business activity of each business in which stock, bond or equity interest is held

## II. OFFICES, DIRECTORSHIPS AND SALARIED EMPLOYMENTS

The paid offices, paid directorships and salaried employments which I hold or which members of my immediate family hold and the businesses from which I or members of my immediate family receive retirement benefits are as follows:

(You need not state any dollar amounts.)

A. My paid offices, paid directorships and salaried employments are:

-----  
-----  
Position heldName of business  
-----  
-----  
-----  
-----  
-----

B. The paid offices, paid directorships and salaried employments of members of my immediate family are:

-----  
-----  
Position heldName of business  
-----  
-----  
-----  
-----  
-----

III.A. The businesses I have represented, excluding activity defined as lobbying in § 2.2-419, before any state governmental agency, excluding any court or judge, for which I have received total compensation in excess of \$1,000 during the preceding year, excluding compensation for other services to such businesses and representation consisting solely of the filing of mandatory papers, are as follows:

Identify businesses by name and name the state governmental agencies before which you appeared on behalf of such businesses.

-----  
-----  
Name of businessName of governmental agency  
-----  
-----  
-----  
-----  
-----

B. The businesses that, to my knowledge, have been represented, excluding activity defined as lobbying in § 2.2-419, before any state governmental agency, excluding any court or judge, by persons with whom I have a close financial association and who received total compensation in excess of \$1,000 during the preceding year, excluding compensation for other services to such businesses and representation consisting solely of the filing of mandatory papers, are as follows:

Identify businesses by type and name the state governmental agencies before which such person appeared on behalf of such businesses.

-----  
 -----  
 Type of businessName of state governmental agency  
 -----  
 -----  
 -----  
 -----  
 -----  
 -----

C. All other businesses listed below that operate in Virginia to which services were furnished pursuant to an agreement between you and such businesses and for which total compensation in excess of \$1,000 was received during the preceding year:

Check each category of business to which services were furnished.

-----  
 -----

- Electric utilities
- Gas utilities
- Telephone utilities
- Water utilities
- Cable television companies
- Intrastate transportation companies
- Interstate transportation companies
- Oil or gas retail companies
- Banks
- Savings institutions
- Loan or finance companies
- Manufacturing companies (state type of product, e.g., textile, furniture, etc.)
- Mining companies
- Life insurance companies
- Casualty insurance companies
- Other insurance companies
- Retail companies
- Beer, wine or liquor companies or distributors
- Trade associations
- Professional associations
- Associations of public employees or officials
- Counties, cities or towns
- Labor organizations

IV. The persons, associations, or other sources other than my governmental agency from which I or a member of my immediate family received remuneration in excess of \$100 during the preceding year, in cash or otherwise, as honorariums or payment of expenses in connection with my attendance at any meeting or other function to which I was invited in my official capacity are as follows:



-----  
 -----  
 Description Amount of remuneration  
 Name of Source of occasion for each occasion  
 -----  
 -----  
 -----  
 -----  
 -----

B. The provisions of Part III A and B of the disclosure form prescribed by this section shall not be applicable to officers and employees of local governmental and local advisory agencies.

C. Except for real estate located within the county, city or town in which the officer or employee serves or a county, city or town contiguous to the county, city or town in which the officer or employee serves, officers and employees of local governmental or advisory agencies shall not be required to disclose under Part I of the form any other interests in real estate.

1988, c. 849, § 2.1-639.15:1; 1996, c. 77; 2001, c. 844; 2006, c. 779; 2011, cc. 123, 177; 2014, cc. 792, 804; 2015, cc. 763, 777.

**§ 2.2-3118. (Effective until January 1, 2017) Disclosure form; certain citizen members.**

A. The financial disclosure form to be used for filings required pursuant to subsection B of § 2.2-3114 and subsection B of § 2.2-3115 shall be filed in accordance with the provisions of § 30-356. The financial disclosure form shall be substantially similar to the following. Except as otherwise provided in § 2.2-3115, all completed forms shall be filed electronically with the Council in accordance with the standards approved by it pursuant to § 30-356.

**DEFINITIONS AND EXPLANATORY MATERIAL.**

"Business" means a corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, trust or foundation, or any other individual or entity carrying on a business or profession, whether or not for profit.

"Close financial association" means an association in which the person filing shares significant financial involvement with an individual and the filer would reasonably be expected to be aware of the individual's business activities and would have access to the necessary records either directly or through the individual.

"Close financial association" does not mean an association based on (i) the receipt of retirement benefits or deferred compensation from a business by which the person filing this statement is no longer employed, or (ii) the receipt of compensation for work performed by the person filing as an independent contractor of a business that represents an entity before any state governmental agency when the person filing has no communications with the state governmental agency.

"Contingent liability" means a liability that is not presently fixed or determined, but may become fixed or determined in the future with the occurrence of some certain event.

"Immediate family" means (i) a spouse and (ii) any other person who resides in the same household as the filer and who is a dependent of the filer.

"Personal interest" means, for the purposes of this form only, a personal and financial benefit or liability accruing to a filer or a member of his immediate family. Such interest shall exist by reason of (i) ownership in real or personal property, tangible or intangible; (ii) ownership in a business; (iii) income from a business; or (iv) personal liability on behalf of a business; however, unless the ownership interest in a business exceeds three percent of the total equity of the business, or the liability on behalf of a business exceeds three percent of the total assets of the business, or the annual income, and/or property or use of such property, from the business exceeds \$10,000 or may reasonably be anticipated to exceed \$10,000, such interest shall not constitute a "personal interest."

Name \_\_\_\_\_

Office or position held or to be held

\_\_\_\_\_

Address \_\_\_\_\_

### I. FINANCIAL INTERESTS

My personal interests and those of my immediate family are as follows:

Include all forms of personal interests held at the time of filing: real estate, stocks, bonds, equity interests in proprietorships and partnerships. You may exclude:

1. Deposits and interest bearing accounts in banks, savings institutions and other institutions accepting such deposits or accounts;
2. Interests in any business, other than a news medium, representing less than three percent of the total equity value of the business;
3. Liability on behalf of any business representing less than three percent of the total assets of such business; and
4. Income (other than from salary) less than \$10,000 annually from any business. You need not state the value of any interest. You must state the name or principal business activity of each business in which you have a personal interest.

A. My personal interests are:

1. Residence, address, or, if no address, location

\_\_\_\_\_

2. Other real estate, address, or, if no address, location

\_\_\_\_\_

3. Name or principal business activity of each business in which stock, bond or equity interest is held

\_\_\_\_\_

B. The personal interests of my immediate family are:

1. Real estate, address or, if no address, location

\_\_\_\_\_

2. Name or principal business activity of each business in which stock, bond or equity interest is held

---

**II. OFFICES, DIRECTORSHIPS AND SALARIED EMPLOYMENTS**

The paid offices, paid directorships and salaried employments which I hold or which members of my immediate family hold and the businesses from which I or members of my immediate family receive retirement benefits are as follows:

(You need not state any dollar amounts.)

A. My paid offices, paid directorships and salaried employments are:

a	Position held	Name of business
b	_____	_____
	_____	_____
c	_____	_____
	_____	_____
d	_____	_____
	_____	_____

B. The paid offices, paid directorships and salaried employments of members of my immediate family are:

a	Position held	Name of business
b	_____	_____
	_____	_____
c	_____	_____
	_____	_____
d	_____	_____
	_____	_____

**III. BUSINESSES TO WHICH SERVICES WERE FURNISHED**

A. The businesses I have represented, excluding activity defined as lobbying in § 2.2-419, before any state governmental agency, excluding any court or judge, for which I have received total compensation in excess of \$1,000 during the preceding year, excluding compensation for other services to such businesses and representation consisting solely of the filing of mandatory papers, are as follows:

Identify businesses by name and name the state governmental agencies before which you appeared on behalf of such businesses.

a	Name of business	Name of governmental agency
---	------------------	-----------------------------

b	_____	_____
	_____	_____
c	_____	_____
	_____	_____
d	_____	_____
	_____	_____

B. The businesses that, to my knowledge, have been represented, excluding activity defined as lobbying in § 2.2-419, before any state governmental agency, excluding any court or judge, by persons with whom I have a close financial association and who received total compensation in excess of \$1,000 during the preceding year, excluding compensation for other services to such businesses and representation consisting solely of the filing of mandatory papers, are as follows:

Identify businesses by type and name the state governmental agencies before which such person appeared on behalf of such businesses.

a	Type of business	Name of state governmental agency
b	_____	_____
	-	_____
c	_____	_____
	-	_____
d	_____	_____
	-	_____

C. All other businesses listed below that operate in Virginia to which services were furnished pursuant to an agreement between you and such businesses and for which total compensation in excess of \$1,000 was received during the preceding year:

Check each category of business to which services were furnished.

a	Electric utilities	_____
b	Gas utilities	_____
c	Telephone utilities	_____
d	Water utilities	_____
e	Cable television companies	_____
f	Intrastate transportation companies	_____
g	Interstate transportation companies	_____

- h Oil or gas retail companies \_\_\_\_\_
- i Banks \_\_\_\_\_
- j Savings institutions \_\_\_\_\_
- k Loan or finance companies \_\_\_\_\_
- l Manufacturing companies  
(state type of product, e.g., textile, furniture, etc.) \_\_\_\_\_
- m Mining companies \_\_\_\_\_
- n Life insurance companies \_\_\_\_\_
- o Casualty insurance companies \_\_\_\_\_
- p Other insurance companies \_\_\_\_\_
- q Retail companies \_\_\_\_\_
- r Beer, wine or liquor companies  
or distributors \_\_\_\_\_
- s Trade associations \_\_\_\_\_
- t Professional associations \_\_\_\_\_
- u Associations of public  
employees or officials \_\_\_\_\_
- v Counties, cities or towns \_\_\_\_\_
- w Labor organizations \_\_\_\_\_

**IV. COMPENSATION FOR EXPENSES**

The persons, associations, or other sources other than my governmental agency from which I or a member of my immediate family received remuneration in excess of \$100 during the preceding year, in cash or otherwise, as honorariums or payment of expenses in connection with my attendance at any meeting or other function to which I was invited in my official capacity are as follows:

a	Name of Source	Description of occasion	Amount of remuneration for each occasion
b	_____	_____	_____
	_____	_____	_____

c	_____	_____	_____
	_____	_____	_____
d	_____	_____	_____
	_____	_____	_____

B. The provisions of Part III A and B of the disclosure form prescribed by this section shall not be applicable to officers and employees of local governmental and local advisory agencies.

C. Except for real estate located within the county, city or town in which the officer or employee serves or a county, city or town contiguous to the county, city or town in which the officer or employee serves, officers and employees of local governmental or advisory agencies shall not be required to disclose under Part I of the form any other interests in real estate.

1988, c. 849, § 2.1-639.15:1; 1996, c. 77;2001, c. 844;2006, c. 779;2011, cc. 123, 177;2014, cc. 792, 804;2015, cc. 763, 777.

**§ 2.2-3118. (Effective January 1, 2017) Disclosure form; certain citizen members.**

The financial disclosure form to be used for filings required pursuant to subsection B of § 2.2-3114 and subsection B of § 2.2-3115 shall be filed in accordance with the provisions of § 30-356. The financial disclosure form shall be prescribed by the Council. Except as otherwise provided in § 2.2-3115, all completed forms shall be filed electronically with the Council in accordance with the standards approved by it pursuant to § 30-356.

1988, c. 849, § 2.1-639.15:1; 1996, c. 77;2001, c. 844;2006, c. 779;2011, cc. 123, 177;2014, cc. 792, 804;2015, cc. 763, 777;2016, cc. 773, 774.

**§ 2.2-3118.1. Special provisions for individuals serving in or seeking multiple positions or offices; reappointees.**

A. The filing of a single current statement of economic interests by an individual required to file the form prescribed in § 2.2-3117 shall suffice for the purposes of this chapter as filing for all positions or offices held or sought by such individual during a single reporting period. The filing of a single current financial disclosure statement by an individual required to file the form prescribed in § 2.2-3118 shall suffice for the purposes of this chapter as filing for all positions or offices held or sought by such individual and requiring the filing of the § 2.2-3118 form during a single reporting period.

B. Any individual who has met the requirement for periodically filing a statement provided in § 2.2-3117 or 2.2-3118 shall not be required to file an additional statement upon such individual's reappointment to the same office or position for which he is required to file, provided such reappointment occurs within six months after filing a statement pursuant to § 2.2-3117 and within 12 months after filing a statement pursuant to § 2.2-3118.

2005, c. 397;2014, cc. 792, 804;2016, cc. 773, 774.

**Article 6. School Boards and Employees of School Boards**

**§ 2.2-3119. Additional provisions applicable to school boards and employees of school boards; exceptions.**

A. Notwithstanding any other provision of this chapter, it shall be unlawful for the school board of any county or city or of any town constituting a separate school division to employ or pay any teacher or other school board employee from the public funds, federal, state or local, or for a division superintendent to recommend to the school board the employment of any teacher or other employee, if the teacher or other employee is the father, mother, brother, sister, spouse, son, daughter, son-in-law, daughter-in-law, sister-in-law or brother-in-law of the superintendent, or of any member of the school board.

This section shall apply to any person employed by any school board in the operation of the public free school system, adult education programs or any other program maintained and operated by a local county, city or town school board.

B. This section shall not be construed to prohibit the employment, promotion, or transfer within a school division of any person within a relationship described in subsection A when such person:

1. Has been employed pursuant to a written contract with a school board or employed as a substitute teacher or teacher's aide by a school board prior to the taking of office of any member of such board or division superintendent of schools; or

2. Has been employed pursuant to a written contract with a school board or employed as a substitute teacher or teacher's aide by a school board prior to the inception of such relationship; or

3. Was employed by a school board at any time prior to June 10, 1994, and had been employed at any time as a teacher or other employee of any Virginia school board prior to the taking of office of any member of such school board or division superintendent of schools.

C. A person employed as a substitute teacher may not be employed to any greater extent than he was employed by the school board in the last full school year prior to the taking of office of such board member or division superintendent or to the inception of such relationship. The exceptions in subdivisions B 1, B 2, and B 3 shall apply only if the prior employment has been in the same school divisions where the employee and the superintendent or school board member now seek to serve simultaneously.

D. If any member of the school board or any division superintendent knowingly violates these provisions, he shall be personally liable to refund to the local treasury any amounts paid in violation of this law, and the funds shall be recovered from the individual by action or suit in the name of the Commonwealth on the petition of the attorney for the Commonwealth. Recovered funds shall be paid into the local treasury for the use of the public schools.

E. The provisions of this section shall not apply to employment by a school district located in Planning Districts 3, 11, 12, and 13 of the father, mother, brother, sister, spouse, son, daughter, son-in-law, daughter-in-law, sister-in-law, or brother-in-law of any member of the school board provided (i) the member certifies that he had no involvement with the hiring decision and (ii) the superintendent certifies to the remaining members of the governing body in writing that the employment is based upon merit and fitness and the competitive rating of the qualifications of the individual and that no member of the board had any involvement with the hiring decision.

1987, Sp. Sess., c. 1, § 2.1-639.16; 1994, c. 758; 1995, c. 186; 1997, c. 84; 2001, c. 844; 2010, cc. 676, 759; 2011, c. 517.

## Article 7. Penalties and Remedies

### **§ 2.2-3120. Knowing violation of chapter a misdemeanor.**

Any person who knowingly violates any of the provisions of Articles 2 through 6 (§§ 2.2-3102 through 2.2-3119) of this chapter shall be guilty of a Class 1 misdemeanor, except that any member of a local governing body who knowingly violates subsection A of § 2.2-3112 or subsection D or F of § 2.2-3115 shall be guilty of a Class 3 misdemeanor. A knowing violation under this section is one in which the person engages in conduct, performs an act or refuses to perform an act when he knows that the conduct is prohibited or required by this chapter.

1987, Sp. Sess., c. 1, § 2.1-639.17; 2001, c. 844; 2012, c. 429.

### **§ 2.2-3121. Advisory opinions.**

A. A state officer or employee shall not be prosecuted for a knowing violation of this chapter if the alleged violation resulted from his good faith reliance on a written opinion of the Attorney General or the Virginia Conflict of Interest and Ethics Advisory Council made in response to his written request for such opinion and the opinion was made after a full disclosure of the facts regardless of whether such opinion is later withdrawn provided the alleged violation occurred prior to the withdrawal of the opinion.

B. A local officer or employee shall not be prosecuted for a knowing violation of this chapter if the alleged violation resulted from his good faith reliance on a written opinion of the attorney for the Commonwealth or the Council made in response to his written request for such opinion and the opinion was made after a full disclosure of the facts regardless of whether such opinion is later withdrawn, provided that the alleged violation occurred prior to the withdrawal of the opinion. The written opinion shall be a public record and shall be released upon request.

C. If any officer or employee serving at the local level of government is charged with a knowing violation of this chapter, and the alleged violation resulted from his reliance upon a written opinion of his county, city, or town attorney, made after a full disclosure of the facts, that such action was not in violation of this chapter, then the officer or employee shall have the right to introduce a copy of the opinion at his trial as evidence that he did not knowingly violate this chapter.

1987, Sp. Sess., c. 1, § 2.1-639.18; 2001, c. 844; 2003, c. 694; 2014, cc. 792, 804; 2015, cc. 763, 777; 2016, c. 665.

### **§ 2.2-3122. Knowing violation of chapter constitutes malfeasance in office or employment.**

Any person who knowingly violates any of the provisions of this chapter shall be guilty of malfeasance in office or employment. Upon conviction thereof, the judge or jury trying the case, in addition to any other fine or penalty provided by law, may order the forfeiture of such office or employment.

1987, Sp. Sess., c. 1, § 2.1-639.19; 2001, c. 844.

### **§ 2.2-3123. Invalidation of contract; rescission of sales.**

A. Any contract made in violation of § 2.2-3103 or §§ 2.2-3106 through 2.2-3109 may be declared void and may be rescinded by the governing body of the contracting or selling governmental agency within five years of the date of such contract. In cases in which the contract is invalidated, the contractor shall retain or receive only the reasonable value, with no increment for profit or commission, of the property or services furnished prior to the date of receiving



notice that the contract has been voided. In cases of rescision of a contract of sale, any refund or restitution shall be made to the contracting or selling governmental agency.

B. Any purchase by an officer or employee made in violation of § 2.2-3103 or §§ 2.2-3106 through 2.2-3109 may be rescinded by the governing body of the contracting or selling governmental agency within five years of the date of such purchase.

1987, Sp. Sess., c. 1, § 2.1-639.20; 2001, c. 844.

**§ 2.2-3124. Civil penalty from violation of this chapter.**

A. In addition to any other fine or penalty provided by law, an officer or employee who knowingly violates any provision of §§ 2.2-3103 through 2.2-3112 shall be subject to a civil penalty in an amount equal to the amount of money or thing of value received as a result of such violation. If the thing of value received by the officer or employee in violation of §§ 2.2-3103 through 2.2-3112 increases in value between the time of the violation and the time of discovery of the violation, the greater value shall determine the amount of the civil penalty. Further, all money or other things of value received as a result of such violation shall be forfeited in accordance with the provisions of § 19.2-386.33.

B. An officer or employee required to file the disclosure form prescribed by § 2.2-3117 who fails to file such form within the time period prescribed shall be assessed a civil penalty in an amount equal to \$250. The Council shall notify the Attorney General of any state officer's or employee's failure to file the required form and the Attorney General shall assess and collect the civil penalty. The clerk of the school board or the clerk of the governing body of the county, city, or town shall notify the attorney for the Commonwealth for the locality in which the officer or employee was elected or is employed of any local officer's or employee's failure to file the required form and the attorney for the Commonwealth shall assess and collect the civil penalty. The Council shall notify the Attorney General and the clerk shall notify the attorney for the Commonwealth within 30 days of the deadline for filing. All civil penalties collected pursuant to this subsection shall be deposited into the general fund and used exclusively to fund the Council.

1987, Sp. Sess., c. 1, § 2.1-639.21; 1994, cc. 727, 776; 2001, c. 844; 2012, cc. 283, 756; 2015, cc. 763, 777.

**§ 2.2-3125. Limitation of actions.**

The statute of limitations for the criminal prosecution of a person for violation of any provision of this chapter shall be one year from the time the Attorney General, if the violation is by a state officer or employee, or the attorney for the Commonwealth, if the violation is by a local officer or employee, has actual knowledge of the violation or five years from the date of the violation, whichever event occurs first. Any prosecution for malfeasance in office shall be governed by the statute of limitations provided by law.

1987, Sp. Sess., c. 1, § 2.1-639.22; 2001, c. 844.

**§ 2.2-3126. Enforcement.**

A. The provisions of this chapter relating to an officer or employee serving at the state level of government shall be enforced by the Attorney General.

In addition to any other powers and duties prescribed by law, the Attorney General shall have the following powers and duties within the area for which he is responsible under this section:

1. He shall advise the agencies of state government and officers and employees serving at the state level of government on appropriate procedures for complying with the requirements of this chapter. He may review any disclosure statements, without notice to the affected person, for the purpose of determining satisfactory compliance, and shall investigate matters that come to his attention reflecting possible violations of the provisions of this chapter by officers and employees serving at the state level of government;

2. If he determines that there is a reasonable basis to conclude that any officer or employee serving at the state level of government has knowingly violated any provision of this chapter, he shall designate an attorney for the Commonwealth who shall have complete and independent discretion in the prosecution of such officer or employee;

3. He shall render advisory opinions to any state officer or employee who seeks advice as to whether the facts in a particular case would constitute a violation of the provisions of this chapter. He shall determine which opinions or portions thereof are of general interest to the public and may, from time to time, be published.

Irrespective of whether an opinion of the Attorney General has been requested and rendered, any person has the right to seek a declaratory judgment or other judicial relief as provided by law.

B. The provisions of this chapter relating to an officer or employee serving at the local level of government shall be enforced by the attorney for the Commonwealth within the political subdivision for which he is elected.

Each attorney for the Commonwealth shall be responsible for prosecuting violations by an officer or employee serving at the local level of government and, if the Attorney General designates such attorney for the Commonwealth, violations by an officer or employee serving at the state level of government. In the event the violation by an officer or employee serving at the local level of government involves more than one local jurisdiction, the Attorney General shall designate which of the attorneys for the Commonwealth of the involved local jurisdictions shall enforce the provisions of this chapter with regard to such violation.

Each attorney for the Commonwealth shall establish an appropriate written procedure for implementing the disclosure requirements of local officers and employees of his county, city or town, and for other political subdivisions, whose principal offices are located within the jurisdiction served by such attorney for the Commonwealth. The attorney for the Commonwealth shall provide a copy of this act to all local officers and employees in the jurisdiction served by such attorney who are required to file a disclosure statement pursuant to Article 5 (§ [2.2-3113](#) et seq.) of this chapter. Failure to receive a copy of the act shall not be a defense to such officers and employees if they are prosecuted for violations of the act.

Each attorney for the Commonwealth shall render advisory opinions as to whether the facts in a particular case would constitute a violation of the provisions of this chapter to the governing body and any local officer or employee in his jurisdiction and to political subdivisions other than a county, city or town, including regional political subdivisions whose principal offices are located within the jurisdiction served by such attorney for the Commonwealth. If the advisory opinion is written, then such written opinion shall be a public record and shall be released upon request. In case the opinion given by the attorney for the Commonwealth indicates that the facts would constitute a violation, the officer or employee affected thereby may request that the Attorney General review the opinion. A conflicting opinion by the Attorney General shall act to

revoke the opinion of the attorney for the Commonwealth. The Attorney General shall determine which of his reviewing opinions or portions thereof are of general interest to the public and may, from time to time, be published.

Irrespective of whether an opinion of the attorney for the Commonwealth or the Attorney General has been requested and rendered, any person has the right to seek a declaratory judgment or other judicial relief as provided by law.

1987, Sp. Sess., c. 1, § 2.1-639.23; 2001, c. 844; 2003, c. 694.

#### **§ 2.2-3127. Venue.**

Any prosecution for a violation involving an officer serving at the state level of government shall be brought in the Circuit Court of the City of Richmond. Any prosecution for a violation involving an employee serving at the state level of government shall be within the jurisdiction in which the employee has his principal place of state employment.

Any proceeding provided in this chapter shall be brought in a court of competent jurisdiction within the county or city in which the violation occurs if the violation involves an officer or employee serving at the local level of government.

1987, Sp. Sess., c. 1, § 2.1-639.24; 2001, c. 844.

### **Article 8. Orientation for State Filers**

#### **§ 2.2-3128. Semiannual orientation course.**

Each state agency shall offer at least semiannually to each of its state filers an orientation course on this chapter, on ethics in public contracting pursuant to Article 6 (§ 2.2-4367 et seq.) of Chapter 43 of this title, if applicable to the filer, and on any other applicable regulations that govern the official conduct of state officers and employees.

2004, cc. 134, 392.

#### **§ 2.2-3129. Records of attendance.**

Each state agency shall maintain records indicating the specific attendees, each attendee's job title, and dates of their attendance for each orientation course offered pursuant to § 2.2-3128 for a period of not less than five years after each course is given. These records shall be public records subject to inspection and copying consistent with § 2.2-3704.

2004, cc. 134, 392.

#### **§ 2.2-3130. Attendance requirements.**

Except as set forth in § 2.2-3131, each state filer shall attend the orientation course required in § 2.2-3128, as follows:

1. For a state filer who holds a position with the agency on January 1, 2004, not later than December 31, 2004 and, thereafter, at least once during each consecutive period of two calendar years commencing on January 1, 2006.
2. For a person who becomes a state filer with the agency after January 1, 2004, within two months after he or she becomes a state filer and at least once during each consecutive period of two calendar years commencing on the first odd-numbered year thereafter.

2004, cc. 134, 392.

**§ 2.2-3131. Exemptions.**

A. The requirements of § 2.2-3130 shall not apply to state filers with a state agency who have taken an equivalent ethics orientation course through another state agency within the time periods set forth in subdivision 1 or 2 of § 2.2-3130, as applicable.

B. State agencies may jointly conduct and state filers from more than one state agency may jointly attend an orientation course required by § 2.2-3128, as long as the course content is relevant to the official duties of the attending state filers.

C. Before conducting each orientation course required by § 2.2-3128, state agencies shall consult with the Attorney General and the Virginia Conflict of Interest and Ethics Advisory Council regarding appropriate course content.

2004, cc. 134, 392;2014, cc. 792, 804.

Code of Virginia

Title 2.2. Administration of Government

Chapter 37. Virginia Freedom of Information Act

**§ 2.2-3700. Short title; policy.**

A. This chapter may be cited as "The Virginia Freedom of Information Act."

B. By enacting this chapter, the General Assembly ensures the people of the Commonwealth ready access to public records in the custody of a public body or its officers and employees, and free entry to meetings of public bodies wherein the business of the people is being conducted. The affairs of government are not intended to be conducted in an atmosphere of secrecy since at all times the public is to be the beneficiary of any action taken at any level of government. Unless a public body or its officers or employees specifically elect to exercise an exemption provided by this chapter or any other statute, every meeting shall be open to the public and all public records shall be available for inspection and copying upon request. All public records and meetings shall be presumed open, unless an exemption is properly invoked.

The provisions of this chapter shall be liberally construed to promote an increased awareness by all persons of governmental activities and afford every opportunity to citizens to witness the operations of government. Any exemption from public access to records or meetings shall be narrowly construed and no record shall be withheld or meeting closed to the public unless specifically made exempt pursuant to this chapter or other specific provision of law. This chapter shall not be construed to discourage the free discussion by government officials or employees of public matters with the citizens of the Commonwealth.

All public bodies and their officers and employees shall make reasonable efforts to reach an agreement with a requester concerning the production of the records requested.

Any ordinance adopted by a local governing body that conflicts with the provisions of this chapter shall be void.

1968, c. 479, § 2.1-340; 1976, c. 467, § 2.1-340.1; 1989, c. 358; 1990, c. 538; 1999, cc. [703](#), [726](#); 2001, c. [844](#); 2002, c. [393](#).

**§ 2.2-3701. Definitions.**

As used in this chapter, unless the context requires a different meaning:

"Closed meeting" means a meeting from which the public is excluded.

"Electronic communication" means any audio or combined audio and visual communication method.

"Emergency" means an unforeseen circumstance rendering the notice required by this chapter impossible or impracticable and which circumstance requires immediate action.

"Information" as used in the exclusions established by §§ [2.2-3705.1](#) through [2.2-3705.7](#), means the content within a public record that references a specifically identified subject matter, and shall not be interpreted to require the production of information that is not embodied in a public record.

"Meeting" or "meetings" means the meetings including work sessions, when sitting physically, or through telephonic or video equipment pursuant to § [2.2-3708](#) or [2.2-3708.1](#), as a body or entity,

or as an informal assemblage of (i) as many as three members or (ii) a quorum, if less than three, of the constituent membership, wherever held, with or without minutes being taken, whether or not votes are cast, of any public body. Neither the gathering of employees of a public body nor the gathering or attendance of two or more members of a public body (i) at any place or function where no part of the purpose of such gathering or attendance is the discussion or transaction of any public business, and such gathering or attendance was not called or prearranged with any purpose of discussing or transacting any business of the public body, or (ii) at a public forum, candidate appearance, or debate, the purpose of which is to inform the electorate and not to transact public business or to hold discussions relating to the transaction of public business, even though the performance of the members individually or collectively in the conduct of public business may be a topic of discussion or debate at such public meeting, shall be deemed a "meeting" subject to the provisions of this chapter.

"Open meeting" or "public meeting" means a meeting at which the public may be present.

"Public body" means any legislative body, authority, board, bureau, commission, district or agency of the Commonwealth or of any political subdivision of the Commonwealth, including cities, towns and counties, municipal councils, governing bodies of counties, school boards and planning commissions; boards of visitors of public institutions of higher education; and other organizations, corporations or agencies in the Commonwealth supported wholly or principally by public funds. It shall include (i) the Virginia Birth-Related Neurological Injury Compensation Program and its board of directors established pursuant to Chapter 50 (§ 38.2-5000 et seq.) of Title 38.2 and (ii) any committee, subcommittee, or other entity however designated, of the public body created to perform delegated functions of the public body or to advise the public body. It shall not exclude any such committee, subcommittee or entity because it has private sector or citizen members. Corporations organized by the Virginia Retirement System are "public bodies" for purposes of this chapter.

For the purposes of the provisions of this chapter applicable to access to public records, constitutional officers and private police departments as defined in § 9.1-101 shall be considered public bodies and, except as otherwise expressly provided by law, shall have the same obligations to disclose public records as other custodians of public records.

"Public records" means all writings and recordings that consist of letters, words or numbers, or their equivalent, set down by handwriting, typewriting, printing, photostating, photography, magnetic impulse, optical or magneto-optical form, mechanical or electronic recording or other form of data compilation, however stored, and regardless of physical form or characteristics, prepared or owned by, or in the possession of a public body or its officers, employees or agents in the transaction of public business. Records that are not prepared for or used in the transaction of public business are not public records.

"Regional public body" means a unit of government organized as provided by law within defined boundaries, as determined by the General Assembly, whose members are appointed by the participating local governing bodies, and such unit includes two or more counties or cities.

"Scholastic records" means those records containing information directly related to a student or an applicant for admission and maintained by a public body that is an educational agency or institution or by a person acting for such agency or institution.

1968, c. 479, § 2.1-341; 1970, c. 456; 1974, c. 332; 1975, c. 307; 1977, c. 677; 1978, cc. 573, 826;

1979, cc. 369, 687; 1980, c. 754; 1984, c. 252; 1989, c. 358; 1990, c. 538; 1993, cc. 270, 720; 1994, cc. 845, 931; 1996, c. 609; 1997, c. 641; 1999, cc. 703, 726; 2001, c. 844; 2002, c. 393; 2003, c. 897; 2007, c. 945; 2008, cc. 233, 789; 2010, c. 706; 2011, c. 242; 2015, cc. 131, 195, 224; 2016, cc. 620, 716.

**§ 2.2-3702. Notice of chapter.**

Any person elected, reelected, appointed or reappointed to any body not excepted from this chapter shall (i) be furnished by the public body's administrator or legal counsel with a copy of this chapter within two weeks following election, reelection, appointment or reappointment and (ii) read and become familiar with the provisions of this chapter.

1976, c. 467, § 2.1-341.1; 1999, cc. 703, 726; 2001, c. 844; 2002, c. 393.

**§ 2.2-3703. Public bodies and records to which chapter inapplicable; voter registration and election records; access by persons incarcerated in a state, local, or federal correctional facility.**

A. The provisions of this chapter shall not apply to:

1. The Virginia Parole Board, except that (i) information from the Virginia Parole Board providing the number of inmates considered by such Board for discretionary parole, the number of inmates granted or denied parole, and the number of parolees returned to the custody of the Department of Corrections solely as a result of a determination by such Board of a violation of parole shall be open to inspection and available for release, on a monthly basis, as provided by § 2.2-3704 and (ii) all records concerning the finances of the Virginia Parole Board shall be public records and subject to the provisions of this chapter. The information required by clause (i) shall be furnished by offense, sex, race, age of the inmate, and the locality in which the conviction was obtained, upon the request of the party seeking the information;

2. Petit juries and grand juries;

3. Family assessment and planning teams established pursuant to § 2.2-5207;

4. The Virginia State Crime Commission; and

5. The records required by law to be maintained by the clerks of the courts of record, as defined in § 1-212, and courts not of record, as defined in § 16.1-69.5. However, other records maintained by the clerks of such courts shall be public records and subject to the provisions of this chapter.

B. Public access to voter registration and election records shall be governed by the provisions of Title 24.2 and this chapter. The provisions of Title 24.2 shall be controlling in the event of any conflict.

C. No provision of this chapter or Chapter 21 (§ 30-178 et seq.) of Title 30 shall be construed to afford any rights to any person (i) incarcerated in a state, local or federal correctional facility, whether or not such facility is (a) located in the Commonwealth or (b) operated pursuant to the Corrections Private Management Act (§ 53.1-261 et seq.) or (ii) civilly committed pursuant to the Sexually Violent Predators Act (§ 37.2-900 et seq.). However, this subsection shall not be construed to prevent such persons from exercising their constitutionally protected rights, including, but not limited to, their right to call for evidence in their favor in a criminal prosecution.

1999, cc. 703, 726, § 2.1-341.2; 2001, c. 844; 2003, cc. 989, 1018; 2004, cc. 398, 690; 2007, cc. 438, 548, 626.

**§ 2.2-3703.1. Disclosure pursuant to court order or subpoena.**

Nothing contained in this chapter shall have any bearing upon disclosures required to be made pursuant to any court order or subpoena. No discretionary exemption from mandatory disclosure shall be construed to make records covered by such discretionary exemption privileged under the rules of discovery, unless disclosure is otherwise prohibited by law.

2014, c. 319.

**§ 2.2-3704. Public records to be open to inspection; procedure for requesting records and responding to request; charges; transfer of records for storage, etc.**

A. Except as otherwise specifically provided by law, all public records shall be open to inspection and copying by any citizens of the Commonwealth during the regular office hours of the custodian of such records. Access to such records shall not be denied to citizens of the Commonwealth, representatives of newspapers and magazines with circulation in the Commonwealth, and representatives of radio and television stations broadcasting in or into the Commonwealth. The custodian may require the requester to provide his name and legal address. The custodian of such records shall take all necessary precautions for their preservation and safekeeping.

B. A request for public records shall identify the requested records with reasonable specificity. The request need not make reference to this chapter in order to invoke the provisions of this chapter or to impose the time limits for response by a public body. Any public body that is subject to this chapter and that is the custodian of the requested records shall promptly, but in all cases within five working days of receiving a request, provide the requested records to the requester or make one of the following responses in writing:

1. The requested records are being entirely withheld. Such response shall identify with reasonable particularity the volume and subject matter of withheld records, and cite, as to each category of withheld records, the specific Code section that authorizes the withholding of the records.

2. The requested records are being provided in part and are being withheld in part. Such response shall identify with reasonable particularity the subject matter of withheld portions, and cite, as to each category of withheld records, the specific Code section that authorizes the withholding of the records.

3. The requested records could not be found or do not exist. However, if the public body that received the request knows that another public body has the requested records, the response shall include contact information for the other public body.

4. It is not practically possible to provide the requested records or to determine whether they are available within the five-work-day period. Such response shall specify the conditions that make a response impossible. If the response is made within five working days, the public body shall have an additional seven work days in which to provide one of the four preceding responses.

C. Any public body may petition the appropriate court for additional time to respond to a request for records when the request is for an extraordinary volume of records or requires an extraordinarily lengthy search, and a response by the public body within the time required by this chapter will prevent the public body from meeting its operational responsibilities. Before proceeding with the petition, however, the public body shall make reasonable efforts to reach an



agreement with the requester concerning the production of the records requested.

D. Subject to the provisions of subsection G, no public body shall be required to create a new record if the record does not already exist. However, a public body may abstract or summarize information under such terms and conditions as agreed between the requester and the public body.

E. Failure to respond to a request for records shall be deemed a denial of the request and shall constitute a violation of this chapter.

F. A public body may make reasonable charges not to exceed its actual cost incurred in accessing, duplicating, supplying, or searching for the requested records. No public body shall impose any extraneous, intermediary, or surplus fees or expenses to recoup the general costs associated with creating or maintaining records or transacting the general business of the public body. Any duplicating fee charged by a public body shall not exceed the actual cost of duplication. The public body may also make a reasonable charge for the cost incurred in supplying records produced from a geographic information system at the request of anyone other than the owner of the land that is the subject of the request. However, such charges shall not exceed the actual cost to the public body in supplying such records, except that the public body may charge, on a pro rata per acre basis, for the cost of creating topographical maps developed by the public body, for such maps or portions thereof, which encompass a contiguous area greater than 50 acres. All charges for the supplying of requested records shall be estimated in advance at the request of the citizen.

G. Public records maintained by a public body in an electronic data processing system, computer database, or any other structured collection of data shall be made available to a requester at a reasonable cost, not to exceed the actual cost in accordance with subsection F. When electronic or other databases are combined or contain exempt and nonexempt records, the public body may provide access to the exempt records if not otherwise prohibited by law, but shall provide access to the nonexempt records as provided by this chapter.

Public bodies shall produce nonexempt records maintained in an electronic database in any tangible medium identified by the requester, including, where the public body has the capability, the option of posting the records on a website or delivering the records through an electronic mail address provided by the requester, if that medium is used by the public body in the regular course of business. No public body shall be required to produce records from an electronic database in a format not regularly used by the public body. However, the public body shall make reasonable efforts to provide records in any format under such terms and conditions as agreed between the requester and public body, including the payment of reasonable costs. The excision of exempt fields of information from a database or the conversion of data from one available format to another shall not be deemed the creation, preparation, or compilation of a new public record.

H. In any case where a public body determines in advance that charges for producing the requested records are likely to exceed \$200, the public body may, before continuing to process the request, require the requester to agree to payment of a deposit not to exceed the amount of the advance determination. The deposit shall be credited toward the final cost of supplying the requested records. The period within which the public body shall respond under this section shall be tolled for the amount of time that elapses between notice of the advance determination and the response of the requester.

I. Before processing a request for records, a public body may require the requester to pay any amounts owed to the public body for previous requests for records that remain unpaid 30 days or more after billing.

J. In the event a public body has transferred possession of public records to any entity, including but not limited to any other public body, for storage, maintenance, or archiving, the public body initiating the transfer of such records shall remain the custodian of such records for purposes of responding to requests for public records made pursuant to this chapter and shall be responsible for retrieving and supplying such public records to the requester. In the event a public body has transferred public records for storage, maintenance, or archiving and such transferring public body is no longer in existence, any public body that is a successor to the transferring public body shall be deemed the custodian of such records. In the event no successor entity exists, the entity in possession of the public records shall be deemed the custodian of the records for purposes of compliance with this chapter, and shall retrieve and supply such records to the requester. Nothing in this subsection shall be construed to apply to records transferred to the Library of Virginia for permanent archiving pursuant to the duties imposed by the Virginia Public Records Act (§ 42.1-76 et seq.). In accordance with § 42.1-79, the Library of Virginia shall be the custodian of such permanently archived records and shall be responsible for responding to requests for such records made pursuant to this chapter.

1968, c. 479, § 2.1-342; 1973, c. 461; 1974, c. 332; 1975, cc. 307, 312; 1976, cc. 640, 709; 1977, c. 677; 1978, c. 810; 1979, cc. 682, 684, 686, 689; 1980, cc. 678, 754; 1981, cc. 456, 464, 466, 589; 1982, cc. 225, 449, 452, 560, 635; 1983, cc. 372, 462, 607; 1984, cc. 85, 395, 433, 513, 532; 1985, cc. 81, 155, 502, 618; 1986, cc. 273, 291, 383, 469, 592; 1987, cc. 401, 491, 581; 1988, cc. 39, 151, 395, 411, 891, 902; 1989, cc. 56, 358, 478; 1990, cc. 217, 538, 721, 819, 968; 1991, cc. 213, 561; 1992, cc. 40, 150, 167, 200, 203, 207, 593, 612; 1993, cc. 205, 270, 296, 537, 552, 638, 750, 883; 1994, cc. 485, 532, 606, 839, 853, 918; 1995, cc. 299, 362, 499, 562, 638, 722, 812, 837; 1996, cc. 168, 469, 589, 599, 783, 786, 794, 855, 862, 902, 905, 1001, 1046; 1997, cc. 198, 295, 439, 567, 636, 641, 777, 782, 785, 838, 861; 1998, cc. 427, 891; 1999, cc. 438, 703, 726; 2001, c. 844; 2002, cc. 715, 830; 2003, cc. 275, 981, 1021; 2007, c. 439; 2009, c. 626; 2010, c. 627; 2011, c. 604; 2016, cc. 620, 716.

**§ 2.2-3704.01. Records containing both excluded and nonexcluded information; duty to redact.**

No provision of this chapter is intended, nor shall it be construed or applied, to authorize a public body to withhold a public record in its entirety on the grounds that some portion of the public record is excluded from disclosure by this chapter or by any other provision of law. A public record may be withheld from disclosure in its entirety only to the extent that an exclusion from disclosure under this chapter or other provision of law applies to the entire content of the public record. Otherwise, only those portions of the public record containing information subject to an exclusion under this chapter or other provision of law may be withheld, and all portions of the public record that are not so excluded shall be disclosed.

2016, cc. 620, 716.

**§ 2.2-3704.1. Posting of notice of rights and responsibilities by state and local public bodies; assistance by the Freedom of Information Advisory Council.**

A. All state public bodies subject to the provisions of this chapter and any county or city, and any town with a population of more than 250, shall make available the following information to the public upon request and shall post a link to such information on the homepage of their respective public government websites:

1. A plain English explanation of the rights of a requester under this chapter, the procedures to obtain public records from the public body, and the responsibilities of the public body in complying with this chapter. For purposes of this section, "plain English" means written in nontechnical, readily understandable language using words of common everyday usage and avoiding legal terms and phrases or other terms and words of art whose usage or special meaning primarily is limited to a particular field or profession;
2. Contact information for the FOIA officer designated by the public body pursuant to § 2.2-3704.2 to (i) assist a requester in making a request for records or (ii) respond to requests for public records;
3. A general description, summary, list, or index of the types of public records maintained by such state public body;
4. A general description, summary, list, or index of any exemptions in law that permit or require such public records to be withheld from release;
5. Any policy the public body has concerning the type of public records it routinely withholds from release as permitted by this chapter or other law; and
6. The following statement: "A public body may make reasonable charges not to exceed its actual cost incurred in accessing, duplicating, supplying, or searching for the requested records. No public body shall impose any extraneous, intermediary, or surplus fees or expenses to recoup the general costs associated with creating or maintaining records or transacting the general business of the public body. Any duplicating fee charged by a public body shall not exceed the actual cost of duplication. All charges for the supplying of requested records shall be estimated in advance at the request of the citizen as set forth in subsection F of § 2.2-3704 of the Code of Virginia."

B. The Freedom of Information Advisory Council, created pursuant to § 30-178, shall assist in the development and implementation of the provisions of subsection A, upon request.

2004, c. 730;2009, c. 626;2014, c. 421;2016, c. 748.

#### **§ 2.2-3704.2. Public bodies to designate FOIA officer.**

A. All state public bodies, including state authorities, that are subject to the provisions of this chapter and all local public bodies that are subject to the provisions of this chapter, shall designate and publicly identify one or more Freedom of Information Act officers (FOIA officer) whose responsibility is to serve as a point of contact for members of the public in requesting public records and to coordinate the public body's compliance with the provisions of this chapter.

B. For such state public bodies, the name and contact information of the public body's FOIA officer to whom members of the public may direct requests for public records and who will oversee the public body's compliance with the provisions of this chapter shall be made available to the public upon request and be posted on the respective public body's website at the time of designation and maintained thereafter on such website for the duration of the designation.

C. For such local public bodies, the name and contact information of the public body's FOIA officer to whom members of the public may direct requests for public records and who will oversee the public body's compliance with the provisions of this chapter shall be made available in a way reasonably calculated to provide notice to the public, including posting at the public body's place of business, posting on its website, or including such information in its publications.

D. For the purposes of this section, local public bodies shall include constitutional officers.

E. Any such FOIA officer shall possess specific knowledge of the provisions of this chapter and be trained at least annually by legal counsel for the public body or the Virginia Freedom of Information Advisory Council.

2016, c. 748.

**§ 2.2-3705. Repealed.**

Repealed by Acts 2004, c. 690.

**§ 2.2-3705.1. Exclusions to application of chapter; exclusions of general application to public bodies.**

The following information contained in a public record is excluded from the mandatory disclosure provisions of this chapter but may be disclosed by the custodian in his discretion, except where such disclosure is prohibited by law. Redaction of information excluded under this section from a public record shall be conducted in accordance with § 2.2-3704.01.

1. Personnel information concerning identifiable individuals, except that access shall not be denied to the person who is the subject thereof. Any person who is the subject of such information and who is 18 years of age or older may waive, in writing, the protections afforded by this subdivision. If the protections are so waived, such information shall be disclosed. Nothing in this subdivision shall be construed to authorize the withholding of any resumes or applications submitted by persons who are appointed by the Governor pursuant to § 2.2-106 or 2.2-107.

2. Written advice of legal counsel to state, regional or local public bodies or the officers or employees of such public bodies, and any other information protected by the attorney-client privilege.

3. Legal memoranda and other work product compiled specifically for use in litigation or for use in an active administrative investigation concerning a matter that is properly the subject of a closed meeting under § 2.2-3711.

4. Any test or examination used, administered or prepared by any public body for purposes of evaluation of (i) any student or any student's performance, (ii) any employee or employment seeker's qualifications or aptitude for employment, retention, or promotion, or (iii) qualifications for any license or certificate issued by a public body.

As used in this subdivision, "test or examination" shall include (a) any scoring key for any such test or examination and (b) any other document that would jeopardize the security of the test or examination. Nothing contained in this subdivision shall prohibit the release of test scores or results as provided by law, or limit access to individual records as provided by law. However, the subject of such employment tests shall be entitled to review and inspect all records relative to his performance on such employment tests.

When, in the reasonable opinion of such public body, any such test or examination no longer has any potential for future use, and the security of future tests or examinations will not be jeopardized, the test or examination shall be made available to the public. However, minimum competency tests administered to public school children shall be made available to the public contemporaneously with statewide release of the scores of those taking such tests, but in no

event shall such tests be made available to the public later than six months after the administration of such tests.

5. Records recorded in or compiled exclusively for use in closed meetings lawfully held pursuant to § 2.2-3711. However, no record that is otherwise open to inspection under this chapter shall be deemed exempt by virtue of the fact that it has been reviewed or discussed in a closed meeting.

6. Vendor proprietary information software that may be in the public records of a public body. For the purpose of this subdivision, "vendor proprietary information software" means computer programs acquired from a vendor for purposes of processing data for agencies or political subdivisions of the Commonwealth.

7. Computer software developed by or for a state agency, state-supported institution of higher education or political subdivision of the Commonwealth.

8. Appraisals and cost estimates of real property subject to a proposed purchase, sale, or lease, prior to the completion of such purchase, sale, or lease.

9. Information concerning reserves established in specific claims administered by the Department of the Treasury through its Division of Risk Management as provided in Article 5 (§ 2.2-1832 et seq.) of Chapter 18, or by any county, city, or town; and investigative notes, correspondence and information furnished in confidence with respect to an investigation of a claim or a potential claim against a public body's insurance policy or self-insurance plan. However, nothing in this subdivision shall authorize the withholding of information taken from inactive reports upon expiration of the period of limitations for the filing of a civil suit.

10. Personal information, as defined in § 2.2-3801, including electronic mail addresses, furnished to a public body for the purpose of receiving electronic mail from the public body, provided that the electronic mail recipient has requested that the public body not disclose such information. However, access shall not be denied to the person who is the subject of the record.

11. Communications and materials required to be kept confidential pursuant to § 2.2-4119 of the Virginia Administrative Dispute Resolution Act (§ 2.2-4115 et seq.).

12. Information relating to the negotiation and award of a specific contract where competition or bargaining is involved and where the release of such information would adversely affect the bargaining position or negotiating strategy of the public body. Such information shall not be withheld after the public body has made a decision to award or not to award the contract. In the case of procurement transactions conducted pursuant to the Virginia Public Procurement Act (§ 2.2-4300 et seq.), the provisions of this subdivision shall not apply, and any release of information relating to such transactions shall be governed by the Virginia Public Procurement Act.

13. Account numbers or routing information for any credit card, debit card, or other account with a financial institution of any person or public body. However, access shall not be denied to the person who is the subject of the information. For the purposes of this subdivision, "financial institution" means any organization authorized to do business under state or federal laws relating to financial institutions, including, without limitation, banks and trust companies, savings banks, savings and loan companies or associations, and credit unions.

1999, cc. 485, 518, 703, 726, 793, 849, 852, 867, 868, 881, § 2.1-342.01; 2000, cc. 66, 237, 382, 400, 430, 583, 589, 592, 594, 618, 632, 657, 720, 932, 933, 947, 1006, 1064; 2001, cc. 288, 518, 844, §

2.2-3705; 2002, cc. 87, 155, 242, 393, 478, 481, 499, 522, 571, 572, 633, 655, 715, 798, 830; 2003, cc. 274, 307, 327, 332, 358, 704, 801, 884, 891, 893, 897, 968; 2004, c. 690; 2010, c. 553; 2016, cc. 620, 716, 729.

**§ 2.2-3705.2. Exclusions to application of chapter; records relating to public safety.**

The following information contained in a public record is excluded from the mandatory disclosure provisions of this chapter but may be disclosed by the custodian in his discretion, except where such disclosure is prohibited by law. Redaction of information excluded under this section from a public record shall be conducted in accordance with § 2.2-3704.01.

1. Confidential information, including victim identity, provided to or obtained by staff in a rape crisis center or a program for battered spouses.
2. Information contained in engineering and construction drawings and plans submitted for the sole purpose of complying with the Building Code in obtaining a building permit if disclosure of such information would identify specific trade secrets or other information that would be harmful to the competitive position of the owner or lessee. However, such information shall be exempt only until the building is completed. Information relating to the safety or environmental soundness of any building shall not be exempt from disclosure.

Information contained in engineering and construction drawings and plans that reveal critical structural components, security equipment and systems, ventilation systems, fire protection equipment, mandatory building emergency equipment or systems, elevators, electrical systems, telecommunications equipment and systems, and other utility equipment and systems submitted for the purpose of complying with the Uniform Statewide Building Code (§ 36-97 et seq.) or the Statewide Fire Prevention Code (§ 27-94 et seq.) if disclosure of such information would jeopardize the safety or security of any public or private commercial office, multifamily residential, or retail building or its occupants in the event of terrorism or other threat to public safety. In order for the information to be excluded from mandatory disclosure, the owner or lessee of such property, equipment, or system in writing shall (i) invoke the protections of this paragraph; (ii) identify the drawings, plans, or other materials to be protected; and (iii) state the reasons why protection is necessary.

Nothing in this subdivision shall authorize the withholding of information relating to any building in connection with an inquiry into the performance of that building after it has been subjected to fire, explosion, natural disaster, or other catastrophic event.

3. Information that describes the design, function, operation, or access control features of any security system, whether manual or automated, which is used to control access to or use of any automated data processing or telecommunications system.
4. Information concerning the prevention or response to terrorist activity or cyber attacks, including (i) critical infrastructure information; (ii) vulnerability assessments, operational, procedural, transportation, and tactical planning or training manuals, and staff meeting minutes; (iii) engineering or architectural plans or drawings, or information derived from such plans or drawings; and (iv) information not lawfully available to the public regarding specific cybersecurity threats or vulnerabilities or security plans and measures of an entity, facility, building, structure, information technology system, or software program if disclosure of such information would (a) reveal the location or operation of security equipment and systems, elevators, ventilation, fire protection, emergency, electrical, telecommunications or utility

equipment and systems of any public building, structure or information storage facility, or telecommunications or utility equipment or systems or (b) jeopardize the safety of any person.

The same categories of information concerning any person or entity submitted to a public body for the purpose of antiterrorism response planning or cybersecurity planning or protection may be withheld from disclosure if such person or entity in writing (1) invokes the protections of this subdivision, (2) identifies with specificity the information for which protection is sought, and (3) states with reasonable particularity why the protection of such information from public disclosure is necessary to meet the objective of antiterrorism, cybersecurity planning or protection, or critical infrastructure information security and resilience. Such statement shall be a public record and shall be disclosed upon request.

Any public body receiving a request for records excluded under this subdivision shall notify the Secretary of Public Safety and Homeland Security or his designee of such request and the response made by the public body in accordance with § 2.2-3704.

Nothing in this subdivision shall be construed to authorize the withholding of information relating to the structural or environmental soundness of any building, nor shall it authorize the withholding of information relating to any building in connection with an inquiry into the performance of that building after it has been subjected to fire, explosion, natural disaster, or other catastrophic event.

As used in this subdivision, "critical infrastructure information" means the same as that term is defined in 6 U.S.C. § 131.

5. Information that would disclose the security aspects of a system safety program plan adopted pursuant to 49 C.F.R. Part 659 by the Commonwealth's designated Rail Fixed Guideway Systems Safety Oversight agency; and information in the possession of such agency, the release of which would jeopardize the success of an ongoing investigation of a rail accident or other incident threatening railway safety.

6. Information contained in engineering and architectural drawings, operational, procedural, tactical planning or training manuals, or staff meeting minutes if disclosure of such information would (i) reveal surveillance techniques, personnel deployments, alarm or security systems or technologies, or operational and transportation plans or protocols or (ii) jeopardize the security of any governmental facility, building, or structure or the safety of persons using such facility, building, or structure.

7. Information concerning security plans and specific assessment components of school safety audits, as provided in § 22.1-279.8.

Nothing in this subdivision shall be construed to authorize the withholding of information relating to the effectiveness of security plans after (i) any school building or property has been subjected to fire, explosion, natural disaster, or other catastrophic event or (ii) any person on school property has suffered or been threatened with any personal injury.

8. Information concerning the mental health assessment of an individual subject to commitment as a sexually violent predator under Chapter 9 (§ 37.2-900 et seq.) of Title 37.2 held by the Commitment Review Committee; except that in no case shall information identifying the victims of a sexually violent predator be disclosed.

9. Subscriber data provided directly or indirectly by a telecommunications carrier to a public body

that operates a 911 or E-911 emergency dispatch system or an emergency notification or reverse 911 system if the data is in a form not made available by the telecommunications carrier to the public generally. Nothing in this subdivision shall authorize the withholding of subscriber data generated in connection with specific calls to a 911 emergency system, where the requester is seeking to obtain public records about the use of the system in response to a specific crime, emergency or other event as to which a citizen has initiated a 911 call.

For the purposes of this subdivision, "subscriber data" means the name, address, telephone number, and any other information identifying a subscriber of a telecommunications carrier.

10. Subscriber data collected by a local governing body in accordance with the Enhanced Public Safety Telephone Services Act (§ 56-484.12 et seq.) and other identifying information of a personal, medical, or financial nature provided to a local governing body in connection with a 911 or E-911 emergency dispatch system or an emergency notification or reverse 911 system if such records are not otherwise publicly available.

Nothing in this subdivision shall authorize the withholding of subscriber data generated in connection with specific calls to a 911 emergency system, where the requester is seeking to obtain public records about the use of the system in response to a specific crime, emergency or other event as to which a citizen has initiated a 911 call.

For the purposes of this subdivision, "subscriber data" means the name, address, telephone number, and any other information identifying a subscriber of a telecommunications carrier.

11. Information held by the Virginia Military Advisory Council or any commission created by executive order for the purpose of studying and making recommendations regarding preventing closure or realignment of federal military and national security installations and facilities located in Virginia and relocation of such facilities to Virginia, or a local or regional military affairs organization appointed by a local governing body, that would (i) reveal strategies under consideration or development by the Council or such commission or organizations to prevent the closure or realignment of federal military installations located in Virginia or the relocation of national security facilities located in Virginia, to limit the adverse economic effect of such realignment, closure, or relocation, or to seek additional tenant activity growth from the Department of Defense or federal government or (ii) disclose trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.), provided to the Council or such commission or organizations in connection with their work.

In order to invoke the trade secret protection provided by clause (ii), the submitting entity shall, in writing and at the time of submission (a) invoke this exclusion, (b) identify with specificity the information for which such protection is sought, and (c) state the reason why such protection is necessary. Nothing in this subdivision shall be construed to authorize the withholding of all or part of any record, other than a trade secret that has been specifically identified as required by this subdivision, after the Department of Defense or federal agency has issued a final, unappealable decision, or in the event of litigation, a court of competent jurisdiction has entered a final, unappealable order concerning the closure, realignment, or expansion of the military installation or tenant activities, or the relocation of the national security facility, for which records are sought.

12. Information, as determined by the State Comptroller, that describes the design, function, operation, or implementation of internal controls over the Commonwealth's financial processes



and systems, and the assessment of risks and vulnerabilities of those controls, including the annual assessment of internal controls mandated by the State Comptroller, if disclosure of such information would jeopardize the security of the Commonwealth's financial assets. However, records relating to the investigation of and findings concerning the soundness of any fiscal process shall be disclosed in a form that does not compromise internal controls. Nothing in this subdivision shall be construed to prohibit the Auditor of Public Accounts or the Joint Legislative Audit and Review Commission from reporting internal control deficiencies discovered during the course of an audit.

13. Information relating to the Statewide Agencies Radio System (STARS) or any other similar local or regional public safety communications system that (i) describes the design, function, programming, operation, or access control features of the overall system, components, structures, individual networks, and subsystems of the STARS or any other similar local or regional communications system or (ii) relates to radio frequencies assigned to or utilized by STARS or any other similar local or regional communications system, code plugs, circuit routing, addressing schemes, talk groups, fleet maps, encryption, programming maintained by or utilized by STARS or any other similar local or regional public safety communications system; those engineering and construction drawings and plans that reveal critical structural components, interconnectivity, security equipment and systems, network monitoring, network operation center, master sites, ventilation systems, fire protection equipment, mandatory building emergency equipment, electrical systems, and other utility equipment and systems related to STARS or any other similar local or regional public safety communications system; and special event plans, operational plans, storm plans, or other pre-arranged programming, if disclosure of such information would (a) reveal surveillance techniques, personnel deployments, alarm or security systems or technologies, or operational and transportation plans or protocols or (b) jeopardize the security of any governmental facility, building, or structure or the safety of any person.

14. Information concerning a salaried or volunteer Fire/EMS company or Fire/EMS department if disclosure of such information would reveal the telephone numbers for cellular telephones, pagers, or comparable portable communication devices provided to its personnel for use in the performance of their official duties.

15. Information concerning the disaster recovery plans or the evacuation plans in the event of fire, explosion, natural disaster, or other catastrophic event for hospitals and nursing homes regulated by the Board of Health pursuant to Chapter 5 (§ 32.1-123 et seq.) of Title 32.1 provided to the Department of Health. Nothing in this subdivision shall be construed to authorize the withholding of information relating to the effectiveness of executed evacuation plans after the occurrence of fire, explosion, natural disaster, or other catastrophic event.

16. (Effective until October 1, 2016) Records received by the Department of Criminal Justice Services pursuant to §§ 9.1-184, 22.1-79.4, and 22.1-279.8 or for purposes of evaluating threat assessment teams established by a public institution of higher education pursuant to § 23-9.2:10 or by a private nonprofit institution of higher education, to the extent such records reveal security plans, walk-through checklists, or vulnerability and threat assessment components.

16. (Effective October 1, 2016) Records received by the Department of Criminal Justice Services pursuant to §§ 9.1-184, 22.1-79.4, and 22.1-279.8 or for purposes of evaluating threat assessment teams established by a public institution of higher education pursuant to § 23.1-805 or by a private nonprofit institution of higher education, to the extent such records reveal security plans,

walk-through checklists, or vulnerability and threat assessment components.

1999, cc. [485](#), [518](#), [703](#), [726](#), [793](#), [849](#), [852](#), [867](#), [868](#), [881](#), § 2.1-342.01; 2000, cc. [66](#), [237](#), [382](#), [400](#), [430](#), [583](#), [589](#), [592](#), [594](#), [618](#), [632](#), [657](#), [720](#), [932](#), [933](#), [947](#), [1006](#), [1064](#); 2001, cc. [288](#), [518](#), [844](#), § 2.2-3705; 2002, cc. [87](#), [155](#), [242](#), [393](#), [478](#), [481](#), [499](#), [522](#), [571](#), [572](#), [633](#), [655](#), [715](#), [798](#), [830](#); 2003, cc. [274](#), [307](#), [327](#), [332](#), [358](#), [704](#), [801](#), [884](#), [891](#), [893](#), [897](#), [968](#); 2004, cc. [398](#), [482](#), [690](#), [770](#); 2005, c. [410](#); 2008, c. [721](#); 2009, c. [418](#); 2010, c. [672](#); 2011, cc. [111](#), [536](#); 2012, cc. [617](#), [803](#), [835](#); 2013, c. [600](#); 2015, c. [183](#); 2016, cc. [554](#), [620](#), [716](#), [717](#).

### **§ 2.2-3705.3. Exclusions to application of chapter; records relating to administrative investigations.**

The following information contained in a public record is excluded from the mandatory disclosure provisions of this chapter but may be disclosed by the custodian in his discretion, except where such disclosure is prohibited by law. Redaction of information excluded under this section from a public record shall be conducted in accordance with § [2.2-3704.01](#).

1. (Effective until July 1, 2018) Information relating to investigations of applicants for licenses and permits, and of all licensees and permittees, made by or submitted to the Alcoholic Beverage Control Board, the Virginia Lottery, the Virginia Racing Commission, the Department of Agriculture and Consumer Services relating to investigations and applications pursuant to Article 1.1:1 (§ [18.2-340.15](#) et seq.) of Chapter 8 of Title 18.2, or the Private Security Services Unit of the Department of Criminal Justice Services.

1. (Effective July 1, 2018) Information relating to investigations of applicants for licenses and permits, and of all licensees and permittees, made by or submitted to the Virginia Alcoholic Beverage Control Authority, the Virginia Lottery, the Virginia Racing Commission, the Department of Agriculture and Consumer Services relating to investigations and applications pursuant to Article 1.1:1 (§ [18.2-340.15](#) et seq.) of Chapter 8 of Title 18.2, or the Private Security Services Unit of the Department of Criminal Justice Services.

2. Records of active investigations being conducted by the Department of Health Professions or by any health regulatory board in the Commonwealth pursuant to § [54.1-108](#).

3. Investigator notes, and other correspondence and information, furnished in confidence with respect to an active investigation of individual employment discrimination complaints made to the Department of Human Resource Management, to such personnel of any local public body, including local school boards, as are responsible for conducting such investigations in confidence, or to any public institution of higher education. Information contained in inactive reports shall be disclosed in a form that does not reveal the identity of charging parties, persons supplying the information, or other individuals involved in the investigation.

4. Records of active investigations being conducted by the Department of Medical Assistance Services pursuant to Chapter 10 (§ [32.1-323](#) et seq.) of Title 32.1.

5. Investigative notes and other correspondence and information furnished in confidence with respect to an investigation or conciliation process involving an alleged unlawful discriminatory practice under the Virginia Human Rights Act (§ [2.2-3900](#) et seq.) or under any local ordinance adopted in accordance with the authority specified in § [2.2-524](#), or adopted pursuant to § [15.2-965](#), or adopted prior to July 1, 1987, in accordance with applicable law, relating to local human rights or human relations commissions. Information contained in inactive reports shall be

disclosed in a form that does not reveal the identity of the parties involved or other persons supplying information.

6. Information relating to studies and investigations by the Virginia Lottery of (i) lottery agents, (ii) lottery vendors, (iii) lottery crimes under §§ 58.1-4014 through 58.1-4018, (iv) defects in the law or regulations that cause abuses in the administration and operation of the lottery and any evasions of such provisions, or (v) the use of the lottery as a subterfuge for organized crime and illegal gambling where such information has not been publicly released, published or copyrighted. All studies and investigations referred to under clauses (iii), (iv), and (v) shall be open to inspection and copying upon completion of the study or investigation.

7. Investigative notes, correspondence and information furnished in confidence, and records otherwise exempted by this chapter or any Virginia statute, provided to or produced by or for (i) the Auditor of Public Accounts; (ii) the Joint Legislative Audit and Review Commission; (iii) an appropriate authority as defined in § 2.2-3010 with respect to an allegation of wrongdoing or abuse under the Fraud and Abuse Whistle Blower Protection Act (§ 2.2-3009 et seq.); (iv) the Office of the State Inspector General with respect to an investigation initiated through the Fraud, Waste and Abuse Hotline or an investigation initiated pursuant to Chapter 3.2 (§ 2.2-307 et seq.); (v) internal auditors appointed by the head of a state agency or by any public institution of higher education; (vi) the committee or the auditor with respect to an investigation or audit conducted pursuant to § 15.2-825; or (vii) the auditors, appointed by the local governing body of any county, city, or town or a school board, who by charter, ordinance, or statute have responsibility for conducting an investigation of any officer, department, or program of such body. Information contained in completed investigations shall be disclosed in a form that does not reveal the identity of the complainants or persons supplying information to investigators. Unless disclosure is excluded by this subdivision, the information disclosed shall include the agency involved, the identity of the person who is the subject of the complaint, the nature of the complaint, and the actions taken to resolve the complaint. If an investigation does not lead to corrective action, the identity of the person who is the subject of the complaint may be released only with the consent of the subject person. Local governing bodies shall adopt guidelines to govern the disclosure required by this subdivision.

8. Information furnished in confidence to the Department of Human Resource Management with respect to an investigation, consultation, or mediation under § 2.2-1202.1, and memoranda, correspondence and other records resulting from any such investigation, consultation or mediation. Information contained in inactive reports shall be disclosed in a form that does not reveal the identity of the parties involved or other persons supplying information.

9. The names, addresses and telephone numbers of complainants furnished in confidence with respect to an investigation of individual zoning enforcement complaints or complaints relating to the Uniform Statewide Building Code (§ 36-97 et seq.) or the Statewide Fire Prevention Code (§ 27-94 et seq.) made to a local governing body.

10. Records of active investigations being conducted by the Department of Criminal Justice Services pursuant to Article 4 (§ 9.1-138 et seq.), Article 4.1 (§ 9.1-150.1 et seq.), Article 11 (§ 9.1-185 et seq.), and Article 12 (§ 9.1-186 et seq.) of Chapter 1 of Title 9.1.

11. Information furnished to or prepared by the Board of Education pursuant to subsection D of § 22.1-253.13:3 in connection with the review or investigation of any alleged breach in security, unauthorized alteration, or improper administration of tests by local school board employees

responsible for the distribution or administration of the tests. However, this section shall not prohibit the disclosure of such information to (i) a local school board or division superintendent for the purpose of permitting such board or superintendent to consider or to take personnel action with regard to an employee or (ii) any requester, after the conclusion of a review or investigation, in a form that (a) does not reveal the identity of any person making a complaint or supplying information to the Board on a confidential basis and (b) does not compromise the security of any test mandated by the Board.

12. Information contained in (i) an application for licensure or renewal of a license for teachers and other school personnel, including transcripts or other documents submitted in support of an application, and (ii) an active investigation conducted by or for the Board of Education related to the denial, suspension, cancellation, revocation, or reinstatement of teacher and other school personnel licenses including investigator notes and other correspondence and information, furnished in confidence with respect to such investigation. However, this subdivision shall not prohibit the disclosure of such (a) application information to the applicant at his own expense or (b) investigation information to a local school board or division superintendent for the purpose of permitting such board or superintendent to consider or to take personnel action with regard to an employee. Information contained in completed investigations shall be disclosed in a form that does not reveal the identity of any complainant or person supplying information to investigators. The completed investigation information disclosed shall include information regarding the school or facility involved, the identity of the person who was the subject of the complaint, the nature of the complaint, and the actions taken to resolve the complaint. If an investigation fails to support a complaint or does not lead to corrective action, the identity of the person who was the subject of the complaint may be released only with the consent of the subject person. No personally identifiable information regarding a current or former student shall be released except as permitted by state or federal law.

13. Information provided in confidence and related to an investigation by the Attorney General under Article 1 (§ 3.2-4200 et seq.) or Article 3 (§ 3.2-4204 et seq.) of Chapter 42 of Title 3.2, Article 10 (§ 18.2-246.6 et seq.) of Chapter 6 or Chapter 13 (§ 18.2-512 et seq.) of Title 18.2, or Article 1 (§ 58.1-1000) of Chapter 10 of Title 58.1. However, information related to an investigation that has been inactive for more than six months shall, upon request, be disclosed provided such disclosure is not otherwise prohibited by law and does not reveal the identity of charging parties, complainants, persons supplying information, witnesses, or other individuals involved in the investigation.

1999, cc. 485, 518, 703, 726, 793, 849, 852, 867, 868, 881, § 2.1-342.01; 2000, cc. 66, 237, 382, 400, 430, 583, 589, 592, 594, 618, 632, 657, 720, 932, 933, 947, 1006, 1064; 2001, cc. 288, 518, 844, § 2.2-3705; 2002, cc. 87, 155, 242, 393, 478, 481, 499, 522, 571, 572, 633, 655, 715, 798, 830; 2003, cc. 274, 307, 327, 332, 358, 704, 801, 884, 891, 893, 897, 968; 2004, cc. 605, 690, 766; 2005, c. 601; 2006, cc. 25, 95; 2008, cc. 387, 668, 689, 758; 2009, cc. 237, 326, 340; 2011, cc. 798, 871; 2012, cc. 476, 507, 803, 835; 2013, cc. 571, 572, 690, 717, 723; 2014, cc. 225, 414, 609, 788; 2015, cc. 38, 730; 2016, cc. 272, 620, 716.

#### **§ 2.2-3705.4. Exclusions to application of chapter; educational records and certain records of educational institutions.**

The following information contained in a public record is excluded from the mandatory disclosure provisions of this chapter but may be disclosed by the custodian in his discretion, except where such disclosure is prohibited by law. Redaction of information excluded under this

section from a public record shall be conducted in accordance with § [2.2-3704.01](#).

1. Scholastic records containing information concerning identifiable individuals, except that such access shall not be denied to the person who is the subject thereof, or the parent or legal guardian of the student. However, no student shall have access to (i) financial records of a parent or guardian or (ii) records of instructional, supervisory, and administrative personnel and educational personnel ancillary thereto, that are in the sole possession of the maker thereof and that are not accessible or revealed to any other person except a substitute.

The parent or legal guardian of a student may prohibit, by written request, the release of any individual information regarding that student until the student reaches the age of 18 years. For scholastic records of students under the age of 18 years, the right of access may be asserted only by his legal guardian or parent, including a noncustodial parent, unless such parent's parental rights have been terminated or a court of competent jurisdiction has restricted or denied such access. For scholastic records of students who are emancipated or attending a state-supported institution of higher education, the right of access may be asserted by the student.

Any person who is the subject of any scholastic record and who is 18 years of age or older may waive, in writing, the protections afforded by this subdivision. If the protections are so waived, such records shall be disclosed.

2. Confidential letters and statements of recommendation placed in the records of educational agencies or institutions respecting (i) admission to any educational agency or institution, (ii) an application for employment or promotion, or (iii) receipt of an honor or honorary recognition.

3. Information held by the Brown v. Board of Education Scholarship Awards Committee that would reveal personally identifiable information, including scholarship applications, personal financial information, and confidential correspondence and letters of recommendation.

4. Information of a proprietary nature produced or collected by or for faculty or staff of public institutions of higher education, other than the institutions' financial or administrative records, in the conduct of or as a result of study or research on medical, scientific, technical or scholarly issues, whether sponsored by the institution alone or in conjunction with a governmental body or a private concern, where such information has not been publicly released, published, copyrighted or patented.

5. Information held by the University of Virginia or the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, that contain proprietary, business-related information pertaining to the operations of the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, including business development or marketing strategies and activities with existing or future joint venturers, partners, or other parties with whom the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, has formed, or forms, any arrangement for the delivery of health care, if disclosure of such information would be harmful to the competitive position of the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be.

6. (Effective until October 1, 2016) Personal information, as defined in § [2.2-3801](#), provided to the Board of the Virginia College Savings Plan or its employees by or on behalf of individuals who have requested information about, applied for, or entered into prepaid tuition contracts or savings trust account agreements pursuant to Chapter 4.9 (§ [23-38.75](#) et seq.) of Title 23. However, information in a statistical or other form that does not identify individuals or provide

personal information shall be disclosed and may be published by the Board. Individuals shall be provided access to their own personal information.

6. (Effective October 1, 2016) Personal information, as defined in § 2.2-3801, provided to the Board of the Virginia College Savings Plan or its employees by or on behalf of individuals who have requested information about, applied for, or entered into prepaid tuition contracts or savings trust account agreements pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1. However, information in a statistical or other form that does not identify individuals or provide personal information shall be disclosed and may be published by the Board. Individuals shall be provided access to their own personal information.

7. Information maintained in connection with fundraising activities by or for a public institution of higher education that would reveal (i) personal fundraising strategies relating to identifiable donors or prospective donors or (ii) wealth assessments; estate, financial, or tax planning information; health-related information; employment, familial, or marital status information; electronic mail addresses, facsimile or telephone numbers; birth dates or social security numbers of identifiable donors or prospective donors. Nothing in this subdivision, however, shall be construed to authorize the withholding of information relating to the amount, date, purpose, and terms of the pledge or donation, or the identity of the donor unless the donor has requested anonymity in connection with or as a condition of making a pledge or donation. The exclusion provided by this subdivision shall not apply to protect from disclosure (i) the identities of sponsors providing grants to or contracting with the institution for the performance of research services or other work or (ii) the terms and conditions of such grants or contracts.

8. (Effective until October 1, 2016) Information held by a threat assessment team established by a local school board pursuant to § 22.1-79.4 or by a public institution of higher education pursuant to § 23-9.2:10 relating to the assessment or intervention with a specific individual. However, in the event an individual who has been under assessment commits an act, or is prosecuted for the commission of an act that has caused the death of, or caused serious bodily injury, including any felony sexual assault, to another person, such information of the threat assessment team concerning the individual under assessment shall be made available as provided by this chapter, with the exception of any criminal history records obtained pursuant to § 19.2-389 or 19.2-389.1, health records obtained pursuant to § 32.1-127.1:03, or scholastic records as defined in § 22.1-289. The public body providing such information shall remove personally identifying information of any person who provided information to the threat assessment team under a promise of confidentiality.

8. (Effective October 1, 2016) Information held by a threat assessment team established by a local school board pursuant to § 22.1-79.4 or by a public institution of higher education pursuant to § 23.1-805 relating to the assessment or intervention with a specific individual. However, in the event an individual who has been under assessment commits an act, or is prosecuted for the commission of an act that has caused the death of, or caused serious bodily injury, including any felony sexual assault, to another person, such information of the threat assessment team concerning the individual under assessment shall be made available as provided by this chapter, with the exception of any criminal history records obtained pursuant to § 19.2-389 or 19.2-389.1, health records obtained pursuant to § 32.1-127.1:03, or scholastic records as defined in § 22.1-289. The public body providing such information shall remove personally identifying information of any person who provided information to the threat assessment team under a promise of confidentiality.

1999, cc. [485](#), [518](#), [703](#), [726](#), [793](#), [849](#), [852](#), [867](#), [868](#), [881](#), § 2.1-342.01; 2000, cc. [66](#), [237](#), [382](#), [400](#), [430](#), [583](#), [589](#), [592](#), [594](#), [618](#), [632](#), [657](#), [720](#), [932](#), [933](#), [947](#), [1006](#), [1064](#); 2001, cc. [288](#), [518](#), [844](#), § 2.2-3705; 2002, cc. [87](#), [155](#), [242](#), [393](#), [478](#), [481](#), [499](#), [522](#), [571](#), [572](#), [633](#), [655](#), [715](#), [798](#), [830](#); 2003, cc. [274](#), [307](#), [327](#), [332](#), [358](#), [704](#), [801](#), [884](#), [891](#), [893](#), [897](#), [968](#); 2004, c. [690](#); 2006, c. [518](#); 2008, cc. [561](#), [665](#); 2010, cc. [456](#), [524](#); 2014, c. [313](#); 2016, cc. [554](#), [620](#), [716](#).

#### **§ 2.2-3705.5. Exclusions to application of chapter; health and social services records.**

The following information contained in a public record is excluded from the mandatory disclosure provisions of this chapter but may be disclosed by the custodian in his discretion, except where such disclosure is prohibited by law. Redaction of information excluded under this section from a public record shall be conducted in accordance with § [2.2-3704.01](#).

1. Health records, except that such records may be personally reviewed by the individual who is the subject of such records, as provided in subsection F of § [32.1-127.1:03](#).

Where the person who is the subject of health records is confined in a state or local correctional facility, the administrator or chief medical officer of such facility may assert such confined person's right of access to the health records if the administrator or chief medical officer has reasonable cause to believe that such confined person has an infectious disease or other medical condition from which other persons so confined need to be protected. Health records shall only be reviewed and shall not be copied by such administrator or chief medical officer. The information in the health records of a person so confined shall continue to be confidential and shall not be disclosed by the administrator or chief medical officer of the facility to any person except the subject or except as provided by law.

Where the person who is the subject of health records is under the age of 18, his right of access may be asserted only by his guardian or his parent, including a noncustodial parent, unless such parent's parental rights have been terminated, a court of competent jurisdiction has restricted or denied such access, or a parent has been denied access to the health record in accordance with § [20-124.6](#). In instances where the person who is the subject thereof is an emancipated minor, a student in a public institution of higher education, or is a minor who has consented to his own treatment as authorized by § [16.1-338](#) or [54.1-2969](#), the right of access may be asserted by the subject person.

For the purposes of this chapter, statistical summaries of incidents and statistical data concerning abuse of individuals receiving services compiled by the Commissioner of Behavioral Health and Developmental Services shall be disclosed. No such summaries or data shall include any information that identifies specific individuals receiving services.

2. Applications for admission to examinations or for licensure and scoring records maintained by the Department of Health Professions or any board in that department on individual licensees or applicants. However, such material may be made available during normal working hours for copying, at the requester's expense, by the individual who is the subject thereof, in the offices of the Department of Health Professions or in the offices of any health regulatory board, whichever may possess the material.

3. Reports, documentary evidence and other information as specified in §§ [51.5-122](#), [51.5-141](#), and [63.2-104](#).

4. Investigative notes; proprietary information not published, copyrighted or patented; information obtained from employee personnel records; personally identifiable information

regarding residents, clients or other recipients of services; other correspondence and information furnished in confidence to the Department of Social Services in connection with an active investigation of an applicant or licensee pursuant to Chapters 17 (§ 63.2-1700 et seq.) and 18 (§ 63.2-1800 et seq.) of Title 63.2; and information furnished to the Office of the Attorney General in connection with an investigation or litigation pursuant to Article 19.1 (§ 8.01-216.1 et seq.) of Chapter 3 of Title 8.01 and Chapter 9 (§ 32.1-310 et seq.) of Title 32.1. Information from the records of completed investigations shall be disclosed in a form that does not reveal the identity of complainants, persons supplying information, or other individuals involved in the investigation.

5. Information collected for the designation and verification of trauma centers and other specialty care centers within the Statewide Emergency Medical Services System and Services pursuant to Article 2.1 (§ 32.1-111.1 et seq.) of Chapter 4 of Title 32.1.

6. Reports and court documents relating to involuntary admission required to be kept confidential pursuant to § 37.2-818.

7. Data formerly required to be submitted to the Commissioner of Health relating to the establishment of new or the expansion of existing clinical health services, acquisition of major medical equipment, or certain projects requiring capital expenditures pursuant to former § 32.1-102.3:4.

8. Information required to be provided to the Department of Health Professions by certain licensees pursuant to § 54.1-2506.1.

9. Information acquired (i) during a review of any child death conducted by the State Child Fatality Review team established pursuant to § 32.1-283.1 or by a local or regional child fatality review team to the extent that such information is made confidential by § 32.1-283.2;(ii) during a review of any death conducted by a family violence fatality review team to the extent that such information is made confidential by § 32.1-283.3;or (iii) during a review of any adult death conducted by the Adult Fatality Review Team to the extent made confidential by § 32.1-283.5 or by a local or regional adult fatality review team to the extent that such information is made confidential by § 32.1-283.6.

10. Patient level data collected by the Board of Health and not yet processed, verified, and released, pursuant to § 32.1-276.9, to the Board by the nonprofit organization with which the Commissioner of Health has contracted pursuant to § 32.1-276.4.

11. Information held by the Health Practitioners' Monitoring Program Committee within the Department of Health Professions that may identify any practitioner who may be, or who is actually, impaired and disclosure of such information is prohibited by § 54.1-2517.

12. Information relating to a grant application, or accompanying a grant application, submitted to the Commonwealth Neurotrauma Initiative Advisory Board pursuant to Article 12 (§ 51.5-178 et seq.) of Chapter 14 of Title 51.5 that would (i) reveal (a) medical or mental health records or other data identifying individual patients or (b) proprietary business or research-related information produced or collected by the applicant in the conduct of or as a result of study or research on medical, rehabilitative, scientific, technical, or scholarly issues, when such information has not been publicly released, published, copyrighted, or patented, and (ii) be harmful to the competitive position of the applicant.



13. Any information copied, recorded, or received by the Commissioner of Health in the course of an examination, investigation, or review of a managed care health insurance plan licensee pursuant to §§ [32.1-137.4](#) and [32.1-137.5](#), including books, records, files, accounts, papers, documents, and any or all computer or other recordings.

14. Information and statistical registries required to be kept confidential pursuant to §§ [63.2-102](#) and [63.2-104](#).

15. Information relating to the prescribing and dispensing of covered substances to recipients and any abstracts from such information that are in the possession of the Prescription Monitoring Program pursuant to Chapter 25.2 (§ [54.1-2519](#) et seq.) of Title 54.1 and any material relating to the operation or security of the Program.

16. Records of the Virginia Birth-Related Neurological Injury Compensation Program required to be kept confidential pursuant to § [38.2-5002.2](#).

17. Information held by the State Health Commissioner relating to the health of any person subject to an order of quarantine or an order of isolation pursuant to Article 3.02 (§ [32.1-48.05](#) et seq.) of Chapter 2 of Title 32.1. However, nothing in this subdivision shall be construed to authorize the withholding of statistical summaries, abstracts, or other information in aggregate form.

18. The names and addresses or other contact information of persons receiving transportation services from a state or local public body or its designee under Title II of the Americans with Disabilities Act, (42 U.S.C. § 12131 et seq.) or funded by Temporary Assistance for Needy Families (TANF) created under § [63.2-600](#).

19. Information held by certain health care committees and entities that may be withheld from discovery as privileged communications pursuant to § [8.01-581.17](#).

1999, cc. [485](#), [518](#), [703](#), [726](#), [793](#), [849](#), [852](#), [867](#), [868](#), [881](#), § 2.1-342.01; 2000, cc. [66](#), [237](#), [382](#), [400](#), [430](#), [583](#), [589](#), [592](#), [594](#), [618](#), [632](#), [657](#), [720](#), [932](#), [933](#), [947](#), [1006](#), [1064](#); 2001, cc. [288](#), [518](#), [844](#), § 2.2-3705; 2002, cc. [87](#), [155](#), [242](#), [393](#), [478](#), [481](#), [499](#), [522](#), [571](#), [572](#), [633](#), [655](#), [715](#), [798](#), [830](#); 2003, cc. [274](#), [307](#), [327](#), [332](#), [358](#), [704](#), [801](#), [884](#), [891](#), [893](#), [897](#), [968](#); 2004, cc. [65](#), [666](#), [690](#), [773](#), [1014](#), [1021](#); 2005, cc. [181](#), [227](#), [716](#); 2008, c. [539](#); 2009, cc. [472](#), [813](#), [840](#); 2011, cc. [110](#), [175](#), [535](#); 2012, cc. [476](#), [479](#), [507](#), [803](#), [835](#); 2015, cc. [22](#), [108](#), [127](#); 2016, cc. [620](#), [716](#).

#### **§ 2.2-3705.6. Exclusions to application of chapter; proprietary records and trade secrets.**

The following information contained in a public record is excluded from the mandatory disclosure provisions of this chapter but may be disclosed by the custodian in his discretion, except where such disclosure is prohibited by law. Redaction of information excluded under this section from a public record shall be conducted in accordance with § [2.2-3704.01](#).

1. Proprietary information gathered by or for the Virginia Port Authority as provided in § [62.1-132.4](#) or [62.1-134.1](#).

2. Financial statements not publicly available filed with applications for industrial development financings in accordance with Chapter 49 (§ [15.2-4900](#) et seq.) of Title 15.2.

3. Proprietary information, voluntarily provided by private business pursuant to a promise of confidentiality from a public body, used by the public body for business, trade, and tourism development or retention; and memoranda, working papers, or other information related to

businesses that are considering locating or expanding in Virginia, prepared by a public body, where competition or bargaining is involved and where disclosure of such information would adversely affect the financial interest of the public body.

4. Information that was filed as confidential under the Toxic Substances Information Act (§ [32.1-239](#) et seq.), as such Act existed prior to July 1, 1992.

5. Fisheries data that would permit identification of any person or vessel, except when required by court order as specified in § [28.2-204](#).

6. Confidential financial statements, balance sheets, trade secrets, and revenue and cost projections provided to the Department of Rail and Public Transportation, provided such information is exempt under the federal Freedom of Information Act or the federal Interstate Commerce Act or other laws administered by the Surface Transportation Board or the Federal Railroad Administration with respect to data provided in confidence to the Surface Transportation Board and the Federal Railroad Administration.

7. Proprietary information related to inventory and sales, voluntarily provided by private energy suppliers to the Department of Mines, Minerals and Energy, used by that Department for energy contingency planning purposes or for developing consolidated statistical information on energy supplies.

8. Confidential proprietary information furnished to the Board of Medical Assistance Services or the Medicaid Prior Authorization Advisory Committee pursuant to Article 4 (§ [32.1-331.12](#) et seq.) of Chapter 10 of Title 32.1.

9. Proprietary, commercial or financial information, balance sheets, trade secrets, and revenue and cost projections provided by a private transportation business to the Virginia Department of Transportation and the Department of Rail and Public Transportation for the purpose of conducting transportation studies needed to obtain grants or other financial assistance under the Transportation Equity Act for the 21st Century (P.L. 105-178) for transportation projects if disclosure of such information is exempt under the federal Freedom of Information Act or the federal Interstate Commerce Act or other laws administered by the Surface Transportation Board or the Federal Railroad Administration with respect to data provided in confidence to the Surface Transportation Board and the Federal Railroad Administration. However, the exclusion provided by this subdivision shall not apply to any wholly owned subsidiary of a public body.

10. Confidential information designated as provided in subsection F of § [2.2-4342](#) as trade secrets or proprietary information by any person in connection with a procurement transaction or by any person who has submitted to a public body an application for prequalification to bid on public construction projects in accordance with subsection B of § [2.2-4317](#).

11. a. Memoranda, staff evaluations, or other information prepared by the responsible public entity, its staff, outside advisors, or consultants exclusively for the evaluation and negotiation of proposals filed under the Public-Private Transportation Act of 1995 (§ [33.2-1800](#) et seq.) or the Public-Private Education Facilities and Infrastructure Act of 2002 (§ [56-575.1](#) et seq.) where (i) if such information was made public prior to or after the execution of an interim or a comprehensive agreement, § [33.2-1820](#) or [56-575.17](#) notwithstanding, the financial interest or bargaining position of the public entity would be adversely affected and (ii) the basis for the determination required in clause (i) is documented in writing by the responsible public entity; and

b. Information provided by a private entity to a responsible public entity, affected jurisdiction, or affected local jurisdiction pursuant to the provisions of the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.) or the Public-Private Education Facilities and Infrastructure Act of 2002 (§ 56-575.1 et seq.) if disclosure of such information would reveal (i) trade secrets of the private entity as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.); (ii) financial information of the private entity, including balance sheets and financial statements, that are not generally available to the public through regulatory disclosure or otherwise; or (iii) other information submitted by the private entity where if such information was made public prior to the execution of an interim agreement or a comprehensive agreement, the financial interest or bargaining position of the public or private entity would be adversely affected. In order for the information specified in clauses (i), (ii), and (iii) to be excluded from the provisions of this chapter, the private entity shall make a written request to the responsible public entity:

- (1) Invoking such exclusion upon submission of the data or other materials for which protection from disclosure is sought;
- (2) Identifying with specificity the data or other materials for which protection is sought; and
- (3) Stating the reasons why protection is necessary.

The responsible public entity shall determine whether the requested exclusion from disclosure is necessary to protect the trade secrets or financial information of the private entity. To protect other information submitted by the private entity from disclosure, the responsible public entity shall determine whether public disclosure prior to the execution of an interim agreement or a comprehensive agreement would adversely affect the financial interest or bargaining position of the public or private entity. The responsible public entity shall make a written determination of the nature and scope of the protection to be afforded by the responsible public entity under this subdivision. Once a written determination is made by the responsible public entity, the information afforded protection under this subdivision shall continue to be protected from disclosure when in the possession of any affected jurisdiction or affected local jurisdiction.

Except as specifically provided in subdivision 11 a, nothing in this subdivision shall be construed to authorize the withholding of (a) procurement records as required by § 33.2-1820 or 56-575.17; (b) information concerning the terms and conditions of any interim or comprehensive agreement, service contract, lease, partnership, or any agreement of any kind entered into by the responsible public entity and the private entity; (c) information concerning the terms and conditions of any financing arrangement that involves the use of any public funds; or (d) information concerning the performance of any private entity developing or operating a qualifying transportation facility or a qualifying project.

For the purposes of this subdivision, the terms "affected jurisdiction," "affected local jurisdiction," "comprehensive agreement," "interim agreement," "qualifying project," "qualifying transportation facility," "responsible public entity," and "private entity" shall mean the same as those terms are defined in the Public-Private Transportation Act of 1995 (§ 33.2-1800 et seq.) or in the Public-Private Education Facilities and Infrastructure Act of 2002 (§ 56-575.1 et seq.).

12. Confidential proprietary information or trade secrets, not publicly available, provided by a private person or entity pursuant to a promise of confidentiality to the Virginia Resources Authority or to a fund administered in connection with financial assistance rendered or to be rendered by the Virginia Resources Authority where, if such information were made public, the

financial interest of the private person or entity would be adversely affected.

13. Trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.), or confidential proprietary information that is not generally available to the public through regulatory disclosure or otherwise, provided by a (i) bidder or applicant for a franchise or (ii) franchisee under Chapter 21 (§ 15.2-2100 et seq.) of Title 15.2 to the applicable franchising authority pursuant to a promise of confidentiality from the franchising authority, to the extent the information relates to the bidder's, applicant's, or franchisee's financial capacity or provision of new services, adoption of new technologies or implementation of improvements, where such new services, technologies, or improvements have not been implemented by the franchisee on a nonexperimental scale in the franchise area, and where, if such information were made public, the competitive advantage or financial interests of the franchisee would be adversely affected.

In order for trade secrets or confidential proprietary information to be excluded from the provisions of this chapter, the bidder, applicant, or franchisee shall (a) invoke such exclusion upon submission of the data or other materials for which protection from disclosure is sought, (b) identify the data or other materials for which protection is sought, and (c) state the reason why protection is necessary.

No bidder, applicant, or franchisee may invoke the exclusion provided by this subdivision if the bidder, applicant, or franchisee is owned or controlled by a public body or if any representative of the applicable franchising authority serves on the management board or as an officer of the bidder, applicant, or franchisee.

14. Information of a proprietary nature furnished by a supplier of charitable gaming supplies to the Department of Agriculture and Consumer Services pursuant to subsection E of § 18.2-340.34.

15. Information related to Virginia apple producer sales provided to the Virginia State Apple Board pursuant to § 3.2-1215.

16. Trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.) of Title 59.1, submitted by CMRS providers as defined in § 56-484.12 to the Wireless Carrier E-911 Cost Recovery Subcommittee created pursuant to § 56-484.15, relating to the provision of wireless E-911 service.

17. (Effective until October 1, 2016) Information relating to a grant or loan application, or accompanying a grant or loan application, to the Innovation and Entrepreneurship Investment Authority pursuant to Article 3 (§ 2.2-2233.1 et seq.) of Chapter 22 of Title 2.2 or to the Commonwealth Health Research Board pursuant to Chapter 22 (§ 23-277 et seq.) of Title 23 if disclosure of such information would (i) reveal proprietary business or research-related information produced or collected by the applicant in the conduct of or as a result of study or research on medical, rehabilitative, scientific, technical, technological, or scholarly issues, when such information has not been publicly released, published, copyrighted, or patented, and (ii) be harmful to the competitive position of the applicant.

17. (Effective October 1, 2016) Information relating to a grant or loan application, or accompanying a grant or loan application, to the Innovation and Entrepreneurship Investment Authority pursuant to Article 3 (§ 2.2-2233.1 et seq.) of Chapter 22 of Title 2.2 or to the Commonwealth Health Research Board pursuant to Chapter 5.3 (§ 32.1-162.23 et seq.) of Title 32.1 if disclosure of such information would (i) reveal proprietary business or research-related information produced or collected by the applicant in the conduct of or as a result of study or

research on medical, rehabilitative, scientific, technical, technological, or scholarly issues, when such information has not been publicly released, published, copyrighted, or patented, and (ii) be harmful to the competitive position of the applicant.

18. Confidential proprietary information and trade secrets developed and held by a local public body (i) providing telecommunication services pursuant to § 56-265.4:4 and (ii) providing cable television services pursuant to Article 1.1 (§ 15.2-2108.2 et seq.) of Chapter 21 of Title 15.2 if disclosure of such information would be harmful to the competitive position of the locality.

In order for confidential proprietary information or trade secrets to be excluded from the provisions of this chapter, the locality in writing shall (a) invoke the protections of this subdivision, (b) identify with specificity the information for which protection is sought, and (c) state the reasons why protection is necessary. However, the exemption provided by this subdivision shall not apply to any authority created pursuant to the BVU Authority Act (§ 15.2-7200 et seq.).

19. Confidential proprietary information and trade secrets developed by or for a local authority created in accordance with the Virginia Wireless Service Authorities Act (§ 15.2-5431.1 et seq.) to provide qualifying communications services as authorized by Article 5.1 (§ 56-484.7:1 et seq.) of Chapter 15 of Title 56, where disclosure of such information would be harmful to the competitive position of the authority, except that information required to be maintained in accordance with § 15.2-2160 shall be released.

20. Trade secrets as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.) or financial information of a business, including balance sheets and financial statements, that are not generally available to the public through regulatory disclosure or otherwise, provided to the Department of Small Business and Supplier Diversity as part of an application for certification as a small, women-owned, or minority-owned business in accordance with Chapter 16.1 (§ 2.2-1603 et seq.). In order for such trade secrets or financial information to be excluded from the provisions of this chapter, the business shall (i) invoke such exclusion upon submission of the data or other materials for which protection from disclosure is sought, (ii) identify the data or other materials for which protection is sought, and (iii) state the reasons why protection is necessary.

21. Information of a proprietary or confidential nature disclosed by a carrier to the State Health Commissioner pursuant to §§ 32.1-276.5:1 and 32.1-276.7:1.

22. Trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.), including, but not limited to, financial information, including balance sheets and financial statements, that are not generally available to the public through regulatory disclosure or otherwise, and revenue and cost projections supplied by a private or nongovernmental entity to the State Inspector General for the purpose of an audit, special investigation, or any study requested by the Office of the State Inspector General in accordance with law.

In order for the information specified in this subdivision to be excluded from the provisions of this chapter, the private or nongovernmental entity shall make a written request to the State Inspector General:

a. Invoking such exclusion upon submission of the data or other materials for which protection from disclosure is sought;

- b. Identifying with specificity the data or other materials for which protection is sought; and
- c. Stating the reasons why protection is necessary.

The State Inspector General shall determine whether the requested exclusion from disclosure is necessary to protect the trade secrets or financial information of the private entity. The State Inspector General shall make a written determination of the nature and scope of the protection to be afforded by it under this subdivision.

23. Information relating to a grant application, or accompanying a grant application, submitted to the Tobacco Region Revitalization Commission that would (i) reveal (a) trade secrets as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.), (b) financial information of a grant applicant that is not a public body, including balance sheets and financial statements, that are not generally available to the public through regulatory disclosure or otherwise, or (c) research-related information produced or collected by the applicant in the conduct of or as a result of study or research on medical, rehabilitative, scientific, technical, technological, or scholarly issues, when such information has not been publicly released, published, copyrighted, or patented, and (ii) be harmful to the competitive position of the applicant; and memoranda, staff evaluations, or other information prepared by the Commission or its staff exclusively for the evaluation of grant applications. The exclusion provided by this subdivision shall apply to grants that are consistent with the powers of and in furtherance of the performance of the duties of the Commission pursuant to § 3.2-3103.

In order for the information specified in this subdivision to be excluded from the provisions of this chapter, the applicant shall make a written request to the Commission:

- a. Invoking such exclusion upon submission of the data or other materials for which protection from disclosure is sought;
- b. Identifying with specificity the data, information or other materials for which protection is sought; and
- c. Stating the reasons why protection is necessary.

The Commission shall determine whether the requested exclusion from disclosure is necessary to protect the trade secrets, financial information, or research-related information of the applicant. The Commission shall make a written determination of the nature and scope of the protection to be afforded by it under this subdivision.

24. a. Information held by the Commercial Space Flight Authority relating to rate structures or charges for the use of projects of, the sale of products of, or services rendered by the Authority if disclosure of such information would adversely affect the financial interest or bargaining position of the Authority or a private entity providing the information to the Authority; or
- b. Information provided by a private entity to the Commercial Space Flight Authority if disclosure of such information would (i) reveal (a) trade secrets of the private entity as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.); (b) financial information of the private entity, including balance sheets and financial statements, that are not generally available to the public through regulatory disclosure or otherwise; or (c) other information submitted by the private entity and (ii) adversely affect the financial interest or bargaining position of the Authority or private entity.

In order for the information specified in clauses (a), (b), and (c) of subdivision 24 b to be excluded from the provisions of this chapter, the private entity shall make a written request to the Authority:

- (1) Invoking such exclusion upon submission of the data or other materials for which protection from disclosure is sought;
- (2) Identifying with specificity the data or other materials for which protection is sought; and
- (3) Stating the reasons why protection is necessary.

The Authority shall determine whether the requested exclusion from disclosure is necessary to protect the trade secrets or financial information of the private entity. To protect other information submitted by the private entity from disclosure, the Authority shall determine whether public disclosure would adversely affect the financial interest or bargaining position of the Authority or private entity. The Authority shall make a written determination of the nature and scope of the protection to be afforded by it under this subdivision.

25. Information of a proprietary nature furnished by an agricultural landowner or operator to the Department of Conservation and Recreation, the Department of Environmental Quality, the Department of Agriculture and Consumer Services, or any political subdivision, agency, or board of the Commonwealth pursuant to §§ 10.1-104.7, 10.1-104.8, and 10.1-104.9, other than when required as part of a state or federal regulatory enforcement action.

26. Trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.), provided to the Department of Environmental Quality pursuant to the provisions of § 10.1-1458. In order for such trade secrets to be excluded from the provisions of this chapter, the submitting party shall (i) invoke this exclusion upon submission of the data or materials for which protection from disclosure is sought, (ii) identify the data or materials for which protection is sought, and (iii) state the reasons why protection is necessary.

27. Information of a proprietary nature furnished by a licensed public-use airport to the Department of Aviation for funding from programs administered by the Department of Aviation or the Virginia Aviation Board, where if such information was made public, the financial interest of the public-use airport would be adversely affected.

In order for the information specified in this subdivision to be excluded from the provisions of this chapter, the public-use airport shall make a written request to the Department of Aviation:

- a. Invoking such exclusion upon submission of the data or other materials for which protection from disclosure is sought;
- b. Identifying with specificity the data or other materials for which protection is sought; and
- c. Stating the reasons why protection is necessary.

28. (Effective until October 1, 2016) Records submitted as a grant or loan application, or accompanying a grant or loan application, for an award from the Virginia Research Investment Fund pursuant to Chapter 28 (§ 23-304 et seq.) of Title 23, to the extent that such records contain proprietary business or research-related information produced or collected by the applicant in the conduct of or as a result of study or research on medical, rehabilitative, scientific, technical, technological, or scholarly issues, when such information has not been publicly released,

published, copyrighted, or patented, if the disclosure of such information would be harmful to the competitive position of the applicant.

28. (Effective October 1, 2016) Records submitted as a grant or loan application, or accompanying a grant or loan application, for an award from the Virginia Research Investment Fund pursuant to Article 8 (§ 23.1-3130 et seq.) of Chapter 31 of Title 23.1, to the extent that such records contain proprietary business or research-related information produced or collected by the applicant in the conduct of or as a result of study or research on medical, rehabilitative, scientific, technical, technological, or scholarly issues, when such information has not been publicly released, published, copyrighted, or patented, if the disclosure of such information would be harmful to the competitive position of the applicant.

1999, cc. 485, 518, 703, 726, 793, 849, 852, 867, 868, 881, § 2.1-342.01; 2000, cc. 66, 237, 382, 400, 430, 583, 589, 592, 594, 618, 632, 657, 720, 932, 933, 947, 1006, 1064; 2001, cc. 288, 518, 844, § 2.2-3705; 2002, cc. 87, 155, 242, 393, 478, 481, 499, 522, 571, 572, 633, 655, 715, 798, 830; 2003, cc. 274, 307, 327, 332, 358, 704, 801, 884, 891, 893, 897, 968; 2004, cc. 593, 690; 2005, cc. 258, 411; 2006, cc. 73, 76, 467, 831, 921, 936; 2006, Sp. Sess. I, c. 1; 2007, cc. 374, 693; 2008, cc. 71, 102, 266, 387, 633, 689, 736, 743; 2009, cc. 246, 311, 325, 765, 810, 869; 2010, cc. 310, 808; 2011, cc. 541, 781, 798, 871; 2012, cc. 693, 709; 2013, cc. 54, 482, 574; 2015, cc. 696, 697; 2016, cc. 620, 716, 724, 725, 775.

#### **§ 2.2-3705.7. Exclusions to application of chapter; records of specific public bodies and certain other limited exclusions.**

The following information contained in a public record is excluded from the mandatory disclosure provisions of this chapter but may be disclosed by the custodian in his discretion, except where such disclosure is prohibited by law. Redaction of information excluded under this section from a public record shall be conducted in accordance with § 2.2-3704.01.

1. State income, business, and estate tax returns, personal property tax returns, and confidential records held pursuant to § 58.1-3.

2. Working papers and correspondence of the Office of the Governor; the Lieutenant Governor; the Attorney General; the members of the General Assembly, the Division of Legislative Services, or the Clerks of the House of Delegates and the Senate of Virginia; the mayor or chief executive officer of any political subdivision of the Commonwealth; or the president or other chief executive officer of any public institution of higher education in Virginia. However, no information that is otherwise open to inspection under this chapter shall be deemed excluded by virtue of the fact that it has been attached to or incorporated within any working paper or correspondence. Nothing in this subdivision shall be construed to authorize the withholding of any resumes or applications submitted by persons who are appointed by the Governor pursuant to § 2.2-106 or 2.2-107.

As used in this subdivision:

"Members of the General Assembly" means each member of the Senate of Virginia and the House of Delegates and their legislative aides when working on behalf of such member.

"Office of the Governor" means the Governor; his chief of staff, counsel, director of policy, Cabinet Secretaries, and Assistant to the Governor for Intergovernmental Affairs and those individuals to whom the Governor has delegated his authority pursuant to § 2.2-104.



"Working papers" means those records prepared by or for an above-named public official for his personal or deliberative use.

3. Information contained in library records that can be used to identify both (i) any library patron who has borrowed material from a library and (ii) the material such patron borrowed.

4. Contract cost estimates prepared for the confidential use of the Department of Transportation in awarding contracts for construction or the purchase of goods or services, and records and automated systems prepared for the Department's Bid Analysis and Monitoring Program.

5. Lists of registered owners of bonds issued by a political subdivision of the Commonwealth, whether the lists are maintained by the political subdivision itself or by a single fiduciary designated by the political subdivision.

6. Information furnished by a member of the General Assembly to a meeting of a standing committee, special committee, or subcommittee of his house established solely for the purpose of reviewing members' annual disclosure statements and supporting materials filed under § 30-110 or of formulating advisory opinions to members on standards of conduct, or both.

7. Customer account information of a public utility affiliated with a political subdivision of the Commonwealth, including the customer's name and service address, but excluding the amount of utility service provided and the amount of money paid for such utility service.

8. Personal information, as defined in § 2.2-3801, (i) filed with the Virginia Housing Development Authority concerning individuals who have applied for or received loans or other housing assistance or who have applied for occupancy of or have occupied housing financed, owned or otherwise assisted by the Virginia Housing Development Authority; (ii) concerning persons participating in or persons on the waiting list for federally funded rent-assistance programs; (iii) filed with any local redevelopment and housing authority created pursuant to § 36-4 concerning persons participating in or persons on the waiting list for housing assistance programs funded by local governments or by any such authority; or (iv) filed with any local redevelopment and housing authority created pursuant to § 36-4 or any other local government agency concerning persons who have applied for occupancy or who have occupied affordable dwelling units established pursuant to § 15.2-2304 or 15.2-2305. However, access to one's own information shall not be denied.

9. Information regarding the siting of hazardous waste facilities, except as provided in § 10.1-1441, if disclosure of such information would have a detrimental effect upon the negotiating position of a governing body or on the establishment of the terms, conditions, and provisions of the siting agreement.

10. Information on the site-specific location of rare, threatened, endangered, or otherwise imperiled plant and animal species, natural communities, caves, and significant historic and archaeological sites if, in the opinion of the public body that has the responsibility for such information, disclosure of the information would jeopardize the continued existence or the integrity of the resource. This exclusion shall not apply to requests from the owner of the land upon which the resource is located.

11. Memoranda, graphics, video or audio tapes, production models, data, and information of a proprietary nature produced by or for or collected by or for the Virginia Lottery relating to matters of a specific lottery game design, development, production, operation, ticket price, prize

structure, manner of selecting the winning ticket, manner of payment of prizes to holders of winning tickets, frequency of drawings or selections of winning tickets, odds of winning, advertising, or marketing, where such information not been publicly released, published, copyrighted, or patented. Whether released, published, or copyrighted, all game-related information shall be subject to public disclosure under this chapter upon the first day of sales for the specific lottery game to which it pertains.

12. (Effective until October 1, 2016) Information held by the Virginia Retirement System, acting pursuant to § 51.1-124.30, or a local retirement system, acting pursuant to § 51.1-803, or the Rector and Visitors of the University of Virginia, acting pursuant to § 23-76.1, or the Virginia College Savings Plan, acting pursuant to § 23-38.77, relating to the acquisition, holding, or disposition of a security or other ownership interest in an entity, where such security or ownership interest is not traded on a governmentally regulated securities exchange, if disclosure of such information would (i) reveal confidential analyses prepared for the Rector and Visitors of the University of Virginia, prepared by the retirement system or the Virginia College Savings Plan, or provided to the retirement system or the Virginia College Savings Plan under a promise of confidentiality of the future value of such ownership interest or the future financial performance of the entity and (ii) have an adverse effect on the value of the investment to be acquired, held, or disposed of by the retirement system, the Rector and Visitors of the University of Virginia, or the Virginia College Savings Plan. Nothing in this subdivision shall be construed to authorize the withholding of information relating to the identity of any investment held, the amount invested, or the present value of such investment.

12. (Effective October 1, 2016) Information held by the Virginia Retirement System, acting pursuant to § 51.1-124.30, or a local retirement system, acting pursuant to § 51.1-803, or the Rector and Visitors of the University of Virginia, acting pursuant to § 23.1-2210, or the Virginia College Savings Plan, acting pursuant to § 23.1-704, relating to the acquisition, holding, or disposition of a security or other ownership interest in an entity, where such security or ownership interest is not traded on a governmentally regulated securities exchange, if disclosure of such information would (i) reveal confidential analyses prepared for the Rector and Visitors of the University of Virginia, prepared by the retirement system or the Virginia College Savings Plan, or provided to the retirement system or the Virginia College Savings Plan under a promise of confidentiality of the future value of such ownership interest or the future financial performance of the entity and (ii) have an adverse effect on the value of the investment to be acquired, held, or disposed of by the retirement system, the Rector and Visitors of the University of Virginia, or the Virginia College Savings Plan. Nothing in this subdivision shall be construed to authorize the withholding of information relating to the identity of any investment held, the amount invested, or the present value of such investment.

13. Names and addresses of subscribers to Virginia Wildlife magazine, published by the Department of Game and Inland Fisheries, provided the individual subscriber has requested in writing that the Department not release such information.

14. Financial, medical, rehabilitative, and other personal information concerning applicants for or recipients of loan funds submitted to or maintained by the Assistive Technology Loan Fund Authority under Chapter 11 (§ 51.5-53 et seq.) of Title 51.5.

15. Information held by the Virginia Commonwealth University Health System Authority pertaining to any of the following: an individual's qualifications for or continued membership on its medical or teaching staffs; proprietary information gathered by or in the possession of the

Authority from third parties pursuant to a promise of confidentiality; contract cost estimates prepared for confidential use in awarding contracts for construction or the purchase of goods or services; information of a proprietary nature produced or collected by or for the Authority or members of its medical or teaching staffs; financial statements not publicly available that may be filed with the Authority from third parties; the identity, accounts, or account status of any customer of the Authority; consulting or other reports paid for by the Authority to assist the Authority in connection with its strategic planning and goals; the determination of marketing and operational strategies where disclosure of such strategies would be harmful to the competitive position of the Authority; and information of a proprietary nature produced or collected by or for employees of the Authority, other than the Authority's financial or administrative records, in the conduct of or as a result of study or research on medical, scientific, technical, or scholarly issues, whether sponsored by the Authority alone or in conjunction with a governmental body or a private concern, when such information has not been publicly released, published, copyrighted, or patented. This exclusion shall also apply when such information is in the possession of Virginia Commonwealth University.

16. Information held by the Department of Environmental Quality, the State Water Control Board, the State Air Pollution Control Board, or the Virginia Waste Management Board relating to (i) active federal environmental enforcement actions that are considered confidential under federal law and (ii) enforcement strategies, including proposed sanctions for enforcement actions. Upon request, such information shall be disclosed after a proposed sanction resulting from the investigation has been proposed to the director of the agency. This subdivision shall not be construed to authorize the withholding of information related to inspection reports, notices of violation, and documents detailing the nature of any environmental contamination that may have occurred or similar documents.

17. Information related to the operation of toll facilities that identifies an individual, vehicle, or travel itinerary, including vehicle identification data or vehicle enforcement system information; video or photographic images; Social Security or other identification numbers appearing on driver's licenses; credit card or bank account data; home addresses; phone numbers; or records of the date or time of toll facility use.

18. Information held by the Virginia Lottery pertaining to (i) the social security number, tax identification number, state sales tax number, home address and telephone number, personal and lottery banking account and transit numbers of a retailer, and financial information regarding the nonlottery operations of specific retail locations and (ii) individual lottery winners, except that a winner's name, hometown, and amount won shall be disclosed.

19. Information held by the Board for Branch Pilots relating to the chemical or drug testing of a person regulated by the Board, where such person has tested negative or has not been the subject of a disciplinary action by the Board for a positive test result.

20. Information pertaining to the planning, scheduling, and performance of examinations of holder records pursuant to the Uniform Disposition of Unclaimed Property Act (§ 55-210.1 et seq.) prepared by or for the State Treasurer or his agents or employees or persons employed to perform an audit or examination of holder records.

21. Information held by the Virginia Department of Emergency Management or a local governing body relating to citizen emergency response teams established pursuant to an ordinance of a local governing body that reveal the name, address, including e-mail address, telephone or pager

numbers, or operating schedule of an individual participant in the program.

22. Information held by state or local park and recreation departments and local and regional park authorities concerning identifiable individuals under the age of 18 years. However, nothing in this subdivision shall operate to authorize the withholding of information defined as directory information under regulations implementing the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g, unless the public body has undertaken the parental notification and opt-out requirements provided by such regulations. Access shall not be denied to the parent, including a noncustodial parent, or guardian of such person, unless the parent's parental rights have been terminated or a court of competent jurisdiction has restricted or denied such access. For such information of persons who are emancipated, the right of access may be asserted by the subject thereof. Any parent or emancipated person who is the subject of the information may waive, in writing, the protections afforded by this subdivision. If the protections are so waived, the public body shall open such information for inspection and copying.

23. Information submitted for inclusion in the Statewide Alert Network administered by the Department of Emergency Management that reveal names, physical addresses, email addresses, computer or internet protocol information, telephone numbers, pager numbers, other wireless or portable communications device information, or operating schedules of individuals or agencies, where the release of such information would compromise the security of the Statewide Alert Network or individuals participating in the Statewide Alert Network.

24. Information held by the Judicial Inquiry and Review Commission made confidential by § 17.1-913.

25. (Effective until October 1, 2016) Information held by the Virginia Retirement System acting pursuant to § 51.1-124.30, a local retirement system acting pursuant to § 51.1-803 (hereinafter collectively referred to as the retirement system), or the Virginia College Savings Plan, acting pursuant to § 23-38.77 relating to:

- a. Internal deliberations of or decisions by the retirement system or the Virginia College Savings Plan on the pursuit of particular investment strategies, or the selection or termination of investment managers, prior to the execution of such investment strategies or the selection or termination of such managers, if disclosure of such information would have an adverse impact on the financial interest of the retirement system or the Virginia College Savings Plan; and
- b. Trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.), provided by a private entity to the retirement system or the Virginia College Savings Plan if disclosure of such records would have an adverse impact on the financial interest of the retirement system or the Virginia College Savings Plan.

For the records specified in subdivision b to be excluded from the provisions of this chapter, the entity shall make a written request to the retirement system or the Virginia College Savings Plan:

- (1) Invoking such exclusion prior to or upon submission of the data or other materials for which protection from disclosure is sought;
- (2) Identifying with specificity the data or other materials for which protection is sought; and
- (3) Stating the reasons why protection is necessary.

The retirement system or the Virginia College Savings Plan shall determine whether the

requested exclusion from disclosure meets the requirements set forth in subdivision b.

Nothing in this subdivision shall be construed to authorize the withholding of the identity or amount of any investment held or the present value and performance of all asset classes and subclasses.

25. (Effective October 1, 2016) Information held by the Virginia Retirement System acting pursuant to § 51.1-124.30, a local retirement system acting pursuant to § 51.1-803 (hereinafter collectively referred to as the retirement system), or the Virginia College Savings Plan, acting pursuant to § 23.1-704 relating to:

- a. Internal deliberations of or decisions by the retirement system or the Virginia College Savings Plan on the pursuit of particular investment strategies, or the selection or termination of investment managers, prior to the execution of such investment strategies or the selection or termination of such managers, if disclosure of such information would have an adverse impact on the financial interest of the retirement system or the Virginia College Savings Plan; and
- b. Trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.), provided by a private entity to the retirement system or the Virginia College Savings Plan if disclosure of such records would have an adverse impact on the financial interest of the retirement system or the Virginia College Savings Plan.

For the records specified in subdivision b to be excluded from the provisions of this chapter, the entity shall make a written request to the retirement system or the Virginia College Savings Plan:

- (1) Invoking such exclusion prior to or upon submission of the data or other materials for which protection from disclosure is sought;
- (2) Identifying with specificity the data or other materials for which protection is sought; and
- (3) Stating the reasons why protection is necessary.

The retirement system or the Virginia College Savings Plan shall determine whether the requested exclusion from disclosure meets the requirements set forth in subdivision b.

Nothing in this subdivision shall be construed to authorize the withholding of the identity or amount of any investment held or the present value and performance of all asset classes and subclasses.

26. Information held by the Department of Corrections made confidential by § 53.1-233.

27. Information maintained by the Department of the Treasury or participants in the Local Government Investment Pool (§ 2.2-4600 et seq.) and required to be provided by such participants to the Department to establish accounts in accordance with § 2.2-4602.

28. Personal information, as defined in § 2.2-3801, contained in the Veterans Care Center Resident Trust Funds concerning residents or patients of the Department of Veterans Services Care Centers, except that access shall not be denied to the person who is the subject of the information.

29. Information maintained in connection with fundraising activities by the Veterans Services Foundation pursuant to § 2.2-2716 that reveal the address, electronic mail address, facsimile or telephone number, social security number or other identification number appearing on a driver's

license, or credit card or bank account data of identifiable donors, except that access shall not be denied to the person who is the subject of the information. Nothing in this subdivision, however, shall be construed to authorize the withholding of information relating to the amount, date, purpose, and terms of the pledge or donation or the identity of the donor, unless the donor has requested anonymity in connection with or as a condition of making a pledge or donation. The exclusion provided by this subdivision shall not apply to protect from disclosure (i) the identities of sponsors providing grants to or contracting with the foundation for the performance of services or other work or (ii) the terms and conditions of such grants or contracts.

30. Names, physical addresses, telephone numbers, and email addresses contained in correspondence between an individual and a member of the governing body, school board, or other public body of the locality in which the individual is a resident, unless the correspondence relates to the transaction of public business. However, no information that is otherwise open to inspection under this chapter shall be deemed exempt by virtue of the fact that it has been attached to or incorporated within any such correspondence.

31. Information prepared for and utilized by the Commonwealth's Attorneys' Services Council in the training of state prosecutors or law-enforcement personnel, where such information is not otherwise available to the public and the disclosure of such information would reveal confidential strategies, methods, or procedures to be employed in law-enforcement activities or materials created for the investigation and prosecution of a criminal case.

32. Information provided to the Department of Aviation by other entities of the Commonwealth in connection with the operation of aircraft where the information would not be subject to disclosure by the entity providing the information. The entity providing the information to the Department of Aviation shall identify the specific information to be protected and the applicable provision of this chapter that excludes the information from mandatory disclosure.

33. Information created or maintained by or on the behalf of the judicial performance evaluation program related to an evaluation of any individual justice or judge made confidential by § 17.1-100.

34. (Effective July 1, 2018) Information held by the Virginia Alcoholic Beverage Control Authority that contains (i) information of a proprietary nature gathered by or in the possession of the Authority from a private entity pursuant to a promise of confidentiality; (ii) trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.), of any private entity; (iii) financial information of a private entity, including balance sheets and financial statements, that are not generally available to the public through regulatory disclosure or otherwise; (iv) contract cost estimates prepared for the (a) confidential use in awarding contracts for construction or (b) purchase of goods or services; or (v) the determination of marketing and operational strategies where disclosure of such strategies would be harmful to the competitive position of the Authority.

In order for the information identified in clauses (i), (ii), or (iii) to be excluded from the provisions of this chapter, the private entity shall make a written request to the Authority:

- a. Invoking such exclusion upon submission of the data or other materials for which protection from disclosure is sought;
- b. Identifying with specificity the data or other materials for which protection is sought; and

c. Stating the reasons why protection is necessary.

The Authority shall determine whether the requested exclusion from disclosure is necessary to protect such information of the private entity. The Authority shall make a written determination of the nature and scope of the protection to be afforded by it under this subdivision.

35. Information reflecting the substance of meetings in which individual sexual assault cases are discussed by any sexual assault team established pursuant to § 15.2-1627.4. The findings of the team may be disclosed or published in statistical or other aggregated form that does not disclose the identity of specific individuals.

1999, cc. 485, 518, 703, 726, 793, 849, 852, 867, 868, 881, § 2.1-342.01; 2000, cc. 66, 237, 382, 400, 430, 583, 589, 592, 594, 618, 632, 657, 720, 932, 933, 947, 1006, 1064; 2001, cc. 288, 518, 844, § 2.2-3705; 2002, cc. 87, 155, 242, 393, 478, 481, 499, 522, 571, 572, 633, 655, 715, 798, 830; 2003, cc. 274, 307, 327, 332, 358, 704, 801, 884, 891, 893, 897, 968; 2004, cc. 426, 690, 832; 2005, cc. 165, 508; 2007, cc. 406, 652, 660, 737, 739; 2008, cc. 16, 739; 2009, cc. 223, 827, 845; 2010, c. 300; 2011, cc. 827, 867; 2012, c. 726; 2013, cc. 199, 481, 554, 574; 2014, cc. 225, 808; 2015, cc. 38, 137, 549, 730; 2016, cc. 550, 620, 716, 729.

#### **§ 2.2-3705.8. Limitation on record exclusions.**

A. Neither any provision of this chapter nor any provision of Chapter 38 (§ 2.2-3800 et seq.) of this title shall be construed as denying public access to (i) contracts between a public body and its officers or employees, other than contracts settling public employee employment disputes held confidential as personnel records under § 2.2-3705.1; (ii) records of the position, job classification, official salary or rate of pay of, and records of the allowances or reimbursements for expenses paid to any officer, official or employee of a public body; or (iii) the compensation or benefits paid by any corporation organized by the Virginia Retirement System or its officers or employees.

The provisions of this subsection, however, shall not require public access to records of the official salaries or rates of pay of public employees whose annual rate of pay is \$10,000 or less.

B. Nothing in this chapter shall be construed as denying public access to the nonexempt portions of a report of a consultant hired by or at the request of a local public body or the mayor or chief executive or administrative officer of such public body if (i) the contents of such report have been distributed or disclosed to members of the local public body or (ii) the local public body has scheduled any action on a matter that is the subject of the consultant's report.

1999, cc. 485, 518, 703, 726, 793, 849, 852, 867, 868, 881, § 2.1-342.01; 2000, cc. 66, 237, 382, 400, 430, 583, 589, 592, 594, 618, 632, 657, 720, 932, 933, 947, 1006, 1064; 2001, cc. 288, 518, 844, § 2.2-3705; 2002, cc. 87, 155, 242, 393, 478, 481, 499, 522, 571, 572, 633, 655, 715, 798, 830; 2003, cc. 274, 307, 327, 332, 358, 704, 801, 884, 891, 893, 897, 968; 2004, c. 690.

#### **§ 2.2-3706. Disclosure of criminal records; limitations.**

A. All public bodies engaged in criminal law-enforcement activities shall provide requested records in accordance with this chapter as follows:

1. Records required to be released:

a. Criminal incident information relating to felony offenses, which shall include:

(1) A general description of the criminal activity reported;

- (2) The date the alleged crime was committed;
- (3) The general location where the alleged crime was committed;
- (4) The identity of the investigating officer or other point of contact; and
- (5) A general description of any injuries suffered or property damaged or stolen.

A verbal response as agreed to by the requester and the public body is sufficient to satisfy the requirements of subdivision a.

Where the release of criminal incident information, however, is likely to jeopardize an ongoing investigation or prosecution or the safety of an individual, cause a suspect to flee or evade detection, or result in the destruction of evidence, such information may be withheld until the above-referenced damage is no longer likely to occur from release of the information. Nothing in subdivision a shall be construed to authorize the withholding of those portions of such information that are not likely to cause the above-referenced damage;

- b. Adult arrestee photographs taken during the initial intake following the arrest and as part of the routine booking procedure, except when necessary to avoid jeopardizing an investigation in felony cases until such time as the release of the photograph will no longer jeopardize the investigation; and
- c. Information relative to the identity of any individual, other than a juvenile, who is arrested and charged, and the status of the charge or arrest;

2. Discretionary releases. The following records are excluded from the mandatory disclosure provisions of this chapter, but may be disclosed by the custodian, in his discretion, except where such disclosure is prohibited by law:

- a. Criminal investigative files, defined as any documents and information, including complaints, court orders, memoranda, notes, diagrams, maps, photographs, correspondence, reports, witness statements, and evidence relating to a criminal investigation or prosecution, other than criminal incident information subject to release in accordance with subdivision 1 a;
- b. (Effective until October 1, 2016) Reports submitted in confidence to (i) state and local law-enforcement agencies, (ii) investigators authorized pursuant to Chapter 3.2 (§ 2.2-307 et seq.), and (iii) campus police departments of public institutions of higher education established pursuant to Chapter 17 (§ 23-232 et seq.) of Title 23;
- b. (Effective October 1, 2016) Reports submitted in confidence to (i) state and local law-enforcement agencies, (ii) investigators authorized pursuant to Chapter 3.2 (§ 2.2-307 et seq.), and (iii) campus police departments of public institutions of higher education established pursuant to Article 3 (§ 23.1-809 et seq.) of Chapter 8 of Title 23.1;
- c. Records of local law-enforcement agencies relating to neighborhood watch programs that include the names, addresses, and operating schedules of individual participants in the program that are provided to such agencies under a promise of anonymity;
- d. All records of persons imprisoned in penal institutions in the Commonwealth provided such records relate to the imprisonment;



e. Records of law-enforcement agencies, to the extent that such records contain specific tactical plans, the disclosure of which would jeopardize the safety or security of law-enforcement personnel or the general public;

f. All records of adult persons under (i) investigation or supervision by a local pretrial services agency in accordance with Article 5 (§ 19.2-152.2 et seq.) of Chapter 9 of Title 19.2; (ii) investigation, probation supervision, or monitoring by a local community-based probation services agency in accordance with Article 9 (§ 9.1-173 et seq.) of Chapter 1 of Title 9.1; or (iii) investigation or supervision by state probation and parole services in accordance with Article 2 (§ 53.1-141 et seq.) of Chapter 4 of Title 53.1;

g. Records of a law-enforcement agency to the extent that they disclose the telephone numbers for cellular telephones, pagers, or comparable portable communication devices provided to its personnel for use in the performance of their official duties;

h. Those portions of any records containing information related to undercover operations or protective details that would reveal the staffing, logistics, or tactical plans of such undercover operations or protective details. Nothing in this subdivision shall operate to allow the withholding of information concerning the overall costs or expenses associated with undercover operations or protective details;

i. Records of (i) background investigations of applicants for law-enforcement agency employment, (ii) administrative investigations relating to allegations of wrongdoing by employees of a law-enforcement agency, and (iii) other administrative investigations conducted by law-enforcement agencies that are made confidential by law;

j. The identity of any victim, witness, or undercover officer, or investigative techniques or procedures. However, the identity of any victim or witness shall be withheld if disclosure is prohibited or restricted under § 19.2-11.2; and

k. Records of the Sex Offender and Crimes Against Minors Registry maintained by the Department of State Police pursuant to Chapter 9 (§ 9.1-900 et seq.) of Title 9.1, including information obtained from state, local, and regional officials, except to the extent that information is required to be posted on the Internet pursuant to § 9.1-913; and

3. Prohibited releases. The identity of any individual providing information about a crime or criminal activity under a promise of anonymity shall not be disclosed.

B. Noncriminal records. Those portions of noncriminal incident or other noncriminal investigative reports or materials that contain identifying information of a personal, medical, or financial nature may be withheld where the release of such information would jeopardize the safety or privacy of any person. Access to personnel records of persons employed by a law-enforcement agency shall be governed by the provisions of subdivision A 2 i of this section and subdivision 1 of § 2.2-3705.1, as applicable.

C. Records of any call for service or other communication to an emergency 911 system or communicated with any other equivalent reporting system shall be subject to the provisions of this chapter.

D. Conflict resolution. In the event of conflict between this section as it relates to requests made under this section and other provisions of law, this section shall control.

1999, cc. 703, 726, § 2.1-342.2; 2000, c. 227; 2001, c. 844; 2002, cc. 393, 715, 769, 830; 2004, cc. 685, 735; 2006, cc. 857, 914; 2007, c. 133; 2010, c. 627; 2011, cc. 798, 871; 2013, c. 695; 2016, cc. 184, 546.

**§ 2.2-3707. Meetings to be public; notice of meetings; recordings; minutes.**

A. All meetings of public bodies shall be open, except as provided in §§ 2.2-3707.01 and 2.2-3711.

B. No meeting shall be conducted through telephonic, video, electronic or other communication means where the members are not physically assembled to discuss or transact public business, except as provided in § 2.2-3708, 2.2-3708.1 or as may be specifically provided in Title 54.1 for the summary suspension of professional licenses.

C. Every public body shall give notice of the date, time, and location of its meetings by placing the notice in a prominent public location at which notices are regularly posted and in the office of the clerk of the public body, or in the case of a public body that has no clerk, in the office of the chief administrator. All state public bodies subject to the provisions of this chapter shall also post notice of their meetings on their websites and on the electronic calendar maintained by the Virginia Information Technologies Agency commonly known as the Commonwealth Calendar. Publication of meeting notices by electronic means by other public bodies shall be encouraged. The notice shall be posted at least three working days prior to the meeting. Notices for meetings of state public bodies on which there is at least one member appointed by the Governor shall state whether or not public comment will be received at the meeting and, if so, the approximate point during the meeting when public comment will be received.

D. Notice, reasonable under the circumstance, of special or emergency meetings shall be given contemporaneously with the notice provided members of the public body conducting the meeting.

E. Any person may annually file a written request for notification with a public body. The request shall include the requester's name, address, zip code, daytime telephone number, electronic mail address, if available, and organization, if any. The public body receiving such request shall provide notice of all meetings directly to each such person. Without objection by the person, the public body may provide electronic notice of all meetings in response to such requests.

F. At least one copy of all agenda packets and, unless exempt, all materials furnished to members of a public body for a meeting shall be made available for public inspection at the same time such documents are furnished to the members of the public body.

G. The notice provisions of this chapter shall not apply to informal meetings or gatherings of the members of the General Assembly.

H. Any person may photograph, film, record or otherwise reproduce any portion of a meeting required to be open. The public body conducting the meeting may adopt rules governing the placement and use of equipment necessary for broadcasting, photographing, filming or recording a meeting to prevent interference with the proceedings, but shall not prohibit or otherwise prevent any person from photographing, filming, recording, or otherwise reproducing any portion of a meeting required to be open. No public body shall conduct a meeting required to be open in any building or facility where such recording devices are prohibited.

I. Minutes shall be recorded at all open meetings. However, minutes shall not be required to be taken at deliberations of (i) standing and other committees of the General Assembly; (ii)

legislative interim study commissions and committees, including the Virginia Code Commission; (iii) study committees or commissions appointed by the Governor; or (iv) study commissions or study committees, or any other committees or subcommittees appointed by the governing bodies or school boards of counties, cities and towns, except where the membership of any such commission, committee or subcommittee includes a majority of the governing body of the county, city or town or school board.

Minutes, including draft minutes, and all other records of open meetings, including audio or audio/visual records shall be deemed public records and subject to the provisions of this chapter.

Minutes shall be in writing and shall include (i) the date, time, and location of the meeting; (ii) the members of the public body recorded as present and absent; and (iii) a summary of the discussion on matters proposed, deliberated or decided, and a record of any votes taken. In addition, for electronic communication meetings conducted in accordance with § 2.2-3708, minutes of state public bodies shall include (a) the identity of the members of the public body at each remote location identified in the notice who participated in the meeting through electronic communications means, (b) the identity of the members of the public body who were physically assembled at the primary or central meeting location, and (c) the identity of the members of the public body who were not present at the locations identified in clauses (a) and (b), but who monitored such meeting through electronic communications means.

1968, c. 479, § 2.1-343; 1973, c. 461; 1976, c. 467; 1977, c. 677; 1982, c. 333; 1989, c. 358; 1990, c. 538; 1993, c. 720; 1995, c. 562; 1999, cc. 696, 703, 726; 2000, c. 227; 2001, c. 844; 2004, cc. 730, 768; 2005, c. 352; 2007, c. 300; 2009, c. 628; 2010, c. 309; 2015, c. 131.

#### **§ 2.2-3707.01. Meetings of the General Assembly.**

A. Except as provided in subsection B, public access to any meeting of the General Assembly or a portion thereof shall be governed by rules established by the Joint Rules Committee and approved by a majority vote of each house at the next regular session of the General Assembly. At least 60 days before the adoption of such rules, the Joint Rules Committee shall (i) hold regional public hearings on such proposed rules and (ii) provide a copy of such proposed rules to the Virginia Freedom of Information Advisory Council.

B. Floor sessions of either house of the General Assembly; meetings, including work sessions, of any standing or interim study committee of the General Assembly; meetings, including work sessions, of any subcommittee of such standing or interim study committee; and joint committees of conference of the General Assembly; or a quorum of any such committees or subcommittees, shall be open and governed by this chapter.

C. Meetings of the respective political party caucuses of either house of the General Assembly, including meetings conducted by telephonic or other electronic communication means, without regard to (i) whether the General Assembly is in or out of regular or special session or (ii) whether such caucuses invite staff or guests to participate in their deliberations, shall not be deemed meetings for the purposes of this chapter.

D. No regular, special, or reconvened session of the General Assembly held pursuant to Article IV, Section 6 of the Constitution of Virginia shall be conducted using electronic communication means pursuant § 2.2-3708.

2004, c. 768; 2005, c. 352.

**§ 2.2-3707.1. Posting of minutes for state boards and commissions.**

All boards, commissions, councils, and other public bodies created in the executive branch of state government and subject to the provisions of this chapter shall post minutes of their meetings on such body's website, if any, and on the electronic calendar maintained by the Virginia Information Technologies Agency commonly known as the Commonwealth Calendar. Draft minutes of meetings shall be posted as soon as possible but no later than ten working days after the conclusion of the meeting. Final approved meeting minutes shall be posted within three working days of final approval of the minutes.

2002, cc. 580, 618;2006, cc. 474, 595;2007, c. 300.

**§ 2.2-3708. Electronic communication meetings; applicability; physical quorum required; exceptions; notice; report.**

A. Except as expressly provided in subsection G of this section or § 2.2-3708.1, no local governing body, school board, or any authority, board, bureau, commission, district or agency of local government, any committee thereof, or any entity created by a local governing body, school board, or any local authority, board, or commission shall conduct a meeting wherein the public business is discussed or transacted through telephonic, video, electronic or other communication means where the members are not physically assembled. Nothing in this section shall be construed to prohibit the use of interactive audio or video means to expand public participation.

B. Except as provided in subsection G or H of this section or subsection D of § 2.2-3707.01, state public bodies may conduct any meeting wherein the public business is discussed or transacted through electronic communication means, provided (i) a quorum of the public body is physically assembled at one primary or central meeting location, (ii) notice of the meeting has been given in accordance with subsection C, and (iii) the remote locations, from which additional members of the public body participate through electronic communication means, are open to the public. All persons attending the meeting at any of the meeting locations shall be afforded the same opportunity to address the public body as persons attending the primary or central location.

If an authorized public body holds an electronic meeting pursuant to this section, it shall also hold at least one meeting annually where members in attendance at the meeting are physically assembled at one location and where no members participate by electronic communication means.

C. Notice of any meetings held pursuant to this section shall be provided at least three working days in advance of the date scheduled for the meeting. The notice shall include the date, time, place, and purpose for the meeting; shall identify the locations for the meeting; and shall include a telephone number that may be used at remote locations to notify the primary or central meeting location of any interruption in the telephonic or video broadcast of the meeting to the remote locations. Any interruption in the telephonic or video broadcast of the meeting shall result in the suspension of action at the meeting until repairs are made and public access restored.

D. Agenda packets and, unless exempt, all materials that will be distributed to members of the public body and that have been made available to the staff of the public body in sufficient time for duplication and forwarding to all locations where public access will be provided shall be made available to the public at the time of the meeting. Minutes of all meetings held by electronic communication means shall be recorded as required by § 2.2-3707. Votes taken during any meeting conducted through electronic communication means shall be recorded by name in roll-

call fashion and included in the minutes.

E. Three working days' notice shall not be required for meetings authorized under this section held in accordance with subsection G or that are continued to address an emergency or to conclude the agenda of the meeting for which proper notice has been given, when the date, time, place, and purpose of the continued meeting are set during the meeting prior to adjournment. Public bodies conducting emergency meetings through electronic communication means shall comply with the provisions of subsection D requiring minutes of the meeting. The nature of the emergency shall be stated in the minutes.

F. Any authorized public body that meets by electronic communication means shall make a written report of the following to the Virginia Freedom of Information Advisory Council and the Joint Commission on Technology and Science by December 15 of each year:

1. The total number of electronic communication meetings held that year;
2. The dates and purposes of the meetings;
3. A copy of the agenda for the meeting;
4. The number of sites for each meeting;
5. The types of electronic communication means by which the meetings were held;
6. The number of participants, including members of the public, at each meeting location;
7. The identity of the members of the public body recorded as absent and those recorded as present at each meeting location;
8. A summary of any public comment received about the electronic communication meetings; and
9. A written summary of the public body's experience using electronic communication meetings, including its logistical and technical experience.

In addition, any authorized public body shall make available to the public at any meeting conducted in accordance with this section a public comment form prepared by the Virginia Freedom of Information Advisory Council in accordance with § [30-179](#).

G. Any public body may meet by electronic communication means without a quorum of the public body physically assembled at one location when the Governor has declared a state of emergency in accordance with § [44-146.17](#), provided (i) the catastrophic nature of the declared emergency makes it impracticable or unsafe to assemble a quorum in a single location and (ii) the purpose of the meeting is to address the emergency. The public body convening a meeting in accordance with this subsection shall (a) give public notice using the best available method given the nature of the emergency, which notice shall be given contemporaneously with the notice provided members of the public body conducting the meeting; (b) make arrangements for public access to such meeting; and (c) otherwise comply with the provisions of this section. The nature of the emergency, the fact that the meeting was held by electronic communication means, and the type of electronic communication means by which the meeting was held shall be stated in the minutes.

H. [Expired].

1984, c. 252, § 2.1-343.1; 1989, c. 358; 1991, c. 473; 1992, c. 153; 1993, c. 270; 1995, c. 278; 1996, c. 289; 1999, cc. 703, 726; 2001, c. 844; 2003, cc. 981, 1021; 2005, c. 352; 2007, cc. 512, 945; 2008, cc. 233, 789; 2013, c. 694.

**§ 2.2-3708.1. Participation in meetings in event of emergency or personal matter; certain disabilities; distance from meeting location for certain public bodies.**

A. A member of a public body may participate in a meeting governed by this chapter through electronic communication means from a remote location that is not open to the public only as follows and subject to the requirements of subsection B:

1. If, on or before the day of a meeting, a member of the public body holding the meeting notifies the chair of the public body that such member is unable to attend the meeting due to an emergency or personal matter and identifies with specificity the nature of the emergency or personal matter, and the public body holding the meeting records in its minutes the specific nature of the emergency or personal matter and the remote location from which the member participated. If a member's participation from a remote location is disapproved because such participation would violate the policy adopted pursuant to subsection B, such disapproval shall be recorded in the minutes with specificity.

Such participation by the member shall be limited each calendar year to two meetings or 25 percent of the meetings of the public body, whichever is fewer;

2. If a member of a public body notifies the chair of the public body that such member is unable to attend a meeting due to a temporary or permanent disability or other medical condition that prevents the member's physical attendance and the public body records this fact and the remote location from which the member participated in its minutes; or

3. If, on the day of a meeting, a member of a regional public body notifies the chair of the public body that such member's principal residence is more than 60 miles from the meeting location identified in the required notice for such meeting and the public body holding the meeting records in its minutes the remote location from which the member participated. If a member's participation from a remote location is disapproved because such participation would violate the policy adopted pursuant to subsection B, such disapproval shall be recorded in the minutes with specificity.

B. Participation by a member of a public body as authorized under subsection A shall be only under the following conditions:

1. The public body has adopted a written policy allowing for and governing participation of its members by electronic communication means, including an approval process for such participation, subject to the express limitations imposed by this section. Once adopted, the policy shall be applied strictly and uniformly, without exception, to the entire membership and without regard to the identity of the member requesting remote participation or the matters that will be considered or voted on at the meeting;

2. A quorum of the public body is physically assembled at the primary or central meeting location; and

3. The public body makes arrangements for the voice of the remote participant to be heard by all persons at the primary or central meeting location.

2007, c. 945;2013, cc. 119, 694;2014, cc. 492, 524.

**§ 2.2-3709. Expired.**

Expired.

**§ 2.2-3710. Transaction of public business other than by votes at meetings prohibited.**

A. Unless otherwise specifically provided by law, no vote of any kind of the membership, or any part thereof, of any public body shall be taken to authorize the transaction of any public business, other than a vote taken at a meeting conducted in accordance with the provisions of this chapter. No public body shall vote by secret or written ballot, and unless expressly provided by this chapter, no public body shall vote by telephone or other electronic communication means.

B. Notwithstanding the foregoing, nothing contained herein shall be construed to prohibit (i) separately contacting the membership, or any part thereof, of any public body for the purpose of ascertaining a member's position with respect to the transaction of public business, whether such contact is done in person, by telephone or by electronic communication, provided the contact is done on a basis that does not constitute a meeting as defined in this chapter or (ii) the House of Delegates or the Senate of Virginia from adopting rules relating to the casting of votes by members of standing committees. Nothing in this subsection shall operate to exclude any public record from the provisions of this chapter.

1987, c. 71, § 2.1-343.2; 1999, cc. 703, 726;2000, c. 932;2001, cc. 710, 844;2002, c. 491.

**§ 2.2-3711. Closed meetings authorized for certain limited purposes.**

A. Public bodies may hold closed meetings only for the following purposes:

1. Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; and evaluation of performance of departments or schools of public institutions of higher education where such evaluation will necessarily involve discussion of the performance of specific individuals. Any teacher shall be permitted to be present during a closed meeting in which there is a discussion or consideration of a disciplinary matter that involves the teacher and some student and the student involved in the matter is present, provided the teacher makes a written request to be present to the presiding officer of the appropriate board. Nothing in this subdivision, however, shall be construed to authorize a closed meeting by a local governing body or an elected school board to discuss compensation matters that affect the membership of such body or board collectively.

2. Discussion or consideration of admission or disciplinary matters or any other matters that would involve the disclosure of information contained in a scholastic record concerning any student of any Virginia public institution of higher education or any state school system. However, any such student, legal counsel and, if the student is a minor, the student's parents or legal guardians shall be permitted to be present during the taking of testimony or presentation of evidence at a closed meeting, if such student, parents, or guardians so request in writing and such request is submitted to the presiding officer of the appropriate board.

3. Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely

affect the bargaining position or negotiating strategy of the public body.

4. The protection of the privacy of individuals in personal matters not related to public business.
5. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.
6. Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected.
7. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. For the purposes of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.
8. In the case of boards of visitors of public institutions of higher education, discussion or consideration of matters relating to gifts, bequests and fund-raising activities, and grants and contracts for services or work to be performed by such institution. However, the terms and conditions of any such gifts, bequests, grants, and contracts made by a foreign government, a foreign legal entity, or a foreign person and accepted by a public institution of higher education in Virginia shall be subject to public disclosure upon written request to the appropriate board of visitors. For the purpose of this subdivision, (i) "foreign government" means any government other than the United States government or the government of a state or a political subdivision thereof; (ii) "foreign legal entity" means any legal entity created under the laws of the United States or of any state thereof if a majority of the ownership of the stock of such legal entity is owned by foreign governments or foreign persons or if a majority of the membership of any such entity is composed of foreign persons or foreign legal entities, or any legal entity created under the laws of a foreign government; and (iii) "foreign person" means any individual who is not a citizen or national of the United States or a trust territory or protectorate thereof.
9. In the case of the boards of trustees of the Virginia Museum of Fine Arts, the Virginia Museum of Natural History, the Jamestown-Yorktown Foundation, and The Science Museum of Virginia, discussion or consideration of matters relating to specific gifts, bequests, and grants.
10. Discussion or consideration of honorary degrees or special awards.
11. Discussion or consideration of tests, examinations, or other information excluded from this chapter pursuant to subdivision 4 of § [2.2-3705.1](#).
12. Discussion, consideration, or review by the appropriate House or Senate committees of possible disciplinary action against a member arising out of the possible inadequacy of the disclosure statement filed by the member, provided the member may request in writing that the committee meeting not be conducted in a closed meeting.
13. Discussion of strategy with respect to the negotiation of a hazardous waste siting agreement



or to consider the terms, conditions, and provisions of a hazardous waste siting agreement if the governing body in open meeting finds that an open meeting will have an adverse effect upon the negotiating position of the governing body or the establishment of the terms, conditions and provisions of the siting agreement, or both. All discussions with the applicant or its representatives may be conducted in a closed meeting.

14. Discussion by the Governor and any economic advisory board reviewing forecasts of economic activity and estimating general and nongeneral fund revenues.

15. Discussion or consideration of medical and mental health records excluded from this chapter pursuant to subdivision 1 of § [2.2-3705.5](#).

16. Deliberations of the Virginia Lottery Board in a licensing appeal action conducted pursuant to subsection D of § [58.1-4007](#) regarding the denial or revocation of a license of a lottery sales agent; and discussion, consideration or review of Virginia Lottery matters related to proprietary lottery game information and studies or investigations exempted from disclosure under subdivision 6 of § [2.2-3705.3](#) and subdivision 11 of § [2.2-3705.7](#).

17. Those portions of meetings by local government crime commissions where the identity of, or information tending to identify, individuals providing information about crimes or criminal activities under a promise of anonymity is discussed or disclosed.

18. Those portions of meetings in which the Board of Corrections discusses or discloses the identity of, or information tending to identify, any prisoner who (i) provides information about crimes or criminal activities, (ii) renders assistance in preventing the escape of another prisoner or in the apprehension of an escaped prisoner, or (iii) voluntarily or at the instance of a prison official renders other extraordinary services, the disclosure of which is likely to jeopardize the prisoner's life or safety.

19. Discussion of plans to protect public safety as it relates to terrorist activity or specific cybersecurity threats or vulnerabilities and briefings by staff members, legal counsel, or law-enforcement or emergency service officials concerning actions taken to respond to such matters or a related threat to public safety; discussion of information excluded from this chapter pursuant to subdivision 3 or 4 of § [2.2-3705.2](#), where discussion in an open meeting would jeopardize the safety of any person or the security of any facility, building, structure, information technology system, or software program; or discussion of reports or plans related to the security of any governmental facility, building or structure, or the safety of persons using such facility, building or structure.

20. (Effective until October 1, 2016) Discussion by the Board of the Virginia Retirement System, acting pursuant to § [51.1-124.30](#), or of any local retirement system, acting pursuant to § [51.1-803](#), or of the Rector and Visitors of the University of Virginia, acting pursuant to § [23-76.1](#), or by the Board of the Virginia College Savings Plan, acting pursuant to § [23-38.80](#), regarding the acquisition, holding or disposition of a security or other ownership interest in an entity, where such security or ownership interest is not traded on a governmentally regulated securities exchange, to the extent that such discussion (i) concerns confidential analyses prepared for the Rector and Visitors of the University of Virginia, prepared by the retirement system or by the Virginia College Savings Plan or provided to the retirement system or the Virginia College Savings Plan under a promise of confidentiality, of the future value of such ownership interest or the future financial performance of the entity, and (ii) would have an adverse effect on the value

of the investment to be acquired, held or disposed of by the retirement system, the Rector and Visitors of the University of Virginia, or the Virginia College Savings Plan. Nothing in this subdivision shall be construed to prevent the disclosure of information relating to the identity of any investment held, the amount invested or the present value of such investment.

20. (Effective October 1, 2016) Discussion by the Board of the Virginia Retirement System, acting pursuant to § 51.1-124.30, or of any local retirement system, acting pursuant to § 51.1-803, or of the Rector and Visitors of the University of Virginia, acting pursuant to § 23.1-2210, or by the Board of the Virginia College Savings Plan, acting pursuant to § 23.1-706, regarding the acquisition, holding or disposition of a security or other ownership interest in an entity, where such security or ownership interest is not traded on a governmentally regulated securities exchange, to the extent that such discussion (i) concerns confidential analyses prepared for the Rector and Visitors of the University of Virginia, prepared by the retirement system or by the Virginia College Savings Plan or provided to the retirement system or the Virginia College Savings Plan under a promise of confidentiality, of the future value of such ownership interest or the future financial performance of the entity, and (ii) would have an adverse effect on the value of the investment to be acquired, held or disposed of by the retirement system, the Rector and Visitors of the University of Virginia, or the Virginia College Savings Plan. Nothing in this subdivision shall be construed to prevent the disclosure of information relating to the identity of any investment held, the amount invested or the present value of such investment.

21. Those portions of meetings in which individual child death cases are discussed by the State Child Fatality Review team established pursuant to § 32.1-283.1, those portions of meetings in which individual child death cases are discussed by a regional or local child fatality review team established pursuant to § 32.1-283.2, those portions of meetings in which individual death cases are discussed by family violence fatality review teams established pursuant to § 32.1-283.3, those portions of meetings in which individual adult death cases are discussed by the state Adult Fatality Review Team established pursuant to § 32.1-283.5, and those portions of meetings in which individual adult death cases are discussed by a local or regional adult fatality review team established pursuant to § 32.1-283.6.

22. Those portions of meetings of the University of Virginia Board of Visitors or the Eastern Virginia Medical School Board of Visitors, as the case may be, and those portions of meetings of any persons to whom management responsibilities for the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, have been delegated, in which there is discussed proprietary, business-related information pertaining to the operations of the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, including business development or marketing strategies and activities with existing or future joint venturers, partners, or other parties with whom the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, has formed, or forms, any arrangement for the delivery of health care, if disclosure of such information would adversely affect the competitive position of the Medical Center or Eastern Virginia Medical School, as the case may be.

23. In the case of the Virginia Commonwealth University Health System Authority, discussion or consideration of any of the following: the acquisition or disposition of real or personal property where disclosure would adversely affect the bargaining position or negotiating strategy of the Authority; operational plans that could affect the value of such property, real or personal, owned or desirable for ownership by the Authority; matters relating to gifts, bequests and fund-raising

activities; grants and contracts for services or work to be performed by the Authority; marketing or operational strategies where disclosure of such strategies would adversely affect the competitive position of the Authority; members of its medical and teaching staffs and qualifications for appointments thereto; and qualifications or evaluations of other employees. This exclusion shall also apply when the foregoing discussions occur at a meeting of the Virginia Commonwealth University Board of Visitors.

24. Those portions of the meetings of the Health Practitioners' Monitoring Program Committee within the Department of Health Professions to the extent such discussions identify any practitioner who may be, or who actually is, impaired pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1.

25. (Effective until October 1, 2016) Meetings or portions of meetings of the Board of the Virginia College Savings Plan wherein personal information, as defined in § 2.2-3801, which has been provided to the Board or its employees by or on behalf of individuals who have requested information about, applied for, or entered into prepaid tuition contracts or savings trust account agreements pursuant to Chapter 4.9 (§ 23-38.75 et seq.) of Title 23 is discussed.

25. (Effective October 1, 2016) Meetings or portions of meetings of the Board of the Virginia College Savings Plan wherein personal information, as defined in § 2.2-3801, which has been provided to the Board or its employees by or on behalf of individuals who have requested information about, applied for, or entered into prepaid tuition contracts or savings trust account agreements pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1 is discussed.

26. Discussion or consideration, by the Wireless Carrier E-911 Cost Recovery Subcommittee created pursuant to § 56-484.15, of trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.), submitted by CMRS providers as defined in § 56-484.12, related to the provision of wireless E-911 service.

27. Those portions of disciplinary proceedings by any regulatory board within the Department of Professional and Occupational Regulation, Department of Health Professions, or the Board of Accountancy conducted pursuant to § 2.2-4019 or 2.2-4020 during which the board deliberates to reach a decision or meetings of health regulatory boards or conference committees of such boards to consider settlement proposals in pending disciplinary actions or modifications to previously issued board orders as requested by either of the parties.

28. Discussion or consideration of information excluded from this chapter pursuant to subdivision 11 of § 2.2-3705.6 by a responsible public entity or an affected locality or public entity, as those terms are defined in § 33.2-1800, or any independent review panel appointed to review information and advise the responsible public entity concerning such records.

29. Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body.

30. Discussion or consideration of grant or loan application information excluded from this chapter pursuant to subdivision 17 of § 2.2-3705.6 by (i) the Commonwealth Health Research Board or (ii) the Innovation and Entrepreneurship Investment Authority or the Research and Technology Investment Advisory Committee appointed to advise the Innovation and Entrepreneurship Investment Authority.

31. Discussion or consideration by the Commitment Review Committee of information excluded from this chapter pursuant to subdivision 8 of § 2.2-3705.2 relating to individuals subject to commitment as sexually violent predators under Chapter 9 (§ 37.2-900 et seq.) of Title 37.2.
32. [Expired.]
33. Discussion or consideration of confidential proprietary information and trade secrets excluded from this chapter pursuant to subdivision 18 of § 2.2-3705.6. However, the exemption provided by this subdivision shall not apply to any authority created pursuant to the BVU Authority Act (§ 15.2-7200 et seq.).
34. Discussion or consideration by a local authority created in accordance with the Virginia Wireless Service Authorities Act (§ 15.2-5431.1 et seq.) of confidential proprietary information and trade secrets excluded from this chapter pursuant to subdivision 19 of § 2.2-3705.6.
35. Discussion or consideration by the State Board of Elections or local electoral boards of voting security matters made confidential pursuant to § 24.2-625.1.
36. Discussion or consideration by the Forensic Science Board or the Scientific Advisory Committee created pursuant to Article 2 (§ 9.1-1109 et seq.) of Chapter 11 of Title 9.1 of records excluded from this chapter pursuant to subdivision A 2 a of § 2.2-3706.
37. Discussion or consideration by the Brown v. Board of Education Scholarship Program Awards Committee of information or confidential matters excluded from this chapter pursuant to subdivision 3 of § 2.2-3705.4, and meetings of the Committee to deliberate concerning the annual maximum scholarship award, review and consider scholarship applications and requests for scholarship award renewal, and cancel, rescind, or recover scholarship awards.
38. Discussion or consideration by the Virginia Port Authority of information excluded from this chapter pursuant to subdivision 1 of § 2.2-3705.6.
39. (Effective until October 1, 2016) Discussion or consideration by the Board of Trustees of the Virginia Retirement System acting pursuant to § 51.1-124.30, by the Investment Advisory Committee appointed pursuant to § 51.1-124.26, by any local retirement system, acting pursuant to § 51.1-803, by the Board of the Virginia College Savings Plan acting pursuant to § 23-38.80, or by the Virginia College Savings Plan's Investment Advisory Committee appointed pursuant to § 23-38.79:1 of information excluded from this chapter pursuant to subdivision 25 of § 2.2-3705.7.
39. (Effective October 1, 2016) Discussion or consideration by the Board of Trustees of the Virginia Retirement System acting pursuant to § 51.1-124.30, by the Investment Advisory Committee appointed pursuant to § 51.1-124.26, by any local retirement system, acting pursuant to § 51.1-803, by the Board of the Virginia College Savings Plan acting pursuant to § 23.1-706, or by the Virginia College Savings Plan's Investment Advisory Committee appointed pursuant to § 23.1-702 of information excluded from this chapter pursuant to subdivision 25 of § 2.2-3705.7.
40. Discussion or consideration of information excluded from this chapter pursuant to subdivision 3 of § 2.2-3705.6.
41. Discussion or consideration by the Board of Education of information relating to the denial, suspension, or revocation of teacher licenses excluded from this chapter pursuant to subdivision 12 of § 2.2-3705.3.

42. Those portions of meetings of the Virginia Military Advisory Council or any commission created by executive order for the purpose of studying and making recommendations regarding preventing closure or realignment of federal military and national security installations and facilities located in Virginia and relocation of such facilities to Virginia, or a local or regional military affairs organization appointed by a local governing body, during which there is discussion of information excluded from this chapter pursuant to subdivision 11 of § 2.2-3705.2.
43. Discussion or consideration by the Board of Trustees of the Veterans Services Foundation of information excluded from this chapter pursuant to subdivision 29 of § 2.2-3705.7.
44. Discussion or consideration by the Virginia Tobacco Region Revitalization Commission of information excluded from this chapter pursuant to subdivision 23 of § 2.2-3705.6.
45. Discussion or consideration by the board of directors of the Commercial Space Flight Authority of information excluded from this chapter pursuant to subdivision 24 of § 2.2-3705.6.
46. Discussion or consideration of personal and proprietary information that are excluded from the provisions of this chapter pursuant to (i) subdivision 25 of § 2.2-3705.6 or (ii) subsection E of § 10.1-104.7. This exclusion shall not apply to the discussion or consideration of records that contain information that has been certified for release by the person who is the subject of the information or transformed into a statistical or aggregate form that does not allow identification of the person who supplied, or is the subject of, the information.
47. (Effective July 1, 2018) Discussion or consideration by the Board of Directors of the Virginia Alcoholic Beverage Control Authority of information excluded from this chapter pursuant to subdivision 1 of § 2.2-3705.3 or subdivision 34 of § 2.2-3705.7.
48. (Effective until October 1, 2016) Discussion or consideration of grant or loan application records excluded from this chapter pursuant to subdivision 28 of § 2.2-3705.6 related to the submission of an application for an award from the Virginia Research Investment Fund pursuant to Chapter 28 (§ 23-304 et seq.) of Title 23.
48. (Effective October 1, 2016) Discussion or consideration of grant or loan application records excluded from this chapter pursuant to subdivision 28 of § 2.2-3705.6 related to the submission of an application for an award from the Virginia Research Investment Fund pursuant to Article 8 (§ 23.1-3130 et seq.) of Chapter 31 of Title 23.1.
49. Discussion or development of grant proposals by a regional council established pursuant to Article 26 (§ 2.2-2484 et seq.) of Chapter 24 to be submitted for consideration to the Virginia Growth and Opportunity Board.
- B. No resolution, ordinance, rule, contract, regulation or motion adopted, passed or agreed to in a closed meeting shall become effective unless the public body, following the meeting, reconvenes in open meeting and takes a vote of the membership on such resolution, ordinance, rule, contract, regulation, or motion that shall have its substance reasonably identified in the open meeting.
- C. Public officers improperly selected due to the failure of the public body to comply with the other provisions of this section shall be de facto officers and, as such, their official actions are valid until they obtain notice of the legal defect in their election.
- D. Nothing in this section shall be construed to prevent the holding of conferences between two

or more public bodies, or their representatives, but these conferences shall be subject to the same procedures for holding closed meetings as are applicable to any other public body.

E. This section shall not be construed to (i) require the disclosure of any contract between the Department of Health Professions and an impaired practitioner entered into pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1 or (ii) require the board of directors of any authority created pursuant to the Industrial Development and Revenue Bond Act (§ 15.2-4900 et seq.), or any public body empowered to issue industrial revenue bonds by general or special law, to identify a business or industry to which subdivision A 5 applies. However, such business or industry shall be identified as a matter of public record at least 30 days prior to the actual date of the board's authorization of the sale or issuance of such bonds.

1968, c. 479, § 2.1-344; 1970, c. 456; 1973, c. 461; 1974, c. 332; 1976, cc. 467, 709; 1979, cc. 369, 684; 1980, cc. 221, 475, 476, 754; 1981, cc. 35, 471; 1982, cc. 497, 516; 1984, cc. 473, 513; 1985, c. 277; 1988, c. 891; 1989, cc. 56, 358, 478; 1990, cc. 435, 538; 1991, c. 708; 1992, c. 444; 1993, cc. 270, 499; 1995, c. 499; 1996, cc. 855, 862, 902, 905, 1046; 1997, cc. 439, 641, 785, 861; 1999, cc. 485, 518, 703, 726, 849, 867, 868; 2000, cc. 382, 400, 720, 1064; 2001, cc. 231, 844; 2002, cc. 87, 393, 455, 478, 499, 655, 715, 830; 2003, cc. 274, 291, 332, 618, 703; 2004, cc. 398, 690, 770; 2005, cc. 258, 411, 568; 2006, cc. 430, 499, 518, 560; 2007, cc. 133, 374, 566, 739; 2008, cc. 626, 633, 668, 721, 743; 2009, cc. 223, 325, 472, 765, 810, 827, 845; 2010, cc. 310, 630, 808; 2011, cc. 89, 111, 147, 536, 541, 816, 874; 2012, cc. 476, 507, 803, 835; 2013, cc. 571, 580, 695; 2014, c. 225; 2015, cc. 27, 38, 108, 169, 182, 549, 730; 2016, cc. 544, 620, 716, 724, 725, 775, 778, 779.

#### **§ 2.2-3712. Closed meetings procedures; certification of proceedings.**

A. No closed meeting shall be held unless the public body proposing to convene such meeting has taken an affirmative recorded vote in an open meeting approving a motion that (i) identifies the subject matter, (ii) states the purpose of the meeting and (iii) makes specific reference to the applicable exemption from open meeting requirements provided in § 2.2-3707 or subsection A of § 2.2-3711. The matters contained in such motion shall be set forth in detail in the minutes of the open meeting. A general reference to the provisions of this chapter, the authorized exemptions from open meeting requirements, or the subject matter of the closed meeting shall not be sufficient to satisfy the requirements for holding a closed meeting.

B. The notice provisions of this chapter shall not apply to closed meetings of any public body held solely for the purpose of interviewing candidates for the position of chief administrative officer. Prior to any such closed meeting for the purpose of interviewing candidates, the public body shall announce in an open meeting that such closed meeting shall be held at a disclosed or undisclosed location within 15 days thereafter.

C. The public body holding a closed meeting shall restrict its discussion during the closed meeting only to those matters specifically exempted from the provisions of this chapter and identified in the motion required by subsection A.

D. At the conclusion of any closed meeting, the public body holding such meeting shall immediately reconvene in an open meeting and shall take a roll call or other recorded vote to be included in the minutes of that body, certifying that to the best of each member's knowledge (i) only public business matters lawfully exempted from open meeting requirements under this chapter and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body. Any member of the public body who believes that there was a departure from the

requirements of clauses (i) and (ii), shall so state prior to the vote, indicating the substance of the departure that, in his judgment, has taken place. The statement shall be recorded in the minutes of the public body.

E. Failure of the certification required by subsection D to receive the affirmative vote of a majority of the members of the public body present during a meeting shall not affect the validity or confidentiality of such meeting with respect to matters considered therein in compliance with the provisions of this chapter. The recorded vote and any statement made in connection therewith, shall upon proper authentication, constitute evidence in any proceeding brought to enforce the provisions of this chapter.

F. A public body may permit nonmembers to attend a closed meeting if such persons are deemed necessary or if their presence will reasonably aid the public body in its consideration of a topic that is a subject of the meeting.

G. A member of a public body shall be permitted to attend a closed meeting held by any committee or subcommittee of that public body, or a closed meeting of any entity, however designated, created to perform the delegated functions of or to advise that public body. Such member shall in all cases be permitted to observe the closed meeting of the committee, subcommittee or entity. In addition to the requirements of § 2.2-3707, the minutes of the committee or other entity shall include the identity of the member of the parent public body who attended the closed meeting.

H. Except as specifically authorized by law, in no event may any public body take action on matters discussed in any closed meeting, except at an open meeting for which notice was given as required by § 2.2-3707.

I. Minutes may be taken during closed meetings of a public body, but shall not be required. Such minutes shall not be subject to mandatory public disclosure.

1989, c. 358, § 2.1-344.1; 1999, cc. 703, 726; 2001, c. 844; 2012, c. 428.

### **§ 2.2-3713. Proceedings for enforcement of chapter.**

A. Any person, including the attorney for the Commonwealth acting in his official or individual capacity, denied the rights and privileges conferred by this chapter may proceed to enforce such rights and privileges by filing a petition for mandamus or injunction, supported by an affidavit showing good cause. Such petition may be brought in the name of the person notwithstanding that a request for public records was made by the person's attorney in his representative capacity. Venue for the petition shall be addressed as follows:

1. In a case involving a local public body, to the general district court or circuit court of the county or city from which the public body has been elected or appointed to serve and in which such rights and privileges were so denied;
2. In a case involving a regional public body, to the general district or circuit court of the county or city where the principal business office of such body is located; and
3. In a case involving a board, bureau, commission, authority, district, institution, or agency of the state government, including a public institution of higher education, or a standing or other committee of the General Assembly, to the general district court or the circuit court of the residence of the aggrieved party or of the City of Richmond.

B. In any action brought before a general district court, a corporate petitioner may appear through its officer, director or managing agent without the assistance of counsel, notwithstanding any provision of law or Rule of the Supreme Court of Virginia to the contrary.

C. Notwithstanding the provisions of § 8.01-644, the petition for mandamus or injunction shall be heard within seven days of the date when the same is made, provided the party against whom the petition is brought has received a copy of the petition at least three working days prior to filing. The hearing on any petition made outside of the regular terms of the circuit court of a locality that is included in a judicial circuit with another locality or localities shall be given precedence on the docket of such court over all cases that are not otherwise given precedence by law.

D. The petition shall allege with reasonable specificity the circumstances of the denial of the rights and privileges conferred by this chapter. A single instance of denial of the rights and privileges conferred by this chapter shall be sufficient to invoke the remedies granted herein. If the court finds the denial to be in violation of the provisions of this chapter, the petitioner shall be entitled to recover reasonable costs, including costs and reasonable fees for expert witnesses, and attorneys' fees from the public body if the petitioner substantially prevails on the merits of the case, unless special circumstances would make an award unjust. In making this determination, a court may consider, among other things, the reliance of a public body on an opinion of the Attorney General or a decision of a court that substantially supports the public body's position.

E. In any action to enforce the provisions of this chapter, the public body shall bear the burden of proof to establish an exclusion by a preponderance of the evidence. No court shall be required to accord any weight to the determination of a public body as to whether an exclusion applies. Any failure by a public body to follow the procedures established by this chapter shall be presumed to be a violation of this chapter.

F. Failure by any person to request and receive notice of the time and place of meetings as provided in § 2.2-3707 shall not preclude any person from enforcing his rights and privileges conferred by this chapter.

1968, c. 479, § 2.1-346; 1976, c. 709; 1978, c. 826; 1989, c. 358; 1990, c. 217; 1996, c. 578; 1999, cc. 703, 726; 2001, c. 844; 2007, c. 560; 2009, c. 634; 2010, c. 299; 2011, cc. 133, 783; 2016, cc. 620, 716.

#### **§ 2.2-3714. Violations and penalties.**

In a proceeding commenced against any officer, employee, or member of a public body under § 2.2-3713 for a violation of § 2.2-3704, 2.2-3705.1 through 2.2-3705.8, 2.2-3706, 2.2-3707, 2.2-3708, 2.2-3708.1, 2.2-3710, 2.2-3711 or 2.2-3712, the court, if it finds that a violation was willfully and knowingly made, shall impose upon such officer, employee, or member in his individual capacity, whether a writ of mandamus or injunctive relief is awarded or not, a civil penalty of not less than \$500 nor more than \$2,000, which amount shall be paid into the State Literary Fund. For a second or subsequent violation, such civil penalty shall be not less than \$2,000 nor more than \$5,000.

1976, c. 467, § 2.1-346.1; 1978, c. 826; 1984, c. 252; 1989, c. 358; 1996, c. 578; 1999, cc. 703, 726; 2001, c. 844; 2003, c. 319; 2004, c. 690; 2008, cc. 233, 789; 2011, c. 327.



Code of Virginia

Title 42.1. Libraries

Chapter 7. Virginia Public Records Act

**§ 42.1-76. Legislative intent; title of chapter.**

The General Assembly intends by this chapter to establish a single body of law applicable to all public officers and employees on the subject of public records management and preservation and to ensure that the procedures used to manage and preserve public records will be uniform throughout the Commonwealth.

This chapter may be cited as the Virginia Public Records Act.

1976, c. 746.

**§ 42.1-76.1. Notice of Chapter.**

Any person elected, reelected, appointed, or reappointed to the governing body of any agency subject to this chapter shall (i) be furnished by the agency or public body's administrator or legal counsel with a copy of this chapter within two weeks following election, reelection, appointment, or reappointment and (ii) read and become familiar with the provisions of this chapter.

2006, c. 60.

**§ 42.1-77. Definitions.**

As used in this chapter:

"Agency" means all boards, commissions, departments, divisions, institutions, authorities, or parts thereof, of the Commonwealth or its political subdivisions and includes the offices of constitutional officers.

"Archival quality" means a quality of reproduction consistent with established standards specified by state and national agencies and organizations responsible for establishing such standards, such as the Association for Information and Image Management, the American National Standards Institute, and the National Institute of Standards and Technology.

"Archival record" means a public record of continuing and enduring value useful to the citizens of the Commonwealth and necessary to the administrative functions of public agencies in the conduct of services and activities mandated by law that is identified on a Library of Virginia approved records retention and disposition schedule as having sufficient informational value to be permanently maintained by the Commonwealth.

"Archives" means the program administered by The Library of Virginia for the preservation of archival records.

"Board" means the State Library Board.

"Conversion" means the act of moving electronic records to a different format, especially data from an obsolete format to a current format.

"Custodian" means the public official in charge of an office having public records.

"Disaster plan" means the information maintained by an agency that outlines recovery techniques and methods to be followed in case of an emergency that impacts the agency's records.

"Electronic record" means a public record whose creation, storage, and access require the use of an automated system or device. Ownership of the hardware, software, or media used to create, store, or access the electronic record has no bearing on a determination of whether such record is a public record.

"Essential public record" means records that are required for recovery and reconstruction of any agency to enable it to resume its core operations and functions and to protect the rights and interests of persons.

"Librarian of Virginia" means the State Librarian of Virginia or his designated representative.

"Lifecycle" means the creation, use, maintenance, and disposition of a public record.

"Metadata" means data describing the context, content, and structure of records and their management through time.

"Migration" means the act of moving electronic records from one information system or medium to another to ensure continued access to the records while maintaining the records' authenticity, integrity, reliability, and usability.

"Original record" means the first generation of the information and is the preferred version of a record. Archival records should to the maximum extent possible be original records.

"Preservation" means the processes and operations involved in ensuring the technical and intellectual survival of authentic records through time.

"Private record" means a record that does not relate to or affect the carrying out of the constitutional, statutory, or other official ceremonial duties of a public official, including the correspondence, diaries, journals, or notes that are not prepared for, utilized for, circulated, or communicated in the course of transacting public business.

"Public official" means all persons holding any office created by the Constitution of Virginia or by any act of the General Assembly, the Governor and all other officers of the executive branch of the state government, and all other officers, heads, presidents or chairmen of boards, commissions, departments, and agencies of the state government or its political subdivisions.

"Public record" or "record" means recorded information that documents a transaction or activity by or with any public officer, agency or employee of an agency. Regardless of physical form or characteristic, the recorded information is a public record if it is produced, collected, received or retained in pursuance of law or in connection with the transaction of public business. The medium upon which such information is recorded has no bearing on the determination of whether the recording is a public record.

For purposes of this chapter, "public record" shall not include nonrecord materials, meaning materials made or acquired and preserved solely for reference use or exhibition purposes, extra copies of documents preserved only for convenience or reference, and stocks of publications.

"Records retention and disposition schedule" means a Library of Virginia-approved timetable stating the required retention period and disposition action of a records series. The administrative, fiscal, historical, and legal value of a public record shall be considered in appraising its appropriate retention schedule. The terms "administrative," "fiscal," "historical," and "legal" value shall be defined as:

1. "Administrative value": Records shall be deemed of administrative value if they have continuing utility in the operation of an agency.
2. "Fiscal value": Records shall be deemed of fiscal value if they are needed to document and verify financial authorizations, obligations, and transactions.
3. "Historical value": Records shall be deemed of historical value if they contain unique information, regardless of age, that provides understanding of some aspect of the government and promotes the development of an informed and enlightened citizenry.
4. "Legal value": Records shall be deemed of legal value if they document actions taken in the protection and proving of legal or civil rights and obligations of individuals and agencies.

1976, c. 746; 1977, c. 501; 1981, c. 637; 1987, c. 217; 1990, c. 778; 1994, cc. [390](#), [955](#); 1998, cc. [427](#), [470](#); 2005, c. [787](#); 2006, c. [60](#).

#### **§ 42.1-78. Confidentiality safeguarded.**

Any records made confidential by law shall be so treated. Records which by law are required to be closed to the public shall not be deemed to be made open to the public under the provisions of this chapter. Records in the custody of The Library of Virginia which are required to be closed to the public shall be open for public access 75 years after the date of creation of the record. No provision of this chapter shall be construed to authorize or require the opening of any records ordered to be sealed by a court. All records deposited in the archives that are not made confidential by law shall be open to public access.

1976, c. 746; 1979, c. 110; 1990, c. 778; 1994, c. [64](#); 2006, c. [60](#).

#### **§ 42.1-79. Records management function vested in The Library of Virginia.**

A. The archival and records management function shall be vested in The Library of Virginia. The Library of Virginia shall be the official custodian and trustee for the Commonwealth of all public records of whatever kind, and regardless of physical form or characteristics, that are transferred to it from any agency. As the Commonwealth's official repository of public records, The Library of Virginia shall assume ownership and administrative control of such records on behalf of the Commonwealth. The Library of Virginia shall own and operate any equipment necessary to manage and retain control of electronic archival records in its custody, but may, at its discretion, contract with third-party entities to provide any or all services related to managing archival records on equipment owned by the contractor, by other third parties, or by The Library of Virginia.

B. The Librarian of Virginia shall name a State Archivist who shall perform such functions as the Librarian of Virginia assigns.

C. Whenever legislation affecting public records management and preservation is under consideration, The Library of Virginia shall review the proposal and advise the General Assembly on the effects of its proposed implementation.

1976, c. 746; 1986, c. 565; 1990, c. 778; 1994, c. [64](#); 1998, c. [427](#); 2005, c. [787](#); 2006, c. [60](#).

#### **§ 42.1-79.1. Repealed.**

Repealed by Acts 2005, c. [787](#), cl. 2.

**§§ 42.1-80, 42.1-81. Repealed.**

Repealed by Acts 2003, c. 177.

**§ 42.1-82. Duties and powers of Library Board.**

A. The State Library Board shall:

1. Issue regulations concerning procedures for the disposal, physical destruction or other disposition of public records containing social security numbers. The procedures shall include all reasonable steps to destroy such documents by (i) shredding, (ii) erasing, or (iii) otherwise modifying the social security numbers in those records to make them unreadable or undecipherable by any means.

2. Issue regulations and guidelines designed to facilitate the creation, preservation, storage, filing, reformatting, management, and destruction of public records by agencies. Such regulations shall mandate procedures for records management and include recommendations for the creation, retention, disposal, or other disposition of public records.

B. The State Library Board may establish advisory committees composed of persons with expertise in the matters under consideration to assist the Library Board in developing regulations and guidelines.

1976, c. 746; 1977, c. 501; 1981, c. 637; 1990, c. 778; 1994, cc. 64, 955; 2003, cc. 914, 918; 2005, c. 787; 2006, c. 60.

**§ 42.1-83. Repealed.**

Repealed by Acts 2006, c. 60, cl. 2.

**§ 42.1-84. Repealed.**

Repealed by Acts 2005, c. 787, cl. 2.

**§ 42.1-85. Records Management Program; agencies to cooperate; agencies to designate records officer.**

A. The Library of Virginia shall administer a records management program for the application of efficient and economical methods for managing the lifecycle of public records consistent with regulations and guidelines promulgated by the State Library Board, including operation of a records center or centers. The Library of Virginia shall establish procedures and techniques for the effective management of public records, make continuing surveys of records and records keeping practices, and recommend improvements in current records management practices, including the use of space, equipment, software, and supplies employed in creating, maintaining, and servicing records.

B. Any agency with public records shall cooperate with The Library of Virginia in conducting surveys. Each agency shall establish and maintain an active, continuing program for the economical and efficient management of the records of such agency. The agency shall be responsible for ensuring that its public records are preserved, maintained, and accessible throughout their lifecycle, including converting and migrating electronic records as often as necessary so that information is not lost due to hardware, software, or media obsolescence or deterioration. Any public official who converts or migrates an electronic record shall ensure that it is an accurate copy of the original record. The converted or migrated record shall have the force of the original.

C. Each state agency and political subdivision of this Commonwealth shall designate as many as appropriate, but at least one, records officer to serve as a liaison to The Library of Virginia for the purposes of implementing and overseeing a records management program, and coordinating legal disposition, including destruction, of obsolete records. Designation of state agency records officers shall be by the respective agency head. Designation of a records officer for political subdivisions shall be by the governing body or chief administrative official of the political subdivision. Each entity responsible for designating a records officer shall provide The Library of Virginia with the name and contact information of the designated records officer, and shall ensure that such information is updated in a timely manner in the event of any changes.

D. The Library of Virginia shall develop and make available training and education opportunities concerning the requirements of and compliance with this chapter for records officers in the Commonwealth.

1976, c. 746; 1990, c. 778; 1994, c. 64; 1998, c. 427; 2006, c. 60.

#### **§ 42.1-86. Essential public records; security recovery copies; disaster plans.**

A. In cooperation with the head of each agency, The Library of Virginia shall establish and maintain a program for the selection and preservation of essential public records. The program shall provide for preserving, classifying, arranging, and indexing essential public records so that such records are made available to the public. The program shall provide for making recovery copies or designate as recovery copies existing copies of such essential public records.

B. Recovery copies shall meet quality standards established by The Library of Virginia and shall be made by a process that accurately reproduces the record and forms a durable medium. A recovery copy may also be made by creating a paper or electronic copy of an original electronic record. Recovery copies shall have the same force and effect for all purposes as the original record and shall be as admissible in evidence as the original record whether the original record is in existence or not. Recovery copies shall be preserved in the place and manner prescribed by the State Library Board and the Governor.

C. The Library of Virginia shall develop a plan to ensure preservation of public records in the event of disaster or emergency as defined in § 44-146.16. This plan shall be coordinated with the Department of Emergency Management and copies shall be distributed to all agency heads. The plan shall be reviewed and updated at least once every five years. The personnel of the Library shall be responsible for coordinating emergency recovery operations when public records are affected. Each agency shall ensure that a plan for the protection and recovery of public records is included in its comprehensive disaster plan.

1976, c. 746; 1980, c. 365; 1990, c. 778; 1994, c. 64; 1998, c. 427; 2005, c. 787; 2006, c. 60.

#### **§ 42.1-86.1. Disposition of public records.**

A. No agency shall sell or give away public records. No agency shall destroy or discard a public record unless (i) the record appears on a records retention and disposition schedule approved pursuant to § 42.1-82 and the record's retention period has expired; (ii) a certificate of records destruction, as designated by the Librarian of Virginia, has been properly completed and approved by the agency's designated records officer; and (iii) there is no litigation, audit, investigation, request for records pursuant to the Virginia Freedom of Information Act (§ 2.2-3700 et seq.), or renegotiation of the relevant records retention and disposition schedule pending at the expiration of the retention period for the applicable records series. After a record is

destroyed or discarded, the agency shall forward the original certificate of records destruction to The Library of Virginia.

B. No agency shall destroy any public record created before 1912 without first offering it to The Library of Virginia.

C. Each agency shall ensure that records created after July 1, 2006 and authorized to be destroyed or discarded in accordance with subsection A, are destroyed or discarded in a timely manner in accordance with the provisions of this chapter; provided, however, such records that contain identifying information as defined in clauses (iii) through (ix), or clause (xii) of subsection C of § 18.2-186.3, shall be destroyed within six months of the expiration of the records retention period.

1990, c. 778; 1998, c. 427; 2005, c. 787; 2006, cc. 60, 909.

#### **§ 42.1-87. Archival public records.**

A. Custodians of archival public records shall keep them in fire-resistant, environmentally controlled, physically secure rooms designed to ensure proper preservation and in such arrangement as to be easily accessible. Current public records should be kept in the buildings in which they are ordinarily used. It shall be the duty of each agency to consult with The Library of Virginia to determine the best manner in which to store long-term or archival electronic records. In entering into a contract with a third-party storage provider for the storage of public records, an agency shall require the third-party to cooperate with The Library of Virginia in complying with rules and regulations promulgated by the Board.

B. Public records deemed unnecessary for the transaction of the business of any state agency, yet deemed to be of archival value, may be transferred with the consent of the Librarian of Virginia to the custody of the Library of Virginia.

C. Public records deemed unnecessary for the transaction of the business of any county, city, or town, yet deemed to be of archival value, shall be stored either in The Library of Virginia or in the locality, at the decision of the local officials responsible for maintaining public records. Archival public records shall be returned to the locality upon the written request of the local officials responsible for maintaining local public records. Microfilm shall be stored in The Library of Virginia but the use thereof shall be subject to the control of the local officials responsible for maintaining local public records.

D. Record books deemed archival should be copied or repaired, renovated or rebound if worn, mutilated, damaged or difficult to read. Whenever the public records of any public official are in need of repair, restoration or rebinding, a judge of the court of record or the head of such agency or political subdivision of the Commonwealth may authorize that the records in need of repair be removed from the building or office in which such records are ordinarily kept, for the length of time necessary to repair, restore or rebind them, provided such restoration and rebinding preserves the records without loss or damage to them. Before any restoration or repair work is initiated, a treatment proposal from the contractor shall be submitted and reviewed in consultation with The Library of Virginia. Any public official who causes a record book to be copied shall attest it and shall certify an oath that it is an accurate copy of the original book. The copy shall then have the force of the original.

E. Nothing in this chapter shall be construed to divest agency heads of the authority to determine the nature and form of the records required in the administration of their several departments or

to compel the removal of records deemed necessary by them in the performance of their statutory duty.

1976, c. 746; 1994, cc. [64](#), [955](#); 2005, c. [787](#); 2006, c. [60](#).

**§ 42.1-88. Custodians to deliver all records at expiration of term; penalty for noncompliance.**

Any custodian of any public records shall, at the expiration of his term of office, appointment or employment, deliver to his successor, or, if there be none, to The Library of Virginia, all books, writings, letters, documents, public records, or other information, recorded on any medium kept or received by him in the transaction of his official business; and any such person who shall refuse or neglect for a period of ten days after a request is made in writing by the successor or Librarian of Virginia to deliver the public records as herein required shall be guilty of a Class 3 misdemeanor.

1976, c. 746; 1994, c. [64](#); 1998, c. [427](#).

**§ 42.1-89. Petition and court order for return of public records not in authorized possession.**

The Librarian of Virginia or his designated representative such as the State Archivist or any public official who is the custodian of public records in the possession of a person or agency not authorized by the custodian or by law to possess such public records shall petition the circuit court in the city or county in which the person holding such records resides or in which the materials in issue, or any part thereof, are located for the return of such records. The court shall order such public records be delivered to the petitioner upon finding that the materials in issue are public records and that such public records are in the possession of a person not authorized by the custodian of the public records or by law to possess such public records. If the order of delivery does not receive compliance, the plaintiff shall request that the court enforce such order through its contempt power and procedures.

1975, c. 180; 1976, c. 746; 1998, c. [427](#).

**§ 42.1-90. Seizure of public records not in authorized possession.**

A. At any time after the filing of the petition set out in [§ 42.1-89](#) or contemporaneous with such filing, the person seeking the return of the public records may by ex parte petition request the judge or the court in which the action was filed to issue an order directed at the sheriff or other proper officer, as the case may be, commanding him to seize the materials which are the subject of the action and deliver the same to the court under the circumstances hereinafter set forth.

B. The judge aforesaid shall issue an order of seizure upon receipt of an affidavit from the petitioner which alleges that the material at issue may be sold, secreted, removed out of this Commonwealth or otherwise disposed of so as not to be forthcoming to answer the final judgment of the court respecting the same; or that such property may be destroyed or materially damaged or injured if permitted to remain out of the petitioner's possession.

C. The aforementioned order of seizure shall issue without notice to the respondent and without the posting of any bond or other security by the petitioner.

1975, c. 180; 1976, c. 746.

**§ 42.1-90.1. Auditing.**

The Librarian may, in his discretion, conduct an audit of the records management practices of any agency. Any agency subject to the audit shall cooperate and provide the Library with any

records or assistance that it requests. The Librarian shall compile a written summary of the findings of the audit and any actions necessary to bring the agency into compliance with this chapter. The summary shall be a public record, and shall be made available to the agency subject to the audit, the Governor, and the chairmen of the House and Senate Committees on General Laws and the House Appropriations and Senate Finance Committees of the General Assembly.

2006, c. 60.

**§ 42.1-91. Repealed.**

Repealed by Acts 2006, c. 60, cl. 2.



# COUNTY OF CLARKE, VIRGINIA



## FINANCIAL REPORT FOR YEAR ENDED JUNE 30, 2016

**COUNTY OF CLARKE, VIRGINIA**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2016**

# COUNTY OF CLARKE, VIRGINIA

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## Board of Supervisors

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David Weiss, Chairman  
Bev McKay, Vice Chairman

Barbara J. Byrd

Mary L. C. Daniel

Terri T. Catlett

## County School Board

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Chuyen Kochinsky, Chairman  
Charles "Chip" Schutte, Vice-Chairman  
Renée F. Weir, Clerk

Monica Singh-Smith

Dennis Graham

Tom Parker

## Board of Social Services

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Dwight Brown, Chairman  
E. Ralph Pierce, Vice-Chairman

Barbara Byrd

Bob Ferrebee

Lynn Gray

## Other Officials

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Judge of the Circuit Court ..... Clark Andrew Ritchie  
Judge of the Circuit Court ..... Ronald Lewis Napier  
Judge of the Circuit Court ..... Alexander R. Iden  
Judge of the Circuit Court ..... Thomas J. Wilson, IV  
Judge of the Circuit Court ..... Clifford Lynwood Athey, Jr.  
Judge of the Circuit Court ..... Dennis L. Hupp  
Judge of the Circuit Court ..... Bruce D. Albertson  
Judge of the Circuit Court ..... Neil Randolph Bryant  
Clerk of the Circuit Court ..... Helen Butts  
Judge of the General District Court ..... Amy Beth Tisinger  
Judge of the General District Court ..... William W. Eldridge, IV  
Judge of the General District Court ..... W. Dale Houff  
Judge of the General District Court ..... John Stanley Hart, Jr.  
Judge of the General District Court ..... Ian R.D. Williams  
Judge of the Juvenile and Domestic Relations Court ..... Kimberly Marion Athey  
Commonwealth's Attorney ..... Suzanne Mackall  
Commissioner of the Revenue ..... Donna Peake  
Treasurer ..... Sharon Keeler  
Sheriff ..... Anthony W. Roper  
Superintendent of Schools ..... Dr. Chuck Bishop  
County Administrator ..... David L. Ash  
Director of Joint Administrative Services ..... Thomas J. Judge  
Director of Department of Social Services ..... Angie W. Jones

COUNTY OF CLARKE, VIRGINIA  
 FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

---

	Page
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-10
<b><u>Basic Financial Statements:</u></b>	
<b>Government-wide Financial Statements:</b>	
Exhibit 1 Statement of Net Position	11
Exhibit 2 Statement of Activities	12-13
<b>Fund Financial Statements:</b>	
Exhibit 3 Balance Sheet—Governmental Funds	14
Exhibit 4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	15
Exhibit 5 Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds	16
Exhibit 6 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Exhibit 7 Statement of Fiduciary Net Position—Fiduciary Funds	18
<b>Notes to Financial Statements</b>	19-69
<b><u>Required Supplementary Information:</u></b>	
Exhibit 8 Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—General Fund	70
Exhibit 9 Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—Virginia Public Assistance Special Revenue Fund	71
Exhibit 10 Schedule of Components of and Changes in Net Pension Liability and Related Ratios - Primary Government	72

**COUNTY OF CLARKE, VIRGINIA**  
**FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS (CONTINUED)**

		<b>Page</b>
<b><u>Required Supplementary Information: (Continued)</u></b>		
Exhibit 11	Schedule of Components of and Changes in Net Pension Liability (Asset) and Related Ratios - Component Unit School Board (nonprofessional)	73
Exhibit 12	Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan	74
Exhibit 13	Schedule of Employer Contributions	75
Exhibit 14	Notes to Required Supplementary Information	76
<b><u>Other Supplementary Information:</u></b>		
Exhibit 15	Combining Balance Sheet—Nonmajor Governmental Funds	77
Exhibit 16	Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds	78
Exhibit 17	Combining Balance Sheet—Nonmajor Special Revenue Funds	79
Exhibit 18	Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Special Revenue Funds	80
Exhibit 19	Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—Nonmajor Special Revenue Funds	81-82
Exhibit 20	Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Debt Service Funds	83
Exhibit 21	Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—Nonmajor Debt Service Funds	84
Exhibit 22	Combining Balance Sheet—Nonmajor Capital Projects Funds	85
Exhibit 23	Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Capital Projects Funds	86
Exhibit 24	Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—Nonmajor Capital Projects Funds	87-88
Exhibit 25	Combining Statement of Changes of Fiduciary Net Position—Fiduciary Funds	89
Exhibit 26	Combining Statement of Changes in Assets and Liabilities—Agency Funds	90-91

COUNTY OF CLARKE, VIRGINIA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS (CONTINUED)

---

	<u>Page</u>
<b>Other Supplementary Information: (Continued)</b>	
Discretely Presented Component Unit—School Board:	
Exhibit 27 Combining Balance Sheet	92
Exhibit 28 Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	93
Exhibit 29 Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual	94-95
Exhibit 30 Balance Sheet—Nonmajor Capital Project Fund	96
Exhibit 31 Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Capital Project Fund	97
Exhibit 32 Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—Nonmajor and Major Capital Projects Funds	98-99
Discretely Presented Component Unit—Sanitary Authority:	
Exhibit 33 Combining Statement of Net Position	100
Exhibit 34 Combining Statement of Revenues, Expenses and Changes in Net Position	101
Exhibit 35 Combining Statement of Cash Flows	102
Discretely Presented Component Unit—Industrial Development Authority:	
Exhibit 36 Statement of Net Position	103
Exhibit 37 Statement of Revenues, Expenses and Changes in Net Position	104
Exhibit 38 Statement of Cash Flows	105

**COUNTY OF CLARKE, VIRGINIA**  
**FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**TABLE OF CONTENTS (CONTINUED)**

	<b>Page</b>
<b>Other Supplementary Information: (Continued)</b>	
Supporting Schedules:	
Schedule 1 Schedule of Revenues—Budget and Actual—Governmental Funds	106-114
Schedule 2 Schedule of Expenditures—Budget and Actual—Governmental Funds	115-121
<b><u>Other Statistical Information:</u></b>	
Table 1 Government-Wide Expenses by Function	122-123
Table 2 Government-Wide Revenues	124-125
Table 3 General Governmental Expenditures by Function	126-127
Table 4 General Governmental Revenues by Source	128-129
Table 5 Property Tax Levies and Collections	130
Table 6 Assessed Value of Taxable Property	131
Table 7 Property Tax Rates	132
Table 8 Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	133
Table 9 General Government Capital Projects Carryover Budget Allocations	134
Table 10 School Board Capital Projects Carryover Budget Allocations	135
<b><u>Compliance:</u></b>	
Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	136-137
Independent Auditors’ Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	138-139
Schedule of Expenditures of Federal Awards	140-141
Notes to Schedule of Expenditures of Federal Awards	142
Schedule of Findings and Questioned Costs	143

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

## Independent Auditors' Report

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To the Honorable Members of  
the Board of Supervisors  
County of Clarke, Virginia

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Clarke, Virginia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Clarke, Virginia, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Change in Accounting Principle***

As described in Note 1 to the financial statements, in 2016, the County adopted new accounting guidance, GASB Statement Nos. 72 Fair Value Measurement and Application, 79 Certain External Investment Pools and Pool Participants, and 82 Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 4-10, 70-71, and 72-76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Clarke, Virginia's basic financial statements. The other supplementary information and other statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

*Other Information (continued)*

The other statistical 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 them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2017, on our consideration of the County of Clarke, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Clarke, Virginia's internal control over financial reporting and compliance.

DRAFT

Charlottesville, Virginia  
January 3, 2017

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## County of Clarke, Virginia Management's Discussion and Analysis

As management of the County of Clarke (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2016.

### Financial Highlights

- The assets and deferred outflows of resources of the County (excluding component units) exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$35.6 million (*net position*). Of this amount, \$13.0 million (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$2.9 million, of which the governmental activities accounted for 100% of the increase.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$170,301. The Fiscal Policy of Clarke County requires that certain financial designations of General Fund balance be maintained. These financial designations are reported as assigned fund balance of \$13,628,633 and are comprised of the numerous designations. Liquidity and stabilization funds comprise \$4,237,905. Saving for pay-as-you-go capital expenditures comprises \$3,087,639. A total of \$4,573,399 is assigned for carryover requests from unexpended FY 16 funds. \$75,000 is assigned for compensated absences.
- The County's total long-term obligations decreased by \$2,633,007 (7%) during the current fiscal year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-wide financial statements

The *government-wide financial statements* are designed to provide the readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the County's assets, liabilities and deferred inflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of how the financial position of the County may be changing. Increases in net position may indicate an improved financial position; however, even decreases in net position may reflect a changing manner in which the County may have used previously accumulated funds.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, (e.g., uncollected taxes and earned but unused vacation leave).

## Overview of the Financial Statements (Continued)

### Government-wide financial statements: (Continued)

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government administration, judicial administration, public safety, public works, health and welfare, parks, recreation and cultural, community development, and education. The County did not operate any business-type activities.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate school board, a legally separate industrial development authority and a legally separate sanitary authority for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 11 through 13 of this report.

### Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The County reports ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Virginia Public Assistance Fund and the School Debt Service Fund, all of which are considered to be major funds. Data from the other County funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

## Overview of the Financial Statements (Continued)

### Fund financial statements: (Continued)

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 15 through 17 of this report.

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund statement can be found on page 18 of this report.

### Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 69 of this report.

### Other information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning budgetary comparisons for the general fund and VPA special revenue fund. Required supplementary information can be found on page 70 through 76 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 77 of this report.

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$35.6 million at the close of the most recent fiscal year. A large portion of the County's net position (\$22.6 million, 64% of total) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities (i.e., the County's investment in capital assets are of a permanent nature as assets acquired are generally not sold or otherwise disposed of during their useful life).

**Government-Wide Financial Analysis (Continued)**

The following table provides a comparative summary of the County's Statement of Net Position:

<b>County of Clarke, Virginia</b>		
<b>Summary of Net Position</b>		
<b>As of June 30, 2016 and 2015</b>		
	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Current and other assets	\$ 29,418,470	\$ 28,542,250
Capital assets	55,264,369	55,844,161
<b>Total assets</b>	<b>\$ 84,682,839</b>	<b>\$ 84,386,411</b>
 Deferred outflows of resources	 \$ 466,768	 \$ 457,305
 Long-term liabilities outstanding	 \$ 35,211,779	 \$ 37,844,786
Other liabilities	3,055,996	2,830,045
<b>Total liabilities</b>	<b>\$ 38,267,775</b>	<b>\$ 40,674,831</b>
 Deferred inflows of resources	 \$ 11,284,227	 \$ 11,432,673
 Net position:		
Net investment in capital assets	\$ 22,639,790	\$ 20,531,094
Restricted	5,255	5,255
Unrestricted	12,952,560	12,199,863
<b>Total net position</b>	<b>\$ 35,597,605</b>	<b>\$ 32,736,212</b>

An additional portion of the County's net position (\$5,255) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$12.9 million) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position.

As noted previously, the County's net position increased by \$2.9 million during the current fiscal year. This is largely attributable to paying principal due on long-term debt obligations.

**Government-Wide Financial Analysis (Continued)**

Governmental activities increased the County's net position by \$2.9 million. The following table summarizes the County's Statement of Activities:

**County of Clarke, Virginia  
Changes in Net Position  
Years Ended June 30, 2016 and 2015**

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
<b>Revenues:</b>		
<b>Program revenues:</b>		
Charges for services	\$ 1,539,707	\$ 1,268,169
Operating grants and contributions	2,703,814	2,704,325
Capital grants and contributions	371,215	946,620
<b>General revenues:</b>		
Property taxes	19,413,693	19,310,001
Other taxes	1,890,387	1,777,225
Unrestricted revenues from the use of money and property	87,662	62,859
Miscellaneous	204,802	105,278
Grants and contributions not restricted to specific programs	3,012,561	3,011,502
<b>Total revenues</b>	<b>\$ 29,223,841</b>	<b>\$ 29,185,979</b>
<b>Expenses:</b>		
General governmental administration	\$ 2,234,482	\$ 2,228,785
Judicial administration	602,451	598,469
Public safety	4,094,648	4,414,115
Public works	1,076,881	1,013,865
Health and welfare	2,645,527	2,418,330
Parks, recreation, and cultural	1,046,408	1,048,103
Community development	866,154	980,692
Interest on long-term debt	1,453,276	1,559,976
Education	12,342,621	11,763,711
<b>Total expenses</b>	<b>\$ 26,362,448</b>	<b>\$ 26,026,046</b>
<b>Increase (decrease) in net position</b>	<b>\$ 2,861,393</b>	<b>\$ 3,159,933</b>
<b>Net position - beginning of year</b>	<b>32,736,212</b>	<b>29,576,279</b>
<b>Net position - end of year</b>	<b>\$ 35,597,605</b>	<b>\$ 32,736,212</b>

Generally, net asset changes are for the difference between revenues and expenses. Key elements of this net increase are as follows:

- Overall stabilization in operating expenses.
- Increase in charges for services.
- Increase in transfers out to School Board reported as education expense. These transfers represent a change in long-term assets and liability transferred between Component Unit School Board and the County, as well as unexpended local transfer at year end.



## Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds:** The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$14.6 million, an increase of 0.2 million in comparison with the prior year. Of this total amount, \$13.9 million or 95% constitutes *assigned and unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *nonspendable, restricted, or committed* to indicate that it is not available for new spending because it has already been committed to a specific purpose.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, assigned and unassigned fund balance of the General Fund was \$13.8 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balance represents 64% of total General Fund expenditures. This is a common measure for the strength of the County's equity and an overall indicator of a healthy financial condition.

Restricted fund balance of \$5,225 for the swim team and pool in the Parks Construction Fund is included in other governmental funds.

### General Fund Budgetary Highlights

There was an increase of \$29,197 between the original budget and the final amended budgeted expenditures.

### Capital Asset and Debt Administration

**Capital assets:** The County's investment in capital assets for its governmental activities as of June 30, 2016 amounts to \$55.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment and construction in progress. Major capital asset events during the current fiscal year included the following:

- Purchase of several Sheriff and administrative vehicles and equipment.
- Investment in voting equipment.
- Sheriff vehicle repairs.
- Time sync server for communications.

## Capital Asset and Debt Administration (Continued)

Capital assets, net of accumulated depreciation, are illustrated in the following table:

	Governmental Activities	
	2016	2015
Land	\$ 745,500	\$ 745,500
Buildings	44,595,496	45,335,880
Improvements	632,446	697,778
Machinery & Equipment	934,341	827,489
Construction in progress	8,356,586	8,237,514
Total	\$ 55,264,369	\$ 55,844,161

Additional information on the County's capital assets can be found in note 6 on pages 36 through 37 of this report.

**Long-term debt:** At the end of the current fiscal year, the County had total outstanding debt of \$35.2 million and details are summarized in the following table:

	Governmental Activities	
	2016	2015
Bonds payable:		
General obligation bonds	\$ 27,400,000	\$ 29,720,000
Premiums and discounts	237,185	278,864
Lease revenue bond	4,167,233	4,245,272
Note payable	-	94,000
Capital leases	820,161	974,931
Net pension liability	1,969,166	1,857,942
Compensated absences	618,034	673,777
Total	\$ 35,211,779	\$ 37,844,786

Additional information on the County's long-term debt can be found in Note 8.

### Economic Factors and Next Year's Budgets and Rates

- Revenue from the Commonwealth and Federal Government will continue to be weak.
- Employee benefit costs will continue to rise.

### Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Joint Administrative Services, County of Clarke, 524 Westwood Road, Berryville, VA 22611.

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**BASIC FINANCIAL STATEMENTS**

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**Government-wide Financial Statements**

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Statement of Net Position  
June 30, 2016

	Primary Government Governmental Activities	Component Units		
		School Board	Clarke County Sanitary Authority	Industrial Development Authority
<b>ASSETS</b>				
Cash and cash equivalents	\$ 14,238,885	\$ 59,761	\$ 319,455	\$ 108,927
Receivables (net of allowance for uncollectibles):				
Taxes receivable	12,536,818	-	-	-
Accounts receivable	182,139	138,581	141,216	-
Notes receivable	2,989	-	-	-
Due from other funds	463,820	-	-	-
Due from primary government	-	1,892,388	-	-
Due from other governmental units	1,706,625	622,224	-	-
Inventories	22,385	-	-	-
Prepaid items	46,700	31,618	-	1,333
Restricted assets:				
Cash and cash equivalents	203,501	-	-	-
Notes receivable - net of current portion	14,608	-	-	-
Net pension asset	-	66,371	-	-
Capital assets (net of accumulated depreciation):				
Land	745,500	647,266	13,200	-
Buildings	44,595,496	5,969,287	-	-
Improvements other than buildings	632,446	413,904	-	-
Equipment	934,341	1,139,814	-	-
Utility plant in service	-	-	8,304,438	-
Construction in progress	8,356,586	-	1,260,980	-
Total assets	<u>\$ 84,682,839</u>	<u>\$ 10,981,214</u>	<u>\$ 10,039,289</u>	<u>\$ 110,260</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Pension contribution subsequent to measurement date	\$ 466,768	\$ 1,735,614	\$ 4,524	\$ -
<b>LIABILITIES</b>				
Accounts payable	\$ 256,234	\$ 361,783	\$ 134,743	\$ -
Accrued liabilities	1,110	2,316,270	-	-
Customers' deposits	-	-	6,717	-
Accrued interest payable	595,189	-	4,771	-
Due to other funds	2,203,463	-	-	-
Unearned revenue	-	28,112	12,976	-
Long-term liabilities:				
Due within one year	2,738,951	50,030	328,405	-
Due in more than one year	32,472,828	19,769,267	4,240,593	-
Total liabilities	<u>\$ 38,267,775</u>	<u>\$ 22,525,462</u>	<u>\$ 4,728,205</u>	<u>\$ -</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property tax revenue	\$ 10,732,145	\$ -	\$ -	\$ -
Changes to proportionate share of net pension liability	-	201,000	-	-
Items related to measurement of net pension liability	552,082	1,588,371	5,351	-
Total deferred inflows of resources	<u>\$ 11,284,227</u>	<u>\$ 1,789,371</u>	<u>\$ 5,351</u>	<u>\$ -</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 22,639,790	\$ 8,170,271	\$ 5,028,710	\$ -
Restricted				
Swim team	3,596	-	-	-
Pool	1,659	-	-	-
Unrestricted	12,952,560	(19,768,276)	281,547	110,260
Total net position	<u>\$ 35,597,605</u>	<u>\$ (11,598,005)</u>	<u>\$ 5,310,257</u>	<u>\$ 110,260</u>

The notes to the financial statements are an integral part of this statement.



COUNTY OF CLARKE, VIRGINIA

Statement of Activities  
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government administration	\$ 2,234,482	\$ 109,429	\$ 213,679	\$ -
Judicial administration	602,451	2,132	354,893	-
Public safety	4,094,648	745,345	913,808	70,344
Public works	1,076,881	276,606	-	-
Health and welfare	2,645,527	-	1,216,434	-
Education	12,342,621	-	-	121,711
Parks, recreation, and cultural	1,046,407	406,195	-	-
Community development	866,154	-	5,000	179,160
Interest on long-term debt	1,453,276	-	-	-
Total governmental activities	\$ 26,362,448	\$ 1,539,707	\$ 2,703,814	\$ 371,215
Total primary government	\$ 26,362,448	\$ 1,539,707	\$ 2,703,814	\$ 371,215
<b>COMPONENT UNITS:</b>				
School Board	\$ 23,411,637	\$ 707,215	\$ 10,054,822	\$ -
Clarke County Sanitary Authority	928,141	535,168	-	33,927
Clarke County Industrial Development Authority	10,090	54,000	-	-
Total component units	\$ 24,349,868	\$ 1,296,383	\$ 10,054,822	\$ 33,927
General revenues:				
General property taxes				
Other local taxes:				
Local sales and use tax				
Consumer utility tax				
Taxes on recordation and wills				
Motor vehicle licenses				
Other local taxes				
Unrestricted revenues from use of money and property				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Contribution from County of Clarke				
Total general revenues				
Change in net position				
Net position - beginning				
Net position - ending				

The notes to the financial statements are an integral part of this statement.

Exhibit 2

Net (Expense) Revenue and Changes in Net Position				
Primary Government	Component Units			
Governmental Activities	School Board	Clarke County Sanitary Authority	Industrial Development Authority	
\$ (1,911,374)	\$ -	\$ -	\$ -	-
(245,426)	-	-	-	-
(2,365,151)	-	-	-	-
(800,275)	-	-	-	-
(1,429,093)	-	-	-	-
(12,220,910)	-	-	-	-
(640,212)	-	-	-	-
(681,994)	-	-	-	-
(1,453,276)	-	-	-	-
<u>\$ (21,747,712)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
<u>\$ (21,747,712)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
\$ -	\$ (12,649,600)	\$ -	\$ -	-
-	-	(359,046)	-	-
-	-	-	43,910	-
<u>\$ -</u>	<u>\$ (12,649,600)</u>	<u>\$ (359,046)</u>	<u>\$ 43,910</u>	<u>-</u>
\$ 19,413,693	\$ -	\$ -	\$ -	-
877,365	-	-	-	-
340,856	-	-	-	-
279,419	-	-	-	-
308,678	-	-	-	-
84,069	-	-	-	-
87,662	69,554	2,270	33	-
204,802	173,634	151,627	-	-
3,012,561	-	-	-	-
-	12,391,397	133,377	-	-
<u>\$ 24,609,105</u>	<u>\$ 12,634,585</u>	<u>\$ 287,274</u>	<u>\$ 33</u>	<u>-</u>
2,861,393	(15,015)	(71,772)	43,943	-
32,736,212	(11,582,990)	5,382,029	66,317	-
<u>\$ 35,597,605</u>	<u>\$ (11,598,005)</u>	<u>\$ 5,310,257</u>	<u>\$ 110,260</u>	<u>-</u>

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## Fund Financial Statements

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Balance Sheet  
 Governmental Funds  
 June 30, 2016

	General	Virginia Public Assistance	School Debt Service	Other Govern- mental Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 13,808,215	\$ -	\$ -	\$ 430,670	\$ 14,238,885
Receivables (net of allowance for uncollectibles):					
Taxes receivable	12,536,818	-	-	-	12,536,818
Accounts receivable	182,139	-	-	-	182,139
Due from other funds	384,598	-	-	79,222	463,820
Due from other governmental units	1,428,418	142,138	-	136,069	1,706,625
Inventories	22,385	-	-	-	22,385
Prepaid items	26,941	5,495	14,264	-	46,700
Restricted assets:					
Cash and cash equivalents	194,104	-	-	9,397	203,501
Total assets	<u>\$ 28,583,618</u>	<u>\$ 147,633</u>	<u>\$ 14,264</u>	<u>\$ 655,358</u>	<u>\$ 29,400,873</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 171,921	\$ 9,685	\$ -	\$ 74,628	\$ 256,234
Accrued liabilities	1,110	-	-	-	1,110
Due to other funds	2,035,856	137,948	14,264	15,395	2,203,463
Total liabilities	<u>\$ 2,208,887</u>	<u>\$ 147,633</u>	<u>\$ 14,264</u>	<u>\$ 90,023</u>	<u>\$ 2,460,807</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable property tax revenue	\$ 12,332,367	\$ -	\$ -	\$ -	\$ 12,332,367
<b>Fund balances:</b>					
Nonspendable:					
Prepaid items	\$ 26,941	\$ 5,495	\$ 14,264	\$ -	\$ 46,700
Inventory	22,385	-	-	-	22,385
Restricted:					
Swim team	-	-	-	3,596	3,596
Pool	-	-	-	1,659	1,659
Debt service	194,104	-	-	-	194,104
Committed:					
Animal care expenditures	-	-	-	9,397	9,397
Community development	-	-	-	259,136	259,136
Public safety expenditures	-	-	-	130,730	130,730
Assigned:					
Capital projects	-	-	-	160,817	160,817
Other (Note 15)	13,628,633	-	-	-	13,628,633
Unassigned	170,301	(5,495)	(14,264)	-	150,542
Total fund balances	<u>\$ 14,042,364</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 565,335</u>	<u>\$ 14,607,699</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 28,583,618</u>	<u>\$ 147,633</u>	<u>\$ 14,264</u>	<u>\$ 655,358</u>	<u>\$ 29,400,873</u>

The notes to the financial statements are an integral part of this statement.

Reconciliation of the Balance Sheet of Governmental Funds  
 To the Statement of Net Position  
 June 30, 2016

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Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	14,607,699
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		55,264,369
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Unavailable property taxes	\$	1,600,222
Items related to measurement of net pension liability		<u>(552,082)</u>
		1,048,140
Long-term note receivable is not available to pay for current period expenditures and, therefore, is not reported in the funds.		17,597
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when paid.		(595,189)
Pension contributions subsequent to the measurement date will be a reduction to the net pension liability in the next fiscal year and, therefore, are not reported in the funds.		466,768
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(35,211,779)</u>
Net position of governmental activities	\$	<u>35,597,605</u>

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2016

	General	Virginia Public Assistance	School Debt Service	Total Nonmajor Governmental Funds	Total
<b>REVENUES</b>					
General property taxes	\$ 19,322,878	\$ -	\$ -	\$ 10,688	\$ 19,333,566
Other local taxes	1,890,387	-	-	-	1,890,387
Permits, privilege fees, and regulatory licenses	280,280	-	-	-	280,280
Fines and forfeitures	282,771	-	-	-	282,771
Revenue from the use of money and property	85,383	-	-	2,279	87,662
Charges for services	966,746	-	-	9,910	976,656
Miscellaneous	73,955	-	52,464	81,304	207,723
Recovered costs	102,708	61,462	-	-	164,170
Intergovernmental:					
Commonwealth	4,402,787	282,213	-	432,377	5,117,377
Federal	91,805	696,181	121,711	60,516	970,213
Total revenues	<u>\$ 27,499,700</u>	<u>\$ 1,039,856</u>	<u>\$ 174,175</u>	<u>\$ 597,074</u>	<u>\$ 29,310,805</u>
<b>EXPENDITURES</b>					
Current:					
General government administration	\$ 1,820,192	\$ -	\$ -	\$ -	\$ 1,820,192
Judicial administration	629,270	-	-	-	629,270
Public safety	3,953,538	-	-	120,395	4,073,933
Public works	1,087,367	-	-	-	1,087,367
Health and welfare	611,389	1,458,685	-	591,785	2,661,859
Education	12,027,351	-	-	-	12,027,351
Parks, recreation, and cultural	962,519	-	-	-	962,519
Community development	561,512	-	-	288,361	849,873
Nondepartmental	12,956	-	-	-	12,956
Capital projects	-	-	-	755,712	755,712
Debt service:					
Principal retirement	-	-	2,474,772	172,039	2,646,811
Interest and other fiscal charges	-	-	1,372,174	173,661	1,545,835
Total expenditures	<u>\$ 21,666,094</u>	<u>\$ 1,458,685</u>	<u>\$ 3,846,946</u>	<u>\$ 2,101,953</u>	<u>\$ 29,073,678</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,833,606</u>	<u>\$ (418,829)</u>	<u>\$ (3,672,771)</u>	<u>\$ (1,504,879)</u>	<u>\$ 237,127</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ 50,600	\$ 418,829	\$ 3,672,771	\$ 1,371,394	\$ 5,513,594
Transfers out	(5,462,994)	-	-	(50,600)	(5,513,594)
Total other financing sources (uses)	<u>\$ (5,412,394)</u>	<u>\$ 418,829</u>	<u>\$ 3,672,771</u>	<u>\$ 1,320,794</u>	<u>\$ -</u>
Net change in fund balances	\$ 421,212	\$ -	\$ -	\$ (184,085)	\$ 237,127
Fund balances - beginning	13,621,152	-	-	749,420	14,370,572
Fund balances - ending	<u>\$ 14,042,364</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 565,335</u>	<u>\$ 14,607,699</u>

The notes to the financial statements are an integral part of this statement.



Reconciliation of Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended June 30, 2016

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	237,127
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

Capital outlay	\$	488,062	
Depreciation expense		(688,229)	
Joint tenancy asset transfer		(379,625)	(579,792)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$	80,127
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The issuance of notes receivable requires the use of current financial resources, while the receipt of payments on these notes provides current financial resources to governmental funds. However, these transactions have no effect on net position. This amount is the net effect of these differences in the treatment of long-term assets.

Principal payments received	(2,921)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal retired	\$	2,646,809	
Bond discount amortization		(2,404)	
Bond premium amortization		44,083	2,688,488

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

(Increase)/decrease in compensated absences	\$	55,743	
(Increase)/decrease in net pension liability		(111,224)	
(Increase) decrease in deferred inflows related to pension expected and actual experience and earnings		433,500	
Increase (decrease) in deferred outflows related to pension contributions subsequent to measurement date		9,463	
(Increase)/decrease in accrued interest payable		50,882	438,364

Change in net position of governmental activities	\$	2,861,393
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The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2016

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 168,440
Accounts receivable	2,948
Due from other governments	<u>196,223</u>
Total assets	<u>\$ 367,611</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 12,458
Amounts held for Town	47,633
Sales tax payable to other towns	40,530
Due to other funds	155,693
Amounts held for social services clients	38,257
Accrued liabilities	<u>73,040</u>
Total liabilities	<u>\$ 367,611</u>

The notes to the financial statements are an integral part of this statement.

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## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016

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### Note 1—Summary of Significant Accounting Policies:

The County of Clarke, Virginia (the "County") is governed by an elected five member Board of Supervisors. The County provides a full range of services for its citizens. These services include police and volunteer fire protection and rescue service, sanitation services, recreational activities, cultural events, education, and social services.

The financial statements of the County of Clarke, Virginia have been prepared in conformity with the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The more significant of the government's accounting policies are described below.

#### Government-wide and Fund Financial Statements

Management's Discussion and Analysis - GASB Statement No. 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A).

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Position - The Statement of Net Position is designed to display the financial position of the primary government (governmental and business-type activities) and its discretely presented component units. Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Budgetary comparison schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model, governments provide budgetary comparison information in their annual reports, including the original budget and a comparison of final budget and actual results.

**A. Financial Reporting Entity**

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Clarke (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

**B. Individual Component Unit Disclosures**

*Blended Component Unit:* The Conservation Easement Authority is reported as a blended component unit.

*Discretely Presented Component Units:*

The School Board members are elected by the citizens of Clarke County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding of the School Board is from the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2016.

The Clarke County Sanitary Authority is responsible for water and sewer treatment for many citizens in Clarke County. The Sanitary Authority consists of five members appointed by the Board of Supervisors. The Board of Supervisors has the ability to impose its will on the Sanitary Authority and therefore it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2016. The Sanitary Authority does not issue a separate financial report.

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

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### Note 1—Summary of Significant Accounting Policies: (Continued)

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#### B. Individual Component Unit Disclosures: (Continued)

##### *Discretely Presented Component Units: (Continued)*

The Clarke County Industrial Development Authority is responsible for industrial and commercial development in the County. The Authority consists of seven members appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2016. The Authority does not issue a separate financial report.

#### C. Other Related Organizations

##### Included in the County's Financial Report

None

#### D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as does the proprietary fund. The fiduciary fund financial statements have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation: (Continued)**

The County’s fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the County.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state, and other grants for the purpose of funding specific expenditures are either recognized when earned, at the time other specific expenditures are recognized or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

**1. Governmental Funds**

Governmental Funds are those through which most governmental functions typically are financed. The government reports the following governmental funds.

**a. General Fund**

The General Fund is the primary operating fund of the County. This fund is used to account for and report all financial resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund’s revenues are used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for reporting purposes.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

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**Note 1—Summary of Significant Accounting Policies: (Continued)**

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**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation: (Continued)**

1. Governmental Funds: (Continued)

b. Special Revenue Funds

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Virginia Public Assistance Fund is considered a major fund. The CSA Fund, Drug Enforcement Fund, Animal Care Fund, and Conservation Easement Fund are considered nonmajor funds.

c. Capital Projects Fund

The Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The General Government Capital Projects Fund and Parks Construction Fund are considered nonmajor funds.

d. Debt Service Funds

The Debt Service Funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should also be used to report financial resources being accumulated for future debt service. The School Debt Service Fund is considered a major fund. The Primary Government Debt Service Fund is considered a nonmajor fund.

2. Fiduciary Funds (Trust and Agency Funds)

Fiduciary Funds (Trust and Agency Funds) account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Agency Funds consisting of the Special Welfare Fund, Town of Berryville, Undistributed Local Sales Tax, Cafeteria Plan Withholding, Gang Task Force, and the Unemployment Compensation Benefits. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. These funds utilize the accrual basis of accounting.



**Note 1—Summary of Significant Accounting Policies: (Continued)**

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**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation: (Continued)**

**3. Component Unit:**

The Clarke County School Board has the following funds:

**Governmental Funds:**

**School Operating Fund** - This fund is the primary operating fund of the School Board and accounts for and reports all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from charges for services, appropriations from the County of Clarke and state and federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

**School Food Service Fund** - This fund accounts for the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales and state and federal grants. This fund is considered a major fund.

**School Capital Projects Proffers Fund**: Capital projects funds account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. This fund is considered a nonmajor fund.

**School Capital Projects Fund** - This fund accounts for all financial resources used for the acquisition or construction of major capital needs. This fund is considered a major fund.

**E. Cash and Cash Equivalents:**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

**F. Investments**

Money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposit (CDs) and external investment pools are measured at amortized cost. All other investments are reported at fair value.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

Note 1—Summary of Significant Accounting Policies: (Continued)

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of the interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds” (i.e. the noncurrent portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$259,167 at June 30, 2016 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

The tax calendars for real and personal property taxes are summarized below.

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	June 5/December 5 (50% each date)	June 5/December 5 (50% each date)
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

H. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County and Component Unit School Board as land, buildings, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The County does not have any infrastructure in its capital assets since roads, streets, bridges and similar assets within its boundaries are the property of the Commonwealth of Virginia. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The Component Unit, Clarke County Sanitary Authority, a proprietary fund type, is required to capitalize its capital assets including the infrastructure constructed.

The Component Unit, Industrial Development Authority of Clarke County, does not have any capital assets to report.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized.

**Note 1—Summary of Significant Accounting Policies: (Continued)**

**H. Capital Assets: (Continued)**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest attributable to capitalized assets as of June 30, 2016 was immaterial.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-40
Plant, equipment and system	20-45
Motor vehicles	5-10
Equipment	5-15
Infrastructure	25-50

**I. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. In accordance with the provisions of Governmental Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

**J. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**K. Net Position**

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

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### Note 1—Summary of Significant Accounting Policies: (Continued)

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#### L. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

#### M. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

#### N. Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

#### O. Fund Equity

The County reports fund balance in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

**Note 1—Summary of Significant Accounting Policies: (Continued)**

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**O. Fund Equity: (Continued)**

- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

In accordance with GASB Statement 54, when fund balance resources are available for a specific purpose in more than one classification, it is the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

**P. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one type that qualifies for reporting in this category. Pension contributions made subsequent to the measurement date of the net pension liability will be recognized as a reduction to the net pension liability next fiscal year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2<sup>nd</sup> half installments levied during the fiscal year but due after June 30<sup>th</sup>, and amounts prepaid on the 2<sup>nd</sup> half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2<sup>nd</sup> half installments levied during the fiscal year but due after June 30<sup>th</sup> and amounts prepaid on the 2<sup>nd</sup> half installments are reported as deferred inflows of resources. In addition, certain items related to the measurement of the net pension liability are reported as deferred inflows of resources. These include differences between expected and actual experience, change in assumptions, and the net difference between projected and actual earnings on pension plan investments. For more detailed information on these items, reference the pension note.

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

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### Note 1—Summary of Significant Accounting Policies: (Continued)

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#### Q. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County of Clarke, Virginia's Retirement Plan and the additions to/deductions from the County of Clarke, Virginia's Retirement Plan net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### R. Adoption of Accounting Principles

##### Governmental Accounting Standards Board Statement No. 72, Fair Value Measurement and Application

The County implemented the provisions of the above Statement during the fiscal year ended June 30, 2016. The Statement generally requires investments to be measured at fair value. The Statement requires the County to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach or an income approach. The Statement establishes a hierarchy of inputs used to measure fair value. There was no material impact on the County's financial statement as a result of the implementation of Statement No. 72.

##### Governmental Accounting Standards Board Statement No. 79, Certain External Investment Pools and Pool Participants

The County implemented the provisions of the above Statement during the fiscal year ended June 30, 2016. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. There was no material impact on the County's financial statement as a result of the implementation of Statement No. 79. All required disclosures are located in Note 3.

##### Governmental Accounting Standards Board Statement No. 82, Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73

The County early implemented provisions of the above Statement during the fiscal year ended June 30, 2016. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. No restatement was required as a result of this implementation.

## COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

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### **Note 2—Stewardship, Compliance, and Accounting:**

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The following procedures are used by the County in establishing the budgetary data reflected in the financial statements:

1. Prior to March 15th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the Component Unit School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds of the Primary Government and Component Unit - School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. Several Supplemental Appropriations were necessary during the fiscal year.

### **Note 3—Deposits and Investments:**

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#### **Deposits**

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

#### **Investments**

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

As of June 30, 2016 the County does not have a formal investment policy addressing the various types of risks related to investments.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 3—Deposits and Investments: (Continued)**

**Credit Risk of Debt Securities**

The County's rated debt investments as of June 30, 2016 were rated by *Standard and Poor's* and the ratings are presented below using the *Standard and Poor's* rating scale.

<u>County's Rated Debt Investments' Values</u>	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAAm</u>
Local Government Investment Pool	\$ <u>2,146,314</u>
Total	\$ <u><u>2,146,314</u></u>

**External Investment Pools**

The State Non-Arbitrage Pool (SNAP) is an open-end management investment company registered with the Securities and Exchange Commission. In May 2016, the Board voted to convert the SNAP fund to an LGIP structure, which would be managed in conformance with GASB 79. On October 3, 2016, the Prime Series became a government money market fund and the name was changed to Government Select Series. The Government Select Series has a policy of investing at least 99.5% of its assets in cash, U.S. government securities (including securities issued or guaranteed by the U.S. government or its agencies or instrumentalities) and/or repurchase agreements that are collateralized fully.

The value of the positions in the external investment pools (Local Government Investment Pool and State Non-Arbitrage Pool) is the same as the value of the pool shares. As LGIP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP and SNAP are amortized cost basis portfolios under the provisions of GASB Statement No. 79. There are no withdrawal limitations or restrictions imposed on participants.

**Interest Rate Risk**

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment.

<u>Investment Type</u>	<u>Investment Maturity (in years)</u>	
	<u>Maturity</u>	
	<u>Fair Value</u>	<u>1</u>
Local Government Investment Pool	\$ <u>2,146,314</u>	\$ <u>2,146,314</u>
Total	\$ <u><u>2,146,314</u></u>	\$ <u><u>2,146,314</u></u>



COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 4—Due from Other Governments:**

At June 30, 2016, the County has receivables from other governments as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Commonwealth of Virginia:		
Virginia Public Assistance funds	\$ 48,820	\$ -
State sales tax	-	409,357
Constitutional officer reimbursements	108,364	-
PPTRA	1,212,896	-
Communication taxes	67,871	-
Comprehensive Services Act	75,361	-
School fund grants	-	54,598
Other general grants	3,024	-
Federal Government:		
Virginia Public Assistance funds	93,318	-
Other general grants	96,971	-
School fund grants	-	158,269
Total due from other governments	<u>\$ 1,706,625</u>	<u>\$ 622,224</u>

**Note 5—Interfund Obligations:**

Details of the Primary Government's interfund receivables and payables as of June 30, 2016, are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Primary Government:		
General	\$ 384,598	\$ 2,035,856
Comprehensive Services Act	-	15,395
County Capital Projects Fund	79,222	-
Virginia Public Assistance	-	137,948
School Debt Service Fund	-	14,264
Total Primary Government	<u>\$ 463,820</u>	<u>\$ 2,203,463</u>
Component Unit:		
School Fund	\$ 1,776,848	\$ -
School Capital Projects Fund	115,540	-
Total Component Unit	<u>\$ 1,892,388</u>	<u>\$ -</u>
Agency Funds:		
Unemployment Compensation Fund	\$ 2,948	\$ -
Undistributed Local Sales Tax Fund	-	155,693
Total Agency Funds	<u>\$ 2,948</u>	<u>\$ 155,693</u>
Grand Total	<u>2,359,156</u>	<u>2,359,156</u>

The above interfund obligations represent temporary advances between funds or amounts allocable to one fund and not yet transferred between the funds.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 6—Capital Assets:**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2016:

	Balance July 1, 2015	Additions	Deletions	Joint Tenancy Transfer (Net)	Balance June 30, 2016
<b>Primary Government:</b>					
Capital assets not being depreciated:					
Land	\$ 745,500	-	-	-	\$ 745,500
Construction in Progress	8,237,514	176,526	57,454	-	8,356,586
Total capital assets not being depreciated	\$ 8,983,014	\$ 176,526	\$ 57,454	\$ -	\$ 9,102,086
Capital assets being depreciated:					
Buildings	\$ 52,011,818	-	-	(410,000)	\$ 51,601,818
Improvements other than buildings	1,849,800	-	-	-	1,849,800
Equipment	4,043,245	368,990	25,251	-	4,386,984
Total capital assets being depreciated	\$ 57,904,863	\$ 368,990	\$ 25,251	\$ (410,000)	\$ 57,838,602
Accumulated depreciation:					
Buildings	\$ 6,675,938	360,759	-	(30,375)	\$ 7,006,322
Improvements other than buildings	1,152,022	65,332	-	-	1,217,354
Equipment	3,215,756	262,138	(25,251)	-	3,452,643
Total accumulated depreciation	\$ 11,043,716	\$ 688,229	\$ (25,251)	\$ (30,375)	\$ 11,676,319
Total capital assets being depreciated, net	\$ 46,861,147	\$ (319,239)	-	\$ (379,625)	\$ 46,162,283
Net capital assets governmental activities	\$ 55,844,161	\$ (142,713)	\$ 57,454	\$ (379,625)	\$ 55,264,369
<b>Component Unit-School Board:</b>					
Capital assets not being depreciated:					
Land	\$ 647,266	-	-	-	\$ 647,266
Total capital assets not being depreciated	\$ 647,266	-	-	-	\$ 647,266
Capital assets being depreciated:					
Buildings	\$ 18,350,546	19,920	-	410,000	\$ 18,780,466
Improvements other than buildings	370,124	133,410	-	-	503,534
Equipment	5,083,680	368,918	102,956	-	5,349,642
Total capital assets being depreciated	\$ 23,804,350	\$ 522,248	\$ 102,956	\$ 410,000	\$ 24,633,642
Accumulated depreciation:					
Buildings	\$ 11,336,160	1,444,644	-	30,375	\$ 12,811,179
Improvements other than buildings	76,099	13,531	-	-	89,630
Equipment	4,095,445	217,339	(102,956)	-	4,209,828
Total accumulated depreciation	\$ 15,507,704	\$ 1,675,514	\$ (102,956)	\$ 30,375	\$ 17,110,637
Total capital assets being depreciated, net	\$ 8,296,646	\$ (1,153,266)	-	\$ 379,625	\$ 7,523,005
Net capital assets component unit school board	\$ 8,943,912	\$ (1,153,266)	-	\$ 379,625	\$ 8,170,271

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 6—Capital Assets: (Continued)**

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government administration	\$ 326,008
Public safety	199,493
Public works	13,895
Health and welfare	5,327
Parks, recreation and cultural	111,937
Community development	31,569
	<u>688,229</u>
Total Governmental activities	\$ <u>688,229</u>
Component Unit School Board	\$ <u>1,675,514</u>

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the new law, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Clarke, Virginia for the year ended June 30, 2016 is that school financed assets in the amount of \$36,738,288 are reported in the Primary Government for financial reporting purposes. Unspent bond proceeds reported as restricted cash and proceeds from the issuance of long-term debt are reported in the School Capital Projects Fund of the Component Unit School Board in the fund financial statements, and are reported within the Primary Government in the government-wide financial statements.

**Component Unit-Sanitary Authority:**

A summary of the component unit Sanitary Authority property, plant, and equipment at June 30, 2016 follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 13,200	\$ -	\$ -	\$ 13,200
Construction in progress	780,436	480,544	-	1,260,980
Total capital assets not being depreciated	<u>\$ 793,636</u>	<u>\$ 480,544</u>	<u>\$ -</u>	<u>\$ 1,274,180</u>
Capital Assets being depreciated:				
Utility plant and equipment	\$ 12,085,222	\$ -	\$ -	\$ 12,085,222
Accumulated depreciation	(3,476,542)	(304,242)	-	(3,780,784)
Total capital assets being depreciated, net	<u>\$ 8,608,680</u>	<u>\$ (304,242)</u>	<u>\$ -</u>	<u>\$ 8,304,438</u>
Capital assets, net	<u>\$ 9,402,316</u>	<u>\$ 176,302</u>	<u>\$ -</u>	<u>\$ 9,578,618</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 7—Interfund Transfers:**

Interfund transfers for the year ended June 30, 2016, consisted of the following:

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	\$ 50,600	\$ 5,462,994
Conservation Easement Fund	25,000	-
Parks Construction Fund	-	600
Unemployment Compensation Benefits	-	-
School Debt Service	3,672,771	-
Parks Construction Fund	-	-
County Capital Improvements	660,136	-
Virginia Public Assistance	418,829	-
Comprehensive Services Act	350,468	-
Drug Enforcement	-	50,000
General Debt Service	335,790	-
	<u>5,513,594</u>	<u>5,513,594</u>
Total	<u>\$ 5,513,594</u>	<u>\$ 5,513,594</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 8—Long-Term Obligations:**

**Primary Government:**

A summary of long-term obligations is as follows:

	Balance July 1, 2015	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2016	Amounts Due Within One Year
<b>Governmental Activities Obligations:</b>					
Incurred by County:					
Compensated absences	\$ 673,777	\$ -	\$ 55,743	\$ 618,034	\$ 61,803
Net pension liability	1,857,942	1,693,632	1,582,408	1,969,166	-
Lease revenue bond	4,245,272	-	78,039	4,167,233	81,328
Boyce wastewater VRA Bonds	94,000	-	94,000	-	-
Total incurred by County	<u>\$ 6,870,991</u>	<u>\$ 1,693,632</u>	<u>\$ 1,810,190</u>	<u>\$ 6,754,433</u>	<u>\$ 143,131</u>
Incurred by School Board:					
General obligation bonds	\$ 29,720,000	\$ -	\$ 2,320,000	\$ 27,400,000	\$ 2,405,000
Capital leases	974,931	-	154,770	820,161	161,110
Total Incurred by School Board	<u>\$ 30,694,931</u>	<u>\$ -</u>	<u>\$ 2,474,770</u>	<u>\$ 28,220,161</u>	<u>\$ 2,566,110</u>
Premiums on bonds issued	\$ 302,769	\$ -	\$ 44,083	\$ 258,686	\$ 32,114
Discount on bonds issued	(23,905)	-	(2,404)	(21,501)	(2,404)
Total Governmental Activities Obligations	<u>\$ 37,844,786</u>	<u>\$ 1,693,632</u>	<u>\$ 4,326,639</u>	<u>\$ 35,211,779</u>	<u>\$ 2,738,951</u>

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30,	County		School Board			
	RDA Lease Revenue Bond		Bonds and Literary Loans		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 81,328	\$ 170,372	\$ 2,405,000	\$ 1,215,689	\$ 161,110	\$ 30,963
2018	84,747	166,953	1,655,000	1,122,592	167,709	24,363
2019	88,310	163,390	1,700,000	1,048,292	174,579	17,493
2020	92,022	159,678	1,345,000	980,535	181,751	10,323
2021	95,891	155,809	1,395,000	920,349	52,145	4,909
2022-2026	543,419	715,081	7,855,000	3,568,869	82,867	3,102
2027-2031	667,658	590,842	9,560,000	1,511,184	-	-
2032-2036	820,302	438,198	1,485,000	33,227	-	-
2037-2041	1,007,844	250,656	-	-	-	-
2042-2044	685,712	42,939	-	-	-	-
Total	<u>\$ 4,167,233</u>	<u>2,853,918</u>	<u>\$ 27,400,000</u>	<u>\$ 10,400,737</u>	<u>\$ 820,161</u>	<u>\$ 91,153</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

Note 8—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of long-term indebtedness:

	<u>Amount Outstanding</u>
<u>Lease Revenue Bond:</u>	
\$4,822,000 lease revenue bond for capital projects issued May 16, 2007 due in monthly installments of \$20,975 commencing May 16, 2009 payable through May 16, 2044 including interest at 4.125%.	\$ <u>4,167,233</u>
<u>Virginia Public School Authority (VPSA) Bonds:</u>	
\$410,000 Series A issued November 10, 2004 due in annual principal installments of varying amounts through July 15, 2024, and interest payments between 4.6% and 5.6% due July 15 and January 15 of each year through July 15, 2024	\$ 180,000
\$29,200,000 plus a premium of \$635,208 Series 2006B issued November 9, 2006 due in annual principal installments varying from \$800,000 to \$1,565,000 through January 26, 2026; interest payable at rates between 4.225% to 5.1% due January 15 and July 15 each year through January 26, 2026	18,195,000
\$8,185,000 Series B bonds issued November 20, 1998, due in annual principal installments of varying amounts on July 15 of each year and interest payments between 4.10% and 5.10% due July 15 and January 15 of each year through July 15, 2018	1,215,000
\$2,230,000 plus a premium of \$200,813 Series 2010 A bonds issued May 13, 2010, due in semi-annual installments of varying amounts through July 15, 2016; interest payable at rates between 3.050% to 5.050%.	415,000

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 8—Long-Term Obligations: (Continued)**

**Primary Government: (Continued)**

Details of long-term indebtedness:

	<u>Amount Outstanding</u>
<u>Virginia Public School Authority (VPSA) Bonds: (Continued)</u>	
\$7,395,000 less a discount of \$35,137 Series 2010 B Build America Bonds issued under the American Recovery and Reinvestment Act of 2009 on May 13, 2010. Interest only payments due semi-annually through January 15, 2017; principal and interest payments due semi-annually beginning July 15, 2017 through July 15, 2030. Interest rate varies between 3.854% to 5.562% and is offset by a 35% federal interest subsidy received semi-annually.	7,395,000
Total Virginia Public School Authority Bonds	\$ <u>27,400,000</u>
<u>Capital Leases:</u>	
\$1,525,605 School Energy Management Lease dated June 21, 2005 due in quarterly installments of principal and interest of \$33,755, interest at 3.95%	\$ 497,324
\$630,000 capital lease for elementary school gym, dated October 4, 2007 due in quarterly installments of principal and interest of \$14,264, interest at 4.26%	322,837
Total Capital Leases	\$ <u>820,161</u>
Compensated absences	\$ <u>618,034</u>
Net pension liability	\$ <u>1,969,166</u>
Premium on bonds issued	\$ <u>258,686</u>
Discount on bonds issued	\$ <u>(21,501)</u>
Total Primary Government	\$ <u><u>35,211,779</u></u>

The assets acquired through capital leases are as follows:

Asset:	
Machinery and equipment	\$ 284,380
Building improvements	2,155,605
Less: Accumulated depreciation	<u>(1,400,738)</u>
Total	<u><u>\$ 1,039,247</u></u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 8—Long-Term Obligations: (Continued)**

**Primary Government: (Continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016, were as follows:

<u>Year ending June 30</u>	<u>Component Unit - School Board</u>
2017	\$ 192,073
2018	192,073
2019	192,073
2020	192,073
2021	57,054
2022-2023	85,968
Total minimum lease payments	911,314
Less: amount representing interest	(91,153)
Present value of minimum lease payments	<u>\$ 820,161</u>

**Component Unit—School Board:**

The following is a summary of long-term debt transactions of the Component Unit—School Board for the year ended June 30, 2016:

	<u>Balance July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2016</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 494,126	\$ 6,171	\$ -	\$ 500,297	\$ 50,030
Net pension liability	18,629,000	4,285,000	3,595,000	19,319,000	-
Total	<u>\$ 19,123,126</u>	<u>\$ 4,291,171</u>	<u>\$ 3,595,000</u>	<u>\$ 19,819,297</u>	<u>\$ 50,030</u>

**Component Unit—Sanitary Authority:**

The following is a summary of long-term debt transactions of the Component Unit—Sanitary Authority for the year ended June 30, 2016:

**Changes in Long-Term Obligations:**

	<u>Balance July 1, 2015</u>	<u>Issuances/ Increases</u>	<u>Retirements/ Decreases</u>	<u>Balance June 30, 2016</u>
General Obligation Bond	\$ 563,378	\$ -	\$ 33,140	\$ 530,238
Net pension liability	18,010	16,418	15,338	19,090
Notes payable	4,313,759	-	294,089	4,019,670
Totals	<u>\$ 4,895,147</u>	<u>\$ 16,418</u>	<u>\$ 342,567</u>	<u>\$ 4,568,998</u>



COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 8—Long-Term Obligations: (Continued)**

**Component Unit—Sanitary Authority: (Continued)**

Details of long-term indebtedness:

	<u>Total Amount</u>	<u>Amount Due Within One Year</u>
<b>Water Operating Fund:</b>		
<u>General Obligation Bond:</u>		
\$997,000 water system revenue bonds issued August 21, 2001 due in semi-annual installments of \$16,570 beginning September 1, 2002 through August 1, 2031. No interest.	\$ 530,238	\$ 33,140
<u>Notes Payable:</u>		
Note payable to VRA for the grouting project. Due June 2032. \$940 payable semiannually. No interest.	31,021	1,880
Note payable to VRA for new Boyce to Millwood line. Due June 2032. \$3,125 payable semiannually. No interest.	106,250	6,250
\$600,000 note payable to Bank of Clarke County issued February 27, 2015, due in semiannual installments of \$27,647 - \$20,259 payable through February 27, 2030, including 2.57% interest	560,000	40,000
\$787,546 note payable to VRA issued September 2, 2005 due in semiannual installments of \$26,792 payable through July 1, 2026, including 3.00% interest	459,984	40,083
<u>Net pension liability</u>	<u>9,545</u>	<u>-</u>
Total Water Fund	<u>\$ 1,697,038</u>	<u>\$ 121,353</u>
<b>Boyce Wastewater Facility</b>		
Note payable to VRA for the Millwood Sewer project. Due June 2032. \$9,602 payable semiannually. No interest.	\$ 326,476	\$ 19,205
\$3,761,429 note payable to VRA issued October 1, 2008 due in semi-annual installments of \$93,924 payable through November 1, 2029. No interest.	2,535,939	187,847
<u>Net pension liability</u>	<u>9,545</u>	<u>-</u>
Total Boyce Wastewater Facility	<u>\$ 2,871,960</u>	<u>\$ 207,052</u>
Total Clarke County Sanitary Authority	<u>\$ 4,568,998</u>	<u>\$ 328,405</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 8—Long-Term Obligations: (Continued)**

**Component Unit—Sanitary Authority: (Continued)**

Annual requirements to amortize the long-term obligations and the related interest are as follows:

Year Ending June 30,	General Obligation Bond		Notes Payable	
	Principal	Interest	Principal	Interest
2017	\$ 33,140	\$ -	\$ 295,265	\$ 27,635
2018	33,140	-	296,477	25,394
2019	33,140	-	297,725	23,118
2020	33,140	-	299,011	20,805
2021	33,140	-	300,335	18,453
2022-2026	165,700	-	1,522,992	55,524
2027-2031	165,700	-	954,139	9,244
2032-2033	33,138	-	53,727	-
Total	\$ <u>530,238</u>	\$ <u>-</u>	\$ <u>4,019,670</u>	\$ <u>180,173</u>

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COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 9—Unearned/Deferred/Unavailable Revenue:**

The following is a summary of unearned/deferred/unavailable revenue for the year ended June 30, 2016:

	<u>Government- wide Statements Governmental Activities</u>	<u>Balance Sheet Governmental Funds</u>
<b>Primary Government:</b>		
<b>General Fund:</b>		
Deferred/unavailable property tax revenue:		
Deferred/unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 1,600,222
2nd half assessments due in December 2016	10,700,828	10,700,828
Prepaid property taxes due in December 2016, but paid in advance by the taxpayers	<u>31,317</u>	<u>31,317</u>
Total deferred/unavailable revenue	<u>\$ 10,732,145</u>	<u>\$ 12,332,367</u>

**Note 10—Commitments and Contingencies:**

Federal programs in which the County and all discretely presented component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget Uniform Guidance. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 11—Pension Plan:**

**Plan Description**

All full-time, salaried permanent employees of the County and (nonprofessional) employees of public school divisions are automatically covered by VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees - Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>About Plan 1</b> Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p>	<p><b>About Plan 2</b> Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p>	<p><b>About the Hybrid Retirement Plan</b> The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window. (see "Eligible Members")</p> <ul style="list-style-type: none"> <li>• The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.</li> <li>• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.</li> </ul>

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>About Plan 1 (Cont.)</b></p>	<p><b>About Plan 2 (Cont.)</b></p>	<p><b>About the Hybrid Retirement Plan (Cont.)</b></p> <ul style="list-style-type: none"> <li>• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.</li> </ul>
<p><b>Eligible Members</b> Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p> <p><b>Hybrid Opt-In Election</b> VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan’s effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p><b>Eligible Members</b> Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p><b>Hybrid Opt-In Election</b> Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan’s effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p><b>Eligible Members</b> Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees*</li> <li>• School division employees</li> <li>• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan’s effective date for opt-in members was July 1, 2014.</li> </ul> <p><b>*Non-Eligible Members</b> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees.</li> </ul>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Hybrid Opt-In Election (Cont.)</b> Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p><b>Hybrid Opt-In Election (Cont.)</b> Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p><b>*Non-Eligible Members (Cont.)</b> Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>
<p><b>Retirement Contributions</b> Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions and school divisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p><b>Retirement Contributions</b> Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions and school divisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016.</p>	<p><b>Retirement Contributions</b> A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Creditable Service</b> Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member’s total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p><b>Creditable Service</b> Same as Plan 1.</p>	<p><b>Creditable Service</b> <b><u>Defined Benefit Component:</u></b> Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member’s total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><b><u>Defined Contributions Component:</u></b> Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Vesting</b> Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p><b>Vesting</b> Same as Plan 1.</p>	<p><b>Vesting</b> <b>Defined Benefit Component:</b> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><b>Defined Contributions Component:</b> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p>



Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting (Cont.)	Vesting (Cont.)	<p>Vesting (Cont.) <b>Defined Contributions Component: (Cont.)</b> Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> <li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li> <li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li> <li>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</li> </ul> <p>Distribution is not required by law until age 70½.</p>
<p><b>Calculating the Benefit</b> The Basic Benefit is calculated based on a formula using the member’s average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.</p>	<p><b>Calculating the Benefit</b> See definition under Plan 1.</p>	<p><b>Calculating the Benefit</b> <b>Defined Benefit Component:</b> See definition under Plan 1.</p>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Calculating the Benefit (Cont.)</b> An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.</p>	<p><b>Calculating the Benefit (Cont.)</b></p>	<p><b>Calculating the Benefit (Cont.)</b> <b><u>Defined Contribution Component:</u></b> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p><b>Average Final Compensation</b> A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b> A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b> Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p><b>Service Retirement Multiplier</b> <b>VRS:</b> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p><b>Sheriffs and regional jail superintendents:</b> The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p><b>Political subdivision hazardous duty employees:</b> The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p><b>Service Retirement Multiplier</b> <b>VRS:</b> Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.</p> <p><b>Sheriffs and regional jail superintendents:</b> Same as Plan 1.</p> <p><b>Political subdivision hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Service Retirement Multiplier</b> <b><u>Defined Benefit Component:</u></b> <b>VRS:</b> The retirement multiplier for the defined benefit component is 1.00%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p> <p><b>Sheriffs and regional jail superintendents:</b> Not applicable.</p> <p><b>Political subdivision hazardous duty employees:</b> Not applicable.</p> <p><b><u>Defined Contribution Component:</u></b> Not applicable.</p>

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Normal Retirement Age</b> VRS: Age 65.</p> <p><b>Political subdivisions hazardous duty employees: Age 60.</b></p>	<p><b>Normal Retirement Age</b> VRS: Normal Social Security retirement age.</p> <p><b>Political subdivisions hazardous duty employees: Same as Plan 1.</b></p>	<p><b>Normal Retirement Age</b> <u><b>Defined Benefit Component:</b></u> VRS: Same as Plan 2.</p> <p><b>Political subdivisions hazardous duty employees: Not applicable.</b></p> <p><u><b>Defined Contribution Component:</b></u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Earliest Unreduced Retirement Eligibility</b> VRS: Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.</p> <p><b>Political subdivisions hazardous duty employees: Age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.</b></p>	<p><b>Earliest Unreduced Retirement Eligibility</b> VRS: Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p><b>Political subdivisions hazardous duty employees: Same as Plan 1.</b></p>	<p><b>Earliest Unreduced Retirement Eligibility</b> <u><b>Defined Benefit Component:</b></u> VRS: Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p><b>Political subdivisions hazardous duty employees: Not applicable.</b></p> <p><u><b>Defined Contribution Component:</b></u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Earliest Reduced Retirement Eligibility</b> VRS: Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.</p>	<p><b>Earliest Reduced Retirement Eligibility</b> VRS: Age 60 with at least five years (60 months) of creditable service.</p>	<p><b>Earliest Reduced Retirement Eligibility</b> <u><b>Defined Benefit Component:</b></u> VRS: Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.</p>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Earliest Reduced Retirement Eligibility (Cont.)</b></p> <p>Political subdivisions hazardous duty employees: 50 with at least five years of creditable service.</p>	<p><b>Earliest Reduced Retirement Eligibility (Cont.)</b></p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p><b>Earliest Reduced Retirement Eligibility (Cont.)</b></p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><b>Defined Contribution Component:</b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><b>Eligibility:</b> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><b>Eligibility:</b> Same as Plan 1.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> <b>Defined Benefit Component:</b> Same as Plan 2.</p> <p><b>Defined Contribution Component:</b> Not applicable.</p> <p><b>Eligibility:</b> Same as Plan 1 and Plan 2.</p>

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</b></p> <p><b><u>Exceptions to COLA Effective Dates:</u></b> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).</li> <li>• The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.</li> <li>• The member dies in service and the member’s survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.</li> </ul>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</b></p> <p><b><u>Exceptions to COLA Effective Dates:</u></b> Same as Plan 1.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</b></p> <p><b><u>Exceptions to COLA Effective Dates:</u></b> Same as Plan 1 and Plan 2.</p>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Disability Coverage</b> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>	<p><b>Disability Coverage</b> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>	<p><b>Disability Coverage</b> Employees of political subdivisions and School divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
<p><b>Purchase of Prior Service</b> Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.</p>	<p><b>Purchase of Prior Service</b> Same as Plan 1.</p>	<p><b>Purchase of Prior Service</b> <b>Defined Benefit Component:</b> Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> <li>• Hybrid Retirement Plan members are ineligible for ported service.</li> <li>• The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation.</li> <li>• Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one-year period, the rate for most categories of service will change to actuarial cost.</li> </ul> <p><b>Defined Contribution Component:</b> Not applicable.</p>

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the most recent report may be obtained from the VRS website at <http://www.varetire.org/Pdf/Publications/2015-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 11—Pension Plan: (Continued)**

***Employees Covered by Benefit Terms***

As of the June 30, 2014 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Primary Government (1)</u>	<u>Component Unit School Board Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	58	31
Inactive members:		
Vested inactive members	16	9
Non-vested inactive members	18	31
Inactive members active elsewhere in VRS	38	3
Total inactive members	<u>72</u>	<u>43</u>
Active members	<u>84</u>	<u>54</u>
Total covered employees	<u><u>214</u></u>	<u><u>128</u></u>

(1) Includes Component Unit Clarke County Sanitary Authority

***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The County’s and Component Unit Clarke County Sanitary Authority’s contractually required contribution rate for the year ended June 30, 2016 was 10.86% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Primary Government were \$462,287 and \$450,895 and Component Unit Clarke County Sanitary Authority were \$4,481 and \$4,371 for the years ended June 30, 2016 and June 30, 2015, respectively.

The Component Unit School Board’s contractually required contribution rate for nonprofessional employees for the year ended June 30, 2016 was 8.61% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

*Contributions (Continued)*

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$56,201 and \$56,916 for the years ended June 30, 2016 and June 30, 2015, respectively.

*Net Pension Liability (Assets)*

The County's, Component Unit Sanitary Authority and Component Unit School Board's (nonprofessional) net pension liabilities (assets) were measured as of June 30, 2015. The total pension liabilities used to calculate the net pension liabilities (assets) were determined by an actuarial valuation performed as of June 30, 2014, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

*Actuarial Assumptions - General Employees*

The total pension liability for General Employees in the County's, Component Unit Clarke County Sanitary Authority and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2014, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates: 14% of deaths are assumed to be service related

Largest 10 - Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement



COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 11—Pension Plan: (Continued)**

**Actuarial Assumptions - General Employees (Continued)**

All Others (Non 10 Largest) - Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) - Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

**Actuarial Assumptions - Public Safety Employees**

The total pension liability for Public Safety employees in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2014, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

Inflation	2.5%
Salary increases, including inflation	3.5% - 4.75%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

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**Note 11—Pension Plan: (Continued)**

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**Actuarial Assumptions - Public Safety Employees (Continued)**

Mortality rates: 60% of deaths are assumed to be service related

Largest 10 - Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

All Others (Non 10 Largest) - Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - LEOS:

- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) - LEOS:

- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
Total	100.00%		5.83%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.33%

\* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the employer for the County and Component Unit School Board (nonprofessional) Retirement Plans will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability**

	Primary Government		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2014	\$ 18,071,233	\$ 16,213,291	\$ 1,857,942
Changes for the year:			
Service cost	\$ 441,992	\$ -	\$ 441,992
Interest	1,241,436	-	1,241,436
Differences between expected and actual experience	(174,129)	-	(174,129)
Contributions - employer	-	455,266	(455,266)
Contributions - employee	-	208,804	(208,804)
Net investment income	-	744,209	(744,209)
Benefit payments, including refunds of employee contributions	(672,885)	(672,885)	-
Administrative expenses	-	(10,047)	10,047
Other changes	-	(157)	157
Net changes	\$ 836,414	\$ 725,190	\$ 111,224
Balances at June 30, 2015	\$ 18,907,647	\$ 16,938,481	\$ 1,969,166

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

Changes in Net Pension Liability (Asset)

	Clarke County Sanitary Authority		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2014	\$ 175,165	\$ 157,156	\$ 18,009
Changes for the year:			
Service cost	\$ 4,284	\$ -	\$ 4,284
Interest	12,034	-	12,034
Differences between expected and actual experience	(1,688)	-	(1,688)
Contributions - employer	-	4,412	(4,412)
Contributions - employee	-	2,024	(2,024)
Net investment income	-	7,214	(7,214)
Benefit payments, including refunds of employee contributions	(6,522)	(6,522)	-
Administrative expenses	-	(98)	98
Other changes	-	(3)	3
Net changes	\$ 8,108	\$ 7,027	\$ 1,081
Balances at June 30, 2015	\$ 183,273	\$ 164,183	\$ 19,090

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2014	\$ 3,132,668	\$ 3,202,474	\$ (69,806)
Changes for the year:			
Service cost	\$ 119,013	\$ -	\$ 119,013
Interest	213,846	-	213,846
Differences between expected and actual experience	(96,657)	-	(96,657)
Contributions - employer	-	56,916	(56,916)
Contributions - employee	-	32,933	(32,933)
Net investment income	-	144,974	(144,974)
Benefit payments, including refunds of employee contributions	(155,448)	(155,448)	-
Administrative expenses	-	(2,023)	2,023
Other changes	-	(33)	33
Net changes	\$ 80,754	\$ 77,319	\$ 3,435
Balances at June 30, 2015	\$ 3,213,422	\$ 3,279,793	\$ (66,371)

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability (asset) of the County, Component Unit Clarke County Sanitary Authority and Component Unit School Board (nonprofessional) using the discount rate of 7.00%, as well as what the County's and Component Unit School Board's (nonprofessional) net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	(6.00%)	(7.00%)	(8.00%)
County of Clarke - Primary Government Net Pension Liability (Asset)	\$ 4,383,291	\$ 1,969,165	\$ (44,064)
Component Unit Clarke County Sanitary Authority Net Pension Liability (Asset)	\$ 42,487	\$ 19,087	\$ (427)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	\$ 269,348	\$ (66,371)	\$ (352,821)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2016, the County, Component Unit Clarke County Sanitary Authority, and Component Unit School Board (nonprofessional) recognized pension expense of \$132,989, \$1,289 and \$5,266, respectively. At June 30, 2016, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)		Component Unit Clarke County Sanitary Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 124,940	\$ -	\$ 54,994	\$ -	\$ 1,211
Net difference between projected and actual earnings on pension plan investments	-	427,142	-	84,377	-	4,140
Employer contributions subsequent to the measurement date	466,768	-	56,201	-	4,524	-
<b>Total</b>	<b>\$ 466,768</b>	<b>\$ 552,082</b>	<b>\$ 56,201</b>	<b>\$ 139,371</b>	<b>\$ 4,524</b>	<b>\$ 5,351</b>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 11—Pension Plan: (Continued)**

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

\$466,768, \$56,201, and \$4,524 reported as deferred outflows of resources related to pensions resulting from the County’s, Component Unit School Board’s (nonprofessional), and Component Unit Clarke County Sanitary Authority contributions, respectively, subsequent to the measurement date will be recognized as a reduction or component of the Net Pension Liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>	<u>Component Unit Clarke County Sanitary Authority</u>
2017	\$ (217,574)	\$ (74,911)	\$ (2,108)
2018	(217,574)	(46,579)	(2,108)
2019	(194,945)	(33,248)	(1,890)
2020	78,011	15,367	755
201	-	-	-
Thereafter	-	-	-

**Component Unit School Board (professional)**

***Plan Description***

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system). Additional information regarding the plan description can be found in the first section of this note.

***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

Each School Division’s contractually required contribution rate for the year ended June 30, 2016 was 14.50% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013 adjusted for the transfer in June 2015 of \$296,000 as an accelerated payback of the deferred contribution in the 2010-2012 biennium. The actuarial rate for the Teacher Retirement Plan was 18.20%. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Based on the provisions of §51.1-145 of the Code of Virginia, as amended the contributions were funded at 79.69% of the actuarial rate for the year ended June 30, 2016. Contributions to the pension plan from the School Board were \$1,679,413 and \$1,584,459 for the years ended June 30, 2016 and June 30, 2015, respectively.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2016, the school division reported a liability of \$19,319,000 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2015 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2015 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2015, the school division's proportion was 0.15349% as compared to 0.15415% at June 30, 2014.

For the year ended June 30, 2016, the school division recognized pension expense of \$1,359,000. Since there was a change in proportionate share between June 30, 2014 and June 30, 2015, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2016, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 266,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	201,000
Net difference between projected and actual earnings on pension plan investments	-	1,183,000
Employer contributions subsequent to the measurement date	<u>1,679,413</u>	<u>-</u>
Total	<u>\$ 1,679,413</u>	<u>\$ 1,650,000</u>

\$1,679,413 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>	
2017	\$ (579,000)
2018	(579,000)
2019	(579,000)
2020	123,000
2021	(36,000)
Thereafter	-



**Note 11—Pension Plan: (Continued)**

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**Component Unit School Board (professional) (Continued)**

***Actuarial Assumptions***

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2014, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.95%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

**Mortality rates:**

**Pre-Retirement:**

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 3 years and females set back 5 years

**Post-Retirement:**

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 3 years

**Post-Disablement:**

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 1 year and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update mortality table
- Adjustments to the rates of service retirement
- Decrease in rates of withdrawals for 3 through 9 years of service
- Decrease in rates of disability
- Reduce rates of salary increase by 0.25% per year

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
Total	100.00%		5.83%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.33%

\* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, school divisions are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**COUNTY OF CLARKE, VIRGINIA**

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 11—Pension Plan: (Continued)**

**Component Unit School Board (professional) (Continued)**

***Sensitivity of the School Division’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the school division’s proportionate share of the net pension liability using the discount rate of 7.00%, as well as what the school division’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	<b>Rate</b>		
	<b>(6.00%)</b>	<b>(7.00%)</b>	<b>(8.00%)</b>
School division’s proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset) \$	28,271,000 \$	19,319,000 \$	11,949,000

***Pension Plan Fiduciary Net Position***

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 2015 Comprehensive Annual Financial Report (CAFR). A copy of the 2015 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2015-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Note 12—Litigation:**

At June 30, 2016, there were no matters of litigation involving the County or which would materially affect the County’s financial position should any court decisions on pending matters not be favorable to the County.

**Note 13—Risk Management:**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries a broad range of insurance coverages, which management considers prudent for the protection of the County’s assets and operations. Coverages currently include \$2,000,000 commercial general liability, \$2,000,000 automobile liability, and \$3,000,000 public official’s liability. The property policy provides insurance coverage for all of the County’s real and personal property up to the replacement cost value of the asset.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 14—Conduit Debt:**

The County has issued economic development revenue bonds through the Clarke County Industrial Development Authority. All responsibility for the payment of this debt rests with the Borrower. The County and the Authority have no responsibility for the payment of this debt. Outstanding conduit debt obligations are as follows at June 30, 2016:

Description	Original Issue	Outstanding June 30, 2016
Heritage Child Development Center, Inc.	\$ 450,000	\$ -
Grafton School, Inc.	9,925,000	5,305,000
R-1 Berryville Town bond	2,327,000	2,117,968
R-2 Clarke County bond	4,822,000	4,167,233
	<u>\$ 17,524,000</u>	<u>\$ 11,590,201</u>

**Note 15—Assigned Fund Balances:**

Fund balances have been assigned for the following purposes:

Liquidity Designation	\$ 3,390,324
Stabilization Designation	847,581
School Operating Carryover	878,708
Leave Liability	75,000
Continuing Appropriations for Capital Projects	3,087,639
Parks Master Plan Implementation	80,000
Conservation Easements From Government Savings	153,462
Comprehensive Services Act Shortfall	166,866
Government Savings	247,654
Data and Communications Technology	128,000
FY 2016/2017 Original Budget Deficit	4,573,399
Total	<u>\$ 13,628,633</u>

**COUNTY OF CLARKE, VIRGINIA**

Notes to Financial Statements  
June 30, 2016 (Continued)

**Note 16—Surety Bonds:**

	<b>Amount</b>
Fidelity and Deposit Company of Maryland - Surety	
Helen Butts, Clerk of the Circuit Court	\$ 25,000
Sharon Keeler, Treasurer	400,000
Donna Peake, Commissioner of the Revenue	3,000
Anthony W. Roper, Sheriff	30,000
Western Surety	
Sharon Keeler, Treasurer	10,000

**Note 17—Postemployment Benefits Other Than Pensions:**

The County offers postemployment medical coverage to its retired employees at the employee's cost. The County has elected not to obtain an actuarial valuation to determine liability for this benefit in accordance with the financial reporting requirements of GASB 45 and believes there is no material effect on the County's financial position.

**Note 18—Note Receivable:**

During fiscal year 2010, the County issued a note receivable to the Berryville Main Street Program in the amount of \$35,000. The note is payable over 12 years, bearing interest at 3%. At June 30, 2016, \$17,597 of this note was outstanding. Future payments are as follows:

Fiscal Year	Principal	Interest
2017	\$ 2,989	\$ 506
2018	3,079	415
2019	3,172	322
2020	3,268	226
2021	3,367	128
2022	1,722	26
Total	\$ 17,597	\$ 1,623

**Note 19—Upcoming Pronouncements:**

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Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

Statement No. 77, *Tax Abatement Disclosures*, will increase the disclosure of tax abatement agreements to disclose information about the agreements. The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, addresses a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, improves financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.

Statement No. 81, *Irrevocable Split-Interest Agreements*, improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

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**REQUIRED SUPPLEMENTARY INFORMATION**

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.



Schedule of Components of and Changes in Net Pension Liability (Asset) and Related Ratios  
 Component Unit School Board (nonprofessional)  
 For the Year Ended June 30, 2016

	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>		
Service cost	\$ 119,013	\$ 138,591
Interest	213,846	200,591
Differences between expected and actual experience	(96,657)	-
Benefit payments, including refunds of employee contributions	(155,448)	(144,212)
<b>Net change in total pension liability</b>	<b>\$ 80,754</b>	<b>\$ 194,970</b>
<b>Total pension liability - beginning</b>	<b>3,132,668</b>	<b>2,937,698</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 3,213,422</b>	<b>\$ 3,132,668</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 56,916	\$ 95,312
Contributions - employee	32,933	49,538
Net investment income	144,974	436,730
Benefit payments, including refunds of employee contributions	(155,448)	(144,212)
Administrative expense	(2,023)	(2,334)
Other	(33)	23
<b>Net change in plan fiduciary net position</b>	<b>\$ 77,319</b>	<b>\$ 435,057</b>
<b>Plan fiduciary net position - beginning</b>	<b>3,202,474</b>	<b>2,767,417</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 3,279,793</b>	<b>\$ 3,202,474</b>
<b>School Division's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ (66,371)</b>	<b>\$ (69,806)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>102.07%</b>	<b>102.23%</b>
<b>Covered payroll</b>	<b>\$ 664,350</b>	<b>\$ 990,746</b>
<b>School Division's net pension liability as a percentage of covered payroll</b>	<b>-9.99%</b>	<b>-7.05%</b>

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan  
For the Year Ended June 30, 2016\*

	<u>2015</u>	<u>2014</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.15349%	0.15415%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 19,319,000	\$ 18,629,000
Employer's Covered Payroll	11,292,534	11,256,878
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	171.08%	165.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.88%	70.88%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

\* The amounts presented have a measurement date of the previous fiscal year end.

Schedule of Employer Contributions  
For the Year Ended June 30, 2016

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government (1)</b>					
2016	\$ 471,292	\$ 471,292	\$ -	\$ 4,374,003	10.77%
2015	461,738	461,738	-	4,251,728	10.86%
2014	490,778	490,778	-	4,042,651	12.14%
2013	495,262	495,262	-	4,079,590	12.14%
2012	340,402	340,402	-	3,868,202	8.80%
2011	350,218	350,218	-	3,979,755	8.80%
2010	381,778	381,778	-	4,031,452	9.47%
2009	383,625	383,625	-	4,050,948	9.47%
2008	309,245	309,245	-	3,894,774	7.94%
2007	300,047	300,047	-	3,778,931	7.94%
<b>Component Unit School Board (nonprofessional)</b>					
2016	\$ 56,201	\$ 56,201	\$ -	\$ 652,740	8.61%
2015	57,201	57,201	-	664,350	8.61%
2014	95,310	95,310	-	990,747	9.62%
2013	103,670	103,670	-	1,077,653	9.62%
2012	80,540	80,540	-	1,020,784	7.89%
2011	86,945	86,945	-	1,101,964	7.89%
2010	80,801	80,801	-	1,125,360	7.18%
2009	81,717	81,717	-	1,138,124	7.18%
2008	78,576	78,576	-	1,178,048	6.67%
2007	77,102	77,102	-	1,155,953	6.67%
<b>Component Unit School Board (professional)*</b>					
2016	\$ 1,679,413	\$ 1,679,413	\$ -	\$ 11,656,844	14.41%
2015	1,584,459	1,584,459	-	11,292,534	14.03%

(1) Includes Primary Government and Clarke County Sanitary Authority

\* Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information  
For the Year Ended June 30, 2016

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In 2015, Covered Employee Payroll (as defined by GASB 68) included the total payroll for employees covered under the pension plan whether that payroll is subject to pension coverage or not. This definition was modified in GASB Statement No. 82 and now is the payroll on which contributions to a pension plan are based. The ratios presented use the same measure.

**Changes of benefit terms** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. Because this was a new benefit and the number of participants was relatively small, the impact on the liabilities as of the measurement date of June 30, 2015 are not material.

**Changes of assumptions** - The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:

**Largest 10 - Non-LEOS:**

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

**Largest 10 - LEOS:**

- Update mortality table
- Decrease in male rates of disability

**All Others (Non 10 Largest) - Non-LEOS:**

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

**All Others (Non 10 Largest) - LEOS:**

- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability

**Component Unit School Board - Professional Employees**

- Update mortality table
- Adjustments to the rates of service retirement
- Decrease in rates withdrawals for 3 through 9 years of service
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 June 30, 2016

	Parks Construction Fund	General Government Capital Projects Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 36,731	\$ -	\$ 36,731
Due from other funds	-	79,222	79,222
Due from other governmental units	-	60,708	60,708
<b>Total assets</b>	<b>\$ 36,731</b>	<b>\$ 139,930</b>	<b>\$ 176,661</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ 10,589	\$ 10,589
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 10,589</b>	<b>\$ 10,589</b>
Fund balances:			
Restricted:			
Swim team	\$ 3,596	\$ -	\$ 3,596
Pool	1,659	-	1,659
Assigned:			
Capital projects	31,476	129,341	160,817
<b>Total fund balances</b>	<b>\$ 36,731</b>	<b>\$ 129,341</b>	<b>\$ 166,072</b>
<b>Total liabilities and fund balances</b>	<b>\$ 36,731</b>	<b>\$ 139,930</b>	<b>\$ 176,661</b>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Capital Projects Funds  
 For the Year Ended June 30, 2016

	Parks Construction Fund	General Government Capital Projects Fund	Total
<b>REVENUES</b>			
Revenue from the use of money and property	\$ 175	\$ -	\$ 175
Miscellaneous	1,572	10,000	11,572
Intergovernmental:			
Commonwealth	-	59,731	59,731
Federal	-	37,672	37,672
<b>Total revenues</b>	<b>\$ 1,747</b>	<b>\$ 107,403</b>	<b>\$ 109,150</b>
<b>EXPENDITURES</b>			
Capital projects	\$ -	\$ 755,712	\$ 755,712
<b>Total expenditures</b>	<b>\$ -</b>	<b>\$ 755,712</b>	<b>\$ 755,712</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 1,747	\$ (648,309)	\$ (646,562)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ 660,136	\$ 660,136
Transfers out	(600)	-	(600)
<b>Total other financing sources (uses)</b>	<b>\$ (600)</b>	<b>\$ 660,136</b>	<b>\$ 659,536</b>
Net change in fund balances	\$ 1,147	\$ 11,827	\$ 12,974
Fund balances - beginning	35,584	117,514	153,098
Fund balances - ending	<u>\$ 36,731</u>	<u>\$ 129,341</u>	<u>\$ 166,072</u>

COUNTY OF CLARKE, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Nonmajor Capital Projects Funds  
 For the Year Ended June 30, 2016

	Parks Construction Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 175	\$ 175
Miscellaneous	-	-	1,572	1,572
Intergovernmental:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	\$ -	\$ -	\$ 1,747	\$ 1,747
<b>EXPENDITURES</b>				
Capital projects	\$ -	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 1,747	\$ 1,747
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	(600)	(600)
Total other financing sources (uses)	\$ -	\$ -	\$ (600)	\$ (600)
Net change in fund balances	\$ -	\$ -	\$ 1,147	\$ 1,147
Fund balances - beginning	-	-	35,584	35,584
Fund balances - ending	\$ -	\$ -	\$ 36,731	\$ 36,731

General Government Capital Projects Fund				
Budgeted Amounts		Actual	Variance with Final Budget	
Original	Final		Positive	(Negative)
\$ -	\$ -	\$ -	-	-
-	45,000	10,000		(35,000)
-	102,956	59,731		(43,225)
145,067	490,216	37,672		(452,544)
<u>\$ 145,067</u>	<u>\$ 638,172</u>	<u>\$ 107,403</u>		<u>\$ (530,769)</u>
<u>\$ 735,930</u>	<u>\$ 2,427,939</u>	<u>\$ 755,712</u>		<u>\$ 1,672,227</u>
<u>\$ 735,930</u>	<u>\$ 2,427,939</u>	<u>\$ 755,712</u>		<u>\$ 1,672,227</u>
<u>\$ (590,863)</u>	<u>\$ (1,789,767)</u>	<u>\$ (648,309)</u>		<u>\$ 1,141,458</u>
\$ -	\$ 1,789,767	\$ 660,136		(1,129,631)
-	-	-		-
<u>\$ -</u>	<u>\$ 1,789,767</u>	<u>\$ 660,136</u>		<u>\$ (1,129,631)</u>
\$ (590,863)	\$ -	\$ 11,827		11,827
590,863	-	117,514		117,514
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,341</u>		<u>\$ 129,341</u>



Combining Balance Sheet  
Discretely Presented Component Unit - School Board  
June 30, 2016

	School Operating Fund	School Food Service Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 500	\$ 54,547	\$ -	\$ 4,714	\$ 59,761
Receivables:					
Accounts receivable	95,357	43,224	-	-	138,581
Due from primary government	1,776,848	-	115,540	-	1,892,388
Due from other governmental units	558,862	8,764	54,598	-	622,224
Prepaid items	31,618	-	-	-	31,618
Total assets	<u>\$ 2,463,185</u>	<u>\$ 106,535</u>	<u>\$ 170,138</u>	<u>\$ 4,714</u>	<u>\$ 2,744,572</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 194,863	\$ 28,282	\$ 138,638	\$ -	\$ 361,783
Accrued liabilities	2,265,299	45,060	5,911	-	2,316,270
Unearned revenue	2,523	-	25,589	-	28,112
Total liabilities	<u>\$ 2,462,685</u>	<u>\$ 73,342</u>	<u>\$ 170,138</u>	<u>\$ -</u>	<u>\$ 2,706,165</u>
Fund balances:					
Nonspendable:					
Prepaid items	\$ 31,618	\$ -	\$ -	\$ -	\$ 31,618
Assigned:					
School operating	500	33,193	-	-	33,693
Capital projects	-	-	-	4,714	4,714
Unassigned	(31,618)	-	-	-	(31,618)
Total fund balances	<u>\$ 500</u>	<u>\$ 33,193</u>	<u>\$ -</u>	<u>\$ 4,714</u>	<u>\$ 38,407</u>
Total liabilities and fund balances	<u>\$ 2,463,185</u>	<u>\$ 106,535</u>	<u>\$ 170,138</u>	<u>\$ 4,714</u>	<u>\$ 2,744,572</u>

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances per above	\$ 38,407
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,170,271
The net pension asset is not an available resource and, therefore, is not reported in the funds.	66,371
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Items related to the measurement of net pension liability	(1,588,371)
Changes in proportion and differences between employer contributions and proportionate share of contributions of costs-sharing pension plans are not reported in the funds.	(201,000)
Pension contributions subsequent to the measurement date will be a reduction to the net pension liability in the next fiscal year and, therefore, are not reported in the funds.	1,735,614
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(19,819,297)
Net position of governmental activities	<u>\$ (11,598,005)</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2016

	School Operating Fund	School Food Service Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Revenue from the use of money and property	\$ 69,412	\$ 142	\$ -	\$ -	\$ 69,554
Charges for services	219,693	487,522	-	-	707,215
Miscellaneous	159,638	-	13,996	-	173,634
Recovered costs	97,259	45,564	-	-	142,823
Intergovernmental:					
Local government	10,885,332	-	1,126,440	-	12,011,772
Commonwealth	8,792,555	7,542	54,598	-	8,854,695
Federal	603,249	300,878	-	-	904,127
Total revenues	\$ 20,827,138	\$ 841,648	\$ 1,195,034	\$ -	\$ 22,863,820
<b>EXPENDITURES</b>					
Current:					
Education	\$ 20,827,138	\$ 808,455	\$ -	\$ -	\$ 21,635,593
Capital projects	-	-	1,195,034	-	1,195,034
Total expenditures	\$ 20,827,138	\$ 808,455	\$ 1,195,034	\$ -	\$ 22,830,627
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 33,193	\$ -	\$ -	\$ 33,193
Net change in fund balances	\$ -	\$ 33,193	\$ -	\$ -	\$ 33,193
Fund balances - beginning	500	-	-	4,714	5,214
Fund balances - ending	\$ 500	\$ 33,193	\$ -	\$ 4,714	\$ 38,407

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds - per above \$ 33,193

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred inflows related to the measurement of the net pension liability 1,331,085

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period. (773,641)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Increase in pension contributions subsequent to measurement date	\$ 93,954	
(Increase) in net pension liability - teachers cost-sharing pool	(690,000)	
(Decrease) in net pension asset - nonprofessional group	(3,435)	
(Increase) in compensated absences	(6,171)	(605,652)

Change in net position of governmental activities \$ (15,015)

COUNTY OF CLARKE, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2016

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 35,766	\$ 35,766	\$ 69,412	\$ 33,646
Charges for services	188,790	188,790	219,693	30,903
Miscellaneous	102,497	102,497	159,638	57,141
Recovered costs	71,489	71,489	97,259	25,770
Intergovernmental:				
Local government	11,764,040	11,764,040	10,885,332	(878,708)
Commonwealth	8,648,921	8,648,921	8,792,555	143,634
Federal	726,207	726,207	603,249	(122,958)
Total revenues	<u>\$ 21,537,710</u>	<u>\$ 21,537,710</u>	<u>\$ 20,827,138</u>	<u>\$ (710,572)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 21,502,710	\$ 21,502,710	\$ 20,827,138	\$ 675,572
Total expenditures	<u>\$ 21,502,710</u>	<u>\$ 21,502,710</u>	<u>\$ 20,827,138</u>	<u>\$ 675,572</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ (35,000)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(35,000)	(35,000)	-	35,000
Total other financing sources (uses)	<u>\$ (35,000)</u>	<u>\$ (35,000)</u>	<u>\$ -</u>	<u>\$ 35,000</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	500	500
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 500</u>

School Food Service Fund				
Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
Original	Final			
\$ 80	\$ 80	\$ 142	\$ 62	
480,220	481,185	487,522	6,337	
-	-	-	-	
21,000	21,000	45,564	24,564	
-	-	-	-	
8,000	8,000	7,542	(458)	
274,980	274,980	300,878	25,898	
<u>\$ 784,280</u>	<u>\$ 785,245</u>	<u>\$ 841,648</u>	<u>\$ 56,403</u>	
<u>\$ 820,245</u>	<u>\$ 820,245</u>	<u>\$ 808,455</u>	<u>\$ 11,790</u>	
<u>\$ 820,245</u>	<u>\$ 820,245</u>	<u>\$ 808,455</u>	<u>\$ 11,790</u>	
<u>\$ (35,965)</u>	<u>\$ (35,000)</u>	<u>\$ 33,193</u>	<u>\$ 68,193</u>	
\$ 35,000	\$ 35,000	\$ -	\$ (35,000)	
-	-	-	-	
<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ (35,000)</u>	
\$ (965)	\$ -	\$ 33,193	\$ 33,193	
965	-	-	-	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,193</u>	<u>\$ 33,193</u>	

Balance Sheet

Nonmajor Capital Project Fund - Discretely Presented Component Unit - School Board

June 30, 2016

	<u>School Capital Project Proffers Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>4,714</u>
Total assets	\$ <u><u>4,714</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Total liabilities	\$ <u>-</u>
Fund balances:	
Assigned:	
Capital projects	\$ <u>4,714</u>
Total fund balances	\$ <u>4,714</u>
Total liabilities and fund balances	\$ <u><u>4,714</u></u>

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Capital Project Fund - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2016

	School Capital Project Proffers Fund
<b>REVENUES</b>	
Revenue from the use of money and property	\$ <u>          -</u>
Total revenues	\$ <u>          -</u>
<b>EXPENDITURES</b>	
Current:	
Capital projects	\$ <u>          -</u>
Total expenditures	\$ <u>          -</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>          -</u>
Net change in fund balances	\$ <u>          -</u>
Fund balances - beginning	<u>          4,714</u>
Fund balances - ending	<u><u>          4,714</u></u>

COUNTY OF CLARKE, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Nonmajor and Major Capital Projects Fund - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2016

	Capital Projects Proffers Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Local government	-	-	-	-
Commonwealth	-	-	-	-
Total revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Capital projects	\$ -	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	4,714	4,714
Fund balances - ending	\$ -	\$ -	\$ 4,714	\$ 4,714

School Capital Projects Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ 39,585	\$ 13,996	\$ (25,589)
-	3,109,486	1,126,440	(1,983,046)
154,000	328,725	54,598	(274,127)
<u>\$ 154,000</u>	<u>\$ 3,477,796</u>	<u>\$ 1,195,034</u>	<u>\$ (2,282,762)</u>
<u>\$ 852,000</u>	<u>\$ 3,477,796</u>	<u>\$ 1,195,034</u>	<u>\$ 2,282,762</u>
<u>\$ 852,000</u>	<u>\$ 3,477,796</u>	<u>\$ 1,195,034</u>	<u>\$ 2,282,762</u>
<u>\$ (698,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
(698,000)	-	-	-
<u>698,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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**Discretely Presented Component Unit – Sanitary Authority**

Combining Statement of Net Position  
 Discretely Presented Component Unit - Sanitary Authority  
 As of June 30, 2016

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 423,858	\$ -	\$ 423,858
Accounts receivable	62,223	78,993	141,216
Total current assets	\$ 486,081	\$ 78,993	\$ 565,074
Noncurrent assets:			
Capital assets:			
Land	\$ 13,200	\$ -	\$ 13,200
Utility plant in service	5,255,034	6,830,188	12,085,222
Accumulated depreciation	(2,563,666)	(1,217,118)	(3,780,784)
Sub-total	\$ 2,704,568	\$ 5,613,070	\$ 8,317,638
Construction in progress	\$ 1,260,980	\$ -	\$ 1,260,980
Total capital assets	\$ 3,965,548	\$ 5,613,070	\$ 9,578,618
Total noncurrent assets	\$ 3,965,548	\$ 5,613,070	\$ 9,578,618
Total assets	\$ 4,451,629	\$ 5,692,063	\$ 10,143,692
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Post measurement date employer pension contributions	\$ 2,262	\$ 2,262	\$ 4,524
<b>LIABILITIES</b>			
Current liabilities:			
Reconciled overdraft	\$ -	\$ 104,403	\$ 104,403
Accounts payable	95,596	39,147	134,743
Accrued interest payable	4,771	-	4,771
Customers' deposits	6,717	-	6,717
Unearned revenue	12,976	-	12,976
Bonds payable - current portion	121,353	207,052	328,405
Total current liabilities	\$ 241,413	\$ 350,602	\$ 592,015
Noncurrent liabilities:			
Bonds payable - net of current portion	\$ 1,566,140	\$ 2,655,363	\$ 4,221,503
Net pension liability	9,545	9,545	19,090
Total noncurrent liabilities	\$ 1,575,685	\$ 2,664,908	\$ 4,240,593
Total liabilities	\$ 1,817,098	\$ 3,015,510	\$ 4,832,608
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Net difference of actual and expected pension liability earnings	\$ 2,070	\$ 2,070	\$ 4,140
Net difference of actual and expected pension experience	605	606	1,211
Total deferred inflows of resources	\$ 2,675	\$ 2,676	\$ 5,351
<b>NET POSITION</b>			
Net investment in capital assets	\$ 2,278,055	\$ 2,750,655	\$ 5,028,710
Unrestricted	356,063	(74,516)	281,547
Total net position	\$ 2,634,118	\$ 2,676,139	\$ 5,310,257

Combining Statement of Revenues, Expenses, and Changes in Net Position  
 Discretely Presented Component Unit - Sanitary Authority  
 For the Year Ended June 30, 2016

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>OPERATING REVENUES</b>			
Charges for services:			
Customer service charges	\$ 249,804	\$ 278,486	\$ 528,290
Connection fees	3,363	2,288	5,651
Miscellaneous	1,102	125	1,227
Total operating revenues	\$ 254,269	\$ 280,899	\$ 535,168
<b>OPERATING EXPENSES</b>			
Insurance	\$ 11,796	\$ 11,795	\$ 23,591
Miscellaneous	99	-	99
Office supplies and expenses	863	863	1,726
Plant maintenance	4,859	4,937	9,796
Pipeline/road repairs	19,636	-	19,636
Pump station maintenance	-	9,713	9,713
Grinder pump maintenance	-	968	968
Operating supplies / small equipment	10,676	89,362	100,038
Professional services	113,987	161,575	275,562
Salaries and wages	17,939	17,939	35,878
Benefits	4,560	4,561	9,121
Testing services	3,166	6,902	10,068
Utilities	33,305	64,859	98,164
Depreciation	131,641	172,601	304,242
Total operating expenses	\$ 352,527	\$ 546,075	\$ 898,602
Operating income (loss)	\$ (98,258)	\$ (265,176)	\$ (363,434)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	\$ 2,269	\$ 1	\$ 2,270
Tower rental	151,627	-	151,627
County operating subsidy	-	133,377	133,377
Transfers	(57,352)	57,352	-
Interest expense	(29,539)	-	(29,539)
Total nonoperating revenues (expenses)	\$ 67,005	\$ 190,730	\$ 257,735
Income before contributions	\$ (31,253)	\$ (74,446)	\$ (105,699)
Contributed capital - availability fees	14,000	19,927	33,927
Change in net position	\$ (17,253)	\$ (54,519)	\$ (71,772)
Total net position - beginning	2,651,371	2,730,658	5,382,029
Total net position - ending	\$ 2,634,118	\$ 2,676,139	\$ 5,310,257

Combining Statement of Cash Flows  
Discretely Presented Component Unit - Sanitary Authority  
For the Year Ended June 30, 2016

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 237,068	\$ 255,697	\$ 492,765
Payments to suppliers	(376,034)	(339,598)	(715,632)
Payments to and on behalf of employees	(24,107)	(24,107)	(48,214)
Net cash provided by (used for) operating activities	\$ (163,073)	\$ (108,008)	\$ (271,081)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Tower rental	\$ 151,627	\$ -	\$ 151,627
Transfers	(57,352)	57,352	-
Operating subsidy from Clarke County	-	133,377	133,377
Net cash provided by (used for) noncapital financing activities	\$ 94,275	\$ 190,729	\$ 285,004
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of property, plant and equipment	\$ (480,544)	\$ -	\$ (480,544)
Capital contributions	14,000	19,927	33,927
Retirements of long-term indebtedness	(120,177)	(207,052)	(327,229)
Interest paid on debt	(29,866)	-	(29,866)
Net cash provided by (used for) capital and related financing activities	\$ (616,587)	\$ (187,125)	\$ (803,712)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	\$ 2,269	\$ 1	\$ 2,270
Net cash provided by (used for) investing activities	\$ 2,269	\$ 1	\$ 2,270
Net increase (decrease) in cash and cash equivalents	\$ (683,116)	\$ (104,403)	\$ (787,519)
Cash and cash equivalents - beginning	1,106,974	-	1,106,974
Cash and cash equivalents - ending	\$ 423,858	\$ (104,403)	\$ 319,455
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ (98,258)	\$ (265,176)	\$ (363,434)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	131,641	172,601	304,242
(Increase) decrease in accounts receivable	(20,784)	(25,202)	(45,986)
(Increase) decrease in pension contributions after measurement date	(46)	(46)	(92)
Increase (decrease) in accounts payable	(177,647)	11,376	(166,271)
Increase (decrease) in customers' deposits	2,157	-	2,157
Increase (decrease) in net pension liability	540	540	1,080
Increase (decrease) in items related to measurement of net pension liability	(2,102)	(2,101)	(4,203)
Increase (decrease) unearned revenue	1,426	-	1,426
Total adjustments	\$ (64,815)	\$ 157,168	\$ 92,353
Net cash provided by (used for) operating activities	\$ (163,073)	\$ (108,008)	\$ (271,081)

**Discretely Presented Component Unit-Industrial Development Authority**

Statement of Net Position  
 Discretely Presented Component Unit - Industrial Development Authority  
 As of June 30, 2016

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	<u>Industrial Development Authority</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 108,927
Prepaid items	<u>1,333</u>
Total assets	<u>\$ 110,260</u>
<b>NET POSITION</b>	
Unrestricted	<u>110,260</u>
Total net position	<u>\$ 110,260</u>

Statement of Revenues, Expenses, and Changes in Net Position  
 Discretely Presented Component Unit - Industrial Development Authority  
 For the Year Ended June 30, 2016

	<u>Industrial Development Authority</u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Bond repayment and application fees	\$ <u>54,000</u>
Total operating revenues	\$ <u>54,000</u>
<b>OPERATING EXPENSES</b>	
Contribution to Lord Fairfax Small Business Park	\$ 6,000
Professional services	1,600
Board members' fee	650
Insurance	1,301
Miscellaneous	<u>539</u>
Total operating expenses	\$ <u>10,090</u>
Operating income (loss)	\$ <u>43,910</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Unrealized gain (loss) on investments	\$ <u>33</u>
Total nonoperating revenues (expenses)	\$ <u>33</u>
Change in net position	\$ 43,943
Total net position - beginning	<u>66,317</u>
Total net position - ending	<u><u>\$ 110,260</u></u>



Statement of Cash Flows  
 Discretely Presented Component Unit - Industrial Development Authority  
 For the Year Ended June 30, 2016

	<u>Industrial Development Authority</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 54,000
Payments to board	(650)
Payments to suppliers	<u>(10,773)</u>
Net cash provided (used) by operating activities	<u>\$ 42,577</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Unrealized gain (loss) on investments	<u>\$ 33</u>
Net cash provided (used) by investing activities	<u>\$ 33</u>
Net increase (decrease) in cash and cash equivalents	\$ 42,610
Cash and cash equivalents - beginning	<u>66,317</u>
Cash and cash equivalents - ending	<u>\$ 108,927</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	<u>\$ 43,910</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
(Increase) decrease in prepaid items	<u>\$ (1,333)</u>
Total adjustments	<u>\$ (1,333)</u>
Net cash provided by (used for) operating activities	<u>\$ 42,577</u>

## Supporting Schedules

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Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 14,256,431	\$ 14,256,431	\$ 14,370,378	\$ 113,947
Real and personal public service corporation taxes	419,200	419,200	439,021	19,821
Personal property taxes	4,068,605	4,068,605	4,048,379	(20,226)
Mobile home taxes	876	876	989	113
Machinery and tools taxes	174,014	174,014	172,247	(1,767)
Penalties	152,298	153,922	159,299	5,377
Interest	110,189	110,189	132,565	22,376
<b>Total general property taxes</b>	<b>\$ 19,181,613</b>	<b>\$ 19,183,237</b>	<b>\$ 19,322,878</b>	<b>\$ 139,641</b>
Other local taxes:				
Local sales and use taxes	\$ 871,738	\$ 871,738	\$ 877,365	\$ 5,627
Consumers' utility taxes	379,174	379,174	340,856	(38,318)
Consumption taxes	35,950	35,950	33,942	(2,008)
Motor vehicle licenses	298,038	298,038	308,678	10,640
Taxes on recordation and wills	263,349	263,349	279,419	16,070
Franchise license taxes	12,319	12,319	-	(12,319)
Transient occupancy taxes	32,618	32,618	23,564	(9,054)
Business license taxes	31,136	31,136	26,563	(4,573)
<b>Total other local taxes</b>	<b>\$ 1,924,322</b>	<b>\$ 1,924,322</b>	<b>\$ 1,890,387</b>	<b>\$ (33,935)</b>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 7,683	\$ 7,683	\$ 4,985	(2,698)
Land use application fees	3,600	3,600	3,600	-
Animal shelter fees	10,087	10,087	8,235	(1,852)
Building and related permits	152,845	152,845	173,825	20,980
Zoning and subdivision	112,166	112,166	78,823	(33,343)
Transfer fees	448	448	498	50
Signs permits and inspection fees	221	221	775	554
Weapons permits	5,579	5,579	4,769	(810)
Other permits and fees	4,225	4,225	4,770	545
<b>Total permits, privilege fees, and regulatory licenses</b>	<b>\$ 296,854</b>	<b>\$ 296,854</b>	<b>\$ 280,280</b>	<b>\$ (16,574)</b>
Fines and forfeitures:				
Court fines and forfeitures	\$ 250,000	\$ 250,000	\$ 282,771	\$ 32,771
<b>Total fines and forfeitures</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 282,771</b>	<b>\$ 32,771</b>
Revenue from use of money and property:				
Revenue from use of money	\$ 54,143	\$ 54,143	\$ 33,559	(20,584)
Revenue from use of property	7,000	7,000	51,824	44,824
<b>Total revenue from use of money and property</b>	<b>\$ 61,143</b>	<b>\$ 61,143</b>	<b>\$ 85,383</b>	<b>\$ 24,240</b>

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Charges for services:				
Sheriff's fees	\$ 797	\$ 797	\$ 796	\$ (1)
Charges for emergency medical services	37,610	37,610	41,729	4,119
Charges for ambulance and rescue	275,000	275,000	354,920	79,920
Charges for courthouse security	52,000	52,000	28,428	(23,572)
Charges for jail processing	1,779	1,779	1,245	(534)
Court appointed attorney	1,174	1,174	263	(911)
Charges for other localities	69,777	69,777	69,920	143
Charges for Commonwealth's Attorney	1,743	1,743	1,869	126
Charges for parks and recreation	391,462	391,462	406,195	14,733
Charges for engineer's fees/biosolids applications	25,112	25,112	19,189	(5,923)
E-tickets	-	-	16,691	16,691
Other charges for services	25,806	25,806	25,501	(305)
<b>Total charges for services</b>	<b>\$ 882,260</b>	<b>\$ 882,260</b>	<b>\$ 966,746</b>	<b>\$ 84,486</b>
Miscellaneous:				
Miscellaneous	\$ 6,372	\$ 21,372	\$ 73,955	\$ 52,583
<b>Total miscellaneous</b>	<b>\$ 6,372</b>	<b>\$ 21,372</b>	<b>\$ 73,955</b>	<b>\$ 52,583</b>
Recovered costs:				
Rebates and refunds	\$ 27,772	\$ 27,772	\$ 14,570	\$ (13,202)
Insurance recovery	21,630	27,489	29,146	1,657
Gifts and donations in lieu of taxes	22,933	22,933	31,645	8,712
Sale of salvage	8,681	8,681	3,841	(4,840)
Loan repayment	3,495	3,495	3,495	-
Recycling and other rebates and refunds	38,013	38,013	20,011	(18,002)
<b>Total recovered costs</b>	<b>\$ 122,524</b>	<b>\$ 128,383</b>	<b>\$ 102,708</b>	<b>\$ (25,675)</b>
<b>Total revenue from local sources</b>	<b>\$ 22,725,088</b>	<b>\$ 22,747,571</b>	<b>\$ 23,005,108</b>	<b>\$ 257,537</b>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 24,373	\$ 24,373	\$ 25,445	\$ 1,072
Mobile home titling tax	-	-	300	300
Taxes on deeds	53,719	53,719	78,420	24,701
Quarterly rental tax	3,546	3,546	2,575	(971)
Communications tax	442,829	442,829	415,515	(27,314)
Personal property tax relief funds	2,483,842	2,483,842	2,483,842	-
<b>Total noncategorical aid</b>	<b>\$ 3,008,309</b>	<b>\$ 3,008,309</b>	<b>\$ 3,006,097</b>	<b>\$ (2,212)</b>

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 187,157	\$ 187,157	\$ 189,622	\$ 2,465
Sheriff	749,413	749,413	760,380	10,967
Commissioner of revenue	75,178	75,178	76,581	1,403
Treasurer	92,369	92,369	93,654	1,285
Registrar/electoral board	39,797	39,797	43,444	3,647
Clerk of the Circuit Court	152,728	153,633	165,271	11,638
Total shared expenses	<u>\$ 1,296,642</u>	<u>\$ 1,297,547</u>	<u>\$ 1,328,952</u>	<u>\$ 31,405</u>
Other categorical aid:				
Fire programs fund	\$ 42,135	\$ 45,969	\$ 46,452	\$ 483
Litter control grant	6,171	6,171	5,310	(861)
Virginia Commission for the Arts	5,000	5,000	5,000	-
Other categorical aid	8,610	8,610	10,976	2,366
Total other categorical aid	<u>\$ 61,916</u>	<u>\$ 65,750</u>	<u>\$ 67,738</u>	<u>\$ 1,988</u>
Total categorical aid	<u>\$ 1,358,558</u>	<u>\$ 1,363,297</u>	<u>\$ 1,396,690</u>	<u>\$ 33,393</u>
Total revenue from the Commonwealth	<u>\$ 4,366,867</u>	<u>\$ 4,371,606</u>	<u>\$ 4,402,787</u>	<u>\$ 31,181</u>
Revenue from the federal government:				
Payments in lieu of taxes	<u>\$ 5,971</u>	<u>\$ 5,971</u>	<u>\$ 6,464</u>	<u>\$ 493</u>
Categorical aid:				
Crime victim assistance	\$ 39,024	\$ 45,053	\$ 37,547	\$ (7,506)
SCAAP grant	862	862	921	59
Help America vote	2,477	2,477	3,500	1,023
DMV 402 grant	14,625	14,625	13,719	(906)
SAFER grant	140,000	140,000	-	(140,000)
Local law enforcement block grant	2,181	2,181	923	(1,258)
Violence against women formula grants	28,053	28,053	28,731	678
Total categorical aid	<u>\$ 227,222</u>	<u>\$ 233,251</u>	<u>\$ 85,341</u>	<u>\$ (147,910)</u>
Total revenue from the federal government	<u>\$ 233,193</u>	<u>\$ 239,222</u>	<u>\$ 91,805</u>	<u>\$ (147,417)</u>
Total General Fund	<u>\$ 27,325,148</u>	<u>\$ 27,358,399</u>	<u>\$ 27,499,700</u>	<u>\$ 141,301</u>

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds:</b>				
<b>Virginia Public Assistance Fund:</b>				
Revenue from local sources:				
Recovered costs:				
Payments from other jurisdictions	\$ -	\$ -	\$ 37,528	\$ 37,528
Expenditure refunds	-	-	23,934	23,934
Total recovered costs	\$ -	\$ -	\$ 61,462	\$ 61,462
Total revenue from local sources	\$ -	\$ -	\$ 61,462	\$ 61,462
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 284,735	\$ 288,488	\$ 282,213	\$ (6,275)
Total categorical aid	\$ 284,735	\$ 288,488	\$ 282,213	\$ (6,275)
Total revenue from the Commonwealth	\$ 284,735	\$ 288,488	\$ 282,213	\$ (6,275)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 697,111	\$ 706,298	\$ 696,181	\$ (10,117)
Total categorical aid	\$ 697,111	\$ 706,298	\$ 696,181	\$ (10,117)
Total revenue from the federal government	\$ 697,111	\$ 706,298	\$ 696,181	\$ (10,117)
Total Virginia Public Assistance Fund	\$ 981,846	\$ 994,786	\$ 1,039,856	\$ 45,070
<b>Comprehensive services act fund:</b>				
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 3,277	\$ 3,277
Total miscellaneous	\$ -	\$ -	\$ 3,277	\$ 3,277
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive services	\$ 499,836	\$ 499,836	\$ 225,809	\$ (274,027)
Total categorical aid	\$ 499,836	\$ 499,836	\$ 225,809	\$ (274,027)
Total revenue from the Commonwealth	\$ 499,836	\$ 499,836	\$ 225,809	\$ (274,027)
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ -	\$ -	\$ 12,231	\$ 12,231
Total categorical aid	\$ -	\$ -	\$ 12,231	\$ 12,231
Total revenue from the federal government	\$ -	\$ -	\$ 12,231	\$ 12,231
Total comprehensive services fund	\$ 499,836	\$ 499,836	\$ 241,317	\$ (258,519)
<b>Drug Enforcement Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 1,759	\$ 1,759
Revenue from the use of property	-	-	-	-
Total revenue from use of money and property	\$ -	\$ -	\$ 1,759	\$ 1,759
Miscellaneous:				
Gifts and donations	\$ -	\$ -	\$ 7,912	\$ 7,912
Total miscellaneous	\$ -	\$ -	\$ 7,912	\$ 7,912
Total revenue from local sources	\$ -	\$ -	\$ 9,671	\$ 9,671

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (Continued)</b>				
<b>Drug Enforcement Fund: (Continued)</b>				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Asset forfeiture	\$ -	\$ -	\$ 5,349	\$ 5,349
Total revenue from the Commonwealth	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,349</u>	<u>\$ 5,349</u>
Revenue from the federal government:				
Categorical aid:				
Asset forfeiture	\$ -	\$ -	\$ 10,613	\$ 10,613
Total drug enforcement fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,633</u>	<u>\$ 25,633</u>
<b>Animal Care Fund:</b>				
Revenue from local sources:				
Revenue from use of money:				
Revenue from the use of money	\$ -	\$ -	\$ 5	\$ 5
Total revenue from use of money	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>
Miscellaneous:				
Gifts and donations	\$ -	\$ -	\$ 500	\$ 500
Total miscellaneous	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 500</u>
Total Animal Care Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 505</u>	<u>\$ 505</u>
<b>Conservation Easement Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ -	\$ -	\$ 10,688	\$ 10,688
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 340	\$ 340
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 58,043	\$ 58,043
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,071</u>	<u>\$ 69,071</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Other categorical aid:				
Conservation easement grants	\$ 5,000	\$ 125,000	\$ 141,488	\$ 16,488
Total Conservation Easement Fund	<u>\$ 5,000</u>	<u>\$ 125,000</u>	<u>\$ 210,559</u>	<u>\$ 85,559</u>
<b>Debt Service Funds:</b>				
<b>School Debt Service Fund</b>				
Revenue from local sources:				
Miscellaneous:				
Expenditure refunds	\$ 52,463	\$ 52,464	\$ 52,464	\$ -
Total revenue from local sources	<u>\$ 52,463</u>	<u>\$ 52,464</u>	<u>\$ 52,464</u>	<u>\$ -</u>
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
BAB interest subsidy	\$ 120,833	\$ 120,833	\$ 121,711	\$ 878
Total School Debt Service Fund	<u>\$ 173,296</u>	<u>\$ 173,297</u>	<u>\$ 174,175</u>	<u>\$ 878</u>



Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Debt Service Funds: (Continued)</b>				
<b>General Debt Service Fund:</b>				
Revenue from local sources:				
Charges for services:				
Charges for services	\$ -	\$ -	\$ 9,910	\$ 9,910
Total charges for services	\$ -	\$ -	\$ 9,910	\$ 9,910
Total revenue from local sources	\$ -	\$ -	\$ 9,910	\$ 9,910
Total General Debt Service Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,910</u>	<u>\$ 9,910</u>
<b>Capital Projects Fund:</b>				
<b>General Government Capital Projects Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Gifts and donations	\$ -	\$ 45,000	\$ 10,000	\$ (35,000)
Total revenue from local sources	\$ -	\$ 45,000	\$ 10,000	\$ (35,000)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Other categorical aid	\$ -	\$ 102,956	\$ 59,731	\$ (43,225)
Total revenue from the Commonwealth	\$ -	\$ 102,956	\$ 59,731	\$ (43,225)
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ 145,067	\$ 490,216	\$ 37,672	\$ (452,544)
Total categorical aid	\$ 145,067	\$ 490,216	\$ 37,672	\$ (452,544)
Total revenue from the federal government	\$ 145,067	\$ 490,216	\$ 37,672	\$ (452,544)
Total General Government Capital Projects Fund	<u>\$ 145,067</u>	<u>\$ 638,172</u>	<u>\$ 107,403</u>	<u>\$ (530,769)</u>
<b>Parks Construction Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 175	\$ 175
Total revenue from use of money and property	\$ -	\$ -	\$ 175	\$ 175
Miscellaneous:				
Gifts and donations	\$ -	\$ -	\$ 1,572	\$ 1,572
Total miscellaneous	\$ -	\$ -	\$ 1,572	\$ 1,572
Total revenue from local sources	\$ -	\$ -	\$ 1,747	\$ 1,747
Total Parks Construction Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,747</u>	<u>\$ 1,747</u>
Total Primary Government	<u>\$ 29,130,193</u>	<u>\$ 29,789,490</u>	<u>\$ 29,310,805</u>	<u>\$ (478,685)</u>

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 35,766	\$ 35,766	\$ 69,412	\$ 33,646
Charges for services:				
Tuition	\$ 151,036	\$ 151,036	\$ 213,070	\$ 62,034
Town of Berryville Crossing	2,500	2,500	2,500	-
Facility use fees	35,254	35,254	4,123	(31,131)
Total charges for services	\$ 188,790	\$ 188,790	\$ 219,693	\$ 30,903
Miscellaneous:				
Other miscellaneous	\$ 68,704	\$ 68,704	\$ 103,586	\$ 34,882
Private gifts and donations	33,793	33,793	56,052	22,259
Total miscellaneous	\$ 102,497	\$ 102,497	\$ 159,638	\$ 57,141
Recovered costs:				
Rebates and refunds	\$ 44,110	\$ 44,110	\$ 91,238	\$ 47,128
Insurance recoveries	20,714	20,714	5,922	(14,792)
Sale of equipment	6,665	6,665	99	(6,566)
Total recovered costs	\$ 71,489	\$ 71,489	\$ 97,259	\$ 25,770
Total revenue from local sources	\$ 398,542	\$ 398,542	\$ 546,002	\$ 147,460
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Clarke, Virginia	\$ 11,764,040	\$ 11,764,040	\$ 10,885,332	\$ (878,708)
Total revenues from local governments	\$ 11,764,040	\$ 11,764,040	\$ 10,885,332	\$ (878,708)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,268,420	\$ 2,268,420	\$ 2,300,921	\$ 32,501
At risk payments	23,797	23,797	24,260	463
Basic school aid	4,325,293	4,325,293	4,409,828	84,535
Foster home children	30,494	30,494	15,321	(15,173)
Gifted and talented children	44,973	44,973	45,736	763
Homebound education	11,687	11,687	4,705	(6,982)
Preschool At-Risk	12,000	12,000	30,000	18,000
Special education - soq	589,326	589,326	599,332	10,006
Special education - foster children	-	-	13,750	13,750
Vocational education - soq	66,522	66,522	67,651	1,129
Vocational equipment	4,985	4,985	4,092	(893)
Vocational - occupational	7,545	7,545	3,394	(4,151)
Textbook payments	90,151	90,151	91,682	1,531
Remedial education	59,026	59,026	60,028	1,002

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
<b>Intergovernmental: (Continued)</b>				
<b>Revenue from the Commonwealth: (Continued)</b>				
<b>Categorical aid: (Continued)</b>				
Share of fringe benefits	786,080	786,080	799,427	13,347
Remedial summer school	18,963	18,963	28,093	9,130
Industry certification program	1,000	1,000	3,906	2,906
Mentor teacher program	2,033	2,033	1,050	(983)
SOL algebra readiness	8,112	8,112	6,458	(1,654)
Early intervention	25,197	25,197	23,622	(1,575)
Salary supplement/bonus	7,500	7,500	5,000	(2,500)
Compensation supplement	75,722	75,722	73,847	(1,875)
Teacher recruitment	1,000	1,000	-	(1,000)
Additional teachers assistance	10,000	10,000	2,000	(8,000)
Project graduation	27,243	27,243	6,540	(20,703)
ISAEP	7,859	7,859	7,859	-
English as a second language	16,316	16,316	16,622	306
Security officer	17,122	17,122	-	(17,122)
Regional tuition	109,298	109,298	145,992	36,694
Other categorical aid	1,257	1,257	1,439	182
<b>Total categorical aid</b>	<b>\$ 8,648,921</b>	<b>\$ 8,648,921</b>	<b>\$ 8,792,555</b>	<b>\$ 143,634</b>
<b>Total revenue from the Commonwealth</b>	<b>\$ 8,648,921</b>	<b>\$ 8,648,921</b>	<b>\$ 8,792,555</b>	<b>\$ 143,634</b>
<b>Revenue from the federal government:</b>				
<b>Categorical aid:</b>				
Title I part A: Grants to local educational agencies	\$ 176,920	\$ 176,920	\$ 163,047	\$ (13,873)
Title II part A: Improving teacher quality	55,133	55,133	56,988	1,855
Title III, Part A: English language acquisition grants	1,651	1,651	(1,654)	(3,305)
Medicaid	4,862	4,862	964	(3,898)
Advanced placement	-	-	768	768
Vocational education basic grants to states	21,876	21,876	20,558	(1,318)
Title VI-B: Special education grants to states	453,201	453,201	351,319	(101,882)
Special education preschool handicapped grant	12,564	12,564	11,259	(1,305)
<b>Total categorical aid</b>	<b>\$ 726,207</b>	<b>\$ 726,207</b>	<b>\$ 603,249</b>	<b>\$ (122,958)</b>
<b>Total revenue from the federal government</b>	<b>\$ 726,207</b>	<b>\$ 726,207</b>	<b>\$ 603,249</b>	<b>\$ (122,958)</b>
<b>Total School Operating Fund</b>	<b>\$ 21,537,710</b>	<b>\$ 21,537,710</b>	<b>\$ 20,827,138</b>	<b>\$ (710,572)</b>
<b>Special Revenue Fund:</b>				
<b>School Food Service Fund:</b>				
<b>Revenue from local sources:</b>				
<b>Revenue from use of money and property:</b>				
Revenue from the use of money	\$ 80	\$ 80	\$ 142	\$ 62
<b>Total revenue from use of money and property</b>	<b>\$ 80</b>	<b>\$ 80</b>	<b>\$ 142</b>	<b>\$ 62</b>
<b>Charges for services:</b>				
Cafeteria sales	\$ 480,220	\$ 481,185	\$ 487,522	\$ 6,337
<b>Total charges for services</b>	<b>\$ 480,220</b>	<b>\$ 481,185</b>	<b>\$ 487,522</b>	<b>\$ 6,337</b>
<b>Recovered costs:</b>				
Expenditure refunds and rebates	21,000	21,000	45,564	24,564
<b>Total recovered costs</b>	<b>21,000</b>	<b>21,000</b>	<b>45,564</b>	<b>24,564</b>
<b>Total revenue from local sources</b>	<b>\$ 501,300</b>	<b>\$ 502,265</b>	<b>\$ 533,228</b>	<b>\$ 30,963</b>

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>Special Revenue Fund: (Continued)</b>				
<b>School Food Service Fund: (Continued)</b>				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 8,000	\$ 8,000	\$ 7,542	\$ (458)
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 274,980	\$ 274,980	\$ 300,878	\$ 25,898
Total categorical aid	<u>274,980</u>	<u>274,980</u>	<u>300,878</u>	<u>25,898</u>
Total revenue from the federal government	<u>274,980</u>	<u>274,980</u>	<u>300,878</u>	<u>25,898</u>
Total School Food Service Fund	<u>\$ 784,280</u>	<u>\$ 785,245</u>	<u>\$ 841,648</u>	<u>\$ 56,403</u>
<b>Capital Projects Funds:</b>				
<b>School Capital Projects Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Donations	\$ -	\$ 39,585	\$ 13,996	\$ (25,589)
Total miscellaneous	<u>-</u>	<u>39,585</u>	<u>13,996</u>	<u>(25,589)</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ 39,585</u>	<u>\$ 13,996</u>	<u>\$ (25,589)</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Clarke, Virginia	\$ -	\$ 3,109,486	\$ 1,126,440	\$ (1,983,046)
Revenue from the Commonwealth:				
Categorical aid:				
Technology grant	\$ 154,000	\$ 328,725	\$ 54,598	\$ (274,127)
Total revenue from the Commonwealth	<u>\$ 154,000</u>	<u>\$ 328,725</u>	<u>\$ 54,598</u>	<u>\$ (274,127)</u>
Total School Capital Projects Fund	<u>\$ 154,000</u>	<u>\$ 3,477,796</u>	<u>\$ 1,195,034</u>	<u>\$ (2,282,762)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 22,475,990</u>	<u>\$ 25,800,751</u>	<u>\$ 22,863,820</u>	<u>\$ (2,936,931)</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 58,964	\$ 59,616	\$ 56,713	\$ 2,903
General and financial administration:				
County administrator	\$ 300,415	\$ 302,738	\$ 302,700	\$ 38
Independent auditor	34,500	34,500	32,400	2,100
Legal services	70,000	70,000	28,576	41,424
Commissioner of revenue	203,717	206,540	205,187	1,353
Assessor	3,500	3,600	3,500	100
Data processing	287,244	289,993	274,583	15,410
Finance and purchasing	536,453	536,453	541,845	(5,392)
Treasurer	268,891	270,515	270,514	1
Total general and financial administration	\$ 1,704,720	\$ 1,714,339	\$ 1,659,305	\$ 55,034
Board of elections:				
Registrar	\$ 72,797	\$ 73,937	\$ 72,837	\$ 1,100
Electoral board and officials	43,308	43,314	31,337	11,977
Total board of elections	\$ 116,105	\$ 117,251	\$ 104,174	\$ 13,077
Total general government administration	\$ 1,879,789	\$ 1,891,206	\$ 1,820,192	\$ 71,014
Judicial administration:				
Courts:				
Circuit court	\$ 12,680	\$ 13,585	\$ 13,585	-
General district court	3,700	6,549	6,548	1
Magistrate	400	400	97	303
Juvenile and domestic relations court	2,990	4,568	4,568	-
Clerk of the circuit court	248,563	259,160	250,722	8,438
Victim Witness Program	41,976	48,005	44,835	3,170
Regional court services	4,494	4,494	4,494	-
Blue Ridge legal services	1,500	1,500	1,500	-
Total courts	\$ 316,303	\$ 338,261	\$ 326,349	\$ 11,912
Commonwealth's attorney:				
Commonwealth's attorney	\$ 309,990	\$ 324,023	\$ 302,921	\$ 21,102
Total commonwealth's attorney	\$ 309,990	\$ 324,023	\$ 302,921	\$ 21,102
Total judicial administration	\$ 626,293	\$ 662,284	\$ 629,270	\$ 33,014

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,481,979	\$ 1,516,469	\$ 1,510,814	\$ 5,655
Criminal justice training	18,582	19,068	19,067	1
Drug task force	12,500	12,014	11,557	457
Total law enforcement and traffic control	<u>\$ 1,513,061</u>	<u>\$ 1,547,551</u>	<u>\$ 1,541,438</u>	<u>\$ 6,113</u>
Fire and rescue services:				
Emergency medical services	\$ 621,643	\$ 695,505	\$ 695,504	1
Communications	696,007	709,535	670,192	39,343
Fire and rescue departments	248,585	250,414	250,413	1
Lord Fairfax Emergency Medical Services	5,422	5,422	5,422	-
Forestry services	2,712	2,712	2,712	-
Total fire and rescue services	<u>\$ 1,574,369</u>	<u>\$ 1,663,588</u>	<u>\$ 1,624,243</u>	<u>\$ 39,345</u>
Correction and detention:				
Regional jail	\$ 515,422	\$ 520,768	\$ 520,768	-
Juvenile detention home	31,008	31,008	30,560	448
Probation office	800	800	70	730
Total correction and detention	<u>\$ 547,230</u>	<u>\$ 552,576</u>	<u>\$ 551,398</u>	<u>\$ 1,178</u>
Inspections:				
Building	\$ 144,092	\$ 145,878	\$ 134,503	\$ 11,375
Total inspections	<u>\$ 144,092</u>	<u>\$ 145,878</u>	<u>\$ 134,503</u>	<u>\$ 11,375</u>
Other protection:				
Animal control	\$ 128,744	\$ 110,616	\$ 101,856	\$ 8,760
Medical examiner	1,000	1,000	100	900
Total other protection	<u>\$ 129,744</u>	<u>\$ 111,616</u>	<u>\$ 101,956</u>	<u>\$ 9,660</u>
Total public safety	<u>\$ 3,908,496</u>	<u>\$ 4,021,209</u>	<u>\$ 3,953,538</u>	<u>\$ 67,671</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 100,000	\$ 135,559	\$ 135,558	1
Sanitation	162,377	162,828	162,827	1
Litter control program	3,000	3,271	3,270	1
Total sanitation and waste removal	<u>\$ 265,377</u>	<u>\$ 301,658</u>	<u>\$ 301,655</u>	<u>\$ 3</u>

Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2016 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
<b>Public Works: (continued)</b>				
Maintenance of general buildings and grounds:				
General properties	\$ 824,209	\$ 824,209	\$ 785,712	\$ 38,497
Total maintenance of general buildings and grounds	\$ 824,209	\$ 824,209	\$ 785,712	\$ 38,497
Total public works	\$ 1,089,586	\$ 1,125,867	\$ 1,087,367	\$ 38,500
<b>Health and welfare:</b>				
<b>Health:</b>				
Supplement of local health department	\$ 218,594	\$ 218,594	\$ 218,594	\$ -
Our Health	5,000	5,000	5,000	-
Total health	\$ 223,594	\$ 223,594	\$ 223,594	\$ -
<b>Mental health and mental retardation:</b>				
Northwestern Community Services	\$ 88,000	\$ 88,000	\$ 88,000	\$ -
Concern Hotline	750	750	750	-
Northern Shen. Valley Substance Abuse Coalition	-	15,000	15,000	-
NW Works	1,000	1,000	1,000	-
Total mental health and mental retardation	\$ 89,750	\$ 104,750	\$ 104,750	\$ -
<b>Welfare:</b>				
Shenandoah area on aging	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Virginia Regional Transit	19,302	19,302	19,302	-
FISH human services	1,000	1,000	1,000	-
Abused women's shelter	2,000	2,000	2,000	-
Tax relief for the elderly	-	-	219,993	(219,993)
Independent living center	750	750	750	-
Total welfare	\$ 63,052	\$ 63,052	\$ 283,045	\$ (219,993)
Total health and welfare	\$ 376,396	\$ 391,396	\$ 611,389	\$ (219,993)
<b>Education:</b>				
<b>Other instructional costs:</b>				
Contribution to Clarke County Public Schools	\$ 14,873,526	\$ 14,873,526	\$ 12,011,771	\$ 2,861,755
Lord Fairfax Community College	15,580	15,580	15,580	-
Total education	\$ 14,889,106	\$ 14,889,106	\$ 12,027,351	\$ 2,861,755
<b>Parks, recreation, and cultural:</b>				
<b>Parks and recreation:</b>				
Supervision of parks and recreation	\$ 391,613	\$ 395,598	\$ 377,304	\$ 18,294
Recreation center	102,423	104,552	99,307	5,245
Swimming pool	87,154	87,154	66,656	20,498
Concession stand	14,841	14,841	12,454	2,387
Programs	254,084	255,671	201,798	53,873
Total parks and recreation	\$ 850,115	\$ 857,816	\$ 757,519	\$ 100,297

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Parks, recreation, and culture: (continued)				
Cultural enrichment:				
Barns of Rose Hill	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Virginia commission for the arts	10,000	10,000	10,000	-
Total cultural enrichment	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ -</u>
Library:				
Contribution to Handley library	\$ 190,000	\$ 190,000	\$ 190,000	\$ -
Total library	<u>\$ 190,000</u>	<u>\$ 190,000</u>	<u>\$ 190,000</u>	<u>\$ -</u>
Total parks, recreation, and cultural	<u>\$ 1,055,115</u>	<u>\$ 1,062,816</u>	<u>\$ 962,519</u>	<u>\$ 100,297</u>
Community development:				
Planning and community development:				
Planning administration	\$ 380,073	\$ 384,129	\$ 384,129	\$ -
Help with housing	5,400	5,400	5,400	-
Board of zoning appeals	3,470	3,470	3,321	149
Office of Economic Development	109,544	92,261	47,928	44,333
Berryville Development Authority	4,100	4,100	1,676	2,424
Small business development center	1,500	1,500	1,500	-
Blandy Experimental Farm	3,000	3,000	3,000	-
Planning commission	22,250	22,306	8,041	14,265
Board of septic appeals	720	2,035	2,034	1
Historic preservation	8,000	8,000	7,861	139
Northern Shenandoah Valley Regional Commission	7,329	7,329	7,329	-
Regional airport	2,500	2,500	2,500	-
Total planning and community development	<u>\$ 547,886</u>	<u>\$ 536,030</u>	<u>\$ 474,719</u>	<u>\$ 61,311</u>
Environmental management:				
Friends of the Shenandoah	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
Water quality monitoring	30,000	30,000	30,000	-
Lord Fairfax Soil and Water Conservation	5,000	5,000	5,000	-
Biosolids Application	14,459	14,506	4,860	9,646
Total environmental management	<u>\$ 52,459</u>	<u>\$ 52,506</u>	<u>\$ 42,860</u>	<u>\$ 9,646</u>
Cooperative extension program:				
Cooperative extension service	\$ 40,736	\$ 41,736	\$ 41,633	\$ 103
Northern Virginia 4-H Center	2,300	2,300	2,300	-
Total cooperative extension program	<u>\$ 43,036</u>	<u>\$ 44,036</u>	<u>\$ 43,933</u>	<u>\$ 103</u>
Total community development	<u>\$ 643,381</u>	<u>\$ 632,572</u>	<u>\$ 561,512</u>	<u>\$ 71,060</u>



Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Nondepartmental:				
Miscellaneous	\$ -	\$ -	\$ 250	\$ (250)
Unemployment compensation	17,000	17,000	12,706	4,294
Legal/professional services contingency	182,000	2,903	-	2,903
Total nondepartmental	<u>\$ 199,000</u>	<u>\$ 19,903</u>	<u>\$ 12,956</u>	<u>\$ 6,947</u>
Total General Fund	<u>\$ 24,667,162</u>	<u>\$ 24,696,359</u>	<u>\$ 21,666,094</u>	<u>\$ 3,030,265</u>
<b>Special Revenue Funds:</b>				
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Public assistance and welfare administration	\$ 1,445,745	\$ 1,458,685	\$ 1,458,685	\$ -
Total health and welfare	<u>\$ 1,445,745</u>	<u>\$ 1,458,685</u>	<u>\$ 1,458,685</u>	<u>\$ -</u>
Total Virginia Public Assistance Fund	<u>\$ 1,445,745</u>	<u>\$ 1,458,685</u>	<u>\$ 1,458,685</u>	<u>\$ -</u>
<b>Comprehensive Services Act Fund:</b>				
Health and welfare:				
Welfare and social services:				
Program expenditures	\$ 972,948	\$ 972,948	\$ 591,785	\$ 381,163
Total health and welfare	<u>\$ 972,948</u>	<u>\$ 972,948</u>	<u>\$ 591,785</u>	<u>\$ 381,163</u>
Total CSA Fund	<u>\$ 972,948</u>	<u>\$ 972,948</u>	<u>\$ 591,785</u>	<u>\$ 381,163</u>
<b>Drug Enforcement Fund:</b>				
Public Safety:				
Public Safety				
Operations	\$ -	\$ -	\$ 120,395	\$ (120,395)
Total public safety	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,395</u>	<u>\$ (120,395)</u>
Total Drug Enforcement Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,395</u>	<u>\$ (120,395)</u>
<b>Conservation Easement Fund:</b>				
Community development:				
Development rights				
Development rights	\$ 30,000	\$ 288,362	\$ 288,361	\$ 1
Total Conservation Easement Fund	<u>\$ 30,000</u>	<u>\$ 288,362</u>	<u>\$ 288,361</u>	<u>\$ 1</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Debt Service Fund:</b>				
<b>School Debt Service Fund:</b>				
Debt service:				
Principal retirement	\$ 2,847,195	\$ 2,474,772	\$ 2,474,772	\$ -
Interest and other fiscal charges	999,750	1,372,174	1,372,174	-
Total School Debt Service Fund	<u>\$ 3,846,945</u>	<u>\$ 3,846,946</u>	<u>\$ 3,846,946</u>	<u>\$ -</u>
<b>Primary Government Debt Service Fund:</b>				
Debt service:				
Principal retirement	\$ 273,801	\$ 172,039	\$ 172,039	-
Interest and other fiscal charges	71,899	173,661	173,661	-
Total Primary Government Debt Service	<u>\$ 345,700</u>	<u>\$ 345,700</u>	<u>\$ 345,700</u>	<u>\$ -</u>
<b>Capital Projects Fund:</b>				
<b>General Government Capital Projects Fund:</b>				
Capital projects expenditures:				
Communications equipment	\$ 72,000	\$ 232,968	\$ 112,615	\$ 120,353
Sheriff's renovations	-	31,833	10,663	21,170
Vehicles	30,000	52,569	51,086	1,483
Baseball field lighting	-	20,335	20,335	-
Office renovations	-	22,420	2,107	20,313
Technology and equipment improvements	153,000	129,308	54,208	75,100
Sheriff vehicles	91,000	92,678	91,185	1,493
Spout run improvements	-	343,279	37,672	305,607
Greenway court preservation	-	103,900	50,673	53,227
Tourism signs	-	20,000	-	20,000
Fire/EMS chase vehicle	65,000	65,000	-	65,000
Fire/EMS personal protective equipment	89,530	89,530	-	89,530
Sitework	-	56,489	35,520	20,969
HVAC	-	18,773	8,473	10,300
Roofing	-	136,633	-	136,633
Systems integration	-	288,524	120,178	168,346
Sheriff equipment	-	1,330	-	1,330
Economic development	-	116,434	14,000	102,434
Reassessment	-	27,470	22,385	5,085
Parks - Shelter	-	90,800	-	90,800
Swimming pool	119,900	119,900	-	119,900
Painting and flooring	-	27,462	6,675	20,787
Paving	22,500	72,500	-	72,500
Voting equipment	48,000	110,000	109,258	742
Landscaping	-	15,375	-	15,375
Buildings	-	72,973	-	72,973
Fencing - ballfield and pool	10,000	34,456	3,420	31,036
Citizens convenience center	35,000	35,000	5,259	29,741
Total General Government Capital Projects Fund	<u>\$ 735,930</u>	<u>\$ 2,427,939</u>	<u>\$ 755,712</u>	<u>\$ 1,672,227</u>
Total Primary Government	<u>\$ 32,044,430</u>	<u>\$ 34,036,939</u>	<u>\$ 29,073,678</u>	<u>\$ 4,963,261</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board</b>				
<b>School Operating Fund:</b>				
Education:				
Instruction	\$ 16,500,103	\$ 16,532,092	\$ 16,143,703	\$ 388,389
Administration, attendance and health	1,537,049	1,554,732	1,552,295	2,437
Pupil transportation services	1,181,469	1,100,561	993,379	107,182
Operation and maintenance services	2,284,089	2,315,325	2,137,761	177,564
Total School Operating Fund	<u>\$ 21,502,710</u>	<u>\$ 21,502,710</u>	<u>\$ 20,827,138</u>	<u>\$ 675,572</u>
<b>Special Revenue Fund:</b>				
<b>School Food Service Fund:</b>				
Education:				
School food services:				
Administration of school food program	\$ 820,245	\$ 820,245	\$ 808,455	\$ 11,790
Total School Food Service Fund	<u>\$ 820,245</u>	<u>\$ 820,245</u>	<u>\$ 808,455</u>	<u>\$ 11,790</u>
<b>Capital Projects Fund:</b>				
<b>School Capital Projects Fund:</b>				
Capital projects expenditures:				
Band equipment	\$ 17,000	\$ 52,000	\$ 44,927	\$ 7,073
Athletic equipment and uniforms	-	10,410	4,044	6,366
Furniture replacement	20,000	75,732	29,354	46,378
Radon testing/remediation	-	103,604	85,879	17,725
Bus purchases	140,000	164,590	152,790	11,800
School vehicles	13,000	58,993	53,602	5,391
School security system	-	985	985	-
Instructional supplies	-	376	-	376
Fencing	115,000	148,675	148,645	30
School food - service equipment	-	31,167	17,925	13,242
Cooley Upper landscape	-	3,238	975	2,263
HVAC	18,000	514,471	165,845	348,626
Strategic space planning	-	6,500	6,500	-
Roof replacements	-	417,200	19,698	397,502
Flooring replacements	20,000	24,536	6,245	18,291
Modular classroom removal	-	5,278	-	5,278
Security improvements	60,000	276,298	69,737	206,561
Surfacing	10,000	70,803	11,036	59,767
Boyce playground	-	15,000	-	15,000
Technology	329,000	737,406	271,287	466,119
Dorsch scholarship fund	-	39,585	13,996	25,589
Berryville Primary renovation	-	551,929	47,555	504,374
Cooley Upper renovation	85,000	-	-	-
Signs	-	9,111	671	8,440
Painting	25,000	64,867	25,170	39,697
Cooley Lower renovation	-	95,042	18,168	76,874
Total capital projects	<u>\$ 852,000</u>	<u>\$ 3,477,796</u>	<u>\$ 1,195,034</u>	<u>\$ 2,282,762</u>
Total School Capital Projects Fund	<u>\$ 852,000</u>	<u>\$ 3,477,796</u>	<u>\$ 1,195,034</u>	<u>\$ 2,282,762</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 23,174,955</u>	<u>\$ 25,800,751</u>	<u>\$ 22,830,627</u>	<u>\$ 2,970,124</u>

## Other Statistical Information

COUNTY OF CLARKE, VIRGINIA

Government-Wide Expenses by Function  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government Administration</u>	<u>Judicial Administration</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Health and Welfare</u>
2006-07	\$ 1,696,286	\$ 420,489	\$ 3,307,884	\$ 1,157,030	\$ 2,565,678
2007-08	2,060,607	421,845	3,447,907	1,244,607	2,136,119
2008-09	2,002,482	436,680	3,612,168	1,155,450	2,388,506
2009-10	1,804,666	440,855	3,719,972	852,209	2,672,185
2010-11	1,905,789	406,759	3,205,467	900,060	2,447,164
2011-12	1,943,393	424,222	3,466,939	970,017	2,501,215
2012-13	2,039,336	566,006	3,462,973	1,001,606	2,101,344
2013-14	2,085,415	595,926	3,515,863	883,176	2,258,462
2014-15	2,228,785	598,469	4,414,115	863,529	2,418,330
2015-16	2,234,482	602,451	4,094,648	943,504	2,645,527

Table 1

	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long- Term Debt	Sanitary Authority	IDA	Total
\$	21,446,988	\$ 898,356	\$ 1,267,673	\$ 1,289,965	\$ 556,260	\$ 12,371	\$ 34,618,980
	22,132,397	961,293	1,096,427	1,761,950	633,795	18,030	35,914,977
	21,529,346	995,410	924,413	1,413,426	613,951	6,236	35,078,068
	21,883,310	980,707	2,475,922	1,679,649	639,747	10,032	37,159,254
	20,984,893	969,405	991,056	1,832,949	832,459	10,501	34,486,502
	21,767,329	1,001,174	708,196	2,061,986	867,469	9,081	35,721,021
	22,974,665	1,018,007	1,098,325	1,777,739	946,254	419,373	37,405,628
	23,785,661	999,980	1,656,333	1,671,404	895,992	8,714	38,356,926
	23,617,577	1,048,103	980,692	1,559,976	958,018	10,235	38,697,829
	23,362,861	1,046,407	866,154	1,453,276	928,141	10,090	38,187,542

COUNTY OF CLARKE, VIRGINIA

Government-Wide Revenues  
Last Ten Fiscal Years (1)

Fiscal Year	PROGRAM REVENUES		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
2006-07	\$ 2,235,396	\$ 11,865,571	\$ 1,137,027
2007-08	2,326,605	11,941,509	1,162,277
2008-09	2,045,018	12,366,784	574,420
2009-10	2,217,128	11,769,147	3,374,914
2010-11	2,616,152	11,706,825	406,085
2011-12	2,422,452	11,747,408	439,405
2012-13	2,346,633	12,006,615	810,499
2013-14	2,312,708	12,076,289	1,297,384
2014-15	2,461,210	12,840,732	1,006,920
2015-16	2,836,090	12,758,636	405,142

(1) Includes discretely presented component units.

(2) In fiscal year 2010, communications tax reporting was moved from Other Local Taxes to Grants and Contributions Not Restricted to Specific Programs

Table 2

GENERAL REVENUES						
General Property Taxes	Other Local Taxes (2)	Unrestricted revenues from money or property	Miscella- neous	Grants and Contributions Not Restricted to Specific Programs	Gain (Loss) on Disposal of Asset	Total
\$ 15,104,767	\$ 2,457,607	\$ 1,265,352	\$ 480,258	\$ 2,728,288	\$ -	\$ 37,274,266
16,045,705	2,350,951	1,757,156	448,435	2,957,252	-	38,989,890
16,834,336	2,222,936	744,769	440,076	2,976,959	-	38,205,298
17,174,992	1,682,254	403,628	295,794	3,106,207	(42,433)	39,981,631
17,655,465	1,653,965	312,727	272,123	2,995,371	-	37,618,713
17,478,712	1,814,930	181,632	783,751	3,043,021	-	37,911,311
18,046,810	1,855,520	168,355	324,211	2,982,591	3,336	38,544,570
18,649,133	1,849,613	140,606	452,072	3,004,576	-	39,782,381
19,310,001	1,777,225	134,424	318,395	3,034,774	-	40,883,681
19,413,693	1,890,387	159,519	530,063	3,012,561	-	41,006,091



COUNTY OF CLARKE, VIRGINIA

General Governmental Expenditures by Function (1)  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government Administration</u>	<u>Judicial Administration</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Health and Welfare</u>	<u>Education (2)</u>
2006-07	\$ 1,148,248	\$ 419,882	\$ 3,101,165	\$ 1,145,874	\$ 2,581,195	\$ 19,688,323
2007-08	1,277,128	418,960	3,288,061	1,125,273	2,155,592	20,273,221
2008-09	1,250,373	433,671	3,363,061	989,119	2,372,269	20,593,066
2009-10	1,269,798	435,732	3,287,873	796,207	2,616,419	19,745,229
2010-11	1,758,864	406,846	3,300,190	866,886	2,558,292	19,753,538
2011-12	1,705,944	422,609	3,291,332	971,266	2,480,546	19,362,230
2012-13	1,723,450	566,436	3,512,071	949,685	2,115,119	21,498,917
2013-14	1,742,173	595,936	3,536,630	898,325	2,251,459	20,891,004
2014-15	1,772,923	618,450	4,115,259	1,003,202	2,438,840	21,320,100
2015-16	1,820,192	629,270	4,073,933	1,087,367	2,661,859	21,651,173

(1) Includes General, Special Revenue, Debt Service and Capital Project funds of the Primary Government and its Discretely Presented Component Unit - School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

Table 3

	<u>Parks, Recreation, and Cultural</u>	<u>Community Development</u>	<u>Non- departmental</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
\$	828,018	\$ 1,244,788	\$ 429,871	\$ 1,460,101	\$ 4,595,984	\$ 36,643,449
	886,456	1,068,892	486,779	4,011,771	5,360,875	40,353,008
	902,369	891,594	528,021	3,766,858	6,505,229	41,595,630
	887,006	2,517,665	506,161	3,850,058	3,141,660	39,053,808
	900,137	814,400	3,531	4,087,218	16,577,174	51,027,076
	920,144	721,318	1,242	4,497,146	14,668,743	49,042,520
	948,452	1,081,175	11,430	4,420,922	3,381,480	40,209,137
	929,900	1,648,207	(336)	4,286,713	7,654,661	44,434,672
	952,685	984,087	18,980	4,379,113	3,055,653	40,659,292
	962,519	849,873	12,956	4,192,646	1,950,746	39,892,534

COUNTY OF CLARKE, VIRGINIA

General Governmental Revenues by Source (1)  
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes (3)	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services
2006-07	\$ 15,027,301	\$ 2,457,607	\$ 409,494	\$ 306,494	\$ 1,562,945	\$ 1,183,139
2007-08	16,150,133	2,350,951	432,043	238,256	1,749,052	1,316,037
2008-09	16,206,520	2,222,936	295,830	265,963	747,635	1,112,975
2009-10	17,169,972	1,682,254	231,078	224,547	367,505	1,203,527
2010-11	17,351,499	1,653,965	326,865	381,509	293,560	1,467,079
2011-12	17,569,637	1,814,930	236,880	362,725	165,093	1,338,568
2012-13	17,940,641	1,855,520	238,733	347,687	161,139	1,277,309
2013-14	18,466,352	1,849,613	286,818	237,835	135,704	1,280,108
2014-15	19,407,675	1,777,225	266,539	303,637	130,204	1,359,581
2015-16	19,333,566	1,890,387	280,280	282,771	157,216	1,683,871

(1) Includes General, Special Revenue, Debt Service and Capital Project funds of the Primary Government and its Discretely Presented Component Unit - School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

(3) In fiscal year 2010, communications tax reporting was moved from Other Local Taxes to Intergovernmental Revenue.

Table 4

<u>Miscellaneous</u>	<u>Recovered Costs</u>	<u>Inter- governmental (2)</u>	<u>Subtotal</u>	<u>Proceeds From Debt</u>	<u>Total</u>
\$ 569,111	\$ 286,346	\$ 15,310,686	\$ 37,113,123	\$ 29,511,710	\$ 66,624,833
315,074	114,879	15,274,338	37,940,763	2,805,396	40,746,159
153,293	486,361	15,087,521	36,579,034	1,371,046	37,950,080
175,218	252,483	16,313,208	37,619,792	9,900,172	47,519,964
141,845	315,412	14,907,445	36,839,179	567,178	37,406,357
648,323	263,772	15,004,334	37,404,262	307,792	37,712,054
194,021	351,897	15,978,905	38,165,852	-	38,165,852
334,942	258,406	16,348,249	39,198,027	-	39,198,027
182,402	159,612	16,822,126	40,409,001	-	40,409,001
381,357	306,993	15,846,412	40,162,853	-	40,162,853

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1), (2)	Current Tax Collections (1), (4)	Percent of Levy Collected	Delinquent Tax Collections (1), (3)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2006-07	\$ 16,926,279	\$ 17,029,772	100.61%	\$ 216,803	\$ 17,246,575	101.89%	\$ 1,416,900	8.37%
2007-08	18,057,673	17,846,889	98.83%	388,062	18,234,951	100.98%	1,206,020	6.68%
2008-09	18,811,655	18,342,029	97.50%	184,729	18,526,758	98.49%	1,806,318	9.60%
2009-10	19,462,691	19,093,650	98.10%	277,314	19,370,964	99.53%	1,834,072	9.42%
2010-11	19,716,647	19,437,175	98.58%	144,661	19,581,836	99.32%	1,939,623	9.84%
2011-12	19,776,620	19,650,841	99.36%	140,961	19,791,802	100.08%	2,008,440	10.16%
2012-13	19,976,661	20,033,782	100.29%	94,917	20,128,699	100.76%	1,991,275	9.97%
2013-14	20,499,518	20,661,349	100.79%	45,265	20,706,614	101.01%	2,261,984	11.03%
2014-15	20,980,117	21,454,716	102.26%	74,554	21,529,270	102.62%	2,096,823	9.99%
2015-16	21,383,904	21,275,444	99.49%	19,419	21,294,863	99.58%	2,095,157	9.80%

(1) Exclusive of penalties and interest.

(2) 1999-00 was the first year for personal property tax relief by the Commonwealth of Virginia.

(3) Delinquent tax collections are exclusive of land redemptions.

(4) In calendar year 2006 PPTRA was established as a fixed amount by the Commonwealth. Payments will be received on specified dates, not necessarily corresponding with tax collections.

Assessed Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Public Utility (2)		Total
				Real Estate	Personal Property	
2006-07	\$ 2,379,976,523	\$ 134,031,694	\$ 23,092,118	\$ 44,713,209	\$ -	\$ 2,581,813,544
2007-08	2,441,782,816	147,619,698	23,665,552	46,902,741	-	2,659,970,807
2008-09	2,486,836,400	116,384,130	21,681,568	51,387,105	-	2,676,289,203
2009-10	2,226,939,452	121,592,042	19,086,630	54,229,648	-	2,421,847,772
2010-11	2,189,128,079	125,806,164	17,424,033	56,051,400	-	2,388,409,676
2011-12	2,190,224,504	128,161,170	16,579,941	62,777,134	-	2,397,742,749
2012-13	2,195,199,863	133,156,000	15,478,677	63,758,974	-	2,407,593,514
2013-14	2,202,442,172	137,517,528	14,729,940	64,243,208	-	2,418,932,848
2014-15	2,209,918,924	140,683,592	14,079,731	64,514,825	-	2,429,197,072
2015-16	2,125,953,962	146,341,321	15,926,677	67,026,398	-	2,355,248,358

(1) Real estate is assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

Property Tax Rates (1)  
Last Ten Fiscal Years

Fiscal Year	(2) Real Estate	Mobile Homes	Personal Property	Rescue Vehicles	Machinery and Tools	Public Utility	
						Real Estate (2)	Personal Property
2006-07	\$ .45/.48	\$ .45/.48	\$ 4.00	\$ 2.00	\$ 1.25	\$ .45/.48	\$ 4.00
2007-08	.48/.50	.48/.50	4.00	2.00	1.25	.48/.50	4.00
2008-09	.50/.53	.50/.53	4.00/4.81	2/2.41	1.25	.50/.53	4.00
2009-10	.53/.62	.53/.62	4.81/4.83	2.41/2.41	1.25	0.53	4.00
2010-11	.62/.62	.62/.62	4.83/4.69	2.41/2.35	1.25	0.62	4.00
2011-12	.62/.63	.62/.63	4.69/4.496	2.35/2.248	1.25	0.62	n/a
2012-13	.63/.63	.63/.63	4.496/4.496	2.248/2.248	1.25	0.63	n/a
2013-14	.63/.655	.63/.655	4.496/4.496	2.248/2.248	1.25	0.63	n/a
2014-15	.655/.655	.655/.655	4.496/4.496	2.248/2.248	1.25	0.655	n/a
2015-16	.655/.72	.655/.72	4.496/4.496	2.248/2.248	1.25	0.655	n/a

(1) Per \$100 of assessed value.

(2) The County collects property taxes based on installments. Calendar year 2006 was a reassessment year for real property. The tax neutral rate for calendar year 2006 was computed to be \$.42/100. The rate for the first half of fiscal year 2006 was \$.81/100 (calendar year 2005); for the second half of fiscal year 2006, the rate was \$.45/100 (calendar year 2006) an effective tax increase of 7%.

Ratio of Net General Bonded Debt to  
Assessed Value and Net Bonded Debt Per Capita  
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross & Net Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2006-07	14,565	\$ 2,581,814	\$ 36,773,330	1.42%	\$ 2,525
2007-08	14,565	2,659,971	37,154,725	1.40%	2,551
2008-09	14,565	2,676,289	36,767,291	1.37%	2,524
2009-10	14,565	2,421,848	44,596,490	1.84%	3,062
2010-11	14,458	2,388,410	43,187,940	1.81%	2,987
2011-12	14,458	2,397,743	36,753,000	1.53%	2,542
2012-13	14,458	2,407,594	34,490,500	1.43%	2,386
2013-14	14,348	2,418,933	32,208,000	1.33%	2,245
2014-15	14,423	2,429,197	29,814,000	1.23%	2,067
2015-16	14,423	2,355,248	27,400,000	1.16%	1,900

(1) <http://quickfacts.census.gov/>

(2) Real property assessed at 100% of fair market value.

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans. Excludes revenue bonds, landfill closure/post-closure care liability, capital leases, compensated absences, and VRS obligations.



General Government Capital Projects Carryover Budget Allocations

	FY 15 Carryover	FY 16 Original Budget	FY16 Project Transfers	FY16 Supplemental Budget	Final Budget
Expenditures:					
Sheriff's Equipment (fingerprinting, etc.)	\$ 1,330	\$ -	\$ -	\$ -	\$ 1,330
HVAC	18,773	-	-	-	18,773
Emergency Medical Dispatch-Total Response System	11,321	-	-	-	11,321
Pool Repair	-	119,900	-	-	119,900
Auto Replacement	22,569	30,000	-	-	52,569
Reassessment	27,470	-	-	-	27,470
Tourism signs	-	-	-	20,000	20,000
Sheriff's Vehicles	1,678	91,000	-	-	92,678
Sheriff's Mobile Radios/Repeaters	68,000	72,000	81,647	-	221,647
Fencing - Ballfield and Pool	24,456	10,000	-	-	34,456
Voting Equipment	62,000	48,000	-	-	110,000
Technology improvements	35,308	153,000	(59,000)	-	129,308
Old Park Office Modifications	88,220	-	(65,800)	-	22,420
Park lighting	-	-	20,335	-	20,335
New park shelter	-	-	65,800	25,000	90,800
Painting and flooring	15,962	-	11,500	-	27,462
Asphalt/Sidewalk	50,000	22,500	-	-	72,500
Fire/EMS protective equipment	-	89,530	-	-	89,530
Economic Development construction	116,434	-	-	-	116,434
Citizens' Convenience Center	-	35,000	-	-	35,000
Fire/EMS chase vehicle	-	65,000	-	-	65,000
Sheriff's Building Renovation	124,980	-	(93,147)	-	31,833
Roofing	136,633	-	-	-	136,633
Landscaping	15,375	-	-	-	15,375
Parks Sitework & Parking	76,824	-	(20,335)	-	56,489
General District Court Repairs	72,973	-	-	-	72,973
Systems Integration	229,524	-	59,000	-	288,524
Spout run improvement EPA	287,787	-	-	-	287,787
Spout run improvement NFWF	55,492	-	-	-	55,492
Greenway court preservation	-	-	-	103,900	103,900
<b>Total expenditures</b>	<b>\$ 1,543,109</b>	<b>\$ 735,930</b>	<b>\$ -</b>	<b>\$ 148,900</b>	<b>\$ 2,427,939</b>

School Board Capital Projects Carryover Budget Allocations

	FY 15 Carryover	FY 16 Original Budget	FY16 Project Transfers	FY16 Supplemental Budget	Final Budget
Expenditures:					
School Furniture Replacement	\$ 57,732	\$ 20,000	\$ (2,000)	\$ -	\$ 75,732
Dorsch Scholarship	-	-	-	39,585	39,585
Uniform Replacements and Band Instruments	-	17,000	-	35,000	52,000
Athletic Equipment and Uniforms	10,410	-	-	-	10,410
Truck and Tractor	25,000	-	(25,000)	-	-
Buses	24,590	140,000	-	-	164,590
Passenger Vehicle	5,393	13,000	25,600	15,000	58,993
Modular Classroom Removal	7,680	-	(2,402)	-	5,278
Facilities - Technology	174,725	154,000	-	-	328,725
Technology	61,842	175,000	(9,027)	-	227,815
Elementary Electrical Upgrades	22,269	-	(22,269)	-	-
School Food	31,167	-	-	-	31,167
School Food Technology	-	-	9,027	-	9,027
School Painting	39,867	25,000	-	-	64,867
HVAC	87,802	18,000	108,669	300,000	514,471
Playground Match PTO - Boyce	15,000	-	-	-	15,000
Signage	9,111	-	-	-	9,111
School Roof Replacements	167,200	-	-	250,000	417,200
Fencing Replacements	23,675	115,000	10,000	-	148,675
Flooring	43,140	20,000	(38,604)	-	24,536
Security Improvements	131,328	60,000	84,970	-	276,298
Security Grant	955	-	30	-	985
Track and Asphalt	40,803	-	(10,000)	-	30,803
Paving/Sidewalk Repairs and Improvements	30,000	10,000	-	-	40,000
Cooley Upper Landscaping	3,238	-	-	-	3,238
Radon Testing and Remediation	10,000	-	93,604	-	103,604
ERP System	171,839	-	-	-	171,839
Former High Renovation	210,042	-	(115,000)	-	95,042
DG Cooley Renovation	-	85,000	(85,000)	-	-
ADA Compliance	25,000	-	(25,000)	-	-
STEM Equipment	376	-	-	-	376
Berryville Primary Renovation	48,993	-	-	502,936	551,929
Strategic Space Planning	4,098	-	2,402	-	6,500
<b>Total expenditures</b>	<b>\$ 1,483,275</b>	<b>\$ 852,000</b>	<b>\$ -</b>	<b>\$ 1,142,521</b>	<b>\$ 3,477,796</b>

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## Compliance

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# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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To The Honorable Members of the Board of Supervisors  
County of Clarke  
Berryville, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Clarke, Virginia as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County of Clarke, Virginia's basic financial statements, and have issued our report thereon dated January 3, 2017.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Clarke, Virginia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Clarke, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Clarke, Virginia's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management, or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Clarke, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DRAFT

Charlottesville, Virginia  
January 3, 2017

# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To The Honorable Members of the Board of Supervisors  
County of Clarke  
Berryville, Virginia

### Report on Compliance for Each Major Federal Program

We have audited County of Clarke, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Clarke, Virginia's major federal programs for the year ended June 30, 2016. County of Clarke, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions applicable to its federal programs.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of County of Clarke, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Clarke Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of County of Clarke, Virginia's compliance.

### *Opinion on Each Major Federal Program*

In our opinion, County of Clarke, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.



## ***Report on Internal Control over Compliance***

Management of County of Clarke, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County of Clarke, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Clarke, Virginia's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

DRAFT

Charlottesville, Virginia  
January 3, 2017

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2016

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Promoting Safe and Stable Families	93.556	0950115	\$ 13,478
Temporary Assistance For Needy Families (TANF)	93.558	0400115/0400116	70,863
Refugee and Entrant Assistance - State Administered Programs	93.566	0500115/0500116	136
Low-income Home Energy Assistance	93.568	0600415/0600416	6,960
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760115/0760116	15,678
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900115/0900116	526
Foster Care - Title IV-E	93.658	1100115/1100116	101,165
Adoption Assistance	93.659	1120115/1120116	29,790
Social Services Block Grant	93.667	1000115/1000116	75,258
Chafee Foster Care Independence Program	93.674	9150115/9150116	486
Children's Health Insurance Program (CHIP)	93.767	0540115/0540116	6,717
Medical Assistance Program	93.778	1200115/1200116	212,269
Total Department of Health and Human Services			<u>\$ 533,326</u>
Department of Agriculture:			
Direct Payments:			
Child Nutrition Cluster:			
Pass Through Payments:			
Department of Agriculture:			
Food Distribution	10.555	406230	\$ 44,475
Department of Education:			
National School Lunch Program (NSLP)	10.555	406230	<u>211,850</u> \$ 256,325
School Breakfast Program (SBP)	10.553	405910	44,553
Total Child Nutrition Cluster			<u>\$ 300,878</u>
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010115/0010116 0040115/0040116	<u>175,086</u>
Total Department of Agriculture			<u>\$ 475,964</u>

Schedule of Expenditures of Federal Awards (Continued)  
 For the Year Ended June 30, 2016

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Justice:			
Direct payments:			
State Criminal Alien Assistance Program	16.606	n/a	\$ 921
Equitable Sharing Program	16.922	n/a	10,613
Pass Through Payments:			
Department of Criminal Justice Service:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	unavailable	923
Violence Against Women Formula Grants	16.588	10WFAX0050	45,218
Crime Victim Assistance	16.575	12VAGX0095	21,060
Total Department of Justice			<u>\$ 78,735</u>
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
Alcohol Open Container Requirements	20.607	154AL-2016-54046-4630	\$ 12,552
State and Community Highway Safety	20.600	SC-2016-54021-5108	1,167
Total Department of Transportation			<u>\$ 13,719</u>
U.S. Election Assistance Commission:			
Pass Through Payments:			
Help America Vote Act Requirements Payments	90.401	not available	<u>\$ 3,500</u>
Environmental Protection Agency:			
Direct Payment:			
Department of Health:			
Chesapeake Bay Program	66.466	n/a	\$ 20,278
Nonpoint Source Implementation Grants	66.460	n/a	17,394
Total Environmental Protection Agency			<u>\$ 37,672</u>
Department of Education:			
Direct Payments:			
Department of Education:			
Medical Assistance Program	93.778	n/a	\$ 964
Pass Through Payments:			
Department of Education:			
Title I: Grants to Local Educational Agencies	84.010	S010A130046/S010A140046	163,047
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B)	84.027	H027A140107/H027A150172	351,319
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A140112/H173A150112	11,259
Advanced Placement Program	84.330	S330B150008	768
English Language Acquisition State Grants	84.365	S365A130046/S365A140046	(1,654)
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	V048A140046	20,558
Supporting Effective Instruction State Grant	84.367	S367A130044/S367A140044	56,988
Total Department of Education			<u>\$ 603,249</u>
Total Expenditures of Federal Awards			<u>\$ 1,746,165</u>

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF CLARKE, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2016

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Clarke, Virginia under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Clarke, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Clarke, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

Note 3 - Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and distributed.

Note 4 - Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$	91,805
General Capital Projects Fund		37,672
Special Revenue Funds:		
Virginia Public Assistance Fund		696,181
Comprehensive Services Act Fund		12,231
Drug Enforcement Fund		10,613
Debt Service Funds:		
School Debt Service Fund		121,711
Total primary government	\$	<u>970,213</u>

Component Unit School Board:

School Operating Fund	\$	603,249
School Food Service Fund		300,878
Total component unit school board	\$	<u>904,127</u>

Total federal expenditures per basic financial statements	\$	<u>1,874,340</u>
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Less amounts not reported on the Schedule of Expenditures of Federal Awards:

Payment in lieu of taxes	\$	6,464
Build America Bond interest rate subsidy		121,711

Total federal expenditures per basic financial statements	\$	<u>1,746,165</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$	<u><u>1,746,165</u></u>
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COUNTY OF CLARKE, VIRGINIA

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2016

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**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified  
Internal control over financial reporting:  
    Material weakness(es) identified? No  
    Significant deficiency(ies) identified? None Reported  
Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:  
    Material weakness(es) identified? No  
    Significant deficiency(ies) identified? None Reported  
Type of auditors' report issued on compliance for major programs: Unmodified  
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? No  
Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
84.027	Special Education Cluster: Special Education - Grants to States
84.173	Special Education - Preschool Grants
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs \$750,000  
Auditee qualified as low-risk auditee? Yes

**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

**Section IV - Prior Year Audit Findings**

None