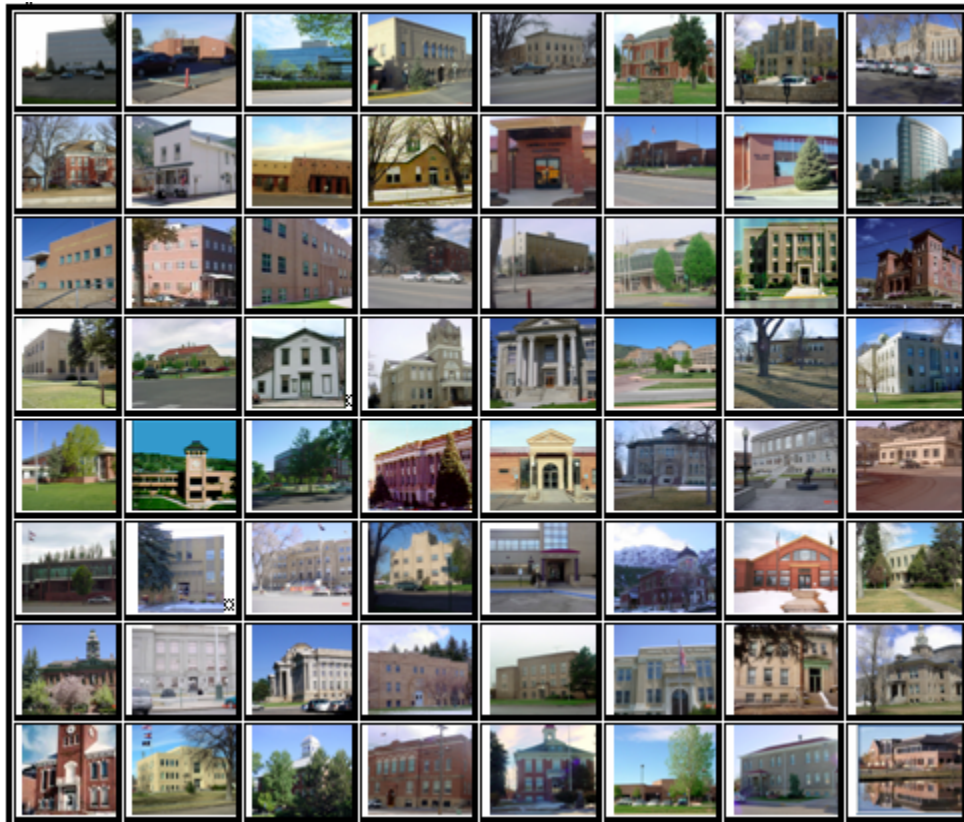




2009
EL PASO COUNTY
PROPERTY ASSESSMENT
STUDY



WILDROSE
APPRAISAL, INCORPORATED
Audit Division



September 15, 2009

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

RE: Final Report for the 2009 Colorado Property Assessment Study

Dear Mr. Mauer:

Wildrose Appraisal Inc.-Audit Division is pleased to submit the Final Reports for the 2009 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

TABLE OF CONTENTS

Introduction	3
Regional/Historical Sketch of El Paso County	4
Ratio Analysis.....	6
<i>Random Deed Analysis</i>	8
Time Trending Verification	9
Sold/Unsold Analysis	10
Agricultural Land Study	12
<i>Agricultural Land</i>	12
<i>Agricultural Outbuildings</i>	14
Sales Verification.....	15
Economic Area Review and Evaluation	16
Natural Resources	17
<i>Earth and Stone Products</i>	17
Vacant Land.....	18
Possessory Interest Properties	19
Personal Property Audit	20
Wildrose Auditor Staff.....	22
Appendices.....	23

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 2009 and is pleased to report its findings for El Paso County in the following report.

REGIONAL/HISTORICAL SKETCH OF EL PASO COUNTY

Regional Information

El Paso 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

El Paso County has a population of approximately 576,884 people with 243.1 people per square mile, according to the U.S. Census Bureau's 2006 estimated population data.

In July 1858, gold was discovered along the South Platte River in Arapahoe County, Kansas Territory. This discovery precipitated the Pike's Peak Gold Rush. Many residents of the mining region felt disconnected from the remote territorial governments of Kansas and Nebraska, so they voted to form their own Territory of Jefferson on Oct 24, 1859. The following month, the Jefferson Territorial Legislature organized 12 counties for the new territory including El Paso County. El Paso County was named for the Spanish language name for Ute Pass north of Pikes Peak. Colorado City served as the county seat of El Paso County.

The Jefferson Territory never received federal sanction, but on Feb. 2, 1861, U.S. President James Buchanan signed an act organizing the Territory of Colorado. El Paso County was one of the original 17 counties created by the Colorado legislature on November 1, 1861. Part of its western territory was broken off to create Teller County in 1899. Originally based in Old Colorado City (now part of Colorado Springs, not today's Colorado City between Pueblo and Walsenburg), El Paso County's county seat was moved to Colorado Springs in 1873.

Colorado Springs was founded in August 1871 by General William Palmer, with the intention of creating a high quality resort community, and was soon nicknamed "Little London" because of the many English tourists who came. Nearby Pikes Peak and the Garden of the Gods made the city's location a natural choice. (*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 El Paso County are:

El Paso County Ratio Grid					
Property Class	Number of Qualified Sales	Unweighted Median Ratio	Price Related Differential	Coefficient of Dispersion	Time Trend Analysis
Commercial/Industrial	143	0.980	0.988	10.8	Compliant
Condominium	N/A	N/A	N/A	N/A	N/A
Single Family	12,979	0.962	1.020	8.1	Compliant
Vacant Land	444	0.992	1.033	7.3	Compliant

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion
10	1.014	1.273	.115
12	.928	1.132	.173
13	.860	1.052	.198
2	1.045	1.009	.080
4	1.056	1.188	.114
5	1.073	1.001	.081
7	.982	1.021	.136
8	.924	1.087	.136
I	.958	1.015	.080
II	.950	1.024	.096
III	.998	1.027	.138
IV	.970	1.018	.114
IX	.954	1.008	.082
V	.962	1.026	.122
VI	.954	1.033	.139
VII	.963	1.016	.094
VIII	.957	1.014	.068
X	.958	1.017	.082
XI	.955	1.009	.078
XII	.964	1.003	.056
XIII	.964	1.004	.065
XIV	.964	1.003	.060
XIX	.973	1.027	.117
XV	.966	1.006	.063
XVI	.957	1.009	.063
XVII	.962	1.012	.074
XVIII	.962	1.019	.101
Overall	.962	1.020	.081

After applying the above described methodologies, it is concluded from the sales ratios that El Paso 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, El Paso 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 El Paso County has complied with the statutory requirements to analyze the effects of time on value in their county. El Paso 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

El Paso 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 2008 and 2009 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

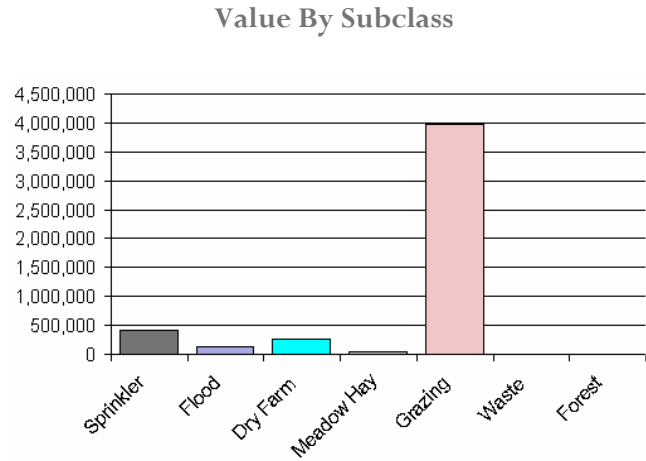
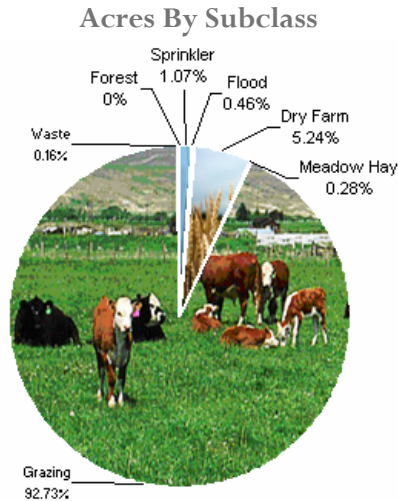
Conclusions

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

Recommendations

None

AGRICULTURAL LAND STUDY



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:



El Paso County Agricultural Land Ratio Grid						
Abstract Code	Land Class	Number Of Acres	County Value Per Acre	County Assessed Total Value	WRA Total Value	Ratio
4107	Sprinkler	6,198	68.42	424,059	423,210	1.00
4117	Flood	2,654	49.43	131,179	132,251	0.99
4127	Dry Farm	30,441	8.69	264,464	263,805	1.00
4137	Meadow Hay	1,644	25.21	41,441	41,441	1.00
4147	Grazing	538,204	7.37	3,965,550	3,965,550	1.00
4177	Forest	330	9.66	3,188	3,188	1.00
4167	Waste	918	1.62	1,483	1,483	1.00
Total/Avg		580,389	8.32	4,831,363	4,830,928	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

El Paso 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 2009 for El Paso 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 three of the sales selected in the sample gave reasons that were clear and supportable. Three sales had insufficient documentation.

Conclusions

El Paso County appears to be doing a good job of verifying their sales. There are no recommendations.

Recommendations

None

ECONOMIC AREA REVIEW AND EVALUATION

Methodology

El Paso County has submitted a written narrative describing the economic areas that make up the county's market areas. El Paso 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 El Paso 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

Earth and Stone Products

Methodology

Under the guidelines of the Assessor's Reference Library (ARL), Volume 3, Natural Resource Valuation Procedures, the income approach was applied to determine value for production of earth and stone products. The number of tons was multiplied by an economic royalty rate determined by the Division of Property Taxation to determine income. The income was multiplied by a recommended Hoskold factor to determine the actual value. The Hoskold factor is determined by the life of

the reserves or the lease. Value is based on two variables: life and tonnage. The operator determines these since there is no other means to obtain production data through any state or private agency.

Conclusions

The County has applied the correct formulas and state guidelines to earth and stone production.

Recommendations

None

VACANT LAND

Subdivision Discounting

Subdivisions were reviewed in 2009 in El Paso County. The review showed that subdivisions were discounted pursuant to the Colorado Revised Statutes in Article 39-1-103 (14). Discounting procedures were applied to all subdivisions where less than 80 percent of all sites were sold using the present worth method. The market approach was applied where 80 percent or more of the subdivision sites were sold. An absorption period was estimated for each subdivision that was discounted. An appropriate discount rate was developed using the summation method.

Subdivision land with structures was appraised at full market value.

Conclusions

El Paso 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 39-1-103 (17)(a) (II) C.R.S. Possessory Interest is defined by the Property Tax Administrator's Publication ARL Volume 3, Section 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.

El Paso County has been reviewed for their procedures and adherence to guidelines when assessing and valuing agricultural and

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

El Paso 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

El Paso 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.

El Paso 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
- MLS Listing and/or Sold Books
- Chamber of Commerce/Economic Development Contacts
- Local Telephone Directories, Newspapers or Other Local Publications
- Personal Observation, Physical Canvassing or Word of Mouth
- Questionnaires, Letters and/or Phone Calls to Buyer, Seller and/or Realtor
- Secretary of State business filings
- Voluntary filings

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.

El Paso County submitted their personal property written audit plan and was current for the 2009 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
- New businesses filing for the first time
- Accounts with greater than 10% change
- Incomplete or inconsistent declarations
- Accounts with omitted property



- Same business type or use
- Businesses with no deletions or additions for 2 or more years
- Non-filing Accounts - Best Information Available
- Accounts close to the \$4,000 actual value exemption status
- Lowest or highest quartile of value per square foot
- Accounts protested with substantial disagreement

El Paso County's median ratio is 1.00. This is

in compliance with the State Board of Equalization (SBOE) compliance requirements which range from .90 to 1.10 with no COD requirements.

Conclusions

El Paso 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*

Andy Rodriguez, *Field Analyst*

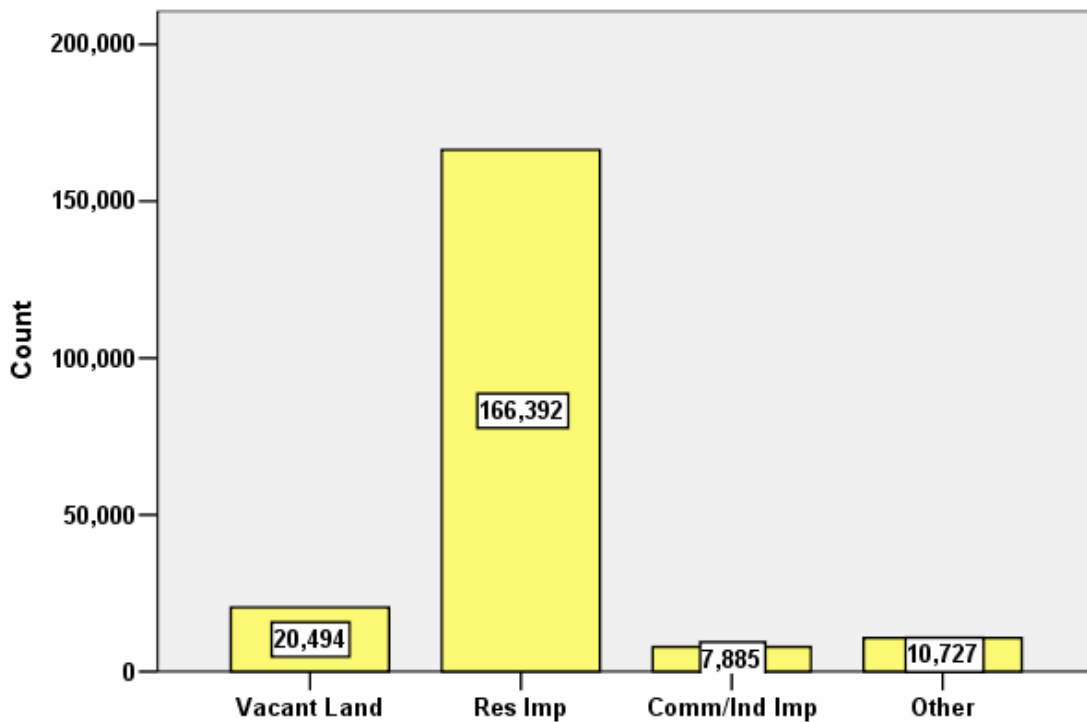
APPENDICES

STATISTICAL COMPLIANCE RESULTS FOR EL PASO COUNTY 2009

I. OVERVIEW

El Paso County is an urban county located along Colorado’s Front Range. The county has a total of 205,498 real property parcels, according to data submitted by the county assessor’s office in 2009. The following provides a breakdown of property classes for this county:

Real Property Class Distribution



The vacant land class of properties was dominated by residential land. Residential lots (coded 100 and 1112) accounted for 76% of all vacant land parcels.

For residential improved properties, single family properties accounted for 97% of all residential properties.

Commercial and industrial properties represented a much smaller proportion of property classes in comparison. Commercial/industrial properties accounted for 4% of all such properties in this county.

II. DATA FILES

The following sales analyses were based on the requirements of the 2009 Colorado Property Assessment Study. Information was provided by the El Paso Assessor's Office on April 24, 2009. 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	21,557
2. Qualified sales	14,034
3. Improved sales	13,578
4. Select residential sales only	13,007
5. Sales between January 1, 2007 and June 30, 2008	12,979

The sales ratio analysis was analyzed as follows:

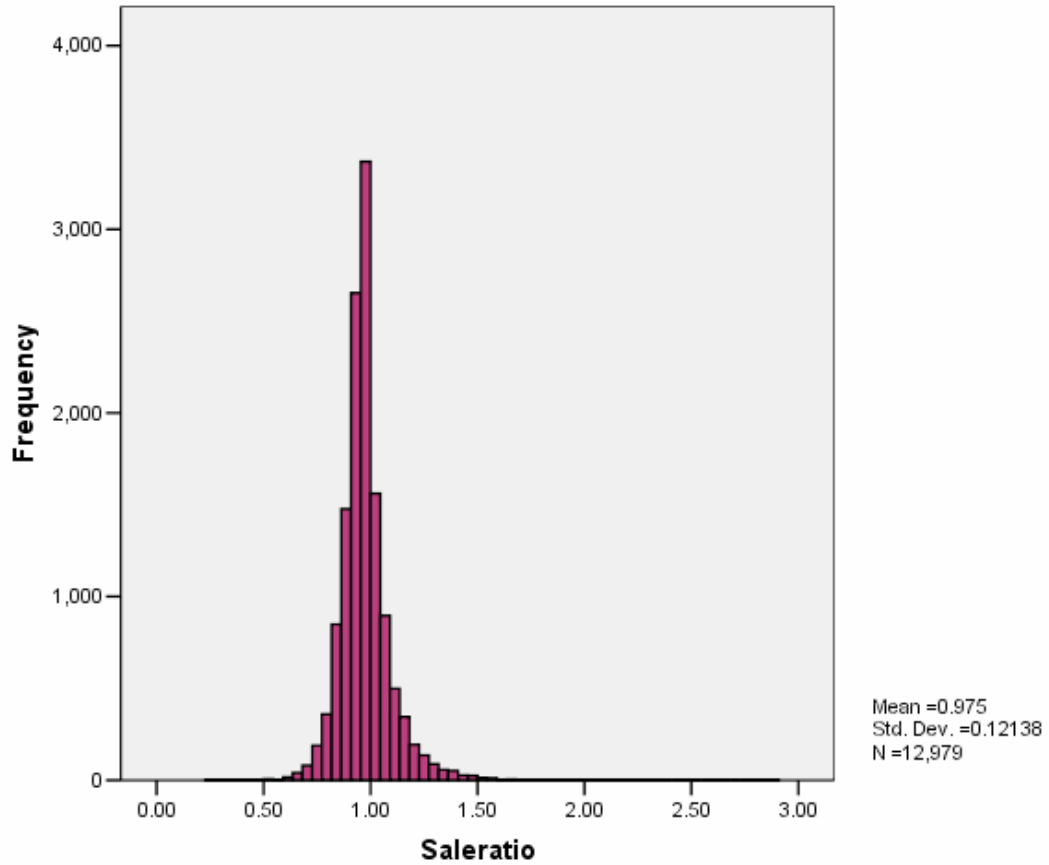
Case Processing Summary

	Count	Percent
ECONAREA 10	13	.1%
12	13	.1%
13	5	.0%
2	12	.1%
4	13	.1%
5	8	.1%
7	18	.1%
8	19	.1%
I	2047	15.8%
II	443	3.4%
III	181	1.4%
IV	976	7.5%
IX	275	2.1%
V	583	4.5%
VI	348	2.7%
VII	504	3.9%
VIII	333	2.6%
X	173	1.3%
XI	541	4.2%
XII	1902	14.7%
XIII	946	7.3%
XIV	1131	8.7%
XIX	82	.6%
XV	772	5.9%
XVI	153	1.2%
XVII	974	7.5%
XVIII	514	4.0%
Overall	12979	100.0%
Excluded	0	
Total	12979	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion
10	1.014	1.273	.115
12	.928	1.132	.173
13	.860	1.052	.198
2	1.045	1.009	.080
4	1.056	1.188	.114
5	1.073	1.001	.081
7	.982	1.021	.136
8	.924	1.087	.136
I	.958	1.015	.080
II	.950	1.024	.096
III	.998	1.027	.138
IV	.970	1.018	.114
IX	.954	1.008	.082
V	.962	1.026	.122
VI	.954	1.033	.139
VII	.963	1.016	.094
VIII	.957	1.014	.068
X	.958	1.017	.082
XI	.955	1.009	.078
XII	.964	1.003	.056
XIII	.964	1.004	.065
XIV	.964	1.003	.060
XIX	.973	1.027	.117
XV	.966	1.006	.063
XVI	.957	1.009	.063
XVII	.962	1.012	.074
XVIII	.962	1.019	.101
Overall	.962	1.020	.081

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 and broken down by economic area, as follows:

Coefficients^a

ECONAREA	Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
			B	Std. Error	Beta		
10	1	(Constant)	1.132	.083		13.615	.000
		SalePeriod	-.010	.008	-.372	-1.330	.211
12	1	(Constant)	1.105	.157		7.034	.000
		SalePeriod	-.010	.013	-.231	-.787	.448
13	1	(Constant)	.925	.250		3.695	.034
		SalePeriod	-.010	.026	-.209	-.370	.736
2	1	(Constant)	.964	.071		13.581	.000
		SalePeriod	.010	.008	.361	1.224	.249
4	1	(Constant)	1.130	.093		12.191	.000
		SalePeriod	-.007	.008	-.268	-.924	.375
5	1	(Constant)	1.278	.071		18.089	.000
		SalePeriod	-.020	.006	-.799	-3.252	.017
7	1	(Constant)	.880	.097		9.099	.000
		SalePeriod	.009	.008	.259	1.073	.299
8	1	(Constant)	.905	.114		7.954	.000
		SalePeriod	.003	.009	.067	.275	.786
I	1	(Constant)	1.017	.006		174.507	.000
		SalePeriod	-.004	.001	-.149	-6.825	.000
II	1	(Constant)	.960	.013		72.603	.000
		SalePeriod	-.002	.001	-.073	-1.546	.123
III	1	(Constant)	1.093	.027		40.567	.000
		SalePeriod	-.005	.003	-.124	-1.677	.095
IV	1	(Constant)	1.082	.010		107.278	.000
		SalePeriod	-.008	.001	-.257	-8.307	.000
IX	1	(Constant)	.995	.013		76.672	.000
		SalePeriod	-.004	.001	-.168	-2.819	.005
V	1	(Constant)	.998	.015		64.947	.000
		SalePeriod	-.002	.002	-.049	-1.190	.235
VI	1	(Constant)	.949	.020		47.661	.000
		SalePeriod	.002	.002	.053	.978	.329
VII	1	(Constant)	.995	.012		82.139	.000
		SalePeriod	-.003	.001	-.113	-2.547	.011
VIII	1	(Constant)	.988	.010		101.514	.000
		SalePeriod	-.003	.001	-.176	-3.260	.001
X	1	(Constant)	.964	.016		61.101	.000
		SalePeriod	-7.6E-005	.002	-.004	-.048	.962
XI	1	(Constant)	.992	.009		109.606	.000
		SalePeriod	-.003	.001	-.151	-3.556	.000
XII	1	(Constant)	.965	.004		234.199	.000
		SalePeriod	.001	.000	.056	2.443	.015
XIII	1	(Constant)	.973	.006		170.254	.000
		SalePeriod	.000	.001	-.026	-.805	.421
XIV	1	(Constant)	.967	.005		184.298	.000
		SalePeriod	-9.5E-006	.000	-.001	-.019	.985
XIX	1	(Constant)	.993	.067		14.788	.000
		SalePeriod	.001	.007	.013	.117	.907
XV	1	(Constant)	.969	.007		144.909	.000
		SalePeriod	-1.1E-005	.001	-.001	-.017	.987
XVI	1	(Constant)	.962	.014		69.901	.000
		SalePeriod	-.002	.001	-.124	-1.534	.127
XVII	1	(Constant)	.963	.007		130.108	.000
		SalePeriod	.001	.001	.025	.790	.430
XVIII	1	(Constant)	.977	.014		67.968	.000
		SalePeriod	.000	.001	-.004	-.097	.923

a. Dependent Variable: Saleratio

There was no residual market trending present in the sale ratio data for most of the economic areas; those with statistically trends were generally not significantly in terms of magnitude. 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 2009 between each group. The data was analyzed both as a whole and broken down by economic area, as follows:

Group	No.	Median	Mean
Unsold	153,295	\$139	\$144
Sold	12,979	\$140	\$148

Econarea	Group	No.	Median	Mean
10	Unsold	223	\$79	\$119
	Sold	13	\$82	\$80
12	Unsold	455	\$76	\$76
	Sold	13	\$79	\$86
13	Unsold	101	\$93	\$93
	Sold	5	\$93	\$102
2	Unsold	196	\$79	\$134
	Sold	12	\$82	\$82
4	Unsold	142	\$78	\$91
	Sold	13	\$88	\$97
5	Unsold	145	\$67	\$77
	Sold	8	\$71	\$68
7	Unsold	163	\$73	\$87
	Sold	18	\$74	\$75
8	Unsold	557	\$80	\$83
	Sold	19	\$81	\$83
I	Unsold	20418	\$128	\$128
	Sold	2047	\$129	\$132
II	Unsold	6633	\$173	\$187
	Sold	443	\$176	\$194
III	Unsold	4103	\$116	\$117
	Sold	181	\$125	\$125
IV	Unsold	11024	\$129	\$130
	Sold	976	\$129	\$131
IX	Unsold	4172	\$156	\$165
	Sold	275	\$163	\$169
V	Unsold	10554	\$153	\$156
	Sold	583	\$158	\$163
VI	Unsold	4966	\$159	\$159
	Sold	348	\$162	\$163
VII	Unsold	9815	\$138	\$136
	Sold	504	\$136	\$137

VIII	Unsold	4730	\$153	\$165
	Sold	333	\$156	\$168
X	Unsold	3466	\$157	\$159
	Sold	173	\$159	\$170
XI	Unsold	9710	\$144	\$141
	Sold	541	\$146	\$143
XII	Unsold	13997	\$133	\$136
	Sold	1902	\$132	\$138
XIII	Unsold	11516	\$141	\$143
	Sold	946	\$140	\$143
XIV	Unsold	10061	\$141	\$152
	Sold	1131	\$150	\$162
XIX	Unsold	1121	\$72	\$87
	Sold	82	\$81	\$104
XV	Unsold	6767	\$152	\$161
	Sold	772	\$162	\$173
XVI	Unsold	2407	\$159	\$165
	Sold	153	\$147	\$163
XVII	Unsold	9623	\$154	\$162
	Sold	974	\$151	\$165
XVIII	Unsold	6019	\$100	\$109
	Sold	514	\$118	\$123
Total	Unsold	153295	\$139	\$144
	Sold	12979	\$140	\$148

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

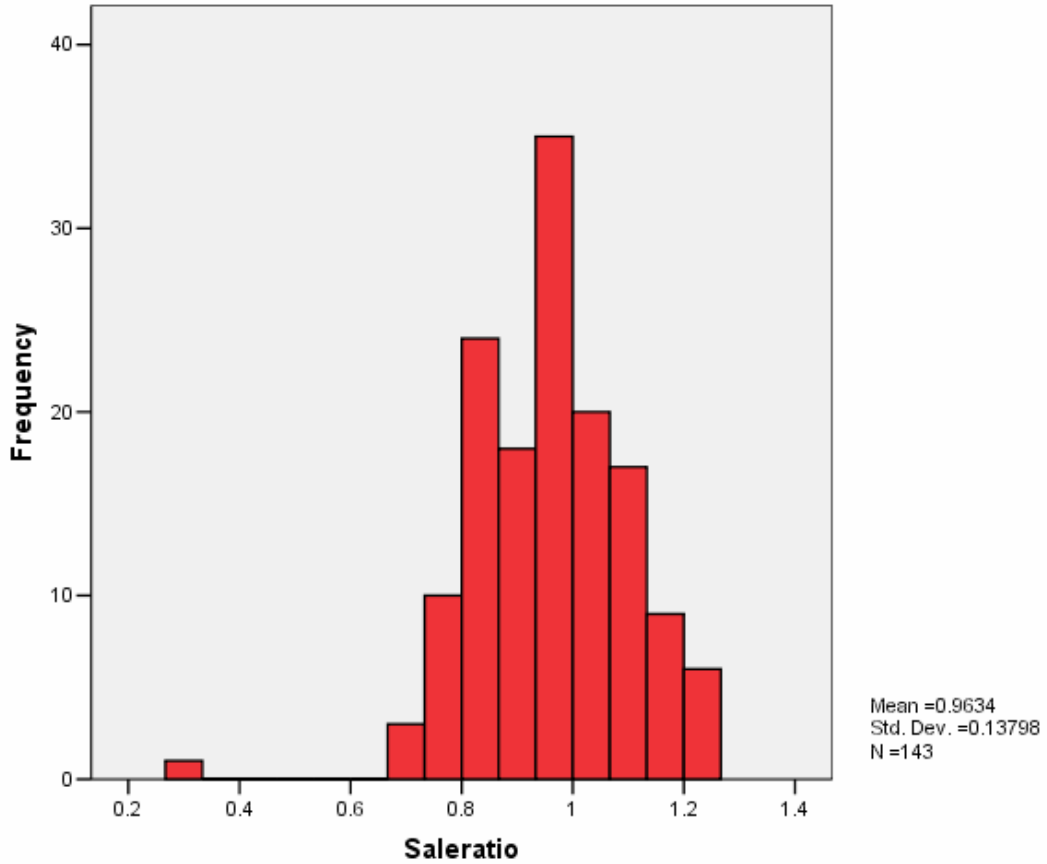
IV. COMMERCIAL/INDUSTRIAL SALE RESULTS

1. All sales	21,557
2. Qualified sales	14,034
3. Improved sales	13,578
4. Select commercial sales only	207
5. Sales between January 1, 2007 and June 30, 2008	143

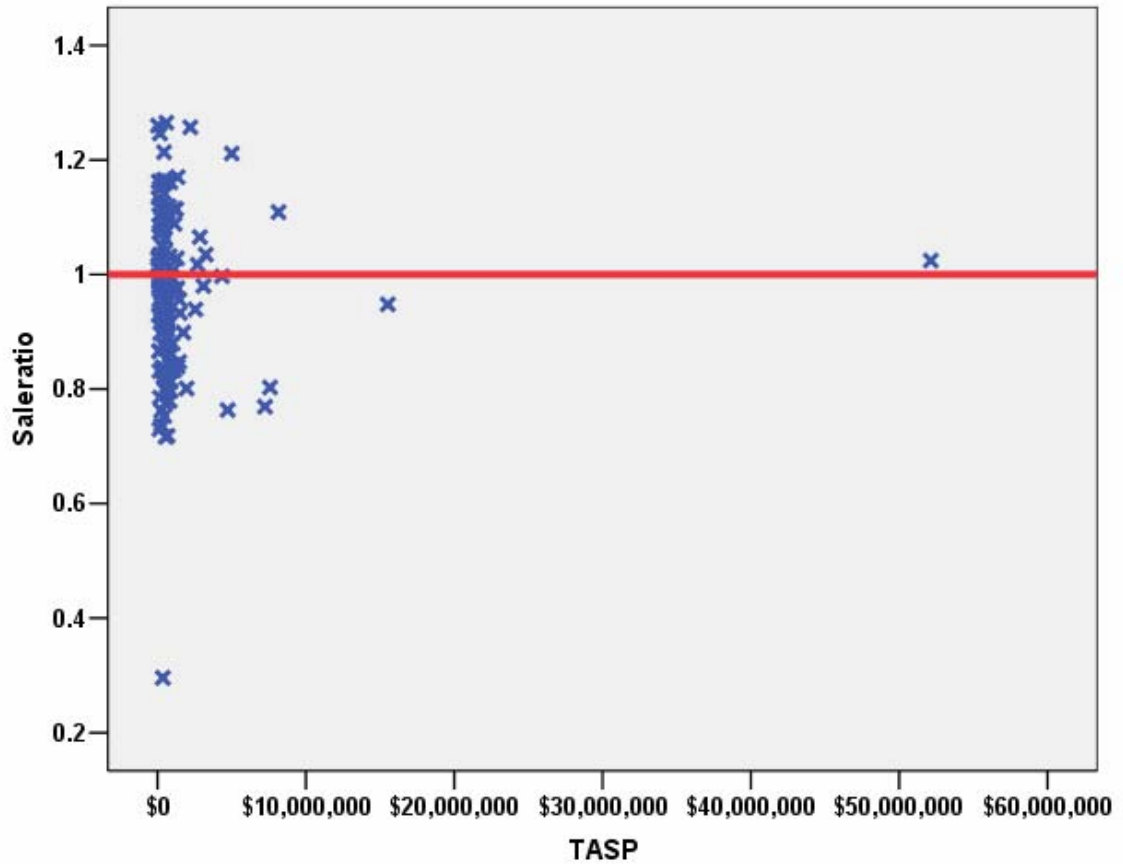
The sales ratio analysis was analyzed as follows:

Median	0.980
Price Related Differential	0.988
Coefficient of Dispersion	.108

The above table indicates that the El Paso 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 Sale Price by Sales Ratio



Commercial/Industrial Market Trend Analysis

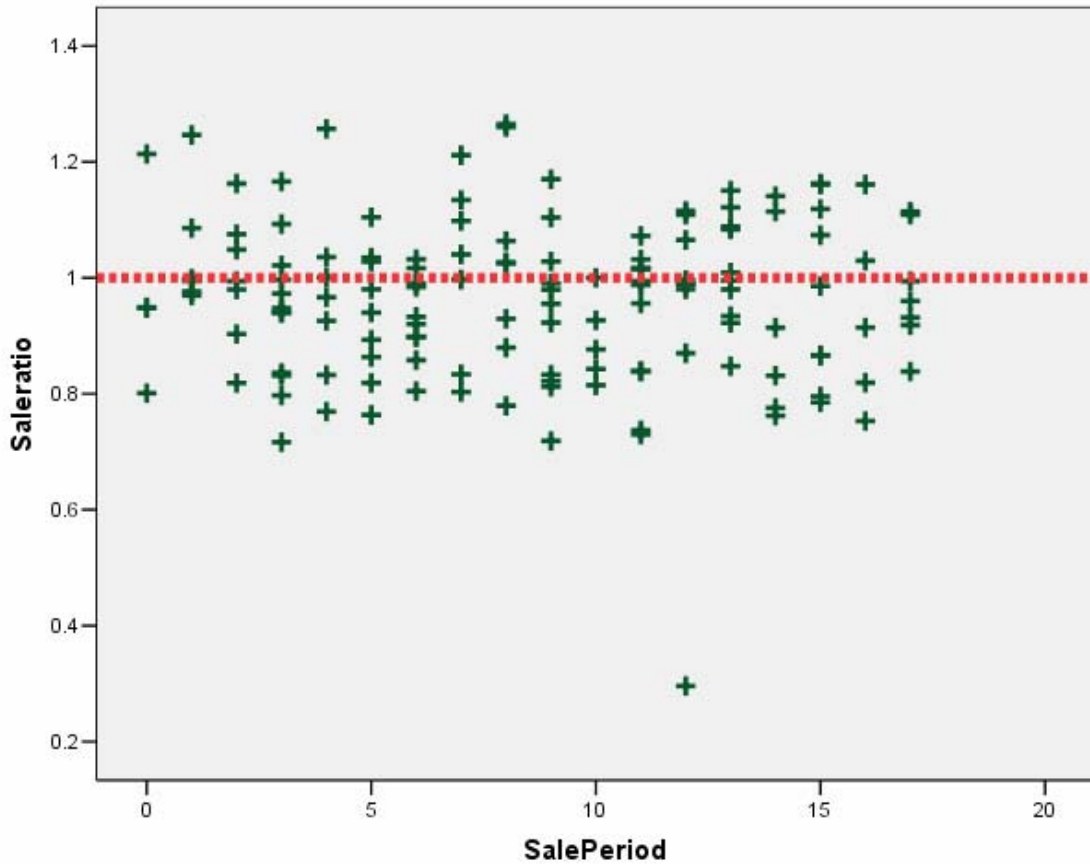
The assessor did apply market trend adjustments to the commercial/industrial dataset. The 201 commercial/industrial sales were analyzed, examining the sale ratios across the 18 month sale period with the following results:

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.974	.024		41.390	.000
	SalePeriod	-.001	.002	-.044	-.520	.604

a. Dependent Variable: Saleratio

Commercial Market Trend Analysis



There was no residual market trending present in the commercial 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 actual value per square foot between sold and unsold commercial properties to determine if sold and unsold properties were valued consistently, as follows:

Group	N	Median	Mean
Unsold	7,745	\$76	\$106
Sold	142	\$83	\$103

The above results indicated that sold and unsold commercial/industrial land properties were valued consistently.

V. VACANT LAND SALE RESULTS

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

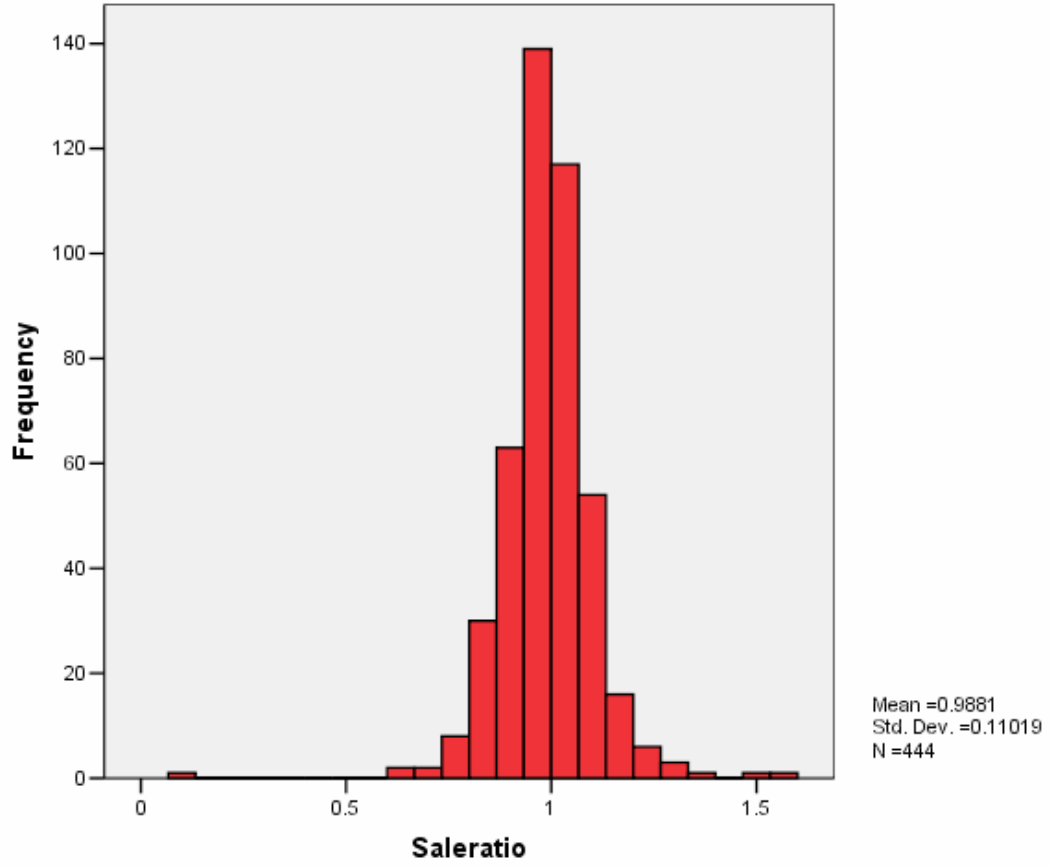
1. All sales	21,557
2. Qualified sales	14,034
3. Vacant land sales	447
4. Select non-agricultural sales only	444
5. Sales between January 1, 2007 and June 30, 2008	444

The sales ratio analysis was analyzed as follows:

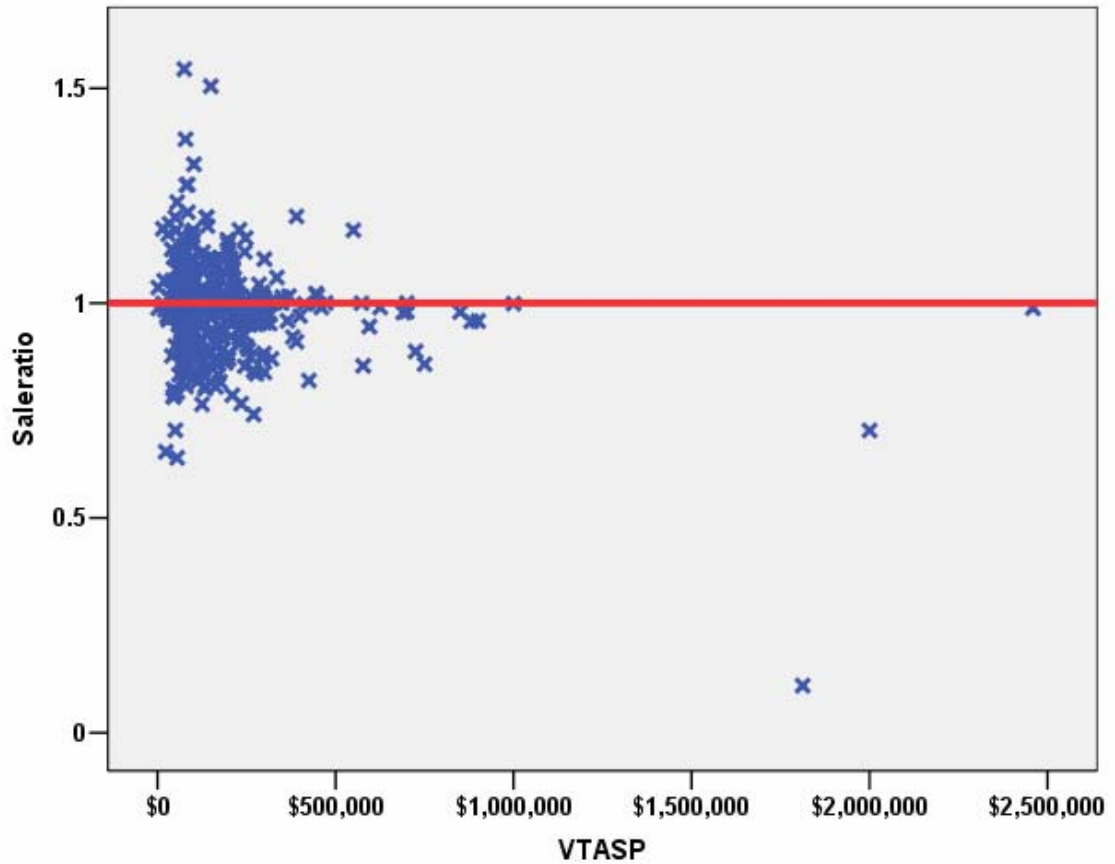
Ratio Statistics for currInd / Vtasp

Median	0.992
Price Related Differential	1.033
Coefficient of Dispersion	.073

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:



Vacant Land Sale Price by Sales Ratio



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

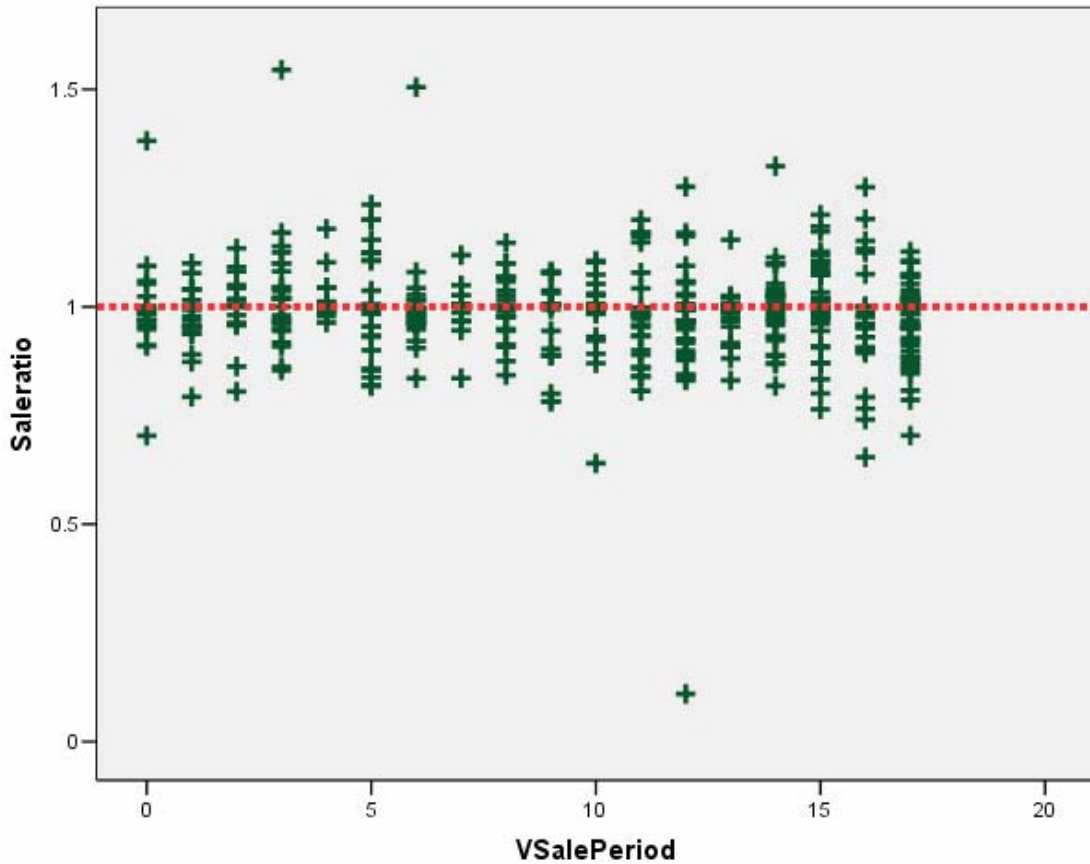
We next analyzed the vacant land dataset using the 18-month sale period, with the following results:

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.006	.011		92.000	.000
VSalePeriod	-.002	.001	-.088	-1.857	.064

a. Dependent Variable: Saleratio

Vacant Land Sales Market Trend Analysis



The above analysis indicated a marginally significant market trend in terms of statistical significance, but its magnitude (at 0.2% per month) was not significant; we therefore 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 2009 between each group. The following results present the comparison results for sold and unsold properties:

Group	No.	Median
Unsold	19,604	1.06
Sold	444	1.12

Overall, we concluded that the county assessor valued sold and unsold vacant properties consistently.

V. AGRICULTURAL IMPROVEMENTS ANALYSIS

Based on the parameters of the state audit analysis, this county was exempt from this analysis for 2009.

VI. CONCLUSIONS

Based on this 2009 audit statistical analysis, residential and vacant land properties were found to be in compliance with state guidelines.

STATISTICAL ABSTRACT

Residential

Ratio Statistics for CURRTOT / TASP

Mean		.975
95% Confidence Interval for Mean	Lower Bound	.973
	Upper Bound	.977
Median		.962
95% Confidence Interval for Median	Lower Bound	.962
	Upper Bound	.963
	Actual Coverage	95.1%
Weighted Mean		.956
95% Confidence Interval for Weighted Mean	Lower Bound	.952
	Upper Bound	.960
Price Related Differential		1.020
Coefficient of Dispersion		.081
Coefficient of Variation	Mean Centered	12.4%

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		.963
95% Confidence Interval for Mean	Lower Bound	.941
	Upper Bound	.986
Median		.980
95% Confidence Interval for Median	Lower Bound	.941
	Upper Bound	.994
	Actual Coverage	95.6%
Weighted Mean		.975
95% Confidence Interval for Weighted Mean	Lower Bound	.933
	Upper Bound	1.017
Price Related Differential		.988
Coefficient of Dispersion		.108
Coefficient of Variation	Mean Centered	14.3%

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		.988
95% Confidence Interval for Mean	Lower Bound	.978
	Upper Bound	.998
Median		.992
95% Confidence Interval for Median	Lower Bound	.983
	Upper Bound	1.000
	Actual Coverage	95.9%
Weighted Mean		.956
95% Confidence Interval for Weighted Mean	Lower Bound	.915
	Upper Bound	.998
Price Related Differential		1.033
Coefficient of Dispersion		.073
Coefficient of Variation	Mean Centered	11.2%

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	\$25K to \$50K	8	.1%
	\$50K to \$100K	248	1.9%
	\$100K to \$150K	1493	11.5%
	\$150K to \$200K	3269	25.2%
	\$200K to \$300K	4494	34.6%
	\$300K to \$500K	2640	20.3%
	\$500K to \$750K	611	4.7%
	\$750K to \$1,000K	122	.9%
	Over \$1,000K	94	.7%
Overall		12979	100.0%
Excluded		0	
Total		12979	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
\$25K to \$50K	1.144	.976	.361	62.2%
\$50K to \$100K	1.258	1.010	.162	21.8%
\$100K to \$150K	1.003	1.006	.121	16.1%
\$150K to \$200K	.967	1.000	.071	9.8%
\$200K to \$300K	.957	1.000	.064	9.4%
\$300K to \$500K	.960	1.001	.067	9.9%
\$500K to \$750K	.955	1.001	.079	11.2%
\$750K to \$1,000K	.949	1.001	.083	12.1%
Over \$1,000K	.891	1.029	.143	19.4%
Overall	.962	1.020	.081	12.7%

Subclass

Case Processing Summary

		Count	Percent
Preuse	1212	12795	98.6%
	1215	83	.6%
	1220	85	.7%
	1225	16	.1%
Overall		12979	100.0%
Excluded		0	
Total		12979	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
1212	.962	1.016	.081	12.6%
1215	.974	1.025	.121	17.6%
1220	1.014	1.018	.127	16.2%
1225	.895	1.079	.171	21.7%
Overall	.962	1.020	.081	12.7%

Age

Case Processing Summary

		Count	Percent
AgeRec	Over 100	251	1.9%
	75 to 100	243	1.9%
	50 to 75	853	6.6%
	25 to 50	3148	24.3%
	5 to 25	5068	39.0%
	5 or Newer	3416	26.3%
Overall		12979	100.0%
Excluded		0	
Total		12979	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
Over 100	.948	1.039	.150	21.7%
75 to 100	.948	1.083	.160	23.1%
50 to 75	.964	1.020	.128	18.6%
25 to 50	.965	1.027	.102	14.6%
5 to 25	.963	1.017	.072	10.9%
5 or Newer	.962	1.011	.053	9.0%
Overall	.962	1.020	.081	12.7%

Improved Area

Case Processing Summary

		Count	Percent
ImpSFRec	LE 500 sf	8	.1%
	500 to 1,000 sf	1740	13.4%
	1,000 to 1,500 sf	3887	29.9%
	1,500 to 2,000 sf	3507	27.0%
	2,000 to 3,000 sf	3078	23.7%
	3,000 sf or Higher	759	5.8%
Overall		12979	100.0%
Excluded		0	
Total		12979	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
LE 500 sf	.788	1.068	.267	38.4%
500 to 1,000 sf	.970	1.021	.117	17.1%
1,000 to 1,500 sf	.964	1.011	.082	12.6%
1,500 to 2,000 sf	.961	1.006	.068	10.4%
2,000 to 3,000 sf	.963	1.010	.070	11.4%
3,000 sf or Higher	.959	1.050	.100	14.7%
Overall	.962	1.020	.081	12.7%

Quality

Case Processing Summary

		Count	Percent
QUAL	1.00	73	.6%
	1.03	1	.0%
	1.10	1	.0%
	1.17	2	.0%
	1.20	1	.0%
	1.22	1	.0%
	1.25	6	.0%
	1.33	25	.2%
	1.37	1	.0%
	1.38	2	.0%
	1.40	2	.0%
	1.40	1	.0%
	1.44	1	.0%
	1.47	1	.0%
	1.50	88	.7%
	1.55	1	.0%
	1.58	1	.0%
	1.60	8	.1%
	1.63	1	.0%
	1.64	1	.0%
	1.67	7	.1%
	1.69	1	.0%
	1.70	2	.0%
	1.73	1	.0%
	1.75	17	.1%
	1.83	4	.0%
	1.95	1	.0%
	2.00	9324	71.8%
	2.17	1	.0%
	2.25	9	.1%
	2.50	17	.1%
	2.75	2	.0%
	2.80	1	.0%
	3.00	3046	23.5%
	4.00	328	2.5%
Overall		12979	100.0%
Excluded		0	
Total		12979	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
1.00	.895	1.063	.205	31.3%
1.03	1.225	1.000	.000	.
1.10	.733	1.000	.000	.
1.17	1.016	1.038	.139	19.7%
1.20	.792	1.000	.000	.
1.22	.924	1.000	.000	.
1.25	.881	1.096	.198	30.9%
1.33	.931	1.076	.202	45.4%
1.37	.881	1.000	.000	.
1.38	.937	1.036	.127	18.0%
1.40	.887	1.042	.209	29.5%
1.40	1.117	1.000	.000	.
1.44	.711	1.000	.000	.
1.47	.820	1.000	.000	.
1.50	.969	1.030	.160	24.6%
1.55	.741	1.000	.000	.
1.58	1.078	1.000	.000	.
1.60	.976	1.064	.198	25.9%
1.63	.799	1.000	.000	.
1.64	.520	1.000	.000	.
1.67	.773	.982	.135	19.1%
1.69	1.070	1.000	.000	.
1.70	.762	1.005	.066	9.4%
1.73	1.016	1.000	.000	.
1.75	.959	.973	.068	9.3%
1.83	.986	.999	.008	1.6%
1.95	.764	1.000	.000	.
2.00	.963	1.014	.081	12.7%
2.17	.948	1.000	.000	.
2.25	.900	1.025	.137	17.2%
2.50	.921	1.145	.152	20.3%
2.75	.843	1.030	.136	19.2%
2.80	1.367	1.000	.000	.
3.00	.963	1.008	.073	10.4%
4.00	.955	1.027	.094	13.3%
Overall	.962	1.020	.081	12.7%

Commercial Median Ratio Stratification

Sale Price

Case Processing Summary

		Count	Percent
SPRec	\$25K to \$50K	2	1.4%
	\$50K to \$100K	6	4.2%
	\$100K to \$150K	16	11.2%
	\$150K to \$200K	9	6.3%
	\$200K to \$300K	13	9.1%
	\$300K to \$500K	33	23.1%
	\$500K to \$750K	23	16.1%
	\$750K to \$1,000K	10	7.0%
	Over \$1,000K	31	21.7%
Overall		143	100.0%
Excluded		0	
Total		143	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
\$25K to \$50K	1.144	1.002	.102	14.4%
\$50K to \$100K	1.016	1.005	.064	9.3%
\$100K to \$150K	.989	.997	.078	11.2%
\$150K to \$200K	1.027	1.002	.081	12.5%
\$200K to \$300K	.970	1.002	.094	12.8%
\$300K to \$500K	.966	.999	.115	17.1%
\$500K to \$750K	.922	.999	.112	15.3%
\$750K to \$1,000K	.861	1.002	.126	18.1%
Over \$1,000K	.977	.990	.106	13.2%
Overall	.980	.988	.108	14.2%

Subclass

Case Processing Summary

		Count	Percent
Preduse	2212	24	16.8%
	2215	2	1.4%
	2220	27	18.9%
	2225	2	1.4%
	2230	20	14.0%
	2235	37	25.9%
	2245	21	14.7%
	3215	4	2.8%
	3230	6	4.2%
Overall		143	100.0%
Excluded		0	
Total		143	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
2212	.949	1.029	.146	16.7%
2215	.939	.988	.043	6.1%
2220	.941	.962	.092	12.4%
2225	1.011	.992	.107	15.1%
2230	.982	.932	.146	22.0%
2235	.960	1.019	.097	12.0%
2245	.996	1.056	.070	11.3%
3215	.891	1.085	.108	14.9%
3230	.996	1.009	.097	14.9%
Overall	.980	.988	.108	14.2%

Vacant Land Median Ratio Stratification

Subclass

Case Processing Summary

	Count	Percent
VPreduce 100	193	43.5%
200	16	3.6%
300	1	.2%
530	3	.7%
540	3	.7%
550	8	1.8%
1112	202	45.5%
1135	6	1.4%
2112	1	.2%
2130	5	1.1%
2135	6	1.4%
Overall	444	100.0%
Excluded	0	
Total	444	

Ratio Statistics for CURRLND / VTASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
100	.992	1.054	.080	12.5%
200	.996	1.039	.050	11.8%
300	.992	1.000	.000	.
530	1.056	.993	.014	2.4%
540	.988	.993	.009	1.8%
550	1.000	1.016	.046	7.1%
1112	.992	1.002	.072	10.0%
1135	.827	1.023	.146	23.2%
2112	.945	1.000	.000	.
2130	.983	1.006	.012	1.7%
2135	.999	.999	.004	.8%
Overall	.992	1.033	.073	11.1%