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INTRODUCTION

The purpose of this summary report is to aid the taxpaying public in better understanding the methods and techniques utilized by the Central Appraisal District of Bandera County (BANCAD) in the valuation and revaluation of taxable property within Bandera County. This report attempts to comply with Standard 6 of the Uniform Standards of Professional Appraisal Practice, effective August 1, 2014 through July 31, 2015. Texas Property Tax Code Section 21.01 sets the appraisal date as January 1, except as provided by Texas Property Tax Code Chapter 41 and Education Code. The Central Appraisal District of Bandera County maintains more detailed operation manuals for appraisal use.

BANCAD is a Central Appraisal District formed by the Texas Legislature in 1979 and is charged with the appraisal of all taxable property within the taxing entities within the District boundaries. Currently these taxing entities are as follows:

- Bandera County
  - Special Road
  - County Road

City of Bandera
Bandera ISD
Medina ISD
Utopia ISD
Northside ISD
Flying L PUD
BCRAGD
ESD#1

Current state law, set out in Section 6.02 (a) of the Texas Property Tax Code, mandates that appraisal district boundaries are the same as the county’s boundaries.
USPAP

The chief appraiser is the chief administrative and executive officer of the appraisal district. The chief appraiser employs and directs the district’s staff, oversees all aspects of the appraisal district’s operations and performs either directly or through the district staff a variety of operations.

The chief appraiser’s responsibilities are as follows:

1. Discover, list and appraise
2. Determine exemptions and special use requests
3. Organize periodic reappraisals
4. Notify taxpayers, taxing units and the public about matters that affect property values

The Central Appraisal District of Bandera County is a small office consisting of the chief appraiser and ten staff members.

The District employs the services of Wardlaw Appraisal Group, LC for the appraisal of minerals, industrial plants, pipelines, industrial personal property and utilities within the boundaries of the appraisal district. Eagle Property Tax Appraisal & Consulting, Inc. provides consultation appraisal services and Perdue, Brandon, Fielder, Collins & Mott LLP provide agricultural appraisal services. The District uses Harris Govern’s True Automation CAMA software “PACS” for its data processing of all appraisal records, records management system, and maintenance of the digitized mapping system and uses BIS Consulting for CAMA System data backup and hardware maintenance.
As of Certification on July 22, 2015, the 2015 appraisal roll for the Central Appraisal District of Bandera County indicates a total of 35,282 parcels.

The breakdown of these parcels is as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category A</td>
<td>Single Family residence</td>
<td>7,578</td>
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<tr>
<td>Category B</td>
<td>Multifamily Residence</td>
<td>18</td>
</tr>
<tr>
<td>Category C1</td>
<td>Vacant Lots</td>
<td>12,217</td>
</tr>
<tr>
<td>Category D1</td>
<td>Qualified Open-Space Land</td>
<td>6,376</td>
</tr>
<tr>
<td>Category D2</td>
<td>Improvements on qualified open space land</td>
<td>507</td>
</tr>
<tr>
<td>Category E</td>
<td>Rural Land Not Qualified for Open-Space Land</td>
<td>5,415</td>
</tr>
<tr>
<td>Category F1</td>
<td>Commercial Real Property</td>
<td>637</td>
</tr>
<tr>
<td>Category F2</td>
<td>Industrial Real Property</td>
<td>3</td>
</tr>
<tr>
<td>Category G1</td>
<td>Oil and Gas</td>
<td>7</td>
</tr>
<tr>
<td>Category J1</td>
<td>Water Systems</td>
<td>27</td>
</tr>
<tr>
<td>Category J2</td>
<td>Gas Distribution System</td>
<td>3</td>
</tr>
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<td>Category J3</td>
<td>Electric Company</td>
<td>34</td>
</tr>
<tr>
<td>Category J4</td>
<td>Telephone Company</td>
<td>61</td>
</tr>
<tr>
<td>Category J6</td>
<td>Pipeline Company</td>
<td>12</td>
</tr>
<tr>
<td>Category J7</td>
<td>Cable Television Company</td>
<td>6</td>
</tr>
<tr>
<td>Category J8</td>
<td>Other Utility</td>
<td>1</td>
</tr>
<tr>
<td>Category L1</td>
<td>Commercial Personal Property</td>
<td>1,163</td>
</tr>
<tr>
<td>Category L2</td>
<td>Industrial Personal Property</td>
<td>5</td>
</tr>
<tr>
<td>Category M1</td>
<td>Tangible Personal Property (Mobile Homes)</td>
<td>1,073</td>
</tr>
<tr>
<td>Category O</td>
<td>Residential Inventory</td>
<td>335</td>
</tr>
<tr>
<td>Category S</td>
<td>Special Inventory</td>
<td>6</td>
</tr>
<tr>
<td>Category X</td>
<td>Totally Exempt Property</td>
<td>977</td>
</tr>
</tbody>
</table>
VALUATION APPROACH

MARKET VALUE

The definition of market value as established by the State Property Tax Code differs from the definition established by USPAP; therefore, a JURISDICTIONAL EXCEPTION applies.

The following definition of market value, Section 1.04 of the Texas Property Tax Code, means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

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

The effective date of appraisal is January 1 with the exception of inventory, which may be appraised at its market value as of September 1. To receive the September 1 appraisal date, a taxpayer must file an application by July 31.

The purpose of and intended use of the appraisals performed by the Central Appraisal District of Bandera County is to estimate market value for ad valorem tax purposes for the taxing entities located within the boundaries of Bandera County. It is the goal of the staff of the Central Appraisal District of Bandera County to provide the best possible service to the tax paying public and the taxing entities. The Central Appraisal District of Bandera County staff promotes and adheres to the professional standards and ethics as set forth by the Texas Department of Licensing and Regulation, Texas Association of Appraisal Districts, the Texas Association of Assessing Officers, and the International Association of Assessing Officers.
AREA ANALYSIS

The universe of properties appraised by the Central Appraisal District of Bandera County falls within the physical boundaries of Bandera County.

Bandera County is located in the Hill Country Region of the State of Texas and covers approximately 798 square miles. The elevation of the county seat, City of Bandera, is 1,243 feet. It is bordered on the north by Kerr and Kendall Counties, on the south by Uvalde and Medina Counties, on the east by Bexar County, and on the west by Real County.

The Central Appraisal District of Bandera County is divided into three areas. Each year, all real, residential and commercial property within one of these areas is to be reappraised, regardless of any ratio study findings. These areas are identified as follows:

Year One (Yr 1):

Estimated Parcel count: 16,600. Northside ISD (overlap) and Bandera ISD. Medina Lake/Highway 16 Commuter area – This is most of the area within Rural Land Area 4 and is comprised of the unincorporated areas of Lakehills and Pipe Creek. It consists of small parcel lakefront lots, larger parcel subdivisions and rural land areas; and a short commuting distance to and from the cities of San Antonio and Boerne. Land values are the highest in the county due to the easy commute distances, its views, and proximity to Medina Lake and the Medina River. This market area continues to see a decrease in sales movement due to Medina Lake water levels through the first several months of 2015. Properties are still listed for sale but property owners are willing to hold on to the property longer due to the anticipation of the water returning to normal levels. Lake levels returned to 75% capacity by the end of June 2015. The return of the water will have no effect on the 2015 certified values but may have an effect on the 2016 values.

Year Two (Yr 2):

Estimated Parcel count: 8,720. Bandera ISD and County Seat. This is a portion of the Rural Land Areas 3 and 4. It is comprised of the incorporated City of Bandera. It consists of smaller city lots, rural plateau land, spring fed creeks, and the Medina River. This market area is more active with residential properties selling at a steady pace along with larger ranches. Properties selling in this area indicate that properties with water influence sell for a much higher premium than properties which do not have water influence.

Year Three (Yr 3):

Estimated Parcel count: 6400. Medina ISD and Utopia ISD (overlap). Typical Texas Hill Country – This is a portion of Rural Land Areas 1 and 3. It consists of hill country plateaus and higher elevations. Land in this area sells for less per acre; however, more
acres are purchased at one time for a higher overall total, making it more difficult to obtain sales price disclosures. A portion of the unincorporated areas of Medina, Utopia and Tarpley are located in this area, as well as the headwaters of the Medina and Sabinal rivers, and numerous spring fed creeks, which contribute to higher sales prices. Improvements are ranch-style older homes intermingled with new ranch-style, large square footage homes. Properties selling in this area are identified as larger ranches all with water influence. Larger ranch sales are taking place in areas which include the Medina River or Sabinal River on the property. This water influence produces premium per acre prices and also makes it difficult to obtain sales price disclosure.

OVERVIEW OF TYPES OF PROPERTIES APPRAISED

There are four major categories of property appraised by the Central Appraisal District of Bandera County.

These categories are:

(1.) Real Properties: Residential (both single family and multi-family)
Commercial
Vacant Lots (both residential and commercial)
Vacant rural land and improvements on rural land

(2.) Personal Properties: Income producing business personal property
Industrial personal property

(3.) Utilities: Telephone companies
Cable companies
Electrical companies
Fiber Optics
Misc. Other Utilities

(4.) Minerals: Oil and Gas
The Property Tax Division of the State Comptroller’s Office requires properties to be identified by type using a standard identification code. The codes currently used by the Central Appraisal District of Bandera County are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Single Family residence</td>
</tr>
<tr>
<td>B</td>
<td>Multifamily Residence</td>
</tr>
<tr>
<td>C1</td>
<td>Vacant Lots</td>
</tr>
<tr>
<td>D1</td>
<td>Qualified Open-Space Land</td>
</tr>
<tr>
<td>D2</td>
<td>Improvements on qualified open space land</td>
</tr>
<tr>
<td>E</td>
<td>Rural Land Not Qualified for Open-Space Land</td>
</tr>
<tr>
<td>F1</td>
<td>Commercial Real Property</td>
</tr>
<tr>
<td>F2</td>
<td>Industrial Real Property</td>
</tr>
<tr>
<td>G1</td>
<td>Oil and Gas</td>
</tr>
<tr>
<td>J1</td>
<td>Water Systems</td>
</tr>
<tr>
<td>J2</td>
<td>Gas Distribution System</td>
</tr>
<tr>
<td>J3</td>
<td>Electric Company</td>
</tr>
<tr>
<td>J4</td>
<td>Telephone Company</td>
</tr>
<tr>
<td>J6</td>
<td>Pipeline Company</td>
</tr>
<tr>
<td>J7</td>
<td>Cable Television Company</td>
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<td>J8</td>
<td>Other Utility</td>
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<tr>
<td>L1</td>
<td>Commercial Personal Property</td>
</tr>
<tr>
<td>L2</td>
<td>Industrial Personal Property</td>
</tr>
<tr>
<td>M1</td>
<td>Tangible Personal Property (Mobile Homes)</td>
</tr>
<tr>
<td>O</td>
<td>Residential Inventory</td>
</tr>
<tr>
<td>S</td>
<td>Special Inventory</td>
</tr>
<tr>
<td>X</td>
<td>Totally Exempt Property</td>
</tr>
</tbody>
</table>

**HIGHEST AND BEST USE ANALYSIS**

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

In order to complete the highest and best use analysis of a property, an appraiser must estimate the highest and best use as if the land were vacant. This estimate ignores the value of and the restrictions created by existing improvements. It is the highest value the land could have if it were available for any legal, physically possible and economically feasible kind of development. In determining the highest and best use, preliminary judgments are made in the field by appraisers.
Central Appraisal District of Bandera County property appraisal cards contain information regarding lot size and frontage; therefore, appraisers normally make judgments on possible physical use of sites in the field. Economically feasible and most profitable uses are determined by observing surrounding property. However, changes in property use require a more detailed and technical highest and best use analysis. These studies are performed in the office.

**MARKET ANALYSIS**

National, regional, and local trends affect the universe of properties appraised in Central Appraisal District of Bandera County. An awareness of social, economic, governmental and environmental conditions is essential in understanding, analyzing, and identifying local trends that affect the real estate market.

Market analysis is performed throughout the year. Both general and specific data is collected and analyzed. An in-house ratio study is conducted at least once a year.

Examples of sources of general data include “Trends” issued by The Real Estate Center at Texas A&M University, “The Statement” published by the State Comptroller’s Office, “The Appraiser” published by The Texas Association of Appraisal Districts, and the “Texas Assessor’s News” published by the Texas Association of Assessing Officers. When possible, local sources such as lending institutions, local realtors, the Chamber of Commerce, and articles published in the local and area newspapers are used to obtain financing information, market trends and information, demographics, and labor statistics.

Sales information is received from various sources. Asking prices can be gathered from the local paper and realtor listings. Information is also gathered from conversations with local real estate appraisers, agents and brokers. Sales confirmation letters are mailed to each new owner when a property changes hands.

Central Appraisal District of Bandera County employees go to the Bandera County Courthouse on a regular basis to collect deed transaction information. From this information, sales confirmation letters are mailed to the buyer to obtain information on the sale. This information is not mandatory in the State of Texas and only a small percentage of letters are returned with useful information. This is a serious problem in that there is usually inadequate sales data to perform as thorough an analysis of sales data as USPAP would require. However, every effort is made to use what data is available. The Property Tax Division also sends out sales letters and that data is made available to the appraisal district once a request for information has been submitted to the Property Tax Division.

Central Appraisal District of Bandera County does reappraisals on an annual basis. The reappraisal includes the cyclical inspection of properties and the updating of all information on the properties. Sales and market analysis are performed each year on
residential properties, as information is available. Each year properties with new improvements are inspected, measured and added to the roll. In addition, building permits within the City of Bandera are obtained and changes to accounts are made as indicated. Individual properties are also reappraised with changes to the condition as the property warrants; for example, fire, remodeling, or an addition or demolition of a portion of the improvement. Appraisers will perform detailed field inspections of properties if requested by the owner.

PLEASE REFER TO THE CENTRAL APPRAISAL DISTRICT OF BANDERA COUNTY’S BIENNIAL REAPPRAISAL PLAN FOR MORE INFORMATION ON REAPPRAISAL, REQUIREMENTS FOR REAPPRAISAL, AND THE CYCLES OF REAPPRAISAL.

The appraisers performing reappraisal in the field have property record 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, sketches of improvements as well as any available detailed information of the improvements. A copy of a property record card may be obtained at the appraisal office.

Field inspections require the appraisers to check all information on the property record cards and to update if necessary. If physical inspection of the property indicates changes to improvements, the appraiser notes these changes in the field. Examples of types of changes may be condition or effective age of the improvements as well as additions to the improvements. The classification of residential properties is also reviewed during the revaluation process. New improvements are also added at this time.

DATA COLLECTION AND VALIDATION

Central Appraisal District of Bandera County cost and value schedules include land and residential improvements. Commercial schedules are comprised by using information from Marshall & Swift Valuation Services and local factor adjustments. Personal property depreciation schedules are from the Property Tax Division’s website and are used in conjunction with personal property renditions and on-site inspections. (Marshall & Swift Valuation Service is a national based cost manual and is generally accepted throughout the nation by the real estate industry. The cost manual is based on cost per square foot and also the unit in place method. The unit in place method involves the estimated cost by using actual building components. This national based cost information service provides the base price of buildings as per classification with modifications for equipment and additional items. The schedule is then modified for time and location.) Renditions are confidential sources and cannot be used for specific information. However, data from renditions may be compared with data from cost manuals and used to test for accuracy.

Central Appraisal District of Bandera County schedules are then formulated from a combination of each of these sources. Schedules may also be modified by use of local
market data (sales information) to further insure the accuracy of the cost and valuation schedules.

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

Currently, single family dwellings are classified for quality and type of construction, whether frame or brick veneer. The classifications range from a class 1 +/- to a class 10+/- . Class 1 +/- is the most basic of structures using the poorest quality materials and lowest workmanship while a class 10 +/- structure is of the highest possible quality using only the best of materials and the highest and best quality workmanship available. For any dwelling that exceeds the general description of the top-most classification, a special class may be assigned.

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

Depreciation is also estimated by condition of the improvements. Condition ranges from unsound to excellent. Appraisers in the field usually inspect structures from exterior perspectives. The interior condition is assumed to be similar to the exterior. However, if the taxpayer requests it, an interior inspection may be made.

Foundation failure may occur in varying degrees and may also result in loss of value. The appraiser makes allowances for foundation problems on a case by case basis.

Additional depreciation may be estimated for a variety of reasons including functional obsolescence resulting from bad floor plans or out of date construction methods. Economic obsolescence results from a loss of value to a property due to adverse influences from outside the physical boundaries of the property. Examples of economic obsolescence may be proximity to correctional facilities, location of residences outside city limits with no access to city amenities, residences located on farm and ranch land, etc.
VALUATION ANALYSIS

Central Appraisal District of Bandera County valuation schedules are divided into four main classifications: residential, commercial, personal property and land. These schedules are based on the most appropriate data available. Miscellaneous special categories such as mobile homes, special inventory, and agricultural land are appraised using different techniques, which are addressed later in this report. Depreciation tables/schedules are also included within these schedules. These tables are calibrated from costs as well as sales data and updated as needed. These tables and schedules are included in the “Appraisal Manual” maintained by the appraisal district.

RESIDENTIAL SCHEDULES

Residential valuation schedules are cost based tables modified by actual sales data from the county. That is, the cost reflects actual replacement cost new of the subject property. Market research indicates that the common unit of comparison for new residential construction as well as sales of existing housing is the price paid per square foot. The value of extra items is based on their contributory value to the property. This value may be estimated by the price per square foot or a value of the item as a whole. This data is extracted from the market by paired sales analysis and conversations with local appraisers and brokers.

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

1. Quality of construction: Residential construction may vary greatly in quality of construction. The type of construction affects the quality and cost of material used, the quality of the workmanship as well as the attention paid to detail. The cost and value of residential property will vary greatly depending on the quality of the construction. As stated above, the Central Appraisal District of Bandera County’s residential schedules currently class houses based on quality of construction from 1+/- to 10 +/-.

2. Size of structure: The size of a structure also has a direct impact on its cost as well as value. The larger the structure, the less the cost per square foot. The Central Appraisal District of Bandera County’s schedules are graduated in size increments from 100 to 200 square feet, depending on market conditions.

3. Condition of improvements: The Central Appraisal District of Bandera County’s rates conditions from unsound or unusable to excellent. Properties that in the opinion of the appraiser are unlivable may be taken off the schedule and given a salvage value.

4. Age of structure: The Central Appraisal District of Bandera County’s residential depreciation schedule factors percentages individually until the maximum amount
of depreciation is reached. As stated above, effective age and chronological age may be the same or different depending on the condition of the structure.

5. Extra items: As stated above, extra items are valued according to their contributory value to the whole. Examples of extra items include storage buildings, swimming pools, fireplaces, additional baths, etc.

6. Land value: The Central Appraisal District of Bandera County values land based on market transactions when possible. As there are not always market transactions available, other recognized methods of land valuation may be used. The two most common methods are the land residual method and the land ratio method. Land schedules are available at the appraisal district office.

COMMERCIAL SCHEDULES

Commercial properties are valued using valid market transactions in the area, along with Marshall and Swift Valuation schedules for commercial property. Replacement cost new is determined and then adjusted for location. Depreciation is then applied using physical observation of the property.

PERSONAL PROPERTY SCHEDULES

The personal property schedules value business furniture, fixtures, and equipment as well as inventory that are taxable by law. Business vehicles located within the appraisal district boundaries are also appraised for ad valorem tax purposes.

Business personal property values are derived from several sources. Business owners are required by Texas Law to render their income producing personal property each year. It is the experience of the district that we receive approximately sixty percent (60%) of the business renditions each year. Rendered values are used on business personal property if the value is reasonable for the type of business and is within acceptable ranges. If the value is outside of reasonable parameters for age and depreciation and business type then a more in depth research process is utilized to determine a more realistic value as compared to similar property. Depreciation is determined by the age of the property and its expected life. Schedules are available in the appraisal district office.

Business vehicles are valued based on the NADA Used Car Guide trade-in value for the particular make, model, mileage and age of the vehicle or if the original cost of the vehicle is provided and no other information is given then the depreciation schedule is used based on the life expectancy of the vehicle. The Central Appraisal District of Bandera County uses information obtained from “Just Texas” for vehicles that are registered as commercial vehicles.
STATISTICAL ANALYSIS

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

The Central Appraisal District of Bandera County statistical analysis for real estate is based on measures of central tendency and measures of dispersion. The measure of central tendency determines the center of a distribution. The measures of central tendency utilized with the aid of computer based programs are the mean, median, mode, and the weighted mean.

The measure of dispersion calculated is the co-efficient of dispersion. This analysis is used to indicate the spread from the measure of central tendency. Statistical bias is measured by the price related differential (PRD). The PRD indicates how high price properties are appraised in relation to low price properties.

These statistics are included in the district’s ratio study and may be obtained from the appraisal office.

INDIVIDUAL VALUE REVIEW PROCEDURES

In order for comparable sales data to be considered reliable it must contain a sales date, sales price, financing information, tract size and details of the improvements. Sales data is gathered by sending sales letters to the buyer of properties that the district knows changed ownership. Commercial sales are confirmed from the direct parties involved whenever possible. Confirmation of sales from local real estate appraisers is also considered a reliable source.

Sales data is compiled and the improved properties are physically inspected (and most are photographed). All data listed on the property record card is verified and updated as needed including building classification, building size, and additions or new out buildings, condition of structures and any type of change in data or characteristics that would affect the value of the property.

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

1. Properties are acquired through foreclosures or auction.
2. Properties are sold between relatives.
3. The buyer or the seller is under duress and may be compelled to sell or purchase.
4. Financing may be non-typical or below or above prevailing market rates.
5. Considerable improvements or remodeling have been done since the date of the sale and the appraiser is unable to make judgments on the property’s condition at the time of the transaction.
6. Sales may be unusually high or low when compared with typical sales located in the market area. Some sales may be due to relocation or through divorce proceedings.
7. The property is purchased through an estate sale.
8. The sale involves personal property that is difficult to value.
9. There are value-related data problems associated with the sale. For example: incorrect land size or square footage of the living area.
10. Property use changes occur after the sale.

Due to the population size and nature of Bandera County, it is very difficult to obtain sufficient sales data to meet USPAP standards for analysis of sales and exception is taken to USPAP Standard Six in this area.

**PERFORMANCE TESTS**

Sales ratio studies are used to evaluate the district’s mass appraisal performance. These studies not only provide a measure of performance but also are an excellent means of improving mass appraisal performance. The Central Appraisal District of Bandera County uses ratio studies not only to aid in the revaluation of properties, but also to test the Comptroller’s Property Tax Division annual value study results.

Sales ratio studies are usually performed in the spring of the year to test cost schedules. They may also be performed at any other time deemed appropriate by the chief appraiser. At this time, individual properties which have sold are reviewed for accuracy in their data. Property record cards indicating the results of the field inspections are used to further aid in the analysis and decision making.

Ratio studies are usually done on a countywide base of all residential sales, which occur on 5.99 acres or less and then by residential classification. The median ratio within each classification is then compared to the desired ratio to determine if schedule adjustments should be made. The coefficient of dispersion is also studied to indicate how tight the ratios are in relation to measures of central tendency (“goodness of fit” statistic). The median and coefficient of dispersion are good indicators of the types of changes, if any, that need to be made. If properties that fall outside of the common parameters (referred to as out-lyers) are held out or not included in the study, these properties shall be identified and explanations given for their exclusion from the ratio study. It may be necessary to depart from USPAP Standard Six in this area.
CERTIFICATION STATEMENT

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, unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the properties that are subject of this report, and I have no personal interest or bias with respect to the parties involved;
- my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the taxing jurisdiction, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event;
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, and the International Association of Assessing Officers;
- I have made, or caused to be made, a personal inspection of the properties that are the subject of this report;
- Significant professional assistance was provided to me, chief appraiser of the appraisal district by the deputy chief appraiser, appraisal district staff and various representatives of Eagle Property Tax Appraisal & Consulting, Wardlaw Appraisal Group, LC and Perdue, Brandon, Fielder, Collins & Mott LLP

Wendy M. Grams, RPA, CCA
Chief Appraiser