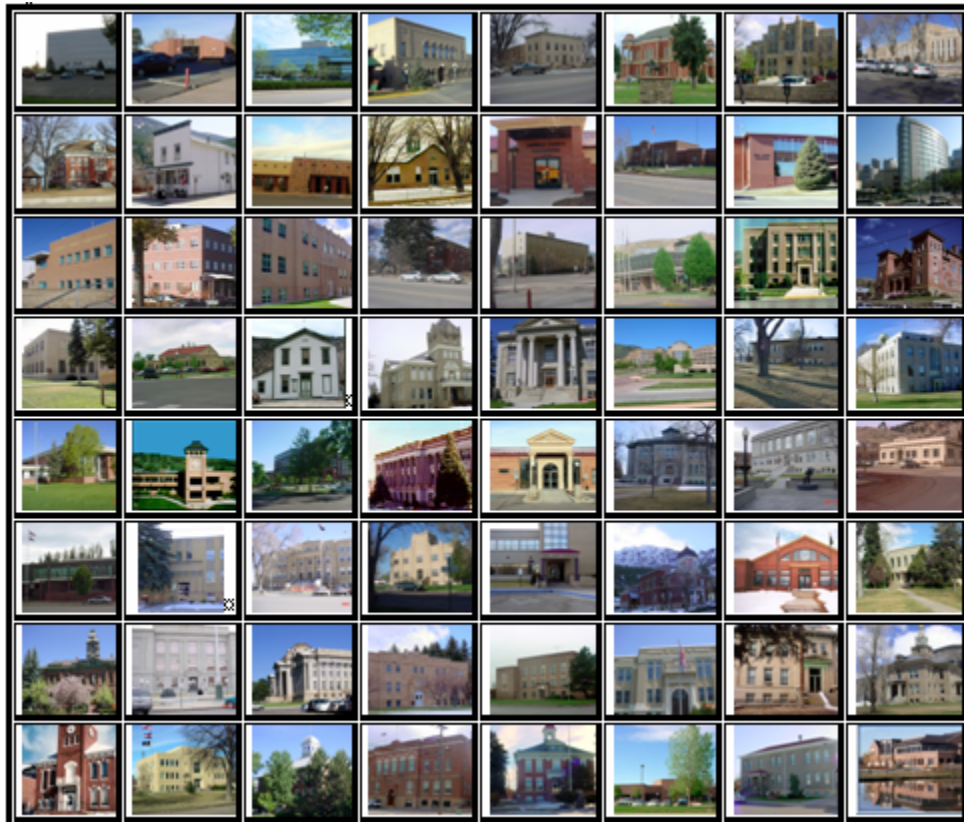




2009
WELD COUNTY
PROPERTY ASSESSMENT
STUDY



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

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

REGIONAL/HISTORICAL SKETCH OF WELD COUNTY

Regional Information

Weld 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

Weld County has a population of approximately 236,857 people with 45.3 people per square mile, according to the U.S. Census Bureau's 2006 estimated population data.

Weld County covers an area of 4,004 square miles in north central Colorado. It is bordered on the north by Wyoming and Nebraska and on the south by the Denver metropolitan area. The third largest county in Colorado, Weld County has an area greater than that of Rhode Island, Delaware and the District of Columbia combined.

Major Stephen H. Long made an expedition to the area now known as Weld County in 1821. In 1835 a government expedition came through the general area; the next year a member of that party, Lt. Lancaster Lupton, returned to establish a trading post located just north of the present town of Fort Lupton. In 1837 Colonel Ceran St. Vrain established Fort St. Vrain; Fort Vasquez was built south of Platteville about 1840. The latter was rebuilt in the 1930's by the State Historical Society.

The county seat is Greeley which began as the Union Colony, which was founded in 1869 as

an experimental utopian community of "high moral standards" by Nathan C. Meeker, a newspaper reporter from New York City. Meeker purchased a site at the confluence of the Cache la Poudre and South Platte Rivers (that included the area of Latham, an Overland Trail station), halfway between Cheyenne and Denver along the tracks of the Denver Pacific Railroad formerly known as the "Island Grove Ranch." The name Union Colony was later changed to Greeley in honor of Horace Greeley, who was Meeker's editor at the New York Tribune, and who popularized the phrase "Go West, young man."

Weld County's cultural assets include Centennial Village, an authentic recreation of pioneer life on the Colorado plains. The Meeker Museum in Greeley is a national historic site. Fort Vasquez in southern Weld County has an exciting history as an early Colorado trading post. The Greeley Philharmonic Orchestra is one of the oldest symphony orchestras west of the Mississippi. The University of Northern Colorado's Little Theatre of the Rockies is one of America's premier college dramatic organizations.
(www.co.weld.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 Weld County are:

Weld County Ratio Grid					
Property Class	Number of Qualified Sales	Unweighted Median Ratio	Price Related Differential	Coefficient of Dispersion	Time Trend Analysis
Commercial/Industrial	204	0.979	1.025	7.8	Compliant
Condominium	N/A	N/A	N/A	N/A	N/A
Single Family	7,023	0.979	1.021	10.7	Compliant
Vacant Land	310	0.977	1.017	12.7	Compliant

Ratio Statistics for currtot / tasp

Group	Median	Price Related Differential	Coefficient of Dispersion
.00	.979	1.014	.097
2.00	.981	1.016	.092
3.00	.975	1.012	.083
4.00	.980	1.036	.132
5.00	.978	1.020	.149
6.00	.983	1.033	.148
7.00	.977	1.020	.132
8.00	.987	1.030	.140
9.00	.974	1.017	.110
Overall	.979	1.021	.107

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

Weld 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

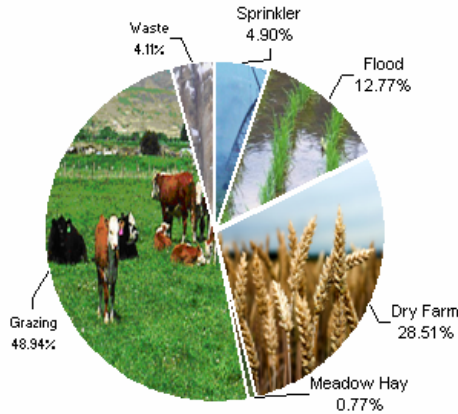
After applying the above described methodologies, it is concluded that Weld County is reasonably treating its sold and unsold properties in the same manner.

Recommendations

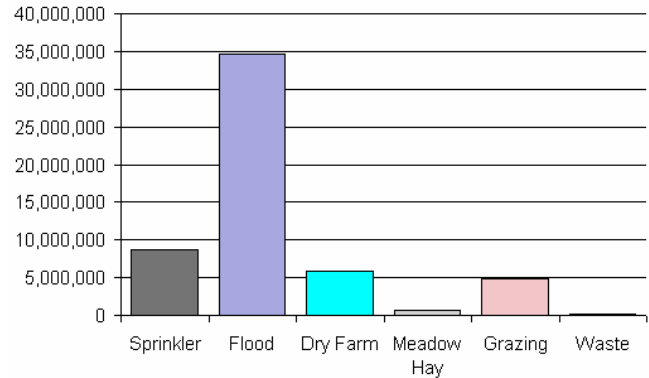
None

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:

Weld 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	96,558	89.85	8,675,848	8,834,098	0.98
4117	Flood	251,735	137.65	34,650,507	34,550,108	1.00
4127	Dry Farm	562,036	10.47	5,882,016	6,322,951	0.93
4137	Meadow Hay	15,193	42.38	643,829	643,829	1.00
4147	Grazing	964,769	5.03	4,856,811	4,856,811	1.00
4167	Waste	80,948	1.62	130,737	130,737	1.00
Total/Avg		1,971,239	27.82	54,839,749	55,338,535	0.99

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

Weld 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 Weld 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 two of the sales selected in the sample gave reasons that were clear and supportable. Two sales had insufficient documentation.

Conclusions

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

Recommendations

None

ECONOMIC AREA REVIEW AND EVALUATION

Methodology

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

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 2009 in Weld 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

Weld 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.

Weld 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

Weld 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

Weld 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.

Weld 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

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.

Weld 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:

- Businesses in a selected area
- 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
- Accounts protested with substantial disagreement

Weld 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

Weld 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*

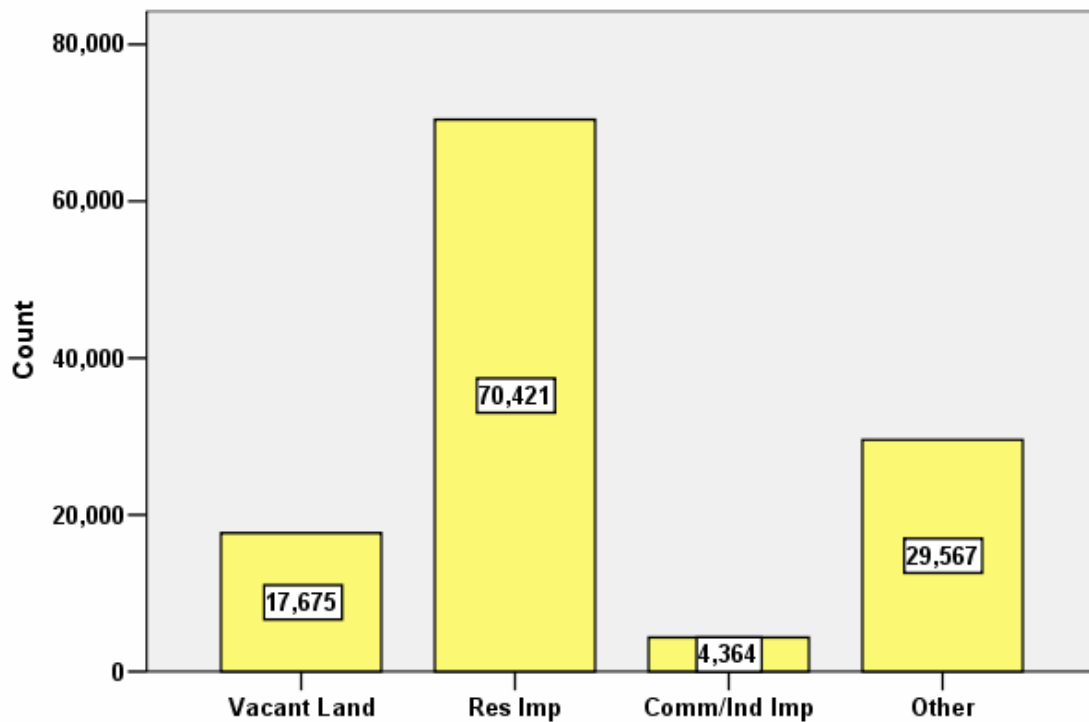
APPENDICES

STATISTICAL COMPLIANCE REPORT FOR WELD COUNTY 2009

I. OVERVIEW

Weld County is an urban county located along Colorado's Front Range. The county has a total of 122,027 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 86% of all vacant land parcels.

For residential improved properties, single family properties accounted for 92% 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 Weld Assessor's Office on June 18, 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	12,072
2. Qualified sales	7,745
3. Improved sales	7,326
4. Select residential sales only	7,023

The sales ratio analysis results were as follows:

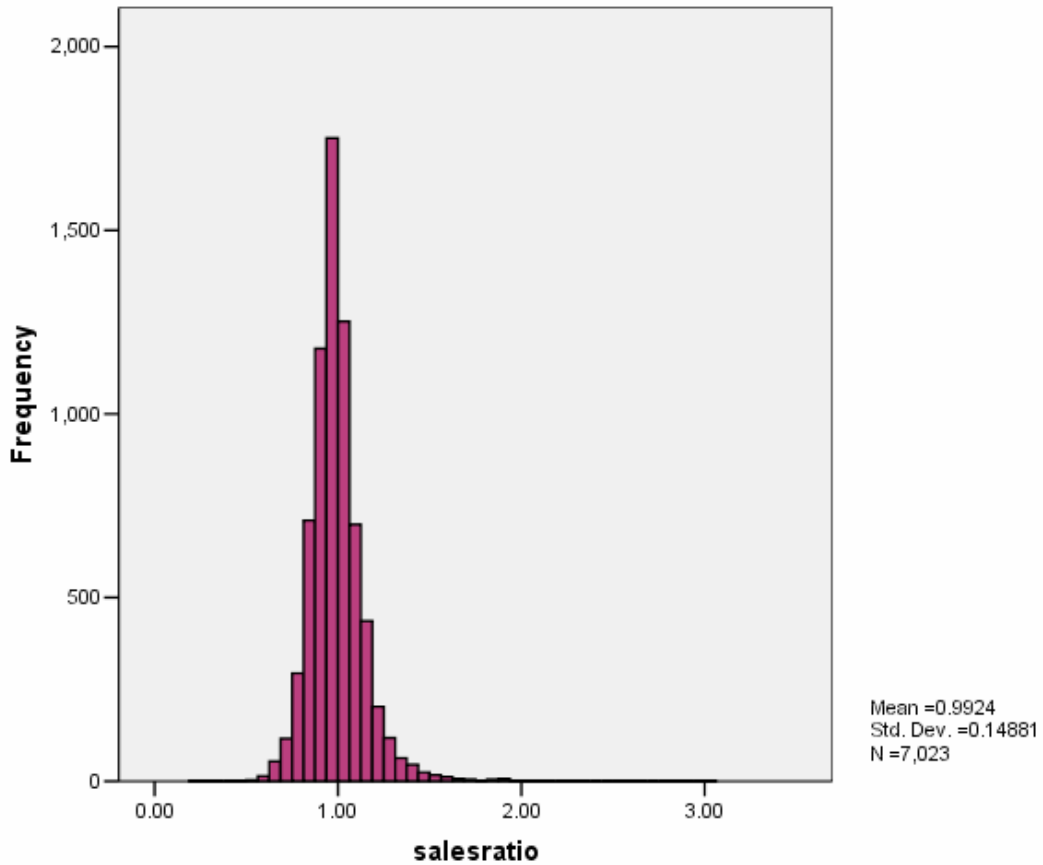
Case Processing Summary

	Count	Percent
econarea .00	680	10.3%
2.00	1866	28.1%
3.00	1854	28.0%
4.00	561	8.5%
5.00	80	1.2%
6.00	1355	20.4%
7.00	32	.5%
8.00	27	.4%
9.00	178	2.7%
Overall	6633	100.0%
Excluded	390	
Total	7023	

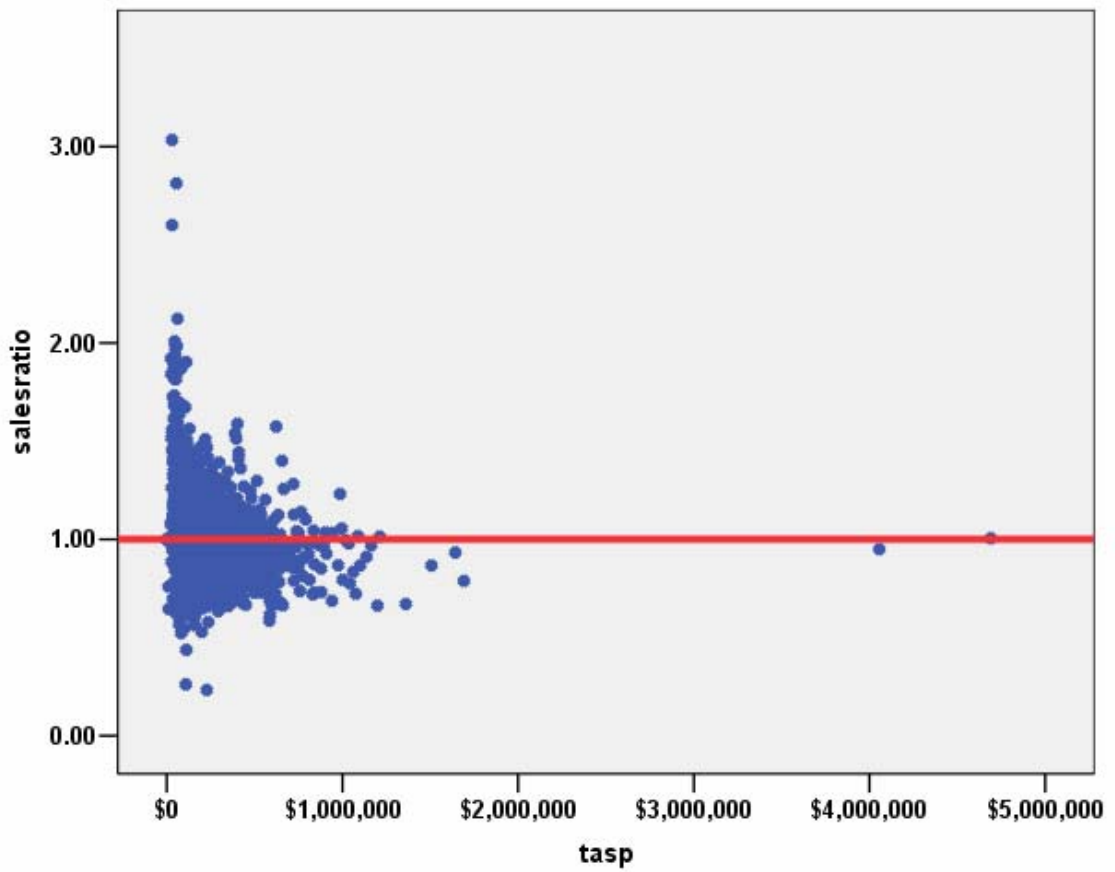
Ratio Statistics for currtot / tasp

Group	Median	Price Related Differential	Coefficient of Dispersion
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5.00	.978	1.020	.149
6.00	.983	1.033	.148
7.00	.977	1.020	.132
8.00	.987	1.030	.140
9.00	.974	1.017	.110
Overall	.979	1.021	.107

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:



Residential Sale Price by Sales Ratio



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		
.	1	(Constant)	1.007	.011		92.747	.000
		SalePeriod	-.003	.001	-.158	-3.155	.002
.00	1	(Constant)	1.007	.009		106.715	.000
		SalePeriod	-.002	.001	-.074	-1.936	.053
2.00	1	(Constant)	1.007	.006		181.021	.000
		SalePeriod	-.002	.001	-.078	-3.388	.001
3.00	1	(Constant)	.983	.005		199.104	.000
		SalePeriod	.000	.000	-.017	-.743	.458
4.00	1	(Constant)	1.034	.017		61.213	.000
		SalePeriod	-.004	.002	-.090	-2.133	.033
5.00	1	(Constant)	1.047	.041		25.421	.000
		SalePeriod	-.008	.004	-.207	-1.873	.065
6.00	1	(Constant)	1.024	.011		91.867	.000
		SalePeriod	-.001	.001	-.027	-.998	.318
7.00	1	(Constant)	1.018	.076		13.426	.000
		SalePeriod	-.001	.007	-.029	-.159	.875
8.00	1	(Constant)	.878	.107		8.233	.000
		SalePeriod	.012	.010	.223	1.145	.263
9.00	1	(Constant)	1.022	.022		47.050	.000
		SalePeriod	-.004	.002	-.126	-1.683	.094

a. Dependent Variable: salesratio

There was no residual market trending present in the sale ratio data for any of the economic areas. While three economic areas had statistically significant results, the magnitude of each trend was not significant; 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	N	Median	Mean
Unsold	62,788	\$108	\$109
Sold	7,006	\$113	\$118

ECONAREA	Group	N	Median	Mean
0	Unsold	4,638	\$114	\$116
	Sold	680	\$110	\$113
2	Unsold	16,950	\$124	\$127
	Sold	1,866	\$130	\$135
3	Unsold	11,439	\$115	\$121
	Sold	1,853	\$118	\$125
4	Unsold	5,086	\$86	\$90
	Sold	561	\$94	\$95
5	Unsold	1,191	\$87	\$93
	Sold	80	\$88	\$94
6	Unsold	16,850	\$95	\$93
	Sold	1,352	\$99	\$96
7	Unsold	648	\$64	\$72
	Sold	31	\$71	\$69
8	Unsold	568	\$77	\$79
	Sold	27	\$92	\$87
9	Unsold	2,118	\$116	\$113
	Sold	177	\$124	\$121

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

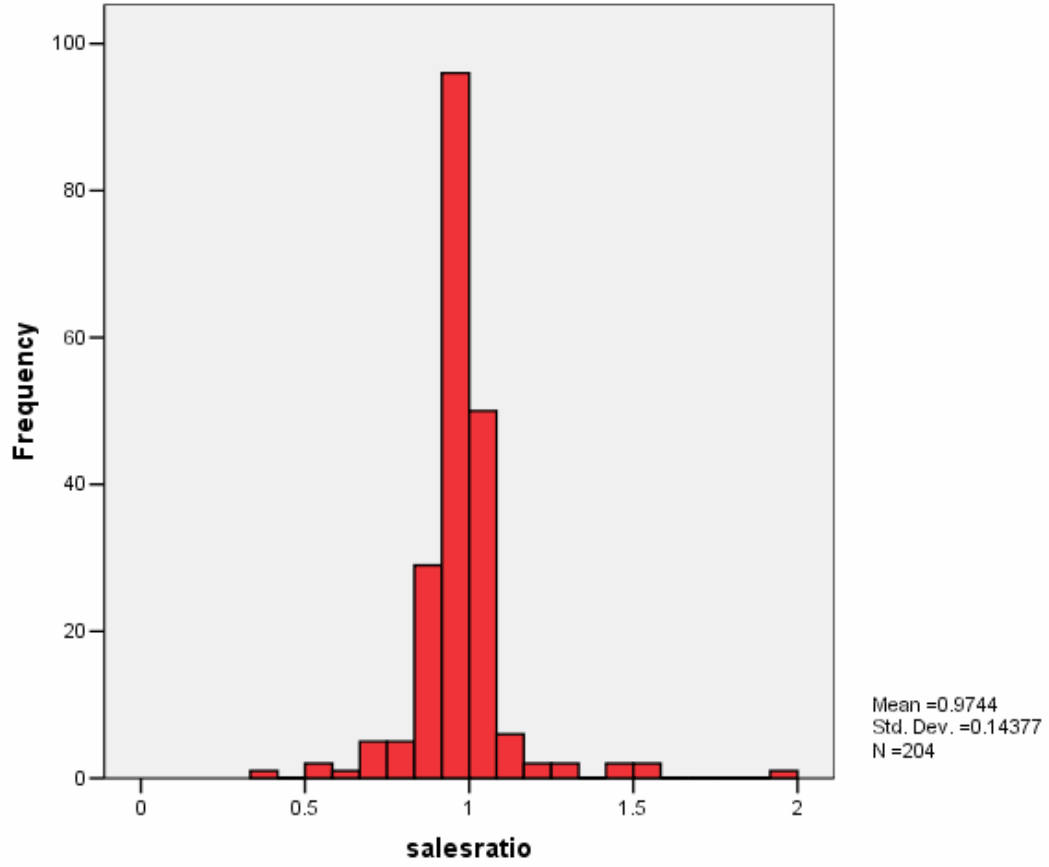
IV. COMMERCIAL/INDUSTRIAL SALE RESULTS

1. All sales	12,072
2. Qualified sales	7,745
3. Improved sales	7,326
4. Select commercial/industrial sales only	204

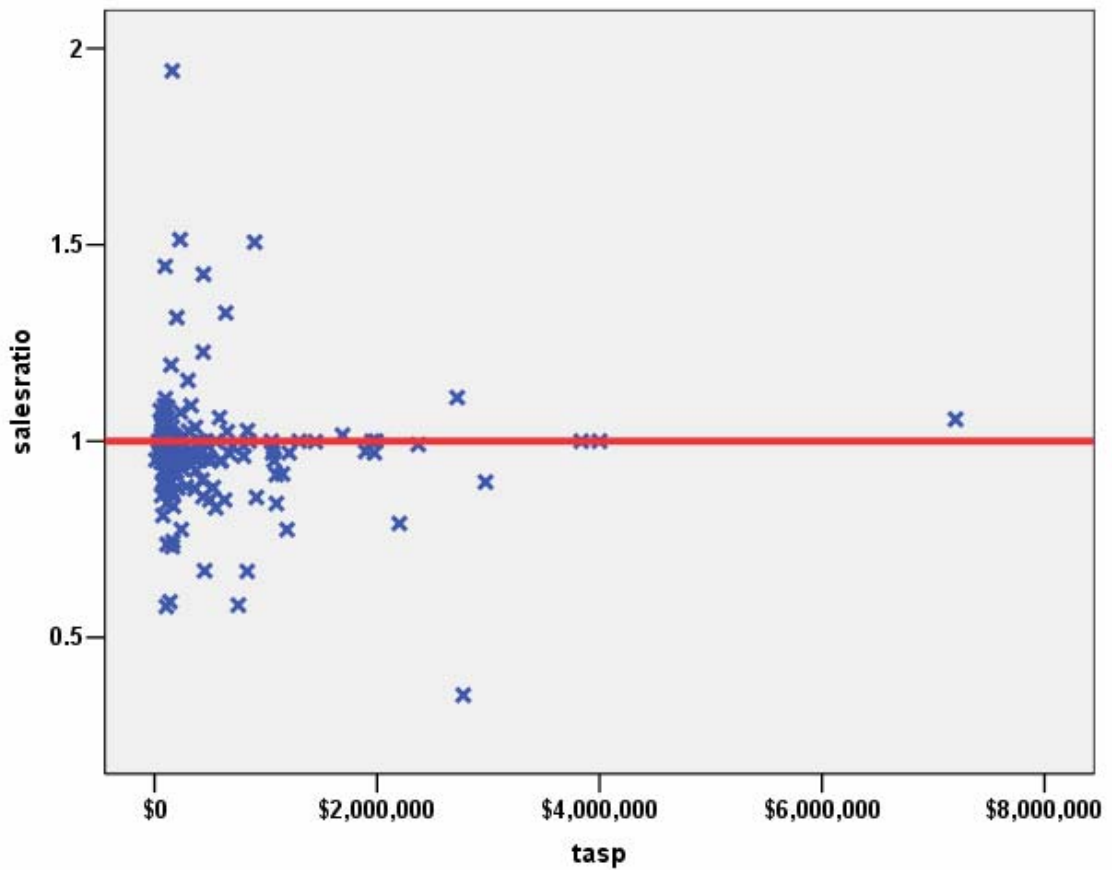
The sales ratio analysis results were as follows:

Median	0.979
Price Related Differential	1.025
Coefficient of Dispersion	.078

The above table indicates that the Weld 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

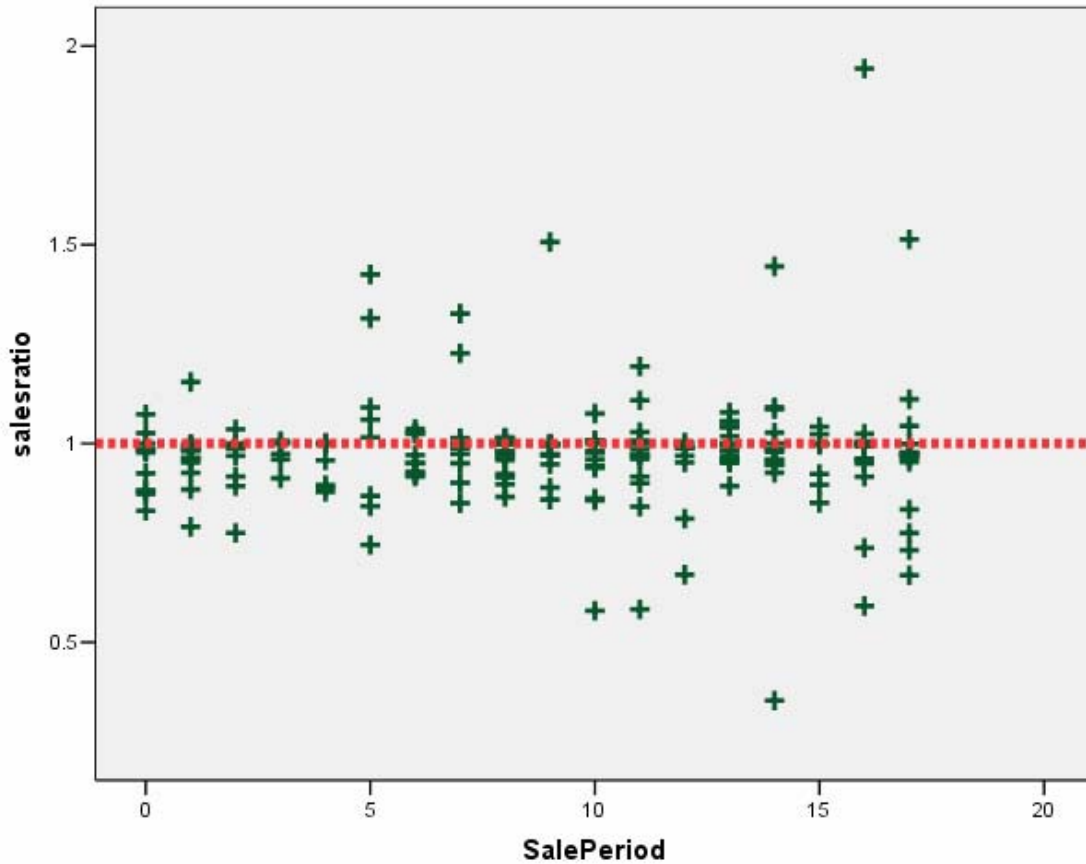
The assessor did apply market trend adjustments to the commercial/industrial dataset. The 204 sales were analyzed, examining the sale ratios across the 18 month sale period with the following results:

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.968	.021		46.652	.000
	SalePeriod	.001	.002	.025	.359	.720

a. Dependent Variable: salesratio

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 change in actual value between 2008 and 2009 for commercial/industrial properties to determine if sold and unsold properties were valued consistently, as follows:

Group	N	Median	Mean
Unsold	3.987	\$44	\$61
Sold	203	\$36	\$54

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

V. VACANT LAND SALE RESULTS

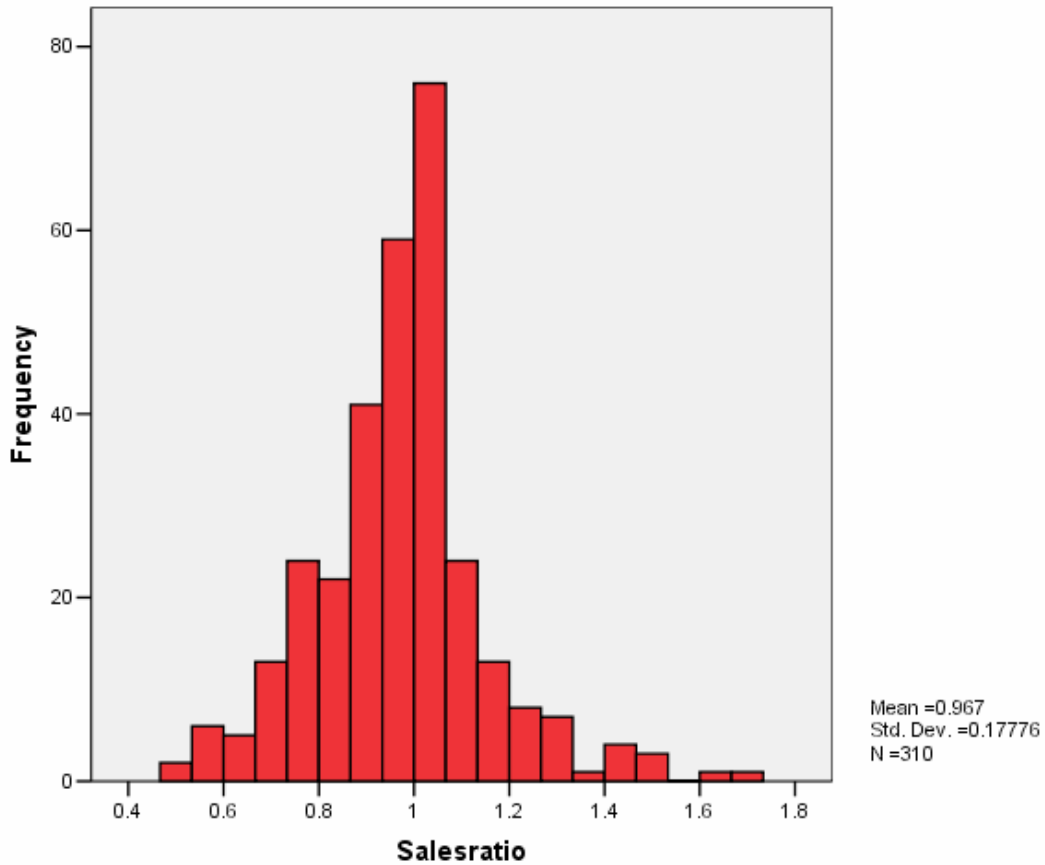
The following steps were taken to analyze the vacant land sales:

1. All sales	12,072
2. Qualified sales	7,745
3. Vacant land sales	322
4. Residential & commercial/ind vacant land sales	310

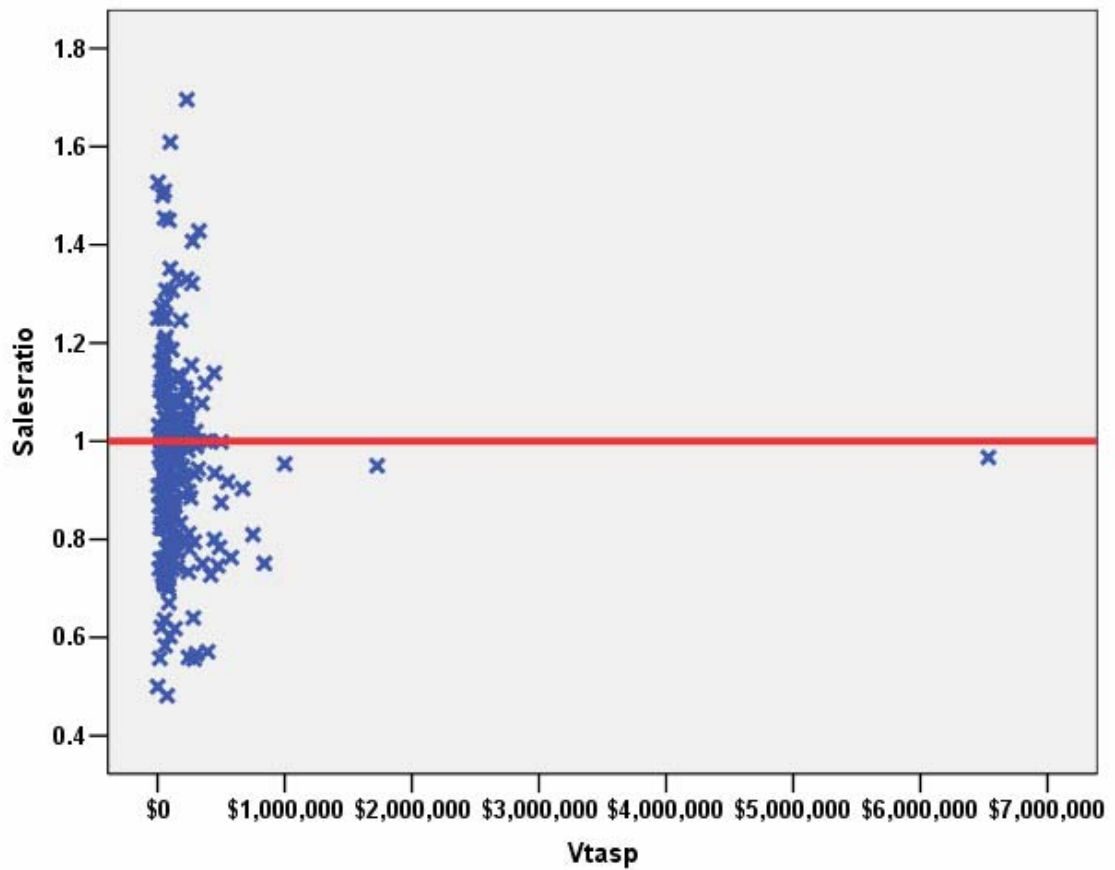
The sales ratio analysis results were as follows:

Median	0.977
Price Related Differential	1.018
Coefficient of Dispersion	.127

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. No sales were trimmed.

Vacant Land Market Trend Analysis

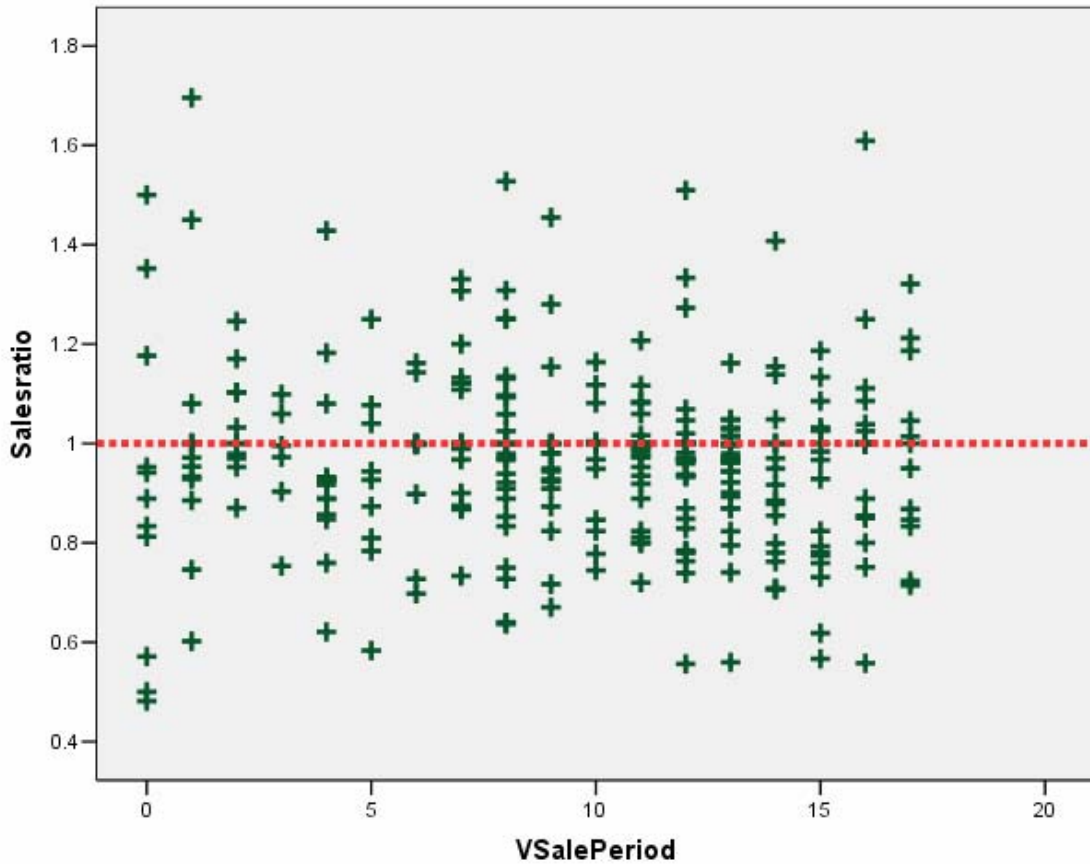
We next analyzed the vacant land dataset using the 18-month sale period, with the following results:

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.988	.023		42.867	.000
	VSalePeriod	-.002	.002	-.056	-.988	.324

a. Dependent Variable: Salesratio

Vacant Land Sales Market Trend Analysis



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 2009 between each group. We stratified the vacant land properties by subdivision and found overall consistency. The following results present the overall comparison results:

Subdivno	Group	No.	Median	Mean
TOTAL	Unsold	15,827	1.00	0.93
	Sold	285	1.00	1.03

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

V. AGRICULTURAL IMPROVEMENTS ANALYSIS

The final statistical verification concerned the assigned actual values for agricultural residential improvements. We compared the 2009 median improved value per square foot for this group and compared it to the 2009 median improved value per square foot for residential single family improvements in Weld County.

The following indicates that both groups were valued in essentially the same manner:

Descriptives

abstrimp		Statistic	Std. Error		
ImpValSF	1212	Mean	\$201.41	\$15.246	
		95% Confidence Interval for Mean	\$171.53		
		Lower Bound	\$231.29		
		Upper Bound			
		5% Trimmed Mean	\$82.11		
		Median	\$82.30		
		Variance	15055646.939		
		Std. Deviation	\$3,880.161		
		Minimum	\$0		
		Maximum	\$288,750		
		Range	\$288,750		
		Interquartile Range	\$34		
		Skewness	39.215		.010
		Kurtosis	1814.081		.019
4277		Mean	\$876.33	\$306.515	
		95% Confidence Interval for Mean	\$274.98		
		Lower Bound	\$1,477.67		
		Upper Bound			
		5% Trimmed Mean	\$80.00		
		Median	\$88.05		
		Variance	116405860.636		
		Std. Deviation	\$10,789.155		
		Minimum	\$0		
		Maximum	\$261,869		
		Range	\$261,869		
		Interquartile Range	\$55		
		Skewness	16.942		.070
		Kurtosis	334.525		.139

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		.992
95% Confidence Interval for Mean	Lower Bound	.989
	Upper Bound	.996
Median		.978
95% Confidence Interval for Median	Lower Bound	.975
	Upper Bound	.980
	Actual Coverage	95.2%
Weighted Mean		.973
95% Confidence Interval for Weighted Mean	Lower Bound	.969
	Upper Bound	.976
Price Related Differential		1.020
Coefficient of Dispersion		.104
Coefficient of Variation	Mean Centered	15.0%

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		.974
95% Confidence Interval for Mean	Lower Bound	.955
	Upper Bound	.994
Median		.979
95% Confidence Interval for Median	Lower Bound	.970
	Upper Bound	.988
	Actual Coverage	95.8%
Weighted Mean		.960
95% Confidence Interval for Weighted Mean	Lower Bound	.915
	Upper Bound	1.006
Price Related Differential		1.015
Coefficient of Dispersion		.078
Coefficient of Variation	Mean Centered	14.8%

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 currInd / Vtasp

Mean		.967
95% Confidence Interval for Mean	Lower Bound	.947
	Upper Bound	.987
Median		.977
95% Confidence Interval for Median	Lower Bound	.967
	Upper Bound	1.000
	Actual Coverage	95.3%
Weighted Mean		.950
95% Confidence Interval for Weighted Mean	Lower Bound	.927
	Upper Bound	.974
Price Related Differential		1.018
Coefficient of Dispersion		.127
Coefficient of Variation	Mean Centered	18.4%

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.

Residential Median Ratio Stratification

Sale Price

Case Processing Summary

		Count	Percent
SPRec	LT \$25K	14	.2%
	\$25K to \$50K	91	1.3%
	\$50K to \$100K	684	9.7%
	\$100K to \$150K	1607	22.9%
	\$150K to \$200K	1688	24.0%
	\$200K to \$300K	1796	25.6%
	\$300K to \$500K	930	13.2%
	\$500K to \$750K	170	2.4%
	\$750K to \$1,000K	25	.4%
	Over \$1,000K	18	.3%
Overall		7023	100.0%
Excluded		0	
Total		7023	

Ratio Statistics for currtot / tasp

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
LT \$25K	.999	.882	.114	28.3%
\$25K to \$50K	1.193	1.007	.246	34.4%
\$50K to \$100K	1.099	1.011	.147	20.2%
\$100K to \$150K	.980	1.001	.107	14.2%
\$150K to \$200K	.978	1.000	.084	11.4%
\$200K to \$300K	.974	1.001	.077	10.6%
\$300K to \$500K	.947	1.000	.089	11.9%
\$500K to \$750K	.913	.999	.112	15.1%
\$750K to \$1,000K	.925	.997	.123	15.4%
Over \$1,000K	.889	.976	.112	13.4%
Overall	.978	1.020	.104	15.3%

Subclass

Case Processing Summary

	Count	Percent
Preduce 1212	6518	92.8%
1215	88	1.3%
1220	31	.4%
1225	6	.1%
1230	380	5.4%
Overall	7023	100.0%
Excluded	0	
Total	7023	

Ratio Statistics for currtot / tasp

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
1212	.978	1.020	.105	14.9%
1215	1.054	1.057	.200	35.0%
1220	.998	1.055	.163	27.2%
1225	.998	1.006	.031	4.8%
1230	.969	1.006	.057	10.0%
Overall	.978	1.020	.104	15.3%

Age

Case Processing Summary

		Count	Percent
AgeRec	Over 100	126	1.8%
	75 to 100	231	3.3%
	50 to 75	310	4.4%
	25 to 50	922	13.1%
	5 to 25	2627	37.4%
	5 or Newer	2807	40.0%
Overall		7023	100.0%
Excluded		0	
Total		7023	

Ratio Statistics for currtot / tasp

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
Over 100	.958	1.046	.228	35.2%
75 to 100	.959	1.052	.196	30.3%
50 to 75	.992	1.045	.171	24.2%
25 to 50	.982	1.025	.135	18.2%
5 to 25	.980	1.014	.099	13.6%
5 or Newer	.973	1.013	.078	10.5%
Overall	.978	1.020	.104	15.3%

Improved Area

Case Processing Summary

		Count	Percent
ImpSFRec	LE 500 sf	16	.2%
	500 to 1,000 sf	637	9.1%
	1,000 to 1,500 sf	2555	36.4%
	1,500 to 2,000 sf	1954	27.8%
	2,000 to 3,000 sf	1419	20.2%
	3,000 sf or Higher	442	6.3%
Overall		7023	100.0%
Excluded		0	
Total		7023	

Ratio Statistics for currtot / tasp

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
LE 500 sf	.999	.983	.121	21.4%
500 to 1,000 sf	.972	1.044	.168	24.2%
1,000 to 1,500 sf	.978	1.018	.105	15.2%
1,500 to 2,000 sf	.980	1.015	.091	13.5%
2,000 to 3,000 sf	.974	1.014	.090	12.3%
3,000 sf or Higher	.970	1.018	.107	15.8%
Overall	.978	1.020	.104	15.3%

Quality

Case Processing Summary

		Count	Percent
qual	1	108	1.5%
	1	1	.0%
	1	1	.0%
	1	6	.1%
	1	10	.1%
	2	37	.5%
	2	2	.0%
	2	10	.1%
	2	4	.1%
	2	1	.0%
	2	2065	29.4%
	2	1	.0%
	2	5	.1%
	2	1	.0%
	3	29	.4%
	3	1	.0%
	3	6	.1%
	3	1	.0%
	3	1	.0%
	3	4052	57.7%
	3	1	.0%
	3	2	.0%
	4	11	.2%
	4	578	8.2%
	5	73	1.0%
	6	16	.2%
Overall		7023	100.0%
Excluded		0	
Total		7023	

Ratio Statistics for currtot / tasp

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
1	.973	1.073	.231	35.2%
1	1.049	1.000	.000	.
1	1.172	1.000	.000	.
1	1.002	1.055	.123	16.7%
1	.968	1.025	.112	16.5%
2	.964	1.026	.155	22.4%
2	.796	.945	.158	22.3%
2	.978	1.027	.119	19.3%
2	1.014	.994	.033	6.5%
2	.904	1.000	.000	.
2	.980	1.029	.141	20.3%
2	.734	1.000	.000	.
2	.906	.985	.047	8.7%
2	.996	1.000	.000	.
3	.946	1.044	.164	27.3%
3	.991	1.000	.000	.
3	.880	1.023	.155	21.4%
3	1.283	1.000	.000	.
3	.950	1.000	.000	.
3	.977	1.011	.082	10.9%
3	1.264	1.000	.000	.
3	.960	1.013	.062	8.8%
4	1.018	.995	.114	16.3%
4	.977	1.019	.097	13.2%
5	.978	1.026	.102	13.9%
6	.973	1.017	.126	20.9%
Overall	.978	1.020	.104	15.3%

Commercial Median Ratio Stratification

Sale Price

Case Processing Summary

		Count	Percent
SPRec	LT \$25K	1	.5%
	\$25K to \$50K	4	2.0%
	\$50K to \$100K	54	26.5%
	\$100K to \$150K	31	15.2%
	\$150K to \$200K	28	13.7%
	\$200K to \$300K	19	9.3%
	\$300K to \$500K	24	11.8%
	\$500K to \$750K	11	5.4%
	\$750K to \$1,000K	8	3.9%
	Over \$1,000K	24	11.8%
Overall		204	100.0%
Excluded		0	
Total		204	

Ratio Statistics for currtot / tasp

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
LT \$25K	.952	1.000	.000	.
\$25K to \$50K	1.000	.999	.028	5.0%
\$50K to \$100K	.990	.996	.046	8.4%
\$100K to \$150K	.960	.996	.076	12.9%
\$150K to \$200K	.970	.999	.102	22.1%
\$200K to \$300K	.990	.999	.075	14.7%
\$300K to \$500K	.960	1.001	.082	14.4%
\$500K to \$750K	.969	.996	.088	13.9%
\$750K to \$1,000K	.975	.991	.186	28.7%
Over \$1,000K	.979	.990	.078	15.5%
Overall	.979	1.015	.078	14.7%

Subclass

Case Processing Summary

		Count	Percent
Preduse	2212	23	11.3%
	2215	4	2.0%
	2220	34	16.7%
	2230	26	12.7%
	2235	97	47.5%
	3212	13	6.4%
	3215	7	3.4%
Overall		204	100.0%
Excluded		0	
Total		204	

Ratio Statistics for currtot / tasp

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
2212	.923	1.124	.118	17.7%
2215	1.000	1.004	.008	1.5%
2220	.976	.982	.089	14.7%
2230	.980	1.009	.121	21.4%
2235	.985	.999	.056	12.2%
3212	.982	1.008	.042	5.7%
3215	1.000	.942	.098	19.2%
Overall	.979	1.015	.078	14.7%

Vacant Land Median Ratio Stratification

Case Processing Summary

	Count	Percent
VPreduce 0100	212	68.4%
0200	40	12.9%
0300	15	4.8%
0400	11	3.5%
0520	1	.3%
0550	2	.6%
0600	1	.3%
1112	22	7.1%
1135	3	1.0%
2112	1	.3%
2130	1	.3%
3115	1	.3%
Overall	310	100.0%
Excluded	0	
Total	310	

Ratio Statistics for currInd / Vtasp

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
				Median Centered
0100	.979	1.007	.129	19.1%
0200	.947	1.015	.096	12.7%
0300	1.000	1.122	.182	22.3%
0400	1.000	.957	.090	14.1%
0520	1.016	1.000	.000	.
0550	1.109	1.144	.128	18.2%
0600	.781	1.000	.000	.
1112	1.000	.994	.110	15.4%
1135	.714	.965	.206	32.3%
2112	.746	1.000	.000	.
2130	.971	1.000	.000	.
3115	.968	1.000	.000	.
Overall	.977	1.018	.127	18.2%