CAMP CENTRAL APPRAISAL DISTRICT
2017 MASS APPRAISAL REPORT

Introduction

Scope of Responsibility

The purpose of this report/document is to aid the taxpaying public in obtaining a better understanding of the methods and techniques utilized by the Camp Central Appraisal District (CCAD) in the valuation and reappraisal of taxable property within Camp County. This report attempts to comply with Standards 6 & 7 of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. This report has several parts: a general introduction and then several describing information specific to the appraisal effort by the appraisal district.

The 2017 mass appraisal report was prepared under the provisions of the Texas Property Tax Code. Taxing jurisdictions that participate in the district must use the appraisal as the basis for imposition of property taxes. The State of Texas allocates state funds to school districts based upon the district's appraisals, as tested and modified by the State Comptroller of Public Accounts.

The 2017 mass appraisal results in an estimate of the market value of each taxable property within the district's boundaries. Where required by law, the district also estimates value on several bases other than market value. These are described where applicable later in this report.

The Camp Central Appraisal District (CCAD) is a political subdivision of the State of Texas created effective January 1, 1980. The provisions of the Texas Property Tax Code govern the legal, statutory and administrative requirements of the appraisal district. A member board of directors, appointed by the taxing units within the boundaries of Camp Central Appraisal District, constitutes the district's governing body. The chief appraiser, appointed by the board of directors, is the chief administrator and chief executive officer of the appraisal district. The chief appraiser employs and directs the district's staff, oversees all aspects of the appraisal district's operations.

The appraisal district is responsible for local property tax appraisal and exemption administration for 6 jurisdictions or taxing units in the county. Each taxing unit, such as the county, city, school district, etc. sets its own tax rate to generate revenue to pay for such things as police and fire protection, public schools, road and street maintenance, courts, water and sewer systems, and other public services. Appraisals established by the appraisal district allocate the year's tax burden on the basis of each taxable property's January 1st market value. We also determine eligibility for various types of property tax exemptions such as those for homeowners, the elderly, disabled veterans and charitable and religious organizations.

Record Keeping

Retention periods for documents including appeal records, appraisal cards, appraisal correspondence, appraisal field notes, appraisal monitoring documentation, appraisal rolls, amendments and notices, appraisal rolls and abstracts are required be the State of Texas. A copy of the retention period document as it applies to appraisal districts as well as a signed Certification and Acceptance sheet and a listing of the retention period codes are available upon request.

Pursuant to Local Government Code 203.041 – Texas State Library and Archives Commission SLR 500 (2/93), original filing July 28, 1994, Page 6 of 45.

Educational Requirements

The Texas Department of License and Regulation (TDLR) requirements for obtaining license as an appraiser consists of educational requirements under time allotments. Completion of the educational courses and level examinations are mandatory. After appraisers have completed the Level 4 examination and all other requirements have been met, a designation of Registered Professional Appraiser (RPA) is awarded and their license is obtained. In order to maintain their license, the appraiser must complete all continuing education requirements of TDLR.

In order to maintain their level of expertise, continue their education and keep abreast to new innovations in the industry, all employees of CCAD attend conferences, workshops and meetings when these courses pertain to their job descriptions. CCAD consists of (6) employees:

1 -	Official/Administrator Chief Appraiser	Jan Tinsley, RPA, RTA, CTA, CCA TDLR #66471
2 -	Senior Appraiser Real Estate/Personal Prop.	Glenda Olivares, RPA, RTA TDLR #62108
3 -	Deputy I/Collection Clerk	Markeyla Bolton, RTC TDLR #73793
4 -	Deputy II/Mapping	Annette Schroeder, Level I RTC TDLR#74400
5 -	Admin Assistant/ Bookkeeping	Samantha Hogue, RTC TDLR#74399
6 -	Deputy/Clerk	Chekita Royal

The Chief Appraiser may employ temporary services, legal services, consulting services or private appraisal services as needed to perform duties.

CODE OF ETHICS

(1) I will be guided by the principal that property taxation should be fair and uniform, and I will apply all laws, rules, methods and procedures in a uniform manner to all taxpayers.

(2) I will not accept anything of value from any party other than my employer unless acceptance of something is totally unrelated to my performance and duties as an appraiser, assessor or collector.

(3) I will not use information received in connection with my duties as an appraiser, assessor or collector for my own purposes or for my own gain, unless such information can be known by ordinary means to any ordinary citizen.

(4) I will not accept an assignment for which it is expected by any party that I will report a predetermined appraised value or that I will report other predetermined findings.

(5) I will not speak or act in any manner or engage in any practice that is dishonest, fraudulent, deceptive or in violation of law or generally accepted standards of morality.

(6) I will uphold the honor and dignity of the property tax profession.

General Assumptions and Limited Conditions

The Appraised value estimated provided by the district are subject to the following conditions:

The appraisals were prepared exclusively for ad valorem tax purposes. The property characteristic data upon which the appraisals are based are assumed to be correct.
Physical inspections of the property appraised were performed as staff resources and time allowed.

Validation of sales transactions occurred through questionnaire letters to buyer and seller, certified documents from buyer/seller, telephone survey, multiple sales listing and field review. In the absence of such confirmation, residential sales date obtained from vendors and other sources was considered reliable.

- No responsibility is assumed for the legal description.
- All property is appraised as if free of all liens or encumbrances.
- All property is appraised as though under responsible ownership.
- All engineering is assumed correct.
- It is assumed there is full compliance with all federal, state and local laws.
- It is assumed all zoning and restrictions have been complied with.
- It is assumed all licenses, consents, etc. have been obtained.
- It is assumed that the utilization of the land and improvements of the properties are within property lines with no encroachments or trespasses.
- Unless otherwise stated in this report, the appraiser is not aware of the existence of hazardous substances or other environmental conditions.

EFFECTIVE DATE of the Appraisal and Date of the Report

With exception of certain inventories for which the property owner has elected a valuation of September 1, 2016, all appraisals are as of January 1, 2017. The date of this report is January 4, 2016.

Definition of Value

Following is the definition of market value as defined by the Texas Property Tax Code: The price at which a property would transfer for cash or its equivalent under prevailing market conditions if :

(A) exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
(B) both the seller and the purchaser know all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
(C) both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

The Property Tax Code defines special appraisal provisions for the valuation of several different categories of property. Specially appraised property is taxed on a basis other than market value as defined above. These categories include residential homestead property (Sec. 23.23, PTC) - agricultural and timber property (Chapter 23, Subchapters C and D, PTC) - real and personal property inventory (Sec. 23.12 PTC) – certain types of dealer inventory (Sec. 23.121, 23.124, 23.1241 and 23.127, PTC) – and normal (Sec. 23.18, PTC) or restricted use properties (Sec. 23.83, PTC).

Scope of Work Used to Develop the Appraisal

This mass appraisal system appraised all taxable real and tangible personal property within the boundaries of Camp County, which encompasses all of Camp County, Texas. The 2016 certified roll of Camp Central Appraisal District indicated a total of approximately 21,000 parcels including mineral and industrial accounts. The district distributes the work of appraising among appraisal personnel. The following sections describe, by area of responsibility, the scope of work performed and those items addressed in USPAP Standard 6 and 7.

Collection of Field Data

The district is responsible for establishing and maintaining approximately 16,000 real and personal property accounts covering approximately 203 square miles. The district currently conducts a cyclical reappraisal by region. During this reappraisal

period all properties within the region are re-inspected by re-measuring two sides of improvements for accuracy and updating information that may have changed. Each year new properties are inspected, measured and added to the appraisal roll. In addition, building permits throughout the county are obtained and changes to accounts are made as indicated. Individual properties are also reappraised due to changes to the condition of the property in instances such as fire, remodeling, or an addition or demolition of a portion of the improvement. Appraisers will perform detailed field inspections of properties if requested by the owner.

Highest and Best Use Analysis

The highest and best use of real estate is defined as the most reasonable and probable use of the land that will generate the highest return to the property over a period of time. This use must be legal, physically possible, economically feasible, and the most profitable of the potential uses. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

In order to complete the highest and best use analysis of a property, an appraiser must estimate its highest and best use as if the land were vacant. This estimate ignores the value of and the restrictions created by any existing improvements. It is the highest value economically feasible kind of development.

In determining highest and best use, preliminary judgments are made in the field by appraisers. The appraisers are normally aware of zoning regulations within physical boundaries of the cities.

CCAD field cards contain information regarding lot size and frontage; therefore appraisers normally make judgments on the physically possible uses of the sites in the field. Economically feasible and most profitable uses are determined by observing surrounding property. However, changes in property use require a more detailed and technical highest and best use analysis. These studies are usually performed in the office.

CCAD uses the Comptroller's Property Tax Classification Guide to properly place property in the correct category according to their guidelines.

Appraisal Performance Test

The Texas Comptroller of Public Accounts conducts a property value study every two years to determine the degree of uniformity of the median level of appraisals by the appraisal district within each major category of property, as required by Sec. 5.10, PTC. The findings, based on the district's 2015 appraisal roll were reported to the district on January 31, 2016.

The Comptroller of Public Accounts certifies a school district's local tax roll value to the Commissioner of Education if it is within the calculated statistical margin of error. A margin of error of 5% is used for Pittsburg ISD. CCAD continues to maintained local value for Pittsburg ISD in the study.

Sales ratio studies are used to evaluate the district's mass appraisal performance. These studies not only provide a measure of performance, but are excellent means of improving mass appraisal performance. CCAD uses ratio studies not only to aid in the reappraisal of properties, but also to test the State Comptroller's Property Tax Division Annual Property Value Study results.

In accordance with Section 5.102, PTC the Comptroller's Property Tax Division conducted a 2016 MAP's Review to determine compliance and level of professional and uniform performance in appraising property. The results of the review, reported to the Chief Appraiser and the Board of Directors, indicated a passing score on all mandatory requirements with minimal recommendations.

CERTIFICATION

"I, Jan Tinsley, Chief Appraiser for Camp Central Appraisal District, solemnly swears that I have made or caused to be made a diligent inquiry to ascertain all property in the district subject to appraisal by me, and that I have included in the records all property that I am aware of at an appraised value which, to the best of my knowledge and belief, was determined by law."

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Jan Tinsley, RPA, RTA, CTA, CCA (66471)
Chief Appraiser

Market Analysis

Economic trends, as well as national, regional and local rends affect the universe of property appraised in Camp County. An awareness of social, economic, governmental and environmental conditions is essential in understanding, analyzing and identifying local trends that affect the real estate market. Market analysis is performed throughout the year. Both general and specific data is collected and analyzed.

Examples of sources of general data include "Trends" published by the Real Estate Center at Texas A&M University, "Valuation Insights & Perspectives" published by the Appraisal Institute, as well as financing information from local lending institutions. Information on zoning, demographics, labor statistics and transportation is also obtained from the incorporated cities. Chamber of Commerce information is also studied.

Sales information is received from various sources. These sources include deed transactions, buyer/seller letters mailed to owners, MLS and conversations with local real estate appraisers, agents and brokers. From deed transactions, the district mails out a sales survey to the buyers/sellers in an effort of obtain additional sales information that may not be otherwise discovered.

Data Collection Validation
Data Collection Sources

CCAD cost and value schedules include land, residential improved, commercial improved and personal property. Data sources currently used by CCAD include cost information from Marshall & Swift Valuation Service, cost data obtained from local contractors and renditions provided by the property owners. Marshall & Swift Valuation Service is a national based cost manual and is generally accepted throughout the nation by the real estate appraisal industry. This cost manual is based on cost per unit or square foot and also uses the unit in place method. The unit in place method involves the estimated cost by using actual building components. This national based cost information service provides the base price of buildings by classification with modifications for equipment and additional items. The district's schedule is then modified for time and location.

Local contractors and builders are another source of cost data utilized by CCAD. Local contractors provide cost data on new structures that is compared to cost information obtained from Marshall & Swift.

Renditions are confidential sources and cannot be used for specific information; however, data form renditions may be compared with data obtained from cost manuals and used to test schedules for their accuracy.

CCAD schedules are then formulated from a combination of each of these sources. Schedules may also be modified for market data (sales information).

Data on individual properties is also collected from the field, compiled and analyzed. Buildings and other improvements are inspected in the field, measured and classified. The appraiser estimated the age and condition of the improvements. This data is used to compile depreciation (loss of value) tables. Any notes pertaining to the improvements are made during inspection.

Currently single family, residential dwellings are classified for quality of construction from Frame Class1 to 6+ and Masonry Class 7 to 14+. Class 7 and 10 are the most basic of structures and Class 6+ and 14+ are structures of excellent quality. The type of siding is also noted. Commercial and industrial classifications are more detailed and are based on a variety of building styles and uses. A list of commercial building types is included in this report. Commercial classifications and their codes are available upon request.

The age of buildings is based on effective age and is used to estimate depreciation. Effective age is the age the property appears to be to maintenance and upkeep. Effective age for a house that is properly maintained may be its actual or chronological age; however, if a structure suffers from deferred maintenance due to neglect, its effective age may be older than the actual age. In contrast, if a house is an older structure and has been remodeled or updated, its effective age may be less than its actual age.

Depreciation is also estimated by condition of improvements. Condition ranges from poor, fair, average, good and very good. Appraisers in the field usually inspect structures from exterior perspectives. The interior condition is assumed to be similar to the exterior. However, an inspection can be done of the interior at the taxpayer's request. Foundation failure may occur in varying degrees and may also result in loss of value.

Additional depreciation may be estimated for a variety of reasons including functional obsolescence resulting from a bad floor plan or out of date construction methods. Economic obsolescence results from a loss of value to a property due to

adverse influences from outside the physical boundaries of the property. Examples of economic obsolescence may be proximity to commercial or industrial property or heavy traffic patterns.

Valuation Analysis

CCAD valuation schedules are divided into three main classifications: Residential, Commercial and Personal Property. These schedules are based on the most appropriate data available. Miscellaneous special categories such as mobile homes, special inventory, and agricultural land are appraised using different techniques which will be addressed later in this report. Depreciation tables/schedules (loss of value schedules) are also included within these schedules. These tables are calibrated from cost data as well as sales data and are updated as needed. Modifiers are used to adjust these schedules for time, location, or other conditions that may be present. The residential and commercial schedules are available upon request from the appraisal district.

Performance Test

Sales ratio studies are used to evaluate the district's mass appraisal performance. These studies not only provide a measure of performance, but are an excellent means of improving mass appraisal performance.

The ratio study begins with printing sales reports. Outliers and questions that were not identified in the field are reviewed and analyzed. Field cards indicating results of inspections are available for each individual sale to further aid the analysts in making decisions regarding outliers.

Outliers are characterized as having low or high ratios. They can result from an erroneous or unrepresented sale price, an error in the appraised value or mismatch between the property sold and the property appraised.

The remaining sales are then should be verified true market sales. The sales are then correlated to indicate comparable neighborhoods and market areas within the district. The sales from each comparable neighborhood are grouped (stratified) according to classification. The median ratio indicated by the sales is them compared to the desired ratio. The coefficient of dispersion is also studied to indicate how tight the ratios are in relation to the measures of central tendency. The median and coefficient of dispersion are good indicators of the types of changes to be made if any are necessary. The use of market modifiers is the

predominant method of adjusting sales for location and time to indicate market values. Market modifiers are methods of adjusting property to equal the market without changing the schedules.

Residential Schedules

Residential valuation schedules are cost-based tables modified by actual sales with the cost reflecting actual replacement cost new of the subject property. Market research indicates that the common unit of comparison for new residential construction as well as sales of existing housing is the price per square foot. The value of extra items is based on their contributory value to the property. This value may be estimated by the price per square foot or a value of the item as a whole. This data is extracted from the market by paired sales analysis and conversations with local appraisers and brokers. These schedules were originally formulated from the cost of new residential construction in Mid-County due to the stability of the market in that area. Then the schedules were tested against the Marshall & Swift Valuation Service Residential Handbook.

The residential schedule is based on quality of construction, size of structure, age of structure, condition of structure, contributory value of extra items and land value. Each of these variables has a direct impact on the cost as well as the value of a property. Following is an example of each of the variables and how they may affect market value.

1. Quality of construction: Residential construction may vary greatly in quality of construction. The type of construction affects the quality and cost of material used, quality of workmanship, as well as attention paid to detail. The cost and value of residential property will vary greatly depending on the quality of construction. As stated above, CCAD residential schedules currently class houses based on the quality of construction for class 1 to 6 and 7 to 14.
2. Size of structure: The size of a building also has direct impact on its cost as well as its value. The larger the building, the less cost per square foot. CCAD schedules are graduated in size increments from 100 to 200 square feet, depending on market conditions. Marshall & Swift Valuation Service also supports this size factor.
3. Condition of structure: CCAD rates conditions as poor, fair, average, food and very good. Properties that, in the opinion of the appraisers, are unlivable are not appraised according to the schedule. Rather, they are appraised at a fair market or salvage value.

4. Age of structure: CCAD's residential schedule groups age categories as 0 to 10 years of age, and by an increment of 1 or 2 thereafter up to age 70.
5. Extra items: As stated above, extra items are valued according to their contributory value to the whole. Examples of extra items include covered porches and patios, screened or enclosed porches, storage buildings, swimming pools and in some instances fireplaces.
6. Land value: CCAD values land based on market transactions. Units of comparison depend on how the property is purchased. For example, large acreage tracts are usually purchased based on the price per square foot, and residential properties are purchased based on the price per front foot. Depth factors are used to modify values according to market indicators. Land prices vary throughout the county; therefore, their values are dependent upon homogenous areas. Land schedules for residential, commercial, agricultural and industrial properties are available upon request from CCAD.

Area Analysis

The universe of properties appraised by CCAD falls within the physical boundaries of Camp County. Camp County is located in the northeastern section of Texas. It is adjoined by Titus County to the north, Upshur County south, Morris County east and to the west by Wood County.

The city of Pittsburg is the county seat with a population of approximately 11,500. It was founded in 1874 and named for John Got-No Life Camp, who was a Texas politician.

Pittsburg is the founding home of Pilgrim Pride Corporation, which has since been purchased by JBS Corporation. A large number of the company's employees are life-long residents of the county.

CCAD currently values property for ad valorem tax purposes for a total of 6 separate entities consisting of the county, school, cities and community college. Following is a list of the individual taxing entities served:

Camp County and Road/Bridge
Pittsburg ISD
Gilmer ISD
Pittsburg City

Rocky Mound City
Northeast Texas Community College

CCAD contracted with True Automation for GIS mapping. The base map was completed in September of 2013 with a 94% mapped ratio. CCAD contract with BIS Consulting for maintenance of the system and will continue the research of unmapped properties and map new spilt-outs. CCAD also have aerials flown in December of 2011 along with plats of the subdivisions in the county.

Neighborhood Analysis

A neighborhood analysis is a grouping of complementary land uses affected equally by the four forces that influence property value: social trends, economic circumstances, governmental contracts and regulations and environmental conditions. These factors have an impact on the value of properties within this grouping and in turn on properties being appraised.

Individual neighborhood boundaries within the county vary according to market indications and the type of property being appraised. The boundaries of these neighborhoods may be physical, geographical or political in nature. Generally, residential neighborhoods consist of individual subdivisions or areas of similar properties located within the same cities or school districts. Commercial neighborhoods may be smaller areas within a city, an entire city or rural area. Industrial neighborhoods may include entire counties or areas within a city. Defining neighborhood boundaries depends on the subject of the appraisal assignment.

Camp County's market is heavily influenced by the sale of properties around Lake Bob Sandlin. New subdivisions have been platted and filed for record to allow the continual growth of residential construction around the lake.

Property Identification

CCAD field cards and appraisal records identify properties by property identification numbers, geographical numbers, situs address, current owner's name and property description.

The geographical numbers are (21) digit numbers formatted as XXXXX-XXXXX-XXXXX-XXXXXX. The first section of the geo number identifies whether the account is rural or subdivision, the second section identifies a particular

subdivision or abstract, the third section identifies block or tract number and the last section identifies lot or split-off number.

Physical or situs address is listed on accounts when this information is known. Some properties such unimproved land or rural improvements may not have an assigned situs address. Through the implementation of the 911 rural addressing system, became an invaluable tool to rural appraisal districts. Appraisers are constantly updating situs addresses when performing field inspections.

Due to limited space, CCAD field cards provide a brief legal description only. This description generally contains an abstract name and number with amount of acreage, or subdivision name, block and lot number. The metes and bounds description is not reported on the appraisal card. However, deeds and surveys are obtained from the County Clerk's office and are scanned into the imagery of the property account.

The appraisers performing inspections in the field have field cards or an electronic device that contain specific information regarding the property being inspected. The field card or device contain brief legal descriptions, ownership interest, property use codes, property address, land size, sketch of improvements, as well as detailed information of improvements. A copy of a field card is available upon request.

Reappraisal field inspections require the appraisers to check all information on the account and updated any information necessary. If physical inspections of the property indicate changes to the improvements are necessary, the appraiser notes these changes and redraws the sketch if necessary. Examples of types of changes that may be made are condition or age of improvements or additions that have been added to the improvement. New improvements are also added at this time.

Commercial Schedules

Commercial valuation schedules are market-modified, cost-based tables reflecting replacement cost new of the subject property. Market research indicates that the common unit of comparison for new, commercial construction is the price paid per square foot. The value may be estimated by the price per square foot or by a value of the item as a whole. These schedules were originally formulated from the cost of new, commercial construction when the data was available, or in cases where cost data was not available, the schedules were tested against Marshall & Swift Valuation Service.

The commercial schedule is based on type of construction, quality of construction, age of the structure, condition of the structure, contributory value of extra items and land value.

The types of commercial buildings vary greatly depending on the intended use of the property. CCAD's commercial schedule currently values approximately 70 different types of buildings on the schedules. The remaining categories are special use properties and are valued specifically using Marshall & Swift Valuation Service.

The qualities for most building types are; low cost, average, good and very good. However, this does vary with different categories. The description of quality is available in detail in the commercial schedule.

CCAD rates conditions for commercial properties as poor, fair, average, good and very good. Properties that, in the opinion of the appraiser, are considered to be below poor condition are appraised at a fair market value.

The commercial schedule's depreciation schedule/table is based on the loss of value resulting from age and condition. Additional depreciation may be added on a case by case basis. The commercial property depreciation schedule is available upon request.

Personal Property Schedule

The personal property schedule values furniture, fixtures and equipment as well as inventory taxable by law. This schedule is based on cost less depreciation. The data to develop these schedules is compiled from various sources including cost manuals and acquisition information provided by the property owner. Sales of personal property or inventory are difficult to obtain.

Codes of personal property schedules are based on Standard Industrial Classification Codes (SIC). These codes were developed to classify establishments by the type of business activity in which they are engaged and for the purposes of facilitating the collection, tabulation, presentation and analysis of data relating to establishments for promoting uniformity and comparability in the presentation of statistical data collected by various agencies of the US government, state agencies, trade associations and private research organizations.

The personal property schedule contains depreciation tables based on condition and age. These schedules are available upon request from the appraisal district.

Statistical Analysis

The use of statistics is a way to analyze data and study the characteristics of a collection of properties. In general it is not feasible to study the entire population; therefore, statistics are introduced into the process.

CCAD statistical analysis for real estate is based on measures of central tendency and measures of dispersion. The measure of central tendency determines the center of a distribution. The measure of central tendency utilized are the mean, median, mode and the weighted mean.

The measure of dispersion calculated is the coefficient of dispersion (COD). The analysis is used to indicate spread from the measure of central tendency. Statistical bias is measured by the price related differential (PRD). the PRD indicated how higher-priced properties are appraised in relation to lower-priced properties.

Individual Review Process

In order for comparable sales data to be considered reliable, it must contain a sales date, sales price, financing information, tract size and details of the improvements. Commercial sales are confirmed from the direct parties involved, including brokers. Confirmation of sales from local real estate appraisers is also considered reliable. Confirmation of sales through the Multiple Sales Listing is also considered reliable.

Sales information including vacant land, subdivision lots, improved residential dwellings, commercial properties as well as industrial properties. Sales data is compiled and the improved properties are physically inspected and photographed. These sales are compared to the existing data on the field cards and changes are made as indicated. These changes include age and condition as well as any improvements made to the property before the sale takes place. When sales data indicates a difference in the improvement's square footage over 5%, the buildings are re-measured.

These sales may indicate upward or downward trends in the market as well as changes in property uses. Multiple sales of the same property over a period of several years are usually reliable indicators of changes in the market for time.

Individual sales are analyzed to meet the test of market value. Only arms-length transactions are considered. Examples of reasons sales may be deleted or not considered are:

1. Properties that are acquired through foreclosures or auctions.
2. Properties that are sold between relatives.
3. The buyer or seller is under duress and may be compelled to sell or purchase.
4. Financing may be non-typical or below or above prevailing market rates.
5. Considerable improvements or remodeling have been completed since the date of sale and the appraiser is unable to make adjustments on the property's condition at the time of transaction.
6. Sales may be unusually high or low when compared with typical sales located in the market area. Some sales may be due to relocation or through divorce proceedings.
7. Conversations with parties involved indicate that they believe they paid above or below current market value.
8. Properties are purchased by individual investors or investment companies for immediate resale.
9. The property is purchased through as estate sale.
10. The sale involves personal property that is difficult to value.
11. There are value-related data problems associated with the sale; i.e. incorrect land size or square footage of living area.
12. Property use changes occurring after the sale.

After the sales have been inspected and analyzed, a sales ratio derived by dividing the appraised value of the property by its actual sales price. These ratios are used to estimate current values and are good indicators of any changes that may be taking place in the market.

Statistical analysis and paired sales analysis are performed to update or modify schedules. The details of these analyzes were discussed in the valuation section of this report.

Management Review Process

Once the proposed value estimates are finalized, the appraiser reviews the sales ratios by neighborhood and presents pertinent valuation data, such as the level of appraisal to the Chief Appraiser for final review and approval. This review includes comparison of level of value between related neighborhoods within and across jurisdiction lines. The primary objective of this review is to ensure that the proposed values have met preset appraisal guidelines appropriate for the tax year in question.

I certify, to the best of my knowledge, all statements contained in this report are true and correct.

_____ Date_____

Jan Tinsley
Chief Appraiser