

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: November 9, 2013

To: Mr. Carter Glass
Troutman Sanders, LLP

From: Steven Jacobs
Robinson, Farmer, Cox Associates

Re: Evaluation - Prospective Financial Impact
City of Martinsville's Transition to Town Status

On the attached tabular exhibits please find our evaluation of the prospective financial impact of the City of Martinsville's contemplated transition to Town Status. This report represents our best current understanding of the prospective transition. Although we have met with City management and provided materials for review, the materials and assumptions have not been reviewed by City Council. For this reason the attached may still be considered as a preliminary evaluation. A number of issues require further consideration and changes to any of several items could have material effect on the calculated results. We will discuss the findings and critical assumptions in the following narration of the tabular exhibits.

TABLE 1 - Summary

Presented on Table 1 is a summary of the materials developed within the bodies of subsequent tables.

- Assuming an evenly applied proportional reduction to all City/Town tax rates, at a level sufficient for the Town to "break even" or balance revenues with operational expenses:
 - In comparison to the City of Martinsville, the Town of Martinsville would experience a substantial reduction in operational expenses of approximately \$28 million. To generate revenues sufficient to "break even" or balance revenues and operational expenses, all Town property tax rates could be proportionately reduced by over 90% compared to the current level of City rates, resulting in a reduction of approximately \$28 million in revenues from property taxes and other local, state, and federal funds. Thus, even when including County property taxes that would be paid by Town residents, the aggregate property tax burden for Town residents (County and Town taxes combined) would decrease by about 42%.

RICHMOND OFFICE
401 SOUTHLAKE BOULEVARD
SUITE C-1
RICHMOND, VIRGINIA 23236

TELEPHONE: 804.378.4200
FAX: 804.378.5167
E-MAIL: jake@rfca.com
INTERNET: www.rfca.com

STEVEN J. JACOBS, Managing Director



- The County of Henry would experience an increase in revenues of approximately \$26 million and an increase in expenditures of approximately \$27.3 million. If that “operating loss” was funded entirely from real estate taxes, it would require an increase of approximately 3.2 cents.

TABLE 2 – Revenues

Generally, the amounts of “City revenues” precluded from a town or no longer associated with a Town offered service have been recognized on a dollar for dollar basis as new revenues of the County.

- Calculations for certain other revenues (Town reductions & County increases) – property taxation, local sales tax, charges for services are presented on subsequent tables, as noted.
- City receipts from the State for Constitutional offices have been continued on a dollar for dollar basis as County revenues, pursuant to advice from staff of the State Compensation Board and based on the “hold harmless” provision in the Code of Virginia.
- A net gain in State school aid estimated by the “Davis School Study” of \$1.2 million is incorporated.
- As noted earlier, the Town of Martinsville would generate/receive approximately \$28 million less than the City of Martinsville (recall that this represents a reduction in property taxation rates to “break even levels”).
- As noted earlier, the County of Henry is expected to experience a revenue increase of approximately \$26 million.

TABLE 3 - Expenditures

As with the revenue analysis, as a general matter, the amounts of “City expenditures” for services no longer performed by the Town but performed by the County have been recognized on a dollar for dollar basis as new expenses of the County.

- Staff and expenses for all constitutional offices, save one, are expected to “transfer” to the County. Two positions from the office of the City Commissioner of the Revenue whose transfer is not supported by State Compensation Board analysis are anticipated to be retained within the structure of the Town’s Finance Office operations.
- Opportunities for school related cost savings of approximately \$600 thousand noted by the “Davis School Study” are recognized.

- As noted earlier, the Town of Martinsville would expend approximately \$28 million less than the City of Martinsville.
- As noted earlier, the County of Henry is expected to expend approximately \$27.3 million more after the transition.

TABLE 4 – Assessed Values & Levy

Current assessed values of locally taxable property, respective tax rates and calculated levy amounts are presented for the City and County. Additionally, budget/levy proportional differences are calculated for the City.

TABLE 5 – Adjusted Tax Rates, Levy and Budget Estimates

Additional tax revenues accruing to the County from the addition of Town assessables have been calculated and presented (here and on Table 2). Further, it is calculated that assessing tax rates of approximately 7.4% of the City's current rate for each class of taxable property will yield revenues sufficient, with other expected revenues to "balance" and "break even" with prospective expenditures.

TABLE 6 – Contributions and Charges for Service

In consultation with City management, adjustments to contributions to local agencies and charges for services have been made and reflected on this table (and Tables 2 & 3).

TABLE 7 – Homeowner Impact

Property taxes for a "typical" homeowner (assessed values of \$80 thousand for home and \$8 thousand in personal property) are calculated to decrease by approximately 42% for a Town resident, as opposed to the same values taxed at current City rates.

FINAL NOTE – Capital Facilities & Other Matters

No estimates have been made with respect to the cost, if any, of any transfer of general capital facilities. No adjustment has been made for City facilities such as the jail and courthouse that might be expected to be needed by the County. Nor have estimates been made

regarding additional office space that might be needed by the County for new employees, in particular employees of the Constitutional employees. Additionally, it is possible that there could be some efficiencies and cost savings in the provision of County services to new Town residents by the elimination of certain positions or other expenditures. However, that level of analysis was not performed here.

**City of Martinsville, Virginia
City Transition To Town Status Evaluation
Fiscal Year 2014**

SUMMARY OF ANALYSIS

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY14 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY14 Budget		Reversion Adjusted			
Revenues						
Total Property Taxes (G F)	\$ 8,629,000	\$ (7,947,043)	\$ 681,957	\$ 22,217,833	\$ 4,797,561	\$ 27,015,394
Total Other Local Taxes (G F)	\$ 6,075,000	\$ (1,360,300)	\$ 4,714,700	\$ 11,245,000	\$ 1,360,300	\$ 12,605,300
Total Perm. Lic, Fines, And Forfeitures (G F)	\$ 732,455	\$ (100,200)	\$ 632,255	\$ 272,600	\$ 100,200	\$ 372,800
Total West Piedmont B D C	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Use Of Money & Property (G F)	\$ 708,207	\$ -	\$ 708,207	\$ 569,110	\$ -	\$ 569,110
Total Charges And Misc.	\$ 354,122	\$ (87,924)	\$ 266,198	\$ 332,695	\$ 87,924	\$ 420,619
Total Recovered Costs (G F)	\$ 1,267,470	\$ (246,625)	\$ 1,020,845	\$ 2,281,451	\$ 224,125	\$ 2,505,576
Total State Sources (G F)	\$ 705,928	\$ (17,000)	\$ 688,928	\$ 4,349,828	\$ 17,000	\$ 4,366,828
Total State Shared Expenses (G F)	\$ 2,936,048	\$ (2,936,048)	\$ -	\$ 5,546,908	\$ 2,936,048	\$ 8,482,956
Total Other Va Categorical Aid (G F)	\$ 4,182,888	\$ (372,892)	\$ 3,809,996	\$ 85,913	\$ 372,892	\$ 458,805
Total Federal Sources (G F)	\$ 49,500	\$ -	\$ 49,500	\$ 188,319	\$ -	\$ 188,319
Total Grants Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Funds	\$ 2,133,372	\$ -	\$ 2,133,372	\$ -	\$ -	\$ -
Total Enterprise Funds	\$ 26,746,120	\$ -	\$ 26,746,120	\$ -	\$ -	\$ -
Total School Funds	\$ 14,916,791	\$ (14,916,791)	\$ -	\$ 59,796,902	\$ 16,146,988	\$ 75,943,890
Total Other Funds	\$ -	\$ -	\$ -	\$ 1,339,053	\$ -	\$ 1,339,053
Total School Op. Fund - Fed.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total School Cafeteria Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Meals Tax Fund	\$ 1,900,250	\$ -	\$ 1,900,250	\$ -	\$ -	\$ -
Total Central Dispatch Fund	\$ -	\$ -	\$ -	\$ 676,090	\$ -	\$ 676,090
Total Comprehensive Services	\$ -	\$ -	\$ -	\$ 694,122	\$ -	\$ 694,122
Total School Funds - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Social Services	\$ -	\$ -	\$ -	\$ 5,986,902	\$ -	\$ 5,986,902
Total Fund Balance Contributions	\$ 4,160,960	\$ -	\$ 4,160,960	\$ 553,171	\$ -	\$ 553,171
Total Revenues	\$ 75,498,111	\$ (27,984,823)	\$ 47,513,288	\$ 116,135,897	\$ 26,043,038	\$ 142,178,935
Expenditures						
Total General Govt Admin (G F)	\$ 4,131,644	\$ (606,664)	\$ 3,524,980	\$ 3,071,234	\$ 606,664	\$ 3,677,898
Total Judicial Administration (G F)	\$ 2,015,400	\$ (2,015,400)	\$ -	\$ 2,785,474	\$ 2,015,400	\$ 4,800,874
Total Public Safety (G F)	\$ 9,983,923	\$ (3,378,910)	\$ 6,605,013	\$ 12,182,243	\$ 3,378,910	\$ 15,561,153
Total Public Works (G F)	\$ 4,326,584	\$ -	\$ 4,326,584	\$ 3,660,565	\$ -	\$ 3,660,565
Total Health & Welfare	\$ 100	\$ -	\$ 100	\$ 786,697	\$ -	\$ 786,697
Total Education	\$ -	\$ -	\$ -	\$ 52,467	\$ -	\$ 52,467
Total Parks, Recreation & Cultural (G F)	\$ 783,492	\$ -	\$ 783,492	\$ 1,752,611	\$ -	\$ 1,752,611
Total Community Planning (G F)	\$ 2,815,264	\$ (676,027)	\$ 2,139,237	\$ 1,993,012	\$ 552,027	\$ 2,545,039
Total Special Revenue Funds	\$ 2,229,705	\$ -	\$ 2,229,705	\$ -	\$ -	\$ -
Total Capital Reserve Funds	\$ 766,809	\$ (30,500)	\$ 736,309	\$ -	\$ 30,500	\$ 30,500
Total Meals Tax Fund	\$ 1,575,029	\$ -	\$ 1,575,029	\$ -	\$ -	\$ -
Total School Board	\$ 21,277,322	\$ (21,277,322)	\$ -	\$ 72,145,000	\$ 20,673,849	\$ 92,818,849
Total School Cafeteria Fund	\$ -	\$ -	\$ -	\$ 4,621,357	\$ -	\$ 4,621,357
Total School Grants Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total West Piedmont B D C	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Enterprise Funds	\$ 25,592,839	\$ -	\$ 25,592,839	\$ -	\$ -	\$ -
Total Other Funds (Not Gf)	\$ -	\$ -	\$ -	\$ 362,384	\$ -	\$ 362,384
Total Other (G F)	\$ -	\$ -	\$ -	\$ 227,192	\$ -	\$ 227,192
Total Capital Outlays (G F)	\$ -	\$ -	\$ -	\$ 160,000	\$ -	\$ 160,000
Total Debt Service (G F)	\$ -	\$ -	\$ -	\$ 775,750	\$ -	\$ 775,750
Total Law Library	\$ -	\$ -	\$ -	\$ 31,500	\$ -	\$ 31,500
Total Central Dispatch	\$ -	\$ -	\$ -	\$ 1,457,550	\$ -	\$ 1,457,550
Total Industrial Development	\$ -	\$ -	\$ -	\$ 2,446,623	\$ -	\$ 2,446,623
Total Comprehensive Service Act	\$ -	\$ -	\$ -	\$ 1,028,183	\$ -	\$ 1,028,183
Total Social Services	\$ -	\$ -	\$ -	\$ 6,596,055	\$ -	\$ 6,596,055
					\$ -	\$ -
Total Expenditures	\$ 75,498,111	\$ (27,984,823)	\$ 47,513,288	\$ 116,135,897	\$ 27,257,350	\$ 143,393,247
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ (1,214,312)	\$ (1,214,312)

Meeting the shortfall of \$1214312 would require the addition of 3.155 cents to the existing County Real Estate tax rate.

City of Martinsville, Virginia
City Transition To Town Status Evaluation
Fiscal Year 2014

REVENUE ANALYSIS

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY14 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY14 Budget		Reversion Adjusted			
Property Taxes (G F)						
Real Property (Table 5)	\$ 6,840,000	\$ (6,336,712)	\$ 503,288	\$ 21,892,833	\$ 3,233,392	\$ 25,126,225
Personal Property (Table 5)	\$ 681,000	\$ (586,350)	\$ 94,650		\$ 845,240	\$ 845,240
Business Equipment (Table 5)	\$ 805,000	\$ (744,218)	\$ 60,782			\$ -
Machinery and Tools (Table 5)	\$ 130,000	\$ (120,435)	\$ 9,565		\$ 648,751	\$ 648,751
Penalties (Table 5)	\$ 102,000	\$ (93,939)	\$ 8,061	\$ 200,000	\$ 70,178	\$ 270,178
Interest and Costs (Table 5)	\$ 71,000	\$ (65,389)	\$ 5,611	\$ 125,000		\$ 125,000
			\$ -			\$ -
			\$ -			\$ -
Total Property Taxes (G F)	\$ 8,629,000	\$ (7,947,043)	\$ 681,957	\$ 22,217,833	\$ 4,797,561	\$ 27,015,394
Other Local Taxes (G F)						
Local Sales & Use Tax (Table 5)	\$ 1,900,000	\$ (1,297,300)	\$ 602,700	\$ 3,880,000	\$ 1,297,300	\$ 5,177,300
Consumer Utility Tax	\$ 710,600		\$ 710,600	\$ 2,576,000		\$ 2,576,000
Business License Tax	\$ 1,727,000		\$ 1,727,000	\$ 1,515,000		\$ 1,515,000
Franchise License Tax	\$ 15,000		\$ 15,000			\$ -
Motor Vehicle Licenses	\$ 322,000		\$ 322,000	\$ 900,000		\$ 900,000
Bank Franchise Tax	\$ 230,000		\$ 230,000	\$ 178,000		\$ 178,000
E-911 Surcharge **	\$ -		\$ -			\$ -
Tax on Recordation/Wills	\$ 52,000	\$ (52,000)	\$ -	\$ 160,000	\$ 52,000	\$ 212,000
Grantor Tax	\$ 11,000	\$ (11,000)	\$ -		\$ 11,000	\$ 11,000
Telephone Tax	\$ 945,000		\$ 945,000			\$ -
Cigarette Tax	\$ 145,000		\$ 145,000			\$ -
Rental Tax	\$ 400		\$ 400			\$ -
Transient Room Tax	\$ 17,000		\$ 17,000	\$ 100,000		\$ 100,000
Cable Television Tax			\$ -	\$ -		\$ -
Food and Beverage Tax **			\$ -	\$ 1,900,000		\$ 1,900,000
R C D T Grant			\$ -	\$ 36,000		\$ 36,000
FUND BALANCE CONTRIBUTIONS			\$ -			\$ -
Total Other Local Taxes (G F)	\$ 6,075,000	\$ (1,360,300)	\$ 4,714,700	\$ 11,245,000	\$ 1,360,300	\$ 12,605,300
Perm. Lic, Fines, and Forfeitures (G F)						
Animal Licenses	\$ 5,000		\$ 5,000	\$ 10,000		\$ 10,000
Ambulance	\$ 475,000		\$ 475,000	\$ 70,000		\$ 70,000
Other Permits and Licenses	\$ 98,955		\$ 98,955	\$ 100,000		\$ 100,000
Court Fines and Forfeitures	\$ 150,000	\$ (100,200)	\$ 49,800	\$ 92,600	\$ 100,200	\$ 192,800
Other Fines and Forfeitures	\$ 3,500		\$ 3,500			\$ -
			\$ -			\$ -
Total Perm. Lic, Fines, And Forfeitures (G F)	\$ 732,455	\$ (100,200)	\$ 632,255	\$ 272,600	\$ 100,200	\$ 372,800
Use Of Money & Property (G F)						
Revenue from Use of Money	\$ 25,207		\$ 25,207	\$ 300,000		\$ 300,000
Revenue from Use of Property	\$ 683,000		\$ 683,000	\$ 218,060		\$ 218,060
Miscellaneous				\$ 51,050		\$ 51,050
Total Use Of Money & Property (G F)	\$ 708,207	\$ -	\$ 708,207	\$ 569,110	\$ -	\$ 569,110
Charges and Misc.						
Charges for Services (G F) (Table 6)	\$ 126,424	\$ (87,924)	\$ 38,500		\$ 87,924	\$ 87,924
Miscellaneous (G F)	\$ 227,698		\$ 227,698	\$ 82,900		\$ 82,900
Hooker Field	\$ -		\$ -			\$ -
Police Academy	\$ -		\$ -			\$ -
Transcription			\$ -	\$ -		\$ -
Emergency Monitoring			\$ -	\$ 10,000		\$ 10,000
Garbage Collection			\$ -	\$ 66,991		\$ 66,991
Recreation Fees			\$ -	\$ 50,000		\$ 50,000
UT Col. Com			\$ -	\$ 14,500		\$ 14,500
County Attorney Fees			\$ -	\$ 85,000		\$ 85,000
Sheriff Fees			\$ -	\$ 19,754		\$ 19,754
Clerk			\$ -	\$ 150		\$ 150
Attorney Fees			\$ -	\$ 3,400		\$ 3,400
Law Library			\$ -	\$ -		\$ -
			\$ -			\$ -
Total Charges And Misc.	\$ 354,122	\$ (87,924)	\$ 266,198	\$ 332,695	\$ 87,924	\$ 420,619
Recovered Costs (G F)						
W W Moore	\$ 30,000	\$ (30,000)	\$ -		\$ 30,000	\$ 30,000
Meals Tax Admin	\$ 49,906		\$ 49,906			\$ -

City of Martinsville, Virginia
City Transition To Town Status Evaluation
Fiscal Year 2014

REVENUE ANALYSIS

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY14 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY14 Budget		Reversion Adjusted			
Rental Assistance			\$ -			\$ -
Adv/Recovered Costs	\$ 150,000	\$ (150,000)	\$ -		\$ 150,000	\$ 150,000
Juror/Witness	\$ 10,000	\$ (10,000)	\$ -		\$ 10,000	\$ 10,000
Medical Co-pay Reimb.	\$ 7,000	\$ (7,000)	\$ -		\$ 7,000	\$ 7,000
Billing Expense	\$ 480,561		\$ 480,561			\$ -
Safety Expense	\$ 96,464		\$ 96,464			\$ -
Communication	\$ 24,568		\$ 24,568			\$ -
Central Garage	\$ 58,905		\$ 58,905			\$ -
Engineering	\$ 5,000		\$ 5,000			\$ -
Social Services	\$ 23,525	\$ (23,525)	\$ -		\$ 23,525	\$ 23,525
Miscellaneous	\$ 33,700	\$ (22,500)	\$ 11,200	\$ 239,837		\$ 239,837
Maintenance	\$ 260,000		\$ 260,000			\$ -
Collection Expense	\$ 27,741		\$ 27,741			\$ -
Senior Citizens	\$ 6,500		\$ 6,500			\$ -
Library	\$ 3,600	\$ (3,600)	\$ -		\$ 3,600	\$ 3,600
Jail Costs			\$ -	\$ 302,335		\$ 302,335
Crt Sec Sale			\$ -	\$ 20,000		\$ 20,000
Cty Extens			\$ -	\$ 6,925		\$ 6,925
Sch Resoff			\$ -	\$ 304,476		\$ 304,476
EMS Fee			\$ -	\$ 585,000		\$ 585,000
EDC E Dev			\$ -	\$ 764,018		\$ 764,018
Transp Inc			\$ -	\$ 5,250		\$ 5,250
Transp Pub			\$ -	\$ 53,110		\$ 53,110
Transp Ink			\$ -	\$ 500		\$ 500
			\$ -			\$ -
			\$ -			\$ -
			\$ -			\$ -
			\$ -			\$ -
Total Recovered Costs (G F)	\$ 1,267,470	\$ (246,625)	\$ 1,020,845	\$ 2,281,451	\$ 224,125	\$ 2,505,576
State Sources (G F)						
A B C Profits	\$ -		\$ -	\$ -		\$ -
Wine Tax	\$ -		\$ -	\$ -		\$ -
P P T R A	\$ 626,428		\$ 626,428	\$ 1,771,828		\$ 1,771,828
Rolling Stock Tax	\$ 8,500		\$ 8,500	\$ 45,000		\$ 45,000
Auto Rental Tax	\$ 54,000		\$ 54,000	\$ 42,000		\$ 42,000
Recordation Tax	\$ 17,000	\$ (17,000)	\$ -	\$ 59,000	\$ 17,000	\$ 76,000
Mobile Home Tax			\$ -	\$ 36,000		\$ 36,000
Para Mutual			\$ -	\$ 27,000		\$ 27,000
Communications Tax			\$ -	\$ 2,369,000		\$ 2,369,000
			\$ -			\$ -
Total State Sources (G F)	\$ 705,928	\$ (17,000)	\$ 688,928	\$ 4,349,828	\$ 17,000	\$ 4,366,828
State Shared Expenses (G F)						
Commonwealth Attorney	\$ 469,250	\$ (469,250)	\$ -	\$ 551,948	\$ 469,250	\$ 1,021,198
Sheriff	\$ 1,813,309	\$ (1,813,309)	\$ -	\$ 4,179,200	\$ 1,813,309	\$ 5,992,509
Commissioner Of Revenue	\$ 100,046	\$ (100,046)	\$ -	\$ 171,117	\$ 100,046	\$ 271,163
Treasurer	\$ 76,976	\$ (76,976)	\$ -	\$ 165,436	\$ 76,976	\$ 242,412
Medical Examiner	\$ -		\$ -	\$ -		\$ -
Registrar/Electoral Board	\$ 38,000	\$ (38,000)	\$ -	\$ 45,906	\$ 38,000	\$ 83,906
Clerk Of Circuit Court	\$ 268,467	\$ (268,467)	\$ -	\$ 433,301	\$ 268,467	\$ 701,768
Comprehensive Services	\$ 170,000	\$ (170,000)	\$ -		\$ 170,000	\$ 170,000
			\$ -			\$ -
Total State Shared Expenses (G F)	\$ 2,936,048	\$ (2,936,048)	\$ -	\$ 5,546,908	\$ 2,936,048	\$ 8,482,956
Other VA Categorical Aid (G F)						
Senior Citizens	\$ 11,000		\$ 11,000			\$ -
D C J S Resource Offcr Grant			\$ -			\$ -
Confiscated Assets	\$ -		\$ -			\$ -
Victim Witness	\$ 72,892	\$ (72,892)	\$ -	\$ 26,618	\$ 72,892	\$ 99,510
H B 599- Police	\$ 802,446		\$ 802,446			\$ -
E M S 2 for Life	\$ 10,000		\$ 10,000			\$ -
Fire Grant	\$ -		\$ -			\$ -
Street Maintenance	\$ 2,933,350		\$ 2,933,350			\$ -
Highway Project	\$ -		\$ -			\$ -
Jail per diem	\$ 300,000	\$ (300,000)	\$ -		\$ 300,000	\$ 300,000
Armory	\$ 23,200		\$ 23,200			\$ -
Fire Program	\$ 30,000		\$ 30,000			\$ -
Library of Virginia			\$ -			\$ -
Fire Training Grant	\$ -		\$ -			\$ -
Other Categorical Aid			\$ -			\$ -
Transp St			\$ -			\$ -

**City of Martinsville, Virginia
City Transition To Town Status Evaluation
Fiscal Year 2014**

REVENUE ANALYSIS

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY14 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY14 Budget		Reversion Adjusted			
Litter Con			\$ -	\$ 23,742		\$ 23,742
Pymnts in Lieu of Taxes			\$ -	\$ -		\$ -
D E Q	\$ -		\$ -	\$ -		\$ -
Tobacco Grant			\$ -	\$ -		\$ -
Total Other Va Categorical Aid (G F)	\$ 4,182,888	\$ (372,892)	\$ 3,809,996	\$ 85,913	\$ 372,892	\$ 458,805
Federal Sources (G F)						
Victim Witness			\$ -	\$ 79,852		\$ 79,852
Law Enf. Block Grant	\$ -		\$ -	\$ -		\$ -
Bulletproof Vest Grant			\$ -	\$ -		\$ -
DMV Grant - Police	\$ 18,000		\$ 18,000	\$ -		\$ -
D C J S - Police Grant			\$ -	\$ -		\$ -
Senior Citizens	\$ 20,000		\$ 20,000	\$ -		\$ -
S C A P Funds	\$ -		\$ -	\$ -		\$ -
Dom. Preparedness Grant	\$ -		\$ -	\$ -		\$ -
Byrne Grant	\$ -		\$ -	\$ -		\$ -
Other Grants	\$ 11,500		\$ 11,500	\$ -		\$ -
E Serv Opr			\$ -	\$ 24,874		\$ 24,874
Transp Fed			\$ -	\$ 60,593		\$ 60,593
Sale of Property			\$ -	\$ 20,000		\$ 20,000
Payments in Lieu of Taxes			\$ -	\$ 3,000		\$ 3,000
Total Federal Sources (G F)	\$ 49,500	\$ -	\$ 49,500	\$ 188,319	\$ -	\$ 188,319
Other Funds						
Cdbg - Revenue From Use Of Money/Property	\$ 24,472		\$ 24,472	\$ -		\$ -
Cdbg - Federal Categorical	\$ 132,000		\$ 132,000	\$ -		\$ -
Housing - Revenue From Use Of Money/Property	\$ 300		\$ 300	\$ -		\$ -
Housing - Miscellaneous	\$ 5,000		\$ 5,000	\$ -		\$ -
Housing - Recovered Cost	\$ 500		\$ 500	\$ -		\$ -
Housing - Federal Noncategorical	\$ 1,971,100		\$ 1,971,100	\$ -		\$ -
			\$ -	\$ -		\$ -
Total Other Funds	\$ 2,133,372	\$ -	\$ 2,133,372	\$ -	\$ -	\$ -
Enterprise Funds						
Refuse	\$ 1,797,000		\$ 1,797,000	\$ -		\$ -
Walter	\$ 3,306,040		\$ 3,306,040	\$ -		\$ -
Electric	\$ 17,426,072		\$ 17,426,072	\$ -		\$ -
Sewer	\$ 4,010,012		\$ 4,010,012	\$ -		\$ -
Fiber Optic	\$ 206,996		\$ 206,996	\$ -		\$ -
			\$ -	\$ -		\$ -
Total Enterprise Funds	\$ 26,746,120	\$ -	\$ 26,746,120	\$ -	\$ -	\$ -
School Funds						
Local	\$ 503,859	\$ (503,859)	\$ -	\$ -	\$ 503,859	\$ 503,859
State	\$ 14,280,298	\$ (14,280,298)	\$ -	\$ 43,908,705	\$ 14,280,298	\$ 58,189,003
Federal	\$ 132,634	\$ (132,634)	\$ -	\$ 9,653,000	\$ 132,634	\$ 9,785,634
Other			\$ -	\$ 1,134,000		\$ 1,134,000
Textbook			\$ -	\$ 479,840		\$ 479,840
Cafeteria			\$ -	\$ 4,621,357		\$ 4,621,357
			\$ -	\$ -		\$ -
REVENUE ADJUSTMENT - CONSOLIDATION			\$ -	\$ 1,230,197		\$ 1,230,197
Total School Funds	\$ 14,916,791	\$ (14,916,791)	\$ -	\$ 59,796,902	\$ 16,146,988	\$ 75,943,890
Other Funds						
Gateway Streetscape - Revenue From Use Of Money			\$ -	\$ 200	\$ -	\$ 200
Gateway Streetscape - Recovered Cost			\$ -	\$ 62,635	\$ -	\$ 62,635
Gateway Streetscape - Federal Categorical Aid			\$ -	\$ 10,000	\$ -	\$ 10,000
Gateway Streetscape - Reserve Funds			\$ -	\$ -	\$ -	\$ -
I D A - Use Of Property			\$ -	\$ 712,318	\$ -	\$ 712,318
I D A - Recovered Cost			\$ -	\$ 311,600	\$ -	\$ 311,600
I D A - State Categorical Aid			\$ -	\$ -	\$ -	\$ -
Fieldale Sanitary District - Revenue From Use Of Money			\$ -	\$ 1,200	\$ -	\$ 1,200
Fieldale Sanitary District - Recovered Cost			\$ -	\$ 500	\$ -	\$ 500
Fieldale Sanitary District - Reserve Funds			\$ -	\$ -	\$ -	\$ -
Philpott Marina - Revenue From Use Of Property			\$ -	\$ 58,000	\$ -	\$ 58,000
Philpott Marina - Miscellaneous Revenue			\$ -	\$ 171,000	\$ -	\$ 171,000
Philpott Marina - Reserve Funds			\$ -	\$ -	\$ -	\$ -
Law Library			\$ -	\$ 11,600	\$ -	\$ 11,600
			\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -

**City of Martinsville, Virginia
City Transition To Town Status Evaluation
Fiscal Year 2014**

REVENUE ANALYSIS

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY14 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY14 Budget		Reversion Adjusted			
			\$ -			\$ -
			\$ -			\$ -
			\$ -			\$ -
			\$ -			\$ -
			\$ -			\$ -
<i>Total Other Funds</i>	\$ -	\$ -	\$ -	\$ 1,339,053	\$ -	\$ 1,339,053
Meals Tax Fund						
Meals Taxes **	\$ 1,500,000		\$ 1,500,000			\$ -
Revenue from Use of Money	\$ 5,000		\$ 5,000	\$ -		\$ -
Federal Tax Credit	\$ 395,250		\$ 395,250			\$ -
			\$ -			\$ -
<i>Total Meals Tax Fund</i>	\$ 1,900,250	\$ -	\$ 1,900,250	\$ -	\$ -	\$ -
Central Dispatch Fund						
911 Telephone Tax **			\$ -	\$ -		\$ -
Cty Disp C			\$ -	\$ 351,019		\$ 351,019
Sher Disp			\$ -	\$ 190,071		\$ 190,071
Virginia E911			\$ -	\$ 133,000		\$ 133,000
Other Loans			\$ -	\$ 2,000		\$ 2,000
Reserve			\$ -	\$ -		\$ -
<i>Total Central Dispatch Fund</i>	\$ -	\$ -	\$ -	\$ 676,090	\$ -	\$ 676,090
Comprehensive Services						
C T / P A T C S A			\$ -	\$ 41,827		\$ 41,827
Pub A C S A			\$ -	\$ 643,277		\$ 643,277
C S A A D M Ex			\$ -	\$ 9,018		\$ 9,018
Five Exp C			\$ -	\$ -		\$ -
			\$ -			\$ -
			\$ -			\$ -
<i>Total Comprehensive Services</i>	\$ -	\$ -	\$ -	\$ 694,122	\$ -	\$ 694,122
Social Services						
Cty Social Services			\$ -	\$ 319,845		\$ 319,845
Pub A Admin			\$ -	\$ 2,592,086		\$ 2,592,086
Pub As Admin			\$ -	\$ 3,074,971		\$ 3,074,971
			\$ -			\$ -
<i>Total Social Services</i>	\$ -	\$ -	\$ -	\$ 5,986,902	\$ -	\$ 5,986,902
Fund Balance Contributions			\$ -			\$ -
TOTAL	\$ 71,337,151	\$ (27,984,823)	\$ 43,352,328	\$ 115,582,726	\$ 26,043,038	\$ 141,625,764

City of Martinsville, Virginia
City Transition To Town Status Evaluation
Fiscal Year 2014

EXPENDITURE ANALYSIS

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY14 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY14 Budget		Reversion Adjusted			
General Govt Admin (G F)						
City Council/Clerk of Council/BOS	\$ 41,973		\$ 41,973	\$ 125,630		\$ 125,630
City Manager's Office/County Administrator	\$ 384,001		\$ 384,001	\$ 328,806		\$ 328,806
Legal and Customer Services	\$ 108,731		\$ 108,731	\$ 162,311		\$ 162,311
HR and Employment Svcs	\$ 524,065		\$ 524,065	\$ 53,731		\$ 53,731
Information Services and Comm.	\$ 425,537		\$ 425,537	\$ 342,178		\$ 342,178
Commissioner of Rev and Assessor	\$ 425,074	\$ (425,074)	\$ -	\$ 644,893	\$ 333,961	\$ 978,854
Treasurer	\$ 272,703	\$ (272,703)	\$ -	\$ 557,083	\$ 272,703	\$ 829,786
Finance Director, Accounting, Purchasing	\$ 539,901		\$ 539,901	\$ 564,768		\$ 564,768
Utility Billing	\$ 479,776		\$ 479,776			\$ -
Central Garage	\$ 513,608		\$ 513,608			\$ -
Risk Management	\$ 273,000		\$ 273,000			\$ -
Registrar	\$ 120,991		\$ 120,991			\$ -
Board of Elections/Registrar	\$ 22,284		\$ 22,284	\$ 236,834		\$ 236,834
Auditor			\$ -	\$ 55,000		\$ 55,000
Town Treasurer		\$ 91,113	\$ 91,113			\$ -
Town License & Meals Tax Clerks			\$ -			\$ -
Total General Govt Admin (G F)	\$ 4,131,644	\$ (606,664)	\$ 3,524,980	\$ 3,071,234	\$ 606,664	\$ 3,677,898
Judicial Administration (G F)						
Circuit Court	\$ 95,639	\$ (95,639)	\$ -	\$ 91,412	\$ 95,639	\$ 187,051
General District Court	\$ 32,375	\$ (32,375)	\$ -	\$ 17,086	\$ 32,375	\$ 49,461
Juvenile and Dom. Rel. Court	\$ 7,580	\$ (7,580)	\$ -	\$ 9,124	\$ 7,580	\$ 16,704
Clerk of Circuit Court	\$ 394,238	\$ (394,238)	\$ -	\$ 713,023	\$ 394,238	\$ 1,107,261
Sheriff - Courts	\$ 766,581	\$ (766,581)	\$ -	\$ 1,020,281	\$ 766,581	\$ 1,786,862
Commonwealth's Attorney	\$ 647,548	\$ (647,548)	\$ -	\$ 787,885	\$ 647,548	\$ 1,435,433
Victim/Witness Program	\$ 71,439	\$ (71,439)	\$ -	\$ 143,603	\$ 71,439	\$ 215,042
Special Magistrates			\$ -	\$ 3,060		\$ 3,060
			\$ -			\$ -
			\$ -			\$ -
Total Judicial Administration (G F)	\$ 2,015,400	\$ (2,015,400)	\$ -	\$ 2,785,474	\$ 2,015,400	\$ 4,800,874
Public Safety (G F)						
Police Department/Sheriff	\$ 4,001,992		\$ 4,001,992	\$ 5,513,904		\$ 5,513,904
Transportation Safety Commission	\$ 1,500		\$ 1,500			\$ -
Harvest FF Training			\$ -	\$ -		\$ -
Fire Services	\$ 2,057,295		\$ 2,057,295	\$ 1,051,133		\$ 1,051,133
E M S Services	\$ 199,061		\$ 199,061	\$ 191,823		\$ 191,823
Sheriff - Corrections	\$ 2,957,691	\$ (2,957,691)	\$ -	\$ 2,333,392	\$ 2,957,691	\$ 5,291,083
Sheriff- Jail Annex/Monitoring	\$ 161,565	\$ (161,565)	\$ -	\$ 10,875	\$ 161,565	\$ 172,440
Probation Office	\$ 259,654	\$ (259,654)	\$ -	\$ 354,100	\$ 259,654	\$ 613,754
Inspections	\$ 248,435		\$ 248,435			\$ -
Safety	\$ 96,730		\$ 96,730			\$ -
Police Academy			\$ -			\$ -
School Resource Officer			\$ -	\$ 304,476		\$ 304,476
EMS Supplemental			\$ -	\$ 815,697		\$ 815,697
Code Enforcement			\$ -	\$ 325,242		\$ 325,242
Fire Marshall			\$ -	\$ 278,918		\$ 278,918
Animal Control			\$ -	\$ 162,789		\$ 162,789
Public Safety			\$ -	\$ 121,109		\$ 121,109
SPCA			\$ -	\$ -		\$ -
Crime Prev and Special Police			\$ -	\$ 7,267		\$ 7,267
Radio Communication System			\$ -	\$ 711,518		\$ 711,518
			\$ -			\$ -
Total Public Safety (G F)	\$ 9,983,923	\$ (3,378,910)	\$ 6,605,013	\$ 12,182,243	\$ 3,378,910	\$ 15,561,153
Public Works (G F)						
Director	\$ 146,238		\$ 146,238			\$ -
Engineering	\$ 150,430		\$ 150,430	\$ 274,028		\$ 274,028
Street Maintenance	\$ 1,929,122		\$ 1,929,122			\$ -
Street Marking and Signs	\$ 203,998		\$ 203,998	\$ 9,000		\$ 9,000
Traffic Signals	\$ 329,985		\$ 329,985			\$ -
Street Cleaning	\$ 470,200		\$ 470,200			\$ -

City of Martinsville, Virginia
City Transition To Town Status Evaluation
Fiscal Year 2014

EXPENDITURE ANALYSIS

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY14 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY14 Budget		Reversion Adjusted			
Street Construction	\$ 414,538		\$ 414,538			\$ -
Thoroughfare Construction	\$ 40,000		\$ 40,000			\$ -
V D O T Reserve	\$ 25,000		\$ 25,000			\$ -
Uptown Maintenance	\$ 45,510		\$ 45,510			\$ -
City Hall Maintenance	\$ 455,078		\$ 455,078			\$ -
W P B D C Building	\$ 10,000		\$ 10,000			\$ -
Fiber Optic Network	\$ 99,365		\$ 99,365		\$ -	\$ -
Housing Services Building	\$ 7,120		\$ 7,120			\$ -
Refuse Collection			\$ -	\$ 1,459,698		\$ 1,459,698
Refuse Disposal			\$ -	\$ 24,300		\$ 24,300
Refuse Collection Sites			\$ -	\$ 183,587		\$ 183,587
Comms Equip Maintenance			\$ -	\$ 65,269		\$ 65,269
General Maintenance			\$ -	\$ 1,644,683		\$ 1,644,683
Total Public Works (G F)	\$ 4,326,584	\$ -	\$ 4,326,584	\$ 3,660,565	\$ -	\$ 3,660,565
Health & Welfare						
Chapter X Board			\$ -			\$ -
Welfare/Social Services			\$ -			\$ -
Indoor Plumbing	\$ 100		\$ 100			\$ -
Local Health Department			\$ -	\$ 293,429		\$ 293,429
Mental Health and Retardation			\$ -	\$ 117,567		\$ 117,567
Area Agency on Aging			\$ -	\$ 13,036		\$ 13,036
Transportation Grants			\$ -	\$ 164,344		\$ 164,344
Group Home Services			\$ -	\$ 66,192		\$ 66,192
Other Social Services			\$ -	\$ 57,129		\$ 57,129
Property Tax Relief			\$ -	\$ 75,000		\$ 75,000
			\$ -			\$ -
Total Health & Welfare	\$ 100	\$ -	\$ 100	\$ 786,697	\$ -	\$ 786,697
Education						
Cont. to Comm. Colleges			\$ -	\$ 52,467		\$ 52,467
Cont. to Sch. Board Comp. Unit			\$ -			\$ -
			\$ -			\$ -
			\$ -			\$ -
Total Education	\$ -	\$ -	\$ -	\$ 52,467	\$ -	\$ 52,467
Parks, Recreation & Cultural (G F)						
Parks and Recreation	\$ 88,393		\$ 88,393	\$ 944,001		\$ 944,001
Parks and Recreation Maintenance	\$ 276,237		\$ 276,237			\$ -
Senior Center	\$ 224,933		\$ 224,933			\$ -
Armory	\$ 93,145		\$ 93,145			\$ -
Regional Library			\$ -	\$ 706,264	\$ -	\$ 706,264
Hooker Field	\$ 55,784		\$ 55,784			\$ -
Mustangs Baseball	\$ 45,000		\$ 45,000			\$ -
VA Museum			\$ -	\$ 27,075		\$ 27,075
Art Galleries			\$ -	\$ 8,123		\$ 8,123
Other Cultural Entertainment			\$ -	\$ 67,148		\$ 67,148
			\$ -			\$ -
			\$ -			\$ -
Total Parks, Recreation & Cultural (G F)	\$ 783,492	\$ -	\$ 783,492	\$ 1,752,611	\$ -	\$ 1,752,611
Community Planning (G F)						
Economic Development			\$ -	\$ 1,233,544		\$ 1,233,544
Housing/Comm. Dev.	\$ 112,875		\$ 112,875			\$ -
Misc. Dev. Expenses	\$ 149,915		\$ 149,915	\$ 64,394		\$ 64,394
Uptown Master Plan	\$ -		\$ -			\$ -
Planning and Zoning	\$ 215,889		\$ 215,889	\$ 285,231		\$ 285,231
Contributions to Local Orgs. (Table 6)	\$ 1,721,125	\$ (555,027)	\$ 1,166,098		\$ 552,027	\$ 552,027
General Expense	\$ 267,458	\$ (121,000)	\$ 146,458			\$ -
Contingencies	\$ 15,000		\$ 15,000			\$ -
Cooperative Ext. Program			\$ -	\$ 48,412		\$ 48,412
Henry Hotel	\$ 58,002		\$ 58,002			\$ -
Comprehensive Services	\$ 275,000		\$ 275,000			\$ -
Engineering and Mapping			\$ -	\$ 273,362		\$ 273,362

**City of Martinsville, Virginia
City Transition To Town Status Evaluation
Fiscal Year 2014**

EXPENDITURE ANALYSIS

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY14 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY14 Budget		Reversion Adjusted			
Special Planning Grant			\$ -	\$ 31,481		\$ 31,481
Enterprise Zoning Incentives			\$ -	\$ 25,000		\$ 25,000
Soil and Water Cons. District			\$ -	\$ 1,354		\$ 1,354
Litter Grants			\$ -	\$ 30,234		\$ 30,234
<i>Total Community Planning (G F)</i>	\$ 2,815,264	\$ (676,027)	\$ 2,139,237	\$ 1,993,012	\$ 552,027	\$ 2,545,039
Special Revenue Funds						
C D B G	\$ 216,362		\$ 216,362			\$ -
Housing Choice Fund	\$ 2,013,343		\$ 2,013,343			\$ -
Indoor Plumbing	\$ -		\$ -			\$ -
			\$ -			\$ -
			\$ -			\$ -
<i>Total Special Revenue Funds</i>	\$ 2,229,705	\$ -	\$ 2,229,705	\$ -	\$ -	\$ -
Capital Reserve Funds						
Tools and Equipment	\$ 8,000		\$ 8,000			\$ -
Communications Equipment	\$ 20,000		\$ 20,000			\$ -
Motor Vehicles	\$ 134,950		\$ 134,950			\$ -
A D P Equipment	\$ 97,500	\$ (22,500)	\$ 75,000		\$ 22,500	\$ 22,500
Capital Projects	\$ 145,550	\$ (8,000)	\$ 137,550		\$ 8,000	\$ 8,000
Debt Service	\$ 360,809		\$ 360,809			\$ -
Piedmont Art	\$ -		\$ -			\$ -
			\$ -			\$ -
			\$ -			\$ -
<i>Total Capital Reserve Funds</i>	\$ 766,809	\$ (30,500)	\$ 736,309	\$ -	\$ 30,500	\$ 30,500
Meals Tax Fund						
Meals Tax Administration	\$ 49,906		\$ 49,906			\$ -
Principal Retirement	\$ 904,364		\$ 904,364			\$ -
Interest and Other Debt Costs	\$ 620,759		\$ 620,759			\$ -
			\$ -			\$ -
			\$ -			\$ -
<i>Total Meals Tax Fund</i>	\$ 1,575,029	\$ -	\$ 1,575,029	\$ -	\$ -	\$ -
School Board						
Instruction	\$ 21,277,322	\$ (21,277,322)	\$ -	\$ 71,273,600	\$ 21,277,322	\$ 92,550,922
Admin, Attendance, Health	\$ -	\$ -	\$ -			\$ -
Pupil Transportation	\$ -	\$ -	\$ -			\$ -
Operation and Maintenance	\$ -	\$ -	\$ -			\$ -
Facilities	\$ -	\$ -	\$ -			\$ -
Debt Service			\$ -			\$ -
Contingency Reserve Gr			\$ -			\$ -
Technology			\$ -			\$ -
Textbooks			\$ -	\$ 871,400		\$ 871,400
Federal / State Grant Programs			\$ -	\$ -		\$ -
EXPENDITURE ADJUSTMENT - CONSOLIDATION			\$ -		\$ (603,473)	\$ (603,473)
<i>Total School Board</i>	\$ 21,277,322	\$ (21,277,322)	\$ -	\$ 72,145,000	\$ 20,673,849	\$ 92,818,849
School Cafeteria Fund						
Albert Harris Cafeteria	\$ -	\$ -	\$ -		\$ -	\$ -
Clearview Cafeteria	\$ -	\$ -	\$ -		\$ -	\$ -
Druid Hill Cafeteria	\$ -	\$ -	\$ -		\$ -	\$ -
Patrick Henry Cafeteria	\$ -	\$ -	\$ -		\$ -	\$ -
Middle School Cafeteria	\$ -	\$ -	\$ -		\$ -	\$ -
High School Cafeteria	\$ -	\$ -	\$ -		\$ -	\$ -
Food Service Administration	\$ -	\$ -	\$ -		\$ -	\$ -
Total Cafeteria Fund			\$ -	\$ 4,621,357		\$ 4,621,357
			\$ -			\$ -
			\$ -			\$ -
<i>Total School Cafeteria Fund</i>	\$ -	\$ -	\$ -	\$ 4,621,357	\$ -	\$ 4,621,357
Enterprise Funds						
Refuse	\$ 2,097,136		\$ 2,097,136			\$ -
Water	\$ 2,287,222		\$ 2,287,222			\$ -

**City of Martinsville, Virginia
City Transition To Town Status Evaluation
Fiscal Year 2014**

EXPENDITURE ANALYSIS

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY14 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY14 Budget		Reversion Adjusted			
Sewer	\$ 3,486,417		\$ 3,486,417			\$ -
Electric	\$ 17,160,463		\$ 17,160,463			\$ -
Fiber Optic	\$ 561,601		\$ 561,601			\$ -
			\$ -			\$ -
Total Enterprise Funds	\$ 25,592,839	\$ -	\$ 25,592,839	\$ -	\$ -	\$ -
Other Funds (NOT GF)						
Gateway Streetscape Fund	\$ -		\$ -	\$ 77,924		\$ 77,924
Gateway - Grant #1				\$ 10,000		\$ 10,000
Fieldale Sanity District			\$ -	\$ 19,850		\$ 19,850
Philpott Marina Fund			\$ -	\$ 254,610		\$ 254,610
Total Other Funds (Not Gf)	\$ -	\$ -	\$ -	\$ 362,384	\$ -	\$ 362,384
Other (G F)						
Employee Benefits			\$ -	\$ 66,142		\$ 66,142
Central Stores			\$ -	\$ -		\$ -
Pool Vehicles			\$ -	\$ 4,000		\$ 4,000
Contingency	\$ -		\$ -	\$ 150,000		\$ 150,000
Mobile Command Vehicle			\$ -	\$ 7,050		\$ 7,050
			\$ -			\$ -
Total Other (G F)	\$ -	\$ -	\$ -	\$ 227,192	\$ -	\$ 227,192
Capital Outlays (G F)						
P & R Vehicle			\$ -	\$ 37,000		\$ 37,000
P & R Var P			\$ -	\$ 75,000		\$ 75,000
I S Computer			\$ -	\$ 18,000		\$ 18,000
G R Match			\$ -	\$ 30,000		\$ 30,000
			\$ -	\$ -		\$ -
			\$ -	\$ -		\$ -
			\$ -	\$ -		\$ -
			\$ -	\$ -		\$ -
			\$ -	\$ -		\$ -
			\$ -	\$ -		\$ -
			\$ -	\$ -		\$ -
			\$ -	\$ -		\$ -
			\$ -	\$ -		\$ -
Total Capital Outlays (G F)	\$ -	\$ -	\$ -	\$ 160,000	\$ -	\$ 160,000
Debt Service (G F)						
Debt Svc Courthouse			\$ -	\$ 775,750		\$ 775,750
Debt Svc Other			\$ -	\$ -		\$ -
			\$ -			\$ -
			\$ -			\$ -
Total Debt Service (G F)	\$ -	\$ -	\$ -	\$ 775,750	\$ -	\$ 775,750
Law Library						
Library			\$ -	\$ 31,500		\$ 31,500
			\$ -			\$ -
			\$ -			\$ -
Total Law Library	\$ -	\$ -	\$ -	\$ 31,500	\$ -	\$ 31,500
Central Dispatch						
Central Dispatch			\$ -	\$ 1,455,550		\$ 1,455,550
Special Grant - OYE			\$ -	\$ 2,000		\$ 2,000
			\$ -			\$ -
Total Central Dispatch	\$ -	\$ -	\$ -	\$ 1,457,550	\$ -	\$ 1,457,550
Industrial Development						
Enterprise Zone Incentive			\$ -	\$ 575,000		\$ 575,000
Industrial Park Oper				\$ 2,000		\$ 2,000
Reg Patriot Cte Org Park				\$ 43,000		\$ 43,000
Reg Patriot Cte Exp Park				\$ 225,000		\$ 225,000
Reg Commonwealth Crossn Pk			\$ -	\$ 302,000		\$ 302,000
Reg Ind Park Shell Building			\$ -	\$ 111,600		\$ 111,600
Reg Ind Park 07 Bonds			\$ -	\$ 476,505		\$ 476,505

**City of Martinsville, Virginia
City Transition To Town Status Evaluation
Fiscal Year 2014**

EXPENDITURE ANALYSIS

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY14 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY14 Budget		Reversion Adjusted			
Debt Service Other/Econ Dev			\$ -	\$ 711,518		\$ 711,518
<i>Total Industrial Development</i>	\$ -	\$ -	\$ -	\$ 2,446,623	\$ -	\$ 2,446,623
Comprehensive Service Act						
Admin			\$ -	\$ 66,476		\$ 66,476
Program			\$ -	\$ 961,707		\$ 961,707
			\$ -			\$ -
			\$ -			\$ -
<i>Total Comprehensive Service Act</i>	\$ -	\$ -	\$ -	\$ 1,028,183	\$ -	\$ 1,028,183
Social Services						
Auxiliary Grants			\$ -	\$ 370,000		\$ 370,000
A F D C - Manual Checks			\$ -	\$ 2,000		\$ 2,000
A F D C F C F/S				\$ 585,000		\$ 585,000
Adoption				\$ 567,000		\$ 567,000
Family Preservation				\$ 14,648		\$ 14,648
Adult Services				\$ 87,106		\$ 87,106
F S E T Purchased Services				\$ 38,000		\$ 38,000
Single Pool Admin				\$ 4,534,592		\$ 4,534,592
Single Pool Admin - Passthrough			\$ -	\$ 37,079		\$ 37,079
Independent Living			\$ -	\$ 10,910		\$ 10,910
Respite Care Foster Parent			\$ -	\$ 2,280		\$ 2,280
Safe and Stable Families			\$ -	\$ 57,937		\$ 57,937
VIEW			\$ -	\$ 205,000		\$ 205,000
Other - Local Only			\$ -	\$ 44,837		\$ 44,837
Board Members			\$ -	\$ 9,843		\$ 9,843
Other			\$ -	\$ 29,823		\$ 29,823
<i>Total Social Services</i>	\$ -	\$ -	\$ -	\$ 6,596,055	\$ -	\$ 6,596,055
TOTAL	\$ 75,498,111	\$ (27,984,823)	\$ 47,513,288	\$ 116,135,897	\$ 27,257,350	\$ 143,393,247

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY14 BUDGET	Increase/ (Decrease)	Reversion Adjusted
	FY14 BUDGET		Reversion Adjusted			

Taxable Value of Real Estate						
Real Estate	\$	639,979,500		\$	3,158,687,181	
Mobile Homes				\$	27,766,112	
Public Service Property - RE	\$	22,600,872				
Total Taxable Value of Real Estate	\$	662,580,372		\$	3,186,453,293	
Computed Revenue @ \$/\$100 Value						
	\$	1.06210	\$	7,037,266		
	\$	0.48800			\$	15,549,892

Taxable Value of Personal Property (Vehicles)						
Personal Property	\$	56,711,282		\$	280,447,825	
Public Service Property - PP	\$	399,539		\$	206,519	
Total Taxable Value of Personal Property (\$	57,110,821		\$	280,654,344	
% Retail Assessed x Ass'mt Ratio		100.00%			100.00%	
Computed Revenue @ \$/\$100 Value						
	\$	2.30	\$	1,313,549		
	\$	1.48			\$	4,153,684

Taxable Value of Machinery & Tools						
Machinery & Tools	\$	7,159,164		\$	262,406,328	
Total Taxable Value of Machinery & Tools	\$	7,159,164		\$	262,406,328	
Computed Revenue @ \$/\$100 Value						
	\$	1.85	\$	132,445		
	\$	1.48			\$	3,883,614

Taxable Value of Personal Property (Business Equipment & Computers)						
Personal Property (Business Equip)	\$	36,675,400		\$	80,970,483	
Personal Property (Computers)						
Total Taxable Value of Personal Property (\$	36,675,400		\$	80,970,483	
% Retail Assessed x Ass'mt Ratio		100.00%				
Computed Revenue @ \$/\$100 Value						
	\$	2.30	\$	843,534		
	\$	1.48			\$	1,198,363

	Martinsville			
	Computed	Budget	Computed Over(Under) Budget Amount	
			\$	%
Real Estate	\$ 7,037,266	\$ 6,840,000	\$ 197,266	102.8840%
PP (Vehicles) ¹	\$ 2,157,083	\$ 2,112,428	\$ 44,655	102.1139%
M&T	\$ 132,445	\$ 130,000	\$ 2,445	101.8808%
PP (Biz Equip-w/PP)				

1) Budget amount for PP (vehicles) includes PPTRA receipts of \$626428.

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Revenue Adjustments

Item	Rates Reduced 7.35801%	
	Henry County Computed	Martinsville City To Town Computed
Property Taxation		
Real Property & Mobile Homes		
Assessed Value	\$ 3,186,453,293	\$ 662,580,372
Change in AV	\$ 662,580,372	
Adjusted Assessed Value	\$ 3,849,033,665	\$ 662,580,372
Tax Rate per \$100 Value	\$ 0.488000	\$ 0.078149
New Levy	\$ 18,783,284	\$ 517,802
Increase (Decrease) in Computed Levy	\$ 3,233,392	
Divide By Computed/Budget Difference		102.88%
Budget Amount		503,287
Adjusted Assessed Value	\$ 3,849,033,665	
Post Reversion \$ Necessary To Balance	\$ 1,214,312	
Additional RE Tax Rate Necessary	\$ 0.03155	
Computed Additional Levy	\$ 1,214,370	
Computed Levy Over (Under) Necessary	\$ 58	
Personal Property (Vehicles)		
Assessed Value	\$ 280,654,344	\$ 57,110,821
Ass'd Value as % of Retail Value	76.00%	76.00%
Change in Taxable Value	\$ 57,110,821	
Assessment Ratio	100.00%	100.00%
Adjusted Assessed Value	\$ 337,765,165	\$ 57,110,821
Tax Rate per \$100 Value	\$ 1.48	\$ 0.16923
New Levy	\$ 4,998,924	\$ 96,651
Divide By Computed/Budget Difference		102.11%
Budget Amount	\$ 4,998,924	\$ 94,650
Less PPTRA Revenue		626,428
Local Tax Payer Responsibility		(531,778)
Increase (Decrease) in Revenue	\$ 845,240	
Machinery & Tools & Business Equipment		
Assessed Value	\$ 262,406,328	\$ 7,159,164
Change in Assessed Value	\$ 43,834,564	
Adjusted Assessed Value	\$ 306,240,892	\$ 7,159,164
Tax Rate per \$100 Value	\$ 1.48	\$ 0.13612
New Levy	\$ 4,532,365	\$ 9,745
Increase (Decrease) in Revenue	\$ 648,751	
Divide By Computed/Budget Difference		101.88%
Budget Amount		9,565
Personal Property (Business Equipment)		
Assessed Value	\$ 80,970,483	\$ 36,675,400
Ass'd Value as % of Retail Value		
Change in Taxable Value		
Assessment Ratio	100.00%	100.00%
Adjusted Assessed Value		\$ 36,675,400
Tax Rate per \$100 Value		\$ 0.16923
New Levy		\$ 62,067
Increase (Decrease) in Revenue		
Divide By Computed/Budget Difference		102.11%
Budget Amount		60,782
Penalties & Interest		
Budgeted Amounts:		
Penalties	\$ 200,000	\$ 102,000
Interest	\$ 125,000	\$ 71,000
Subtotal	\$ 325,000	\$ 173,000
Total Budgeted Property Tax Revenue	\$ 21,892,833	\$ 8,456,000
Ratio P&I to Budgeted Revenue	1.4845%	2.0459%
Computed Change in Tax Revenue	\$ 4,727,383	\$ (7,787,715)
Increase (Decrease) in Revenue	\$ 70,178	\$ (159,329)
Net Change Property Taxation	\$ 4,797,561	\$ (117,473)
Other Local Taxes		
Local Sales & Use Tax		
Budgeted Amount	\$ 3,880,000	\$ 1,900,000
Change	\$ 1,900,000	\$ (1,900,000)
Subtotal Local Sales & Use Tax	\$ 5,780,000	\$ -
School Age Population	\$ 9,385	\$ 2,473
Redistribution Local Sales Tax	\$ 5,177,300	\$ 692,700
Increase (Decrease) in Revenue	\$ 1,297,300	\$ (1,297,300)

City of Martinsville, Virginia
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EXPENDITURE ANALYSIS
Schedule of Adjustments - Contributions

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY14 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY14 Budget		Reversion Adjusted			
Contributions To Local Organizations						
B/G Club	\$ 15,390		\$ 15,390			\$ -
SPCA	\$ 15,000		\$ 15,000			\$ -
WPPD	\$ 7,222		\$ 7,222			\$ -
Mura Oper	\$ 28,500		\$ 28,500			\$ -
Hist Soc			\$ -			\$ -
Longwood	\$ 8,550		\$ 8,550			\$ -
VPI Ext	\$ 6,925		\$ 6,925	\$ -		\$ -
E911	\$ 351,019		\$ 351,019			\$ -
MHC EDC	\$ 279,500		\$ 279,500			\$ -
Airport	\$ 9,000		\$ 9,000			\$ -
Magistrate Office	\$ 3,000	\$ (3,000)	\$ -			\$ -
Task Force			\$ -			\$ -
Comp Services	\$ 24,649		\$ 24,649	\$ -		\$ -
Library Contribution	\$ 289,696		\$ 289,696			\$ -
Pitts. Co. Community Action		\$ -	\$ -			\$ -
Piedmont Arts	\$ 19,240		\$ 19,240			\$ -
Adult Day Care			\$ -			\$ -
Focus	\$ 5,220		\$ 5,220			\$ -
Va Museum	\$ 10,815		\$ 10,815	\$ -		\$ -
Piedmont Community Services	\$ 56,432		\$ 56,432	\$ -		\$ -
Social Services Board	\$ 349,017	\$ (349,017)	\$ -	\$ 349,017		\$ 349,017
Community/Family Violence	\$ 12,150		\$ 12,150	\$ -		\$ -
Agency on Aging	\$ 1,370		\$ 1,370	\$ -		\$ -
Patrick Henry Community College	\$ 17,720		\$ 17,720	\$ -		\$ -
Health Center	\$ 203,010	\$ (203,010)	\$ -	\$ 203,010		\$ 203,010
July 4 th	\$ 3,850		\$ 3,850			\$ -
SS BUS TEC	\$ 3,850		\$ 3,850	\$ -		\$ -
			\$ -			\$ -
			\$ -			\$ -
			\$ -			\$ -
Total Contributions To Local Organizat	\$ 1,721,125	\$ (555,027)	\$ 1,166,098	\$ -	\$ 552,027	\$ 552,027

City of Martinsville, Virginia
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REVENUE ANALYSIS
Schedule of Adjustments - Charges for Service

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY14 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY14 Budget		Reversion Adjusted			
Charges for Service						
Sheriff's Fees	\$ 3,624	\$ (3,624)	\$ -	\$ 3,624	\$ 3,624	\$ 3,624
Courthouse	\$ 11,000	\$ (11,000)	\$ -	\$ 11,000	\$ 11,000	\$ 11,000
Crt Appt Attorney	\$ 8,000	\$ (8,000)	\$ -	\$ 8,000	\$ 8,000	\$ 8,000
CH Security Fee	\$ 24,000	\$ (24,000)	\$ -	\$ 24,000	\$ 24,000	\$ 24,000
Doc Fees	\$ 3,200	\$ (3,200)	\$ -	\$ 3,200	\$ 3,200	\$ 3,200
Remote Fee	\$ 3,000	\$ (3,000)	\$ -	\$ 3,000	\$ 3,000	\$ 3,000
Comm Atty Fee	\$ 3,000	\$ (3,000)	\$ -	\$ 3,000	\$ 3,000	\$ 3,000
Lockup Fee	\$ 3,000	\$ (3,000)	\$ -	\$ 3,000	\$ 3,000	\$ 3,000
Police Ser	\$ 3,000		\$ 3,000			\$ -
Dog Imp Fee	\$ 1,000		\$ 1,000			\$ -
B/DNA Samp	\$ 500	\$ (500)	\$ -	\$ 500	\$ 500	\$ 500
N/C Jail Tim	\$ 100	\$ (100)	\$ -	\$ 100	\$ 100	\$ 100
Live Scan	\$ 3,500	\$ (3,500)	\$ -	\$ 3,500	\$ 3,500	\$ 3,500
Passport	\$ 1,000	\$ (1,000)	\$ -	\$ 1,000	\$ 1,000	\$ 1,000
Rec Fees	\$ 15,000		\$ 15,000			\$ -
Rec Equip	\$ 500		\$ 500			\$ -
Jail Labor	\$ 24,000	\$ (24,000)	\$ -	\$ 24,000	\$ 24,000	\$ 24,000
Admin DSO	\$ 9,000		\$ 9,000	\$ -	\$ -	\$ -
Admin Atty	\$ 10,000		\$ 10,000	\$ -	\$ -	\$ -
Total Charges For Service	\$ 126,424	\$ (87,924)	\$ 38,500	\$ -	\$ 87,924	\$ 87,924

City of Martinsville, Virginia
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Reversion Impact On "Typical" Home Owner's Property

	Martinsville CITY	Martinsville TOWN	
Value of Residential Property	\$ 80,000	\$ 80,000	
City Tax Per \$100 of Value	\$ 1.06210	N/A	
County Tax Per \$100 of Value		\$ 0.51955	
Town Tax Per \$100 of Value	N/A	\$ 0.0781	
Total Estimated Real Property Taxes	\$ 850	\$ 479	\$ 0.60
Value of Personal Property	\$ 8,000	\$ 8,000	
Taxable Value	\$ 8,000	\$ 8,000	
City Tax Per \$100 of Value	\$ 2.30	N/A	
County Tax Per \$100 of Value		\$ 1.48	
Town Tax Per \$100 of Value	N/A	\$ 0.16923	
Less Town PPTRA Reimb			
Total Estimated Personal Prop Taxes	\$ 184	\$ 118	
Total Payments	\$ 1,034	\$ 597	
Estimated Property Tax		\$	%
Increase		\$ -	-
Decrease		\$ 437	42.26%