

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: June 12, 2019

To: Mr. Stephen C. Piepgrass  
Troutman Sanders, LLP

From: Taylor Stover  
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 discussed 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. Several 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. Please note that enterprise funds were excluded from the subsequent analysis.

## **TABLE 1 - Summary**

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

- Tax rates were set to be tax rate neutral for City/Town residents (the cumulative rate for City/Town residents for both county and town taxes equals the current City rate):
  - In comparison to the City of Martinsville, the Town of Martinsville would experience a substantial reduction in operational expenses of approximately \$31.7 million. With the corresponding reduction in other local, state, and federal revenues, to generate the property tax revenues necessary to balance total revenues and operational expenses, all town tax rates were set so that town residents would pay the current city rate when combined with the county tax rate.



**TABLE 1 – Summary (continued)**

- Henry County would need to increase tax rates to cover unfunded additional expenditures:
  - The Henry County would experience an increase in revenues of approximately \$28.7 million and an increase in expenditures of approximately \$30.6 million. A \$0.05 increase in the current real estate tax rate of \$0.555 would provide enough revenue to cover the \$1.9 million shortfall.

**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 revenues from the State for Constitutional offices have been continued on a dollar for dollar basis as County revenues, pursuant to previous 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 \$66,448 is incorporated.
- In total, the revenues for Town of Martinsville would decrease by approximately \$32.3 million when compared City of Martinsville. Included in the reduction is almost all of the approximately \$4 million contribution from fund balance.
- As noted earlier, the County of Henry is expected to experience a revenue increase of approximately \$28.7 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 the previously performed State Compensation Board analysis are anticipated to be retained within the structure of the Town’s Finance Office operations.

**TABLE 3 – Expenditures (continued)**

- Opportunities for school related cost savings of approximately \$1.25 million noted by the “Davis School Study” are recognized.
- As noted earlier, the Town of Martinsville would expend approximately \$31.7 million less than the City of Martinsville.
- As noted earlier, the Henry County is expected to expend approximately \$30.6 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 assessments have been calculated and presented. As previously mentioned, Town tax rates combined with County tax rate equal current City tax rates.

**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. Any contributions no longer made by the town are recognized dollar for dollar by the County.

**TABLE 7 – Homeowner Impact**

In order to cover the shortfall created by the transition, property taxes for a “typical” homeowner with assessed values of \$100,000 in real estate and \$8,000 in personal property are calculated to increase by \$50 or 7.36%. Taxes for Town residents would remain unchanged.

**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, particularly for the Constitutional officer employees. Additionally, the county may experience 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.

The exclusion of enterprise funds from the transition analysis causes the FY19 City budget to be unbalanced as displayed. The \$597,698 difference is the total appropriated fund balances of \$1,919,368 less the transfer out of \$1,321,670. Since enterprise funds should be self-funded, it was determined that removing the enterprise funds and their associated appropriated fund balances and transfers provide a better financial picture.

**City of Martinsville, Virginia  
City Transition To Town Status Evaluation  
Fiscal Year 2019**

**SUMMARY OF ANALYSIS**

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY19 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY19 Budget		Reversion Adjusted			
<b>Revenues</b>						
Total Property Taxes (G F)	\$ 8,868,000	\$ (5,366,261)	\$ 3,501,739	\$ 27,299,924	\$ 5,548,431	\$ 32,848,355
Total Other Local Taxes (G F)	\$ 6,214,450	\$ (1,364,600)	\$ 4,849,850	\$ 12,104,000	\$ 1,364,600	\$ 13,468,600
Total Perm. Lic, Fines, And Forfeitures (G F)	\$ 684,625	\$ (90,450)	\$ 594,175	\$ 237,000	\$ 90,450	\$ 327,450
Total Use Of Money & Property (G F)	\$ 1,090,008	\$ (10,000)	\$ 1,080,008	\$ 699,000	\$ 10,000	\$ 709,000
Total Charges And Misc.	\$ 475,093	\$ (80,674)	\$ 394,419	\$ 300,254	\$ 80,674	\$ 380,928
Total Recovered Costs (G F)	\$ 1,971,547	\$ (102,025)	\$ 1,869,522	\$ 2,456,823	\$ 78,525	\$ 2,535,348
Total State Sources (G F)	\$ 734,928	\$ (15,000)	\$ 719,928	\$ 4,088,828	\$ 15,000	\$ 4,103,828
Total State Shared Expenses (G F)	\$ 3,182,436	\$ (3,182,436)	\$ -	\$ 5,982,413	\$ 2,982,436	\$ 8,964,849
Total Other Va Categorical Aid (G F)	\$ 4,716,216	\$ (367,686)	\$ 4,348,530	\$ 128,316	\$ 367,686	\$ 496,002
Total Federal Sources (G F)	\$ 130,058	\$ (83,058)	\$ 47,000	\$ 230,102	\$ 83,058	\$ 313,160
Total Other Funds	\$ 126,330	\$ -	\$ 126,330	\$ 12,225,100	\$ -	\$ 12,225,100
Total School Op. Fund - Local	\$ 877,943	\$ (877,943)	\$ -	\$ -	\$ 877,943	\$ 877,943
Total School Op. Fund - State	\$ 15,417,657	\$ (15,417,657)	\$ -	\$ 52,014,871	\$ 15,484,105	\$ 67,498,976
Total School Op. Fund - Fed.	\$ 30,224	\$ (30,224)	\$ -	\$ 9,653,000	\$ 30,224	\$ 9,683,224
Total School Cafeteria Fund	\$ 1,501,865	\$ (1,501,865)	\$ -	\$ 5,546,738	\$ 1,501,865	\$ 7,048,603
Total Meals Tax Fund	\$ 2,187,978	\$ -	\$ 2,187,978	\$ -	\$ -	\$ -
Total Central Dispatch Fund	\$ -	\$ -	\$ -	\$ 908,167	\$ -	\$ 908,167
Total Children Services Act	\$ -	\$ -	\$ -	\$ 693,844	\$ 200,000	\$ 893,844
Total School Funds - Other	\$ -	\$ -	\$ -	\$ 2,265,030	\$ -	\$ 2,265,030
Total Social Services	\$ -	\$ -	\$ -	\$ 6,843,204	\$ -	\$ 6,843,204
Total Appropriated Fund Balance	\$ 3,941,216	\$ (3,804,400)	\$ 136,816	\$ 460,460	\$ -	\$ 460,460
<b>Total Revenues</b>	<b>\$ 52,150,574</b>	<b>\$ (32,294,279)</b>	<b>\$ 19,856,295</b>	<b>\$ 144,137,074</b>	<b>\$ 28,714,997</b>	<b>\$ 172,852,071</b>
<b>Expenditures</b>						
Total General Govt Admin (G F)	\$ 4,041,686	\$ (620,136)	\$ 3,421,550	\$ 3,336,193	\$ 799,994	\$ 4,136,187
Total Judicial Administration (G F)	\$ 2,428,351	\$ (2,428,351)	\$ -	\$ 3,023,926	\$ 2,428,351	\$ 5,452,277
Total Public Safety (G F)	\$ 9,976,823	\$ (3,318,655)	\$ 6,658,168	\$ 16,016,681	\$ 3,318,655	\$ 19,335,336
Total Public Works (G F)	\$ 4,825,982	\$ -	\$ 4,825,982	\$ 3,781,434	\$ -	\$ 3,781,434
Total Health & Welfare	\$ -	\$ -	\$ -	\$ 897,336	\$ -	\$ 897,336
Total Education	\$ -	\$ -	\$ -	\$ 59,442	\$ -	\$ 59,442
Total Parks, Recreation & Cultural (G F)	\$ 589,221	\$ -	\$ 589,221	\$ 1,987,734	\$ -	\$ 1,987,734
Total Community Planning (G F)	\$ 2,612,480	\$ (884,983)	\$ 1,727,497	\$ 2,061,325	\$ 684,983	\$ 2,746,308
Total Capital Reserve Funds	\$ 1,059,021	\$ -	\$ 1,059,021	\$ -	\$ -	\$ -
Total Meals Tax Fund	\$ 1,574,556	\$ -	\$ 1,574,556	\$ -	\$ -	\$ -
Total School Board	\$ 22,753,464	\$ (22,753,464)	\$ -	\$ 82,918,793	\$ 21,500,797	\$ 104,419,590
Total School Cafeteria Fund	\$ 1,680,362	\$ (1,680,362)	\$ -	\$ 5,546,738	\$ 1,680,362	\$ 7,227,100
Total Other (G F)	\$ -	\$ -	\$ -	\$ 206,789	\$ -	\$ 206,789
Total Other Funds	\$ 300	\$ -	\$ 300	\$ 12,287,208	\$ -	\$ 12,287,208
Total Capital Outlays (G F)	\$ -	\$ -	\$ -	\$ 70,000	\$ -	\$ 70,000
Total Debt Service (G F)	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000
Total Law Library	\$ -	\$ -	\$ -	\$ 31,500	\$ -	\$ 31,500
Total Central Dispatch	\$ -	\$ -	\$ -	\$ 1,800,699	\$ -	\$ 1,800,699
Total Industrial Development	\$ -	\$ -	\$ -	\$ 1,460,536	\$ -	\$ 1,460,536
Total Children Services Act	\$ -	\$ -	\$ -	\$ 1,033,000	\$ 200,000	\$ 1,233,000
Total Social Services	\$ -	\$ -	\$ -	\$ 7,597,740	\$ -	\$ 7,597,740
Total Contributions to Fund Balance	\$ 10,630	\$ (10,630)	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 51,552,876</b>	<b>\$ (31,696,581)</b>	<b>\$ 19,856,295</b>	<b>\$ 144,137,074</b>	<b>\$ 30,613,142</b>	<b>\$ 174,750,216</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ 597,698</b>	<b>\$ (597,698)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,898,145)</b>	<b>\$ (1,898,145)</b>

Meeting the shortfall of \$1898145 would require the addition of 5 cents to the existing County Real Estate tax rate.

**City of Martinsville, Virginia  
City Transition To Town Status Evaluation**

**Fiscal Year 2019**

**REVENUE ANALYSIS**

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY19 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY19 Budget		Reversion Adjusted			
<b>Property Taxes (G F)</b>						
Real Property	\$ 6,780,000	\$ (3,862,005)	\$ 2,917,995	\$ 26,869,924	\$ 3,625,733	\$ 30,495,657
Personal Property	\$ 808,000	\$ (656,798)	\$ 151,202	\$ -	\$ 1,045,707	\$ 1,045,707
Business Equipment	\$ 950,000	\$ (640,230)	\$ 309,770	\$ -	\$ -	\$ -
Machinery and Tools	\$ 120,000	\$ (100,542)	\$ 19,458	\$ -	\$ 789,598	\$ 789,598
Penalties	\$ 110,000	\$ (55,882)	\$ 54,118	\$ 260,000	\$ 87,393	\$ 347,393
Interest and Costs	\$ 100,000	\$ (50,804)	\$ 49,196	\$ 170,000	\$ -	\$ 170,000
<b>Total Property Taxes (G F)</b>	<b>\$ 8,868,000</b>	<b>\$ (5,366,261)</b>	<b>\$ 3,501,739</b>	<b>\$ 27,299,924</b>	<b>\$ 5,548,431</b>	<b>\$ 32,848,355</b>
<b>Other Local Taxes (G F)</b>						
Local Sales & Use Tax	\$ 2,000,000	\$ (1,309,600)	\$ 690,400	\$ 4,150,000	\$ 1,309,600	\$ 5,459,600
Consumer Utility Tax	\$ 677,100	\$ -	\$ 677,100	\$ 2,750,000	\$ -	\$ 2,750,000
Business License Tax	\$ 1,800,000	\$ -	\$ 1,800,000	\$ 1,607,500	\$ -	\$ 1,607,500
Franchise License Tax	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -	\$ -
Motor Vehicle Licenses	\$ 325,000	\$ -	\$ 325,000	\$ 880,000	\$ -	\$ 880,000
Bank Franchise Tax	\$ 310,000	\$ -	\$ 310,000	\$ 206,500	\$ -	\$ 206,500
Tax on Recordation/Wills	\$ 40,000	\$ (40,000)	\$ -	\$ 154,000	\$ 40,000	\$ 194,000
Grantor Tax	\$ 15,000	\$ (15,000)	\$ -	\$ -	\$ 15,000	\$ 15,000
Telephone Tax	\$ 810,000	\$ -	\$ 810,000	\$ -	\$ -	\$ -
Cigarette Tax	\$ 200,000	\$ -	\$ 200,000	\$ -	\$ -	\$ -
Rental Tax	\$ 350	\$ -	\$ 350	\$ -	\$ -	\$ -
Transient Room Tax	\$ 17,000	\$ -	\$ 17,000	\$ 116,000	\$ -	\$ 116,000
Food and Beverage Tax **	\$ -	\$ -	\$ -	\$ 2,200,000	\$ -	\$ 2,200,000
Other	\$ -	\$ -	\$ -	\$ 40,000	\$ -	\$ 40,000
<b>Total Other Local Taxes (G F)</b>	<b>\$ 6,214,450</b>	<b>\$ (1,364,600)</b>	<b>\$ 4,849,850</b>	<b>\$ 12,104,000</b>	<b>\$ 1,364,600</b>	<b>\$ 13,468,600</b>
<b>Perm. Lic, Fines, and Forfeitures (G F)</b>						
Animal Licenses	\$ 3,500	\$ -	\$ 3,500	\$ 8,000	\$ -	\$ 8,000
Other Permits and Licenses	\$ 67,625	\$ -	\$ 67,625	\$ 50,500	\$ -	\$ 50,500
Court Fines and Forfeitures	\$ 135,000	\$ (90,450)	\$ 44,550	\$ 175,500	\$ 90,450	\$ 265,950
Other Fines and Forfeitures	\$ 3,500	\$ -	\$ 3,500	\$ 3,000	\$ -	\$ 3,000
Ambulance	\$ 475,000	\$ -	\$ 475,000	\$ -	\$ -	\$ -
<b>Total Perm. Lic, Fines, And Forfeitures (G F)</b>	<b>\$ 684,625</b>	<b>\$ (90,450)</b>	<b>\$ 594,175</b>	<b>\$ 237,000</b>	<b>\$ 90,450</b>	<b>\$ 327,450</b>
<b>Use Of Money &amp; Property (G F)</b>						
Revenue from Use of Money	\$ 327,191	\$ -	\$ 327,191	\$ 333,000	\$ -	\$ 333,000
Revenue from Use of Property	\$ 762,817	\$ (10,000)	\$ 752,817	\$ 240,000	\$ 10,000	\$ 250,000
Miscellaneous	\$ -	\$ -	\$ -	\$ 126,000	\$ -	\$ 126,000
<b>Total Use Of Money &amp; Property (G F)</b>	<b>\$ 1,090,008</b>	<b>\$ (10,000)</b>	<b>\$ 1,080,008</b>	<b>\$ 699,000</b>	<b>\$ 10,000</b>	<b>\$ 709,000</b>
<b>Charges and Misc.</b>						
Charges for Services (G F)	\$ 139,724	\$ (80,674)	\$ 59,050	\$ -	\$ 80,674	\$ 80,674
Miscellaneous (G F)	\$ 335,369	\$ -	\$ 335,369	\$ 60,800	\$ -	\$ 60,800
Emergency Monitoring	\$ -	\$ -	\$ -	\$ 7,000	\$ -	\$ 7,000
Garbage Collection	\$ -	\$ -	\$ -	\$ 69,000	\$ -	\$ 69,000
Recreation Fees	\$ -	\$ -	\$ -	\$ 37,000	\$ -	\$ 37,000
UT Col. Com	\$ -	\$ -	\$ -	\$ 18,000	\$ -	\$ 18,000
County Attorney Fees	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000
Sheriff Fees	\$ -	\$ -	\$ -	\$ 28,454	\$ -	\$ 28,454
Attorney Fees	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000
<b>Total Charges And Misc.</b>	<b>\$ 475,093</b>	<b>\$ (80,674)</b>	<b>\$ 394,419</b>	<b>\$ 300,254</b>	<b>\$ 80,674</b>	<b>\$ 380,928</b>

**City of Martinsville, Virginia  
City Transition To Town Status Evaluation  
Fiscal Year 2019**

**REVENUE ANALYSIS**

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY19 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY19 Budget		Reversion Adjusted			
<b>Recovered Costs (G F)</b>						
W W Moore	\$ 40,000	\$ (40,000)	\$ -	\$ 40,000	\$ 40,000	\$ -
Meals Tax Admin	\$ 52,640		\$ 52,640			\$ -
Library	\$ 3,600		\$ 3,600			\$ -
Adv/Recovered Costs	\$ 696,530		\$ 696,530			\$ -
Juror/Witness	\$ 5,000	\$ (5,000)	\$ -	\$ 5,000	\$ 5,000	\$ -
Medical Co-pay Reimb.	\$ 10,000	\$ (10,000)	\$ -	\$ 10,000	\$ 10,000	\$ -
Billing Expense	\$ 392,422		\$ 392,422			\$ -
Safety Expense	\$ 133,109		\$ 133,109			\$ -
Communication	\$ 6,539		\$ 6,539			\$ -
Central Garage	\$ 137,822		\$ 137,822			\$ -
Traffic	\$ 1,000		\$ 1,000			\$ -
Social Services	\$ 23,525	\$ (23,525)	\$ -	\$ 23,525	\$ 23,525	\$ -
Miscellaneous	\$ 23,500	\$ (23,500)	\$ -	\$ 263,992	\$ 263,992	\$ -
Maintenance	\$ 381,496		\$ 381,496			\$ -
Collection Expense	\$ 57,864		\$ 57,864			\$ -
Senior Citizens	\$ 6,500		\$ 6,500			\$ -
Jail Costs			\$ -	\$ 332,000	\$ 332,000	\$ -
Crt Sec Sale			\$ -	\$ 22,500	\$ 22,500	\$ -
Cty Extens			\$ -	\$ 7,756	\$ 7,756	\$ -
Sch Resoff			\$ -	\$ 222,204	\$ 222,204	\$ -
EMS Fee			\$ -	\$ 800,000	\$ 800,000	\$ -
EDC E Dev			\$ -	\$ 745,316	\$ 745,316	\$ -
Transp Inc			\$ -	\$ 6,200	\$ 6,200	\$ -
Transp Pub			\$ -	\$ 56,355	\$ 56,355	\$ -
Transp Ink			\$ -	\$ 500	\$ 500	\$ -
<b>Total Recovered Costs (G F)</b>	<b>\$ 1,971,547</b>	<b>\$ (102,025)</b>	<b>\$ 1,869,522</b>	<b>\$ 2,456,823</b>	<b>\$ 78,525</b>	<b>\$ 2,535,348</b>
<b>State Sources (G F)</b>						
P P T R A	\$ 626,428		\$ 626,428	\$ 1,771,828		\$ 1,771,828
Rolling Stock Tax	\$ 8,500		\$ 8,500	\$ 41,000		\$ 41,000
Auto Rental Tax	\$ 85,000		\$ 85,000	\$ 27,000		\$ 27,000
Recordation Tax	\$ 15,000	\$ (15,000)	\$ -	\$ 59,000	\$ 15,000	\$ 74,000
Mobile Home Tax			\$ -	\$ 50,000		\$ 50,000
Communications Tax			\$ -	\$ 2,140,000		\$ 2,140,000
<b>Total State Sources (G F)</b>	<b>\$ 734,928</b>	<b>\$ (15,000)</b>	<b>\$ 719,928</b>	<b>\$ 4,088,828</b>	<b>\$ 15,000</b>	<b>\$ 4,103,828</b>
<b>State Shared Expenses (G F)</b>						
Commonwealth Attorney	\$ 516,863	\$ (516,863)	\$ -	\$ 589,568	\$ 516,863	\$ 1,106,431
Sheriff	\$ 1,923,309	\$ (1,923,309)	\$ -	\$ 4,538,172	\$ 1,923,309	\$ 6,461,481
Commissioner Of Revenue	\$ 106,181	\$ (106,181)	\$ -	\$ 182,634	\$ 106,181	\$ 288,815
Treasurer	\$ 89,900	\$ (89,900)	\$ -	\$ 172,551	\$ 89,900	\$ 262,451
Registrar/Electoral Board	\$ 36,000	\$ (36,000)	\$ -	\$ 46,800	\$ 36,000	\$ 82,800
Clerk Of Circuit Court	\$ 310,183	\$ (310,183)	\$ -	\$ 452,688	\$ 310,183	\$ 762,871
Children Services Act	\$ 200,000	\$ (200,000)	\$ -			\$ -
<b>Total State Shared Expenses (G F)</b>	<b>\$ 3,182,436</b>	<b>\$ (3,182,436)</b>	<b>\$ -</b>	<b>\$ 5,982,413</b>	<b>\$ 2,982,436</b>	<b>\$ 8,964,849</b>
<b>Other VA Categorical Aid (G F)</b>						
Senior Citizens	\$ 12,000		\$ 12,000			\$ -
Victim Witness	\$ 27,686	\$ (27,686)	\$ -	\$ 42,302	\$ 27,686	\$ 69,988
H B 599- Police	\$ 900,796		\$ 900,796			\$ -
E M S 2 for Life	\$ 10,000		\$ 10,000			\$ -
Street Maintenance	\$ 3,381,734		\$ 3,381,734			\$ -
Jail per diem	\$ 340,000	\$ (340,000)	\$ -	\$ 340,000	\$ 340,000	\$ 340,000
Other Categorical Aid	\$ 5,000		\$ 5,000			\$ -
Transp St			\$ -	\$ 24,779		\$ 24,779
Litter Con			\$ -	\$ 19,890		\$ 19,890
Pymnts in Lieu of Taxes			\$ -	\$ 3,000		\$ 3,000
Law Enforcement Grant			\$ -	\$ 38,345		\$ 38,345
Fire Program	\$ 39,000		\$ 39,000			\$ -
<b>Total Other Va Categorical Aid (G F)</b>	<b>\$ 4,716,216</b>	<b>\$ (367,686)</b>	<b>\$ 4,348,530</b>	<b>\$ 128,316</b>	<b>\$ 367,686</b>	<b>\$ 496,002</b>

**City of Martinsville, Virginia  
City Transition To Town Status Evaluation  
Fiscal Year 2019**

**REVENUE ANALYSIS**

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY19 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY19 Budget		Reversion Adjusted			
<b>Federal Sources (G F)</b>						
Victim Witness	\$ 83,058	\$ (83,058)	\$ -	\$ 126,908	\$ 83,058	\$ 209,966
Law Enf. Block Grant	\$ 15,000		\$ 15,000			\$ -
DMV Grant - Police	\$ 18,000		\$ 18,000			\$ -
Viper	\$ 9,000		\$ 9,000			\$ -
O C D E T G	\$ 5,000		\$ 5,000			\$ -
E Serv Opr			\$ -	\$ 26,164		\$ 26,164
Transp Fed			\$ -	\$ 57,030		\$ 57,030
Sale of Property			\$ -	\$ 20,000		\$ 20,000
<b>Total Federal Sources (G F)</b>	<b>\$ 130,058</b>	<b>\$ (83,058)</b>	<b>\$ 47,000</b>	<b>\$ 230,102</b>	<b>\$ 83,058</b>	<b>\$ 313,160</b>
<b>Other Funds</b>						
Gateway Streetscape - Revenue From Use Of Money			\$ -	\$ 100		\$ 100
Gateway Streetscape - Recovered Cost			\$ -	\$ 71,449		\$ 71,449
Gateway Streetscape - Federal Categorical Aid			\$ -	\$ 13,250		\$ 13,250
I D A - Use Of Property			\$ -	\$ 400		\$ 400
I D A - Recovered Cost			\$ -	\$ 30,992		\$ 30,992
Fieldale Sanitary District - Revenue From Use Of Money			\$ -	\$ 300		\$ 300
Fieldale Sanitary District - Reserve Funds			\$ -	\$ 20,200		\$ 20,200
Philpott Marina - Revenue From Use Of Property			\$ -	\$ 62,400		\$ 62,400
Philpott Marina - Miscellaneous Revenue			\$ -	\$ 79,500		\$ 79,500
Law Library			\$ -	\$ 31,500		\$ 31,500
Self Insurance			\$ -	\$ 11,915,009		\$ 11,915,009
Capital Reserve Fund	\$ 115,400		\$ 115,400			\$ -
CDBG Fund	\$ 10,930		\$ 10,930			\$ -
<b>Total Other Funds</b>	<b>\$ 126,330</b>	<b>\$ -</b>	<b>\$ 126,330</b>	<b>\$ 12,225,100</b>	<b>\$ -</b>	<b>\$ 12,225,100</b>
<b>School Op. Fund - Local</b>						
Tuition and Other Svc. Chgs	\$ 360,460	\$ (360,460)	\$ -			\$ -
Miscellaneous Local Rev.	\$ 517,483	\$ (517,483)	\$ -			\$ -
Henry Other Funds - All			\$ -	\$ 877,943		\$ 877,943
<b>Total School Op. Fund - Local</b>	<b>\$ 877,943</b>	<b>\$ (877,943)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 877,943</b>	<b>\$ 877,943</b>
<b>School Op. Fund - State</b>						
Share of State Sales Tax	\$ 2,236,348	\$ (2,236,348)	\$ -			\$ -
Basic School Aid	\$ 6,715,383	\$ (6,715,383)	\$ -			\$ -
Share of Fringe Ben - FICA	\$ 464,039	\$ (464,039)	\$ -			\$ -
Share of Fringe Ben - VRS	\$ 1,025,926	\$ (1,025,926)	\$ -			\$ -
Lottery Proceeds	\$ 610,812	\$ (610,812)	\$ -			\$ -
Voc. SOQ Payments	\$ 223,865	\$ (223,865)	\$ -			\$ -
Special Ed. - Basic	\$ 916,217	\$ (916,217)	\$ -			\$ -
At Risk Students	\$ 724,917	\$ (724,917)	\$ -			\$ -
Remedial Educ.	\$ 120,235	\$ (120,235)	\$ -			\$ -
Reduced K-3	\$ 655,169	\$ (655,169)	\$ -			\$ -
Textbooks	\$ 149,278	\$ (149,278)	\$ -			\$ -
Technology	\$ 154,000	\$ (154,000)	\$ -			\$ -
Other State Funds	\$ 1,142,434	\$ (1,142,434)	\$ -			\$ -
Grants	\$ 279,034	\$ (279,034)	\$ -			\$ -
Henry State Funds - All			\$ -	\$ 52,014,871	\$ 15,484,105	\$ 67,498,976
<b>Total School Op. Fund - State</b>	<b>\$ 15,417,657</b>	<b>\$ (15,417,657)</b>	<b>\$ -</b>	<b>\$ 52,014,871</b>	<b>\$ 15,484,105</b>	<b>\$ 67,498,976</b>
<b>School Op. Fund - Fed.</b>						
Voc. Ed. - Carl Perkins	\$ 30,224	\$ (30,224)	\$ -			\$ -
Henry Federal Funds - All			\$ -	\$ 9,653,000	\$ 30,224	\$ 9,683,224
<b>Total School Op. Fund - Fed.</b>	<b>\$ 30,224</b>	<b>\$ (30,224)</b>	<b>\$ -</b>	<b>\$ 9,653,000</b>	<b>\$ 30,224</b>	<b>\$ 9,683,224</b>
<b>School Cafeteria Fund</b>						
Rev. from Use of Money	\$ 27,000	\$ (27,000)	\$ -	\$ -	\$ 27,000	\$ 27,000
Cafeteria Sales	\$ 160,000	\$ (160,000)	\$ -	\$ -	\$ 160,000	\$ 160,000
School Food (state)	\$ 47,358	\$ (47,358)	\$ -	\$ -	\$ 47,358	\$ 47,358
School Food (federal)	\$ 1,267,507	\$ (1,267,507)	\$ -	\$ -	\$ 1,267,507	\$ 1,267,507
Henry Cafeteria Fund - All			\$ -	\$ 5,546,738		\$ 5,546,738
<b>Total School Cafeteria Fund</b>	<b>\$ 1,501,865</b>	<b>\$ (1,501,865)</b>	<b>\$ -</b>	<b>\$ 5,546,738</b>	<b>\$ 1,501,865</b>	<b>\$ 7,048,603</b>



**City of Martinsville, Virginia  
City Transition To Town Status Evaluation**

**Fiscal Year 2019**

**REVENUE ANALYSIS**

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY19 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY19 Budget		Reversion Adjusted			
<b>Meals Tax Fund</b>						
Meals Taxes **	\$ 1,820,000		\$ 1,820,000			\$ -
Federal Tax Credit	\$ 367,978		\$ 367,978			\$ -
<i>Total Meals Tax Fund</i>	\$ 2,187,978	\$ -	\$ 2,187,978	\$ -	\$ -	\$ -
<b>Central Dispatch Fund</b>						
Cty Disp C			\$ -	\$ 422,870		\$ 422,870
Sher Disp			\$ -	\$ 195,297		\$ 195,297
Virginia E911			\$ -	\$ 288,000		\$ 288,000
Other Loans			\$ -	\$ 2,000		\$ 2,000
<i>Total Central Dispatch Fund</i>	\$ -	\$ -	\$ -	\$ 908,167	\$ -	\$ 908,167
<b>Children Services Act</b>						
CSA			\$ -	\$ 693,844	\$ 200,000	\$ 893,844
<i>Total Children Services Act</i>	\$ -	\$ -	\$ -	\$ 693,844	\$ 200,000	\$ 893,844
<b>School Funds - Other</b>						
Henry Textbook Funds - All			\$ -	\$ 548,508		\$ 548,508
Henry Other Funds - All			\$ -	\$ 1,716,522		\$ 1,716,522
<i>Total School Funds - Other</i>	\$ -	\$ -	\$ -	\$ 2,265,030	\$ -	\$ 2,265,030
<b>Social Services</b>						
Cty Social Services			\$ -	\$ 401,656		\$ 401,656
Pub A Admin			\$ -	\$ 2,850,881		\$ 2,850,881
Pub As Admin			\$ -	\$ 3,590,667		\$ 3,590,667
<i>Total Social Services</i>	\$ -	\$ -	\$ -	\$ 6,843,204	\$ -	\$ 6,843,204
Appropriated Fund Balance	\$ 3,941,216	\$ (3,804,400)	\$ 136,816	\$ 460,460		\$ 460,460
	\$ 52,150,574	\$ (32,294,279)	\$ 19,856,295	\$ 144,137,074	\$ 28,714,997	\$ 172,852,071

**City of Martinsville, Virginia  
City Transition To Town Status Evaluation  
Fiscal Year 2019**

**EXPENDITURE ANALYSIS**

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY19 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY19 Budget		Reversion Adjusted			
<b>General Govt Admin (G F)</b>						
City Council/Clerk of Council/BOS	\$ 47,420		\$ 47,420	\$ 120,852		\$ 120,852
City Manager's Office/County Administrator	\$ 277,158		\$ 277,158	\$ 349,827		\$ 349,827
Legal and Customer Services	\$ 108,726		\$ 108,726	\$ 169,614		\$ 169,614
HR and Employment Svcs	\$ 591,405		\$ 591,405	\$ 71,042		\$ 71,042
Information Services and Comm.	\$ 481,105		\$ 481,105	\$ 329,099		\$ 329,099
Commissioner of Rev and Assessor	\$ 465,638	\$ (465,638)	\$ -	\$ 767,955	\$ 465,638	\$ 1,233,593
Treasurer	\$ 307,907	\$ (307,907)	\$ -	\$ 564,264	\$ 307,907	\$ 872,171
Finance Director, Accounting, Purchasing	\$ 513,508		\$ 513,508	\$ 612,533		\$ 612,533
Utility Billing	\$ 381,867		\$ 381,867			\$ -
Central Garage	\$ 457,841		\$ 457,841			\$ -
Risk Management	\$ 260,520		\$ 260,520			\$ -
Registrar	\$ 122,142	\$ (122,142)	\$ -			\$ -
Board of Elections	\$ 26,449	\$ (26,449)	\$ -	\$ 293,507	\$ 26,449	\$ 319,956
Auditor			\$ -	\$ 57,500		\$ 57,500
Town Treasurer		\$ 240,000	\$ 240,000			\$ -
Town License & Meals Tax Clerks		\$ 62,000	\$ 62,000			\$ -
<b>Total General Govt Admin (G F)</b>	<b>\$ 4,041,686</b>	<b>\$ (620,136)</b>	<b>\$ 3,421,550</b>	<b>\$ 3,336,193</b>	<b>\$ 799,994</b>	<b>\$ 4,136,187</b>
<b>Judicial Administration (G F)</b>						
Circuit Court	\$ 84,649	\$ (84,649)	\$ -	\$ 81,516	\$ 84,649	\$ 166,165
General District Court	\$ 32,600	\$ (32,600)	\$ -	\$ 21,570	\$ 32,600	\$ 54,170
Juvenile and Dom. Rel. Court	\$ 14,575	\$ (14,575)	\$ -	\$ 9,990	\$ 14,575	\$ 24,565
Clerk of Circuit Court	\$ 455,928	\$ (455,928)	\$ -	\$ 769,475	\$ 455,928	\$ 1,225,403
Sheriff - Courts	\$ 996,709	\$ (996,709)	\$ -	\$ 1,090,241	\$ 996,709	\$ 2,086,950
Commonwealth's Attorney	\$ 729,650	\$ (729,650)	\$ -	\$ 871,584	\$ 729,650	\$ 1,601,234
Victim/Witness Program	\$ 114,240	\$ (114,240)	\$ -	\$ 176,390	\$ 114,240	\$ 290,630
Special Magistrates			\$ -	\$ 3,160		\$ 3,160
<b>Total Judicial Administration (G F)</b>	<b>\$ 2,428,351</b>	<b>\$ (2,428,351)</b>	<b>\$ -</b>	<b>\$ 3,023,926</b>	<b>\$ 2,428,351</b>	<b>\$ 5,452,277</b>
<b>Public Safety (G F)</b>						
Police Department/Sheriff	\$ 4,020,597		\$ 4,020,597	\$ 5,969,461		\$ 5,969,461
Transportation Safety Commission	\$ 1,500		\$ 1,500			\$ -
Fire Services	\$ 2,096,127		\$ 2,096,127	\$ 1,047,829		\$ 1,047,829
E M S Services	\$ 198,988		\$ 198,988	\$ 2,211,788		\$ 2,211,788
Sheriff - Corrections	\$ 2,839,440	\$ (2,839,440)	\$ -	\$ 4,166,501	\$ 2,839,440	\$ 7,005,941
Sheriff- Jail Annex/Monitoring	\$ 156,830	\$ (156,830)	\$ -	\$ 32,726	\$ 156,830	\$ 189,556
Probation Office	\$ 322,385	\$ (322,385)	\$ -	\$ 374,100	\$ 322,385	\$ 696,485
Inspections	\$ 227,926		\$ 227,926			\$ -
Safety	\$ 113,030		\$ 113,030			\$ -
School Resource Officer			\$ -	\$ 260,549		\$ 260,549
Code Enforcement			\$ -	\$ 340,392		\$ 340,392
Fire Marshall			\$ -	\$ 184,483		\$ 184,483
Animal Control			\$ -	\$ 235,403		\$ 235,403
Public Safety			\$ -	\$ 181,782		\$ 181,782
SPCA			\$ -	\$ 11,667		\$ 11,667
Jail Facility			\$ -	\$ 1,000,000		\$ 1,000,000
<b>Total Public Safety (G F)</b>	<b>\$ 9,976,823</b>	<b>\$ (3,318,655)</b>	<b>\$ 6,658,168</b>	<b>\$ 16,016,681</b>	<b>\$ 3,318,655</b>	<b>\$ 19,335,336</b>

**City of Martinsville, Virginia  
City Transition To Town Status Evaluation  
Fiscal Year 2019**

**EXPENDITURE ANALYSIS**

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY19 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY19 Budget		Reversion Adjusted			
<b>Public Works (G F)</b>						
Director	\$ 133,487		\$ 133,487			\$ -
Engineering	\$ 85,912		\$ 85,912			\$ -
Street Maintenance	\$ 2,432,126		\$ 2,432,126			\$ -
Street Marking and Signs	\$ 190,157		\$ 190,157	\$ 9,000		\$ 9,000
Traffic Signals	\$ 392,871		\$ 392,871			\$ -
Street Cleaning	\$ 366,580		\$ 366,580			\$ -
Street Construction	\$ 253,462		\$ 253,462			\$ -
Uptown Maintenance	\$ 56,230		\$ 56,230			\$ -
City Hall Maintenance	\$ 712,072		\$ 712,072			\$ -
Other Maintenance	\$ 203,085		\$ 203,085			\$ -
Refuse Collection			\$ -	\$ 1,662,184		\$ 1,662,184
Refuse Disposal			\$ -	\$ 17,200		\$ 17,200
General Engineering Admin			\$ -	\$ 302,783		\$ 302,783
Communications Equip			\$ -	\$ 76,852		\$ 76,852
General Maintenance			\$ -	\$ 1,713,415		\$ 1,713,415
<b>Total Public Works (G F)</b>	<b>\$ 4,825,982</b>	<b>\$ -</b>	<b>\$ 4,825,982</b>	<b>\$ 3,781,434</b>	<b>\$ -</b>	<b>\$ 3,781,434</b>
<b>Health &amp; Welfare</b>						
Welfare/Social Services			\$ -	\$ 169,920		\$ 169,920
Local Health Department			\$ -	\$ 315,000		\$ 315,000
Area Agency on Aging			\$ -	\$ 16,000		\$ 16,000
Transportation Grants			\$ -	\$ 155,303		\$ 155,303
Group Home Services			\$ -	\$ 66,192		\$ 66,192
Other Social Services			\$ -	\$ 70,921		\$ 70,921
Property Tax Relief			\$ -	\$ 104,000		\$ 104,000
<b>Total Health &amp; Welfare</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 897,336</b>	<b>\$ -</b>	<b>\$ 897,336</b>
<b>Education</b>						
Cont. to Comm. Colleges			\$ -	\$ 59,442		\$ 59,442
<b>Total Education</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 59,442</b>	<b>\$ -</b>	<b>\$ 59,442</b>
<b>Parks, Recreation &amp; Cultural (G F)</b>						
Parks and Recreation	\$ 94,240		\$ 94,240	\$ 1,148,605		\$ 1,148,605
Park Maintenance	\$ 250,238		\$ 250,238			\$ -
Hooker Field	\$ 62,340		\$ 62,340			\$ -
VA Museum			\$ -	\$ 27,075		\$ 27,075
Art Galleries			\$ -	\$ 8,500		\$ 8,500
Other Cultural Entertainment			\$ -	\$ 68,013		\$ 68,013
Senior Center	\$ 182,403		\$ 182,403			\$ -
Library			\$ -	\$ 735,541		\$ 735,541
<b>Total Parks, Recreation &amp; Cultural (G F)</b>	<b>\$ 589,221</b>	<b>\$ -</b>	<b>\$ 589,221</b>	<b>\$ 1,987,734</b>	<b>\$ -</b>	<b>\$ 1,987,734</b>
<b>Community Planning (G F)</b>						
Economic Development			\$ -	\$ 504,513		\$ 504,513
Housing/Comm. Dev.	\$ 113,934		\$ 113,934	\$ 745,316		\$ 745,316
Misc. Dev. Expenses	\$ 105,974		\$ 105,974			\$ -
Planning and Zoning	\$ 143,781		\$ 143,781	\$ 307,585		\$ 307,585
Contributions to Local Orgs.	\$ 1,755,594	\$ (684,983)	\$ 1,070,611		\$ 684,983	\$ 684,983
Cooperative Ext. Program			\$ -	\$ 62,912		\$ 62,912
Engineering and Mapping			\$ -	\$ 290,234		\$ 290,234
Other Planning	\$ 293,197		\$ 293,197	\$ 66,883		\$ 66,883
Enterprise Zoning Incentives			\$ -	\$ 15,000		\$ 15,000
Soil and Water Cons. District			\$ -	\$ 2,500		\$ 2,500
Litter Grants			\$ -	\$ 26,382		\$ 26,382
Special Planning Grant			\$ -	\$ 40,000		\$ 40,000
Children Services Act	\$ 200,000	\$ (200,000)	\$ -			\$ -
<b>Total Community Planning (G F)</b>	<b>\$ 2,612,480</b>	<b>\$ (884,983)</b>	<b>\$ 1,727,497</b>	<b>\$ 2,061,325</b>	<b>\$ 684,983</b>	<b>\$ 2,746,308</b>

**City of Martinsville, Virginia  
City Transition To Town Status Evaluation  
Fiscal Year 2019**

**EXPENDITURE ANALYSIS**

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY19 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY19 Budget		Reversion Adjusted			
<b>Capital Reserve Funds</b>						
Tools and Equipment	\$ 192,079		\$ 192,079			\$ -
Motor Vehicles	\$ 301,000		\$ 301,000			\$ -
A D P Equipment	\$ 110,648		\$ 110,648			\$ -
Capital Projects	\$ 198,878		\$ 198,878			\$ -
Debt Service	\$ 256,416		\$ 256,416			\$ -
<i>Total Capital Reserve Funds</i>	\$ 1,059,021	\$ -	\$ 1,059,021	\$ -	\$ -	\$ -
<b>Meals Tax Fund</b>						
Meals Tax Administration	\$ 52,640		\$ 52,640			\$ -
Principal Retirement	\$ 1,036,124		\$ 1,036,124			\$ -
Interest and Other Debt Costs	\$ 485,792		\$ 485,792			\$ -
<i>Total Meals Tax Fund</i>	\$ 1,574,556	\$ -	\$ 1,574,556	\$ -	\$ -	\$ -
<b>School Board</b>						
School Board	\$ 22,753,464	\$ (22,753,464)	\$ -	\$ 81,909,825	\$ 21,500,797	\$ 103,410,622
Textbooks	\$ -		\$ -	\$ 1,008,968		\$ 1,008,968
<i>Total School Board</i>	\$ 22,753,464	\$ (22,753,464)	\$ -	\$ 82,918,793	\$ 21,500,797	\$ 104,419,590
<b>School Cafeteria Fund</b>						
School Cafeteria Fund	\$ 1,680,362	\$ (1,680,362)	\$ -	\$ 5,546,738	\$ 1,680,362	\$ 7,227,100
<i>Total School Cafeteria Fund</i>	\$ 1,680,362	\$ (1,680,362)	\$ -	\$ 5,546,738	\$ 1,680,362	\$ 7,227,100
<b>Other Funds</b>						
Gateway Streetscape			\$ -	\$ 84,799		\$ 84,799
Fieldale Sanitary District			\$ -	\$ 20,500		\$ 20,500
Philpott Marina			\$ -	\$ 266,900		\$ 266,900
Self Insurance			\$ -	\$ 11,915,009		\$ 11,915,009
CDBG	\$ 300		\$ 300			\$ -
						\$ -
						\$ -
						\$ -
<i>Total Other Funds</i>	\$ 300	\$ -	\$ 300	\$ 12,287,208	\$ -	\$ 12,287,208
<b>Police Academy</b>						
Police Academy	\$ -		\$ -			\$ -
			\$ -			\$ -
			\$ -			\$ -
<i>Total Police Academy</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other (G F)</b>						
Employee Benefits			\$ -	\$ 86,079		\$ 86,079
Central Stores			\$ -			\$ -
Pool Vehicles			\$ -	\$ 4,200		\$ 4,200
Mobile Command Vehicle			\$ -	\$ 6,510		\$ 6,510
Contingency			\$ -	\$ 110,000		\$ 110,000
<i>Total Other (G F)</i>	\$ -	\$ -	\$ -	\$ 206,789	\$ -	\$ 206,789
<b>Capital Outlays (G F)</b>						
Capital Outlays			\$ -	\$ 70,000		\$ 70,000
<i>Total Capital Outlays (G F)</i>	\$ -	\$ -	\$ -	\$ 70,000	\$ -	\$ 70,000

**City of Martinsville, Virginia  
City Transition To Town Status Evaluation  
Fiscal Year 2019**

**EXPENDITURE ANALYSIS**

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY19 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY19 Budget		Reversion Adjusted			
<b>Debt Service (G F)</b>						
Debt Svc Courthouse			\$ -	\$ 20,000		\$ 20,000
<i>Total Debt Service (G F)</i>	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000
<b>Law Library</b>						
Library			\$ -	\$ 31,500		\$ 31,500
<i>Total Law Library</i>	\$ -	\$ -	\$ -	\$ 31,500	\$ -	\$ 31,500
<b>Central Dispatch</b>						
Central Dispatch			\$ -	\$ 1,798,699		\$ 1,798,699
Special Grant			\$ -	\$ 2,000		\$ 2,000
<i>Total Central Dispatch</i>	\$ -	\$ -	\$ -	\$ 1,800,699	\$ -	\$ 1,800,699
<b>Industrial Development</b>						
Enterprise Zone Incentive			\$ -	\$ 804,836		\$ 804,836
Industrial Park Oper			\$ -	\$ 2,650		\$ 2,650
Patriot Centre			\$ -	\$ 273,000		\$ 273,000
Bryant Property Park			\$ -	\$ 30,000		\$ 30,000
Commonwealth Crossing Park			\$ -	\$ 257,075		\$ 257,075
Shell Building			\$ -	\$ 92,975		\$ 92,975
<i>Total Industrial Development</i>	\$ -	\$ -	\$ -	\$ 1,460,536	\$ -	\$ 1,460,536
<b>Children Services Act</b>						
C S A			\$ -	\$ 1,033,000	\$ 200,000	\$ 1,233,000
<i>Total Children Services Act</i>	\$ -	\$ -	\$ -	\$ 1,033,000	\$ 200,000	\$ 1,233,000
<b>Social Services</b>						
Auxiliary Grants			\$ -	\$ 7,597,740		\$ 7,597,740
<i>Total Social Services</i>	\$ -	\$ -	\$ -	\$ 7,597,740	\$ -	\$ 7,597,740
Total Contributions to Fund Balance	\$ 10,630	\$ (10,630)	\$ -	\$ -		\$ -
<b>TOTAL</b>	<b>\$ 51,552,876</b>	<b>\$ (31,696,581)</b>	<b>\$ 19,856,295</b>	<b>\$ 144,137,074</b>	<b>\$ 30,613,142</b>	<b>\$ 174,750,216</b>

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	2018 Tax Year	Increase/ (Decrease)	Reversion Adjusted
	2018 Tax Year		Reversion Adjusted			

<b>Taxable Value of Real Estate</b>						
Real Estate	\$	631,445,800		\$	2,907,841,600	
Mobile Homes				\$	22,565,813	
Public Service Real Estate	\$	21,839,490		\$	188,776,189	
<b>Total Taxable Value of Real Estate</b>	\$	<b>653,285,290</b>		\$	<b>3,119,183,602</b>	
Computed Revenue @ \$/\$100 Value						
	\$	1.0621	\$	6,938,543		
	\$	0.555			\$	17,311,469

<b>Taxable Value of Personal Property</b>						
Personal Property	\$	67,464,960		\$	321,573,633	
Public Service Personal Property				\$	97,422	
<b>Total Taxable Value of Personal Property</b>	\$	<b>67,464,960</b>		\$	<b>321,671,055</b>	
% Retail Assessed x Ass'mt Ratio		100.00%			100.00%	
Computed Revenue @ \$/\$100 Value						
	\$	2.30	\$	1,551,694		
	\$	1.55			\$	4,985,901

<b>Taxable Value of Machinery &amp; Tools and For Hire Vehicles</b>						
Machinery & Tools	\$	6,810,796		\$	353,777,486	
For Hire Vehicles	\$	103,880				
<b>Total Taxable Value of Machinery &amp; Tools :</b>	\$	<b>6,914,676</b>		\$	<b>353,777,486</b>	
Computed Revenue @ \$/\$100 Value						
	\$	1.85	\$	127,922		
	\$	1.55			\$	5,483,551

<b>Taxable Value of Personal Property (Business Equipment &amp; Computers)</b>						
Personal Property (Business Equip)	\$	41,778,489		\$	101,300,270	
Personal Property (Computers)	\$	2,248,625				
<b>Total Taxable Value of Personal Property (</b>	\$	<b>44,027,114</b>		\$	<b>101,300,270</b>	
% Retail Assessed x Ass'mt Ratio		100.00%				
Computed Revenue @ \$/\$100 Value						
	\$	2.30	\$	1,012,624		
	\$	1.55			\$	1,570,154

	Martinsville			
	Computed	Budget	Computed Over(Under) Budget Amount	
			\$	%
Real Estate	\$ 6,938,543	\$ 6,780,000	\$ 158,543	102.34%
PP (Vehicles) <sup>1</sup>	\$ 1,551,694	\$ 1,434,428	\$ 117,266	108.18%
M&T	\$ 127,922	\$ 120,000	\$ 7,922	106.60%
PP (Biz Equip)	\$ 1,012,624	\$ 950,000	\$ 62,624	106.59%

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

City of Martinsville, Virginia  
City Transition To Town Status Evaluation  
**Fiscal Year 2019**

Revenue Adjustments

Item	Henry County Computed	Martinsville City To Town Computed
<b>Property Taxation</b>		
Real Property & Mobile Homes		
Assessed Value	\$ 3,119,183,602	\$ 653,285,290
Change in AV	\$ 653,285,290	
Adjusted Assessed Value	\$ 3,772,468,892	\$ 653,285,290
Tax Rate per \$100 Value	\$ 0.555	\$ 0.4571
New Levy	\$ 20,937,202	\$ 2,986,167
Increase (Decrease) in Computed Levy	\$ 3,625,733	\$ (3,952,376)
Divide By Computed/Budget Difference		102.34%
Budget Adjustment Amount		(3,862,005)
Adjusted Assessed Value	\$ 3,772,468,892	
Post Reversion \$ Necessary To Balance	\$ 1,898,145	
Additional RE Tax Rate Necessary	\$ 0.050	
Computed Additional Levy	\$ 1,886,234	
Computed Levy Over (Under) Necessary	\$ (11,911)	
Personal Property (Vehicles)		
Assessed Value	\$ 321,671,055	\$ 67,464,960
Ass'd Value as % of Retail Value	78.00%	100.00%
Change in Taxable Value	\$ 67,464,960	
Assessment Ratio	76.00%	76.00%
Adjusted Assessed Value	\$ 389,136,015	\$ 51,273,370
Tax Rate per \$100 Value	\$ 1.55	\$ 0.75
New Levy	\$ 6,031,608	\$ 384,550
Divide By Computed/Budget Difference		108.18%
Adjusted Budget Amount	\$ 6,031,608	\$ 355,472
Less PPTRA (New rate ÷ old rate × Budgeted PPTRA)		204,270
Local Tax Payer Responsibility		151,202
Increase (Decrease) in Revenue	\$ 1,045,707	
Machinery & Tools & Business Equipment		
Assessed Value	\$ 353,777,486	\$ 6,914,676
Change in Assessed Value	\$ 50,941,790	
Adjusted Assessed Value	\$ 404,719,276	\$ 6,914,676
Tax Rate per \$100 Value	\$ 1.55	\$ 0.30
New Levy	\$ 6,273,149	\$ 20,744
Increase (Decrease) in Revenue	\$ 789,598	\$ (107,178)
Divide By Computed/Budget Difference		106.60%
Budget Adjustment Amount		(100,542)
Personal Property (Business Equipment)		
Assessed Value		\$ 44,027,114
Ass'd Value as % of Retail Value		
Change in Taxable Value		
Assessment Ratio		100.00%
Adjusted Assessed Value		\$ 44,027,114
Tax Rate per \$100 Value		\$ 0.75
New Levy		\$ 330,203
Increase (Decrease) in Revenue		\$ (682,421)
Divide By Computed/Budget Difference		106.59%
Budget Adjustment Amount		(640,230)
Penalties & Interest		
Budgeted Amounts:		
Penalties	\$ 260,000	\$ 110,000
Interest	\$ 170,000	\$ 100,000
Subtotal	\$ 430,000	\$ 210,000
Total Budgeted Property Tax Revenue	\$ 26,869,924	\$ 8,658,000
Ratio P&I to Budgeted Revenue	1.6003%	2.4255%
Computed Change in Tax Revenue	\$ 5,461,038	\$ (4,398,507)
Increase (Decrease) in Revenue	\$ 87,393	\$ (106,686)
Net Change Property Taxation	\$ 5,548,431	\$ (4,558,261)
<b>Other Local Taxes</b>		
Local Sales & Use Tax		
Budgeted Amount	\$ 4,150,000	\$ 2,000,000
Change	\$ 2,000,000	\$ (2,000,000)
Subtotal Local Sales & Use Tax	\$ 6,150,000	\$ -
School Age Population	9,012	2,609
Redistribution Local Sales Tax	\$ 5,459,600	\$ 690,400
Increase (Decrease) in Revenue	\$ 1,309,600	\$ (1,309,600)

City of Martinsville, Virginia  
 City Transition To Town Status Evaluation  
**Fiscal Year 2019**

EXPENDITURE ANALYSIS  
 Schedule of Adjustments - Contributions

Revenues/Expenditures	Martinsville			County of Henry		
	City	Increase/ (Decrease)	Town	FY19 Budget	Increase/ (Decrease)	Reversion Adjusted
	FY19 Budget		Reversion Adjusted			
<b>Contributions To Local Organizations</b>						
B/G Club	\$ 15,390		\$ 15,390			\$ -
SPCA	\$ 15,000		\$ 15,000			\$ -
WPPD	\$ 7,602		\$ 7,602			\$ -
Mura Oper	\$ 28,500		\$ 28,500			\$ -
Longwood	\$ 4,513		\$ 4,513			\$ -
VPI Ext	\$ 7,756		\$ 7,756			\$ -
E911	\$ 422,870		\$ 422,870			\$ -
MHCEP	\$ 100,000		\$ 100,000			\$ -
Airport	\$ 9,000		\$ 9,000			\$ -
Magistrate Office	\$ 3,500		\$ 3,500			\$ -
Shell Building	\$ 28,100		\$ 28,100			\$ -
Library Contribution	\$ 295,308		\$ 295,308			\$ -
Piedmont Arts	\$ 15,000		\$ 15,000			\$ -
Focus	\$ 5,220		\$ 5,220			\$ -
Va Museum	\$ 10,815		\$ 10,815			\$ -
Piedmont Community Services	\$ 58,125	\$ (58,125)	\$ -	\$ 58,125		\$ 58,125
Social Services Board	\$ 397,099	\$ (397,099)	\$ -	\$ 397,099		\$ 397,099
SSRC	\$ 12,150		\$ 12,150			\$ -
Agency on Aging	\$ 1,370		\$ 1,370			\$ -
Patrick Henry Community College	\$ 19,835		\$ 19,835			\$ -
Health Center	\$ 198,401	\$ (198,401)	\$ -	\$ 198,401		\$ 198,401
CPEG SBD	\$ 60,000		\$ 60,000			\$ -
Dental	\$ 4,832		\$ 4,832			\$ -
July 4th	\$ 3,850		\$ 3,850			\$ -
HDSS Maintenance	\$ 31,358	\$ (31,358)	\$ -	\$ 31,358		\$ 31,358
<b>Total Contributions To Local Organizati</b>	<b>\$ 1,755,594</b>	<b>\$ (684,983)</b>	<b>\$ 1,070,611</b>	<b>\$ -</b>	<b>\$ 684,983</b>	<b>\$ 684,983</b>



City of Martinsville, Virginia  
 City Transition To Town Status Evaluation  
**Fiscal Year 2019**

Reversion Impact On "Typical" Home Owner's Property Taxes

	<b>Martinsville</b>		<b>Henry County</b>	
	<b>CITY</b>	<b>TOWN</b>	Current	Post Reversion
Value of Residential Property	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
City Tax Per \$100 of Value	\$ 1.0621	N/A		
County Tax Per \$100 of Value		\$ 0.605	\$ 0.555	\$ 0.605
Town Tax Per \$100 of Value	N/A	\$ 0.4571		
<b>Total Estimated Real Property Taxes</b>	<b>\$ 1,062</b>	<b>\$ 1,062</b>	<b>\$ 555</b>	<b>\$ 605</b>
Value of Personal Property	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Taxable Value	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
City Tax Per \$100 of Value	\$ 2.30	N/A		
County Tax Per \$100 of Value		\$ 1.55	\$ 1.55	\$ 1.55
Town Tax Per \$100 of Value	N/A	\$ 0.75		
Less Town PPTRA Reimb	\$ 60.00	\$ 60.00		
<b>Total Estimated Personal Prop Taxes</b>	<b>\$ 124</b>	<b>\$ 124</b>	<b>\$ 124</b>	<b>\$ 124</b>
<b>Total Payments</b>	<b>\$ 1,186</b>	<b>\$ 1,186</b>	<b>\$ 679</b>	<b>\$ 729</b>
Estimated Property Tax		\$		\$
Increase		-		50
Decrease		-		-
		%		%
Increase		0.00%		7.36%
Decrease		-		-

City of Martinsville, Virginia  
 City Transition To Town Status Evaluation

Fiscal Year 2019

Summary

Revenues/Expenditures	Martinsville			Henry County				
	City	Increase/ (Decrease)	Town	FY19 Budget	Increase/ (Decrease)	Reversion Adjusted Before Tax Increase	\$0.05 RE Tax Increase	Reversion Adjusted Before Tax Increase
	FY19 Budget		Reversion Adjusted					
Total All Revenues (Including Use Of Fund Balance)	\$ 52,150,574	\$ (32,294,279)	\$ 19,856,295	\$ 144,137,074	\$ 28,714,997	\$ 172,852,071	\$ 1,886,234	\$ 174,738,305
Total All Expenditures	\$ 51,552,876	\$ (31,696,581)	\$ 19,856,295	\$ 144,137,074	\$ 30,613,142	\$ 174,750,216	\$ -	\$ 174,750,216
Net Operations	\$ 597,698	\$ (597,698)	\$ -	\$ -	\$ (1,898,145)	\$ (1,898,145)	\$ 1,886,234	\$ (11,911)
City/Town Tax Rates Per \$100 Assessed Value								
Real Property	\$ 1.0621		\$ 0.4571	\$ 0.555				\$ 0.605
Personal Property (Vehicles)	\$ 2.30		\$ 0.75	\$ 1.55				\$ 1.55
Personal Property (Business Equipment)	\$ 2.30		\$ 0.75	\$ 1.55				\$ 1.55
Machinery & Tools	\$ 1.85		\$ 0.30	\$ 1.55				\$ 1.55