



2010
BROOMFIELD COUNTY
PROPERTY ASSESSMENT
STUDY





September 15, 2010

Mr. Mike Mauer
Director of Research
Colorado Legislative Council
Room 029, State Capitol Building
Denver, Colorado 80203

RE: Final Report for the 2010 Colorado Property Assessment Study

Dear Mr. Mauer:

Wildrose Appraisal Inc.-Audit Division is pleased to submit the Final Reports for the 2010 Colorado Property Assessment Study.

These reports are the result of two analyses: A procedural audit and a statistical audit.

The procedural audit examines all classes of property. It specifically looks at how the assessor develops economic areas, confirms and qualifies sales, develops time adjustments and performs periodic physical property inspections. The audit reviews the procedures for determining subdivision absorption and subdivision discounting. Valuation methodology is examined for residential properties and commercial properties. Procedures are reviewed for producing mines, oil and gas leaseholds and lands producing, producing coal mines, producing earth and stone products, severed mineral interests, and non-producing patented mining claims.

Statistical audits are performed on vacant land, residential properties, commercial/industrial properties and agricultural land. A statistical analysis is performed for personal property compliance on the eleven largest counties: Adams, Arapahoe, Boulder, Denver, Douglas, El Paso, Jefferson, Larimer, Mesa, Pueblo and Weld. The remaining counties receive a personal property procedural study.

Wildrose Appraisal Inc. – Audit Division appreciates the opportunity to be of service to the State of Colorado. Please contact us with any questions or concerns.

A handwritten signature in black ink that reads "Harry J. Fuller". The signature is written in a cursive style.

Harry J. Fuller
Project Manager
Wildrose Appraisal Inc. – Audit Division

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INTRODUCTION



Colorado

The State Board of Equalization (SBOE) reviews assessments for conformance to the Constitution. The SBOE will order revaluations for counties whose valuations do not reflect the proper valuation period level of value.

The statutory basis for the audit is found in C.R.S. 39-1-104 (16)(a)(b) and (c).

The legislative council sets forth two criteria that are the focus of the audit group:

To determine whether each county assessor is applying correctly the constitutional and statutory provisions, compliance requirements of the State Board of Equalization, and the manuals published by the State Property Tax Administrator to arrive at the actual value of each class of property.

To determine if each assessor is applying correctly the provisions of law to the actual values when arriving at valuations for assessment of all locally valued properties subject to the property tax.

The property assessment audit conducts a two-part analysis: A procedural analysis and a statistical analysis.

The procedural analysis includes all classes of property and specifically looks at how the assessor develops economic areas, confirms and qualifies sales, and develops time adjustments. The audit also examines the procedures for adequately discovering, classifying and valuing agricultural outbuildings, discovering subdivision build-out and subdivision discounting procedures. Valuation methodology for vacant land, improved residential properties and commercial properties is examined. Procedures for producing mines, oil and gas leaseholds and lands producing, producing coal mines, producing earth and stone products, severed mineral interests and non-producing patented mining claims are also reviewed.

Statistical analysis is performed on vacant land, residential properties, commercial industrial properties, agricultural land, and personal property. The statistical study results are compared with State Board of Equalization compliance requirements and the manuals published by the State Property Tax Administrator.

Wildrose Audit has completed the Property Assessment Study for 2010 and is pleased to report its findings for Broomfield County in the following report.

REGIONAL/HISTORICAL SKETCH OF BROOMFIELD COUNTY

Regional Information

Broomfield County is located in the Front Range region of Colorado. The Colorado Front Range is a colloquial geographic term for the populated areas of the State that are just east of the foothills of the Front Range. It

includes Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, El Paso, Jefferson, Larimer, Pueblo, and Weld counties.



Historical Information

Broomfield County has a population of approximately 55,990 people, according to the U.S. Census Bureau's 2009 estimated population data.

Broomfield was brought into the United States in 1803 as part of the Louisiana Purchase. The area was successively recognized as part of the Missouri Territory, Nebraska and Kansas until 1861 when the Colorado Territory was created. In 1876, the Broomfield area officially joined the union when Colorado became a state.

The municipality of Broomfield was incorporated in 1961 in the southeastern corner of Boulder County. It received its name from the broomcorn grown in the area. Over the next three decades, the city grew through annexations, many of which crossed the county line into four adjacent counties: Adams, Boulder, Jefferson, and Weld. In the 1990s, city leaders began to push for the creation of a separate county to avoid the inefficiencies of dealing with four separate court districts, four different county seats (each a considerable distance away), and four separate county sales tax bases. It also had longstanding political differences with Boulder County, which

impelled it to separate. Broomfield reasoned that it could provide services more responsively under its own county government, and sought an amendment to the Colorado State Constitution to create a new county. The amendment passed in 1998, after which a three-year transition period followed. On November 15, 2001, Broomfield County became the 64th and the newest and smallest, county of Colorado.

Broomfield has an extensive trail system that connects the various lakes and parks. A spectacular trail connects Stearns Lake and Josh's Pond on the west side of town. Broomfield also has a 9/11 memorial containing a piece of the steel beam from one of the towers.

Broomfield is home to many youth sports programs including, Broomfield Blitz Youth Football a non profit 501c organization dedicated to providing great exercise and athletic development. Broomfield also has a skate park with many different and varying features, such as bowls, a large half pipe and several "street" obstacles.

(www.ci.broomfield.co.us; www.wikipedia.org)

RATIO ANALYSIS

Methodology

All significant classes of properties were analyzed. Sales were collected for each property class over the appropriate sale period, which was typically defined as the 18-month period between January 2007 and June 2008. Counties with less than 30 sales typically extended the sale period back up to 5 years prior to June 30, 2008 in 6-month increments. If there were still fewer than 30 sales, supplemental appraisals were performed and treated as proxy sales. Residential sales for all counties using this method totaled at least 30 per county. For commercial sales, the total number analyzed was allowed, in some cases, to fall below 30. There were no sale quantity issues for counties requiring vacant land analysis or condominium analysis. Although it was required that we examine the median and coefficient of dispersion for all counties, we also calculated the weighted mean and price-related differential for each class of property. Counties were not passed or failed by these

latter measures, but were counseled if there were anomalies noted during our analysis. Qualified sales were based on the qualification code used by each county, which were typically coded as either “Q” or “C.” The ratio analysis included all sales. The data was trimmed for counties with obvious outliers using IAAO standards for data analysis. In every case, we examined the loss in data from trimming to ensure that only true outliers were excluded. Any county with a significant portion of sales excluded by this trimming method was examined further. No county was allowed to pass the audit if more than 5% of the sales were “lost” because of trimming. For the largest 11 counties, the residential ratio statistics were broken down by economic area as well.

Conclusions

For this final analysis report, the minimum acceptable statistical standards allowed by the State Board of Equalization are:

ALLOWABLE STANDARDS RATIO GRID		
Property Class	Unweighted Median Ratio	Coefficient of Dispersion
Commercial/Industrial	Between .95-1.05	Less than 20.99
Condominium	Between .95-1.05	Less than 15.99
Single Family	Between .95-1.05	Less than 15.99
Vacant Land	Between .95-1.05	Less than 20.99

The results for Broomfield County are:

Broomfield County Ratio Grid					
Property Class	Number of Qualified Sales	Unweighted Median Ratio	Price Related Differential	Coefficient of Dispersion	Time Trend Analysis
Commercial/Industrial	36	0.989	1.028	6.3	Compliant
Condominium	N/A	N/A	N/A	N/A	N/A
Single Family	1,885	0.990	1.012	6.6	Compliant
Vacant Land	31	1.000	1.117	17.8	Compliant

After applying the above described methodologies, it is concluded from the sales ratios that Broomfield County is in compliance

with SBOE, DPT, and Colorado State Statute valuation guidelines.

Recommendations

None

Random Deed Analysis

An additional analysis was performed as part of the Ratio Analysis. Ten randomly selected deeds with documentary fees were obtained from the Clerk and Recorder. These deeds were for sales that occurred from January 1, 2007 through June 30, 2008. These sales were then checked for inclusion on the Assessor’s qualified or unqualified database.

Conclusions

After comparing the list of randomly selected deeds with the Assessor’s database, Broomfield County has accurately transferred sales data from the recorded deeds to the qualified or unqualified database.

Recommendations

None



TIME TRENDING VERIFICATION

Methodology

While we recommend that counties use the inverted ratio regression analysis method to account for market (time) trending, some counties have used other IAAO-approved methods, such as the weighted monthly median approach. We are not auditing the methods used, but rather the results of the methods used. Given this range of methodologies used to account for market trending, we concluded that the best validation method was to examine the sale ratios for each class across the appropriate sale period. To be specific, if a county has considered and adjusted correctly for market trending, then the sale ratios should remain stable (i.e. flat) across the sale period. If a residual market trend is detected, then the county may or may not have addressed market trending adequately, and a further examination

is warranted. This validation methodology also considers the number of sales and the length of the sale period. Counties with few sales across the sale period were carefully examined to determine if the statistical results were valid.

Conclusions

After verification and analysis, it has been determined that Broomfield County has complied with the statutory requirements to analyze the effects of time on value in their county. Broomfield County has also satisfactorily applied the results of their time trending analysis to arrive at the time adjusted sales price (TASP).

Recommendations

None

SOLD / UNSOLD ANALYSIS

Methodology

Broomfield County was tested for the equal treatment of sold and unsold properties to ensure that “sales chasing” has not occurred. The auditors employed a multi-step process to determine if sold and unsold properties were valued in a consistent manner.

All qualified residential and commercial class properties were examined using the unit value method, where the actual value per square foot was compared between sold and unsold properties. A class was considered qualified if it met the criteria for the ratio analysis. The median value per square foot for both groups was compared from an appraisal and statistical perspective. If no significant difference was indicated, then we concluded that no further testing was warranted and that the county was in compliance in terms of sold/unsold consistency.

If either residential or commercial differences were significant using the unit value method, or if data limitations made the comparison invalid, then the next step was to perform a ratio analysis comparing the 2009 and 2010 actual values for each qualified class of property. All qualified vacant land classes were tested using this method. The sale property ratios were arrayed using a range of 0.8 to 1.5, which theoretically excluded changes between years that were due to other unrelated changes in the property. These ratios were also stratified at the appropriate level of analysis. Once the percent change was determined for each appropriate class and sub-class, the next step was to select the unsold sample. This sample

was at least 1% of the total population of unsold properties and excluded any sale properties. The unsold sample was filtered based on the attributes of the sold dataset to closely correlate both groups. The ratio analysis was then performed on the unsold properties and stratified. The median and mean ratio distribution was then compared between the sold and unsold group. A non-parametric test such as the Mann-Whitney test for differences between independent samples was undertaken to determine whether any observed differential was significant. If this test determined that the unsold properties were treated in a manner similar to the sold properties, it was concluded that no further testing was warranted and that the county was in compliance.

If a class or sub-class of property was determined to be significantly different by this method, the final step was to perform a multi-variate mass appraisal model that developed ratio statistics from the sold properties that were then applied to the unsold sample. This test compared the measures of central tendency and confidence intervals for the sold properties with the unsold property sample. If this comparison was also determined to be significantly different, then the conclusion was that the county had treated the unsold properties in a different manner than sold properties.

These tests were supported by both tabular and chart presentations, along with saved sold and unsold sample files.

Sold/Unsold Results	
Property Class	Results
Commercial/Industrial	Compliant
Condominium	N/A
Single Family	Compliant
Vacant Land	Compliant

Conclusions

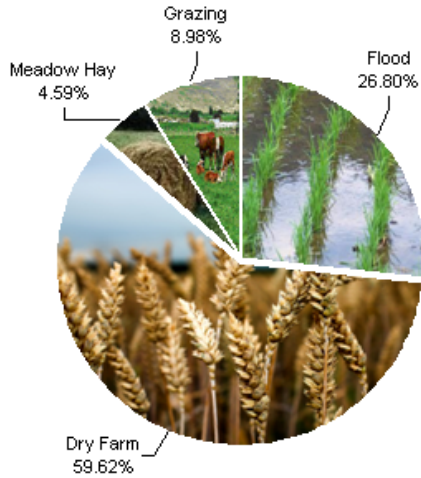
After applying the above described methodologies, it is concluded that Broomfield County is reasonably treating its sold and unsold properties in the same manner.

Recommendations

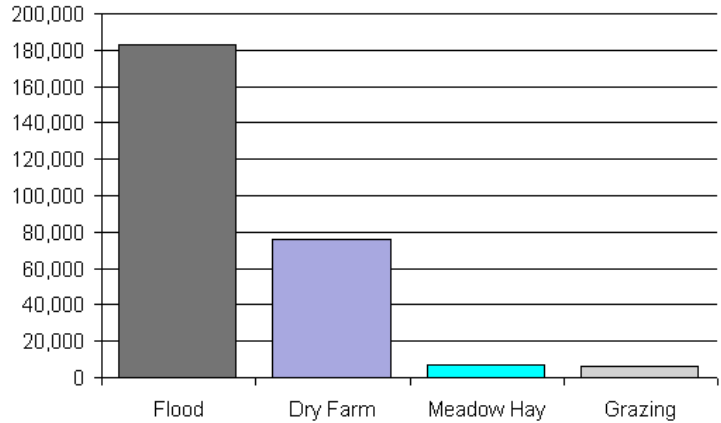
None

AGRICULTURAL LAND STUDY

Acres By Subclass



Value By Subclass



Agricultural Land

County records were reviewed to determine major land categories such as irrigated farm, dry farm, meadow hay, grazing and other lands. In addition, county records were reviewed in order to determine if: Aerial photographs are available and are being used; soil conservation guidelines have been used to classify lands based on productivity; crop rotations have been documented; typical commodities and yields have been determined; orchard lands have been properly classified and valued; expenses reflect a ten year average and are typical landlord expenses; grazing lands have been properly classified and valued; the number of acres in each class and subclass have been determined; the capitalization rate was properly applied. Also, documentation was required for the valuation methods used and any locally developed yields, carrying capacities, and expenses. Records were also checked to ensure that the commodity prices and expenses, furnished by the Property Tax

Administrator (PTA), were applied properly. (See Assessor Reference Library Volume 3 Chapter 5.)

Conclusions

An analysis of the agricultural land data indicates an acceptable appraisal of this property type. Directives, commodity prices and expenses provided by the PTA were properly applied. County yields compared favorably to those published by Colorado Agricultural Statistics. Expenses used by the county were allowable expenses and were in an acceptable range. Grazing lands carrying capacities were in an acceptable range. The data analyzed resulted in the following ratios:



Broomfield County Agricultural Land Ratio Grid						
Abstract Code	Land Class	Number Of Acres	County Value Per Acre	County Assessed Total Value	WRA Total Value	Ratio
4117	Flood	1,635	112.12	183,310	183,310	1.00
4127	Dry Farm	3,637	20.93	76,140	76,140	1.00
4137	Meadow Hay	280	24.39	6,830	6,830	1.00
4147	Grazing	548	11.02	6,040	6,040	1.00
Total/Avg		6,100	44.64	272,320	272,320	1.00

Recommendations

None



Agricultural Outbuildings

Methodology

Data was collected and reviewed to determine if the guidelines found in the Assessor's Reference Library (ARL) Volume 3, pages 5.74 through 5.77 were being followed.

Conclusions

Broomfield County has substantially complied with the procedures provided by the Division of Property Taxation for the valuation of agricultural outbuildings.

Recommendations

None

SALES VERIFICATION

According to Colorado Revised Statutes:

A representative body of sales is required when considering the market approach to appraisal.

(8) In any case in which sales prices of comparable properties within any class or subclass are utilized when considering the market approach to appraisal in the determination of actual value of any taxable property, the following limitations and conditions shall apply:

(a)(I) Use of the market approach shall require a representative body of sales, including sales by a lender or government, sufficient to set a pattern, and appraisals shall reflect due consideration of the degree of comparability of sales, including the extent of similarities and dissimilarities among properties that are compared for assessment purposes. In order to obtain a reasonable sample and to reduce sudden price changes or fluctuations, all sales shall be included in the sample that reasonably reflect a true or typical sales price during the period specified in section 39-1-104 (10.2). Sales of personal property exempt pursuant to the provisions of sections 39-3-102, 39-3-103, and 39-3-119 to 39-3-122 shall not be included in any such sample.

(b) Each such sale included in the sample shall be coded to indicate a typical, negotiated sale, as screened and verified by the assessor. (39-1-103, C.R.S.)

The assessor is required to use sales of real property only in the valuation process.

(8)(f) Such true and typical sales shall include only those sales which have been determined on an individual basis to reflect the selling price of the real property only or which have been adjusted on an individual basis to reflect the selling price of the real property only. (39-1-103, C.R.S.)

Part of the Property Assessment Study is the sales verification analysis. WRA has used the above-cited statutes as a guide in our study of the county's procedures and practices for verifying sales.

WRA reviewed the sales verification procedures in 2010 for Broomfield County. This study was conducted by checking selected sales from the master sales list for the Jan 1, 2007 - June 30, 2008 valuation period. Specifically WRA selected 45 sales listed as unqualified.

All but four of the sales selected in the sample gave reasons that were clear and supportable. Four sales had insufficient documentation.

Conclusions

Broomfield County appears to be doing an adequate job of verifying their sales. There are no recommendations.

Recommendations

None

ECONOMIC AREA REVIEW AND EVALUATION

Methodology

Broomfield County has submitted a written narrative describing the economic areas that make up the county's market areas. Broomfield County has also submitted a map illustrating these areas. Each of these narratives have been read and analyzed for logic and appraisal sensibility. The maps were also compared to the narrative for consistency between the written description and the map.

Conclusions

After review and analysis, it has been determined that Broomfield County has

adequately identified homogeneous economic areas comprised of smaller neighborhoods. Each economic area defined is equally subject to a set of economic forces that impact the value of the properties within that geographic area and this has been adequately addressed. Each economic area defined adequately delineates an area that will give "similar values for similar properties in similar areas."

Recommendations

None

NATURAL RESOURCES

Producing Oil and Gas Procedures

Methodology

Assessors Reference Library (ARL) Volume 3,
Chapter 6: Valuation of Natural Resources

STATUTORY REFERENCES

Section § 39-1-103, C.R.S., specifies that producing oil or gas leaseholds and lands are valued according to article 7 of title 39, C.R.S.

Actual value determined - when.

(2) The valuation for assessment of leaseholds and lands producing oil or gas shall be determined as provided in article 7 of this title.

§ 39-1-103, C.R.S.

Article 7 covers the listing, valuation, and assessment of producing oil and gas leaseholds and lands.

Valuation:

Valuation for assessment.

(1) Except as provided in subsection (2) of this section, on the basis of the information contained in such statement, the assessor shall value such oil and gas leaseholds and lands for

assessment, as real property, at an amount equal to eighty-seven and one-half percent of:

(a) The selling price of the oil or gas sold there from during the preceding calendar year, after excluding the selling price of all oil or gas delivered to the United States government or any agency thereof, the state of Colorado or any agency thereof, or any political subdivision of the state as royalty during the preceding calendar year;

(b) The selling price of oil or gas sold in the same field area for oil or gas transported from the premises which is not sold during the preceding calendar year, after excluding the selling price of all oil or gas delivered to the United States government or any agency thereof, the state of Colorado or any agency thereof, or any political subdivision of the state as royalty during the preceding calendar year.

§ 39-7-102, C.R.S.

Conclusions

The county applied approved appraisal procedures in the valuation of oil and gas.

Recommendations

None

VACANT LAND

Subdivision Discounting

Subdivisions were reviewed in 2010 in Broomfield County. The review showed that subdivisions were discounted pursuant to the Colorado Revised Statutes in Article 39-1-103 (14) and by applying the recommended methodology in ARL Vol 3, Chap 4. Subdivision Discounting in the intervening year was accomplished by reducing the absorption period by one year. In instances where the number of sales within an approved plat was less than the absorption rate per year calculated

for the plat, the absorption period was left unchanged.

Conclusions

Broomfield County has implemented proper procedures to adequately estimate absorption periods, discount rates, and lot values for qualifying subdivisions.

Recommendations

None

POSSESSORY INTEREST PROPERTIES

Possessory Interest

Possessory interest property discovery and valuation is described in the Assessor's Reference Library (ARL) Volume 3 section 7 in accordance with the requirements of Chapter 39-1-103 (17)(a) (II) C.R.S. Possessory Interest is defined by the Property Tax Administrator's Publication ARL Volume 3, Chapter 7: A private property interest in government-owned property or the right to the occupancy and use of any benefit in government-owned property that has been granted under lease, permit, license, concession, contract, or other agreement.

Broomfield County has been reviewed for their procedures and adherence to guidelines when

assessing and valuing commercial possessory interest properties. The county has also been queried as to their confidence that the possessory interest properties have been discovered and placed on the tax rolls.

Conclusions

Broomfield County has implemented a discovery process to place possessory interest properties on the roll. They have also correctly and consistently applied the correct procedures and valuation methods in the valuation of possessory interest properties.

Recommendations

None

PERSONAL PROPERTY AUDIT

Broomfield County was studied for its procedural compliance with the personal property assessment outlined in the Assessor's Reference Library (ARL) Volume 5, and in the State Board of Equalization (SBOE) requirements for the assessment of personal property. The SBOE requires that counties use ARL Volume 5, including current discovery, classification, documentation procedures, current economic lives table, cost factor tables, depreciation table, and level of value adjustment factor table.

The personal property audit standards narrative must be in place and current. A listing of businesses that have been audited by the assessor within the twelve-month period reflected in the plan is given to the auditor. The audited businesses must be in conformity with those described in the plan.

Aggregate ratio will be determined solely from the personal property accounts that have been physically inspected. The minimum assessment sample is one percent or ten schedules, whichever is greater, and the maximum assessment audit sample is 100 schedules.

For the counties having over 100,000 population, WRA selected a sample of all personal property schedules to determine whether the assessor is correctly applying the provisions of law and manuals of the Property Tax Administrator in arriving at the assessment levels of such property. This sample was selected from the personal property schedules audited by the assessor. In no event was the sample selected by the contractor less than 30 schedules. The counties to be included in this study are Adams, Arapahoe, Boulder, Denver, Douglas, El Paso, Jefferson, Larimer, Mesa, Pueblo, and Weld. All other counties received a procedural study.

Broomfield County is compliant with the guidelines set forth in ARL Volume 5 regarding discovery procedures, using the following methods to discover personal property accounts in the county:

- Public Record Documents
- Chamber of Commerce/Economic Development Contacts
- Local Telephone Directories, Newspapers or Other Local Publications
- Personal Observation, Physical Canvassing or Word of Mouth

The county uses the Division of Property Taxation (DPT) recommended classification and documentation procedures. The DPT's recommended cost factor tables, depreciation tables and level of value adjustment factor tables are also used.

Broomfield County submitted their personal property written audit plan and was current for the 2010 valuation period. The number and listing of businesses audited was also submitted and was in conformance with the written audit plan. The following audit triggers were used by the county to select accounts to be audited:

- Accounts with obvious discrepancies
- Incomplete or inconsistent declarations
- Accounts with omitted property
- Businesses with no deletions or additions for 2 or more years
- Non-filing Accounts - Best Information Available
- Accounts protested with substantial disagreement

Conclusions

Broomfield County has employed adequate discovery, classification, documentation, valuation, and auditing procedures for their

personal property assessment and is in statistical compliance with SBOE requirements.

Recommendations

None

WILDROSE AUDITOR STAFF

Harry J. Fuller, *Audit Project Manager*

Suzanne Howard, *Audit Administrative Manager*

Steve Kane, *Audit Statistician / Field Analyst*

Carl W. Ross, *Agricultural / Natural Resource Analyst*

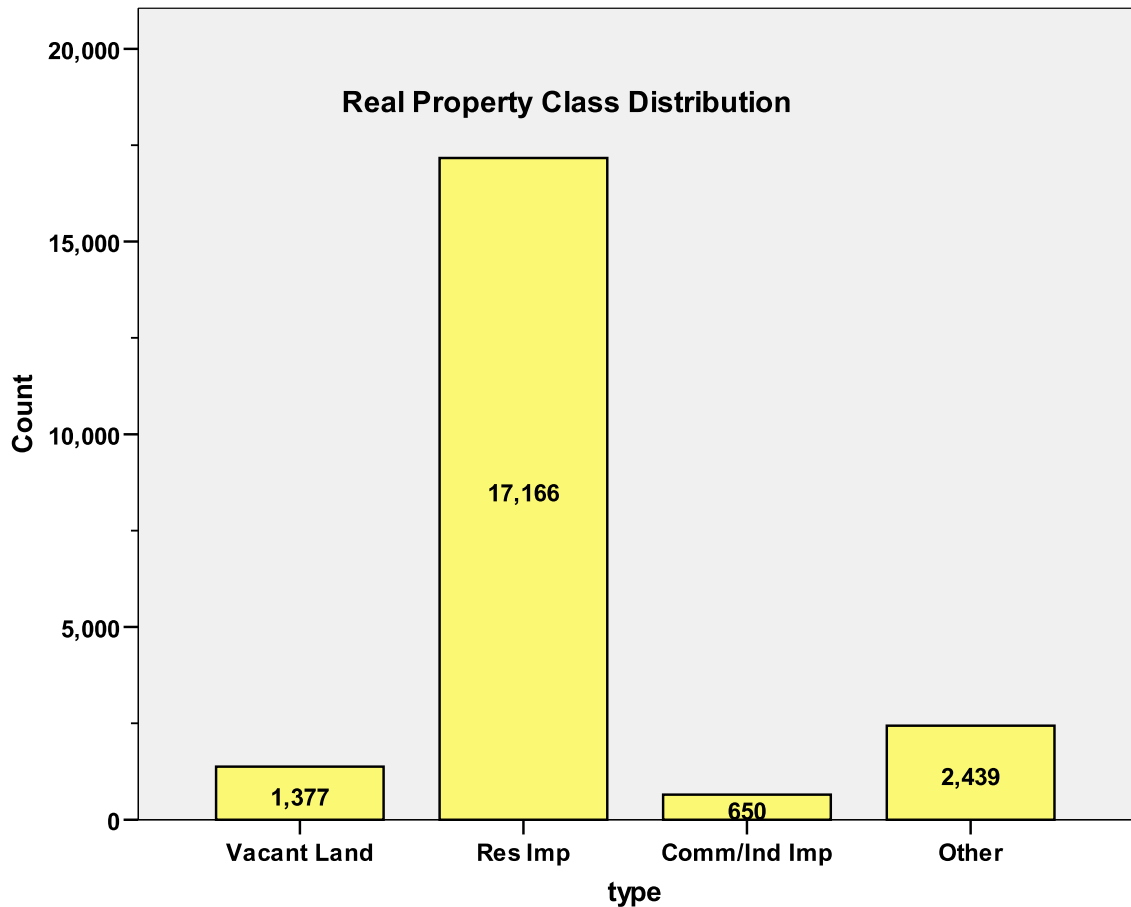
J. Andrew Rodriguez, *Field Analyst*

APPENDICES

STATISTICAL RESULTS FOR BROOMFIELD COUNTY 2010

I. OVERVIEW

Broomfield County is located in the Denver metropolitan area. The county has a total of 21,632 real property parcels, according to data submitted by the county assessor's office in 2010. The following provides a breakdown of property classes for this county:



The vacant land class of properties was dominated by residential land. Residential lots (coded 100 and 1100) accounted for 72% of all vacant land parcels.

For residential improved properties, single family properties accounted for 91% of all residential properties.

Commercial and industrial properties represented a much smaller proportion of property classes in comparison. Commercial/industrial properties accounted for 3% of all such properties in this county.

II. DATA FILES

The following sales analyses were based on the requirements of the 2010 Colorado Property Assessment Study. The data included all 5 property record files as specified by the Auditor.

III. RESIDENTIAL SALES RESULTS

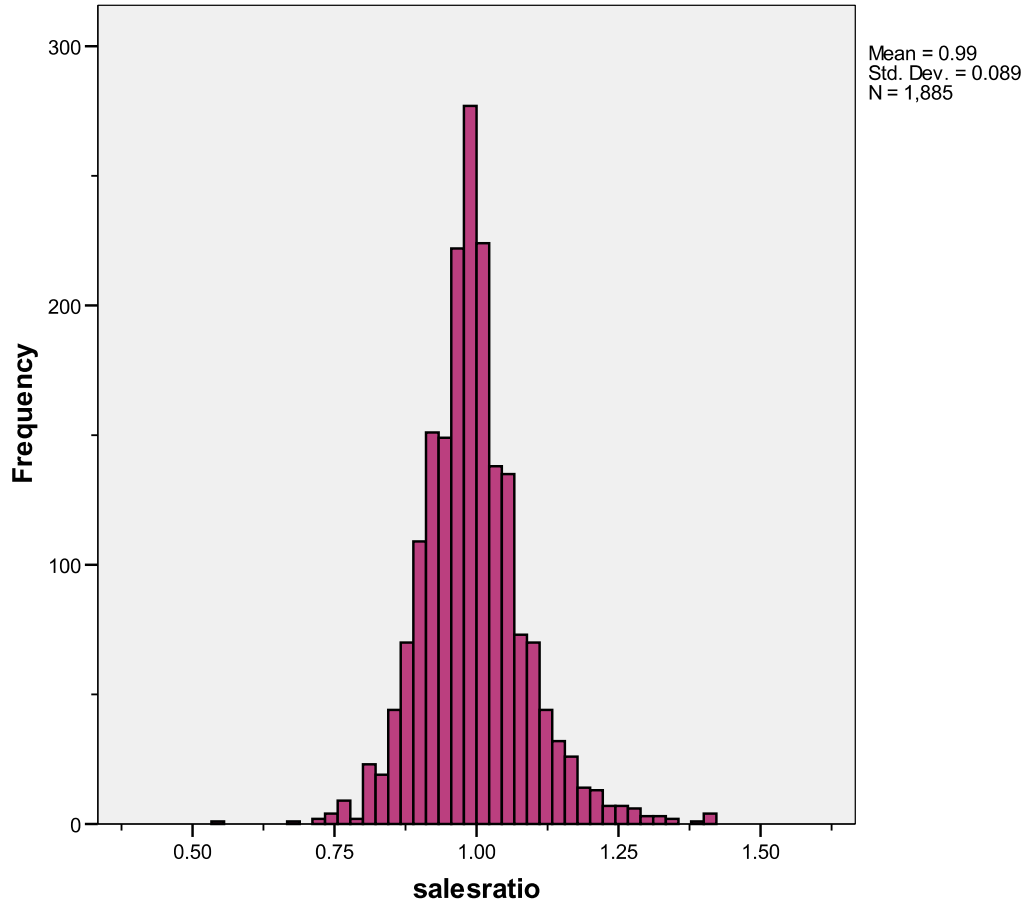
The following steps were taken to analyze the residential sales:

1. All sales	5,825
2. Qualified sales	3,589
3. Select improved sales	3,445
4. Select residential sales only	3,888
5. Sales between January 1, 2007 and June 30, 2008	1,885

The sales ratio analysis was analyzed as follows:

Median	0.990
Price Related Differential	1.012
Coefficient of Dispersion	.066

The above ratio statistics were in compliance with the standards set forth by the Colorado State Board of Equalization (SBOE) for the overall residential sales. The following graphs describe further the sales ratio distribution for these properties:





The above graphs indicate that the distribution of the sale ratios was within state mandated limits.

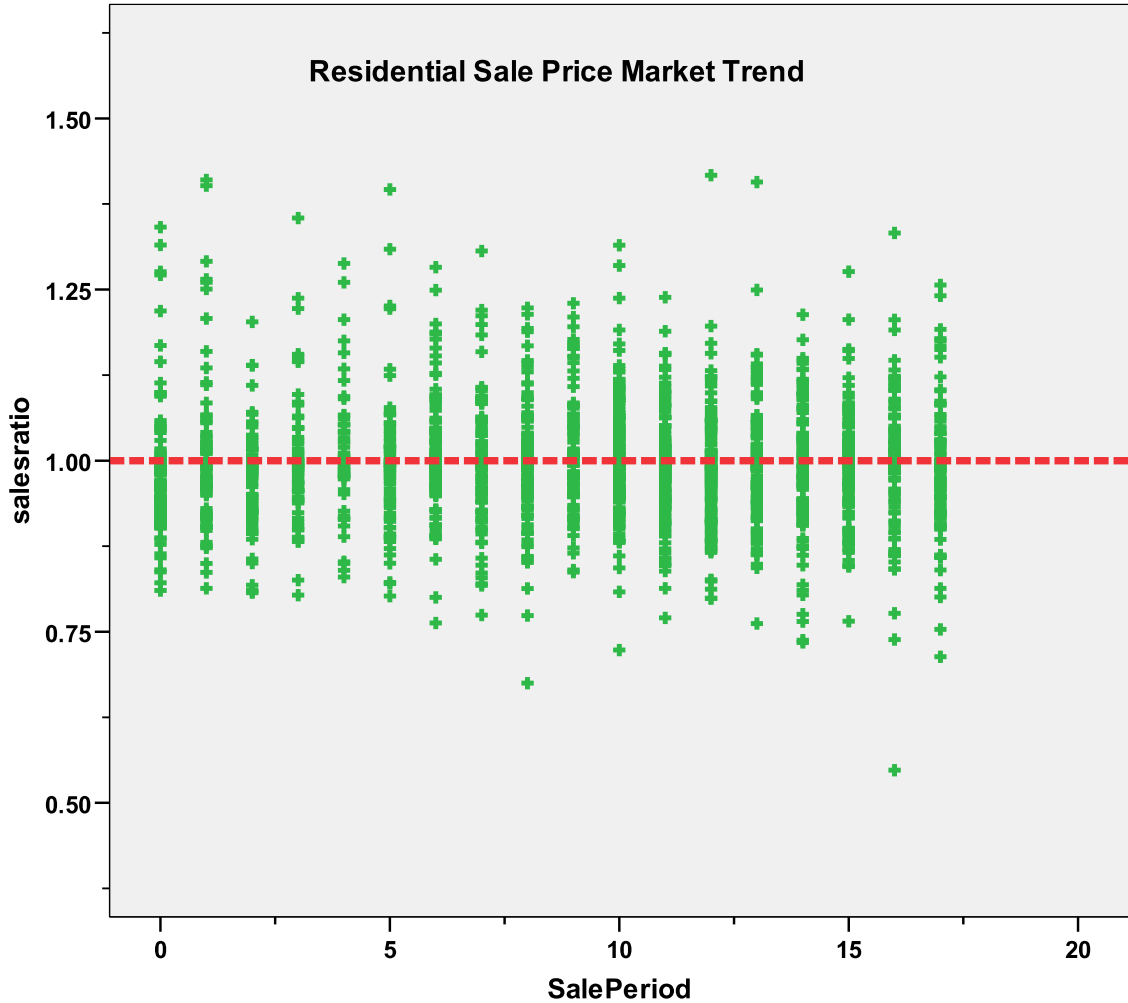
Residential Market Trend Analysis

We next analyzed the residential dataset using the 18-month sale period for any residual market trending, as follows:

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.996	.004		222.042	.000
	SalePeriod	.000	.000	-.013	-.562	.574

a. Dependent Variable: salesratio



There was no residual market trending present in the sale ratio data. We therefore concluded that the assessor has adequately addressed market trending in the valuation of residential properties.

Sold/Unsold Analysis

In terms of the valuation consistency between sold and unsold residential properties, we compared the median actual value per square foot for 2010 between each group, as follows:

Group	N	Median	Mean
Unsold	15,118	\$146	\$152
Sold	1,831	\$153	\$158

The above results indicate that sold and unsold residential properties were valued in a consistent manner.

IV. COMMERCIAL/INDUSTRIAL SALE RESULTS

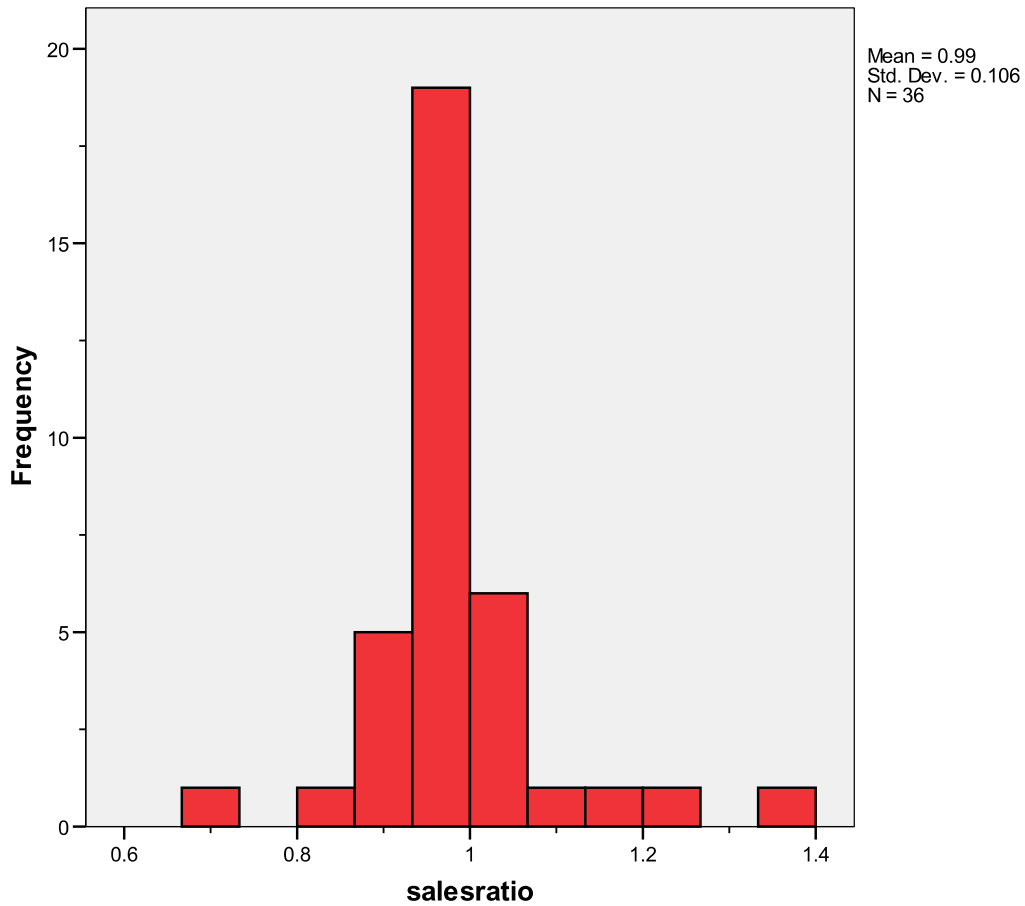
The following steps were taken to analyze commercial/industrial sales:

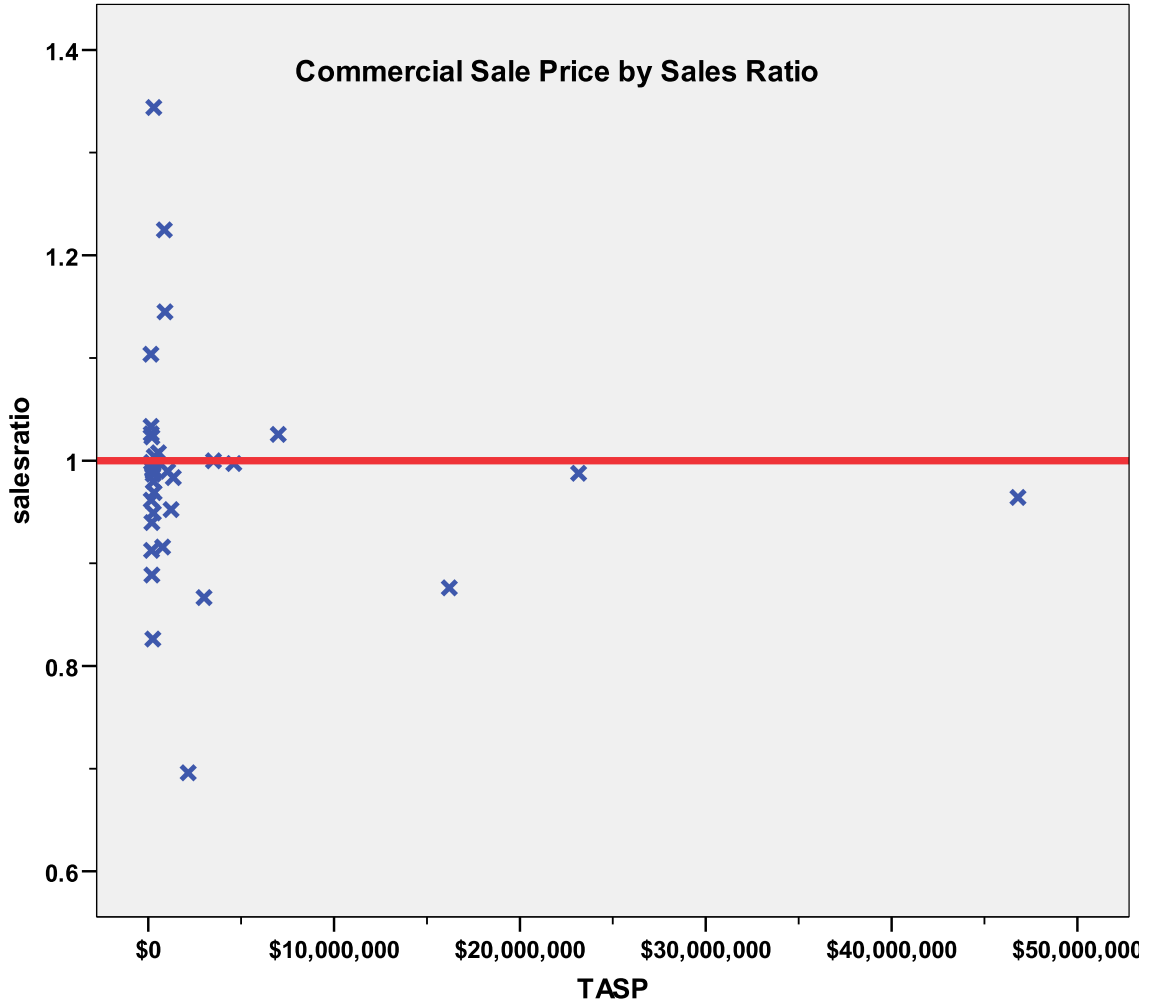
- | | |
|--|-------|
| 1. All sales | 5,825 |
| 2. Qualified sales | 3,589 |
| 3. Select improved sales | 3,445 |
| 4. Select commercial/industrial sales only | 36 |

The sales ratio analysis was analyzed as follows:

Median	0.989
Price Related Differential	1.028
Coefficient of Dispersion	.063

The above tables indicate that the Broomfield County commercial/industrial sale ratios were in compliance with the SBOE standards. The following histogram and scatter plot describe the sales ratio distribution further:





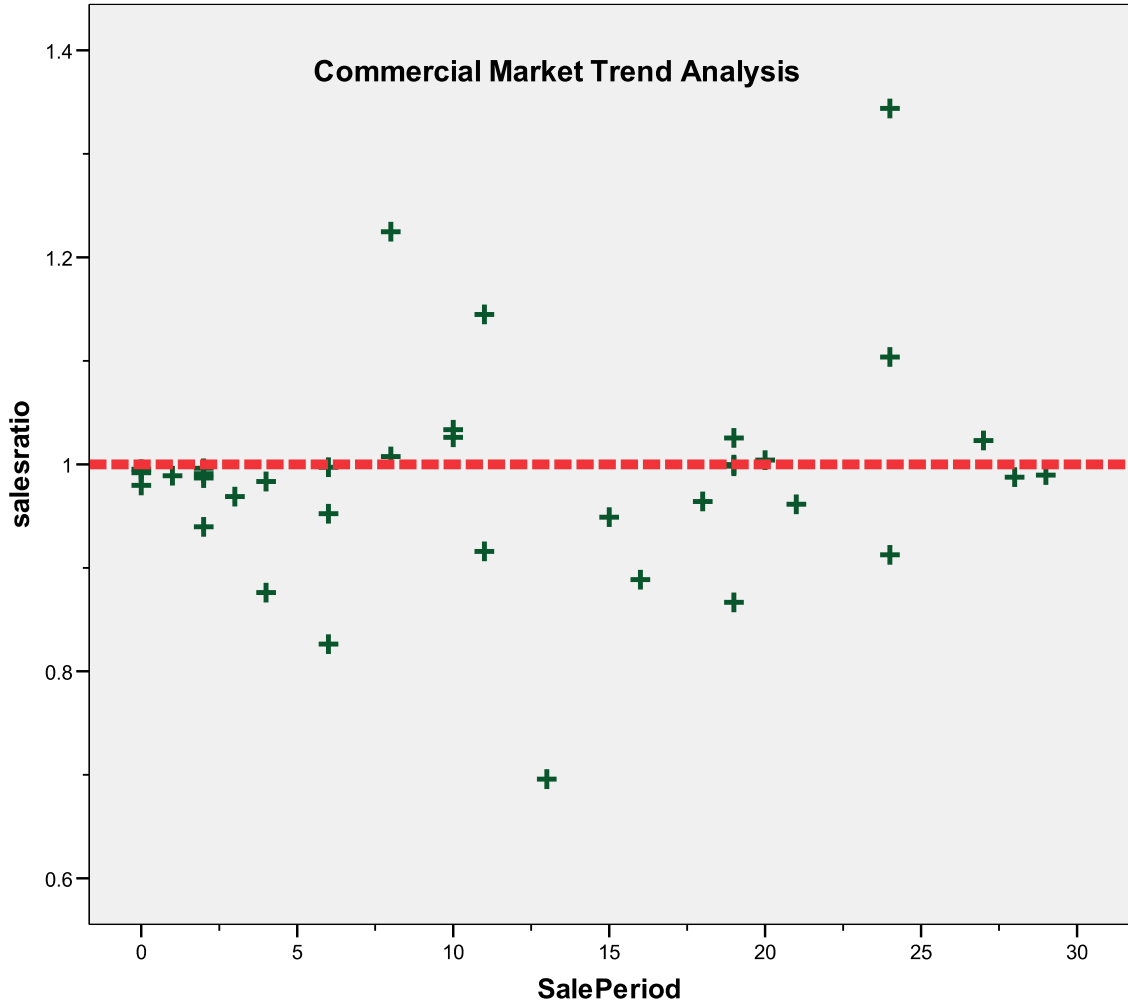
Commercial/Industrial Market Trend Analysis

The assessor did apply market trend adjustments to the commercial/industrial dataset. The 36 commercial/industrial sales were analyzed, examining the sale ratios across the 18 month sale period with the following results:

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.966	.030		32.725	.000
	SalePeriod	.002	.002	.150	.887	.381

a. Dependent Variable: salesratio



There was no residual market trending present in the commercial/industrial sale ratios. We concluded that the assessor has adequately considered market trending adjustments as part of the commercial/industrial valuation.

Sold/Unsold Analysis

We compared the median change in actual value between 2008 and 2010 base years for commercial/industrial properties to determine if sold and unsold properties were valued consistently. We performed the analysis stratifying the properties by subclass, as follows:

Abstrimp	Group	No. Props	Median Diff
2212	UNSOLD	80	.99
	SOLD	4	.98
2220	UNSOLD	71	1.02
	SOLD	6	1.16
2225	UNSOLD	5	.99
	SOLD	1	1.62
2230	UNSOLD	129	.99
	SOLD	7	1.51
2235	UNSOLD	51	1.01
	SOLD	1	.99
2245	UNSOLD	113	1.04
	SOLD	9	2.17
3212	UNSOLD	52	.99
	SOLD	1	1.04
3230	UNSOLD	63	1.03
	SOLD	7	1.05

The above results when stratified by subclass indicated that sold and unsold commercial/industrial properties were valued consistently.

V. VACANT LAND SALE RESULTS

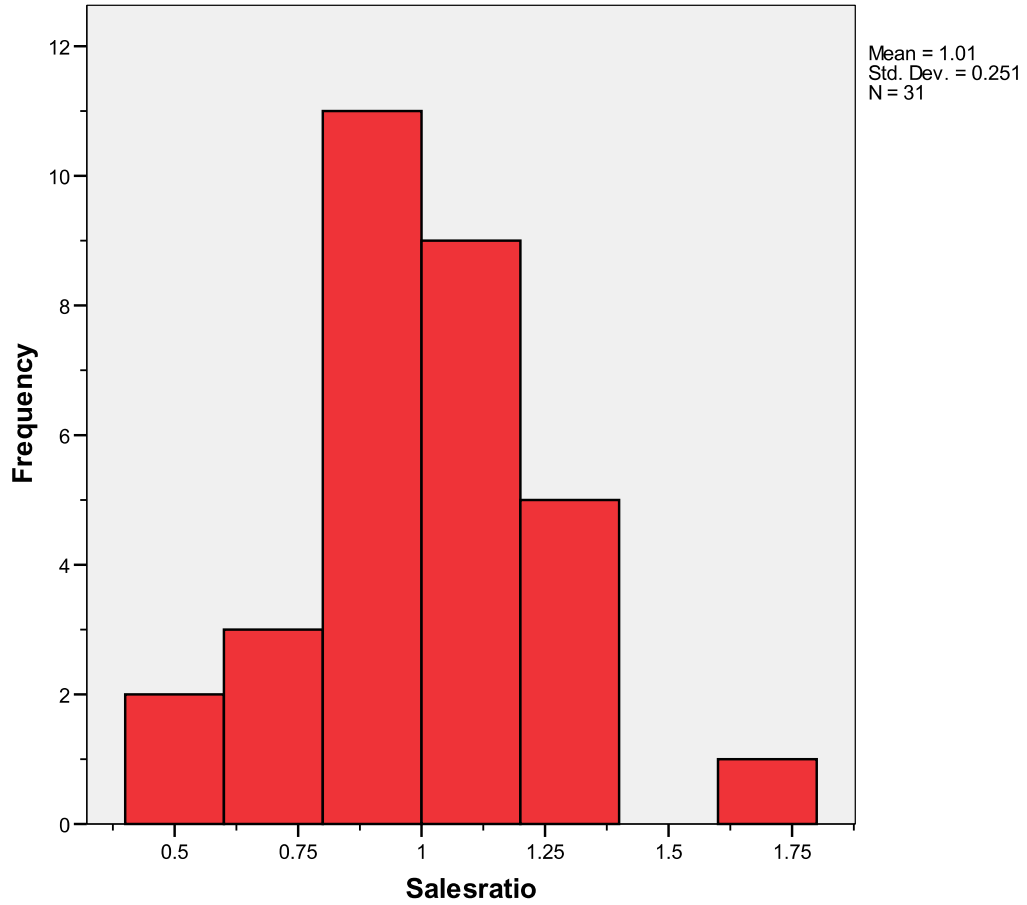
The following steps were taken to analyze the vacant land sales:

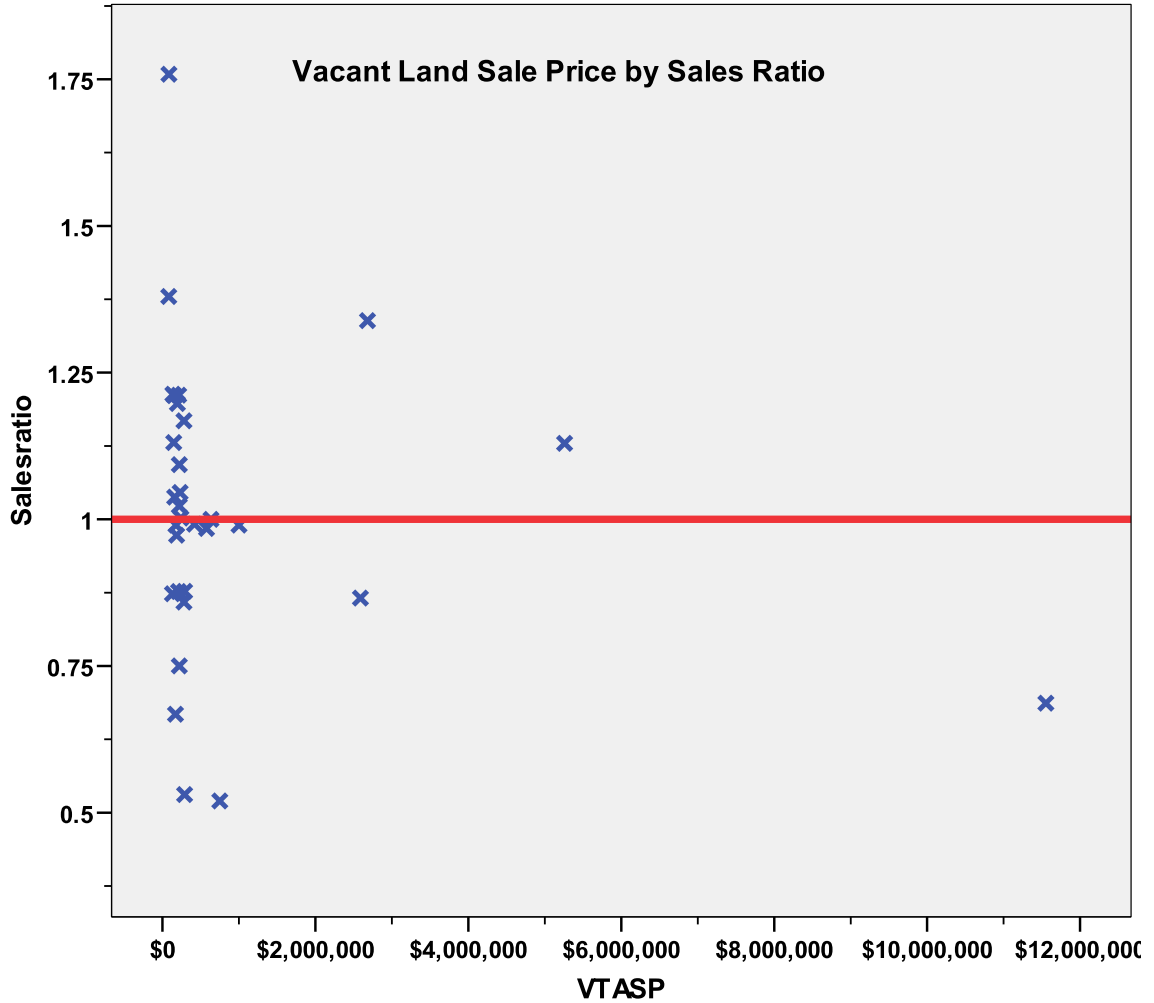
- | | |
|----------------------------------|-------|
| 1. All sales | 5,825 |
| 2. Qualified sales | 3,589 |
| 3. Select vacant land sales only | 31 |

The sales ratio analysis was analyzed as follows:

Ratio Statistics for currInd / Vtasp	
Median	1.000
Price Related Differential	1.117
Coefficient of Dispersion	.178

The above ratio statistics were in compliance overall with the standards set forth by the Colorado State Board of Equalization (SBOE) for the overall vacant land sales. The following graphs describe further the sales ratio distribution for all of these properties:





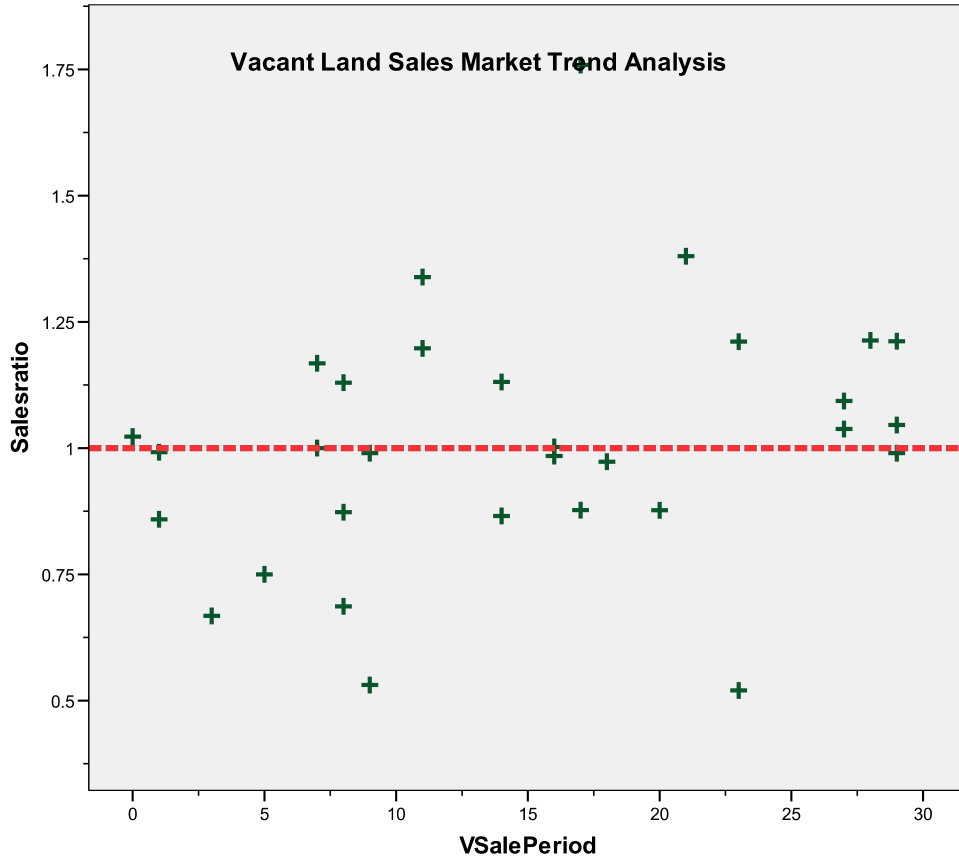
The above histogram indicates that the distribution of the vacant land sale ratios was within state mandated limits, while the above scatter plot indicated that there was no price related differential issues. No sales were trimmed.

Vacant Land Market Trend Analysis

We next analyzed the vacant land dataset using the 18-month sale period, with the following results:

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.904	.085		10.659	.000
	VSalePeriod	.007	.005	.268	1.501	.144

a. Dependent Variable: Salesratio



The above analysis indicated that no significant market trending was present in the vacant land sale data. We concluded that the assessor has adequately dealt with market trending for vacant land properties.

Sold/Unsold Analysis

In terms of the valuation consistency between sold and unsold vacant land properties, we compared the median change in value for 2008 and 2010 base years between each group. We stratified the vacant land properties by subdivision, but with the small number of sales resulting in a lack of sufficient numbers of sold and unsold properties to measure differences at that level, a valid comparison was not possible.

V. AGRICULTURAL IMPROVEMENTS ANALYSIS

Based on the parameters of the state audit analysis, this county was exempt from this analysis for 2010.

VI. Conclusions

Based on this 2010 audit statistical analysis, residential and vacant land properties were found to be in compliance with state guidelines. Please note that due to the small number of vacant land sales, a valid son/unsold analysis was not possible.

STATISTICAL ABSTRACT

Residential

Ratio Statistics for CURRTOT / TASP													
Mean	95% Confidence Interval for Mean		Median	95% Confidence Interval for Median			Weighted Mean	95% Confidence Interval for Weighted Mean		Price Related Differential	Coefficient of Dispersion	Coefficient of Variation	Mean Centered
	Lower Bound	Upper Bound		Lower Bound	Upper Bound	Actual Coverage		Lower Bound	Upper Bound				
.994	.990	.998	.990	.988	.993	95.2%	.982	.977	.987	1.012	.066		9.0%

The confidence interval for the median is constructed without any distribution assumptions. The actual coverage level may be greater than the specified level. Other confidence intervals are constructed by assuming a Normal distribution for the ratios.

Commercial Land

Ratio Statistics for CURRTOT / TASP													
Mean	95% Confidence Interval for Mean		Median	95% Confidence Interval for Median			Weighted Mean	95% Confidence Interval for Weighted Mean		Price Related Differential	Coefficient of Dispersion	Coefficient of Variation	Mean Centered
	Lower Bound	Upper Bound		Lower Bound	Upper Bound	Actual Coverage		Lower Bound	Upper Bound				
.987	.951	1.023	.988	.964	.998	97.1%	.960	.930	.991	1.028	.063		10.8%

The confidence interval for the median is constructed without any distribution assumptions. The actual coverage level may be greater than the specified level. Other confidence intervals are constructed by assuming a Normal distribution for the ratios.

Vacant Land

Ratio Statistics for CURRLND / VTASP													
Mean	95% Confidence Interval for Mean		Median	95% Confidence Interval for Median			Weighted Mean	95% Confidence Interval for Weighted Mean		Price Related Differential	Coefficient of Dispersion	Coefficient of Variation	Mean Centered
	Lower Bound	Upper Bound		Lower Bound	Upper Bound	Actual Coverage		Lower Bound	Upper Bound				
1.012	.920	1.104	1.000	.877	1.130	97.1%	.906	.693	1.119	1.117	.178		24.8%

The confidence interval for the median is constructed without any distribution assumptions. The actual coverage level may be greater than the specified level. Other confidence intervals are constructed by assuming a Normal distribution for the ratios.

Residential Median Ratio Stratification

Sale Price

Case Processing Summary

	Count	Percent
SPRec		
\$50K to \$100K	1	.1%
\$100K to \$150K	67	3.6%
\$150K to \$200K	281	14.9%
\$200K to \$300K	690	36.6%
\$300K to \$500K	604	32.0%
\$500K to \$750K	192	10.2%
\$750K to \$1,000K	36	1.9%
Over \$1,000K	14	.7%
Overall	1885	100.0%
Excluded	0	
Total	1885	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
\$50K to \$100K	1.230	1.000	.000	.%
\$100K to \$150K	1.054	1.000	.100	12.6%
\$150K to \$200K	1.000	1.001	.069	9.7%
\$200K to \$300K	.991	.999	.060	8.0%
\$300K to \$500K	.983	1.002	.062	8.3%
\$500K to \$750K	.970	1.001	.064	8.4%
\$750K to \$1,000K	.918	.999	.059	8.2%
Over \$1,000K	.958	1.003	.117	16.4%
Overall	.990	1.012	.066	9.0%

Subclass

Case Processing Summary

	Count	Percent
abstrimp 0	2	.1%
1212	1672	88.7%
1230	210	11.1%
1240	1	.1%
Overall	1885	100.0%
Excluded	0	
Total	1885	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
0	.995	1.062	.072	10.2%
1212	.991	1.011	.067	9.1%
1230	.989	1.007	.053	7.5%
1240	.548	1.000	.000	.%
Overall	.990	1.012	.066	9.0%

Age

Case Processing Summary

	Count	Percent
AgeRec 0	2	.1%
50 to 75	46	2.4%
25 to 50	280	14.9%
5 to 25	748	39.7%
5 or Newer	809	42.9%
Overall	1885	100.0%
Excluded	0	
Total	1885	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
0	.995	1.062	.072	10.2%
50 to 75	.991	1.013	.093	12.6%
25 to 50	.990	1.022	.086	12.0%
5 to 25	.990	1.005	.056	7.7%
5 or Newer	.991	1.012	.066	8.8%
Overall	.990	1.012	.066	9.0%

Improved Area
Case Processing Summary

		Count	Percent
ImpSFRec	0	2	.1%
	LE 500 sf	52	2.8%
	500 to 1,000 sf	55	2.9%
	1,000 to 1,500 sf	437	23.2%
	1,500 to 2,000 sf	581	30.8%
	2,000 to 3,000 sf	554	29.4%
	3,000 sf or Higher	204	10.8%
Overall		1885	100.0%
Excluded		0	
Total		1885	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
0	.995	1.062	.072	10.2%
LE 500 sf	.979	1.065	.075	11.3%
500 to 1,000 sf	.956	1.014	.096	12.3%
1,000 to 1,500 sf	.983	1.009	.064	8.8%
1,500 to 2,000 sf	.995	1.011	.065	9.2%
2,000 to 3,000 sf	.992	1.010	.063	8.5%
3,000 sf or Higher	.984	1.012	.066	8.8%
Overall	.990	1.012	.066	9.0%

Quality
Case Processing Summary

		Count	Percent
QUALITY	1.00	1	.1%
	2.00	33	1.8%
	3.00	859	45.6%
	4.00	926	49.2%
	5.00	57	3.0%
	6.00	7	.4%
Overall		1883	100.0%
Excluded		2	
Total		1885	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
1.00	.548	1.000	.000	.%
2.00	.991	1.006	.075	10.2%
3.00	.991	1.010	.071	9.7%
4.00	.990	1.009	.059	8.2%
5.00	.972	1.013	.078	10.1%
6.00	1.012	1.013	.042	6.6%
Overall	.990	1.012	.066	9.0%

Commercial Median Ratio Stratification

Sale Price

Case Processing Summary

	Count	Percent
SPRec \$100K to \$150K	1	2.8%
\$150K to \$200K	8	22.2%
\$200K to \$300K	10	27.8%
\$300K to \$500K	2	5.6%
\$500K to \$750K	1	2.8%
\$750K to \$1,000K	3	8.3%
Over \$1,000K	11	30.6%
Overall	36	100.0%
Excluded	0	
Total	36	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
\$100K to \$150K	1.104	1.000	.000	.%
\$150K to \$200K	.980	1.002	.048	5.7%
\$200K to \$300K	.990	.995	.059	13.2%
\$300K to \$500K	.986	1.000	.018	2.5%
\$500K to \$750K	1.008	1.000	.000	.%
\$750K to \$1,000K	1.145	.994	.090	15.0%
Over \$1,000K	.983	.984	.060	10.7%
Overall	.989	1.028	.063	10.7%

Subclass

Case Processing Summary

	Count	Percent
abstrimp 2212	4	11.1%
2220	6	16.7%
2225	1	2.8%
2230	7	19.4%
2235	1	2.8%
2245	9	25.0%
3212	1	2.8%
3230	7	19.4%
Overall	36	100.0%
Excluded	0	
Total	36	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
2212	.846	1.054	.101	14.7%
2220	.994	1.011	.032	4.4%
2225	1.225	1.000	.000	.%
2230	.983	1.139	.104	17.1%
2235	.997	1.000	.000	.%
2245	.991	1.004	.022	4.4%
3212	.990	1.000	.000	.%
3230	.969	.997	.043	5.5%
Overall	.989	1.028	.063	10.7%

Vacant Land Median Ratio Stratification

Case Processing Summary

	Count	Percent
abstrlnd 100	8	25.8%
200	1	3.2%
300	1	3.2%
520	1	3.2%
1112	12	38.7%
1125	3	9.7%
2112	1	3.2%
2130	4	12.9%
Overall	31	100.0%
Excluded	0	
Total	31	

Ratio Statistics for CURRLND / VTASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
100	.875	1.031	.152	21.9%
200	.687	1.000	.000	.%
300	.877	1.000	.000	.%
520	.520	1.000	.000	.%
1112	1.183	1.037	.145	22.1%
1125	1.130	.994	.140	21.1%
2112	.990	1.000	.000	.%
2130	.996	1.004	.012	1.7%
Overall	1.000	1.117	.178	25.1%