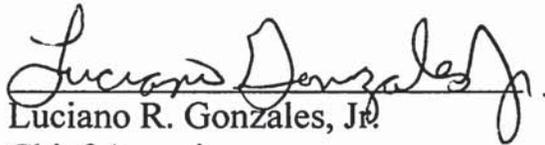


**FRIO COUNTY APPRAISAL DISTRICT
815 South Oak St. P.O. Box 1129
Pearsall, Texas 78061-1129
(830)334-4163 Fax (830)334-5568**

The Frio County Appraisal District Board of Directors met on August 12, 2014 and approved a date of September 10, 2014 to conduct a Public Hearing on the 2015 – 2016 Reappraisal Plan for the Frio County Appraisal District, as required by Section 6.05 of the Property Tax Code.

Enclosed is the 2015 – 2016 Reappraisal Plan for your review.


Luciano R. Gonzales, Jr.
Chief Appraiser

S.B 1652 BIENNIAL REAPPRAISAL PLAN

**FOR THE ANNUAL APPRAISAL FOR
AD VALOREM TAX PURPOSES OF
REAL, COMMERCIAL, AND PERSONAL
PROPERTY IN FRIO COUNTY**

For Tax Years

2015, 2016 and 2017

Conceptual Overview

The system outlined in this plan is based on the following market value equations:

1. Market Value of Residential Property =
Replacement Cost New x Total Percent Good + Depreciated Additive Values +
Land
Value
(Adjusted by Market Indicators as determined by Sales Data, as available)
2. Market Value of Commercial Property =
Replacement Cost New x Total Percent Good + Depreciated Additive Values +
Land
Value
(Adjusted by Market Indicators as determined by Sales Data, as available)
3. Market Value of Manufactured Housing =
Replacement Cost New x Total Percent Good + Depreciated Additive Values
4. Market Value of Commercial Personal Property =
*Units x (Price/Unit of Inventory) + Units x (Price/Unit of FFE x Percent Good) +
Additive Values*
(Verified and adjusted by yearly Personal Property
Renditions)
5. Market Value of Vacant Lots or Acreage = .
Units x Price/Unit
(As determined by Market Transactions)
6. 1-d-1 Special Use Valuation (Ag Value) =
Units x Value per Acre of Agricultural Use
(As determined by Net Income per Acre/State Mandated Cap Rate)

FRIO COUNTY APPRAISAL DISTRICT 2015, 2016 and 2017 REAPPRAISAL PLAN

INTRODUCTION

Scope of Responsibility

The Frio County Appraisal District has prepared and published this reappraisal plan and appraisal report to provide our Board of Directors, tax entities and taxpayers with a better understanding of the district's responsibilities and activities. This report has several parts: a general introduction, several sections describing the appraisal effort by the appraisal district, and a mineral and utility appraising section.

The Frio County Appraisal District (CAD) 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 Frio County, 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 appraisal district is responsible for local property tax appraisal and exemption administration for twelve jurisdictions or taxing units in the county. The taxing entities are as follow:

1. Frio County
2. Frio County Lateral Road
3. Frio County Emergency Service
4. Frio County EUWC District
5. City of Dilley
6. City of Pearsall
7. Dilley Independent School District
8. Pearsall Independent School District
9. Devine Independent School District
10. Charlotte Independent School District
11. Hondo Independent School District
12. Frio Hospital District

Except as otherwise provided by the Property Tax Code, all taxable property is appraised at its "market value" as of January 1st. Under the tax code, "market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- exposed for sale in the open market with a reasonable time for seller to find a purchaser;
- both the seller and the buyer know of 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;
- both the seller and buyer seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

TAX CODE REQUIREMENTS:

Passage of Senate Bill 16.52 amended Section 6.05 of the Texas Property Tax Code by adding Sub Section (i) to read as follow:

(i) To ensure adherence with generally accepted appraisal practices, the board of directors of an appraisal district shall develop biennial written plan for the periodic reappraisal of all property within the boundaries of the district according to the requirements of Section 25.18 and shall hold a public hearing to consider the proposed plan. Not later than the 10th day before the date of the hearing, the secretary of the board shall deliver to the presiding officer of the governing body of each taxing unit participating in the district a written notice of the date, time, and place of the hearing. Not later than September 15 of each even-numbered year, the board shall complete its hearings, make any amendments, and by resolution finally approve the plan. Copies of the approved plan shall be distributed to the presiding officer of the governing body of each taxing unit participating in the district and to the Comptroller within 60 days of the approval date.

The Property Tax Code defines special appraisal provisions for the valuation of residential homestead property (Sec. 23.23), productivity (Sec. 23.41, 23.52), real property inventory (Sec 23.12), dealer inventory (Sec. 23.121, 23.124, 23.1241 and 23.127), nominal ownership property (Sec. 23.18) or restricted use properties (Sec 23.83) and allocation of interstate property (Sec. 23.03). The owner of real property inventory may elect to have the inventory appraised at its market value as of September 1^s of the year preceding the tax year to which the appraisal applies by filing an application with the chief appraiser requesting that the inventory be appraised as of September 1st.

The Texas Property Tax Code, under Sec. 25.18, requires each appraisal office to implement a plan to update appraised values for real property at least once every three years. The district's current policy is to conduct a general reappraisal of taxable property every year. Appraised values are reviewed annually and are subject to change. All properties are appraised every year. Tax year 2015, 2016 and 2017 are reappraisal years.

The appraised value of real estate is calculated using specific information about each property. Using computer-assisted appraisal programs, and recognized appraisal methods and techniques, we compare that information with the data for similar properties, and with recent market data. The district follows the standards of the International Association of Assessing Officers (IAAO) regarding its appraisal practices and procedures, and subscribes to the standards promulgated by the Appraisal Foundation known as the Uniform Standards of Professional Appraisal Practice (USPAP) to the extent they are applicable. In cases where the appraisal district contracts for professional valuation services, the contract that is entered into by each appraisal firm requires adherence to similar professional standards.

PERSONNEL RESOURCES

Personnel - The Office of the Chief Appraiser is primarily responsible for overall planning, organizing, staffing, coordinating, and controlling of district operations. The function of the Office of the Chief Appraiser is to plan, organize, direct and control the business support functions related to human resources, budget, finance, records management, purchasing, fixed assets, facilities and postal services. The appraisal staff is responsible for the valuation of all real and personal property accounts. The property types appraised include commercial, residential, business, personal, and industrial. The District's appraisers are subject to the provisions of the Property Taxation Professional Certification Act and must be duly registered with the Texas Department of Licensing and Regulation. Support functions including records maintenance, information and assistance to property owners, and hearings support are coordinated by personnel in support services.

The appraisal district staff consists of ten (10) employees with the following classifications:

- 1 - Chief Appraiser/Chief Executive Officer
- 1 - Administrative Assistant/Senior Appraiser
- 1 - Office Manager
- 1 - Collection Supervisor/Cartographer
- 1 - Record Supervisor//Collector
- 2 - Appraisers
- 1 - Support Clerks
- 2 - Collectors

STAFF EDUCATION AND TRAINING:

All personnel that are performing appraisal work are registered with the Texas Department of Licensing and are required to take appraisal courses to achieve the status of Registered Professional Appraiser within five years of employment as an appraiser. After they are awarded their license, they must receive additional training of a minimum of 30 hours of continuing education units, legislative updated laws, USPAP and ethic courses every two years. Failure to meet these minimum standards results in the termination of employment.

Additionally, all appraisal personnel receive extensive training in data gathering processes, including data entry and statistical analyses of all types of property, on-the-job training is delivered by department manager for new appraisers and managers meet regularly with the staff to introduce new procedures. Regular monitoring appraisal activity to ensure that standardized appraisal procedures are being followed by all personnel.

Data -The district is responsible for establishing and maintaining approximately 21,436 real and personal property accounts covering 1133 square miles within Frio County. This data includes property characteristics, ownership and exemption information. Property characteristic data on new construction is updated through an annual field effort; existing property data is maintained through a field review that is prioritized by last field inspection date. Sales are routinely validated during a separate field effort; however, numerous sales are validated as part of the new construction and field inspections. General trends in employment, interest rates, new construction trends, and cost and market data are acquired through various sources, including internally generated questionnaires to buyer, seller and vendors.

Defining market areas in the district;

The Frio County Appraisal District uses the market areas of the cities of Dilley and Pearsall when setting the market for Categories A, B, C, F, and the District uses a county wide market area for appraising Categories D and E.

The district's website is maintained by the district's software vendor. A broad range of information is available for public access, including detailed information about the appraisal process, property characteristics data and certified values.

Information Systems - The district contracts with the firm of Pritchard & Abbott, Inc. for internet website, mapping system and appraisal and collections software. Eagle Appraisal & Consulting also contracted for appraising all motel/hotels within the County.

PERFORMANCE ANALYSIS:

Performance Analysis - the equalized values from the previous tax year are analyzed with ratio studies of the current market to determine the appraisal accuracy and appraisal uniformity overall, and by market area, within property reporting categories (i, e, A, B, C, D, E, M, F1, and F2). Ratio studies are conducted in compliance with the current Standard on Ratio Studies of the International Association of Assessing Officers. Mean, median and weighted ratios are calculated for properties in reporting categories to measure the level of appraisal accuracy. The median ratio is calculated in each reappraised category to indicate the level of appraisal accuracy by property reporting category. In 2015, the reappraisal year, this analysis is used to develop the starting point for establishing the level and accuracy of appraisal performance. Likewise, in 2016, the reappraisal year, this analysis is used to develop the starting point for establishing the level and accuracy of appraisal performance. In 2015, 2016 and 2017, any reporting

category that may have been previously excluded from reappraisal, due to lack of data, will be readdressed. If sufficient market data has been discovered and verified, the category will be tested and analyzed to arrive at an indication of uniformity or equity of existing appraisals.

There are five independent school districts in Frio CAD for which appraisal rolls are annually developed. The preliminary results of this study are released in January in the year following the year of appraisal. The final results are certified to the Education Commissioner of the Texas Education Agency (TEA) in the following July of each year for the year of appraisal. The final results of this study are certified to the Education Commissioner of the Texas Education Agency (TEA) the following July of each year. This outside (third party) ratio study provides additional assistance to the CAD in determining areas of market activity or changing market conditions.

PLANNING AND ORGANIZATION;

A calendar of key events with critical completion dates is prepared for each area of work. This calendar identifies key events for appraisal, clerical, customer service, and information systems. A calendar is prepared for tax years 2015, 2016 and 2017. Production standards for field activities are calculated and incorporated in the planning and scheduling process.

The projected dates incorporated into the calendar may be adjusted within the overall plan due to unforeseen changes in staffing, budgetary constraints, weather, and/or reevaluation of the priorities of the projects within the plan.

Periodic and concurrent examination of production standards, goals, and progress in the plan may very well require adjustments to the on-going plan or to the plan for the succeeding year(s). The CAD and the Chief Appraiser, together with the field staff provided by Pritchard and Abbott, Inc., will work together closely to identify issues that may affect the successful completion of the on-going plan and to resolve them.

Appraisal Activities

INTRODUCTION:

Appraisal Responsibilities

The field appraisal staff is responsible for collecting and maintaining property characteristic data for classification, valuation, and other purposes. Accurate valuation of real and personal property by any method requires a physical description of personal property, and land and building characteristics. This appraisal activity is responsible for administering, planning and coordinating all activities involving data collection and maintenance of all commercial, residential and personal property types which are located within the boundaries of Frio County. The data collection effort involves the field inspection of real and personal property accounts, as well as data entry of all data collected into the existing information system. The Frio County Appraisal District is on an annual reappraisal cycle. The last reappraisal year was 2014 with the next schedule in 2015. The appraisers check properties and make changes whenever the market reflects a change.

APPRAISAL RESOURCES:

Personnel – The appraisal activities are conducted by four appraisers.

Data - The data used by field appraisers includes the existing property characteristic information contained in CAMA (Computer Mass Appraisal System) from the district's computer system. The data is printed on a property appraisal card. Other data used includes maps, sales data, building permits, photos and actual cost information. The district gathers information from both buyers and sellers participating in the real estate market. Sometimes information is gathered by using other participants in the real estate market.

Data Collection/Validation

Data collection of real property involves maintaining data characteristics of the property on CAMA (Computer Assisted Mass Appraisal). The information contained in CAMA includes site characteristics, such as land size and topography, and improvement data, such as square feet of living area, year built, quality of construction, and condition. Field appraisers use listing manuals that establish uniform procedures for the correct listing of real property. All properties are coded according to these manuals and the approaches to value are structured and calibrated based on this coding system. The field appraisers use these manuals during their initial training guide in the field inspection of real and personal properties.

Plan for Periodic Reappraisal Requirement:

Senate Bill 1652 amends Section 25.18, Subsections (a) and (b) to read as follows:

- (a) Each appraisal office shall implement the Plan for Periodic Reappraisal of property approved by the board of directors under Section 6.05(i).
- (b) The plan shall provide for the following reappraisal activities for all real and personal property in the district at least once every three years:
 1. identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps, and property sketches;
 2. identifying and updating relevant characteristics of each property in the appraisal records;
 3. defining market areas in the district;
 4. identifying property characteristics that affect property value in each market area, including:
 - a. the location and market area of property;
 - b. physical attributes of property, such as size, age, and condition;
 - c. legal and economic attributes; and
 - d. easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions;
 5. developing an appraisal model that reflects the relationship among the property characteristics affecting value in each market area and determine the contribution of individual property characteristics;
 6. applying the conclusions reflected in the model to the characteristics of the properties being appraised; and
 7. reviewing the appraisal results to determine value.

REVALUATION DECISION (REAPPRAISAL CYCLE):

The Frio CAD, by policy adopted by the Board of Directors and the Chief Appraiser, reappraises all property in the district yearly. Each property within the District is physically inspected and/or statistically evaluated, a complete appraisal of all properties in the district. Therefore, tax year 2015 is a reappraisal year and tax year 2016 and 2017 are a reappraisal years.

Frio CAD has overlapping properties with Atascosa and Medina counties. HB1010 amended the Property Tax Code affecting the appraisal of overlapping properties.

Section 6.02

House Bill (HB) 1010 amends subsection (a) concerning appraisal district boundaries for legislative cleanup purposes. The bill also repeals language in subsection (b) and replaces it with language providing the board of directors of two or more adjoining appraisal districts are not precluded from providing for the operation of a consolidated appraisal district by interlocal contract. HB 1010 repeals subsections (c), (d), (e), (f) and (g) relating to overlapping appraisal districts. Effective Jan. 1, 2008, unless two or more appraisal districts consolidate offices, in which case the effective date is Sept. 1, 2007.

Section 6.025

House Bill (HB) 1010 repeals this section relating to Overlapping Appraisal Districts and joint procedures. Effective Jan. 1, 2008.

The Frio County Appraisal District is responsible for, and only for, properties within the county boundaries of Frio County, regardless of Frio County School Districts extending into adjacent counties. Those properties are appraised by the Appraisal Districts of the counties in which they are located.

PERFORMANCE ANALYSIS:

Performance Analysis - the equalized values from the previous tax year are analyzed with ratio studies of the current market to determine the appraisal accuracy and appraisal uniformity overall, and by market area, within property reporting categories. Ratio studies are conducted in compliance with the current *Standard on Ratio Studies* of the International Association of Assessing Officers. Mean, median, and weighted ratios are calculated for properties in reporting categories to measure the level of appraisal accuracy. The median ratio is calculated in each reappraised category to indicate the level of appraisal accuracy by property reporting category. In 2015, the reappraisal year, this analysis is used to develop the starting point for establishing the level and accuracy of appraisal performance. Likewise, in 2016 and 2017, the reappraisal years, this analysis is used to develop the starting point for establishing the level and accuracy of appraisal performance. In 2015, 2016 and 2017 any reporting category that may have been previously excluded from reappraisal, due to lack of data, will be readdressed. If sufficient market data has been discovered and verified, the category will be tested and analyzed to arrive at an indication of uniformity or equity of existing appraisals.

ANALYSIS OF AVAILABLE RESOURCES:

Appraisal Frequency and Method Summary

- Residential Property- Residential property is physically examined at least every three years with appraisers measuring all sides of each home, noting condition of the improvement and looking for changes that might have occurred to the property since the last on-site check. In some subdivisions where change of condition is frequent, homes are examined annually. Exterior pictures are taken of homes as needed. Ratios are run yearly to check the market values and schedules are adjusted regularly to compensate for the market trends.

- Commercial Property- Commercial and industrial real estate is observed annually to verify class and condition. Real estate accounts are analyzed against sales of similar properties in Frio CAD. The income approach to value is also utilized to appraise larger valued commercial properties such as shopping centers, apartment complexes, office buildings, restaurants, motels and hotels, and other types of property that typically sell based on net operating income.

- Business Personal Property- Business personal property is checked annually with appraisers going into businesses to develop quality and density observations. A rendition is mailed by January 1 to each business on the current roll. Accounts are worked by using a combination of renditions and personal inspection.

- Utilities, Pipelines and Large Industrial Property-FCAD contracts with Pritchard and Abbott in Houston, Texas for the annual appraisal of utilities, pipelines and large industrial properties.

DATA COLLECTION REQUIREMENTS:

Field and office procedures are reviewed and revised as required for data collection. Projects for each tax year include new construction, demolition, remodeling, re-inspection of problematic market areas, re-inspection of the universe of properties on a specific cycle, and office (or field) verification of sales data and property characteristics.

DATA COLLECTION PROCEDURES:

The quality of the data used is extremely important in establishing accurate values of taxable property. While production standards are established and upheld for the various field activities, quality of data is emphasized as the goal and responsibility of each appraiser. New appraisers are trained in the specifics of data collection set forth in the listing manual as "rules" to follow. Experienced appraisers are routinely retrained in listing procedures prior to major field projects such as new construction, sales validation or data review. A quality assurance process exists through supervisory review of the work being performed by the field appraisers. Quality assurance supervision is charged with the responsibility of ensuring that appraisers follow listing procedures, identify training issues and provide uniform training throughout the field appraisal staff.

New Construction/Demolition

New construction field and office review procedures are identified and revised as required. Sources of building permits are confirmed. The sources of data collection are through property inspection, new construction field effort, data review, field effort, sales letters, hearings, sales validation field effort, commercial sales verification, newspapers and publications, and property owner correspondence. A principal source of data comes from building permits received from the City of Dilley, the City of Pearsall, and mechanic liens. Once permits are received they are matched manually with the property's tax account number for data entry. For rural construction, information, such as septic tank installation permits, is furnished by Frio County Road and Bridge personnel.

Remodeling

Properties with extensive improvement remodeling are identified and field inspections are scheduled to update property characteristic data. Official Public Records provide indications of properties that may be undergoing enhancement through Deeds of Trust, Mechanics Liens, etc.

Re-inspection of Problematic Market Areas

Real property market areas (neighborhoods), by property classification, are tested for consistently low or high sales ratios and/or high coefficients of dispersion. Market areas that fail any or all of these tests are determined to be problematic. Field inspections are scheduled to verify and/or correct property characteristic data. Additional sales data is researched and verified.

Re-inspection of the Universe of Properties

The International Association of Assessing Officers' *Standard on Mass Appraisal of Real Property* specifies that the universe of properties should be re-inspected on a cycle of 3 years. The re-inspection includes physically viewing the property, photographing (if possible), and verifying the accuracy of the existing data. The field appraiser has an appraisal card of each property to be inspected and makes notes of changes, depreciation, remodeling, additions, etc. The annual re-inspection requirements for tax years 2015, 2016 and 2017 are identified and scheduled in the written reappraisal plan.

Verification of Sales Data and Property Characteristics

Sales information must be verified and property characteristic data contemporaneous with the date of sale captured. The sales ratio analysis requires that the sales record must accurately reflect the property appraised in order that statistical analysis results will be valid and therefore be an accurate example of the universe of properties to which any adjustments will be applied.

PILOT STUDY BY TAX YEAR:

New and/or revised mass appraisal models are tested each tax year. Ratio studies, by market category, are conducted on proposed values each tax year. Proposed values on each category are tested for accuracy and reliability. Actual test results are compared with anticipated results and those models not performing satisfactorily are refined and retested. The procedures used for model specification and calibration are in compliance with USPAP, STANDARD RULE 6.

In order to evaluate the accuracy of the schedule values, property sales information is collected throughout the year. Each property buyer receives a sales letter along with any other necessary forms as soon as the CAD office updates the ownership in the appraisal records. When the sales letter is returned, the sale amount and any other pertinent information are recorded within that parcel's sales records. Information is gathered also from real estate offices, other appraisers, other appraisal districts, and state reviewers. All credible information is included in the sales records and confirmation is attempted through additional sales letters (to buyers and sellers as necessary) or other personal contact. Given that the State of Texas is a non-disclosure state, and that the information needed by the Appraisal District is often confidential in nature, the market analysis performed is limited (USPAP Rule 6-8) by the availability of pertinent and complete data, including sales prices, sales conditions and circumstances, income and expense data, etc. As discussed hereafter, each sale is initially considered (assumed) to be a market transaction unless otherwise proved. The resulting conclusions from the market analysis are therefore limited by those assumptions. The Mass Appraisal conducted yearly by the Frio CAD also can claim the Jurisdiction Exemption (USPAP) due to the limited scope and purpose of the appraisal, and considering the guidelines of the Texas Property Tax Code.

Each sale is analyzed to determine the conditions of the sale. All sales included in the study must be a "market value" transaction, as defined in the Texas Property Tax Code, Section 1.04(7), and quoted earlier in this manual. Any sale determined to not be an "arms length" transaction is then omitted from the final study. Several criteria are also considered when determining if each sales price needs any adjustment including, but not limited to: date of sale (in comparison to date of appraisal), special or unusual financing terms, inclusion of personal property, inclusion of intangible value, and significant variances between the market value and the sale price due to physical changes to the property that cannot be accounted for due to the January 1 target date. If adjustments can be made to the sales price to show a current, "arms length" value (including time and financing adjustments), the adjusted value is used in the ratio study. Any adjustments to reported sales prices must be discussed, debated, and approved by the appraisal supervisor and the Chief Appraiser.

Sales used to determine real estate value should not include value that can be attributed to personal property or intangible value. For example, if a home sells, and the transaction included personal property (vehicles, boats, furniture, free-standing appliances, tools, etc.), the value associated with that personal property should be deducted from the reported sales price. The resulting, adjusted sales price is then used in the ratio study. Likewise, commercial property transactions often include both personal property and intangible value. For example, if a motel sells and the buyer purchased the motel franchise along with the real estate, the value of the franchise (being intangible) should be deducted from the sales price before being used in any market study. Determining the

value of any intangibles in any transactions can be problematic and will require research into the industry and the local and similar markets. Although suspected by the appraisal staff, and often reported by buyers, adjustment for intangibles requires confirmation from outside sources and the seller.

Financing adjustments occur rarely. Typically, prudent buyers will strive to acquire the most reasonable financing available, and then purchase the property of their choice using that same financing. Atypical financial arrangements usually accompany transactions that would not be considered "arms length" and would therefore be omitted from the ratio study.

Time adjustments are adjustments to the reported sales price of the property that are made when and if it can be proven that the general market trend in an area is changing over a given time period. While relatively simple to calculate in the abstract, time adjustments are extremely difficult to quantify without substantial data, especially in small, rural markets. If a typical property transfers more than one time in a given time period (ideally no more than 1 year), each time being an arms-length transaction, with typical financing, and without physical changes to the property, the difference in the sales prices can be attributed to the general market. This difference, expressed as a positive or negative percentage per month, can then be applied to other property's sales prices to adjust the price to a standard date, usually January 1st of the appraisal year. For example, a residence may sell for \$50,000 on June 1st and then sell again October 1st (5 months later) for \$55,000. The difference of \$5,000 (or 10% of the original sales price) is allocated as a market increase of 2% per month. A market Decrease is calculated in the same way. *If* this was an arms-length transaction of a typical property, that same percentage of increase or decrease can be used on other sales to adjust their sales prices to the January 1 target date.

A statistical analysis of each class of property is conducted using the available, credible, and adjusted sales information. Within each class of property, the appraisal district looks for not only an acceptable median value, but also a reasonable COD. Each of these values is considered when determining whether to adjust a class schedule, and by how much. The sample size of each class analysis is also a major consideration. Classes that exhibit little or slow activity are allowed a larger variance due to the fact that minimal data sets (small samples) may tend to give incomplete analysis or biased results for an entire statistical population.

Once a median value indicates that a particular property type or class needs adjustment, and the COD value reflects a consistent result, schedule values are recalculated to produce a revised analysis. The resulting median ratio should indicate that the adjusted appraised values of property more closely matches the current market value, as tested by the sales used in the analysis. The appraised values of all properties, sold and unsold, within that type or class are then recalculated, using the increase or decrease indicated by the ratio study, and submitted for notification.

A similar process is used to determine whether any neighborhood factors are needed by analyzing sales within a specific area (market segments) in comparison to the overall general market. These areas could be neighborhoods, cities, school districts or any other definable area within the appraisal district that displays market trends or values differing from the trends or values derived from the market as a whole. Any significant and quantifiable differences then need to be addressed with economic adjustments to the properties within the pertinent area.

As mentioned above, the main market segment is Frio County in general. All analysis and subsequent adjustments are applied to this market segment. Other market segments have been identified in previous studies, and continue to be tested. The individual market segments currently tested are:

- Pearsall City Quadrants
- Dilley City Quadrants
- Fairview Sub-division
- North Hill Sub-division
- Small acreage tracts within the five main school districts

Depending on the results of the yearly analysis, this list may expand or decrease as distinct market segments become (or fail to be) evident.

VALUATION BY TAX YEAR:

Using market analysis of comparable sales and locally tested cost data (if available), valuation models (Value Per Square Foot Schedules) are specified and calibrated in compliance with supplemental standards from the International Association of Assessing Officers and the Uniform Standards of Professional Appraisal Practice. The calculated values are tested for accuracy and uniformity using ratio studies. Performance standards are those as established by the *IAAO Standard on Ratio Studies*. Property values in all market categories are analyzed and updated as necessary each reappraisal year.

VALUE DEFENSE:

Evidence to be used by the appraisal district to meet its burden of proof for market value and equity in both informal and formal appraisal review board hearings is specified and tested. Taxpayers have the option to present their concerns informally to the chief appraiser, or by appointment with the Pritchard & Abbott staff. Should an understanding not be reached informally, the taxpayer may present their arguments to the Appraisal Review board as a formal appeal. The appraisal staff provided by Pritchard & Abbott Inc. defends the position of the chief appraiser before the ARB. The Appraisal District has the burden of proof for the value as notified. Evidence for further consideration by the CAD or the ARB should be presented by the taxpayer.

THE WRITTEN REAPPRAISAL PLAN FOR FRIO COUNTY APPRAISAL DISTRICT

PLANNING A REAPPRAISAL

Variation in reappraisal requirements requires Frio County Appraisal District to carefully plan its work before beginning any reappraisal. Although the planning process may vary in specifics, it should involve five (5) basic steps:

1. Assess current performance.
2. Set reappraisal goals.
3. Assess available resources and determine needs.
4. Re-evaluate goals and adjust as necessary.
5. Develop a work plan.

STEPS IN A REAPPRAISAL

The International Association of Assessing Officers (IAAO) textbook, Property Appraisal and Assessment Administration, lists ten steps in a reappraisal. These steps outline those activities performed by Frio County Appraisal District for the completion of periodic reappraisals. Activities are listed below in the order in which they occur:

1. Performance Analysis:
 - ratio study
 - equity of existing values
 - consistency of values with market activity
2. Revaluation Decision:
 - statutory - at least once every three years administrative policy
3. Analysis of Available Resources:
 - staffing
 - budget
 - existing practices
 - information system support
 - existing data and maps
4. Planning and Organization
 - target completion dates
 - identify performance objectives
 - specific action plans and schedules
 - identify critical activities with completion dates
 - set production standards for field activities

5. Mass Appraisal System:
 - forms and procedures revised as necessary
 - CAMA (computer assisted mass appraisal) system revisions as required
6. Conduct Pilot Study
 - test new/revised appraisal methods as applicable
 - conduct ratio studies
 - determine if values are accurate and reliable
7. Data Collection
 - building permits and other sources of new construction
 - check properties that have undergone remodeling
 - re-inspection of problematic properties
 - re-inspection of universe of properties on a cyclic basis
8. Valuation:
 - market analysis (based on ratio studies)
 - schedules development
 - application of revised schedules
 - calculation of preliminary values
 - tests of values for accuracy and uniformity
9. The Mass Appraisal Report
 - establish scope of work
 - compliance with Standards Rule 6 - 7 of USPAP
 - signed certification by the chief appraiser as required by Standards Rule 6-8 of USPAP
10. Value Defense:
 - prepare and deliver notices of value to property owners
 - hold informal hearings
 - schedule and hold formal appeal hearings

****Note—the burden of proof (evidence) of notified market values and equity falls on the appraisal district. ****

Frio County Appraisal District

Residential, Commercial, Rural, and Personal Property

2015, 2016 AND 2017 Reappraisal Plan

Pursuant to Section 25.18 of the Texas Property Tax Code, the Frio County Appraisal District has established the following reappraisal plan to provide for the reappraisal of all property within the district at least once every three (3) years. The plan establishes a two-fold approach:

1. **Three-Year Cycle (Physical Inspections):** The CAD is divided into four quadrants due to having different location factors in place per each quadrant. Each year, all real residential and commercial property within one of the areas will be reappraised, regardless of any ratio study/report findings. This includes all property within the following Categories: A, B, C, D, E, F, L (through inspections and renditions), M, O, and X. As this is a three year cycle, and the written Reappraisal plan encompasses three years, the areas to be appraised in the current plan will often be a continuation of a cycle begun in previous years. Beginning date being August 11, 2014 and ending date April 30, 2015. These areas are identified as follows: (for detail of each year, see attachment)
 - a. **Area One: (2015) Hondo ISD and Pearsall ISD.** Being all of quadrant 1 and a portion of quadrant 2. Being all on the west side of IH 35. **(See Attachment A)**
 - b. **Area Two: (2016) Devine ISD, Charlotte ISD, Pearsall ISD,** east portion of Frio County, east of IH 35 known as quadrant 2 and a portion of quadrant 3, North of FM 1582 and all the way to northern County boundary line. **(See Attachment B)**
 - c. **Area Three: (2017) Dilley ISD, Pearsall ISD, Dilley ISD.** Being all of quadrant 4 and Pearsall ISD quadrant 3 east of IH 35. Being the remaining portion. From all south portion of FM 1582. **(See Attachment C)**
 - d. As mentioned prior, these yearly plans are designed to be flexible within the overall reappraisal plan. The specific workload within and between plan years may need to be adjusted to provide for complete and accurate reappraisals.

****Note: all income producing personal property within the CAD (Category L) is appraised on an annual basis, regardless of its location. ****

2. **Annual Market Analysis:** In addition to the three year cycle stated above, ratio studies shall be performed annually to determine areas or categories of properties within the CAD which need to be reappraised within the current year based on sales ratios. Any areas or categories whose ratios are above or below locally derived indications of market value shall be reappraised in the current year regardless of the area in which they are located.

This two-fold approach will insure not only that all residential and commercial property within the CAD is reappraised at least once every three years, but also that all other categories within the CAD are reviewed annually so that the appraisal district stays current with respect to market value in those areas where residential and/or commercial property values appear to be changing rapidly.

Organization

Field inspections are carried out by the Frio County Appraisal District field appraisers as assigned by the Assistant Chief Appraiser, with input and direction from the chief appraiser. The field appraisers physically inspect areas required by the reappraisal cycle, checks all existing data, works building permits, takes photographs of improvements (if possible), draws plans of new improvements for entry into computer, and rechecks any property on which a question or problem has arisen. Other duties may be required and will be executed upon direction of the chief appraiser, or assistant chief appraiser.

Data entry of fieldwork notes and sketches is performed by CAD office staff with assistance from Frio County Appraisal District staff, as needed. Assistance is also provided for ownership/deed issues, and other general appraisal district daily tasks.

The Frio County Appraisal District staff performs market analysis. Sales data is gathered throughout the year by CAD staff from deed records, sales confirmation letters from property owners, and other sources. The market data is analyzed, sales data is confirmed, outliers are identified, existing classification system is reviewed, market schedules are reviewed and updated as necessary, and final market schedules are presented to the chief appraiser for discussion and application to the universe of properties.

2015 Reappraisal Schedule

Beginning date being August 11, 2014 and ending date April 30, 2015.

- August to December:** Plan and begin field inspections
Mid December 2014: Begin planning sales ratio studies for all areas within the CAD.
Gather current sales data from sales confirmation letters, deed records and other sources.
- January to March:** Mail homestead applications, special-use valuation applications, personal property renditions, exemption applications, and any other required forms.
Complete field inspections as provided by the reappraisal plan area.
Begin running sales ratio reports. Compare with CAD values and sales information. Identify necessary schedule adjustments.
- March through April:** Continue running sales ratio reports.
Refine sales analysis and mass appraisal schedules.
Statistically test schedules.
Complete data entry of all reappraisal and maintenance changes.
Assist field appraiser with reappraisal functions as needed.
Finalize all field work and data collection activities.
Coordinate overlapping values.
Execute mass appraisal/maintenance activities as required.
Provide certified estimated values to taxing units.
- May through June:** Prepare for mailing 2015 Notices of Value.
Hold informal hearings.
Respond to property owners' inquiries, protests, and questions from notice mailings.
Hold ARB hearings.
- July:** Process and mail ARB orders.
Enter into computer all changes as ordered by ARB and notify other CADs if the ordered change falls into an overlapping area.
ARB approval of appraisal records by July 20th or as soon thereafter as is practicable.
Certification of appraisal records and values to taxing units by July 25th or as soon thereafter as is practicable.
- As needed throughout the year:** Handle any outstanding protests by scheduling ARB hearings.

2015 REAPPRAISAL SCHEDULE

YEAR 1

Moore Community
Pearsall ISD Quadrant 1 West side of IH 35
Pearsall ISD Quadrant 2 West side of IH 35
Hondo ISD

SEE ATTACHMENT – A

SELECTION BY SUBDIVISION OR ABSTRACT:

BIEDIGER	204
BROKEN Y RANCH	252
BROWN SUBD	254
FOUR X RANCH	250
JONES ADDN	
LAZY MEADOW	215
MOORE	202
NORTH HILL	206
RIHN-MOORE	208
SPEED-MOORE	210
THOMPSON ADDN	
WILLIAMSON SUBD	217
LAZY M ESTATES	171

Pearsall ISD Quadrant One West of IH 35
Pearsall ISD Quadrant One West of IH 35 from Frio River to the North County line
boundary.
(Map Attached)

Pearsall ISD Quadrant Two West of IH 35

ABSTRACTS:

647, 824, 588, 590, 1328, 1327, 798, 424, 426, 423, 804, 422, 816, 1067, 1347, 966, 928,
761, 950, 537, 799, 769, 602, 967, 533, 385, 1286, 622, 778, 703, 777, 765, 767, 92, 1279,
923, 1146, 924, 925, 768, 797, 556, 393, AND 1290.

HONDO ISD:

ABSTRACTS:

53, 93, 153, 155, 168, 275, 283, 305, 328, 329, 342, 438, 486, 495, 598, 601, 615, 616, 621, 667, 674, 675, 735, 736, 737, 781, 828, 879, 880, 901, 902, 918, 936, 1030, 1267, 1393, 1396, 1397, 1418, 1505, 1506, 1507, 1509, AND 6011

2016 Reappraisal Schedule

Beginning date being August 10, 2015 and ending date April 30, 2016.

- August to December:** Plan and begin field inspections
Mid December 2015: Begin planning sales ratio studies for all areas within the CAD.
Gather current sales data from sales confirmation letters, deed records and other sources.
- January to March:** Mail homestead applications, special-use valuation applications, personal property renditions, exemption applications, and any other required forms.
Complete field inspections as provided by the reappraisal plan area.
Begin running sales ratio reports. Compare with CAD values and sales information. Identify necessary schedule adjustments.
- March through April:** Continue running sales ratio reports.
Refine sales analysis and mass appraisal schedules.
Statistically test schedules.
Complete data entry of all reappraisal and maintenance changes.
Assist field appraiser with reappraisal functions as needed.
Finalize all field work and data collection activities.
Coordinate overlapping values.
Execute mass appraisal/maintenance activities as required.
Provide certified estimated values to taxing units.
- May through June:** Prepare for mailing 2015 Notices of Value.
Hold informal hearings.
Respond to property owners' inquiries, protests, and questions from notice mailings.
Hold ARB hearings.
- July:** Process and mail ARB orders.
Enter into computer all changes as ordered by ARB and notify other CAD's if the ordered change falls into an overlapping area.
ARB approval of appraisal records by July 20th or as soon thereafter as is practicable.
Certification of appraisal records and values to taxing units by July 25th or as soon thereafter as is practicable.
- As needed throughout the year:** Handle any outstanding protests by scheduling ARB hearings.

2016 REAPPRAISAL SCHEDULE

YEAR 2

PARCELS

City of Pearsall

Charlotte ISD

Devine ISD

Pearsall ISD - Quadrant 2 and 3 North side of FM 1582, East of IH 35 to Northern boundary of County line.

SEE ATTACHMENT – B

Selection by Sub-division or Abstract

ACREAGE INSIDE CITY OF PEARSALL	195
ACREAGE OUTSIDE CITY OF	121
ARNOLD SUBD	100
ARTEMIO PEREZ SUBD	111
AVERY	101
BG SUBD -SEE BLK 162	
BARKLEY ACRES	103
BARNES	104
BLACKALLER	106
BLACKGOLD ESTATES SUBD	184
BUCK MEADOW SUBD	107
CHARIS SUBD	200
CENTRO DE SACRIFICIO LOTS 13,14 BLK 58	
CITY PARK	110
COLONIA ALTAVISTA	102
COLONIA PROGRESSO	112
D H S SUB-DIVISION	113
DAVID MARTINEZ SUBD	180
DAVIS	114
DE VILBISS	116
DEAL SUBDIVISION	115
DEER CROSSING	170
DOMINGO GARZA SUBD	179
EARL HOWARD - PT BLK 124	
EAST PARK	118

EHCO ACRES	-119-2000	119
EHCO ESTATES	-119-1000	119
EHCO SQUARE		119
ESPINOZA		117
FAIR VIEW		120
FRIO HEIGHTS		122
FRIO HOSPITAL BUSINESS SUBD		123
FRIO NORTH SUBD		105
GALLOWAY		124
GANESH ENTERPRISE LLC SUBD		168
GREEN ACRES		125
GROSS CARTER		126
HARKNESS		128
✓ HEB PEARSALL SUBD		185
HEWITTY SUBD - BLK 21 -164-21-300		
HILER SUBD		199
HILLCREST		130
HORIZON WEST		132
✓ ITHACA SUBD		173
J C CAMPBELL		108
JESUS GUTIERREZ SUBD		127
JOE FERNANDEZ SUBD - 120-1000		120
JOE GERMAN		136
JOHNSON ADDN		137
JOSE MONTES SUBD		176
JUAREZ		138
JULIAN HERNANDEZ		129
KEVIN'S ACRES		133
✓ KRISHNA SUBD		183
LA VILLITA		140
LALO TREVINO SUBD		157
LAZY M ESTATES		171
LEONARD BROWN SUBD		178
LINDSEY ACRES SUBD		109
LOUIS YOUNGBLOOD		198
LOW		139
LUNA SUBD		175
MALDONADO		141
MALONE		142
✓ MANDAMUS HOLDING SUBD		187
MANUEL ELIZONDO		115-100
✓ MARGARITO FLORES SUBD		182
MAVERICK SUBD		172
MELENDEZ SUBD		169
MERCER		144
NATIONS		146

NATIONS WOODLANDS-PEARSALL	258
OYSTERYOUNG	148
PAIZ COURT	150
PARADISE RANCH	260
✓PATTON RANCH ESTATE SUBD	181
PATTY'S HERB FARM SUBD	189
PAWLIK ACRES	143
PEARSALL AUTO ZONE	167
PEARSALL LETTERED CTY BLKS	166
A-1 B-2 C-3 D-4 E-5 F-6 G-7	
H-8I-9J-10K-11 L-12M-13	
N-14 O-15P-16Q-17R-18	
S-19T-20U-21 V-22W-23	
X-24Y-25Z-26	
PEARSALL NUMBERED CTY BLK	164
PEARSALL TRAVEL CENTER	174
PLEASURE PARK	147
PORTER-JACKSON	134
✓REYES SUBD	188
ROBLEDO SUBD	148
ROBLEDO-ALCALA	149
RODOLFO E LUNA SUBD	135
SIMON HERNANDEZ SUBD	131
SMITH	151
SOUTH PARK	145
SPANISH ACRES	152
STACY	155
SUNRISE	153
SUNSET	154
TAYLOR SUBD - BLK 65	
THOMPSON SUBD - BLK 148	
TOALSON	156
TREVINO ADDN	159
TREVINO BROTHERS	158
TYNER HEIGHTS	160
VINTON VICTOR	163
WEST FRIO ADDN	161
WEST VIEW	165
WOODLAWN PARK	162
✓X-CHEM ADDITION	186
BILL BOYD SUBD	269
FRANK DANA SUBD	274
FAIR OAKS	265
KELLY CARROLL - PALOMA	266
LIVE OAK CREEK	270
NATIONS WOODLANDS - DEVINE ISD	258

TEXAS RANGER/STEWART RANCH 272
WEST RANCH 267

ABSTRACTS:

16, 17, 63, 65, 69, 180, 181, 184, 185, 188, 189, 194, 195, 196, 197, 199, 200, 205, 206, 213, 214, 215, 216, 230, 233, 234, 237, 238, 240, 241, 263, 277, 284, 286, 311, 312, 318, 326, 339, 354, 355, 372, 374, 376, 397, 398, 414, 439, 442, 454, 482, 507, 512, 523, 532, 538, 547, 550, 551, 565, 566, 567, 569, 581, 584, 585, 592, 593, 628, 629, 630, 638, 641, 642, 652, 657, 658, 666, 667, 676, 678, 680, 686, 688, 697, 714, 750, 751, 756, 759, 772, 773, 796, 800, 801, 803, 805, 806, 827, 878, 896, 940, 988, 989, 993, 1006, 1010, 1011, 1022, 1027, 1035, 1036, 1037, 1062, 1063, 1073, 1075, 1080, 1092, 1093, 1131, 1136, 1150, 1162, 1163, 1167, 1174, 1187, 1202, 1206, 1229, 1235, 1236, 1255, 1278, 1285, 1294, 1295, 1310, 1316, 1337, 1356, 1394, 1395, 1402, 1407, 1414, 1430, 1440, 1479, 1483, 1519, AND 1520.

CHARLOTT ISD PARCELS 174

ABSTRACT:

21, 58, 68, 282, 290, 317, 351, 352, 353, 509, 552, 563, 758, 766, 771, 790, 795, 808, 823, 864, 865, 868, 881, 892, 893, 941, 949, 960, 994, 1021, 1028, 1048, 1057, 1058, 1059, 1068, 1157, 1195, 1213, 1253, 1314, 1326, 1359, 1361, 1362, 1368, 1371, 1373, 1379, 1389, AND 1477

PEARSALL ISD QUADRANT 2 AND 3 ABSTRACT, North of FM 1582 East of IH 35
up to the Northern boundary of the County line.
(Map Attached)

2017 Reappraisal Schedule

Beginning date being August 15, 2016 and ending date April 30, 2017.

- August to December:** Plan and begin field inspections
Mid December 2016: Begin planning sales ratio studies for all areas within the CAD.
Gather current sales data from sales confirmation letters, deed records and other sources.
- January to March:** Mail homestead applications, special-use valuation applications, personal property renditions, exemption applications, and any other required forms.
Complete field inspections as provided by the reappraisal plan area.
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Hold informal hearings.
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Enter into computer all changes as ordered by ARB and notify other CAD's if the ordered change falls into an overlapping area.
ARB approval of appraisal records by July 20th or as soon thereafter as is practicable.
Certification of appraisal records and values to taxing units by July 25th or as soon thereafter as is practicable.
- As needed throughout the year:** Handle any outstanding protests by scheduling ARB hearings.

2017 REAPPRAISAL SCHEDULE

YEAR 3

City of Dilley

Dilley ISD Quadrant 4

Pearsall ISD Quadrant 3 South Portion from FM 1582 East of IH 35

SEE ATTACHMENT – C

SELECTION BY SUB-DIVISION OR ABSTRACT

ACREAGE INSIDE CITY OF DILLEY	80
✓ ANNETTE'S PLACE SUBD	33
AVANT	34
BERNARD VINE	30
DARLINGTON	12
DILLARD	18
DILLEY	10
✓ DILLEY DEVELOPMENT SUBD	86
✓ DILLEY INDUSTRIAL PARK SUBD	25
DILLEY TRUCK STOP INC	19
DOLLAR GENERAL SUBD	81
✓ EAGLE INN & SUITES	31
GIL CANTU	22
GILL	16
H R & K R SMITH	35
HARRIMAN	14
HILLTOP ACRES	58
✓ HUGO BUSINESS PARK SUBD	84
✓ KINSEL SUBD	15
LAURAFIELD RANCH	
MAXEY SUBD	82
MILLER	55
ORANGE GROVE	20
PIPES	
QUARREL HILLS	28
RAMOS BROTHERS	24
SCOTT ST. HEIGHTS	38
SEGOVIA-AB#1170	
SUN VALLEY ESTATES	17
VILLA HERMOSA	32
WILMETH	50
DERBY	220
MELON	240



ABSTRACTS:

DILLEY ISD – Quadrant 4 (Map Attached)

**PEARSALL ISD – South of FM 1582 East of IH 35
Quadrant 3 (Map Attached)**



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2013

082 Frio CAD

- CAD Summary Worksheet HTML
- CAD Productivity Values HTML
- Index Calculations HTML

007-901 Charlotte ISD (split district)

- School District Summary Worksheet HTML
- Deduction Detail HTML

082-902 Dilley ISD (split district)

- School District Summary Worksheet HTML
- Deduction Detail HTML
- Confidence Interval Detail HTML
- Stratified Ratio Detail HTML
- Field Studies Category Worksheet HTML
- ISD Productivity Values HTML
- Utilities Category Worksheet HTML
- Minerals Category Worksheet HTML

082-903 Pearsall ISD

- School District Summary Worksheet HTML
- Deduction Detail HTML
- Confidence Interval Detail HTML
- Stratified Ratio Detail HTML
- Field Studies Category Worksheet HTML
- ISD Productivity Values HTML
- Utilities Category Worksheet HTML
- Minerals Category Worksheet HTML

163-901 Devine ISD (split district)

- School District Summary Worksheet HTML
- Deduction Detail HTML
- Confidence Interval Detail HTML
- Stratified Ratio Detail HTML
- Field Studies Category Worksheet HTML

- ISD Productivity Values HTML
- Utilities Category Worksheet HTML
- Minerals Category Worksheet HTML

163-904 Hondo ISD (split district)

- School District Summary Worksheet HTML
- Deduction Detail HTML



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2013 Property Value Study CAD Summary Worksheet

082 Frio

Category	Number of Ratios **	2013 CAD Rept Appraised Value	Median Level of Appr	Coefficient of Dispersion	% Ratios w/in (+/-) 10% of Median	% Ratios w/in (+/-) 25% of Median	Price-Related Differential
A. Single-Family Residences	78	159,972,680	*	*	*	*	*
B. Multi-Family Residences	0	14,471,110	*	*	*	*	*
C1. Vacant Lots	0	15,264,270	*	*	*	*	*
C2. Colonia lots	0	2,243,910	*	*	*	*	*
D2. Rural Real F & L	0	22,069,910	*	*	*	*	*
E. Real Prop NonQual	45	98,573,440	.95	14.69	40.00	80.00	1.01
F1. Commercial Real	47	127,836,970	*	*	*	*	*
F2. Industrial Real	0	128,357,790	*	*	*	*	*

Category	Number of Ratios **	2013 CAD Rept Appraised Value	Median Level of Appr	Coefficient of Dispersion	% Ratios w/in (+/-) 10% of Median	% Ratios w/in (+/-) 25% of Median	Price-Related Differential
G. Oil, Gas, Minerals	40	359,770,740	1.04	12.63	65.00	87.50	1.05
J. Utilities	9	141,667,790	*	*	*	*	*
L1. Commercial Personal	40	53,647,360	*	*	*	*	*
L2. Industrial Personal	0	430,549,470	*	*	*	*	*
M. Other Personal	0	27,996,580	*	*	*	*	*
O. Residential Inventory	0	0	*	*	*	*	*
S. Special Inventory	0	560,930	*	*	*	*	*
Overall	259	1,582,982,950	.98	14.87	51.35	81.08	.97

* Not Calculated - Need a minimum of 5 ratios from either (A) categories representing at least 25% of total CAD category value or (B) 5 ISDs or half the ISDs in the CAD, whichever is less

** Statistical measures may not be reliable when the sample is small



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2013 ISD Summary Worksheet

007/Atascosa

007-901/Charlotte ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	28,923,461	.9732	29,719,956	28,923,461
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	1,083,332	N/A	1,083,332	1,083,332
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real (Taxable)	14,611,609	1.0225	14,290,335	14,611,609
D2. Real Prop Farm & Ranch	1,513,055	N/A	1,513,055	1,513,055
E. Real Prop NonQual Acres	30,689,270	.9516	32,250,179	30,689,270
F1. Commercial Real	5,010,560	N/A	5,010,560	5,010,560
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	60,645,982	1.0378	58,437,061	60,645,982
J. Utilities	13,809,370	.9687	14,255,569	13,809,370
L1. Commercial Personal	11,737,970	N/A	11,737,970	11,737,970
L2. Industrial Personal	51,348,911	N/A	51,348,911	51,348,911
M. Other Personal	2,233,010	N/A	2,233,010	2,233,010

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	221,606,530		221,879,938	221,606,530
Less Total Deductions	12,556,159		12,910,142	12,556,159
Total Taxable Value	209,050,371		208,969,796	209,050,371 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
213,164,747	209,050,371	213,164,747	209,050,371	209,351,312	209,351,312

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
4,114,376	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
213,164,747	209,050,371	213,164,747	209,050,371	209,351,312	209,351,312

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

082/Frio

007-901/Charlotte ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	499,190	N/A	499,190	499,190
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	35,640	N/A	35,640	35,640

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real (Taxable)	2,356,400	N/A	2,356,400	2,356,400
D2. Real Prop Farm & Ranch	296,400	N/A	296,400	296,400
E. Real Prop NonQual Acres	1,836,860	N/A	1,836,860	1,836,860
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	12,130,750	N/A	12,130,750	12,130,750
J. Utilities	2,238,710	N/A	2,238,710	2,238,710
L1. Commercial Personal	77,600	N/A	77,600	77,600
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	53,240	N/A	53,240	53,240
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	19,524,790		19,524,790	19,524,790
Less Total Deductions	537,237		537,237	537,237
Total Taxable Value	18,987,553		18,987,553	18,987,553 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For

districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
19,177,553	18,987,553	19,177,553	18,987,553	18,987,553	18,987,553

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
190,000	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
19,177,553	18,987,553	19,177,553	18,987,553	18,987,553	18,987,553

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

007-901/Charlotte ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	29,422,651	.9736	30,219,146	29,422,651
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	1,118,972	N/A	1,118,972	1,118,972
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real (Taxable)	16,968,009	1.0193	16,646,735	16,968,009
D2. Real Prop Farm & Ranch	1,809,455	N/A	1,809,455	1,809,455
E. Real Prop NonQual Acres	32,526,130	.9542	34,087,039	32,526,130
F1. Commercial Real	5,010,560	N/A	5,010,560	5,010,560
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	72,776,732	1.0313	70,567,811	72,776,732
J. Utilities	16,048,080	.9729	16,494,279	16,048,080
L1. Commercial Personal	11,815,570	N/A	11,815,570	11,815,570
L2. Industrial Personal	51,348,911	N/A	51,348,911	51,348,911
M. Other Personal	2,286,250	N/A	2,286,250	2,286,250
N. Intangible Pers/Uncert	0	N/A	0	0

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	241,131,320		241,404,728	241,131,320
Less Total Deductions	13,093,396		13,447,379	13,093,396
Total Taxable Value	228,037,924		227,957,349	228,037,924 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values



2013 Deduction Detail

007/Atascosa

007-901/Charlotte ISD

Deductions Allowed in PVS	Local Value	PTAD Value	Assigned Value
Homestead - State-Mandated General \$15,000	6,379,376	6,379,376	6,379,376
Homestead - State-Mandated Over-65 or Disabled \$10,000	1,678,605	1,678,605	1,678,605
Homestead - 100% Disabled or Unemployable Veterans	464,746	464,746	464,746
Homestead - Disabled Veterans and Surviving Spouse	152,470	152,470	152,470
Homestead - Over-65 or Disabled Freeze Loss	2,475,971	2,791,527	2,475,971
Homestead - 10% Appraisal Cap Loss	1,395,408	1,433,835	1,395,408
Freeport	0	0	0
Pollution Control	0	0	0
Difference Between Market and Limited Value for Chapter 313 Value Limitation Agreements	0	0	0
Tax Increment Financing	0	0	0
Low Income Housing, Counties Under 1.8 Million Pop	0	0	0
Solar and Wind-Powered	0	0	0
Deferred Taxes	9,583	9,583	9,583
Prorations	0	0	0
Total Deductions Allowed in PVS	12,556,159	12,910,142	12,556,159

082/Frio

007-901/Charlotte ISD

Deductions Allowed in PVS	Local Value	PTAD Value	Assigned Value
Homestead - State-Mandated General \$15,000	285,000	285,000	285,000
Homestead - State-Mandated Over-65 or Disabled \$10,000	70,000	70,000	70,000
Homestead - 100% Disabled or Unemployable Veterans	0	0	0
Homestead - Disabled Veterans and Surviving Spouse	9,680	9,680	9,680
Homestead - Over-65 or Disabled Freeze Loss	146,647	146,647	146,647
Homestead - 10% Appraisal Cap Loss	25,910	25,910	25,910
Freeport	0	0	0
Pollution Control	0	0	0
Difference Between Market and Limited Value for Chapter 313 Value Limitation Agreements	0	0	0
Tax Increment Financing	0	0	0
Low Income Housing, Counties Under 1.8 Million Pop	0	0	0
Solar and Wind-Powered	0	0	0
Deferred Taxes	0	0	0
Prorations	0	0	0
Total Deductions Allowed in PVS	537,237	537,237	537,237

007-901/Charlotte ISD

Deductions Allowed in PVS	Local Value	PTAD Value	Assigned Value
Homestead - State-Mandated General \$15,000	6,664,376	6,664,376	6,664,376
Homestead - State-Mandated Over-65 or Disabled \$10,000	1,748,605	1,748,605	1,748,605
Homestead - 100% Disabled or Unemployable Veterans	464,746	464,746	464,746
Homestead - Disabled Veterans and Surviving Spouse	162,150	162,150	162,150

Deductions Allowed in PVS	Local Value	PTAD Value	Assigned Value
Homestead - Over-65 Freeze Loss	2,622,618	2,938,174	2,622,618
Homestead - 10% Appraisal Cap Loss	1,421,318	1,459,745	1,421,318
Freeport	0	0	0
Pollution Control	0	0	0
Difference Between Market and Limited Value for Chapter 313 Value Limitation Agreements	0	0	0
Tax Increment Financing	0	0	0
Low Income Housing, Counties Under 1.8 Million Pop	0	0	0
Solar and Wind-Powered	0	0	0
Deferred Taxes	9,583	9,583	9,583
Prorations	0	0	0
Total Deductions Allowed in PVS	13,093,396	13,447,379	13,093,396



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2013 ISD Summary Worksheet

082/Frio

082-902/Dilley ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	35,244,720	.8321	42,356,351	35,244,720
B. Multi-Family Residences	4,587,760	N/A	4,587,760	4,587,760
C1. Vacant Lots	4,359,790	N/A	4,359,790	4,359,790
C2. Colonia Lots	949,090	N/A	949,090	949,090
D1. Rural Real (Taxable)	19,287,930	1.0671	18,074,551	19,287,930
D2. Real Prop Farm & Ranch	3,701,250	N/A	3,701,250	3,701,250
E. Real Prop NonQual Acres	18,171,030	.9329	19,478,004	18,171,030
F1. Commercial Real	32,197,930	.8987	35,827,228	32,197,930
F2. Industrial Real	11,807,690	N/A	11,807,690	11,807,690
G. Oil, Gas, Minerals	88,981,560	1.0096	88,135,460	88,981,560
J. Utilities	47,366,770	.9777	48,447,141	47,366,770
L1. Commercial Personal	14,914,340	.9756	15,287,351	14,914,340
L2. Industrial Personal	81,069,690	N/A	81,069,690	81,069,690
M. Other Personal	11,654,590	N/A	11,654,590	11,654,590

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	55,920	N/A	55,920	55,920
Subtotal	374,350,060		385,791,866	374,350,060
Less Total Deductions	14,117,567		16,231,664	14,117,567
Total Taxable Value	360,232,493		369,560,202	360,232,493 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
365,509,763	360,232,493	365,509,763	360,232,493	360,232,493	360,232,493

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
5,277,270	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
365,509,763	360,232,493	365,509,763	360,232,493	360,232,493	360,232,493

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

142/La Salle

082-902/Dilley ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	226,912	N/A	226,912	226,912
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	15,733	N/A	15,733	15,733

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real (Taxable)	4,733,154	.7950	5,953,961	4,733,154
D2. Real Prop Farm & Ranch	124,186	N/A	124,186	124,186
E. Real Prop NonQual Acres	9,619,190	.9172	10,487,560	9,619,190
F1. Commercial Real	27,000	N/A	27,000	27,000
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	75,168,047	1.0437	72,020,741	75,168,047
J. Utilities	12,400,001	.9896	12,530,316	12,400,001
L1. Commercial Personal	11,620	N/A	11,620	11,620
L2. Industrial Personal	7,224,450	N/A	7,224,450	7,224,450
M. Other Personal	480,210	N/A	480,210	480,210
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	110,030,503		109,102,689	110,030,503
Less Total Deductions	701,223		701,223	701,223
Total Taxable Value	109,329,280		108,401,466	109,329,280 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For

districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
109,501,803	109,329,280	109,501,803	109,329,280	109,329,280	109,329,280

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
172,523	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
109,501,803	109,329,280	109,501,803	109,329,280	109,329,280	109,329,280

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

082-902/Dilley ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	35,471,632	.8330	42,583,263	35,471,632
B. Multi-Family Residences	4,587,760	N/A	4,587,760	4,587,760
C1. Vacant Lots	4,375,523	N/A	4,375,523	4,375,523
C2. Colonia Lots	949,090	N/A	949,090	949,090
D1. Rural Real (Taxable)	24,021,084	.9997	24,028,512	24,021,084
D2. Real Prop Farm & Ranch	3,825,436	N/A	3,825,436	3,825,436
E. Real Prop NonQual Acres	27,790,220	.9274	29,965,564	27,790,220
F1. Commercial Real	32,224,930	.8988	35,854,228	32,224,930
F2. Industrial Real	11,807,690	N/A	11,807,690	11,807,690
G. Oil, Gas, Minerals	164,149,607	1.0249	160,156,201	164,149,607
J. Utilities	59,766,771	.9801	60,977,457	59,766,771
L1. Commercial Personal	14,925,960	.9756	15,298,971	14,925,960
L2. Industrial Personal	88,294,140	N/A	88,294,140	88,294,140
M. Other Personal	12,134,800	N/A	12,134,800	12,134,800
N. Intangible Pers/Uncert	0	N/A	0	0

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	55,920	N/A	55,920	55,920
Subtotal	484,380,563		494,894,555	484,380,563
Less Total Deductions	14,818,790		16,932,887	14,818,790
Total Taxable Value	469,561,773		477,961,668	469,561,773 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Part 4



Window on State Government

Susan Combs, Texas Comptroller of Public Accounts

2013 Deduction Detail

082/Frio

082-902/Dilley ISD

Deductions Allowed in PVS	Local Value	PTAD Value	Assigned Value
Homestead - State-Mandated General \$15,000	8,097,270	8,097,270	8,097,270
Homestead - State-Mandated Over-65 or Disabled \$10,000	2,132,340	2,132,340	2,132,340
Homestead - 100% Disabled or Unemployable Veterans	107,460	107,460	107,460
Homestead - Disabled Veterans and Surviving Spouse	157,770	157,770	157,770
Homestead - Over-65 or Disabled Freeze Loss	3,312,311	5,365,776	3,312,311
Homestead - 10% Appraisal Cap Loss	300,490	361,122	300,490
Freeport	0	0	0
Pollution Control	0	0	0
Difference Between Market and Limited Value for Chapter 313 Value Limitation Agreements	0	0	0
Tax Increment Financing	0	0	0
Low Income Housing, Counties Under 1.8 Million Pop	0	0	0
Solar and Wind-Powered	0	0	0
Deferred Taxes	9,926	9,926	9,926
Prorations	0	0	0
Total Deductions Allowed in PVS	14,117,567	16,231,664	14,117,567

142/La Salle**082-902/Dilley ISD**

Deductions Allowed in PVS	Local Value	PTAD Value	Assigned Value
Homestead - State-Mandated General \$15,000	277,523	277,523	277,523
Homestead - State-Mandated Over-65 or Disabled \$10,000	117,844	117,844	117,844
Homestead - 100% Disabled or Unemployable Veterans	0	0	0
Homestead - Disabled Veterans and Surviving Spouse	7,500	7,500	7,500
Homestead - Over-65 or Disabled Freeze Loss	204,659	204,659	204,659
Homestead - 10% Appraisal Cap Loss	93,697	93,697	93,697
Freeport	0	0	0
Pollution Control	0	0	0
Difference Between Market and Limited Value for Chapter 313 Value Limitation Agreements	0	0	0
Tax Increment Financing	0	0	0
Low Income Housing, Counties Under 1.8 Million Pop	0	0	0
Solar and Wind-Powered	0	0	0
Deferred Taxes	0	0	0
Prorations	0	0	0
Total Deductions Allowed in PVS	701,223	701,223	701,223

082-902/Dilley ISD

Deductions Allowed in PVS	Local Value	PTAD Value	Assigned Value
Homestead - State-Mandated General \$15,000	8,374,793	8,374,793	8,374,793
Homestead - State-Mandated Over-65 or Disabled \$10,000	2,250,184	2,250,184	2,250,184
Homestead - 100% Disabled or Unemployable Veterans	107,460	107,460	107,460
Homestead - Disabled Veterans and Surviving Spouse	165,270	165,270	165,270

Deductions Allowed in PVS	Local Value	PTAD Value	Assigned Value
Homestead - Over-65 Freeze Loss	3,516,970	5,570,435	3,516,970
Homestead - 10% Appraisal Cap Loss	394,187	454,819	394,187
Freeport	0	0	0
Pollution Control	0	0	0
Difference Between Market and Limited Value for Chapter 313 Value Limitation Agreements	0	0	0
Tax Increment Financing	0	0	0
Low Income Housing, Counties Under 1.8 Million Pop	0	0	0
Solar and Wind-Powered	0	0	0
Deferred Taxes	9,926	9,926	9,926
Prorations	0	0	0
Total Deductions Allowed in PVS	14,818,790	16,932,887	14,818,790



2013 Confidence Interval Detail

082/Frio

082-902/Dilley ISD

Category Summary

(1) Category	(1) Local Value	(1) Stratum Ratio	(1) State Value	(2) Sample Size	(3) Total Parcels	Stratum Variance
A	8,383,000	0.6079	13,790,097	10	390	.048163183
A	7,207,260	0.7979	9,032,786	9	166	.050141766
A	8,620,470	0.9994	8,625,645	9	126	.020627874
A	9,494,790	1.0133	9,370,167	9	71	.009968786
E	18,171,030	0.9329	19,478,004	15	319	.037310177
F1	3,490,790	0.8825	3,955,569	9	66	.013693326
F1	5,398,620	0.9016	5,987,822	7	33	.027977776
F1	5,431,050	0.9563	5,679,232	5	14	.003082388
G1	16,422,120	1.0195	16,108,014	8	20	.009802848
G1	17,361,317	1.0565	16,432,860	3	5	.004058321
G1	18,932,720	0.9262	20,441,287	2	3	.002360388
L1	2,062,750	0.8859	2,328,423	8	50	.278748282
L1	2,178,340	0.8909	2,445,100	5	13	.073928672
L1	4,422,480	1.0769	4,106,677	3	9	.013564925
Random Totals:	127,576,737		137,781,683	102	1,285	
Catg J Exception Values:	12,187,410		12,465,075			
Catg D1 Exception Values:	19,287,930		18,074,551			
Catg F1 Exception Values:	3,952,360		4,780,372			

(1) Category	(1) Local Value	(1) Stratum Ratio	(1) State Value	(2) Sample Size	(3) Total Parcels	Stratum Variance
Catg G1 Exception Values:	29,772,150		28,657,435			
Catg L1 Exception Values:	4,838,090		4,973,018			
Total Test Values (4):	197,614,677		206,732,134			

Margin of Error

Margin of Error Percent:	5.0000001
Margin of Error Value:	10,336,607

Confidence Interval Values (5)

State Lower Limit:	196,395,527	(State Test Value minus Margin of Error Percent)
Local Test Value:	197,614,677	(Within Confidence Interval)
State Upper Limit:	217,068,741	(State Test Value plus Margin of Error Percent)
Value Assigned (6):	360,232,493	(See ISD Summary Worksheet)

Sources:

- (1) See Stratified Category Worksheet Reports PTS236, PTS430
- (2) Number of parcels sampled by staff
- (3) Total Category Parcels from Stratification Report, Appraisal Roll, or Self-report
- (4) Includes any parcels in A, B, C, D3, F1, G1, G2, or L1 marked as exception properties
- (5) Unstudied categories and sub-categories were not included in the Confidence Interval Values
- (6) Includes local value of unstudied property categories and sub-categories



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2013 ISD Summary Worksheet

082/Frio

082-903/Pearsall ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	121,792,900	.9441	129,004,237	121,792,900
B. Multi-Family Residences	9,883,350	N/A	9,883,350	9,883,350
C1. Vacant Lots	9,726,080	N/A	9,726,080	9,726,080
C2. Colonia Lots	1,294,820	N/A	1,294,820	1,294,820
D1. Rural Real (Taxable)	58,338,250	1.0687	54,588,350	58,338,250
D2. Real Prop Farm & Ranch	16,040,110	N/A	16,040,110	16,040,110
E. Real Prop NonQual Acres	55,712,490	.9187	60,642,745	55,712,490
F1. Commercial Real	95,092,290	.9491	100,192,066	95,092,290
F2. Industrial Real	116,500,100	N/A	116,500,100	116,500,100
G. Oil, Gas, Minerals	252,139,410	.9964	253,050,391	252,139,410
J. Utilities	84,762,450	.9967	85,043,092	84,762,450
L1. Commercial Personal	36,671,140	1.0126	36,214,833	36,671,140
L2. Industrial Personal	348,545,940	N/A	348,545,940	348,545,940

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
M. Other Personal	13,672,460	N/A	13,672,460	13,672,460
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	505,010	N/A	505,010	505,010
Subtotal	1,220,676,800		1,234,903,584	1,220,676,800
Less Total Deductions	48,786,994		50,302,927	48,786,994
Total Taxable Value	1,171,889,806		1,184,600,657	1,171,889,806 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
1,188,829,986	1,171,889,806	1,188,829,986	1,171,889,806	1,171,889,806	1,171,889,806

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
16,940,180	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
1,188,829,986	1,171,889,806	1,188,829,986	1,171,889,806	1,171,889,806	1,171,889,806

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2013 Deduction Detail

082/Frio

082-903/Pearsall ISD

Deductions Allowed in PVS	Local Value	PTAD Value	Assigned Value
Homestead - State-Mandated General \$15,000	25,780,180	25,780,180	25,780,180
Homestead - State-Mandated Over-65 or Disabled \$10,000	6,946,380	6,946,380	6,946,380
Homestead - 100% Disabled or Unemployable Veterans	954,720	954,720	954,720
Homestead - Disabled Veterans and Surviving Spouse	548,572	548,572	548,572
Homestead - Over-65 or Disabled Freeze Loss	5,597,832	7,086,463	5,597,832
Homestead - 10% Appraisal Cap Loss	461,110	488,412	461,110
Freeport	0	0	0
Pollution Control	8,498,200	8,498,200	8,498,200
Difference Between Market and Limited Value for Chapter 313 Value Limitation Agreements	0	0	0
Tax Increment Financing	0	0	0
Low Income Housing, Counties Under 1.8 Million Pop	0	0	0
Solar and Wind-Powered	0	0	0
Deferred Taxes	0	0	0
Prorations	0	0	0
Total Deductions Allowed in PVS	48,786,994	50,302,927	48,786,994



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2013 Confidence Interval Detail

082/Frio

082-903/Pearsall ISD

Category Summary

(1) Category	(1) Local Value	(1) Stratum Ratio	(1) State Value	(2) Sample Size	(3) Total Parcels	Stratum Variance
A	27,407,230	0.8288	33,068,569	11	987	.053206108
A	27,874,520	0.9091	30,661,665	11	496	.031610561
A	28,640,800	1.0281	27,857,990	10	326	.011732158
A	32,407,570	1.0142	31,953,826	9	222	.005593962
E	55,712,490	0.9187	60,642,745	15	896	.006966451
F1	17,893,760	0.7574	23,625,244	9	171	.065116750
F1	19,403,060	1.0619	18,272,022	8	43	.067031547
F1	35,299,620	1.0466	33,727,900	5	17	.017675124
G1	60,386,193	1.0163	59,417,685	7	29	.274255046
G1	83,203,495	0.9836	84,590,784	4	6	.029300278
L1	8,067,510	0.9981	8,082,867	9	134	.007497691
L1	10,599,470	1.0198	10,393,675	7	29	.005263286
L1	11,027,570	1.0010	11,016,553	4	7	.091205434
Random Totals:	417,923,288		433,311,525	109	3,363	
Catg J Exception Values:	23,923,200		24,001,857			
Catg D1 Exception Values:	58,338,250		54,588,350			
Catg F1 Exception Values:	10,446,610		12,084,166			
Catg G1 Exception Values:	95,657,540		96,157,797			

(1) Category	(1) Local Value	(1) Stratum Ratio	(1) State Value	(2) Sample Size	(3) Total Parcels	Stratum Variance
Catg L1 Exception Values:	5,314,040		5,060,394			
Total Test Values (4):	611,602,928		625,204,089			

Margin of Error

Margin of Error Percent:	5.0000000
Margin of Error Value:	31,260,204

Confidence Interval Values (5)

State Lower Limit:	593,943,885	(State Test Value minus Margin of Error Percent)
Local Test Value:	611,602,928	(Within Confidence Interval)
State Upper Limit:	656,464,293	(State Test Value plus Margin of Error Percent)
Value Assigned (6):	1,171,889,806	(See ISD Summary Worksheet)

Sources:

- (1) See Stratified Category Worksheet Reports PTS236, PTS430
- (2) Number of parcels sampled by staff
- (3) Total Category Parcels from Stratification Report, Appraisal Roll, or Self-report
- (4) Includes any parcels in A, B, C, D3, F1, G1, G2, or L1 marked as exception properties
- (5) Unstudied categories and sub-categories were not included in the Confidence Interval Values
- (6) Includes local value of unstudied property categories and sub-categories



2013 ISD Summary Worksheet

082/Frio

163-901/Devine ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	2,435,870	N/A	2,435,870	2,435,870
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	1,142,760	N/A	1,142,760	1,142,760
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real (Taxable)	4,977,280	1.0598	4,696,546	4,977,280
D2. Real Prop Farm & Ranch	1,466,180	N/A	1,466,180	1,466,180
E. Real Prop NonQual Acres	20,425,420	1.0316	19,799,748	20,425,420
F1. Commercial Real	546,750	N/A	546,750	546,750
F2. Industrial Real	50,000	N/A	50,000	50,000
G. Oil, Gas, Minerals	6,519,020	1.0176	6,406,270	6,519,020
J. Utilities	1,954,310	N/A	1,954,310	1,954,310
L1. Commercial Personal	1,984,280	N/A	1,984,280	1,984,280
L2. Industrial Personal	933,840	N/A	933,840	933,840
M. Other Personal	2,464,500	N/A	2,464,500	2,464,500

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	44,900,210		43,881,054	44,900,210
Less Total Deductions	4,147,507		4,147,507	4,147,507
Total Taxable Value	40,752,703		39,733,547	40,752,703 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
42,128,273	40,752,703	42,128,273	40,752,703	40,752,703	40,752,703

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
1,375,570	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
42,128,273	40,752,703	42,128,273	40,752,703	40,752,703	40,752,703

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

163/Medina

163-901/Devine ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	158,999,489	N/A	158,999,489	158,999,489
B. Multi-Family Residences	4,756,592	N/A	4,756,592	4,756,592
C1. Vacant Lots	16,280,630	N/A	16,280,630	16,280,630

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real (Taxable)	9,068,439	N/A	9,068,439	9,068,439
D2. Real Prop Farm & Ranch	3,434,688	N/A	3,434,688	3,434,688
E. Real Prop NonQual Acres	73,880,590	N/A	73,880,590	73,880,590
F1. Commercial Real	32,245,825	N/A	32,245,825	32,245,825
F2. Industrial Real	1,983,640	N/A	1,983,640	1,983,640
G. Oil, Gas, Minerals	7,232,330	N/A	7,232,330	7,232,330
J. Utilities	9,432,410	N/A	9,432,410	9,432,410
L1. Commercial Personal	14,298,276	N/A	14,298,276	14,298,276
L2. Industrial Personal	16,261,113	N/A	16,261,113	16,261,113
M. Other Personal	7,275,740	N/A	7,275,740	7,275,740
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	487,210	N/A	487,210	487,210
S. Special Inventory	4,991,840	N/A	4,991,840	4,991,840
Subtotal	360,628,812		360,628,812	360,628,812
Less Total Deductions	54,208,854		54,208,854	54,208,854
Total Taxable Value	306,419,958		306,419,958	306,419,958 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For

districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
325,214,057	306,419,958	325,214,057	306,419,958	306,419,958	306,419,958

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
18,794,099	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
325,214,057	306,419,958	325,214,057	306,419,958	306,419,958	306,419,958

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

163-901/Devine ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	161,435,359	N/A	161,435,359	161,435,359
B. Multi-Family Residences	4,756,592	N/A	4,756,592	4,756,592
C1. Vacant Lots	17,423,390	N/A	17,423,390	17,423,390
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real (Taxable)	14,045,719	1.0204	13,764,985	14,045,719
D2. Real Prop Farm & Ranch	4,900,868	N/A	4,900,868	4,900,868
E. Real Prop NonQual Acres	94,306,010	1.0067	93,680,338	94,306,010
F1. Commercial Real	32,792,575	N/A	32,792,575	32,792,575
F2. Industrial Real	2,033,640	N/A	2,033,640	2,033,640
G. Oil, Gas, Minerals	13,751,350	1.0083	13,638,600	13,751,350
J. Utilities	11,386,720	N/A	11,386,720	11,386,720
L1. Commercial Personal	16,282,556	N/A	16,282,556	16,282,556
L2. Industrial Personal	17,194,953	N/A	17,194,953	17,194,953
M. Other Personal	9,740,240	N/A	9,740,240	9,740,240
N. Intangible Pers/Uncert	0	N/A	0	0

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
O. Residential Inventory	487,210	N/A	487,210	487,210
S. Special Inventory	4,991,840	N/A	4,991,840	4,991,840
Subtotal	405,529,022		404,509,866	405,529,022
Less Total Deductions	58,356,361		58,356,361	58,356,361
Total Taxable Value	347,172,661		346,153,505	347,172,661 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values



Window on State Government

Part 5

Susan Combs Texas Comptroller of Public Accounts

2013 Confidence Interval Detail

082/Frio

163-901/Devine ISD

Category Summary

(1) Category	(1) Local Value	(1) Stratum Ratio	(1) State Value	(2) Sample Size	(3) Total Parcels	Stratum Variance
E	20,425,420	1.0316	19,799,748	15	258	.022258561
G1	1,867,500	1.0174	1,835,561	6	18	.112904215
G1	1,318,450	0.9773	1,349,074	2	3	.002305678
G1	1,861,840	1.0357	1,797,663	2	3	.018822478
Random Totals:	25,473,210		24,782,046	25	282	
Catg D1 Exception Values:	4,977,280		4,696,546			
Catg G1 Exception Values:	1,148,530		1,100,376			
Total Test Values (4):	31,599,020		30,578,968			

Margin of Error

Margin of Error Percent:	5.2606223
Margin of Error Value:	1,608,644

Confidence Interval Values (5)

State Lower Limit:	28,970,324	(State Test Value minus Margin of Error Percent)
Local Test Value:	31,599,020	(Within Confidence Interval)
State Upper Limit:	32,187,612	(State Test Value plus Margin of Error Percent)
Value Assigned (6):	40,752,703	(See ISD Summary Worksheet)

Sources:

- (1) See Stratified Category Worksheet Reports PTS236, PTS430
- (2) Number of parcels sampled by staff
- (3) Total Category Parcels from Stratification Report, Appraisal Roll, or Self-report
- (4) Includes any parcels in A, B, C, D3, F1, G1, G2, or L1 marked as exception properties
- (5) Unstudied categories and sub-categories were not included in the Confidence Interval Values
- (6) Includes local value of unstudied property categories and sub-categories



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2013 ISD Summary Worksheet

082/Frio

163-904/Hondo ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	0	N/A	0	0
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	0	N/A	0	0
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real (Taxable)	5,064,430	N/A	5,064,430	5,064,430
D2. Real Prop Farm & Ranch	565,970	N/A	565,970	565,970
E. Real Prop NonQual Acres	2,427,640	N/A	2,427,640	2,427,640
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	5,345,550	N/A	5,345,550	5,345,550
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	151,790	N/A	151,790	151,790

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	13,555,380		13,555,380	13,555,380
Less Total Deductions	168,596		168,596	168,596
Total Taxable Value	13,386,784		13,386,784	13,386,784 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
13,456,784	13,386,784	13,456,784	13,386,784	13,386,784	13,386,784

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
70,000	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
13,456,784	13,386,784	13,456,784	13,386,784	13,386,784	13,386,784

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

163/Medina

163-904/Hondo ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	205,116,395	N/A	205,116,395	205,116,395
B. Multi-Family Residences	4,350,550	N/A	4,350,550	4,350,550
C1. Vacant Lots	33,573,571	N/A	33,573,571	33,573,571

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real (Taxable)	30,407,618	N/A	30,407,618	30,407,618
D2. Real Prop Farm & Ranch	8,025,511	N/A	8,025,511	8,025,511
E. Real Prop NonQual Acres	122,710,734	N/A	122,710,734	122,710,734
F1. Commercial Real	61,948,907	N/A	61,948,907	61,948,907
F2. Industrial Real	7,145,750	N/A	7,145,750	7,145,750
G. Oil, Gas, Minerals	4,649,620	N/A	4,649,620	4,649,620
J. Utilities	14,086,630	N/A	14,086,630	14,086,630
L1. Commercial Personal	29,153,931	N/A	29,153,931	29,153,931
L2. Industrial Personal	45,892,885	N/A	45,892,885	45,892,885
M. Other Personal	6,706,685	N/A	6,706,685	6,706,685
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	3,464,440	N/A	3,464,440	3,464,440
S. Special Inventory	1,314,550	N/A	1,314,550	1,314,550
Subtotal	578,547,777		578,547,777	578,547,777
Less Total Deductions	72,209,391		72,209,391	72,209,391
Total Taxable Value	506,338,386		506,338,386	506,338,386 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For

districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
529,977,960	506,338,386	529,977,960	506,338,386	506,338,386	506,338,386

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
23,639,574	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
529,977,960	506,338,386	529,977,960	506,338,386	506,338,386	506,338,386

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

163-904/Hondo ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	205,116,395	N/A	205,116,395	205,116,395
B. Multi-Family Residences	4,350,550	N/A	4,350,550	4,350,550
C1. Vacant Lots	33,573,571	N/A	33,573,571	33,573,571
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real (Taxable)	35,472,048	N/A	35,472,048	35,472,048
D2. Real Prop Farm & Ranch	8,591,481	N/A	8,591,481	8,591,481
E. Real Prop NonQual Acres	125,138,374	N/A	125,138,374	125,138,374
F1. Commercial Real	61,948,907	N/A	61,948,907	61,948,907
F2. Industrial Real	7,145,750	N/A	7,145,750	7,145,750
G. Oil, Gas, Minerals	4,649,620	N/A	4,649,620	4,649,620
J. Utilities	19,432,180	N/A	19,432,180	19,432,180
L1. Commercial Personal	29,153,931	N/A	29,153,931	29,153,931
L2. Industrial Personal	45,892,885	N/A	45,892,885	45,892,885
M. Other Personal	6,858,475	N/A	6,858,475	6,858,475
N. Intangible Pers/Uncert	0	N/A	0	0

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
O. Residential Inventory	3,464,440	N/A	3,464,440	3,464,440
S. Special Inventory	1,314,550	N/A	1,314,550	1,314,550
Subtotal	592,103,157		592,103,157	592,103,157
Less Total Deductions	72,377,987		72,377,987	72,377,987
Total Taxable Value	519,725,170		519,725,170	519,725,170 T2

The taxable values shown here will not match the values reported by your appraisal district
 See the ISD DEDUCTION Report for a breakdown of deduction values



Window on State Government

Susan Combs, Texas Comptroller of Public Accounts

2013 Deduction Detail

082/Frio

163-904/Hondo ISD

Deductions Allowed in PVS	Local Value	PTAD Value	Assigned Value
Homestead - State-Mandated General \$15,000	105,000	105,000	105,000
Homestead - State-Mandated Over-65 or Disabled \$10,000	40,000	40,000	40,000
Homestead - 100% Disabled or Unemployable Veterans	0	0	0
Homestead - Disabled Veterans and Surviving Spouse	0	0	0
Homestead - Over-65 or Disabled Freeze Loss	23,596	23,596	23,596
Homestead - 10% Appraisal Cap Loss	0	0	0
Freeport	0	0	0
Pollution Control	0	0	0
Difference Between Market and Limited Value for Chapter 313 Value Limitation Agreements	0	0	0
Tax Increment Financing	0	0	0
Low Income Housing, Counties Under 1.8 Million Pop	0	0	0
Solar and Wind-Powered	0	0	0
Deferred Taxes	0	0	0
Prorations	0	0	0
Total Deductions Allowed in PVS	168,596	168,596	168,596

163/Medina**163-904/Hondo ISD**

Deductions Allowed in PVS	Local Value	PTAD Value	Assigned Value
Homestead - State-Mandated General \$15,000	36,009,574	36,009,574	36,009,574
Homestead - State-Mandated Over-65 or Disabled \$10,000	9,433,764	9,433,764	9,433,764
Homestead - 100% Disabled or Unemployable Veterans	2,645,221	2,645,221	2,645,221
Homestead - Disabled Veterans and Surviving Spouse	1,122,750	1,122,750	1,122,750
Homestead - Over-65 or Disabled Freeze Loss	20,584,791	20,584,791	20,584,791
Homestead - 10% Appraisal Cap Loss	2,410,853	2,410,853	2,410,853
Freeport	0	0	0
Pollution Control	0	0	0
Difference Between Market and Limited Value for Chapter 313 Value Limitation Agreements	0	0	0
Tax Increment Financing	0	0	0
Low Income Housing, Counties Under 1.8 Million Pop	0	0	0
Solar and Wind-Powered	0	0	0
Deferred Taxes	0	0	0
Prorations	2,438	2,438	2,438
Total Deductions Allowed in PVS	72,209,391	72,209,391	72,209,391

163-904/Hondo ISD

Deductions Allowed in PVS	Local Value	PTAD Value	Assigned Value
Homestead - State-Mandated General \$15,000	36,114,574	36,114,574	36,114,574
Homestead - State-Mandated Over-65 or Disabled \$10,000	9,473,764	9,473,764	9,473,764
Homestead - 100% Disabled or Unemployable Veterans	2,645,221	2,645,221	2,645,221

Deductions Allowed in PVS	Local Value	PTAD Value	Assigned Value
Homestead - Disabled Veterans and Surviving Spouse	1,122,750	1,122,750	1,122,750
Homestead - Over-65 Freeze Loss	20,608,387	20,608,387	20,608,387
Homestead - 10% Appraisal Cap Loss	2,410,853	2,410,853	2,410,853
Freeport	0	0	0
Pollution Control	0	0	0
Difference Between Market and Limited Value for Chapter 313 Value Limitation Agreements	0	0	0
Tax Increment Financing	0	0	0
Low Income Housing, Counties Under 1.8 Million Pop	0	0	0
Solar and Wind-Powered	0	0	0
Deferred Taxes	0	0	0
Prorations	2,438	2,438	2,438
Total Deductions Allowed in PVS	72,377,987	72,377,987	72,377,987



**PRITCHARD & ABBOTT, INC.
VALUATION CONSULTANTS**

**THE APPRAISAL OF
MINERAL, INDUSTRIAL, UTILITY, PERSONAL PROPERTY
AND
RESIDENTIAL REAL ESTATE
AS PER
UNIFORM STANDARDS OF
PROFESSIONAL APPRAISAL PRACTICE
(USPAP)**

January 1, 2014

Includes, in part, the Written Mass Appraisal Report and Certification as promulgated by USPAP Standards Rule 6-8 and Rule 6-9. This report was assembled in part with direct reference to the 2014-2015 Edition of USPAP as published by the Appraisal Standards Board of The Appraisal Foundation, authorized by United States Congress as the Source of Appraisal Standards and Appraiser Qualifications.

This report is intended to satisfy the requirements of S.B. 841, enacted by Acts 1997, 75th Leg., ch. 1039, § 22, effective January 1, 1998; amended by Acts 1999, 76th Leg., ch. 1295 (S.B. 1641), § 1, effective January 1, 2000, when performing mass appraisals for ad valorem (property) tax purposes. This is a work product of Pritchard & Abbott, Inc., Valuation Consultants (P&A), developed on behalf of, and for exclusive use by, P&A's valuation clients. Written permission must be obtained before reproduction of these contents or distribution to outside parties.

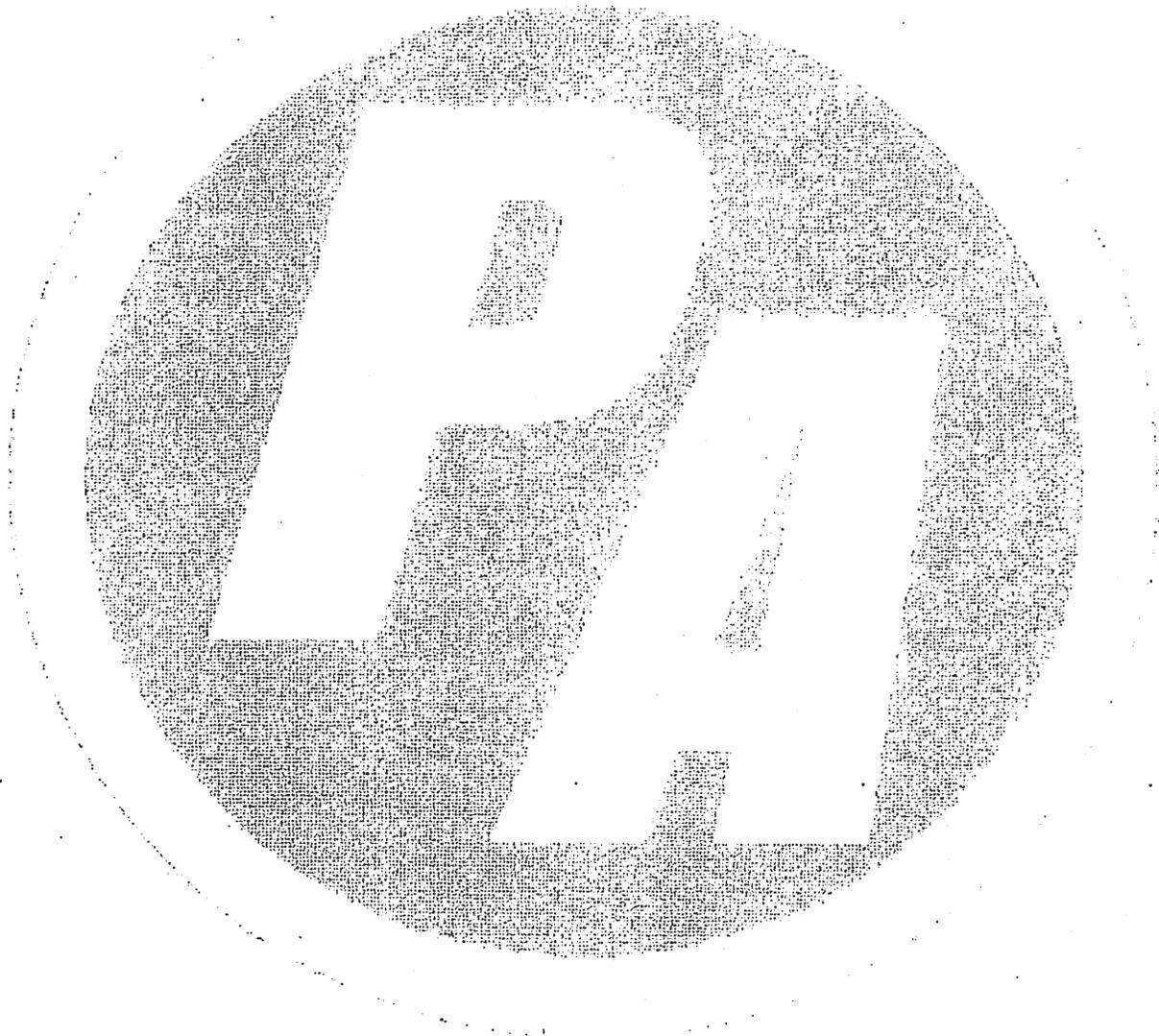


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**POLICY STATEMENT OF PRITCHARD & ABBOTT, INC., ON THE
UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE**

Pritchard & Abbott, Inc., (P&A), a privately held company engaged primarily, but not wholly, in the ad valorem tax valuation industry endorses Uniform Standards of Professional Appraisal Practice (USPAP) as the basis for the production of sound appraisals. Insofar as the statutory requirement to appraise groups (or a “universe”) of real and personal property within an established period of time using standardized procedures—and subjecting the resulting appraisals to statistical measures—is the definition of mass appraisal, P&A subscribes to USPAP Standard 6 (Mass Appraisal, Development and Reporting) whenever applicable in the development and defense of values. When circumstances clearly dictate the use of single property appraisal procedures, P&A adheres to the spirit and intent of the remaining USPAP Standards within all appropriate, practical, and/or contractual limitations or specifications.

The USPAP definition of “appraiser” is one who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective. USPAP Advisory Opinion 21 states that this expectation (by clients and intended users of appraisal reports) is the basis that creates an ethical obligation to comply with USPAP, even if not legally required.

The majority of property types that P&A typically appraises for ad valorem tax purposes are categorized as unique, complex, and or “special purpose” properties (mineral interests, industrial, utility, and related personal property). These categories of properties do not normally provide sufficient market data of reliable quality and/or quantity to support the rigorous use of all USPAP-prescribed mass appraisal mandates (Standard 6), particularly with regards to some, but not all, of the *model calibration* and *statistical performance testing* confines. However, P&A does employ elements of mass appraisal techniques with regards to the definition and identification of property characteristics and model specification and application.

Residential real estate property appraisers most frequently apply mass appraisal methods within the sales comparison (market) approach to value. Through the use of standardized data collection (i.e., actual market sales), specification and calibration of mass appraisal models, tables, and schedules are possible. Through ratio study analysis and other performance measures, a cumulative summary of valuation accuracy can thus be produced in order to calibrate the appraisal model(s). Where sufficient data of reliable quality exists, mass appraisal is also used for other types of real estate property such as farms, vacant lots, and some commercial uses (e.g., apartments, offices, and small retail).

P&A will clearly state or otherwise make known all extraordinary assumptions, limiting conditions, hypothetical assumptions, and/or jurisdictional exceptions in its appraisals as they are conveyed to our clients. The client and all intended users should be aware the appraisals are by definition “limited” versus “complete.” In addition, all appraisal reports, unless otherwise contracted for by the client, will be of a “summary” nature vs. “self-contained” (a previous USPAP version term) whereas explanations of appraisal methods and results are more concise versus lengthy in order to promote brevity, clarity, and transparency. *The use of “limited” appraisals in conjunction with “summary” reports in no way implies non-compliance with USPAP.* P&A believes, with its vast experience and expertise in these areas of appraisal, that all values rendered are credible, competent, uniform and consistent; and most importantly for ad valorem tax purposes, achieved in a cost-efficient and timely manner.

Per previous ASB comments under Standard 6-2(b) [*scope of work... special limiting conditions*]:

“Although appraisers in ad valorem taxation should not be held accountable for limitations beyond their control, they are required by this specific requirement to identify cost constraints and to take appropriate steps to secure sufficient funding to produce appraisals that comply with these standards. Expenditure levels for assessment administration are a function of a number of factors. Fiscal constraints may impact data completeness and accuracy, valuation methods, and valuation accuracy. Although appraisers should seek adequate funding and disclose the impact of fiscal constraints on the mass appraisal process, they are not responsible for constraints beyond their control.”

In any event, however, it is not P&A’s intent to allow constraints, fiscal or otherwise, to limit the scope of work to such a degree that the mass appraisal results provided to our clients are not credible within the context of the intended use(s) of the appraisal.

DEFINITIONS

For the purpose of *Uniform Standards of Professional Appraisal Practice*, the following definitions apply:

APPRAISAL: (noun) an estimate of value; the act or process of estimating value; (adjective) of or pertaining to appraising and related functions, e.g. appraisal practice, appraisal services.

Comment: An appraisal must be numerically expressed as a specific amount, as a range of numbers, or as a relationship (e.g., not more than, not less than) to a previous value opinion or numerical benchmark (e.g., assessed value, collateral value).

APPRAISAL CONSULTING: the act or process of developing an analysis, recommendation, or opinion to solve a problem, where an opinion of value is a component of the analysis leading to the assignment results.

Comment: An appraisal consulting assignment involves an opinion of value but does not have an appraisal or an appraisal review as its primary purpose.

APPRAISAL PRACTICE: valuation services performed by an individual acting as an appraiser, including but not limited to appraisal, appraisal review, or appraisal consulting.

Comment: Appraisal practice is provided only by appraisers, while valuation services are provided by a variety of professionals and others. The terms appraisal, appraisal review, and appraisal consulting are intentionally generic and are not mutually exclusive.

APPRAISAL REVIEW: the act or process of developing and communicating an opinion about the quality of another appraiser's work.

Comment: The subject of an appraisal review assignment may be all or part of an appraisal report, workfile, or a combination of these.

APPRAISER: one who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective.

Comment: Such expectation occurs when individuals, either by choice or by requirement placed upon them or upon the service they provide by law, regulation, or agreement with the client or intended users, represent that they comply.

APPRAISER'S PEERS: other appraisers who have expertise and competency in a similar type of assignment.

ASSIGNMENT: 1) an agreement between an appraiser and a client to provide a valuation service; 2) the valuation service that is provided as a consequence of such an agreement.

ASSIGNMENT RESULTS: an appraiser's opinions or conclusions developed specific to an assignment.

Comment: Assignment results include an appraiser's: a) opinions or conclusions developed in an appraisal assignment, not limited to value; b) opinions or conclusions developed in an appraisal review assignment, not limited to an opinion about the quality of another appraiser's work; or c) opinions or conclusions developed when performing a valuation service other than an appraisal or appraisal review assignment.

ASSUMPTION: that which is taken to be true.

BIAS: a preference or inclination used in the development or communication of an appraisal, appraisal review, or appraisal consulting assignment that precludes an appraiser's impartiality.

BUSINESS ENTERPRISE: an entity pursuing an economic activity.

BUSINESS EQUITY: the interests, benefits, and rights inherent in the ownership of a business enterprise or a part thereof in any form (including but not limited to capital stock, partnership interests co-operatives, sole proprietorships, options, and warrants).

CLIENT: the party or parties who engage, by employment or contract, an appraiser in a specific assignment.

Comment: The client may be an individual, group, or entity, and may engage and communicate with the appraiser directly or through an agent.

CONFIDENTIAL INFORMATION: information that is either: (a) identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or (b) classified as confidential or private by applicable law or regulation.*

*Notice: For example, pursuant to the passage of the Gramm-Leach-Bliley Act in November 1999, some public agencies have adopted privacy regulations that affect appraisers. As a result, the Federal Trade Commission issued a rule focused on the protection of "non-public personal information" provided by consumers to those involved in financial activities "found to be closely related to banking or usual in connection with the transaction of banking." These activities have been deemed to include "appraising real or personal property." (Quotations are from the Federal Trade Commission, Privacy of Consumer Financial Information; Final Rule, 16 CFR Part 313.)

COST: the amount required to create, produce, or obtain a property.

Comment: Cost is either a fact or an estimate of fact.

CREDIBLE: worthy of belief.

Comment: Credible assignment results require support, by relevant evidence and logic, to the degree necessary for the intended use.

EXPOSURE TIME: estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.

EXTRAORDINARY ASSUMPTION: an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

FEASIBILITY ANALYSIS: a study of the cost-benefit relationship of an economic endeavor.

HYPOTHETICAL CONDITION: a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the appraisal results, but is used for the purpose of analysis.

Comment: Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis.

INTANGIBLE PROPERTY (INTANGIBLE ASSETS): non-physical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, mineral rights, securities, and contracts, as distinguished from physical assets such as facilities and equipment.

INTENDED USE: the use or uses of an appraiser's reported appraisal, consulting, or review assignment opinions and conclusions, as identified by the appraiser.

INTENDED USER: the client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client as the time of the assignment.

JURISDICTIONAL EXCEPTION: an assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP.

MARKET VALUE: a type of value, stated as an opinion, that presumes the transfer of a property (a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.

Comment: The conditions included in market value definitions establish market perspectives for development of the opinion. These conditions may vary from definition to definition by generally fall into three categories: 1) the relationship, knowledge, and motivation of the parties (i.e., sellers and buyers); 2) the terms of sale (e.g., cash, cash equivalent, or other terms); and 3) the conditions of sale (e.g., exposure in a competitive market for a reasonable time prior to sale).

Appraisers are cautioned to identify the exact definition of market value, and its authority, applicable in each appraisal completed for the purpose of market value.

MASS APPRAISAL: the process of valuing a universe of properties as of a given date utilizing standard methodology, employing common data, and allowing for statistical testing.

MASS APPRAISAL MODEL: a mathematical expression, tool, or formula that describes how supply and demand factors interact in a market.

PERSONAL PROPERTY: identifiable portable and tangible objects, which are considered by the general public as being "personal" - for example, furnishings, artwork, antiques, gems, collectibles, machinery, equipment; all property not classified as real estate.

PRICE: the amount asked, offered, or paid for a property.

Comment: Once stated, price is a fact, whether it is publicly disclosed or retained in private. Because of the financial capabilities, motivations, or special interests of a given buyer or seller, the price paid for a property may or may not have any relation to the value that might be ascribed to that property by others.

REAL ESTATE: an identified parcel or tract of land, including improvements, if any.

REAL PROPERTY: the interests, benefits, and rights inherent in the ownership of real estate.

Comment: In some jurisdictions, the terms real estate and real property have the same legal meaning. The separate definitions recognize the traditional distinction between the two concepts in appraisal theory.

REPORT: any communication, written or oral, of an appraisal, appraisal review, or appraisal consulting assignment that is transmitted upon completion of an assignment.

Comment: Most reports are written and most clients mandate written reports. Oral report requirements (see the record Keeping Rule) are included to cover court testimony and other oral communications of an appraisal, appraisal review, or appraisal consulting service.

SCOPE OF WORK: the type and extent of research and analysis in an appraisal or appraisal review assignment.

SIGNATURE: personalized evidence indicating authentication of the work performed by the appraiser and the acceptance of the responsibility for content, analyses, and the conclusions in the report.

VALUATION SERVICES: services pertaining to aspects of property value.

Comment: Valuation services pertain to all aspects of property value and can be performed by appraisers and by others.

VALUE: the monetary relationship between properties and those who buy, sell, or use those properties.

Comment: Value expresses an economic concept. As such, it is never a fact but always an opinion of the worth of a property at a given time in accordance with a specific definition of value. In appraisal practice, value must always be qualified - for example, market value, liquidation value, or investment value.

WORKFILE: documentation necessary to support an appraiser's analysis, opinions, and conclusions.

PREAMBLE

The purpose of USPAP is to establish requirements and conditions for ethical, thorough, and transparent property valuation services. Valuation services pertain to all aspects of property value and include services performed by appraisers and other professionals including attorneys, accountants, insurance estimators, auctioneers, or brokers. Valuation services include appraisal, appraisal review, and appraisal consulting. The primary intent of these Standards is to promote and maintain a high level of public trust in professional appraisal practice.

It is essential that professional appraisers develop and communicate their analyses, opinions, and conclusions to intended users of their services in a manner that is meaningful and not misleading. The importance of the role of the appraiser places ethical obligations upon those who serve in this capacity. These USPAP Standards reflect the current standards of the appraisal profession.

These Standards are for both appraisers and users of appraisal services. To maintain a high level of professional practice, appraisers observe these Standards. However, these Standards do not in themselves establish which individuals or assignments must comply. The Appraisal Foundation nor its Appraisal Standards Board is not a government entity with the power to make, judge, or enforce law. Compliance with USPAP is only required when either the service or the appraiser is obligated to comply by law or regulation, or by agreement with the client or intended users. When not obligated, individuals may still choose to comply.

USPAP addresses the ethical and performance obligations of appraisers through DEFINITIONS, Rules, Standards, Standards Rules, and Statements. USPAP Standards deal with the procedures to be followed in performing an appraisal or appraisal review and the manner in which each is communicated. A brief description of the USPAP Standards are as follows:

- **Standards Rules 1 and 2**: establish requirements for the development and communication of a real property appraisal.
- **Standards Rule 3**: establishes requirements for the development and communication of an appraisal review.
- **Standards Rules 4 and 5**: retired in 2014.
- **Standards Rule 6**: establishes requirements for the development and communication of a mass appraisal.
- **Standards Rules 7 and 8**: establish requirements for the development and communication of a personal property appraisal.
- **Standards Rules 9 and 10**: establish requirements for the development and communication of a business or intangible asset appraisal.

Section 23.01(b) [*Appraisals Generally*] of the Texas Property Tax Code states:

"The market value of property shall be determined by the application of generally accepted appraisal methods and techniques. If the Appraisal District determines the appraised value of a property using mass appraisal standards, the mass appraisal standards must comply with the Uniform Standards of Professional Appraisal Practice...." (underline added for emphasis)

Consequently, USPAP Standards Rule 6 is assumed to be the applicable standard for ad valorem tax purposes in Texas, if mass appraisal practices are in fact being used to appraise the subject property. USPAP Advisory Opinion 32 suggests several USPAP standards other than Standard 6 can or should apply in ad valorem tax work. However, it appears that an appraiser engaged in ad valorem tax work in Texas is not specifically required by law to follow these USPAP standards if in fact mass appraisal practices have not been used to appraise the subject property. In this case it could be deemed appropriate to invoke the Jurisdictional Exception Rule which is applicable when there is a contradiction between the requirements of USPAP and the law or regulation of a jurisdiction. Please see the P&A Policy Statement on USPAP as provided elsewhere in this report for a more detailed discussion regarding this matter.

ETHICS RULE

Because of the fiduciary responsibilities inherent in professional appraisal practice, the appraiser must observe the highest standards of professional ethics. This Ethics Rule is divided into three sections:

- Conduct;
- Management;
- Confidentiality.

This Rule emphasizes the personal obligations and responsibilities of the individual appraiser. However, it should be noted that groups and organizations *which are comprised of individual appraisers engaged in appraisal practice* effectively share the same ethical obligations. To the extent the group or organization does not follow USPAP Standards when legally required, individual appraisers should take steps that are appropriate under the circumstances to ensure compliance with USPAP.

Compliance with these Standards is required when either the service or the appraiser is obligated by law or regulation, or by agreement with the client or intended users, to comply. Compliance is also required when an individual, by choice, represents that he or she is performing the service as an appraiser.

An appraiser must not misrepresent his or her role when providing valuation services that are outside of appraisal practice.

Honesty, impartiality, and professional competency are required of all appraisers under USPAP Standards. To document recognition and acceptance of his or her USPAP-related responsibilities in communicating an appraisal, appraisal review, or appraisal consulting assignment completed under USPAP, an appraiser is required to certify compliance with these Standards.

CONDUCT

An appraiser must perform assignments with impartiality, objectivity, and independence, and without accommodation of personal interests.

An appraiser must perform ethically and competently in accordance with USPAP and not engage in conduct that is unlawful, unethical, or improper. An appraiser who could reasonably be perceived to act as a disinterested third party in rendering an unbiased appraisal, review, or consulting service must perform assignments with impartiality, objectivity, and independence and without accommodation of personal interests; in short, the appraiser must not perform an assignment with bias.

An appraiser must not advocate the cause or interest of any party or issue, or accept an assignment that includes the reporting of predetermined opinions and conclusions.

An appraiser must not misrepresent his or her role when providing valuation services that are outside of appraisal practice, must not engage in criminal conduct, and must not perform an appraisal assignment in a grossly negligent manner.

An appraiser is required to avoid any action that could be considered misleading or fraudulent. In particular, it is unethical for an appraiser to use or communicate a misleading or fraudulent report or to knowingly permit an employee or other person to communicate a misleading or fraudulent report.

An appraiser must not use or rely on unsupported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value.

If known prior to accepting an assignment, and/or if discovered at any time during the assignment, an appraiser must disclose to the client, and in each subsequent report certification:

- any current or prospective interest in the subject property or parties involved; and
- any services regarding the subject property performed by the appraiser within the three year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity.

The appraiser can agree with the client to keep the mere occurrence of a prior appraisal assignment confidential. If an appraiser has agreed with the client not to disclose that he or she has appraised a property, the appraiser must decline all subsequent assignment that fall within the three year period. In assignments in which there is no report, only the initial disclosure to the client is required.

Presumably all parties in an ad valorem tax appraisal will be aware of the ongoing yearly nature of the appraisal assignments performed by valuation consulting firms like Pritchard & Abbott, Inc.—i.e., it will not be confidential— so that this particular conduct instruction is more or less a moot point (regarding the three year period discussed) if the prior service is in fact the ad valorem tax appraisals performed in previous tax years.

MANAGEMENT

The payment of a fee, commission, or a thing of value by the appraiser in connection with the procurement of an assignment must be disclosed. This disclosure must appear in the certification and in any transmittal letter in which conclusions of value are stated; however, the disclosure of the amount paid is not required. Intra-company payments to employees of groups or organizations involved in appraisal practice for business development do not require disclosure.

It is unethical for an appraiser to accept compensation for performing an assignment when it is contingent upon the reporting of a predetermined result, a direction in assignment results that favors the cause of the client, the amount of a value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the appraiser's opinions and specific to the assignment's purpose.

Advertising for or soliciting assignments in a manner that is false, misleading, or exaggerated is unethical. Decisions regarding finder or referral fees, contingent compensation, and advertising may not be the responsibility of an individual appraiser, but for a particular assignment it is the responsibility of the individual appraiser to ascertain that there has been no breach of ethics, that the assignment consulting assignment has been prepared in accordance with USPAP Standards, and that the report can be properly certified when required by USPAP Standards Rules 2-3, 3-3, 5-3, 6-9, 8-3, or 10-3.

An appraiser must affix, or authorize the use of, his or her signature to certify recognition and acceptance of his or her USPAP responsibilities in an appraisal, appraisal review, or appraisal consulting assignment. An appraiser may authorize the use of his or her signature only on an assignment-by-assignment basis.

In addition, an appraiser must not affix the signature of another appraiser without his or her consent. An appraiser must exercise due care to prevent unauthorized use of his or her signature. However, an appraiser exercising such care is not responsible for unauthorized use of his or her signature.

CONFIDENTIALITY

An appraiser must protect the confidential nature of the appraiser-property owner relationship.

An appraiser must act in good faith with regard to the legitimate interests of the client in the use of confidential information and in the communication of assignment results.

An appraiser must be aware of, and comply with, all confidentiality and privacy laws and regulations applicable in an assignment.

An appraiser must not disclose confidential factual data obtained from a property owner to anyone other than:

1. The client;

2. Persons specifically authorized by the client;
3. State appraiser regulatory agencies;
4. Third parties as may be authorized by due process of law; or
5. A duly authorized professional peer review committee except when such disclosure to a committee would violate applicable law or regulation.

It is unethical for a member of a duly authorized professional peer review committee to disclose confidential information presented to the committee.

When all confidential elements of confidential information are removed through redaction or the process of aggregation, client authorization is not required for the disclosure of the remaining information, as modified.

Part 1

RECORD KEEPING RULE

An appraiser must prepare a workfile for each appraisal, appraisal review, and consulting assignment. The workfile must include the identity, by name and type, of any intended users; true copies of any written reports, summaries of any oral reports or testimony, and all other data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with this rule and all other applicable USPAP Standards.

A workfile preserves evidence of the appraiser's consideration of all applicable data and statements required by USPAP and other information as may be required to support the findings and conclusions of the appraiser.

A photocopy or an electronic copy of the entire actual written appraisal, review, or consulting report sent or delivered to a property owner or review committee satisfies the requirements of a true copy. Care should be exercised in the selection of the form, style, and type of medium for written records, which may be handwritten and informal, to ensure they are retrievable by the appraiser throughout the applicable retention period.

A workfile must be in existence prior to and contemporaneous with the issuance of a written or oral report. A written summary of an oral report must be added to the workfile within a reasonable time after the issuance of the oral report.

A workfile must be made available by the appraiser when required by due process of law. An appraiser must have custody of his or her workfile, or make appropriate workfile retention, access, and retrieval arrangements with the party having custody of the workfile. An appraiser having custody of a workfile must allow other appraisers with workfile obligations related to an assignment appropriate access and retrieval for the purpose of:

- submission to state appraiser regulatory agencies;
- compliance with due process of law;
- submission to a duly authorized professional peer review committee; or
- compliance with retrieval arrangements.

An appraiser who willfully or knowingly fails to comply with the obligations of this Record Keeping Rule is in violation of the Ethics Rule.

COMPETENCY RULE

An appraiser must: (1) be competent to perform the assignment; (2) acquire the necessary competency to perform the assignment; or (3) decline or withdraw from the assignment. In all cases, the appraiser must perform competently when completing the assignment.

BEING COMPETENT

The appraiser must determine, prior to accepting an assignment, that he or she can perform the assignment competently. Competency requires:

- the ability to properly identify the problem to be addressed;
- the knowledge and experience to complete the assignment competently; and
- the recognition and compliance with all laws and regulations that apply to the appraiser or the assignment.

Competency applies to factors such as, but not limited to, an appraiser's familiarity with a specific type of property, a market, a geographic area, or an analytical method. The background and experience of appraisers varies widely, and a lack of knowledge or experience can lead to inaccurate or inappropriate appraisal practice. The Competency Rule requires an appraiser to have both the knowledge and the experience required to perform a specific appraisal service competently. If an appraiser has been deemed to not have the required competency, the following steps must be taken in acquiring competency in order for that appraiser to perform the assignment under USPAP requirements.

For assignments with retrospective opinions and conclusions (which are allowed under certain prescribed circumstances in property tax work), the appraiser must meet the requirements of this Competency Rule at the time of the assignment, rather than the effective date of the appraisal.

ACQUIRING COMPETENCY

If an appraiser determines he or she is not competent prior to accepting an assignment, the appraiser must:

- disclose the lack of knowledge and/or experience to the client before accepting the assignment;
- take all steps necessary or appropriate to complete the assignment competently; and
- describe, in the report, the lack of knowledge and/or experience and the steps taken to complete the assignment competently.

Competency can be acquired in various ways, including, but not limited to, personal study by the appraiser, association with an appraiser reasonably believed to have the necessary knowledge and/or experience, or retention of others who possess the necessary knowledge and/or experience.

In an assignment where geographic competency is required (certainly useful if not outright necessary in property tax appraisal assignments), an appraiser who is not familiar with the relevant market characteristics must acquire an understanding necessary to produce credible assignment results for the specific property type and market involved. Pritchard & Abbott, Inc., takes great pride in assigning and retaining appraisers who gain and then employ local knowledge and geographic competency in their appraisal assignments.

When an appraiser determines in the course of the assignment that he or she lacks the required knowledge and/or experience to complete the assignment competently, the appraiser must:

- notify the client;
- take all steps necessary or appropriate under the circumstances to complete the assignment competently; and
- describe, in the report, the lack of knowledge and/or experience and the steps taken to complete the assignment competently.

LACK OF COMPETENCY

If the appraiser cannot complete the assignment competently, the appraiser must decline or withdraw from the assignment.

SCOPE OF WORK RULE

For each appraisal, appraisal review, and appraisal consulting assignment, an appraiser must:

1. Identify the problem to be solved;
2. Determine and perform the scope of work necessary to develop credible assignment results; and
3. Disclose the scope of work in the report.

An appraiser must properly identify the problem to be solved in order to determine the appropriate scope of work. The appraiser must be prepared to demonstrate that the scope of work is sufficient to produce credible assignment results.

Scope of work includes, but is not limited to:

- the extent to which the property is identified;
- the extent to which tangible property is inspected;
- the type and extent of data researched; and
- the type and extent of analyses applied to arrive at opinions or conclusions.

Appraisers have broad flexibility and significant responsibility in determining the appropriate scope of work for an appraisal, appraisal review, and appraisal consulting assignment. Credible assignment results require support by relevant evidence and logic. The credibility of assignment results is always measured in the context of the intended use.

PROBLEM IDENTIFICATION

An appraiser must gather and analyze information about those assignment elements that are necessary to properly identify the appraisal, appraisal review or appraisal consulting problem to be solved. The assignment elements necessary for problem identification are addressed in the Standards Rule 6-2:

- client and any other intended users;
- intended use of the appraiser's opinions and conclusions;
- type and definition of value;
- effective date of the appraiser's opinions and conclusions;
- subject of the assignment and its relevant characteristics; and
- assignment conditions.

This information provides the appraiser with the basis for determining the type and extent of research and analyses to include in the development of an appraisal. Similar information is necessary for problem identification in appraisal review and appraisal consulting assignments. Assignment conditions include:

- assumptions;
- extraordinary assumptions;
- hypothetical conditions;
- laws and regulations;
- jurisdictional exceptions; and
- other conditions that affect the scope of work.

SCOPE OF WORK ACCEPTABILITY

The scope of work must include the research and analyses that are necessary to develop credible assignment results. The scope of work is acceptable when it meets or exceeds:

- the expectations of parties who are regularly intended users for similar assignments; and

- what an appraiser's peers' actions would be in performing the same or a similar assignment.

Determining the scope of work is an ongoing process in an assignment. Information or conditions discovered during the course of an assignment might cause the appraiser to reconsider the scope of work. An appraiser must be prepared to support the decision to exclude any investigation, information, method, or technique that would appear relevant to the client, another intended user, or the appraiser's peers.

An appraiser must not allow assignment conditions to limit the scope of work to such a degree that the assignment results are not credible in the context of the intended use. In addition, the appraiser must not allow the intended use of an assignment or a client's objectives to cause the assignment results to be biased.

DISCLOSURE OBLIGATIONS

The report must contain sufficient information to allow intended users to understand the scope of work performed. Proper disclosure is required because clients and other intended users may rely on the assignment results. Sufficient information includes disclosure of research and analyses performed or not performed.

JURISDICTIONAL EXCEPTION RULE

If any applicable law or regulation precludes compliance with any part of USPAP, only that part of USPAP becomes void for that assignment. When compliance with USPAP is required by federal law or regulation, no part of USPAP can be voided by a law or regulation of a state or local jurisdiction. *When an appraiser properly follows this Rule in disregarding a part of USPAP, there is no violation of USPAP.*

In an assignment involving a jurisdictional exception, an appraiser must:

- identify the law or regulation that precludes compliance with USPAP;
- comply with that law or regulation;
- clearly and conspicuously disclose in the report the part of USPAP that is voided by that law or regulation; and
- cite in the report the law or regulation requiring this exception to USPAP compliance.

The purpose of the Jurisdictional Exception Rule is strictly limited to providing a saving or severability clause intended to preserve the balance of USPAP if one or more of its parts are determined as contrary to law or public policy of a jurisdiction. By logical extension, there can be no violation of USPAP by an appraiser who disregards, with proper disclosure, only the part or parts of USPAP that are void and of no force and effect in a particular assignment by operation of legal authority.

It is misleading for an appraiser to disregard a part or parts of USPAP as void and of no force and effect in a particular assignment without identifying the part or parts disregarded and the legal authority justifying this action in the appraiser's report.

"Law" includes constitutions, legislative and court-made law, and administrative rules (such as from the Office of the Texas Comptroller of Public Accounts) and ordinances. "Regulations" include rules or orders having legal force, issued by an administrative agency. Instructions from a client or attorney do not establish a jurisdictional exception.

A jurisdictional exception prevalent in Texas is that appraisers are seeking to establish "fair market value" as defined by the Texas Property Tax Code instead of "market value" as found in the USPAP definitions section.

USPAP STANDARD 6: MASS APPRAISAL, DEVELOPMENT AND REPORTING (General Discussion)

In developing a mass appraisal, an appraiser must be aware of, understand, and correctly employ those recognized methods and techniques necessary to produce and communicate credible mass appraisals.

Standard 6 applies to all mass appraisals of real and personal property regardless of the purpose or use of such appraisals. It is directed toward the substantive aspects of developing and communicating competent analyses, opinions, and conclusions in the mass appraisal of properties, whether real property or personal property. Mass appraisals can be prepared with or without computer assistance. The Jurisdictional Exception Rule may apply to several sections of Standard 6 because ad valorem tax administration is subject to various state, county, and municipal laws. The reporting and jurisdictional exceptions applicable to public mass appraisals prepared for purposes of ad valorem taxation do not apply to mass appraisals prepared for other purposes.

A mass appraisal includes:

- identifying properties to be appraised;
- defining market areas of consistent behavior that applies to properties;
- identifying characteristics (supply and demand) that affect the creation of value in that market area;
- developing a model structure that reflects the relationship among the characteristics affecting value in the market area;
- calibrating the model structure to determine the contribution of the individual characteristics affecting value;
- applying the conclusions reflected in the model to the characteristics of the properties being appraised; and
- reviewing the mass appraisal results.

The Jurisdictional Exception Rule may apply to several sections of Standard 6 because ad valorem tax administration is subject to various state, county, and municipal laws.

As previously stated in the P&A Policy Statement (page 2), it may not be possible or practicable for all the mass appraisal attributes listed above to be rigorously applied to the many types of complex and/or unique properties that P&A typically appraises. Often there are contractual limitations on the scope of work needed or required. More prevalently, these types of properties do not normally provide a reliable database of market transactions (or details of transactions) necessary for statistically supportable calibration of appraisal models and review of appraisal results. Generally these two functions are effectively accomplished through annual extended review meetings with taxpayers (and clients) who provide data, sometimes confidentially, that allows for appraisal models to be adjusted where necessary. Nevertheless, and notwithstanding whether P&A implicitly or explicitly employs or reports all attributes listed above, in all cases P&A at the minimum employs tenants of “generally accepted appraisal methods” which are the genesis of USPAP Standards.

Per USPAP guidelines, P&A will make known all departures and jurisdictional exceptions when invoked (if an appraisal method or specific requirement is applicable but not necessary to attain credible results in a particular assignment).

The various sections of Standard 6 are briefly summarized below:

- **Standard 6-1:** Establishes the appraiser’s technical and ethical framework. Specifically, appraisers must recognize and use established principles, methods and techniques of appraisal in a careful manner while not committing substantial errors of fact or negligence that would materially affect the appraisal results and not give a credible estimate of fair market value. To this end appraisers must continuously improve his or her skills to maintain proficiency and keep abreast of any new developments in the real and personal property appraisal profession. This Standards Rule does not imply that competence requires perfection, as perfection is impossible to attain. Instead, it requires appraisers to employ every reasonable effort with regards to due diligence and due care.

- **Standard 6-2:** Defines the introductory framework requirements of developing a mass appraisal, focusing on the identification and/or definition of: client(s), intended users, effective date, scope of work, extraordinary assumptions, hypothetical conditions, the type and definition of value being developed (typically “fair market value” for ad valorem tax purposes), characteristics of the property being appraised in relation to the type and definition of value and intended use, the characteristics of the property’s market, the property’s real or personal attributes, fractional interest applicability, highest and best use analysis along with other land-related considerations, and any other economic considerations relevant to the property.
- **Standard 6-3:** Defines requirements for developing and specifying appropriate mass appraisal data and elements applicable for real and personal property. For real property, the data and elements include: existing land use regulations, reasonably probable modification of such regulations, economic supply and demand, the physical adaptability of the real estate, neighborhood trends, and highest and best use analysis. For personal property, the relevant data and elements include: identification of industry trends, trade level, highest and best use, and recognition of the appropriate market consistent with the type and definition of value.
- **Standard 6-4:** Further defines requirements for developing mass appraisal models, focusing on development of standardized data collection forms, procedures, and training materials that are used uniformly on the universe of properties under consideration. This rule specifies that appraisers employ recognized techniques for specifying and calibrating mass appraisal models. Model specification is the formal development of a model in a statement or mathematical equation, including all due considerations for physical, functional, and external market factors as they may affect the appraisal. These models must accurately represent the relationship between property value and supply and demand factors, as represented by quantitative and qualitative property characteristics. Models may be specified incorporating the income, market, and/or cost approaches to value and may be tabular, mathematical, linear, nonlinear, or any other structure suitable for representing the observable property characteristics. Model calibration refers to the process of analyzing sets of property and market data to determine the specific parameters of a model.
- **Standard 6-5:** Defines requirements for collection of sufficient factual data, in both qualitative and quantitative terms, necessary to produce credible appraisal results. The property characteristics collected must be contemporaneous with the effective date of the appraisal. The data collection program should incorporate a quality control procedure, including checks and audits of the data to ensure current and consistent records. This rule also calls for calls for an appraiser, in developing income and expense statement and cashflow projections, to weigh historical information and trends, current market factors affecting such trends, and reasonably anticipated events, such as competition from developments either planned or under construction. Terms and conditions of any leases should be analyzed, as well as the need for and extent of any physical inspection of the properties being appraised.
- **Standard 6-6:** Defines requirements for application of a calibrated model to the property being appraised. This rule calls for: the appraiser to recognize methods or techniques based on the cost, market, and income approaches for improved parcels; the appraiser the value sites by recognized methods or techniques such as allocation method, abstraction method, capitalization of ground rent, and land residual; the appraiser to develop value of leased fee or leasehold estates with consideration for terms and conditions of existing leases, and, when applicable by law, as if held in fee simple whereas market rents are substituted for actual contract rents; the appraiser to analyze the effect on value, if any, of the assemblage of the various parcels, divided interests, or component parts of a property; the appraiser to analyze anticipated public or private improvements located on or off the site, and analyze the effect on value, if any, of such anticipated improvements to the extent they are reflected in market actions.
- **Standard 6-7:** Defines the reconciliation process of a mass appraisal. Specifically, appraisers must analyze the results and/or applicability of the various approaches used while ensuring that, on an overall basis, standards of reasonableness and accuracy are maintained with the appraisal model selected (underline added for emphasis). It is implicit in mass appraisal that, even when properly specified and calibrated models are used, some individual value conclusions will not meet standards of reasonableness, consistency, and accuracy.

- **Standard 6-8:** Defines requirements of a mass appraisal written report (elements of which are further detailed in the next three sections of this report that discuss P&A appraisal procedures with regards to specific categories of property).
- **Standard 6-9:** Defines requirements for appraiser certification of the mass appraisal written report.

The following sections of this report discuss in detail the various elements of the mass appraisal written report as required by USPAP Standard 6-8, with regards to P&A appraisal of Mineral Interests, Industrial-Utility-Personal Property, and Real Estate.

USPAP STANDARDS RULE 6-8: MASS APPRAISAL OF MINERAL INTERESTS

Note: This section, in conjunction with any attached or separately provided P&A-generated appraisal reports specific to the subject property or properties, constitutes the "mass appraisal written report" as required by USPAP Standards Rule 6-8. USPAP Standards Rule 6-9 (certification) can be found at the end of this report. USPAP Standards Rules 6-1 through 6-7 (instructions and explanations regarding the development, application, and reconciliation of mass appraisal values), as they apply to P&A mass appraisal procedures, are discussed below. USPAP DOES NOT DICTATE THE FORM, FORMAT, OR STYLE OF APPRAISAL REPORTS, WHICH ARE FUNCTIONS OF THE NEEDS OF USERS AND PROVIDERS OF APPRAISAL SERVICES. USPAP ALSO DOES NOT MANDATE THAT EACH APPRAISAL REPORT BE LENGTHY AND FULL OF DISCLAIMERS. Readers should note that all P&A reports, unless stated otherwise, are of a "summary" nature whereas additional documentation and detail may be available per certain Texas Property Tax Code provisions.

INTRODUCTION

Definition of Appraisal Responsibility (Scope of Effort): The Mineral Valuation Department of Pritchard & Abbott, Inc. ("P&A" hereinafter), is responsible for developing credible values for mineral interests (full or fractional percentage ownership of oil and gas leasehold interest, the amount and type of which are legally and/or contractually created and specified through deeds and leases, etal.) associated with producing (or capable of producing) leases. Mineral interests are typically considered real property because of their derivation from the bundle of rights associated with original fee simple ownership of land. Typically all the mineral interests that apply to a single producing lease are consolidated by type (working vs. royalty) with each type then appraised for full value which is then distributed to the various fractional decimal interest owners prorata to their individual type and percentage amount.

P&A's typical client is a governmental entity charged with appraisal responsibility for ad valorem tax purposes, although other types of clients (private businesses, individuals, etc.) occasionally contract for appraisal services which are strictly for various non-ad valorem tax purposes so that no conflicts of interest are created with P&A's core ad valorem tax work.

Intended users of our reports are typically the client(s) for which we are under direct contract and taxpayers or their agents who own and/or represent the subject property being appraised. Potential other users include parties involved in adjudication of valuation disputes (review board members, lawyers, judges, etc.), governmental agencies which periodically review our appraisals for various statutory purposes (such as the Texas Comptroller's Office) and private parties who may obtain copies of our appraisals through Open Records Requests made to governmental agencies.

This section of P&A's USPAP report is not applicable to any mineral or mineral interest property that an appraisal district appraises outside of P&A's appraisal services, in which case the appraisal district's overall USPAP report should be referenced.

P&A makes the **Extraordinary Assumption** that all properties appraised for ad valorem tax purposes are marketable whereas ownership and title to property are free of encumbrances and other restrictions that would affect fair market value to an extent not obvious to the general marketplace. If and/or when we are made aware of any encumbrances, etc., these would be taken into account in our appraisal in which case the extraordinary assumption stated above would be revoked.

P&A is typically under contract to determine current market value or "fair market value" of said mineral interests. Fair market value is typically described as the price at which a property would sell for if:

- exposed in the open market with a reasonable time for the seller to find a purchaser;
- both the buyer and seller know of all the uses and purposes to which the property is, or can be, adapted and of the enforceable restrictions on its use; and

- both the buyer and seller seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other. [Exigencies are pressing or urgent conditions that leave one party at a disadvantage to the other.]

For ad valorem tax purposes the effective date is usually legislatively specified by the particular State in which we are working - for example, in Texas the lien date is January 1 per the Texas Property Tax Code. For ad valorem tax purposes, the date of the appraisals and reports are typically several months past the effective date, thereby leaving open the possibility that a retrospective approach is appropriate under limited and prescribed circumstances (information after the effective date being applicable only if it confirms a trend or other appraisal condition that existed and was generally known as of the effective date).

P&A believes this section of this report, in conjunction with any attached or separately provided P&A-generated report(s), meets the USPAP definition of "typical practice"; i.e., it satisfies a level of work that is consistent with:

- the expectations of participants in the market for the same or similar appraisal services; and
- what P&A's peers' actions would be in performing the same or similar appraisal services in compliance with USPAP.

Legal and Statutory Requirements: In Texas, the provisions of the Texas Property Tax Code and other relevant legislative measures involving appraisal administration and procedures control the work of P&A as an extension of the Appraisal District. Other states in which P&A is employed will have similar controlling legislation, regulatory agencies, and governmental entities. P&A is responsible for appraising property on the basis of its fair market value as of the stated effective date (January 1 in Texas) for ad valorem tax purposes for each taxing unit that imposes ad valorem taxes on property in the contracted Appraisal District. All mineral properties (interests) are reappraised annually. The definition of Fair Market Value is provided and promulgated for use in ad valorem tax work in Texas by the Texas Property Tax Code, and therefore as a **Jurisdictional Exception** supercedes the definition of "market value" as found in USPAP definitions.

NOTE: IN TEXAS, P&A BELIEVES THE PROPERTY BEING APPRAISED AND PLACED ON THE TAX ROLL IS THE INTEREST AND NOT THE OIL OR GAS MINERAL ITSELF, PER PROPERTY TAX CODE SECTION 1.04(2)(F). WHILE OIL AND GAS RESERVES CERTAINLY HAVE VALUE, THE FACT IS THAT IT IS THE INTERESTS IN THESE MINERALS THAT ARE BOUGHT AND SOLD, NOT THE MINERALS THEMSELVES. THE SALE OF MINERALS AS THEY ARE EXTRACTED FROM THE SUBSURFACE OF THE LAND WHERE THEY RESIDE AS MINERALS IN PLACE "MONETIZES" THE INTEREST AND THUS GIVES THE INTEREST ITS VALUE. WHENEVER P&A REFERS TO "MINERAL PROPERTIES" IN THIS REPORT OR IN ANY OTHER SETTING, IT IS THE MINERAL INTEREST, AND NOT THE MINERAL ITSELF, THAT IS THE SUBJECT OF THE REFERENCE.

Administrative Requirements: P&A endorses the principals of the International Association of Assessing Officers (IAAO) regarding its appraisal practices and procedures. P&A also endorses, and follows when possible, the standards promulgated by the Appraisal Foundation known as the Uniform Standards of Professional Appraisal Practice (USPAP). In all cases where IAAO and/or USPAP requirements cannot be satisfied for reasons of practicality or relevancy, P&A subscribes to "generally accepted appraisal methods and techniques" so that its value conclusions are credible and defensible. P&A submits annual or biannual contract bids to the Appraisal District Board of Directors or the Office of the Chief Appraiser and is bound to produce appraisal estimates on mineral properties within the cost constraints of said bid. Any appraisal practices and procedures followed by P&A not explicitly defined or allowed through IAAO or USPAP requirements are specified by the Texas Property Tax Code or at the specific request or direction of the Office of the Chief Appraiser.

Appraisal Resources

Personnel: The Mineral Valuation Division staff consists of competent Petroleum Engineers, Geologists, and Appraisers. All personnel are Registered Professional Appraisers with the State of Texas, or are progressing towards this designation within the allowable time frames prescribed by the Texas Department of Licensing and Regulation (TDLR) and/or other licensing and regulatory agencies as applicable.

Data: For each mineral property a common set of data characteristics (i.e. historical production, price and expense data) is collected from various sources and entered into P&A's mainframe computer system. Historical production data and price

data is available through state agencies (Texas Railroad Commission, Texas Comptroller, et al.) or private firms who gather, format and repackage such data for sale commercially. Each property's characteristic data drives the computer-assisted mass appraisal approach to valuation.

Information Systems: The mainframe systems are augmented by the databases that serve the various in-house and 3rd-party applications on desktop personal computers. In addition, communication and dissemination of appraisals and other information is available to the taxpayer and client through electronic means including internet and other phone-line connectivity. The appraiser supervising any given contract fields many of the public's questions or redirects them to the proper department personnel.

VALUATION APPROACH (MODEL SPECIFICATION)

Concepts of Value: The valuation of oil and gas properties is not an exact science, and exact accuracy is not attainable due to many factors. Nevertheless, standards of reasonable performance do exist, and there are usually reliable means of measuring and applying these standards.

Petroleum properties are subject to depletion, and capital investment must be returned before economic exhaustion of the resource (mineral reserves). The examination of petroleum properties involves understanding the geology of the resource (producing and non-producing), type of reservoir energy, the methods of secondary and enhanced recovery (if applicable), and the surface treatment and marketability of the produced petroleum product(s).

Evaluation of mineral properties is a continuous process; the value as of the lien date merely represents a "snapshot" in time. The potential value of mineral interests derived from sale of minerals to be extracted from the ground change with mineral price fluctuation in the open market, changes in extraction technology, costs of extraction, and other variables such as the value of money.

Approaches to Value for Petroleum Property

Cost Approach: The use of cost data in an appraisal for market value is based upon the economic principle of substitution. The cost approach typically derives value by a model that begins with replacement cost new (RCN) and then applies depreciation in all its forms (physical depreciation, functional and economic obsolescence). This method is difficult to apply to oil and gas properties since lease acquisition and development may bear no relation to present worth. Though very useful in the appraisal of many other types of properties, the cost approach is not readily applicable to mineral properties. [Keep in mind that the property actually being appraised is the mineral interest and not the oil and gas reserves themselves. Trying to apply the cost approach to evaluation of mineral interests is like trying to apply the cost approach to land; it is a moot point because both are real properties that are inherently non-replaceable.] As a general rule, and for the reasons stated above, Pritchard & Abbott, Inc., does not employ the cost approach in the appraisal of mineral interests.

Market Approach: This approach may be defined as one which uses data available from actual transactions recorded in the market place itself; i.e., sales of comparable properties from which a comparison to the subject property can be made. Ideally, this approach's main advantage involves not only an opinion but an opinion supported by the actual spending of money. Although at first glance this approach seems to more closely incorporate the aspects of fair market value per its classical definition, there are two factors that severely limit the usefulness of the market approach for appraising oil and gas properties. First, oil and gas property sales data is seldom disclosed (in non-disclosure states such as Texas); consequently there is usually a severe lack of market data sufficient for meaningful statistical analysis. Second, all conditions of each sale must be known and carefully investigated to be sure one does have a comparative indicator of value per fair market value prerequisites.

Many times when these properties do change hands, it is generally through company mergers and acquisitions where other assets in addition to oil and gas reserves are involved; this further complicates the analysis whereby a total purchase price must be allocated to the individual components - a speculative and somewhat arbitrary task at best. In the case of oil and gas

properties, a scarcity of sales requires that every evidence of market data be investigated and analyzed. Factors relative to the sale of oil and gas properties are:

- current production and estimated declines forecast by the buyer;
- estimated probable and potential reserves;
- general lease and legal information which defines privileges or limitation of the equity sold;
- undeveloped potential such as secondary recovery prospects;
- proximity to other production already operated by the purchaser;
- contingencies and other cash equivalents; and
- other factors such as size of property, gravity of oil, etc.

In the event that all these factors are available for analysis, the consensus effort would be tantamount to performing an income approach to value (or trying to duplicate the buyer's income approach to value), thereby making the market approach somewhat moot in its applicability. As a general rule, and for the reasons stated above, Pritchard & Abbott, Inc., rarely employs a rigorous application of the market approach in the appraisal of mineral interests.

Income Approach: This approach to value most readily yields itself to the appraisal of mineral interests. Data is readily available whereby a model can be created that reasonable estimates a future income stream to the property. This future income may then be converted (discounted) into an estimate of current value. Many refer to this as a capitalization method, because capitalization is the process of converting an income stream into a capital sum (value). As with any method, the final value is no better than the reliability of the input data. The underlying assumption is that people purchase the property for the future income the property will yield. If the land or improvements are of any residual value after the cessation of oil and gas production, that value should also be included (if those components are also being appraised).

The relevant income that should be used is the expected future net income. Assumptions of this method are:

- Past income and expenses are not a consideration, except insofar as they may be a guide to estimating future net income.
- That the producing life as well as the reserves (quantity of the minerals) are estimated for the property.
- Future income is less valuable than current income, and so future net income must be discounted to make it equivalent to the present income. This discount factor reflects the premium of present money over future money, i.e., interest rate, liquidity, investment management, and risk.

As a general rule, and for the reasons stated above, Pritchard & Abbott, Inc., relies predominantly on the income approach to value in the appraisal of mineral interests.

DATA COLLECTION/VALIDATION

Sources of Data: The main source of P&A's property data is data from the Railroad Commission of Texas as reported by operators. As a monthly activity, the data processing department receives data tapes or electronic files which have updated and new well and production data. Other discovery tools are fieldwork by appraisers, financial data from operators, information from chief appraisers, tax assessors, trade publications and city and local newspapers. Other members of the public often provide P&A information regarding new wells and other useful facts related to property valuation.

Another crucial set of data to obtain is the ownership of these mineral interests. Typically a mineral lease is fractionated and executed with several if not many owners. This information is typically requested (under a promise of confidentiality concerning owners' personal information) from pipeline purchasers and/or other entities (such as operators) who have the responsibility of disbursing the income to the mineral interest owners. Another source of ownership information is through the taxpayers themselves who file deeds of ownership transfer and/or correspond with P&A or the appraisal district directly.

Data Collection Procedures: Electronic and field data collection requires organization, planning and supervision of the appraisal staff. Data collection procedures for mineral properties are generally accomplished globally by the company; i.e.,

production and price data for the entire state is downloaded at one time into the computer system. Appraisers also individually gather and record specific and particular information to the appraisal file records, which serves as the basis for the valuation of mineral properties. P&A is divided into four district offices covering different geographic areas. Each office has a district manager, appraisal and ownership maintenance staff, and clerical staff as appropriate. While overall standards of performance are established and upheld for the various district offices, quality of data is emphasized as the goal and responsibility of each appraiser.

VALUATION ANALYSIS (MODEL CALIBRATION)

Appropriate revisions and/or enhancements of schedules or discounted cash flow software are annually made and then tested prior to the appraisals being performed. Calibration typically involves performing multiple discounted cash flow tests for leases with varying parameter input to check the correlation and relationship of such indicators as: Dollars of Value Per Barrel of Reserves; Dollars of Value Per Daily Average Barrel Produced; Dollars of Expense Per Daily Average Barrel Produced; Years Payout of Purchase Price (Fair Market Value). In a more classical calibration procedure, the validity of values by P&A's income approach to value is tested against actual market transactions, if and when these transactions and verifiable details of these transactions are disclosed to P&A. Of course these transactions must be analyzed for meeting all requisites of fair market value definition. Any conclusions of this analysis are then compared to industry benchmarks for reasonableness before being incorporated into the calibration procedure.

INDIVIDUAL VALUE REVIEW PROCEDURES

Individual property values are reviewed several times in the appraisal process. P&A's discounted cashflow software dynamically generates various benchmark indicators that the appraiser reviews concurrent with the value being generated. These benchmarks often prompt the appraiser to reevaluate some or all of the parameters of data entry so as to arrive at a value more indicative of industry standards. Examples of indicators are dollars of value per barrel of oil reserve, years payout, etc. In addition to appraiser review, taxpayers are afforded the opportunity to review the appraised values, either before or after Notices of Appraised Value are prepared. Operators routinely meet with P&A's appraisers to review parameters and to provide data not readily available to P&A through public or commercial sources, such as individual lease operating expense and reserve figures. And of course, all property values are subject to review through normal protest and Appraisal Review Board procedures, with P&A acting as an extension of the Office of the Chief Appraiser.

PERFORMANCE TESTS

An independent test of the appraisal performance of properties appraised by P&A is conducted by the State of Texas Comptroller's Office through the annual Property Value Study for school funding purposes. This study determines the degree of uniformity and the median level of appraisal for mineral properties. School jurisdictions are given an opportunity to appeal any preliminary findings. After the appeal process is resolved, the Comptroller publishes a report of the findings of the study, including in the report the median level of appraisal, the coefficient of dispersion around the median level of appraisal and any other standard statistical measures that the Comptroller considers appropriate.

Part 2

USPAP STANDARDS RULE 6-8: MASS APPRAISAL OF INDUSTRIAL, UTILITY AND RELATED PERSONAL PROPERTY

Note: This section, in conjunction with any attached or separately provided P&A-generated appraisal reports specific to the subject property or properties, constitutes the "mass appraisal written report" as required by USPAP Standards Rule 6-8. USPAP Standards Rule 6-9 (certification) can be found at the end of this report. USPAP Standards Rules 6-1 through 6-7 (instructions and explanations regarding the development, application, and reconciliation of mass appraisal values), as they apply to P&A mass appraisal procedures, are discussed below. USPAP DOES NOT DICTATE THE FORM, FORMAT, OR STYLE OF APPRAISAL REPORTS, WHICH ARE FUNCTIONS OF THE NEEDS OF USERS AND PROVIDERS OF APPRAISAL SERVICES. USPAP ALSO DOES NOT MANDATE THAT EACH APPRAISAL REPORT BE LENGTHY AND FULL OF DISCLAIMERS. Readers should note that all P&A reports, unless stated otherwise, are of a "summary" nature whereas additional documentation and detail may be available per certain Texas Property Tax Code provisions.

INTRODUCTION

Definition of Appraisal Responsibility: The Engineering Services Department of Pritchard & Abbott, Inc. (P&A) is responsible for developing fair and uniform market values for industrial, utility and personal properties.

P&A's typical client is a governmental entity charged with appraisal responsibility for ad valorem tax purposes, although other types of clients (private businesses, individuals, etc.) occasionally contract for appraisal services which are strictly for various non-ad valorem tax purposes so that no conflicts of interest are created with P&A's core ad valorem tax work.

Intended users of our reports are typically the client(s) for which we are under direct contract and taxpayers or their agents who own and/or represent the subject property being appraised. Potential other users include parties involved in adjudication of valuation disputes (review board members, lawyers, judges, etc.), governmental agencies which periodically review our appraisals for various statutory purposes (such as the Texas Comptroller's Office) and private parties who may obtain copies of our appraisals through Open Records Requests made to governmental agencies.

P&A believes this section of this report, in conjunction with any attached or separately provided P&A-generated report(s), meets the USPAP definition of "typical practice"; i.e., it satisfies a level of work that is consistent with:

- the expectations of participants in the market for the same or similar appraisal services; and
- what P&A's peers' actions would be in performing the same or similar appraisal services in compliance with USPAP.

This section of P&A's USPAP report is not applicable to any Industrial, Utility, or related Personal Property that an appraisal district appraises outside of P&A's appraisal services, in which case the appraisal district's overall USPAP report should be referenced.

P&A makes the **Extraordinary Assumption** that all properties appraised for ad valorem tax purposes are marketable whereas ownership and title to property are free of encumbrances and other restrictions that would affect fair market value to an extent not obvious to the general marketplace. If and/or when we are made aware of any encumbrances, etc., these would be taken into account in our appraisal in which case the extraordinary assumption stated above would be revoked.

Legal and Statutory Requirements: The provisions of the Texas Property Tax Code and relevant legislative measures involving appraisal administration and procedures control the work of P&A as a subcontractor to the Appraisal District. P&A is responsible for appraising property on the basis of its market value as of January 1 for ad valorem tax purposes for each

taxing unit that imposes ad valorem taxes on property in the contracted Appraisal District. All industrial, utility and personal properties are reappraised annually. The definition of Fair Market Value is provided and promulgated for use in ad valorem tax work in Texas by the Texas Property Tax Code, and therefore as a Jurisdictional Exception supercedes the definition of "market value" as found in USPAP definitions.

Administrative Requirements: P&A follows generally accepted and/or recognized appraisal practices and when applicable, the standards of the International Association of Assessing Officers (IAAO) regarding its appraisal practices and procedures. P&A, when applicable, also subscribes to the standards promulgated by the Appraisal Foundation known as the Uniform Standards of Professional Appraisal Practice (USPAP). P&A submits annual or biannual contract bids to the Office of the Chief Appraiser and is bound to produce appraisal estimates on industrial, utility and personal properties within the cost constraints of said bid. Any appraisal practices and procedures followed by P&A not explicitly defined through IAAO or USPAP requirements are specified by the Texas Property Tax Code and/or at the specific request or direction of the Office of the Chief Appraiser.

Appraisal Resources

Personnel: The Engineering Services Department and P&A's appraisal staff consists of appraisers with degrees in engineering, business and accounting. All personnel are Registered Professional Appraisers with the State of Texas, or are progressing towards this designation as prescribed by the Texas Department of Licensing and Regulation (TDLR).

Data: A set of data characteristics (i.e. original cost, year of acquisition, quantities, capacities, net operating income, property description, etc.) for each industrial, utility and personal property is collected from various sources. This data is maintained in either hard copy or computer files. Each property's characteristic data drives the appropriate computer-assisted appraisal approach to valuation.

Information Systems: P&A's mainframe computer system is composed of in-house custom software augmented by schedules and databases that reside as various applications on personal computers (PC). P&A offers a variety of systems for providing property owners and public entities with information services.

VALUATION APPROACH (MODEL SPECIFICATION)

Concepts of Value: The valuation of industrial, utility and personal properties is not an exact science, and exact accuracy is not attainable due to many factors. These are considered complex properties and some are considered Special Purpose properties. Nevertheless, standards of reasonable performance do exist, and there are reliable means of measuring and applying these standards.

The evaluation and appraisal of industrial, utility and personal property relies heavily on the discovery of the property followed by the application of recognized appraisal techniques. The property is subject to inflation and depreciation in all forms. The appraisal of industrial and personal property involves understanding petroleum, chemical, steel, electrical power, lumber and paper industry processes along with a myriad of other industrial processes. Economic potential for this property usually follows either the specific industry or the general business economy. The appraisal of utility properties involves understanding telecommunications, electrical transmission and distribution, petroleum pipelines and the railroad industry. Utility properties are subject to regulation and economic obsolescence. The examination of utility property involves the understanding of the present value of future income in a regulated environment.

The goal for valuation of industrial, utility and personal properties is to appraise all taxable property at "fair market value". The Texas Property Tax Code defines Fair Market value as the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- exposed for sale in the open market with a reasonable time for the seller to find a purchaser;

- both the seller and the purchaser know of 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
- 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.

Approaches to Value for Industrial, Utility, and Personal Property

Cost Approach: The use of cost data in an appraisal for market value is based upon the economic principle of substitution. This method is most readily applicable to the appraisal of industrial and personal property and some utility property. Under this method, the market value of property equals the value of the land plus the current cost of improvements less accrued depreciation. An inventory of the plant improvements and machinery and equipment is maintained by personally inspecting each facility every year. As a general rule, and for the reasons stated above, Pritchard & Abbott, Inc., relies predominantly on the cost approach to value in the appraisal of industrial, utility, and personal property.

Market Approach: This approach is characterized as one that uses sales data available from actual transactions in the market place. There are two factors that severely limit the usefulness of the market approach for appraising industrial, utility and personal properties. First, the property sales data is seldom disclosed; consequently there is insufficient market data for these properties available for meaningful statistical analysis. Second, all conditions of sale must be known and carefully investigated to be sure one does have a comparative indicator of value. Many times when these properties do change hands, it is generally through company mergers and acquisitions where other assets and intangibles in addition to the industrial, utility and personal property are involved. The complexity of these sales presents unique challenges and hindrances to the process of allocation of value to the individual components of the transaction.

In the case of industrial, utility and personal properties, a scarcity of sales requires that all evidence of market data be investigated and analyzed. Factors relative to the sale of these properties are:

- plant capacity and current production; terms of sale, cash or equivalent;
- complexity of property;
- age of property;
- proximity to other industry already operated by the purchaser; and
- other factors such as capital investment in the property.

As a general rule, and for the reasons stated above, Pritchard & Abbott, Inc., rarely employs a rigorous application of the market approach in the appraisal of industrial, utility, and personal property.

Income Approach: This approach to value most readily yields itself to all income generating assets, especially utility properties. Data for utility properties is available from annual reports submitted to regulatory agencies whereby future income may be estimated, and then this future income may be converted into an estimate of value. The valuation of an entire company by this method is sometimes referred to as a Unit Value. Many refer to this as a capitalization method, because capitalization is the process of converting an income stream into a capital sum (value). As with any method, the final value estimate is no better than the reliability of the input data. The underlying assumption is that people purchase the property for the future income the property will yield.

The relevant income that should be used in the valuation model is the expected future net operating income after depreciation but before interest expense (adjustments for Federal Income Taxes may or may not be required). Assumptions of this method are:

- Past income and expenses are a consideration, insofar as they may be a guide to future income, subject to regulation and competition.
- The economic life of the property can be estimated.

- The future production, revenues and expenses can be accurately forecasted. Future income is less valuable than current income, and so future net income must be discounted to make it equivalent to the present income. This discount factor reflects the premium of present money over future money, i.e., interest rate, liquidity, investment management, and risk.

As a general rule, and for the reasons stated above, Pritchard & Abbott, Inc., employs the income approach in the appraisal of industrial and utility property only when quantifiable levels of income are able to be reliably determined and/or projected for the subject property. P&A does not employ the income approach in the appraisal of personal property.

DATA COLLECTION/VALIDATION

Sources of Data: The main source of P&A's property data for industrial and personal property is through fieldwork by the appraisers and commercially/publicly available schedules developed on current costs. Data for performing utility appraisals is typically provided by the taxpayer or is otherwise available at various regulatory agencies (Texas Railroad Commission, Public Utilities Commission, FERC, etal.). Other discovery tools are financial data from annual reports, information from chief appraisers, renditions, tax assessors, trade publications and city and local newspapers. Other members of the public often provide P&A information regarding new industry and other useful facts related to property valuation.

Data Collection Procedures: Electronic and field data collection requires organization, planning and supervision of the appraisal staff. Data collection procedures have been established for industrial and personal properties. Appraisers gather and record information in the mainframe system, where customized programs serve as the basis for the valuation of industrial, utility and personal properties. P&A is divided into multiple district offices covering different geographic zones. Each office has a district manager and field staff. While overall standards of performance are established and upheld for the various district offices, quality of data is emphasized as the goal and responsibility of each appraiser. Additionally, P&A's Engineering Services Department provides supervision and guidance to all district offices to assist in maintaining uniform and consistent appraisal practices throughout the company.

VALUATION ANALYSIS (MODEL CALIBRATION)

The validity of the values by P&A's income and cost approaches to value is tested against actual market transactions, if and when these transactions and verifiable details of the transactions are disclosed to P&A. These transactions are checked for meeting all requisites of fair market value definition. Any conclusions from this analysis are also compared to industry benchmarks before being incorporated in the calibration procedure. Appropriate revisions of cost schedules and appraisal software are annually made and then tested for reasonableness prior to the appraisals being performed.

INDIVIDUAL VALUE REVIEW PROCEDURES

Individual property values are reviewed several times in the appraisal process. P&A's industrial, utility, personal property programs and appraisal spreadsheets afford the appraiser the opportunity to review the value being generated. Often the appraiser is prompted to reevaluate some or all of the parameters of data entry so as to arrive at a value more indicative of industry standards. Examples of indicators are original cost, replacement cost, service life, age, net operating income, capitalization rate, etc. In addition to appraiser review, taxpayers are afforded the opportunity to review the appraised values either before or after Notices of Appraised Value are prepared. Taxpayers, agents and representatives routinely meet with P&A's appraisers to review parameters and to provide data not readily available to P&A through public or commercial sources, such as investment costs and capitalization rate studies. And of course, all property values are subject to review through normal protest and Appraisal Review Board procedures, with P&A acting as a representative of the Office of the Chief Appraiser.

PERFORMANCE TESTS

An independent test of the appraisal performance of properties appraised by P&A is conducted by the State of Texas Comptroller's Office through the annual Property Value Study for school funding purposes. This study determines the degree of uniformity and the median level of appraisal for utility properties. School jurisdictions are given an opportunity to appeal any preliminary findings. After the appeal process is resolved, the Comptroller publishes a report of the findings of the study, including in the report the median level of appraisal, the coefficient of dispersion around the median level of appraisal and any other standard statistical measures that the Comptroller considers appropriate.

USPAP STANDARDS RULE 6-8: MASS APPRAISAL OF RESIDENTIAL REAL ESTATE

Note: This section, in conjunction with any attached or separately provided P&A-generated appraisal reports specific to the subject property or properties, constitutes the "mass appraisal written report" as required by USPAP Standards Rule 6-8. USPAP Standards Rule 6-9 (certification) can be found at the end of this report. USPAP Standards Rules 6-1 through 6-7 (instructions and explanations regarding the development, application, and reconciliation of mass appraisal values), as they apply to P&A mass appraisal procedures, are discussed below. USPAP DOES NOT DICTATE THE FORM, FORMAT, OR STYLE OF APPRAISAL REPORTS, WHICH ARE FUNCTIONS OF THE NEEDS OF USERS AND PROVIDERS OF APPRAISAL SERVICES. USPAP ALSO DOES NOT MANDATE THAT EACH APPRAISAL REPORT BE LENGTHY AND FULL OF DISCLAIMERS. Readers should note that all P&A reports, unless stated otherwise, are of a "summary" nature whereas additional documentation and detail may be available per certain Texas Property Tax Code provisions.

INTRODUCTION

Definition of Appraisal Responsibility: The Residential Division of Pritchard & Abbott, Inc. ("P&A" hereinafter), is responsible for developing fair and uniform market values for real estate parcels within certain Appraisal Districts. P&A contractually provides a wide degree of professional services depending upon each contract requirement.

P&A's typical client is a governmental entity charged with appraisal responsibility for ad valorem tax purposes, although other types of clients (private businesses, individuals, etc.) occasionally contract for appraisal services which are strictly for various non-ad valorem tax purposes so that no conflicts of interest are created with P&A's core ad valorem tax work.

Intended users of our reports are typically the client(s) for which we are under direct contract and taxpayers or their agents who own and/or represent the subject property being appraised. Potential other users include parties involved in adjudication of valuation disputes (review board members, lawyers, judges, etc.), governmental agencies which periodically review our appraisals for various statutory purposes (such as the Texas Comptroller's Office) and private parties who may obtain copies of our appraisals through Open Records Requests made to governmental agencies.

This section of P&A's USPAP report is not applicable to any real estate property that an appraisal district appraises outside of P&A's appraisal services, in which case the appraisal district's overall USPAP report should be referenced.

Legal and Statutory Requirements: The provisions of the Texas Property Tax Code and relevant legislative measures involving appraisal administration and procedures control the work of P&A as an extension of the Appraisal District. P&A is responsible for appraising property on the basis of its market value as of January 1 for ad valorem tax purposes for each taxing unit that imposes ad valorem taxes on property in the contracted Appraisal District. The definition of Fair Market Value is provided and promulgated for use in ad valorem tax work in Texas by the Texas Property Tax Code, and therefore as a **Jurisdictional Exception** supercedes the definition of "market value" as found in USPAP definitions.

Administrative Requirements: P&A follows the standards of the International Association of Assessing Officers (IAAO) regarding its appraisal practices and procedures. P&A also subscribes to the standards promulgated by the Appraisal Foundation known as the Uniform Standards of Professional Appraisal Practice (USPAP). P&A submits annual or biannual contract proposals to the Office of the Chief Appraiser and is bound to produce mass appraisal estimates on real estate properties within the cost constraints of said proposals. Any appraisal practices and procedures followed by P&A not explicitly defined through IAAO or USPAP requirements are specified by the Texas Property Tax Code or at the specific request or direction of the Office of the Chief Appraiser.

P&A believes this section of this report, in conjunction with any attached or separately provided P&A-generated report(s), meets the USPAP definition of "typical practice"; i.e., it satisfies a level of work that is consistent with:

- the expectations of participants in the market for the same or similar appraisal services; and
- what P&A's peers' actions would be in performing the same or similar appraisal services in compliance with USPAP.

P&A makes the **Extraordinary Assumption** that all properties appraised for ad valorem tax purposes are marketable whereas ownership and title to property are free of encumbrances and other restrictions that would affect fair market value to an extent not obvious to the general marketplace. If and/or when we are made aware of any encumbrances, etc., these would be taken into account in our appraisal in which case the extraordinary assumption stated above would be revoked.

Appraisal Resources

Personnel: The Real Estate staff consists of licensed Registered Professional Appraisers through the Texas Department of Licensing and Regulation (TDLR), and are qualified to provide the complete range of professional appraisal services required.

Data: Common data characteristics (within each county) for each property are collected in the field and entered into each respective district's computer data base. This property data drives the computer-assisted mass appraisal (CAMA) approach to valuation.

Information Systems: The mainframe systems are augmented by the databases that reside as various applications on personal computers (PC). P&A offers a variety of systems for providing property owners and public entities with information services. The appraiser supervising any given contract fields many of the public's questions or redirects them to the proper division.

VALUATION APPROACH (MODEL SPECIFICATION)

Area Analysis: Data involving economic forces such as demographic, patterns, employment and income patterns, trends in real estate property prices and rents, interest rates, availability of property, economic and climatic factors that may affect production of rural lands, are collected from various sources. Any information particular to a given region or appraisal district helps the appraisal staff determine market conditions or trends that may affect market value.

Neighborhood and Market Analysis: Neighborhood analysis involves the examination of how physical, economic, governmental and social forces and other influences affect property values. The effect of these forces are also used to identify, classify, and organize comparable properties into smaller, manageable subsets of the universe of properties known as neighborhoods. A neighborhood is defined by natural, man-made, or political boundaries and is established by a commonality based on land users, types and age of buildings or population, the desire for homogeneity, or similar factors.

Each neighborhood may be characterized as being in a stage of growth, stability, or decline. The growth period is a time of development and construction. In the period of stability, or equilibrium, the forces of supply and demand are about equal. The period of decline reflects diminishing demand or desirability. During decline general property use may change. Declining neighborhoods may become economically desirable again and experience renewal, reorganization, rebuilding, or restoration, marked by modernization and increasing demand. The appraisal staff must analyze whether a particular neighborhood is in a period of growth, stability, or decline and predict changes that will affect future use and value. In mass appraisal applications the information can be useful for comparing or combining neighborhoods or for developing neighborhood ratings, which are introduced as adjustments in mass appraisal models.

Site descriptions and analysis provide a description of the subject property and an analysis of factors that affect the market value of the site. Site analysis also provides a basis for allocating values to land and improvements, for analyzing comparable

sales to determine the highest and best use of the site, and for estimating locational obsolescence. A description of the subject building and other improvements provides a basis for analysis of comparable sales and rents; for the development of capitalization rates or multipliers; for highest and best use analysis of the site as improved; and for estimation of reproduction or replacement cost new and physical and functional depreciation. The analysis should show how the factors relate to the utility and marketability of the subject property, and, ultimately, its market value. The improvement analysis and the neighborhood analysis focus on similar considerations; for example, whether the improvements represent highest and best use and conform to the neighborhood.

The improvement analysis describes relationships among items and compares them to those in competing properties and to neighborhood standards. Items that will be treated as functional obsolescence in the cost approach need through analysis. The condition of building components is particularly important because it provides the basis for estimates of effective age and remaining economic life.

Currently P&A provides most of its real estate appraisal services in primarily rural areas. The ability to perform detailed neighborhood and market analysis is somewhat limited in these areas where the necessary data is sometimes nonexistent.

Highest and Best Use Analysis: Highest and best use analysis is the culmination of regional, neighborhood, and site analysis. All three are used to help the appraisal staff understand the factors affecting property values in the market being analyzed and the most probable use of the site in long-run economic equilibrium. Highest and best use is the reasonable and probable use that supports the highest present value as of the date of the appraisal. The highest and best use must be physically possible, legal, financially feasible, and productive to the maximum, that is, highest and best use. The analysis should be done as of the date of appraisal. Just as real estate values change, the highest and best use of a property may change over time.

DATA COLLECTION/VALIDATION

Data Collection Manuals: Appraisal manuals are developed and distributed to all appraisers involved in the appraisal and valuation of real estate properties. The appraisal manual is reviewed and revised to meet the changing requirements of field data collection.

Sources of Data: Each District's appraisal manual and schedules are adopted and maintained by the P&A appraisal staff. Data used to perform appraisals are generally collected with a joint effort among appraisers and Appraisal District staff. Physical inspections are performed by the appraisers for various situations whether it be a normal reappraisal, a reinspection requested by the District, working building permits, etc.

Data Collection Procedures: Field data collection is coordinated and organized by the field appraisers to insure uniformity in appraisal technique. The staff conducts field inspections and record information on a particular property field worksheet. This data is entered into the respective computer database and serves as the basis for the valuation.

VALUATION ANALYSIS

Cost Schedules: P&A generally adopts existing cost schedules within each Appraisal District in which we provide appraisal services. These schedules are maintained and adjusted as needed to reflect the current market value conditions that are present in each respective district.

Sales Information: Sales are generally collected by the Appraisal District staff and provided to P&A appraisal personnel for sales ratio analysis.

Statistical Analysis: Appraisers perform statistical analysis annually to evaluate whether values are equitable and consistent with market conditions. Appraisal statistics, central tendency and dispersion generated from sales are available for each class

of property. These summary statistics include mean and median ratios, standard deviation, and coefficient of dispersion. They provide the analysis information to determine both the level and uniformity of the appraised values involved in the study.

Market Adjustment: Depending upon the data provided by the sales ratio analysis, market value tables may be adjusted accordingly to reflect accurate market values within a particular class of property.

INDIVIDUAL VALUE REVIEW PROCEDURES

Field Review: P&A provides field inspections depending upon the contractual arrangement with the appraisal district. In most cases field inspections are done within the outline of the respective Appraisal District's Reappraisal Plan.

PERFORMANCE TESTS

An independent test of the appraisal performance of properties appraised by P&A is conducted by the State of Texas Comptroller's Office through the annual Property Value Study for school funding purposes. This study determines the degree of uniformity and the median level of appraisal for real estate properties. School jurisdictions are given an opportunity to appeal any preliminary findings. After the appeal process is resolved, the Comptroller publishes a report of the findings of the study, including in the report the median level of appraisal, the coefficient of dispersion around the median level of appraisal and any other standard statistical measures the Comptroller considers appropriate.

USPAP STANDARDS RULE 6-9: CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report, and I have no (or the specified) personal interest with respect to the parties involved.
- I have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to any property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting pre-determined results.
- My compensation for completing this assignment is not contingent upon the reporting of a pre-determined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have (unless otherwise specified) made a personal inspection of the properties that are the subject of this report. *(If more than one person signs the report, this certification must clearly specify which individual(s) did and which individual(s) did not make a personal inspection of the appraised property.)*
- No one (unless otherwise specified) provided significant mass appraisal assistance to the person signing this certification. *(If there are exceptions, the name of each individual providing significant mass appraisal assistance must be stated.)*

<i>Appraiser (a)</i>	<i>Date</i>	<i>Inspected Property?</i>	<i>Provided Significant Appraisal Assistance?</i>
		<i>Yes / No</i>	<i>Yes / No</i>
<i>Appraiser (b)</i>	<i>Date</i>	<i>Yes / No</i>	<i>Yes / No</i>
<i>Supervising Appraiser / Dept. Manager</i>	<i>Date</i>	<i>Yes / No</i>	<i>Yes / No</i>
<i>District Manager</i>	<i>Date</i>	<i>Yes / No</i>	<i>Yes / No</i>

List of other individuals who provided significant mass appraisal assistance in this assignment:

A signed certification is an integral component of the appraisal report.

- **When a signing appraiser has relied on work done by appraisers and others who do not sign the certification, the signing appraiser is responsible for the decision to rely on their work. The signing appraiser is required to have a reasonable basis for believing that those individuals performing the work are competent and that the work of those individuals is credible.**
- **An appraiser who signs any part of the mass appraisal report, including a letter of transmittal, must also sign this certification.**
- **The names of individuals providing significant mass appraisal assistance who do not sign a certification must be stated in the certification. It is not required that the description of this assistance be contained in the certification, but disclosure of their assistance is required in accordance with Standards Rule 6-8(j).**
- **The above certification is not intended to disturb an elected or appointed assessor's work plans or oaths of office.**

EAGLE APPRAISAL & CONSULTING

REAPPRAISAL PLAN

2015 - 2016

INTRODUCTION

Passage of Senate Bill 1652 amended Section 6.05 of the Texas Property Tax Code by adding Subsection (i) to read as follows:

- (i) To ensure adherence with generally accepted appraisal practices, the board of directors of an appraisal district shall develop biennially a written plan for the periodic reappraisal of all property within the boundaries of the district according to the requirements of Section 25.18 and shall hold a public hearing to consider the plan. Not later than the 10th day before the date of the hearing, the secretary shall deliver to the presiding officer of the governing body of each taxing unit participating in the district a written notice of the date, time, and place of the hearing. Not later than September 15 of each even-numbered year, the board shall complete its hearings, make any amendments, and by resolution finally approve the plan. Copies of the approved plan shall be distributed to the presiding officer of the governing body of each taxing unit participating in the district and to the Comptroller within sixty (60) days of the approval date.

PLAN FOR PERIODIC REAPPRAISAL REQUIREMENT:

Senate Bill 1652 amends Section 25.18, Subsections (a) and (b) to read as follows:

- (a) Each appraisal office shall implement the Plan for Periodic Reappraisal of Property approved by the board of directors under Section 6.05 (i).
- (b) The plan shall provide for the following reappraisal activities for all real and Personal property in the district at least once every three years:
 1. identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps, and property sketches;
 2. identifying and updating relevant characteristics of each property in the appraisal records;
 3. defining market areas in the district
 4. identifying property characteristics that affect property value in each market area, including the location and market area of property, physical attributes of property such as size, age, and condition, legal and economic attributes, and the identification of easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions;
 5. developing an appraisal model that reflects the relationship among the property characteristics affecting value in each market area and determines the contribution of individual property characteristics;
 6. applying the conclusions reflected in the model to the characteristics of the properties being appraised; and
 7. reviewing the appraisal results to determine value.

REVALUATION DECISION (REAPPRAISAL CYCLE)

The Frio County Appraisal District, by policy adopted by the Board of Directors and the Chief Appraiser, reappraises all property in the district every year. The reappraisal may consist of field inspections, CAMA, or both. The reappraisal year is a complete appraisal of all properties in the district. Tax year 2015 is a reappraisal year and tax year 2016 is a reappraisal year.

Additionally, every tax year, the District inspects and appraises new construction and adds those properties to the appraisal roll. The district also inspects and reappraises properties that have been remodeled or demolished, properties with additions, properties with fire damage, or properties with any change or damage. These changes are found through building permits issued by the city. However, since building permits are not required for properties outside the city limits, District staff maintains a file of newspaper clippings that pertain to changes in property and all District staff remains alert to visual changes in properties. Throughout the year, notes are made on those visual changes and all information is provided to the field appraiser. The field appraiser will also conduct detailed field inspections of properties if requested by the owner and reappraise these properties as necessary. The District is contracted with Eagle Appraisal & Consulting to perform the appraisals and field inspections.

Eagle Appraisal and Consulting compiles all sales by school district. Problematic areas are further researched and may indicate the use of market modifiers. The use of these modifiers is the predominant method of adjusting sales for location and time. Values throughout the county may be adjusted by use of market modifiers during the reappraisal year.

PLANNING AND ORGANIZATION

A calendar of key events with critical completion dates is prepared for each area of work. This calendar identifies key events for appraisal, clerical, customer service, and information systems. A calendar is prepared for years 2015 and 2016. Production standards for field activities are calculated and incorporated in the planning and scheduling process.

Eagle Appraisal & Consulting will begin field inspections of the District's scheduled reappraisal area on or about the first Tuesday following Labor Day in September, 2014 and will complete all inspections and schedules by April 1, 2015 for the 2015 tax year.

The District shall provide to Eagle Appraisal & Consulting appraisers the field cards that contain specific information regarding the property being appraised. These cards contain brief legal descriptions, ownership interests, property use codes, property addresses, land size, and sketches of improvements as well as detailed information of any improvements. Appraisal field inspection procedures require the appraisers to check all information on the field cards and to update the information when necessary. All new improvements shall be measured, classed, and assigned the appropriate depreciation amount. Structures that have been demolished or removed shall be marked off the appraisal card. Properties with extensive improvement remodeling shall be identified and the field inspection shall identify and update the property characteristic data. The appraiser shall note the date of the inspection on the card and place

his initials on the card. The appraiser shall take pictures, with each picture having a date, and note the picture number on the appraisal card.

Each year, Eagle Appraisal & Consulting will test real property market areas, by property classification. The market areas shall be tested for low or high ratio sales and/or high coefficients of dispersion. Market areas that fail any or all of these tests are determined to be problematic. Field inspections are scheduled to verify and/or correct property characteristic data. Additional sales data is researched and verified.

The International Association of Assessing Officers' Standard on Mass Appraisal of Real Property specifies that the universe of properties shall be re-inspected on a cyclical basis of at least once every three years. The re-inspection includes physically viewing the property, photographing, and verifying the accuracy of the existing data. **The annual re-inspection requirements for tax years 2015 and 2016 are identified and scheduled in the District's Written Plan for Periodic Reappraisal.**

In addition to the two-year cycle set out by the District's reappraisal plan, Eagle Appraisal & Consulting will perform ratio studies annually to determine areas or categories of properties within the CAD which need to be reappraised within the current year based on ratios. Any areas or categories whose ratios are above or below statutory requirements shall be reappraised in the current year regardless of the area in which they are located. This two-fold approach will insure not only that all residential and commercial property within the CAD is reappraised at least once every three years, but also that all other categories within the CAD are reviewed annually so that the District stays current with respect to market value in those areas where residential and/or commercial property values appear to be changing rapidly.

MASS APPRAISAL SYSTEM

REAL PROPERTY VALUATION

Revisions to cost models, income models, and market models are specified, updated, and tested each year.

Cost schedules are tested with market data (sales) to insure that the appraisal district is in compliance with Texas Property Tax Code, Section 23.011. Replacement cost new tables as well as depreciation tables are tested for accuracy and uniformity using ratio study tools and compared with cost data from recognized industry leaders. Eagle Appraisal & Consulting utilizes the national publication of cost schedules of Marshall & Swift.

Land Schedules are updated using current market data (sales) and then tested with ratio study tools. Value schedules are developed and tested on a pilot basis with ratio study tools.

PERSONAL PROPERTY VALUATION

Eagle Appraisal & Consulting performs personal property valuations only in some Districts.

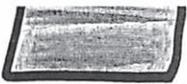
Density schedules are tested using data received during the previous tax year from renditions and hearing documentation. Valuation procedures are reviewed, modified as needed, and tested.

HEARING PROCESS

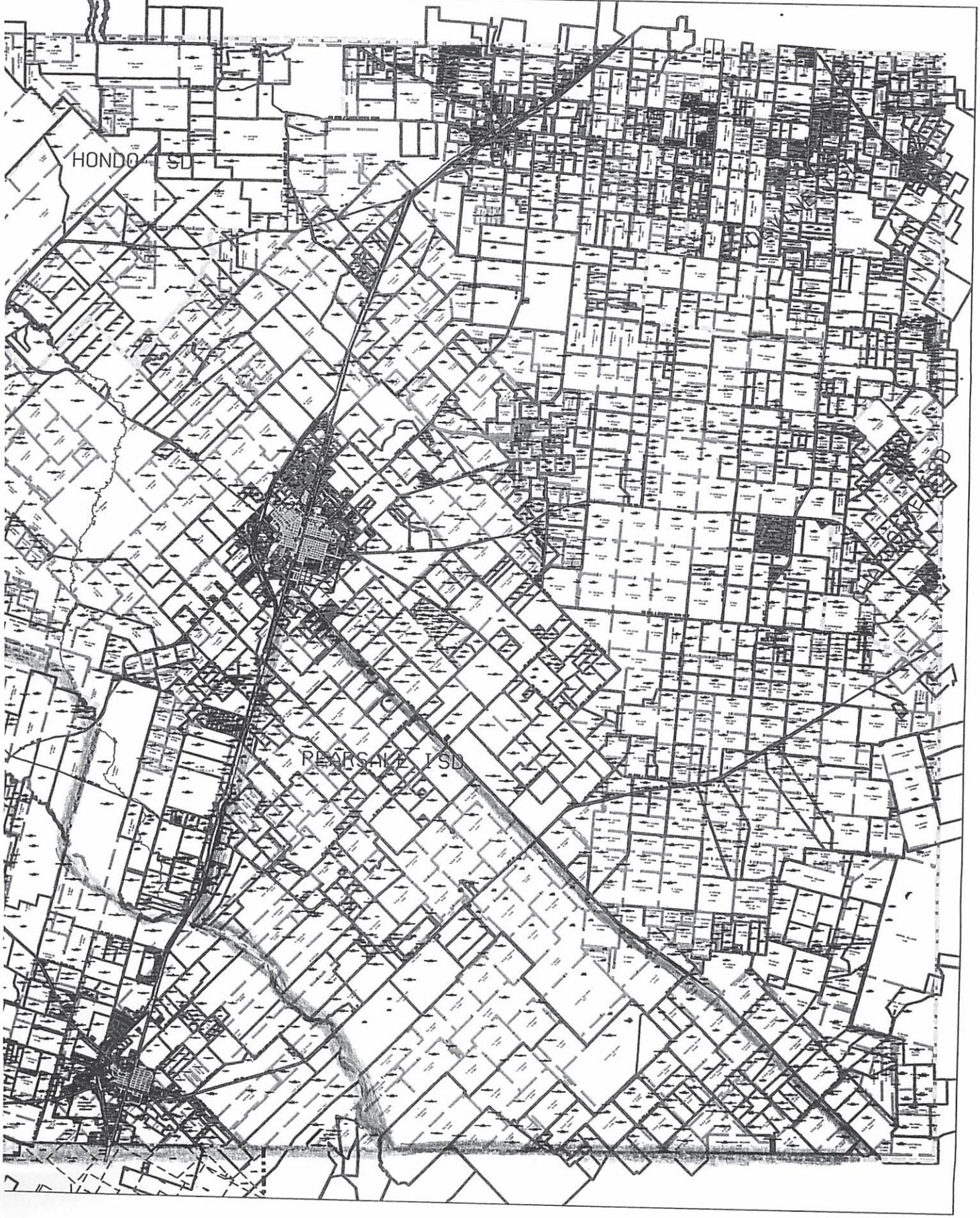
Eagle Appraisal & Consulting representatives conduct informal hearings with protesting property owners. If the protest cannot be settled within the guidelines set out by the District's informal hearings procedures, the property owner may elect to proceed to a formal hearing before the Appraisal Review Board.

Eagle Appraisal & Consulting representatives will be present at formal ARB hearings and will present and defend the appraisals performed. Further, Eagle Appraisal & Consulting, Inc. will provide to the District the calculations of schedules and final schedules.

- C



5B



5A

Attachment - C





Attachment - A

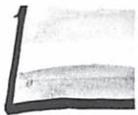


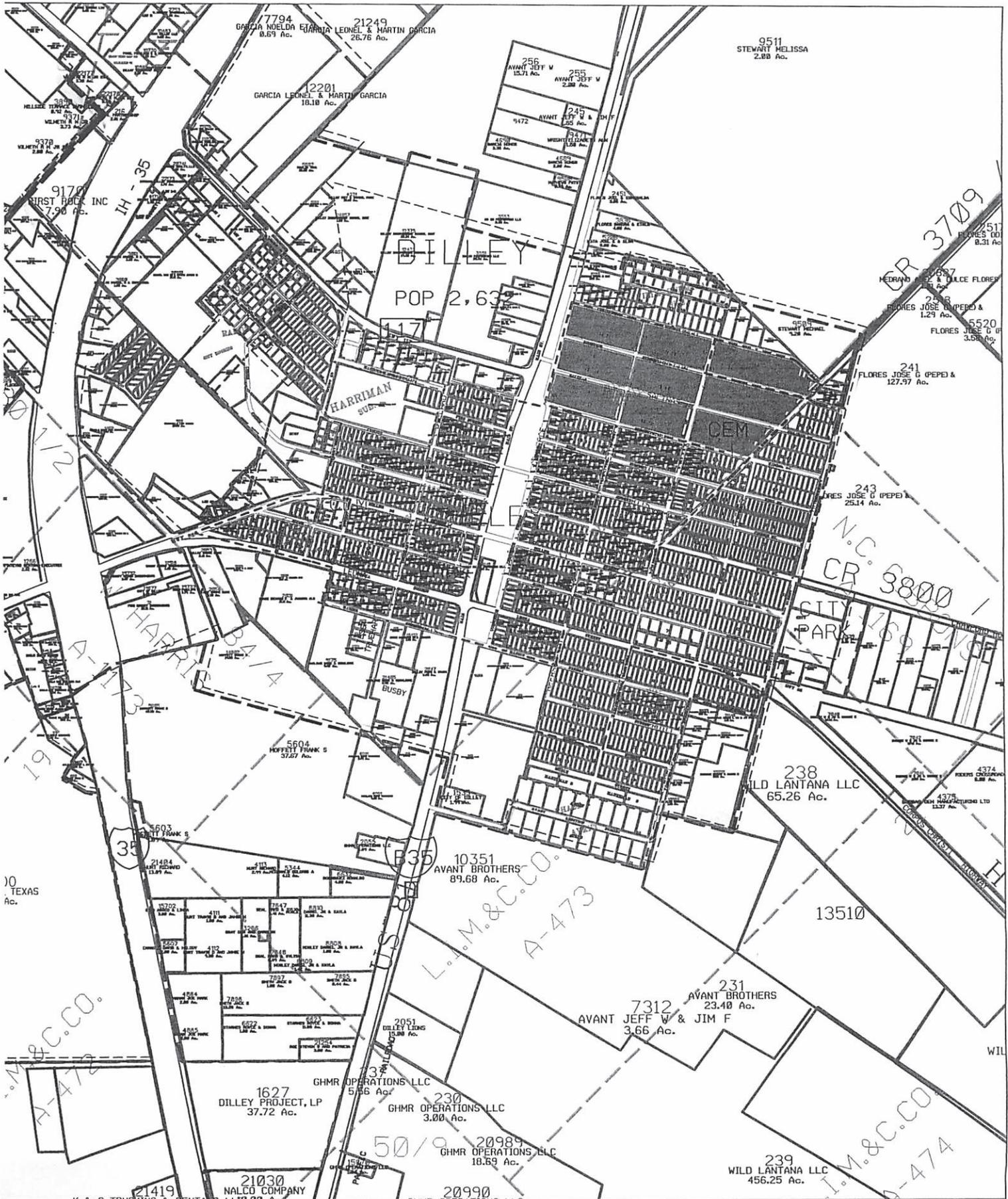
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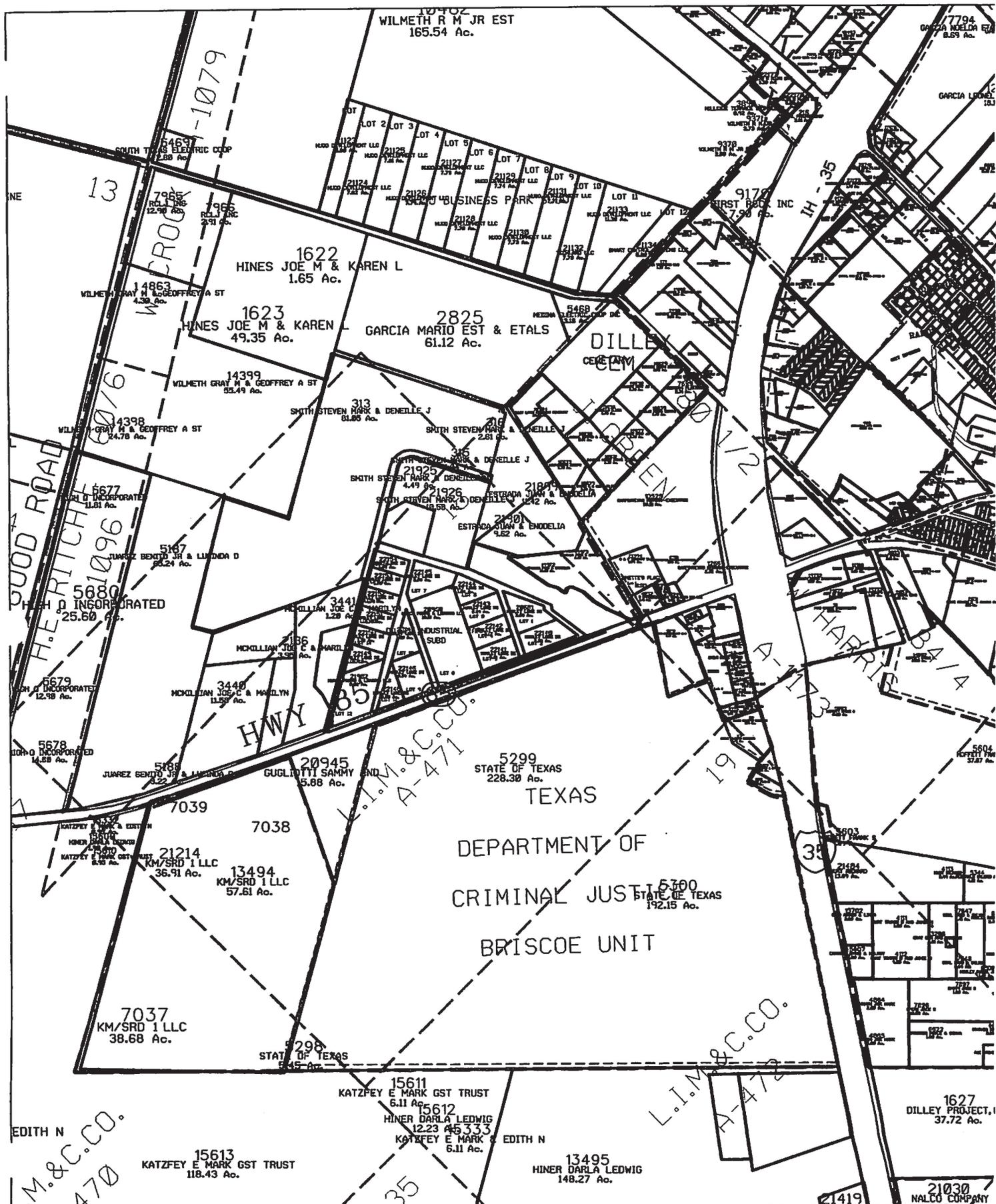


Attachment - B

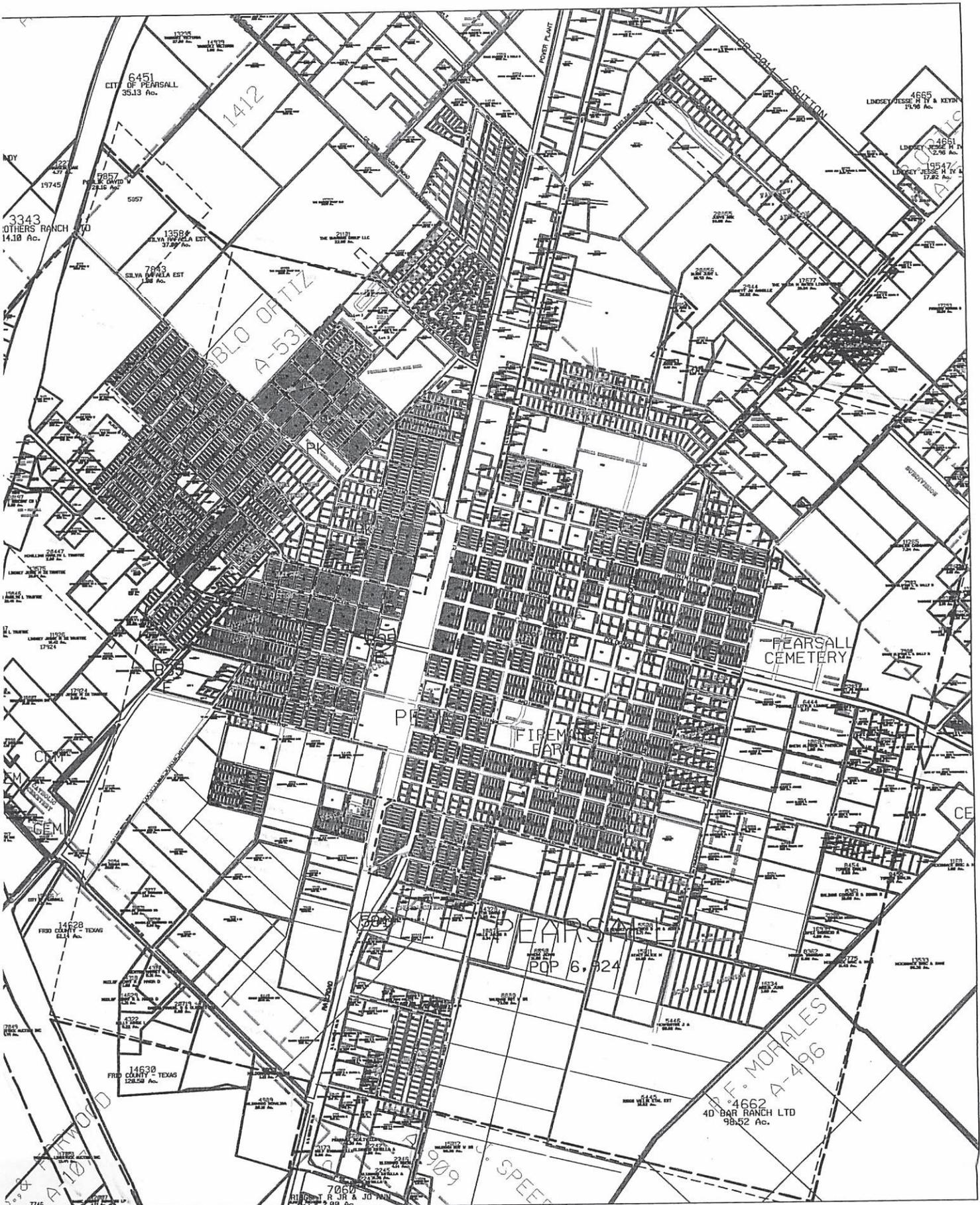




market area in the district
teseries!

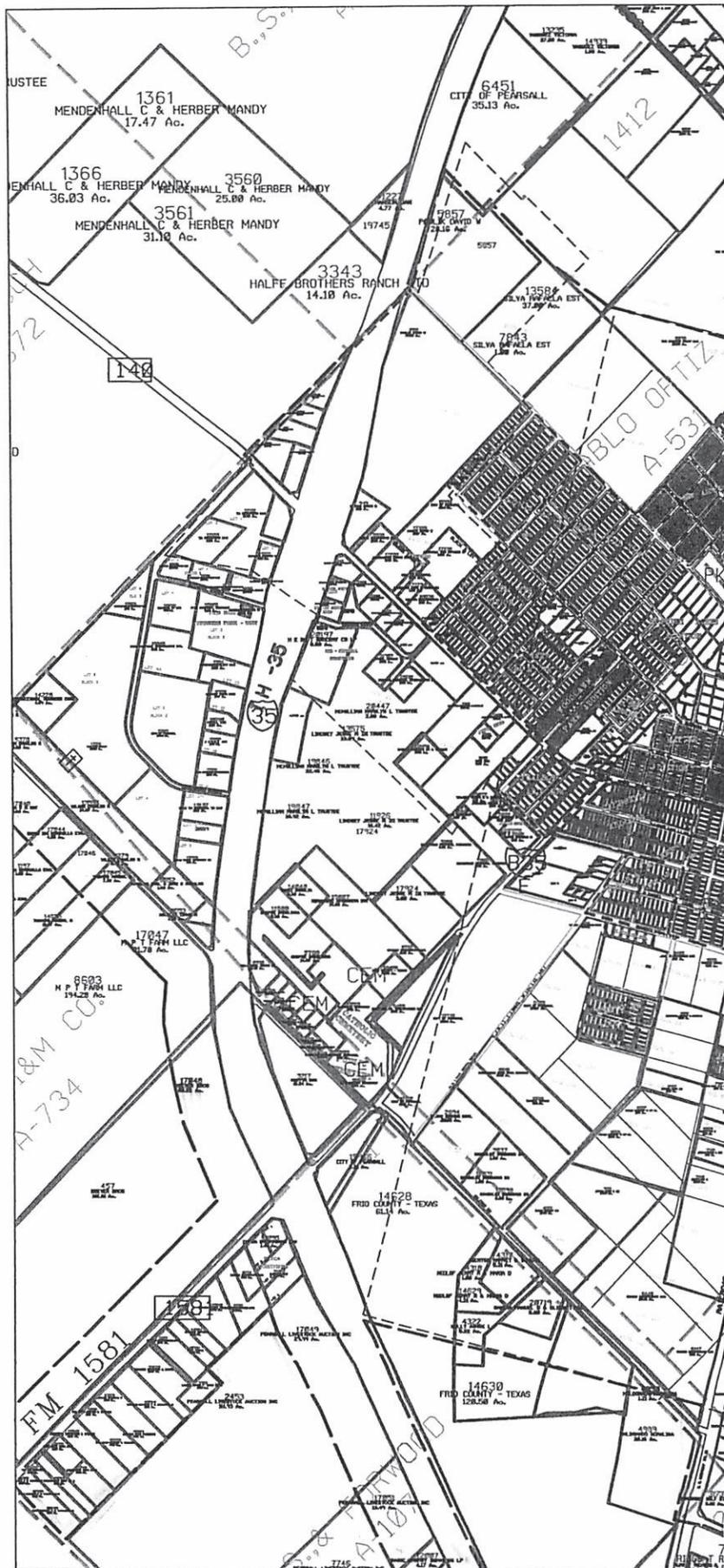


Defining market area in categories!



1/2014 11:14:41 AM

market area in the district categories:



Defining market area in 7
counties?