2021
YUMA COUNTY
PROPERTY ASSESSMENT
STUDY

WILDROSE
APPRAISAL, INCORPORATED
Audit Division

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APPRAISAL, INCORPORATED
Audit Division

September 15, 2021

Ms. Natalie Mullis
Director of Research
Colorado Legislative Council
Room 029, State Capitol Building
Denver, Colorado 80203

RE: Final Report for the 2021 Colorado Property Assessment Study

Dear Ms. Mullis:

Wildrose Appraisal Inc.-Audit Division is pleased to submit the Final Reports for the 2021 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.

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

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INTRODUCTION

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 2021 and is pleased to report its findings for Yuma County in the following report.

REGIONAL/HISTORICAL SKETCH OF YUMA COUNTY

Regional Information

Yuma County is located in the Eastern Plains region of Colorado. The Eastern Plains of Colorado refer to the region on the east side of the Rocky Mountain. It is east of the population centers of the Front Range, including Baca, Bent, Cheyenne, Crowley, Elbert, Kiowa, Kit Carson, Lincoln, Logan, Morgan, Otero, Phillips, Prowers, Sedgwick, Washington, and Yuma counties.

Historical Information

Yuma County has approximately 2,518.0 square miles and an estimated population of approximately 4,908 people with 1.9 people per square mile, according to the U.S. Census Bureau's 2020 estimated census data. This represents a 2.0 percent change from April 1, 2010 to July 1, 2019.

Yuma County was formed in 1889 from a portion of Washington County and is located on the Northeastern Colorado Plains with Nebraska and Kansas at its border. The County Seat resides in Wray, which was named an "All-America City" in 1993 by the National Civic League. The County offers moderate summers, crisp falls, cool winters and warm springs. The county averages 260 days of sunshine and 16.7" of annual rainfall.

Yuma County offers many opportunities for recreation. Boating and fishing are popular. Ponds, lakes and rivers are abundant, as is the wildlife. Hunters and nature lovers can see wild turkey, pheasant and deer. Visitors from all over come to Wray to view the unusual mating ritual of the Greater Prairie Chicken. Once an endangered species, the Greater Prairie Chicken has made a comeback in Northeast Colorado.

The Wray museum has a fine Smithsonian exhibit of an ancient buffalo hunt as well as Indian and prehistoric artifacts. History buffs can visit the Beecher Island Battleground, the site of one of the most bitter battles in the Indian Wars between Cheyenne Dog Soldiers and the US Calvary.

(www.northeastrpd.org, www.yumacounty.net, www.wikipedia.org)

R A T I O A N A L Y S I S

Methodology

All significant classes of property were analyzed. Sales were collected for each property class over the eighteen month period from January 1, 2019 through June 30th, 2020. Property classes with less than thirty sales had the sales period extended in six month increments up to an additional forty-two months. If this extended sales period did not produce the minimum thirty qualified sales, the Audit performed supplemental appraisals to reach the minimum.

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.

All sixty-four counties were examined for compliance on the economic area level. Where there were sufficient sales data, the neighborhood and subdivision levels were tested for compliance. Although counties are determined to be in or out of compliance at the class level, non-compliant economic areas, neighborhoods and subdivisions (where applicable) were discussed with the Assessor.

Data on the individual economic areas, neighborhoods and subdivisions are found in the STATISTICAL APPENDIX.

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
Residential Condominium	Between .95-1.05	Less than 15.99
Residential	Between .95-1.05	Less than 15.99
Vacant Land	Between .95-1.05	Less than 20.99

The results for Yuma County are:

Yuma County Ratio Grid					
Property Class	Number of Qualified Sales	Unweighted Median Ratio	Price Related Differential	Coefficient of Dispersion	Time Trend Analysis
*Commercial/Industrial	28	0.954	1.020	17	Compliant
Residential	173	0.998	1.003	10.9	Compliant
Vacant Land	N/A	N/A	N/A	N/A	N/A

*County Sales File augmented by 2 supplemental appraisals

After applying the above described methodologies, it is concluded from the sales ratios that Yuma County is in compliance with SBOE, DPT, and Colorado State Statute valuation guidelines.

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 method 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 Yuma County has complied with the statutory requirements to analyze the effects of time on value in their county. Yuma 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

Yuma 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.

We test the hypothesis that the assessor has valued unsold properties consistent with what is observed with the sold properties based on several units of comparison and tests. The units of comparison include the actual value per square foot and the change in value from the previous base year period to the current base year. The first test compares the actual value per square foot between sold and unsold properties by class. The median and mean value per square foot is compared and tested for any significant difference. This is tested using non-parametric methods, such as the Mann-Whitney test for differences in the distributions or medians between sold and unsold groups. It is also examined graphically and from an appraisal perspective. Data can be stratified based on location and subclass. The second test compares the difference in the median change in value from the previous base year to the current base year between sold and unsold properties by class. The same combination of non-parametric and appraisal testing is used as with the first test. A third test employing a valuation model testing a sold/unsold binary variable while controlling for property attributes such as location, size, age and other attributes. The model determines if the sold/unsold variable is statistically and empirically significant. If all three tests indicate a significant difference between sold and unsold properties for a given class, the Auditor may meet with the county to determine if sale chasing is actually occurring,

or if there are other explanations for the observed difference.

If the unsold properties have a higher median value per square foot than the sold properties, or if the median change in value is greater for the unsold properties than the sold properties, the analysis is stopped and the county is concluded to be in compliance with sold and unsold guidelines. All sold and unsold properties in a given class are first tested, although properties with extreme unit values or percent changes can be trimmed to stabilize the analysis. The median is the primary comparison metric, although the mean can also be used as a comparison metric if the distribution supports that type of measure of central tendency.

The first test (unit value method) is applied to both residential and commercial/industrial sold and unsold properties. The second test is applied to sold and unsold vacant land properties. The second test (change in value method) is also applied to residential or commercial sold and unsold properties if the first test results in a significant difference observed and/or tested between sold and unsold properties. The third test (valuation modeling) is used in instances where the results from the first two tests indicate a significant difference between sold and unsold properties. It can also be used when the number of sold and unsold properties is so large that the non-parametric testing is indicating a false rejection of the hypothesis that there is no difference between the sold and unsold property values.

These tests were supported by both tabular and graphics presentations, along with written documentation explaining the methodology used.

| Sold/Unsold Results	
Property Class	**Results**
Commercial/Industrial	Compliant
Residential	Compliant
Vacant Land	N/A

Conclusions

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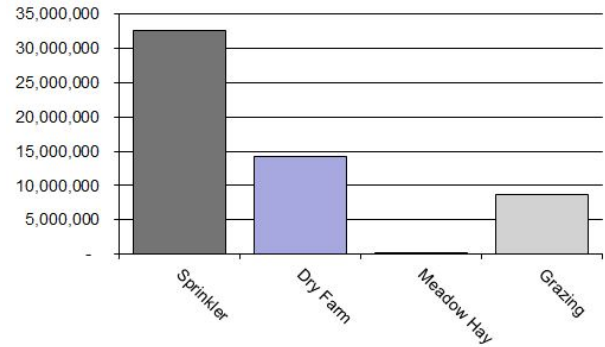
Recommendations

None

AGRICULTURAL LAND STUDY

Acres By Subclass

Sprinkler 18.51%
Grazing 55.92%
Dry Farm 25.51%
Meadow Hay 0.06%
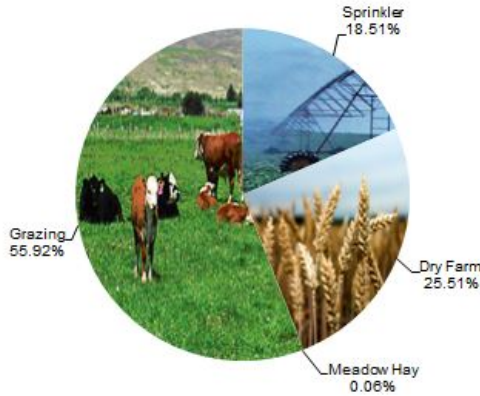
Value By Subclass

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:

Yuma 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	265,467	123.01	32,655,474	32,720,940	1.00
4127	Dry Farm	365,851	38.77	14,184,616	14,391,840	0.99
4137	Meadow Hay	800	42.14	33,711	33,711	1.00
4147	Grazing	801,941	10.76	8,628,334	8,628,334	1.00
Total/Avg		1,434,059	38.70	55,502,136	55,774,825	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

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

Recommendations

None

Agricultural Land Under Improvements

Methodology

Data was collected and reviewed to determine if the guidelines found in the Assessor's Reference Library (ARL) Volume 3, pages 5.19 and 5.20 were being followed.

Conclusions

Yuma County has used the following methods to discover land under a residential improvement on a farm or ranch that is determined to be not integral under 39-1-102, C.R.S.:

- Questionnaires
- Field Inspections
- Phone Interviews
- Personal Knowledge of Occupants at Assessment Date
- Aerial Photography/Pictometry

Yuma County has used the following methods to discover the land area under a residential improvement that is determined to be not integral under 39-1-102, C.R.S.:

- Property Record Card Analysis
- Questionnaires
- Field Inspections
- Personal Knowledge of Occupants at Assessment Date
- Aerial Photography/Pictometry

Yuma County has substantially complied with the procedures provided by the Division of Property Taxation for the valuation of land under residential improvements that may or may not be integral to an agricultural operation.

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 2021 for Yuma County. This study was conducted by checking selected sales from the master sales list for the current valuation period. Specifically WRA selected 48 sales listed as unqualified.

All of the sales in the unqualified sales sample had reasons that were clear and supportable.

For residential, commercial, and vacant land sales with considerations over $100,000, the contractor has examined and reported the ratio of qualified sales to total sales by class and performed the following analyses of unqualified sales:

> The contractor has examined the manner in which sales have been classified as qualified or unqualified, including a listing of each step in the sales verification process, any adjustment procedures, and the county official responsible for making the final decision on qualification.

> When less than 50 percent of sales are qualified in any of the three property classes (residential, commercial, and vacant land), the contractor analyzed the reasons for disqualifying sales in any subclass that constitutes at least 20 percent of the class, either by number of properties or by value, from the prior year. The contractor has

reviewed with the assessor any analysis indicating that sales data are inadequate, fail to reflect typical properties, or have been disqualified for insufficient cause. In addition, the contractor has reviewed the disqualified sales by assigned code. If there appears to be any inconsistency in the coding, the contractor has conducted further analysis to determine if the sales included in that code have been assigned appropriately.

If 50 percent or more of the sales are qualified, the contractor has reviewed a statistically significant sample of unqualified sales, excluding sales that were disqualified for obvious reasons.

The following subclasses were analyzed for Yuma County:

    0100 Residential Lots
    2212 Merchandising
    2230 Special Purpose
    2235 Warehouse/Storage

Conclusions

Yuma County appears to be doing an adequate job of verifying their sales. WRA agreed with the county's reason for disqualifying each of the sales selected in the sample. There are no recommendations or suggestions.

Recommendations

None

ECONOMIC AREA REVIEW AND EVALUATION

Methodology

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

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 2021 in Yuma 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

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

Recommendations

None

POSSESSORY INTEREST PROPERTIES

Possessory Interest

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

Yuma 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

Yuma 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

Yuma 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.

Yuma 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
- Building Permits/Activity Notices
- Inventories/Inspections
- Declarations
- Internet/Facebook

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.

Yuma County submitted their personal property written audit plan and was current for the 2021 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
- Incomplete or inconsistent declarations
- Accounts with omitted property

- Non-filing Accounts - Best Information Available
- Accounts close to the $7,900 actual value exemption status
- Accounts protested with substantial disagreement
- BIA Accounts or accounts without equipment listings

Conclusions

Yuma 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*

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

J. Andrew Rodriguez, *Field Analyst*

STATISTICAL APPENDIX

STATISTICAL COMPLIANCE REPORT
FOR YUMA COUNTY
2021

I. OVERVIEW

Yuma County is an agricultural county located in eastern Colorado. The county has a total of 11,963 real property parcels, according to data submitted by the county assessor's office in 2021. The following provides a breakdown of property classes for this county:
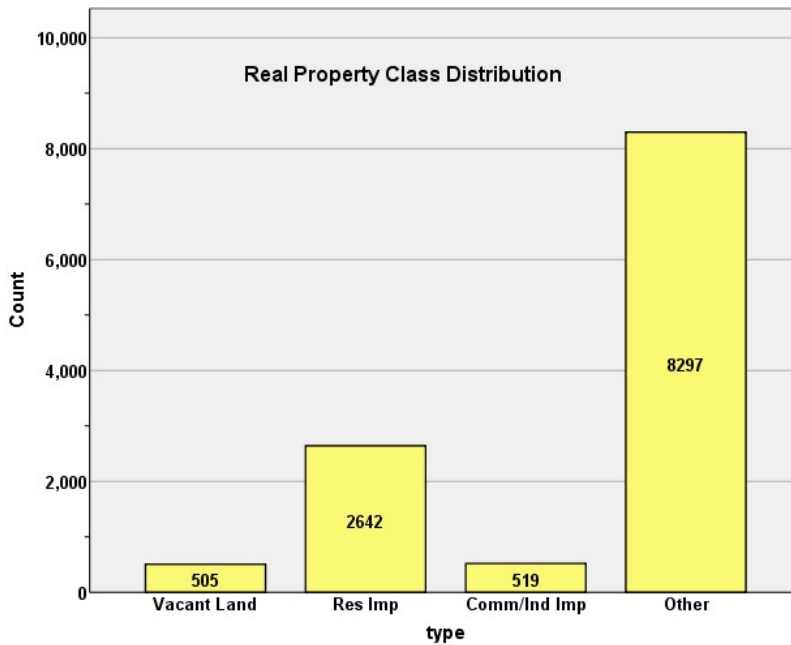
Based on the number of vacant land parcels in Yuma County, we were not required to analyze this class of property for audit compliance.

For residential improved properties, single family properties accounted for 95.3% of all residential properties.

Commercial and industrial properties represented a much smaller proportion of property classes in comparison. Commercial/industrial sales accounted for 4.4% of all such properties in this county.

II. DATA FILES

The following sales analyses were based on the requirements of the 2021 Colorado Property Assessment Study. The data included all 5 property record files as specified by the Auditor.

III. RESIDENTIAL SALES RESULTS

There were 173 qualified residential sales for the 18-month period prior to June 30, 2020. The sales ratio analysis was analyzed as follows:

Median	0.998
Price Related Differential	1.003
Coefficient of Dispersion	10.9

We next stratified the sale ratio analysis by economic area and neighborhood. The minimum count for this analysis was 10 sales. The following are the results of this stratification analysis:

Economic Area
Case Processing Summary

		Count	Percent
ECONAREA	100.00	28	16.4%
	200.00	48	28.1%
	300.00	85	49.7%
	400.00	10	5.8%
Overall		171	100.0%
Excluded		2	
Total		173	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion
100.00	.997	1.002	.099
200.00	.995	1.005	.102
300.00	.999	.996	.123
400.00	1.000	1.000	.064
Overall	.998	1.003	.109

All EA's were in compliance in terms of the median sale ratio and COD.

Neighborhood Area

We examined all neighborhoods with at least 15 sales in terms of their median sales ratio and COD:

Case Processing Summary

		Count	Percent
NBHD	10010	16	11.9%
	20040	17	12.7%
	20050	24	17.9%
	30030	15	11.2%
	30040	25	18.7%
	30050	37	27.6%
Overall		134	100.0%
Excluded		0	
Total		134	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion
10010	1.029	1.008	.102
20040	.981	1.002	.108
20050	1.001	1.016	.114
30030	1.000	1.027	.133
30040	.995	.962	.083
30050	.997	1.005	.158
Overall	.998	1.001	.121

All neighborhoods with at least 15 sales were in compliance in terms of the median sales ratio and COD.

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 all of these properties:

Sales Ratio Distribution

Mean = 1.00
Std. Dev. = .149
N = 173
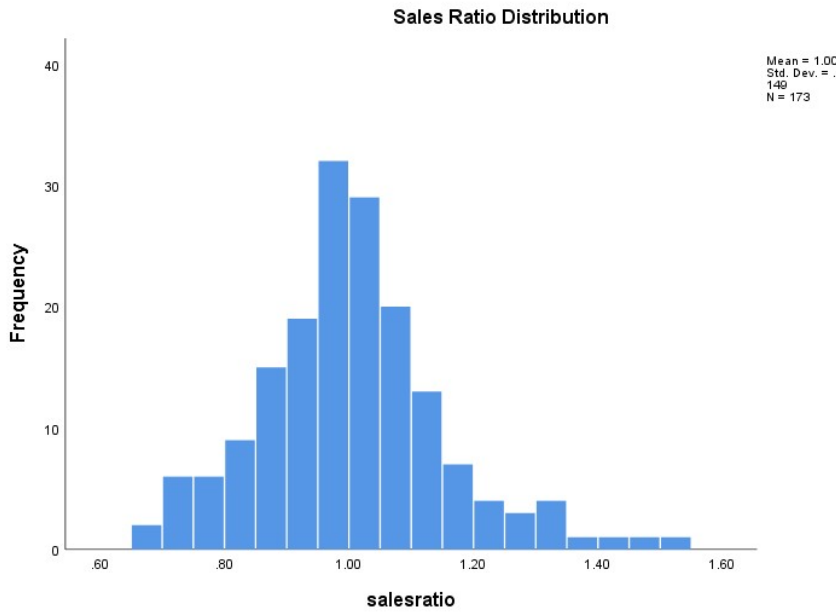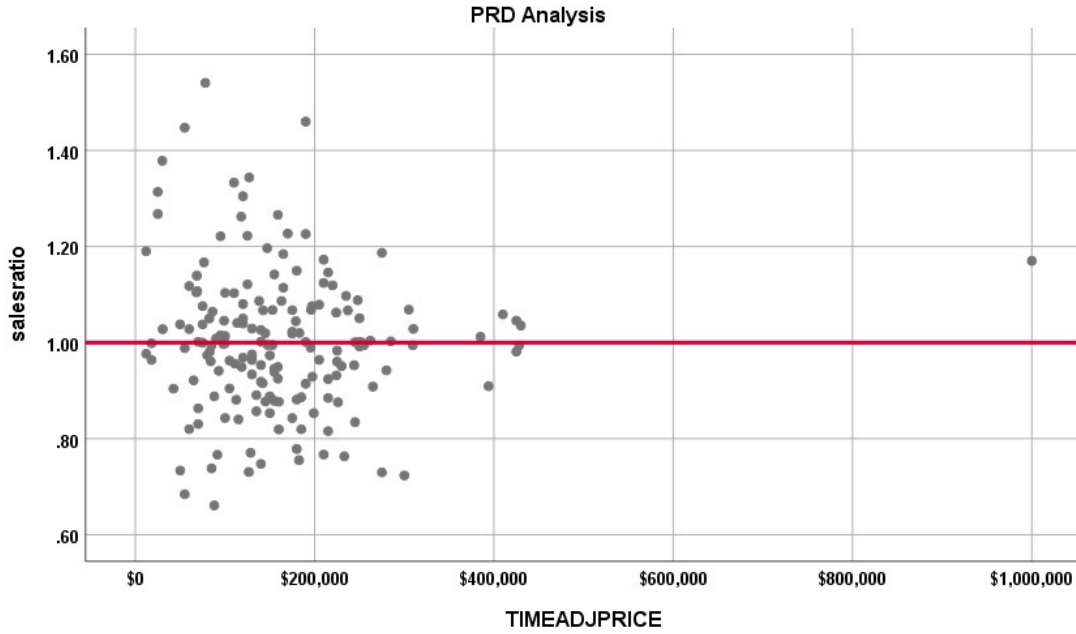
Subclass 1112 PRD Analysis

We next analyzed residential properties identified as 1112 using the state abstract code system. These include single family residences, town homes and purged manufactured homes. The following indicates the distribution of sales ratios across the sale price spectrum:

ALL SALES
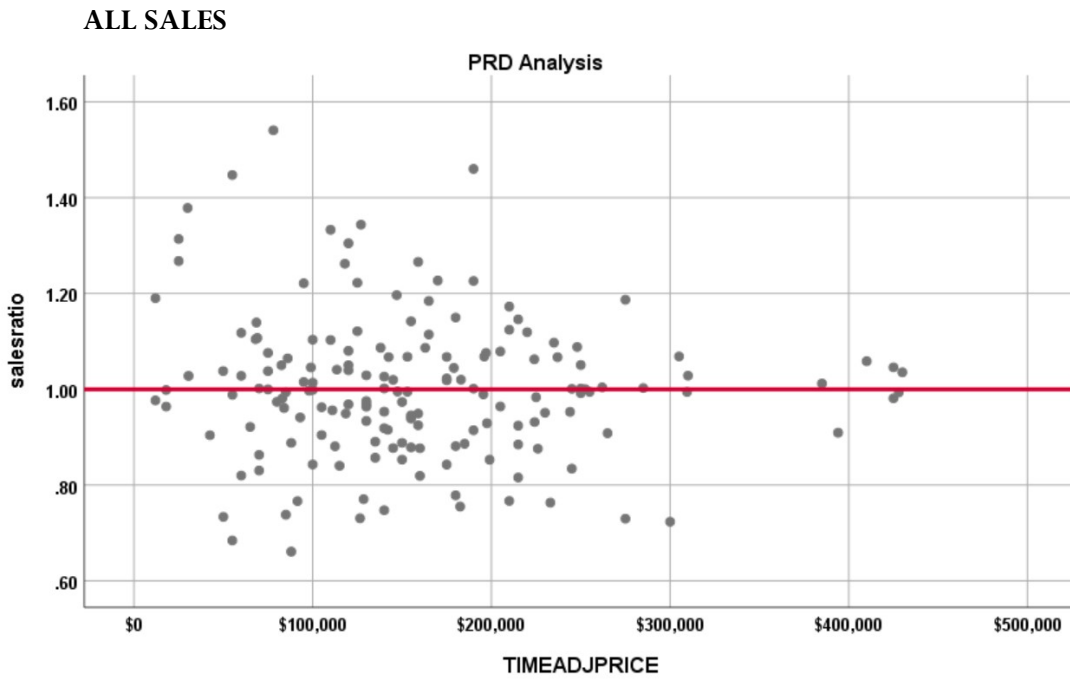
The Price-Related Differential (PRD) for 1112 sales is 1.007; this is within IAAO standards for the PRD. We also performed a regression analysis between the sales ratio and the assessor's current value to further test for regressivity or progressivity in the residential sales valuation, as follows:

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.967	.024		40.825	.000
	CURRTOT	.00000023	.000	.134	1.735	.085

a. Dependent Variable: salesratio

The slope of the line at less than 0.001 percent per month indicates that there is virtually no slope in the regression line; this in turn indicates that sales ratios are similar across the entire sale price array. We also stratified the sales ratio analysis by the sale price range, as follows:

Case Processing Summary

		Count	Percent
SPRec	LT $25K	6	3.6%
	$25K to $50K	5	3.0%
	$50K to $100K	36	21.6%
	$100K to $200K	77	46.1%
	$200K to $300K	33	19.8%
	$300K to $400K	5	3.0%
	$400K to $500K	5	3.0%
Overall		167	100.0%
Excluded		0	
Total		167	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
LT $25K	1.094	.977	.127	14.6%
$25K to $50K	1.028	1.033	.151	23.1%
$50K to $100K	.999	1.003	.119	17.7%
$100K to $200K	.989	1.001	.114	15.0%
$200K to $300K	.995	1.003	.098	12.8%
$300K to $400K	1.012	1.004	.038	5.9%
$400K to $500K	1.035	1.000	.025	3.5%
Overall	.998	1.007	.109	15.0%

Simple Boxplot of salesratio by SPRec
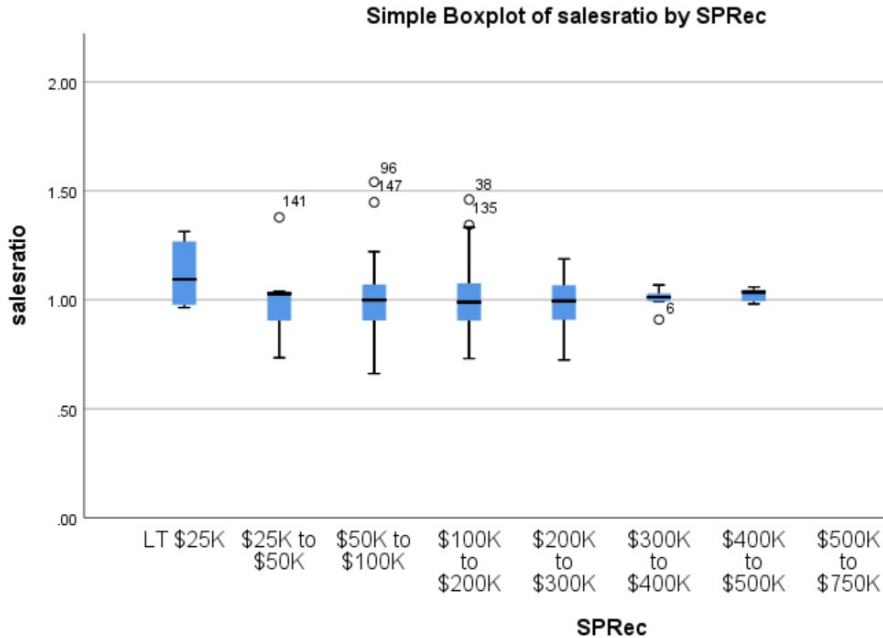
Note: **Blue box area in chart above denotes 25% to 75% of sales ratios per category, while the whiskers beyond the blue boxes denote 10% to 90% of the sales ratios by category.**

The above box and whisker chart indicates that the sales ratio distribution was more or less consistent across the sale price range for Yuma County.

Residential Market Trend Analysis

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

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.978	.023		42.726	.000
	SalePeriod	.003	.002	.097	1.268	.206

a. Dependent Variable: salesratio

Sales Ratio Market Trend
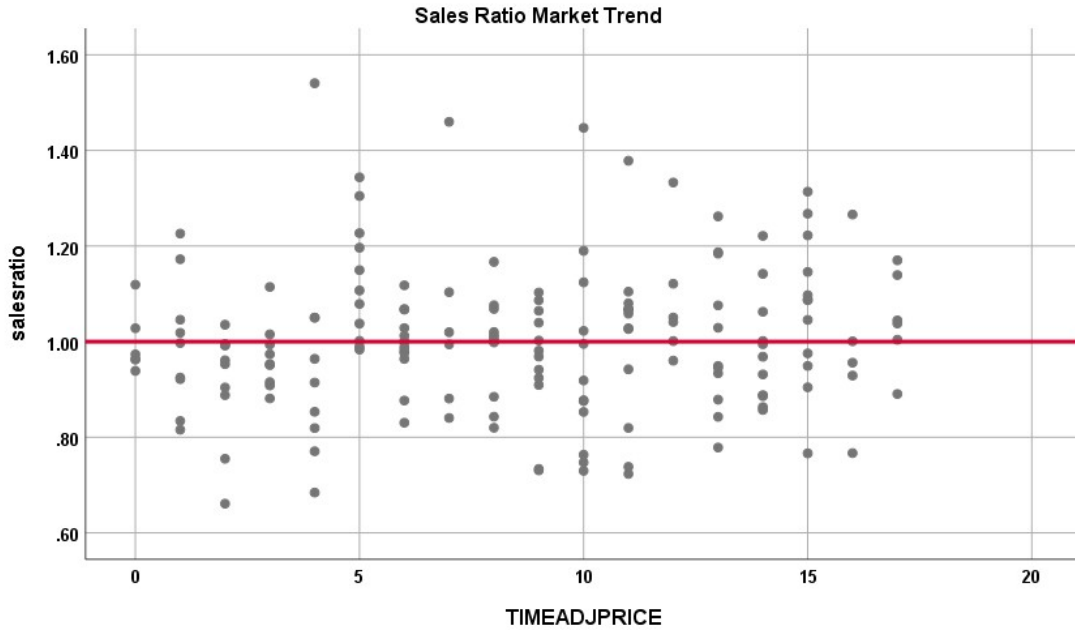
The above analysis indicated that there was a significant market trend, but the magnitude of the trend at 0.4 percent per month was marginal. We have contacted the assessor's office to notify them to carefully monitor residential market trends in their county. We therefore concluded that there was no significant market trending in the residential sale data.

Sold/Unsold Analysis

In terms of the valuation consistency between sold and unsold residential properties, we compared the mean and median percent change in actual value between taxable years 2018 and 2020 for sold and unsold residential properties, as follows:

Report
DIFF

sold	N	Median	Mean
UNSOLD	2118	1.1171	1.1172
SOLD	155	1.1387	1.1785

Overall, the class level comparison indicated no significant difference using the change in value test.

We next stratified the comparison by economic area:

Report
DIFF

ECONAREA	sold	N	Median	Mean
100.00	UNSOLD	142	1.1544	1.1507
	SOLD	13	1.1608	1.2201
200.00	UNSOLD	750	1.0944	1.1165
	SOLD	47	1.1103	1.1391
300.00	UNSOLD	1005	1.1505	1.1304
	SOLD	83	1.1710	1.1863
400.00	UNSOLD	194	1.0081	1.0356
	SOLD	10	1.1272	1.2130

When stratified by economic area, we noted no consistent pattern where sold and unsold properties were valued differently.

We next examined sold and unsold residential properties using the second test for neighborhoods with at least 10 sales:

Report
DIFF

NBHD	sold	N	Median	Mean
10010	UNSOLD	131	1.1518	1.1465
	SOLD	11	1.1559	1.2000
20040	UNSOLD	243	1.0780	1.0689
	SOLD	17	1.0911	1.0996
20050	UNSOLD	317	1.1293	1.1248
	SOLD	23	1.1319	1.1528
30030	UNSOLD	192	1.0663	1.0669
	SOLD	15	1.0670	1.0818
30040	UNSOLD	261	1.1550	1.1451
	SOLD	24	1.1881	1.1988
30050	UNSOLD	436	1.1957	1.1850
	SOLD	36	1.2136	1.2717

The above results indicate that sold and unsold residential properties were valued in a consistent manner for neighborhoods with at least 10 sales.

IV. COMMERCIAL/INDUSTRIAL SALE RESULTS

There were 28 qualified commercial/industrial sales for the 36-month period prior to June 30, 2020. We augmented these sales with 2 supplemental commercial appraisals for the following sales ratio analysis. The 28 sales were used in the market trend analysis and sold/unsold analysis.

The sales ratio analysis results were as analyzed as follows:

Median	**0.954**
Price Related Differential	**1.020**
Coefficient of Dispersion	**17.0**

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

Mean = .99
Std. Dev. = .279
N = 30

Commercial Sale Price by Sales Ratio
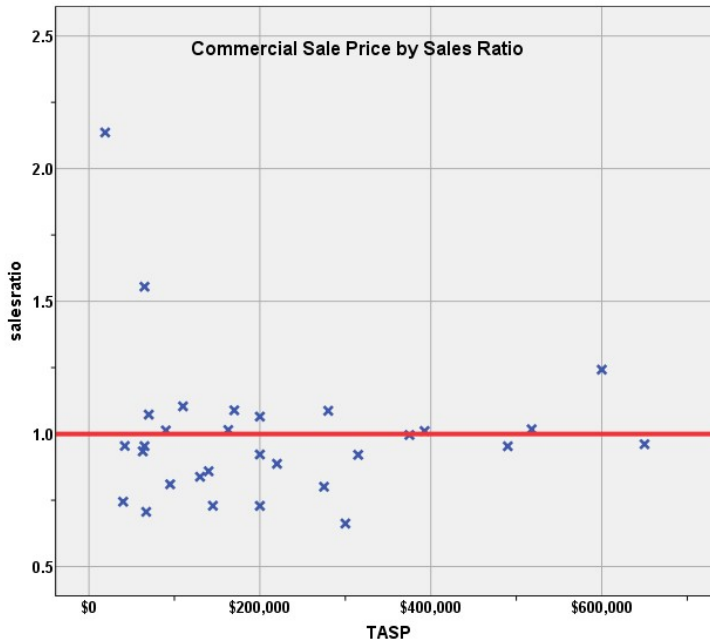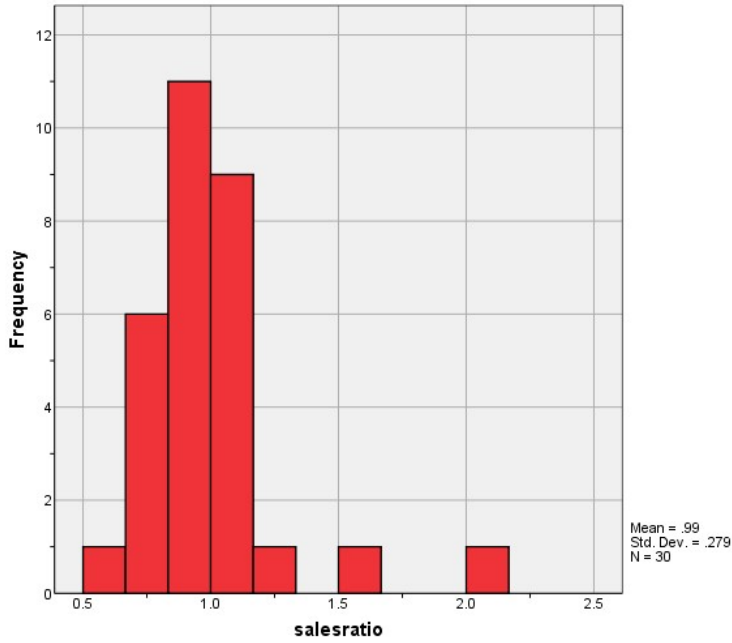
Commercial Market Trend Analysis

The assessor did not apply any market trend adjustment to the commercial dataset. The 28 commercial sales were analyzed, examining the sale ratios across the 36-month sale period with the following results:

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.890	.089		10.022	.000
	SalePeriod	.008	.006	.275	1.456	.157

a. Dependent Variable: salesratio
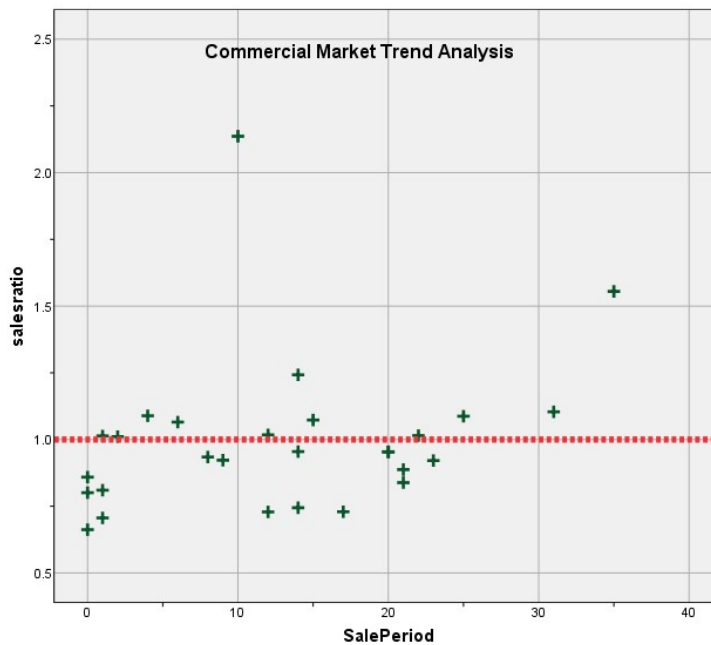
The market trend results indicated no statistically significant trend. We therefore concluded that the assessor has adequately addressed market trending in the commercial/industrial valuation in Yuma County.

Sold/Unsold Analysis

We compared the median actual value per square foot for sold and unsold commercial properties for taxable year 2021 to determine if the assessor was valuing each group consistently. While this is a challenge to prove in this county, given the small number of sales and the overall small number and diversity of commercial/industrial properties in general, the following results indicate that both groups were valued in a consistent manner:

Report
VALSF

sold	N	Median	Mean
UNSOLD	479	$24	$35
SOLD	28	$28	$46

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of VALSF is the same across categories of sold.	Independent-Samples Mann-Whitney U Test	.084	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .01.

V. CONCLUSIONS

Based on this statistical analysis, there were no significant compliance issues concluded for Yuma County as of the date of this report.

STATISTICAL ABSTRACT

Residential

Mean	95% Confidence Interval for Mean		Median	95% Confidence Interval for Median		Actual Coverage	Weighted Mean	95% Confidence Interval for Weighted Mean		Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
	Lower Bound	Upper Bound		Lower Bound	Upper Bound			Lower Bound	Upper Bound			Mean Centered
1.003	.981	1.025	.998	.981	1.014	95.2%	1.000	.977	1.024	1.003	.109	14.9%

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/Industrial

Mean	95% Confidence Interval for Mean		Median	95% Confidence Interval for Median		Actual Coverage	Weighted Mean	95% Confidence Interval for Weighted Mean		Price Related Differential	Coefficient of Dispersion	Coefficient of Variation
	Lower Bound	Upper Bound		Lower Bound	Upper Bound			Lower Bound	Upper Bound			Mean Centered
.992	.888	1.097	.954	.887	1.015	95.7%	.973	.903	1.043	1.020	.170	28.2%

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.

Vacant Land

Not applicable

Residential Median Ratio Stratification

Subclass

Case Processing Summary

		Count	Percent
ABSTRIMP	1212.00	164	94.8%
	1215.00	3	1.7%
	1216.33	1	0.6%
	1220.00	2	1.2%
	1553.00	1	0.6%
	4278.33	1	0.6%
	4278.50	1	0.6%
Overall		173	100.0%
Excluded		0	
Total		173	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
1212.00	.996	1.008	.110	15.1%
1215.00	1.008	1.033	.068	11.6%
1216.33	1.170	1.000	.000	.
1220.00	.881	.986	.070	9.9%
1553.00	1.051	1.000	.000	.
4278.33	1.035	1.000	.000	.
4278.50	1.150	1.000	.000	.
Overall	.998	1.003	.109	14.9%

Age

Case Processing Summary

		Count	Percent
AgeRec	Over 100	38	22.0%
	75 to 100	35	20.2%
	50 to 75	44	25.4%
	25 to 50	37	21.4%
	5 to 25	17	9.8%
	5 or Newer	2	1.2%
Overall		173	100.0%
Excluded		0	
Total		173	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
Over 100	1.000	1.006	.119	16.1%
75 to 100	.981	1.010	.092	12.6%
50 to 75	1.003	1.007	.123	16.2%
25 to 50	.988	1.019	.120	16.7%
5 to 25	1.023	.988	.064	9.5%
5 or Newer	1.063	1.001	.005	0.7%
Overall	.998	1.003	.109	14.9%

Improved Area

Case Processing Summary

		Count	Percent
ImpSFRec	500 to 1,000 sf	12	6.9%
	1,000 to 1,500 sf	43	24.9%
	1,500 to 2,000 sf	46	26.6%
	2,000 to 3,000 sf	35	20.2%
	3,000 sf or Higher	37	21.4%
Overall		173	100.0%
Excluded		0	
Total		173	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
500 to 1,000 sf	.939	1.057	.146	18.3%
1,000 to 1,500 sf	.983	1.040	.111	15.5%
1,500 to 2,000 sf	1.003	1.005	.107	15.1%
2,000 to 3,000 sf	.994	1.014	.109	14.8%
3,000 sf or Higher	1.002	.991	.097	13.5%
Overall	.998	1.003	.109	14.9%

Quality

Case Processing Summary

		Count	Percent
QUALITY	Average	158	91.3%
	Fair	9	5.2%
	Low	6	3.5%
Overall		173	100.0%
Excluded		0	
Total		173	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
Average	.996	1.001	.108	14.8%
Fair	1.028	1.003	.130	18.4%
Low	1.033	1.019	.090	12.8%
Overall	.998	1.003	.109	14.9%

Condition

Case Processing Summary

		Count	Percent
CONDITION	Average	162	93.6%
	Badly Worn	3	1.7%
	Fair	8	4.6%
Overall		173	100.0%
Excluded		0	
Total		173	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
Average	.998	1.000	.108	14.8%
Badly Worn	1.190	.972	.081	13.5%
Fair	.996	1.007	.108	18.1%
Overall	.998	1.003	.109	14.9%

Commercial Median Ratio Stratification

Sale Price

Case Processing Summary

		Count	Percent
SPRec	LT $25K	1	3.3%
	$25K to $50K	2	6.7%
	$50K to $100K	7	23.3%
	$100K to $150K	4	13.3%
	$150K to $200K	5	16.7%
	$200K to $300K	4	13.3%
	$300K to $500K	4	13.3%
	$500K to $750K	3	10.0%
Overall		30	100.0%
Excluded		0	
Total		30	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
LT $25K	2.136	1.000	.000	.
$25K to $50K	.850	.997	.124	17.5%
$50K to $100K	.954	1.011	.178	29.1%
$100K to $150K	.849	1.015	.116	19.2%
$150K to $200K	1.015	1.006	.099	15.5%
$200K to $300K	.844	1.006	.151	21.2%
$300K to $500K	.975	.999	.034	4.2%
$500K to $750K	1.017	1.001	.092	16.1%
Overall	.954	1.020	.170	29.6%

Subclass

Case Processing Summary

		Count	Percent
ABSTRIMP	1212.00	1	3.3%
	1712.00	1	3.3%
	1721.00	1	3.3%
	2212.00	7	23.3%
	2220.00	3	10.0%
	2225.00	1	3.3%
	2230.00	7	23.3%
	2231.11	1	3.3%
	2235.00	5	16.7%
	2240.00	2	6.7%
	3215.00	1	3.3%
Overall		30	100.0%
Excluded		0	
Total		30	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
1212.00	2.136	1.000	.000	.
1712.00	.887	1.000	.000	.
1721.00	.801	1.000	.000	.
2212.00	.953	.958	.135	17.0%
2220.00	1.087	.970	.047	9.9%
2225.00	1.555	1.000	.000	.
2230.00	.954	.989	.059	7.6%
2231.11	.662	1.000	.000	.
2235.00	.810	1.054	.126	16.9%
2240.00	.979	1.005	.018	2.5%
3215.00	1.242	1.000	.000	.
Overall	.954	1.020	.170	29.6%

Age

Case Processing Summary

		Count	Percent
AgeRec	Over 100	10	33.3%
	50 to 75	8	26.7%
	25 to 50	9	30.0%
	5 to 25	3	10.0%
Overall		30	100.0%
Excluded		0	
Total		30	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
Over 100	.773	1.013	.097	11.7%
50 to 75	1.035	1.191	.246	45.0%
25 to 50	1.011	.990	.052	8.4%
5 to 25	1.089	.969	.048	10.0%
Overall	.954	1.020	.170	29.6%

Improved Area

Case Processing Summary

		Count	Percent
ImpSFRec	1,500 to 2,000 sf	4	13.3%
	2,000 to 3,000 sf	7	23.3%
	3,000 sf or Higher	19	63.3%
Overall		30	100.0%
Excluded		0	
Total		30	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
1,500 to 2,000 sf	.944	.987	.061	12.3%
2,000 to 3,000 sf	1.011	.959	.103	15.2%
3,000 sf or Higher	.961	1.061	.211	35.8%
Overall	.954	1.020	.170	29.6%

Quality

Case Processing Summary

		Count	Percent
QUALITY	Average	25	83.3%
	Fair	4	13.3%
	Low	1	3.3%
Overall		30	100.0%
Excluded		0	
Total		30	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
Average	.954	.988	.132	19.5%
Fair	.913	.965	.146	17.3%
Low	2.136	1.000	.000	.
Overall	.954	1.020	.170	29.6%

Condition

Case Processing Summary

		Count	Percent
CONDITION	Average	27	90.0%
	Fair	3	10.0%
Overall		30	100.0%
Excluded		0	
Total		30	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
Average	.954	.986	.130	19.0%
Fair	1.073	1.169	.432	73.4%
Overall	.954	1.020	.170	29.6%

Vacant Land Median Ratio Stratification

Not applicable