2025 Mass Appraisal Report

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Members of the Navarro County Appraisal Review Board
1250 N 45th Street
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In accordance with the laws of the State of Texas and Uniform Standards of Professional Appraisal Practices (USPAP), I, with the assistance of my staff, have performed a diligent inquiry to ascertain all property subject to appraisal by the Navarro Central Appraisal District. Those properties have been appraised and listed on the appraisal rolls for each of the taxing jurisdictions within the district.

This report summarizes the appraisal considerations and opinions of me and my staff.

The market and taxable values presented in this report are representative of the values included on the Notices of Appraised Values delivered to property owners in April and May 2025.

Final values will be certified to all taxing jurisdictions once you have heard substantially all property owner protests and taxing unit challenges on or before July 25, 2024.

Sincerely,

Bud Black, CTA/RPA
Chief Appraiser

Introduction

The purpose of this report is to summarize the methods and techniques utilized by the Navarro Central Appraisal District (here after referred to as NCAD) in the valuation and revaluation of taxable property within Navarro County. This report is prepared in accordance with Standards 5 and 6 of the Uniform Standards of Professional Appraisal Practice, effective as of January 1, 2025.

The values reported herein have not been challenged or adjusted as the result of taxpayer filed protests before the Appraisal Review Board. Final values will be certified by the Chief Appraiser by July 25, 2025, and after the Appraisal Review Board has made final determinations on protested properties that comprise at lease ninety-five percent (95%) of the appraisal roll.

NCAD 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's boundaries. It is responsible for providing appraised values for portions of taxing jurisdictions which are situated in Navarro County.

The district appraises property for the following taxing authorities:

- Navarro County,
- Navarro County Flood Control
- Navarro County Road & Bridge
- Navarro County Emergency Service District #1
- Navarro College
- City of Barry
- City of Blooming Grove
- City of Corsicana
- City of Dawson
- City of Emhouse
- City of Frost
- City of Goodlow
- City of Kerens
- City of Rice
- City of Richland
- City of Streetman
- Blooming Grove ISD
- Bynum ISD
- Corsicana ISD
- Dawson ISD
- Ennis ISD
- Fairfield ISD
- Frost ISD
- Hubbard ISD
- Kerens ISD
- Mildred ISD
- Rice ISD
- Wortham ISD

- Fairfield Hospital District
- Henderson County Levee District #3
- Hill College

The Texas Property Tax Code governs the legal, statutory, and administrative requirements of the appraisal district. It is governed by a board of directors appointed by the taxing units within its boundaries. 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 the fifteen taxing units situated in whole or in part within the county. Each taxing unit adopts its own tax rate to generate revenue to pay for such things as police and fire protection, public schools, road and street maintenance, courts, water and sewer systems, and other public services. The CAD also determines eligibility for various types of property tax exemptions such as those for homeowners, the elderly, disabled veterans, and charitable and religious organizations.

Section 23.01(b) requires the appraisal district to determine market value of property according to generally accepted appraisal methods and techniques. Mass appraisal standards must comply with the Uniform Standards of Professional Appraisal Practice (USPAP).

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:

- 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 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; 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.

All taxable property is appraised at its market value as of January 1st unless it qualifies for a special valuation (i.e., open space agricultural, timber, or wildlife management). Inventory owners may request to have their property valued as of September 1 if the taxpayer files an application by July 31.

The purpose of and intended use of the appraisal performed by the Navarro Central Appraisal District is to estimate the market value for ad valorem tax purposes for the taxing entities located within the boundaries of NCAD as of January 1, 2024, which is the effective date of this appraisal.

NCAD's goal is to provide professional service to the tax paying public and the taxing entities. Thru its Chief Appraiser, the district promotes and adheres to the professional standards and ethics as set forth by:

- The Texas Department of Licensing (TDLR),
- The Property Tax Assistance Division of the Texas State Comptroller's Office (PTAD),
- The Uniform Standards of Professional Practices (USPAP), and
- The International Association of Assessing Officers (IAAO).

Area Analysis

The universe of properties appraised by the Navarro Central Appraisal District falls within the physical boundaries of Navarro County's 1,068 square miles.

The county is in north central Texas and is bordered by Henderson, Freestone, Limestone, Hill and Ellis Counties. The Trinity River forms it northeast boundary.

The county is situated in the Blackland Prairie Ecoregion of Texas. Its level and rolling land consists of black loam with a mixture of sand and is very rich. Various trees and grasses are native to the area and between 30 and 40 percent of it is considered prime farmland. Natural resources include clay, limestone, sand, gravel, oil, and natural gas.

Many waterways cross throughout the county and the Richland-Chambers Reservoir is the third largest lake in Texas.

With its proximity to the Dallas-Fort Worth Metroplex, the county is ideal for industrial development. Interstate 45, U. S. Highway 287, and State Highways 31 and 22 provide easy access to the area as do the BNSF and Union Pacific Railroads.

There are multiple commercial and industrial facilities in the area with the following comprising the top ten commercial employers:

▪ Russell Stover Candies	Manufacturing
▪ Corsicana ISD	Education
▪ Pactive	Manufacturing
▪ Navarro Regional Hospital	Healthcare
▪ Walmart Supercenter	Retail
▪ Navarro County	Government
▪ Navarro College	Education
▪ Corsicana Mattress Company	Manufacturing
▪ Guardian Industries	Manufacturing
▪ Heritage Oaks	Healthcare

The district is responsible for establishing and maintaining appraisal records for 52,852 real, personal, mineral, and industrial property records within the district. A total of $164,584,764 was added to the appraisal roll as:

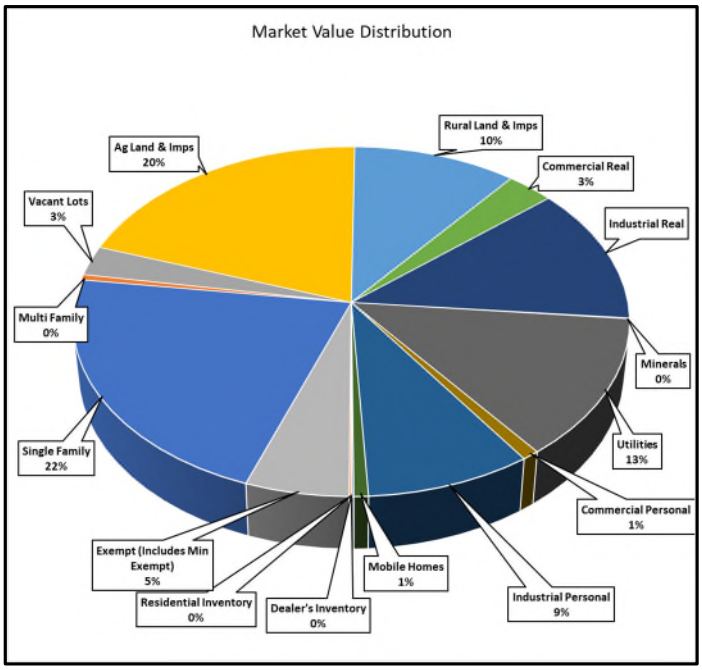
- $164,196,854 in new real property, and
- $387,910 in new mineral/utility/industrial property.

The 2025 appraisal roll as of this report date has a total market value of $13,728,287,278, an increase of $1,068,329,688 as compared to the certified market value of $12,659,957,590 for 2024 as of Supplement 31 on May 17, 2024.

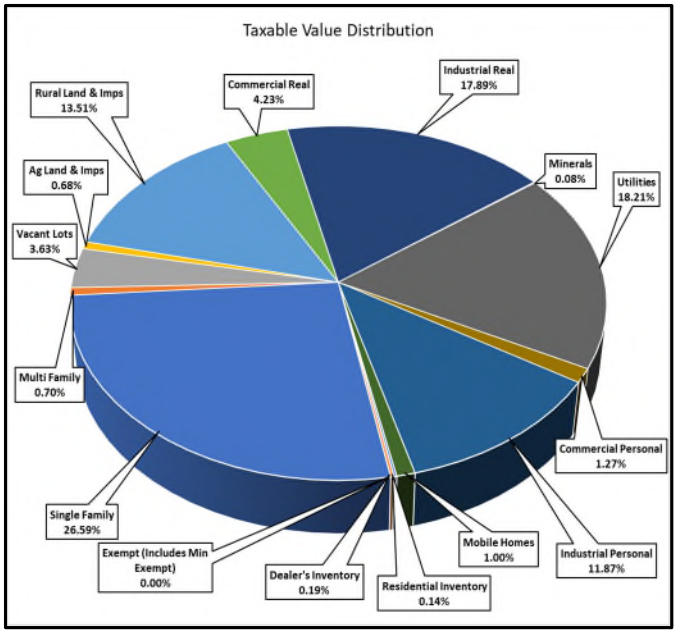
As will be discussed later in this report, the increase in market value is directly attributed to a generally eight percent (8%) increase in sale amounts of property sales withing the county.

The various properties in the county are classified, with total market value by class, as:

Category	Market
Single Family	3,587,453,293
Multi Family	35,642,110
Vacant Lots	446,153,677
Ag Land & Imps	3,231,280,812
Rural Land & Imps	20,237,060
Commercial Real	1,727,139,995
Industrial Real	1,469,998,046
Minerals	72,134,180
Utilities	1,214,083,720
Commercial Personal	147,809,310
Industrial Personal	718,935,810
Mobile Homes	124,421,550
Residential Inventory	16,953,300
Dealer's Inventory	21,641,510
Exempt (Includes Min Exempt)	894,282,905
Total	**13,728,287,278**



The Taxable Value Distribution pie graph below illustrates taxable values (for Navarro County) by property classification.



	Percentage
Single Family	26.59
Multi Family	0.70
Vacant Lots	3.63
Ag Land & Imps	0.68
Rural Land & Imps (Non-Ag)	13.51
Commercial Real	4.23
Industrial Real	1789
Minerals	0.08
Utilities	18.21
Commercial Personal	1.27
Industrial Personal	11.87
Mobile Homes	1.00
Dealers Special Inventory	0.14
Residential Inventory	0.19
Exempt Property	0.00
Total	**100.00**

The table that follows reflects the total market and taxable values for each jurisdiction within the district as of April 30, 2025 at the completion of the 2025 appraisal cycle and the generation of value notices for property owners:

Jurisdiction	Total Market	HS Cap Loss	Circuit Breaker	Exemptions & Losses	Taxable	Parcels
City of Barry	19,089,580	1,906,709	445,467	2,862,574	13,874,830	170
City of Blooming Grove	103,742,700	8,993,860	9,187,584	24,522,042	61,039,214	605
City of Corsicana	3,373,071,879	124,502,118	23,814,457	505,019,137	2,719,736,167	13,814
City of Dawson	82,310,600	5,569,603	3,842,239	16,206,818	56,691,940	675
City of Emhouse	16,766,400	2,972,274	751,924	843,014	12,199,188	148
City of Frost	69,247,150	7,976,659	5,003,720	14,055,710	42,211,061	502
City of Goodlow	14,555,760	513,102	432,399	4,726,019	8,884,240	255
City of Kerens	135,324,002	8,938,209	5,358,536	26,450,924	94,576,333	1,090
City of Rice	123,292,700	8,174,678	2,876,210	16,095,696	96,146,116	918
City of Richland	28,546,120	2,183,937	976,312	5,831,359	19,554,512	356
City of Streetman	3,216,640	0	696	1,710,450	1,505,494	31
Fairfield Hospital District	464,829,850	19,006,702	15,340,575	137,200,817	293,281,756	1,505
Navarro County	13,727,336,568	485,154,613	181,788,417	5,466,662,381	7,593,731,157	52,832
Henderson Co Levee Imp Dist	5,767,260	0	0	5,518,650	248,610	283
Hill College	9,143,860	0	47,432	7,107,570	1,988,858	37
Navarro College	13,727,339,068	485,154,613	181,788,417	4,550,149,724	8,510,246,314	52,833
Navarro Emergency Services	1,921,782,879	46,107,623	28,250,357	772,225,893	1,075,199,006	6,930
Navarro Flood Control	13,727,322,668	485,154,613	181,788,417	5,162,912,584	7,897,467,054	52,832
Navarro Road & Bridge	13,727,339,068	485,154,613	181,788,417	5,332,225,252	7,728,170,786	52,833
Blooming Grove ISD M&O	1,412,744,968	64,213,795	18,633,336	816,380,082	513,517,755	5,179
Blooming Grove ISD I&S	1,412,744,968	64,213,795	18,633,336	755,363,842	574,533,995	5,179
Bynum ISD	9,143,860	0	47,432	7,107,570	1,988,858	37
Corsicana ISD M&O	5,167,209,126	184,570,404	44,477,439	1,924,957,782	3,013,203,501	20,549
Corsicana ISD I&S	5,167,209,126	184,570,404	44,477,439	1,767,746,732	3,170,414,551	20,549
Dawson ISD M&O	1,145,900,709	21,242,462	7,869,694	703,306,495	413,482,058	4,447
Dawson ISD I&S	1,145,900,709	21,242,462	7,869,694	579,686,945	537,101,608	4,447
Ennis ISD	114,224,590	1,622,809	203,329	59,496,239	52,902,213	211
Fairfield ISD	464,828,310	19,006,702	15,340,575	206,145,538	224,335,495	1,504
Frost ISD	726,033,231	19,965,957	7,969,799	311,077,890	387,019,585	2,103
Hubbard ISD	5,263,640	0	0	3,744,820	1,518,820	23
Keren ISD	1,997,955,849	46,107,623	28,569,797	1,172,095,414	751,183,015	6,947
Keren ISD	1,997,955,849	46,107,623	28,569,797	936,596,764	986,681,665	6,947
Mildred ISD	1,779,505,842	93,819,352	45,096,282	670,775,095	969,815,113	7,612
Rice ISD	731,895,480	32,986,434	12,672,124	359,732,521	326,504,401	3,603
Wortham ISD	172,496,893	1,619,075	908,610	101,119,876	68,849,332	705

Reappraisal Plan

While reappraising property, the Chief Appraiser, with the approval of the Board of Directors, is required to develop policy and procedure necessary to guide his staff in the performance of their duties in a manner that is compliant with state laws and adopted appraisal standards.

Plan Requirements

Section 6.05(i) of the Property Tax Code requires the board of directors to adopt a reappraisal plan outlining the district's planned activities biennial appraisal activities by September 15 of even numbered years.

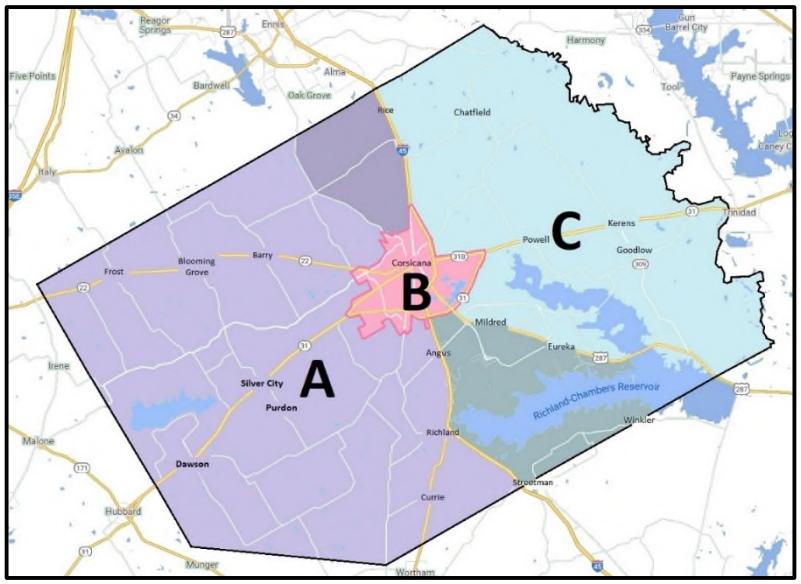
The Chief Appraiser submitted a proposed reappraisal plan to the board for consideration and, after conducting a public hearing on September 10, 2024, the plan was adopted for the 2025 and 2026 appraisal years.

Generally, the plan requires the Chief Appraiser to:

- Reappraise approximately one-third of the county each year to meet the statutory reappraisal requirements,
- Calibrate appraisal models (cost schedules) annually using available sales data so to achieve an acceptable appraisal level according to the requirements of the Standard on Ratio Studies adopted by the International Association of Assessing Officers (IAAO) and the Property Tax Assistance Division of the Texas Comptroller of Public Accounts (PTAD),
- Administer the application and granting of state approved special valuations and exemptions, and
- Maintain and enhance the district's mapping system.

Because of the heavy protest season in 2023, the district's appraisers were unable to start their scheduled inspection of Area C in its entirety. For this reason, the inspection schedule for 2025 will include that portion of Area C that was not completed during 2024 and that portion of Area A (west of Interstate 45) that includes the remainder of Rice ISD.

The reappraisal inspection schedule for 2026 will include the remainder of Area A.The reinspection schedule for both years is illustrated below:



	Portion of Area C was not completed during the 2024 reappraisal cycle. This area was the first inspected for the 2025 reappraisal cycle.
	Portion of Area A that is in Rice ISD. This area would typically be on the inspection schedule for 2026 but was inspected in 2025.

Plan Performance

The Chief Appraiser and his staff were able to complete the appraisal assignment as required by the reappraisal plan as adopted by the board of directors by the target completion date of February 28, 2025.

Inspections were performed with a blending of on-site validation and by using oblique photography flown during 2024 for the district by EagleView Pictometry. There were multiple instances where it was discovered that there were no improvement sketches on property records causing previous appraisals (and current appraisals) to be inaccurate. In these instances, the reappraisal process was slowed because each of these cases required the appraisers to create all size and property characteristic data from scratch, similarly to the work required to add a new improvement to the appraisal records.

After completion of the inspections, pictures were taken and appended to the CAMA records for each property to document the observations of the appraiser. Pictures include a representation of the front view of the main structure, and any other buildings that are situated on the property. Pictures were also taken of characteristics for which an appraiser may make an adjustment. When properties were behind locked gates, letters were sent to property owners, requesting access to the property for inspection. When there was no response to the request, appraisers conducted aerial reviews on the Pictometry photography and captured a screen-print of the photographic image.

New properties were discovered from:

- Building permits,
- Material and Mechanic Liens filed in the County Clerk's Official Records,
- Mobile home installation reports (from Texas Department of Transportation),
- Utility connection reports,
- 911 address assignments,
- Septic system permits,
- Advertisements, and
- Renditions.

Land records of properties in the scheduled reappraisal area were reviewed by utilization of the most recent versions of aerial photography available from the EagleView Pictometry.

All business personal property (personal property used for the production of income) was scheduled for an on-site inspection. During these inspections, ownership of all property located a business location, and its ownership were verified and/or listed in the appraisal records. Inspections included the classification of inventories, furniture, and fixtures according to their quality and density so that the accuracy of owner rendition statements could be verified when received.

Appraisal models were updated to reflect Marshall Swift's Valuation Guidelines for residential, multi-purpose, and commercial buildings and appurtenances.

Final appraisal model calibration was performed in March and April prior to the preparation of notices of appraised values to ensure that the recently updated appraisal models (from Marshall Swift)

were reflective of the local markets in Navarro County. Throughout the appraisal cycle, letters requesting sales information were sent to both buyers and sellers as ownership records were changed in the CAMA system. Additional sales information was obtained from the district's MLS subscription. Occasionally, sales information was received from closing statements and title policies provided by the property owners. This information was entered into the district's sales database in its CAMA system where sales ratio reports were run to identify areas and property classes that needed review and adjustment.

Exemption and special use valuation applications were mailed to taxpayers in January with explanations regarding the need to re-file applications. Throughout the year, parcels where the ownership or use had changed were flagged for the removal of the exemption/special valuation. Properties that had received an exemption for more than ten years were flagged for owners to file an updated application to verify the continued qualification for the exemption/special valuation.

Applications received by the district were reviewed for qualifications by staff appraisers. Taxpayers were notified by certified mail when the application was denied or was applied partially to the property for which the application was made.

Documents received from the Texas Commission on Environmental Quality (TCEQ) were reviewed as received. Exemptions were granted on these properties when application was filed with and approved by the commission.

Available resources and staffing are discussed under the heading of ***Resources*** later in this report.

Beginning in 2025, the district implemented a process to ***validate the qualifications of each homesteaded property*** in the county. This process began with the review of 2,488 applications that were filed with the district prior to 2008. The continued qualification for the exemption was made through the review of public data verifying mailing addresses for property owners and searching death records to find exemptions that were still in place that should have been removed due to the death of an owner. When exemptions were questioned or removed, property owners were notified by certified mail of the action.

The district's mapping system was updated weekly to reflect the most recent property ownership information in the district's CAMA system. The mapping department was responsible for obtaining necessary documents to make ownership changes to the mapping and appraisal records from the Navarro County Clerk's Office and from property owners.

Valuation Approach Requirements

General requirements for appraisals are found in Section 23.01 of the Texas Property Tax Code (PTC). Other requirements for special valuations for property (i.e., "ag" value, developer's residential inventory, dealer's special inventory, and others) are found in various other sections of the PTC.

This section of PTC says that "*…all taxable property is appraised at its market value as of January 1."* PTC Section 23.01(a)

The district must employ generally accepted appraisal techniques as recognized in the Uniform Standards of Professional Appraisal Practice (USPAP) (published by The Appraisal Foundation). As required by state law, polices and operational procedures must be developed and compliant with appraisal standards, theory, and methodology established by the International Association of Assessing Officers (IAAO) and the State Comptroller's Property Tax Assistance Division (PTAD).

All property should be appraised at its highest and best use. For real estate, this 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. The 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 should be considered a statement of opinion and never a statement of fact.

To complete the highest and best use analysis of a property, an appraiser must estimate its highest and best use as if the land were vacant, ignoring the value and restrictions created by existing improvements and remembering that it is the highest value the land could have if it were available for any legal, physically possible and economically feasible kind of development.

State law requires the appraisal district to appraise the land and improvements of residence homestead parcels solely on the basis of their value as a residence homestead regardless of highest and best use. *A jurisdictional exception from the USPAP standard applies to the appraisal of residential homestead properties.*

In a mass appraisal system, values should most often be determined by the application of a series of appraisal models for replacement cost and depreciation that have been tested against current market data; however, PTC section 23.0101 requires the district's appraisers to consider the most appropriate of the three approaches to value when determining a property's value:

- Cost Approach,
- Market (or Sales Comparison) Approach, and
- Income Approach.

Generally, land in the district should be appraised by the Market Approach but may be appraised by the Income Approach if the property is marketable as an income producing investment (i.e., rv parks, etc.).

Improvements should be generally appraised using the district's appraisal models. (Determining a value in this method creates a blending of the cost and market approaches to value.) Generally, the replacement cost new of a structure should be estimated and adjusted for:

- Age and condition of the property,
- Location (neighborhoods), and
- Observed functional or economic obsolescence.

However, the income approach to value may be the most appropriate approach considered for properties in which the most attractive reason for ownership is the production of income. This approach should be considered for properties such as hotels, motels, rv parks, self-storage units, warehouses, etc.

Business personal property should be appraised according to field observations and rendition reports filed by property owners. When original cost data is available, furniture, fixtures, machinery, and equipment should be valued by indexing the original cost to a current replacement cost then applying appropriate accrued depreciation according to the remaining economic life of the items. Inventories may be valued as rendered if the rendered value is reasonable when compared to field observations of quality and density. When no rendition is filed, appraisal models should be used to estimate value per square foot of business area according to quality and density ratings. Section 23.12 (a) of the Property Tax Code defines the market value of an inventory as the price for which it (inventory) would sell as a unit to a purchaser who would continue the business.

Oil, gas, utilities, and industrial properties are valued by an outside appraisal firm contracted to perform such services. The firm is contractually responsible for appraising these properties according to generally accepted appraisal techniques.

In the valuation of these properties, general considerations include:

- Projected production life of wells,
- Historical average gas prices and operating expenses,
- Current division orders (for current ownership and interest information), and
- The Comptroller's Price Adjustment Factor

A jurisdictional exception from the USPAP standard is taken in the application of the Price Adjustment Factor which limits the appraiser's opinion of market value.

Valuation Requirements Applied

To assign values to properties that were representative of the local market, the district employed generally accepted appraisal techniques as outlined in the ***Valuation Requirements Section*** of this report.

In a mass appraisal system, values are typically determined by the application of an appropriate appraisal model and adjusted to certain individual characteristics of a property.

Residential and commercial properties were appraised utilizing appraisal models (cost schedules) based upon the Marshall Swift Valuation Service's published guidelines for January 1, 2024. Marshall Swift is a nationally recognized appraisal guide that is utilized by appraisers both in the private sector and in an ad valorum taxation environment. For these appraisal models to accurately represent the local market, they were tested and evaluated to validate their ability to generate values that meet the required standards. Adjustments to the models were made via the application of "neighborhood factors" that drive decreases/increases in the appraisal model for the various school districts, cities, and subdivisions in the district.

NCAD land appraisal models were developed from local market data obtained from buyer/seller letters and MLS reports.

Business personal property appraisal models were based upon those prepared by the Property Tax Division of the Texas Comptroller of Public Accounts. Values were estimated on the local level by incorporating modifiers by neighborhood (as defined earlier in this report) to adjust the cost to the local market.

The district also collected information regarding rental rates for commercial properties to develop its appraisal models for various income producing properties.

Primary steps involved in the reappraisal process included:

- The gathering of sales information,
- Performance of local sales ratio studies,
- Review of most recent Property Value Studies performed by PTAD,
- Appraisal model calibration (testing of schedules),
- Field review of property,
- Administration of exemptions and special valuations,
- Notification of the taxpayer, and
- Certification of the appraisal roll to the taxing entities.

Performance Testing

In the calibration of the district's appraisal models, the Chief Appraiser and his staff performed a series of statistical tests in accordance with the Standard for Ratio Studies as adopted by the International Association of Assessing Officers (IAAO). The final report titled *NCAD Internal Ratio Study for Appraisal Model Calibration as of January 1, 2025*, is attached as *Addendum 1* of this report.

Sales ratio studies were used to evaluate the district's mass appraisal performance. These studies not only provided a measure of performance but also were an excellent means of improving mass appraisal performance. NCAD used ratio studies not only to aid in the revaluation of properties, including the calibration of appraisal models, but also to test the results of the Property Tax Division's *Property Value Study.*

Independent Performance Tests

Under the authority of Chapter 5 of the Texas Property Tax Code and Section 403.302 of the Texas Government Code, the State Comptroller's Property Tax Division (PTD) conducts a property value study (PVS) of each Texas school district and each appraisal district bi-annually. As a part of this annual study, the Property Tax Division of the Texas State Comptroller's Office is required to:

- use sales and recognized auditing and sampling techniques;
- review each appraisal district's appraisal methods, standards, and procedures to determine whether the district used recognized standards and practices (MAP Review);
- test the validity of school district taxable values in each appraisal district and presume the appraisal roll values are correct when values are valid; and,
- determine the level and uniformity of property tax appraisal in each appraisal district.

The methodology used in the property value study includes stratified samples to improve sample representativeness and techniques or procedures of measuring uniformity. This study utilizes statistical analysis of sold properties (sales ratio studies) and appraisals of unsold properties (appraisal ratio studies) as a basis for assessment ratio reporting. For appraisal districts, the reported measures include median level of appraisal, coefficient of dispersion (COD), the percentage of properties within 10% of the median, the percentage of properties within 25% of the median, and price-related differential (PRD) for properties overall and by state category (i.e., A, B, C, D, and F1 are directly applicable to real property).

The Texas Comptroller's Property Tax Assistance Division will be conducting its property value study of the district's values in 2025 on the twelve independent school districts that are situated in whole or part in Navarro Central Appraisal District. The preliminary results of this study will be released in January 2026. The final results of this study will be certified to the Education Commissioner of the Texas Education Agency (TEA) in July 2026. This outside (third party) ratio study provides additional assistance to the CAD in determining areas of market activity or changing market conditions.

Pilot Studies

Pilot studies were utilized to test new or existing procedures or valuation modifications in a limited area (a sample of properties) of the district and were also considered whenever substantial changes were made. These studies, which included ratio studies, were performed to reveal whether the new system was producing accurate and reliable values or whether procedural modifications were required.

NCAD coordinated its discovery and valuation activities with adjoining appraisal districts. Numerous field trips, interviews and data exchanges with adjacent appraisal districts were conducted to ensure compliance with state statutes.

Valuation Analysis (Model Calibration)

Model calibration involves the process of periodically adjusting the mass appraisal formulas, tables, and schedules to reflect current local market conditions. Once the models have undergone the specification process, adjustments can be made to reflect new construction procedures, materials and/or costs, which can vary from year to year. The basic structure of a mass appraisal model can be valid over an extended period of time, with trending factors utilized for updating the data to the current market conditions. However, at some point, if the adjustment process becomes too involved, the model calibration technique can mandate new model specifications or a revised model structure. NCAD updated its appraisal models for residential and commercial improvements to those values published by Marshall Swift Valuation Service for January 1, 2024.

Sales ratio studies are conducted which record the appraisal summary statistics before and after model modification. These statistics, including but not limited to the median, mean, and weighted mean, standard deviation, and coefficient of dispersion, provide the district's appraisers a tool by which to determine both the level of and uniformity of appraised value on a stratified basis. The level of appraised values is determined by the weighted mean for individual properties within an area. Review of the

standard deviation and coefficient of dispersion discerns appraisal uniformity within and between stratified neighborhoods.

Each neighborhood is reviewed annually by the district through sales ratio analysis. The first phase involves neighborhood ratio studies that compare the recent sales prices of neighborhood properties to the appraised values of these sold properties. This set of ratio studies affords the district an excellent means of judging the present level of appraised value and uniformity of the sales. The appraisal staff, based on the sales ratio statistics and designated parameters for valuation update, makes a preliminary decision as to whether the value level in a neighborhood needs to be updated, or whether the level of market value in a neighborhood is at an acceptable level.

Market Adjustments or Trending Factors

Neighborhood (market adjustment) factors are developed from appraisal statistics provided from ratio studies and are used to ensure that estimated values are consistent with the market. The district's primary approach to the valuation of residential properties uses a hybrid cost-sales comparison approach. This type of approach accounts for neighborhood market influences not specified in the cost model.

Market, or location adjustments (neighborhood and/or economic) were applied uniformly within neighborhoods to account for location variances between market areas. Once the market-trend factors were applied, a second set of ratio studies were generated that compares recent sales prices with the proposed appraised values. From this set of ratio studies, the staff judged the appraisal level and uniformity for neighborhoods, school districts, and the appraisal district as a whole.

The cost approach to value was applied to all improved real property utilizing the comparative unit method. This methodology involves the utilization of national cost data reporting services as well as actual cost information on comparable properties whenever possible. Cost models were typically developed based on the Marshall Swift Valuation Service. Cost models included the derivation of replacement cost new (RCN) of all improvements. These included comparative base rates, per unit adjustments and lump sum adjustments. This approach also employs the sales comparison approach in the valuation of the underlying land value.

Appraisal models were modified by these factors utilizing the following formula:

$$MV = (LV * RF * OLA) + (AIV * NH)$$

where:

MV	Represents the market value of the whole property
LV	Represents the unadjusted value of the land as determined by applying the appropriate land appraisal model to the parcel's land area.
RF	Represents the modification factor (applied to land only) typically assigned for location or topography adjustments

OLA Represents a modification factor (applied to land only) assigned at the appraiser's discretion to make further adjustments as a "cost to cure" the condition.

AIV Represents adjusted improvement value as determined by the model formula for improvement valuation (discussed further in the valuation of improvements section below)

NH Represents the neighborhood location factor that adjusts the value of the improvements only for location.

Final Valuation Models

Based on the market data analysis and review discussed previously, models are calibrated and finalized. The calibration results were keyed into the model schedule tables in the CAMA system for utilization on all parcels in the district. A copy of *NCAD's Internal Ratio Study Analysis Report for Values Appraised as of January 1, 2025* is attached to this report as *Addendum 1*.

Valuation of Real Estate

Land

The district's methodology for determining land values includes the adjustment of the appraisal model for each parcel according to its:

- Location (neighborhood),
- Outside influences affecting property,
- Physical characteristics that deviate from the expected appraisal model,
- Tract size,
- Utility availability, and
- Other deviations that are observed by the appraiser that have an effect on the application of the appraisal model.

Appraisal models for land were divided into neighborhoods according to geographic location based upon market sales analysis. NCAD has identified areas where the market indicated delineation from the otherwise typical price per acre.

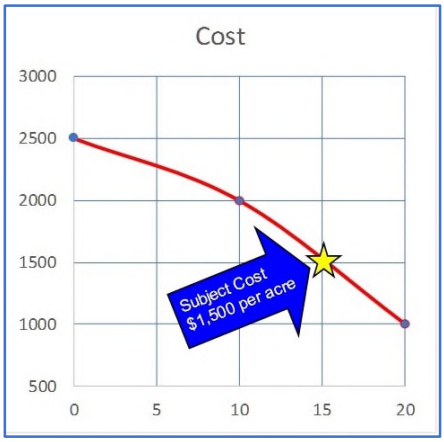
Appraisal models for the valuation of land were divided into classifications according to geographic location. Land was priced according to this schedule unless it fell into another pricing area that was more specific to that geographic location, i.e., a pricing table for a specific subdivision.

Special consideration was given to land that has outside influences that affect it. For example, property that was located inside or near one of the towns usually was given a higher price per acre because of its highest and best use consideration as were properties where commercial influences were present.

Likewise, properties that were influenced by their proximity to the Richland Chambers Reservoir were appraised considering the effect of their relation to the lake – lakefront, lakeview, off-water, and any other influences that might be present because of their location in relation to the lake. Lakefront

properties were either appraised by a square foot method, a lake-front-foot method, and/or a blending of the two.

When property characteristics deviated from the expected appraisal model, appraisers adjusted for those characteristics that affected a property's usefulness such as severe erosion, lack of public access, and other physical or economic factors. Standard adjustments were suggested by the district's schedules for deviation also published in NCAD's *Manual for the Appraisal of Land* as published on its in-house local intranet. Other variations from the pricing schedules were made via "flat value." Calculations for estimating the flat value and proper notation supporting the deviation from the appraisal model were attached by appraisers to the property record as maintained in the district's CAMA system.



The mathematical function of interpolation (the process of estimating the outcomes in between sampled data points) in the valuation of "typical land" was used in the CAMA system to determine unique costs based upon exact tract sizes. In using this function, parcels would only use the posted schedule cost when the acreage (or larger tract acreage) was an exact match to the acreage stored in the cost table. In all other instances, the CAMA system calculated exactly what the estimated cost was based upon the acreage ranges and costs stored in the table. For example, if a land cost for 10 acres was $2,000/acre and the land cost for 20 acres was $1,000, then the appraised cost for a 15-acre tract was estimated at the interpolated cost of $1,500/acre (because it was exactly halfway between the two data points).

Occasionally, additional adjustments were made from property characteristics observed by the appraisers. Such adjustments and deviations from the appraisal model were made typically after collective collaboration between the appraisers as to the amount of deviation adjustment necessary to compensate for the loss of or increase in property value.

Improvements

NCAD valued improvements (buildings and other improvements on and to land) via a series of appraisal models that categorized structures according to construction type, quality, and intended use.

Prior to 2023, the district utilized an appraisal model that was very broad in its assumptions and valuations were adjusted based upon the manual adjustments made to each improvement record by appraisers. Beginning 2023, an appraisal model based upon Marshall & Swift Valuation Services was implemented in the reappraisal assignment (within the City of Corsicana). During the 2025 reappraisal cycle, appraisers continued classifying improvements with these "new" appraisal models. Plans are to complete the conversion to this appraisal model by the end of the 2026 appraisal cycle.

The “old” appraisal models were adjusted to update the costs to be comparable to those of the “new” appraisal model. The “old” appraisal model was limited in its ability to appraise property in mass because all adjustments for accrued depreciation were manually made to the single set of cost schedules. The “new” appraisal models were developed based upon Marshall Swift Valuation Guidelines as published for January 1, 2024, and modified for local markets (neighborhoods) using various sources, including local sales information.

General categories include schedules for:

- Site Built Single Family Homes,
- Mobile Homes,
- Multi-Purpose Storage Buildings,
- Commercial Buildings,
- Miscellaneous Improvements,
- Business Personal Property,

In the valuation of these properties, appraisers must consider the effects of:

- Construction Quality
- Accrued Depreciation (based upon effective age and condition ratings)
- Economic Neighborhoods
- Functional Obsolescence, and
- Other observed deviations from the appraisal model.

The district also maintained percent good tables to estimate depreciation on structures based on their age (or effective age) and condition as rated by physical inspection by reviewing staff appraisers.

Additional consideration was sometimes given for a loss of value due to external economic factors which have an adverse effect on the property (i.e., garbage dump next door). These allowances for economic or functional obsolescence were made on a case-by-case basis and were the expressed professional opinion of the reviewing appraiser. Likewise, additional consideration was sometimes given to structures that were incomplete. The district developed a schedule that estimates the degree of completion based upon the presence/absence of various building components. Reasons for the extra allowances were noted on the parcel record in the district’s CAMA system.

The basic formula for estimating market value that was used is:

$$MV = LV + (SF * C * WH * \%GD * \%FC * \%EC * NH)$$

Where:

- MV represents market value,
- LV is the cost of land, valued as if vacant and at its highest and best use,
- SF is the square footage of the area type,
- C indicates the area cost from the district’s appraisal model,
- WH represents a factor to be applied when the wall height exceeds that which is typical for the construction type. %GD represents an age and condition rating from field evaluation,

- %FC represents any functional obsolescence found in the property, making it less physically desirable by design, and,
- %EC is the appraiser's estimate of value lost due to economic conditions that may exist outside the property. Market or location adjustments (neighborhood factors) are applied uniformly within neighborhoods to account for location variances between market areas in the NH field.

Following are summaries of some of the significant considerations in the valuation of the cited appraisal models.

Single Family Homes

Residential Valuation Appraisal Models are divided into six dominate construction types:

- Frame,
- Brick,
- Plywood,
- Synthetic Plaster,
- Steel, and
- Log.

These appraisal models were used universally throughout the district. Data characteristics of newly constructed and recently sold residential properties were compared to the cost guidelines of *Marshall & Swift Valuation Service*. The results of this comparison were analyzed using statistical measures, including stratification by quality and construction type as well as review of estimated building costs plus land to sales prices. As a result of the analysis, appraisal models for these properties were adjusted.

To further refine the appraisal model for these properties, *market area (or neighborhood) factors* were reviewed and adjusted to reflect the effect of property location more accurately in regard to the appraisal mode. These codes were statistically reviewed in the district's 2016 internal ratio study and adjusted in compliance with the state legislative mandates determining market value as well as uniformity of appraisal while remaining within the required confidence interval.

The mathematical function of interpolation (the process of estimating the outcomes in between sampled data points) was implemented in the valuation of site built residential property. In using this function, building records would only use the posted appraisal model cost per unit when the total square footage for the building class was an exact match to the footage stored in the cost table. In all other instances, the CAMA system calculated exactly what the estimated cost should be based upon the square footage ranges and costs stored in the table. For example, if the total living area (LA) of a type 3 brick house (RB03) was 1350 square feet and the district's cost tables record cost for 1300 square feet living area at $53.81 and 1400 square feet at $53.01, then the appraised cost for 1350 square feet of living

area was estimated at the interpolated cost of $53.41 (because it was exactly halfway between the two data points).

Residential appraisal models were cost-based tables modified by actual data from the county. The cost reflected the actual replacement cost new of the subject. Market research indicated that the common unit of comparison for new residential construction as well as sales of existing housing was the price paid per square foot. The value of extra items (fireplaces, swimming pools, etc.) was based upon its contributory value to the property. This value was estimated by the price per square foot or the value of the item as a whole. This data was extracted from the market by paired sales analysis when data was available, and through conversations with local appraisers and brokers.

NCAD depreciation (expressed as a percent good) generally allows for 0.5% adjustment annually. Other adjustments are made at the appraiser's discretion for effective age and condition.

Foundation failure occurs in varying degrees and values were adjusted (by schedule) after an appraiser's inspection. Allowances were made, based upon the cost to cure, for foundation problems that adversely affect the property.

Incomplete improvements were listed on the appraisal records according to their degree of completion, according to the district's schedule for such.

Other allowances for economic or functional obsolescence were made on a case-by-case basis.

Mobile Homes

NCAD mobile home appraisal models were based upon *Marshall & Swift Valuation Service's* cost guidelines and were set to reflect the values reported by this source as of January 1, 2024.

As a means of testing accuracy of the values, the district also used *NADA Mobile Home Cost Guide* as a reference.

The appraisal model for mobile homes was divided into three dominate construction classes with Class 1 being the lowest quality and Class 3 being the highest quality. Appraisal models include costs for both the mobile home main (living) areas and tag along units.

The mathematical function of interpolation was applied to these appraisal models in the same manner is that of single-family homes discussed above, allowing for an adjusted cost based upon the total living area of these properties.

Depreciation schedules based upon the three construction quality ratings were applied to the estimated replacement costs for these properties. Appraisers assigned a condition rating ranging from good to poor, to adjust values for exceptional or deferred maintenance. In some cases, the effect of depreciation was speed up or slowed down by the adjustment of the effective age of the structure.

Other allowances for economic or functional obsolescence were made on a case-by-case basis.

Mobile homeowners that qualified the structure as a residence homestead were allowed the same value increase limitation as site-built single family homestead properties.

The district maintains its appraisal models in its *Manual for the Appraisal of Mobile Homes* and publishes it on its local intranet.

Multi-Purpose Buildings

The district's appraisal model for multi-purpose buildings includes structures with a primary purpose of storage of miscellaneous items, such as equipment, hay, or other items.

NCAD classified multi-purpose utility buildings on three dominant factors:

- **Construction orientation –** considering whether the structure is site-built or constructed from a prefabricated building kit;
- **Construction material quality –** considering the quality of the type of material used in the construction of the structure (ranging from cheap or economy to good materials); and,
- **Quality of workmanship –** considering whether the structure was constructed in an amateur or professional grade manner.

These structures range from amateur constructed pole barns and sheds with one (or no) wall of low-quality material to professionally constructed metal buildings with 26-gauge metal siding on all walls. In determining the market value of multi-purpose utility buildings, NCAD developed and maintained an appraisal model based upon the conditions of the local market.

Value was estimated on these properties by appraiser through:

- Classification of the property according to its relationship to the defined appraisal model (i.e., quality of construction),
- Consideration of any size factors (i.e., square footage and height),
- Adjustments for any deviation from the defined appraisal model:
    - missing or added components,
    - accrued depreciation (based upon age and observed condition ratings),
    - any functional obsolescence,
    - identification of neighborhood location and influences.

NCAD includes and maintains appraisal models, along with scheduled adjustments to the appraisal model) for these structures in its *Manual for the Multi-Purpose Buildings* on its local intranet.

Commercial (Generally)

Properties where the motivation to own the property was based upon the property's ability to generate income were typically appraised considering the income approach to value as described in Section 5.28 of this report.

In instances where income/expense data was not available or applicable to the property the district utilized its appraisal models that were based upon the published costs for January 1, 2024, in the *Marshall Swift Valuation Guidelines* and are accessed via an appraisal module in PACS Appraisal Software.

Depreciation of improvements was driven by the *Marshall Swift Valuation module in PACS.*

Other allowances for economic or functional obsolescence were made on a case-by-case basis.

Income Producing Commercial Property

NCAD estimated the whole market value of properties by the income approach to value when sufficient data was available for consideration.

Typically included in this group are:

- Hotels/motels,
- RV parks,
- Self-Storage Units, and
- Other commercial properties typically associated with triple-net leases.

Use of the income approach in property valuation allowed the district to consider the effects of the local economy and the economic benefits (or liabilities) of owning a property whose primary purpose was to generate income.

The basic formula for determining a value by the income approach is:

$$\frac{\textit{Net Income}}{\textit{(Cap) Rate}} = \textit{Value}$$

Where:

- Net Income is the gross potential income that has been adjusted for vacancy and collection losses as well as other acceptable operating expenses.
- (Cap) Rate is the capitalization rate (of return) on the real estate investment based upon the income that the property is expected to generate. This rate can either be developed using the local market (when adequate sales of property type are available for analysis) or from subscription services that have been deemed as dependable.

Miscellaneous Improvements

The district's miscellaneous appraisal models included value tables for structures such as decks, retaining walls (bulkheads), piers, boat slips, pools, greenhouses, sheds, barns, parking areas, and other assorted improvements that are typical to the area.

While these items are subject to loss of value due to age and condition, the reviewing field appraiser typically was allowed the discretion of assigning a percent of value lost due to physical wear and tear.

Appraisal models were based upon professional labor supervised by a contractor or job foreman. For non-professional workmanship, the value was typically reduced by 15 to 30 percent.

When no appraisal model existed in the NCAD cost tables for an improvement, the district typically relied upon *Marshall & Swift Valuation Guide*. Costs from the guide were modified to reflect the local market via the applicable neighborhood code. When this manual method of estimating value was used, appraisers attached their calculations to the parcel record, clearly discussing in detail the assumptions and modifications used to estimate the value. Values of this nature are "flat values" in the district's CAMA system.

Valuation of Business Personal Property

The business personal property appraiser reviewed all renditions as they were filed and performed field reviews of new and un-rendered businesses.

In establishing values for business personal property, the appraiser considered the intended use of the property (held for resale or used in the operation of the business). Additionally, the appraiser considered the level of trade in which the property was held. Level of trade is determined prior to the appraisal of inventory because the value of the inventory varies depending on the level of trade:

- primary producer,
- manufacturer,
- wholesaler,
- retailer.

Machinery, Equipment, Furniture & Fixtures

When original cost information was available for machinery, equipment, furniture, and fixtures used in connection with businesses, the original cost was indexed forward to reflect the current replacement cost for the items, using the following formula:

*(Present Index/Former Index) * Known Cost = Present Cost*

Once the current replacement cost new was estimated, the appraiser estimated the appropriate depreciation to the item according to its age and expected service life. The district's life expectancy guidelines are those adopted by the Texas Property Tax Assistance Division (PTAD). These tables are maintained along with the cost index factors in its CAMA system and in the district's cost manuals.

In instances where no value was rendered or the rendered value was clearly lower than field observed quality and density ratings, the appraiser used the district's appraisal models to estimate values for these items based upon those ratings. These appraisal models were adapted by the district from the PTAD Field Appraiser's Guide and have had local modifiers applied to them to make them representative of the local market.

Inventory

Inventories were appraised according to rendered values when those values were reasonable when compared to field observations of appraisers for quality and density of the inventory. In instances where the rendered value was clearly lower than field observed quality and density ratings, the appraiser used the district's appraisal models to estimate values for inventories based upon those ratings. These appraisal models were adapted by the district from the PTAD Field Appraiser's Guide and have had local modifiers applied to them to make them representative of the local market.

Dealer's Special Inventory Property

Dealer's inventories that qualify for valuation as a special inventory were appraised based upon the monthly sales reports submitted and certified by the County Tax Assessor.

As provided by law, the market value of such an inventory on January 1 is the average of monthly sales for the preceding year.

Valuation of Mineral, Utilities, & Industrial Real & Personal Property

The district has a contract with Pritchard & Abbott, Inc. for the appraisal and valuation of all mineral, utility, and industrial parcels. The company's 2023-2024 Reappraisal Plan outlines its work plan and approach for determining values in accordance with USPAP Standard 6.

Value Limitations

Beginning in 2024, a taxable value increase limitation applies to both homestead property and most non-homestead property. While the market value may be increased according to the local real estate market, the taxable value of the property is subject to limitations.

For homestead properties, the limitation begins in the second year a property receives the exemption. The value for tax purposes (appraised value) of a qualified residence homestead will be the lesser of:

- the market value; or,
- the preceding years appraised value:
    - plus ten percent for each year since the property was re-appraised;
    - plus the value of any improvements added since the last appraisal.

For non-homestead properties, *with a value less than $5,000,000*, the limitation begins in the second year in which the owner acquired the property. The value for tax purposes (appraised value) of a qualified residence homestead will be the lesser of:

- the market value; or,
- the preceding years appraised value:
    - plus twenty percent each year since the property was re-appraised.
    - plus the value of any improvements added since the last appraisal.

Values of capped properties were recomputed. When a capped property sold, the cap automatically expired on January 1st and was removed from the parcel. Properties were reappraised at market value for 2025 to bring appraisals into uniformity with other properties.

As required by state law, the appraisal district appraised the land and improvements of *residence homestead* parcels solely upon the basis of their value as a residence homestead regardless of highest and best use.

When rendered as such, contiguous properties owned by developers that were unoccupied and never produced income for the owner were appraised as residential inventory. Properties receiving this special valuation in 2023 that were sold prior to January 1, 2024 were appraised at market value without the benefit of the special valuation.

NCAD includes and maintains appraisal models, along with scheduled adjustments to the appraisal model (age/condition/depreciation tables, percent complete guidelines, etc.) for single-family homes in its *Manual for the Appraisal of Single-Family Residences* on its local intranet.

Resources

To accomplish the requirements of the laws of the state and the district's adopted reappraisal plan, adequate resources that meet the profession's professional standards must be provided by the district.

Those resources are classified as:

- Staffing,
- CAMA system,
- GIS mapping system, and
- Other miscellaneous resources including
  - National Automobile Dealers Association (NADA) Mobile Home Cost Guide,
  - Marshall & Swift Valuation Guides (Commercial & Residential),
  - Realty Rates.Com, and
  - LexisNexis.

Staffing

To accomplish the requirements of the laws of the state and the district's adopted reappraisal plan, an adequate staff with appropriate tools is necessary.

Staff resources are generally categorized as:

- Administrative,
- Appraisal,
- Clerical, including:
  - Customer Service,
  - Mapping, and
  - Records Management.

Administrative Staff

The administrative staff of the appraisal district was responsible for oversight and supervision of all aspects of the daily operation.

The office of Chief Appraiser is held by ***Bud Black, RPA/CTA/CCA.*** He is certified by the Texas Department of Licensing (TDLR) as a Registered Professional Appraiser and as a Certified Tax Administrator by the Institute of Certified Tax Administrators, as well as being designated as a Certified Chief Appraiser by the Texas Association of Appraisal Districts.

The Chief Appraiser's responsibilities include:

- discovering, listing, and appraising;
- determining exemption and special use requests:
- organizing periodic reappraisals; and,

- notifying taxpayers, taxing units and the public about matters that affect property values.

Additionally, the Chief Appraiser was responsible for adherence to appraisal standards adopted by the Property Tax Assistance Division (PTAD), the International Association of Assessing Officers (IAAO) and the Uniform Standard Professional Appraisal Practices (USPAP) as well as the laws of the State of Texas as codified in the Property Tax Code and the Texas Constitution.

Kelly Lawhon, RPA, served as the district's Director of Business Services. In addition to her supervision of the clerical staff of the district, Ms. Lawhon served as an Administrative Assistant to the Chief Appraiser, responsible for the maintenance of the district's:

- financial records,
- personnel records, and
- Board of Director's records,
- Appraisal Review Board records,
- Ag Advisory Records, and
- All other administrative records.

Ms. Lawhon was also responsible for the clerical tasks of scheduling ARB hearings and delivering the required notices to property owners who schedule a protest hearing. She also is responsible for posting meeting notices and taking meeting minutes of the Board of Directors, ARB, and Ag Advisory Board

Joe E. McClure, RPA, served as the district's Director of Appraisals. In that capacity, Mr. McClure was responsible for managing the appraisal activities of the appraisal staff. His duties included making appraisal assignments for each appraiser and monitoring the progress of the reappraisal plan. Mr. McClure was also primarily responsible for preforming ratio studies to calibrate the district's appraisal model. He also performed property inspections when necessary.

Appraisal Staff

NCAD staff appraisers are responsible for the valuation of all real and personal property accounts. The property types appraised included commercial, residential, agricultural, and business personal property. All appraisers, including those whose services were contracted to the district, are required to be designated (or working toward designation) as Registered Professional Appraisers with the Texas Department of Licensing.

Hector Castaneda, RPA, James Reed, Preston Motley, Shaun Williams, and ***Jason Hasugulig*** were responsible for appraising real property according to the reappraisal plan. They also performed re-checks on property where there were incomplete improvements in 2024, listed new or newly moved mobile homes on the appraisal roll, and performed inspections on property where the property owner requested an inspection for 2025. They were assisted in the performance of their tasks by ***Kyle Youmans***, and ***Lori Cantu***, appraiser's assistant.

Bud Black, RPA/RTA/CTA/CCA *and* ***Joe. E. McClure, RPA*** were instrumental in the performance of the district's local ratio study, calibration of the district's appraisal model, and the development and maintenance of market area adjustments (neighborhoods) for the district. ***James Reed*** and ***Shaun Williams*** assisted Mr. Black and Mr. McClure in this task.

Terri Lenamon, RPA/CTA, was responsible for appraising all business property in the district. ***Lori Cantu***, an appraiser's assistant, assisted Ms. Lenamon with clerical duties. ***Ms. Cantu*** also served as a hearing clerk for the ARB.

Ms. Lenamon *was al*so responsible for maintaining a database of sales information as received by the district.

Shaun Williams was responsible for appraising all commercial property in the district. He was also responsible for monitoring the various abatements granted by the various taxing jurisdictions, making sure that they were properly applied to both the locally worked records and to those worked by the contract appraisal firm, Pritchard & Abbott.

Clerical Staff

Selene Gentry and ***Janie Miller*** were the first people the public met when contacting the district either in person, by telephone, or by email to the general email address. They provided general information to the public, guided them in access to the district's public records, and assisted them in the filing of various applications and reports required by the district.

Rachel Rios performed a qualification review of existing homesteads filed with the district prior to 2008. Property owners were contacted by certified mail when there were questions regarding the continued qualification for the exemption and were given the opportunity to communicate with the district before the exemption was removed.

Jenifer Barak assisted with the application of exemptions and special valuations in the PACS appraisal software. Additionally, Ms. Barak served as a supervisor of the clerical staff and as a hearing clerk for the ARB.

Jason Matous was the district's mapper. He was responsible for all cadastral mapping functions and maintenance of the district's digital mapping system. Additionally, Mr. Matous was responsible for the maintenance of ownership records in the CAMA system and the mapping system. After his retirement, ***Tanner Allison*** assumed the duties of the district's mapper.

Shannon Pritchett served as the district's Data Systems Administrator. She was responsible for preparing all data for state and local reporting. She was responsible for delivering approved appraisal roll changes (supplements) to the taxing jurisdictions. She also served as a hearing clerk for the ARB.

As Chief Appraiser, ***Bud Black*** served as the district's designated custodian of records and was responsible for the preservation of the district's records according to its adopted Records Management Plan.

The Clerical Staff was responsible for responding to open records requests and for the recording of the district's documents in its electronic archival system (PACS).

Computer Resources

Each employee's workstation has a networked personal computer for access to the district's appraisal database (CAMA), and geographic database (GIS). Forms received (and generated) by the district are maintained in an electronic format on the district's computer server as the district is moving toward a paperless environment.

Computer Assisted Mass Appraisal System (CAMA)

The district is currently licensing Harris Govern's PACS Appraisal Software to aid in its computer assisted appraisal system (CAMA). The software allows the district to perform mathematical value calculations based upon user defined property classifications. Age and condition tables allow for automated uniform depreciation of improvements based upon appraiser field observations. In addition, the software stores all current cost schedules, photographs, and documents relating to a parcel.

Geographic Information Systems (GIS)

The district is currently maintaining its digital mapping data in ESRI mapping software, which provides viewing capabilities for the staff and public.

The district also acquired overhead orthophotography of the eastern half of the county from EagleView Pictometry for 2023. Imagery was flown exclusively for Navarro CAD, digitally rectified to the Texas State Plane Coordinate System at a six-inch (per pixel) resolution.

Other Resources

The district' website (Navarrocad.com) makes information available to the public via the internet including detail property characteristic data, various district forms, general information about the district, and a link to the Property Tax Division' pamphlet *Taxpayer's Rights, Remedies, and Responsibilities.*

Appraisal manuals and schedules developed and utilized by the district are maintained and published on a local intranet hosted by the personal computer network.

Limiting Conditions & Certification

The appraised value estimates provided by the district are subject to the following conditions:

- The appraisals were prepared exclusively for ad valorem tax purposes;
- The property characteristic data upon which the appraisals are based is assumed to be correct: Exterior inspections of the property appraised were performed by staff resources as time allowed.
- Validation of sales transactions were attempted through questionnaires to the sellers and buyers, realtors, fee appraisers, and personal interviews with buyers and sellers;
- 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;
- 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 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 (USPAP), Property Tax Assistance Division of the Texas State Comptroller of Public Accounts (PTAD), the Texas Department of Licensing (TDLR), and the International Association of Assessing Officers (IAAO);
- My staff appraisers have inspected each property located in the county according to the district's plan for periodic reappraisal as well as those parcels for which a property owner has requested an inspection, or which reflect a new improvement value. Those inspections were performed to the specifications of IAAO standards for property inspection;
- I have attached a list of staff providing significant mass appraisal assistance to me in *Addendum 2.*

I, Bud Black, Chief Appraiser for the Navarro Central Appraisal District, solemnly swear that I have made or caused to be made a diligent inquiry to ascertain all property in the district subject to appraisal by me, and that I have included in the records all property of which I am aware of at an appraised value which, to the best of my knowledge and belief, was determined as required by the laws of the State of Texas.

May 8, 2025

Bud Black, RPA/CTA
TDLR # 63029
Chief Appraiser, Navarro CAD

Date

NCAD Internal Ratio Study Analysis Report
For Values Appraised as of January 1, 2025

The appraisal district's primary (and legally required) objective is to appraise all property within its boundaries at a value that is representative of the market price on January 1 each year. This objective is attained by the application of generally accepted appraisal theory as set forth in the standards of the International Association of Assessing Officers (IAAO), The Uniform Standards of Professional Appraisal Practices (USPAP), and the laws and rules of the State of Texas and its Property Tax Assistance Division (PTAD).

Uniformity and equity are attained through the analysis of market transactions of real estate and the recognition of trends in that market. In its publication Property Appraisal and Assessment Administration, IAAO says:

> *"If the property tax is to be fair and provide adequate revenue for local government, mass appraisal must produce accurate appraisals and equitable assessments. The primary tool used to measure mass appraisal performance is the ratio study."*

Following is discussion on how NCAD conducted its internal ratio study, along with discussion on consideration, methodology, and final results/conclusions from the study.

Considerations

Since the appraisal district's statutory appraisal date is January 1 of each year, sales data is typically examined over a 15-month period beginning on January 1 of the preceding year through the end of the 1st quarter of the current appraisal year. For 2025, that period was January 1, 2024, through March 31, 2025.

The Chief Appraiser and his staff continually collect and analyze sales data of properties that have sold within the district. Sales are screened as valid or invalid based upon the *IAAO Standard on the Verification and Adjustment of Sales* as guidance. Sales that do not meet the test of an "arm's length" transaction are not marked as "valid", and therefore are not included in the study. An exception being foreclosure sales of residential properties. Typically, foreclosure sales, where a bank or lending institution is the seller, are not considered to be "arm's length" transactions. Pursuant to Texas Property Tax Code section 23.01(c), a Chief Appraiser, in appraising residence homesteads, may not exclude from consideration the value of neighboring properties simply because they were subject to a foreclosure sale.

Sources of sales information include;

- Sales letters to buyers and sellers of property,
- Owner's closing statements or other real estate transaction documentation,

- Information from real estate brokers and agents and independent appraisers, and
- Sales information from the Metrotex Association of Realtors Multiple Listing Service ("MLS), and CoStar Services for commercial property sales.

Methodology

Ratio studies are the primary means by which appraisal performance is measured. In a ratio study, appraised values are compared against indicators of market value, usually sales prices. If appraisal performance is good, appraised values should be closely related to sales prices.

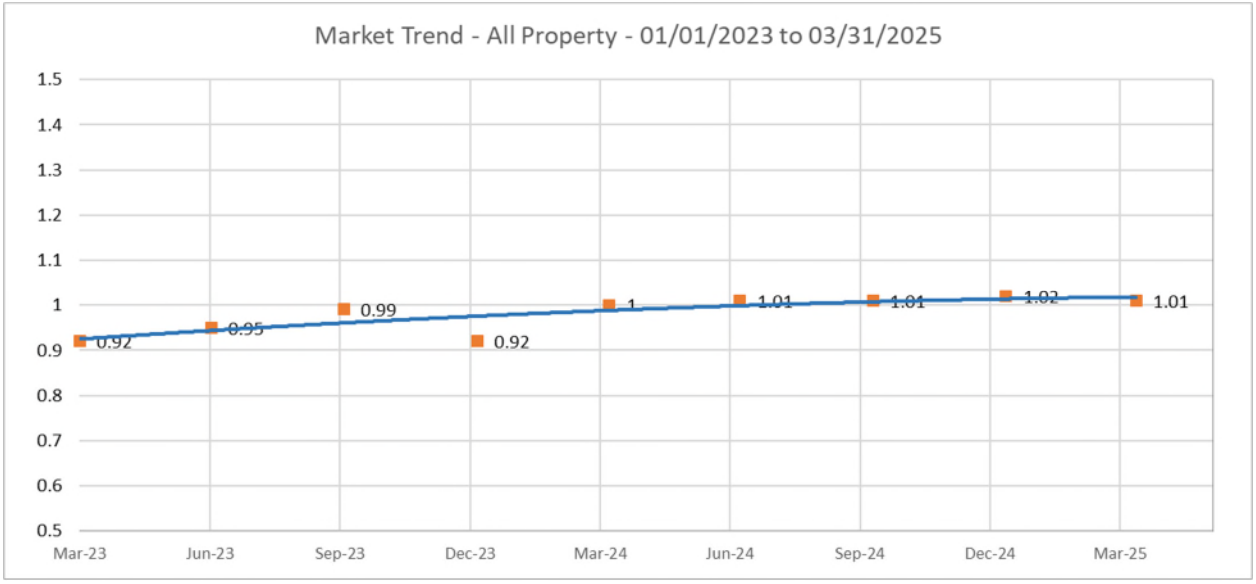
Ratio = Appraised Value ÷ Sale Price

Ideally the middle (median) or average (mean) ratio should be near 1.00, and the individual ratios should be relatively uniform or consistent.

> *"In analyzing appraisal level, ratio studies attempt to measure statistically how close appraisals are to market value on an overall basis. While theoretically desired level of appraisal is 1.00, an appraisal level between 0.90 and 1.10 is considered acceptable for any class of property (* Appraisal level for each type of property shown should be between .90 and 1.10, unless stricter local standards are required). However, each class of property must be within 5 percent of the overall level of appraisal of the jurisdiction."*
>
> *IAAO Standard on Ratio Studies, Part 1, Sec. 9.1*

Price Trend Analysis

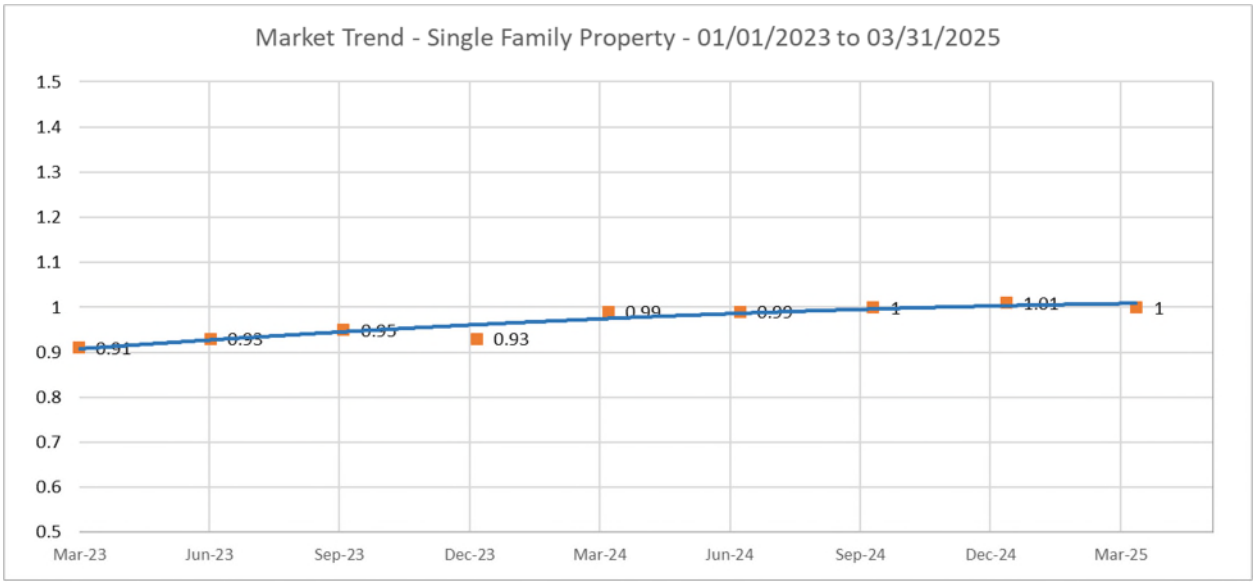
After all sales information has been entered into the district's database, the chief appraiser and staff analyzes the local market trends indicated by the sales to determine the need, if any, for time adjustments to the sales data. Price trends were developed using sales ratio trend analysis. In the method, sales prices over the time frame selected for analysis are compared against appraised values for the most recent appraisal year. Since the appraisal reflects a common, fixed date, and the sales prices reflect transaction dates, an upward trend in sale/appraisal (S/A) ratios indicates price appreciation and a downward trend indicates price deflation. The following graphs show the direction and magnitude of the trends for the property categories analyzed and the

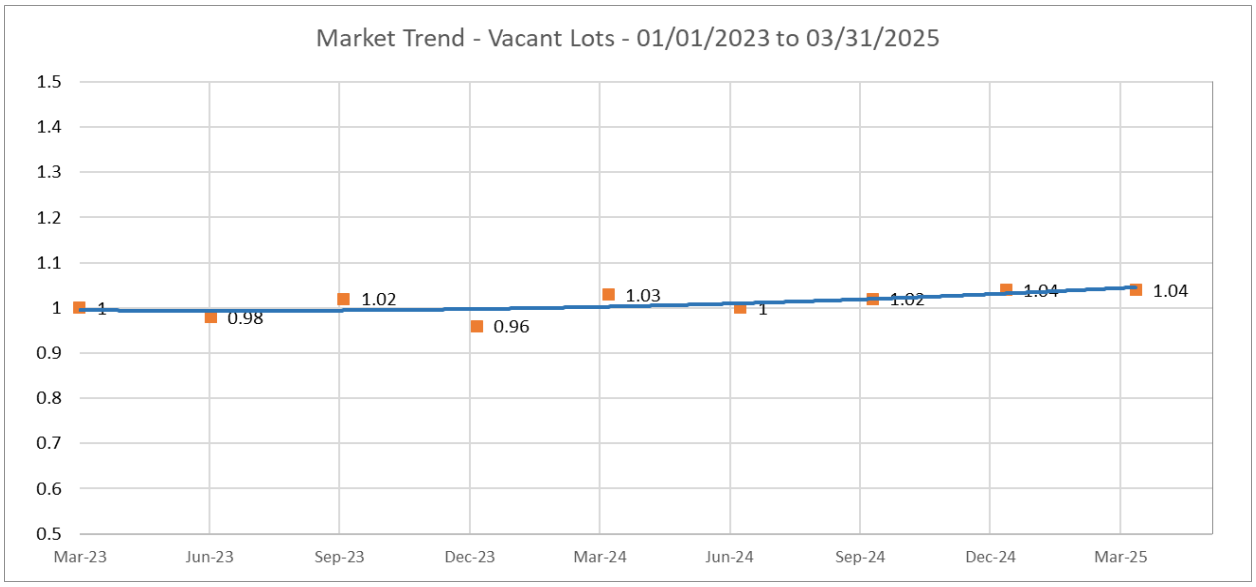


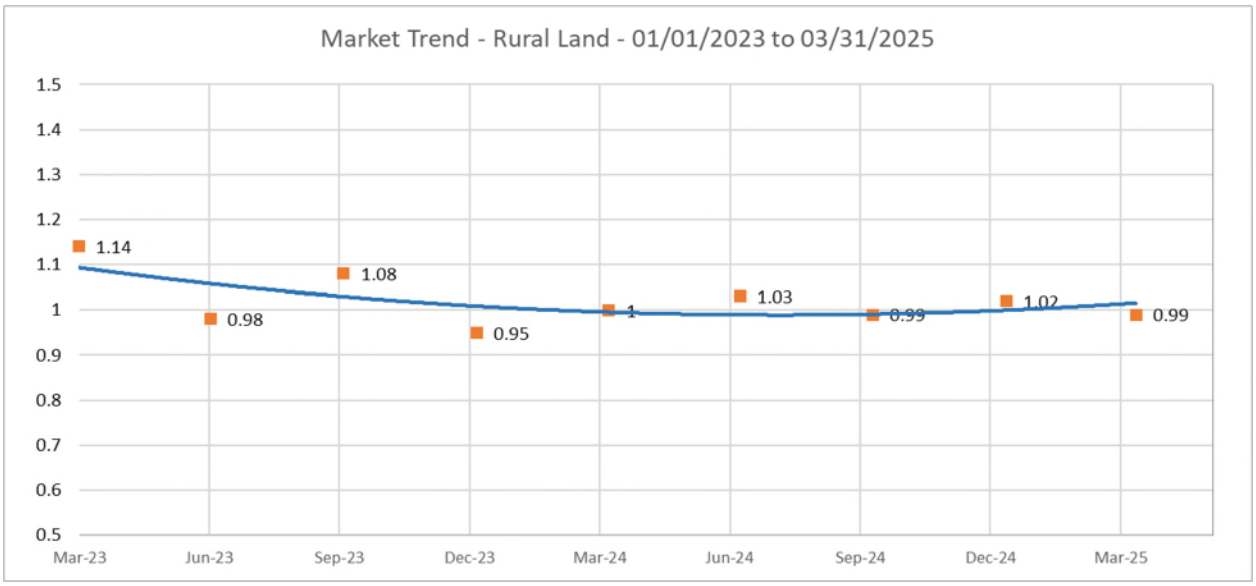
corresponding weighted mean appraisal level for the same time periods.

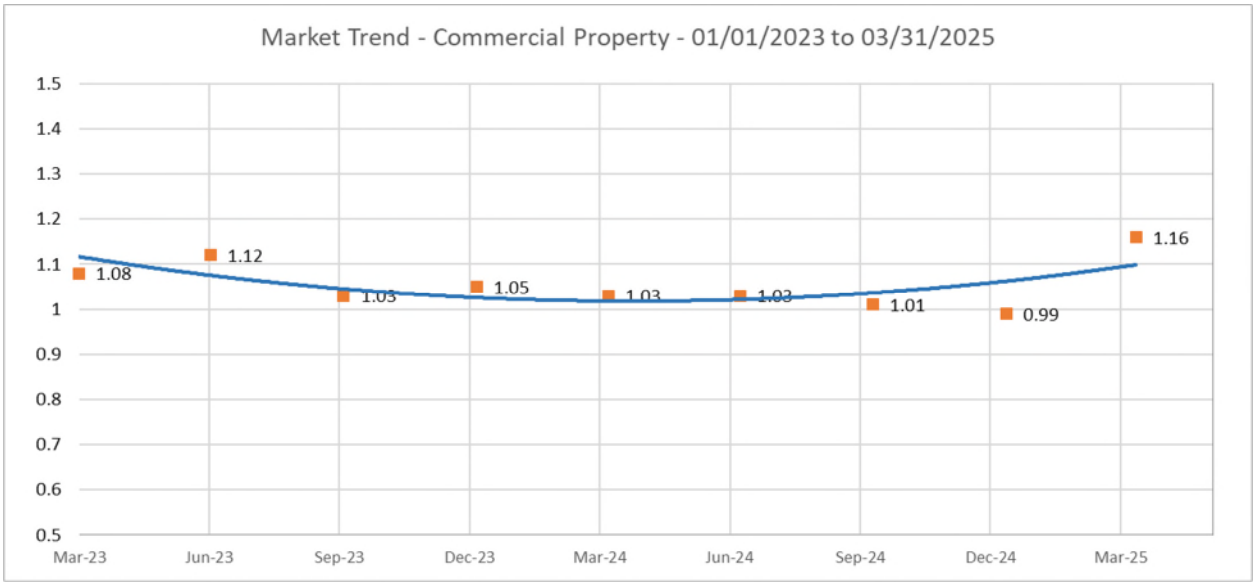
As illustrated above, the general market trend (of sales prices) has increased approximately 9% over the twenty-four-month study period at an average rate of 0.375% per month.

Similar results are illustrated below for single family homes, vacant lots, and farm/ranch lands where enough data was available for sampling.









Treatment of Outliers

A common issue in ratio studies is the treatment of outliers, which are atypically low or high ratios that have the potential to distort a number of appraisal performance measures.

In addition to eliminating extremely low or high ratios, IAAO outlier trimming guidelines were used in determining ratio trim points based upon the inter-quartile range, which represents the difference between the 75^{th} and 25^{th} percentiles of a distribution.

With these guidelines in mind, trim points for each property category with sufficient sales were determined by an examination of ratio distributions.

Statistical Analyses

There are two primary aspects of appraisal performance: level and uniformity. Appraisal level or, central tendency, relates to how close overall appraisals are to market value. Uniformity or, variability relates to the consistency or equity of appraised values.

Measures of Central Tendency

"Estimates of appraisal level are based on measures of central tendency. They should be calculated for each stratum and for such aggregations of strata as may be appropriate. Several common measures of appraisal level should be calculated in ratio studies, including the median ratio, mean ratio, and weighted mean ratio." *IAAO Standard on Ratio Studies-2013 Part 1, Sec. 5.3*

- **Mean Ratio –** the average of ratios. It is calculated by summing the ratios and dividing by the number of samples.
- **Median –** the middle ratio when the ratios are arrayed in order of magnitude. The median always divides the data into two equal parts and is less affected by extreme ratios than the other measures of central tendency. The median is the generally preferred measure of central tendency for evaluating overall appraisal level.
- **Weighted Mean –** the value-weighted average of the ratios in which the weights are proportional to the sales prices. The weighted mean gives equal weight to each dollar of value in the sample, whereas the median and mean give equal weight to each property.
- **Confidence Interval –** consists of two numbers (upper and lower limits) that bracket a calculate measure of central tendency for the sample. A 95% confidence interval would mean, for example, that one can be 95% confident that the population parameter (measure of central tendency) falls in the indicated range.

Measures of Variability

"Measures of dispersion or variability relate to the uniformity of the ratios and should be calculated for each stratum in the study. In general, the smaller the measure of variability, the better the uniformity." *IAAO, Standard on Ratio Studies -2013, Part1, Sec.5.4*

- **Coefficient of Dispersion (COD) –** the most generally useful measure of variability or uniformity is the COD. The COD measures the average percentage deviation of the ratios from the median ratio.

  The following are recommended acceptable ranges for Coefficients of Dispersion (CODs) from the International Association of Assessing Officers Standard on Ratio Studies:

Property Type	COD Range
Single-Family Residences – new or more homogeneous areas	5.0 to 10.0
Single-Family Residences – older or more heterogeneous areas	5.0 to 10.0
Other Residences (rural, seasonal, recreational, manufactured	5.0 to 20.0
Vacant Land – all types	5.0 to 25.0

- **Price-related Differential (PRD) –** a statistic for measuring regressively (high-value properties under appraised) or progressivity (high-value properties over appraised). The standard also states that PRD's for each type of property should be between 0.98 and 1.03 to demonstrate vertical equity.

Appraisal Ratio

In mass appraisal, the appraised to sale "ratio" is the primary measurement of the accuracy of the appraisal. The acceptable range, or "confidence interval" falls between ninety-five to one hundred five percent (95%-105%) with the ratio calculated:

$$\frac{\text{Appraised Value}}{\text{Sales Price}} = \text{Appraisal Ratio}$$

NCAD conducts ratio studies on sold properties according to various parameters including:

- Property (use Type) Classification,
- Neighborhood Locations, and
- Building Types.

The results from this study can be found in the *Conclusions* section of this report.

Stratification

Stratifying, or dividing properties within the scope of the study into two or more groups helps identify the level of appraisal between property groups. Properties are stratified and studied in groups such as:

- Total value range;
- Neighborhood;
- Property use;
- Land cover type;
- Improvement quality of construction and construction type;
- And any other grouping that would facilitate a completer and more detailed picture of appraisal performance.

NCAD is comprised of primarily single-family homes, commercial properties, vacant lots and rural land with improvements.

Following are the results of NCAD's value studies by property type/value strata range:

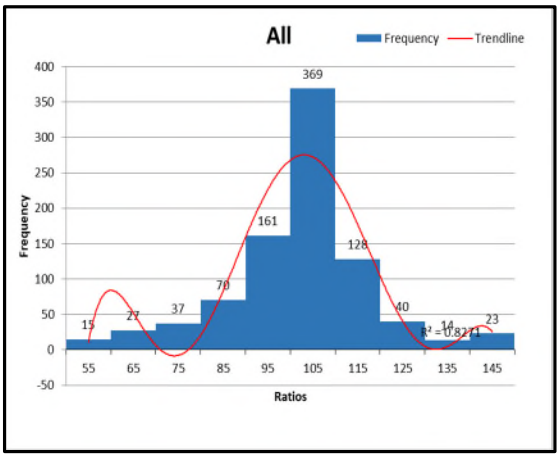
School	Category	Number of Sales	Mean	Median	COD	Weighted Mean	PRD
Blooming Grove ISD	Rural Land/Imps	49	0.9800	0.9800	9.8700	1.0268	0.9600
Blooming Grove ISD	Single Family - Strata 1	-	1.0000	1.0000	0.0000	1.0000	1.0000
Blooming Grove ISD	Single Family - Strata 2	1	1.0441	1.0441	0.0000	1.0441	1.0000
Blooming Grove ISD	Single Family - Strata 3	9	0.9988	0.9765	9.5620	0.9974	1.0014
Blooming Grove ISD	Single Family - Strata 4	5	0.9745	0.9552	6.7779	0.9754	0.9991
Blooming Grove ISD	Single Family - Strata 5	9	1.0089	0.9860	5.1531	1.0057	1.0032
Corsicana ISD	Rural Land/Imps	38	1.0111	1.0070	12.5573	1.0500	0.9600
Corsicana ISD	Single Family - Strata 1	5	1.0467	0.9908	7.9894	1.0261	1.0201
Corsicana ISD	Single Family - Strata 2	40	1.0550	1.0498	7.9422	1.0547	1.0003
Corsicana ISD	Single Family - Strata 3	64	0.9915	0.9869	7.6747	0.9928	0.9987
Corsicana ISD	Single Family - Strata 4	119	1.0045	1.0011	5.6266	1.0047	0.9998
Corsicana ISD	Single Family - Strata 5	36	0.9765	0.9666	7.2667	0.9710	1.0057
Dawson - Hubbard ISD	Rural Land/Imps	25	0.9499	0.9450	11.9753	1.0159	0.94
Dawson - Hubbard ISD	Single Family - Strata 1	0	1.0000	1.0000	0.0000	1.0000	1.0000
Dawson - Hubbard ISD	Single Family - Strata 2	2	1.0552	1.0552	6.0851	1.0445	1.0102
Dawson - Hubbard ISD	Single Family - Strata 3	2	0.9728	0.9728	0.4431	0.9722	1.0006
Dawson - Hubbard ISD	Single Family - Strata 4	6	0.9986	0.9807	3.9718	1.0023	0.9963
Dawson - Hubbard ISD	Single Family - Strata 5	0	1.0000	1.0000	0.0000	1.0000	1.0000
Fairfield ISD	Rural Land/Imps	11	1.0120	1.0366	7.2825	0.9934	1.02
Fairfield ISD	Single Family - Strata 1	0	1.0000	1.0000	0.0000	1.0000	1.0000
Fairfield ISD	Single Family - Strata 2	8	0.9106	0.9329	8.8577	1.0368	0.8783
Fairfield ISD	Single Family - Strata 3	1	1.0219	1.0219	0.0000	1.0219	1.0000
Fairfield ISD	Single Family - Strata 4	2	0.9521	0.9521	9.0659	0.9521	1.0000
Fairfield ISD	Single Family - Strata 5	3	1.0432	1.0197	4.3612	1.0578	0.9862
Fairfield ISD	Vacant Lots - Strata 1	3	0.9176	0.8928	7.6000	0.9143	1.0036
Fairfield ISD	Vacant Lots - Strata 3	5	0.9457	0.9570	4.1451	0.9507	0.9947
Fairfield ISD	Vacant Lots - Strata 4	2	0.6939	0.6391	0.0000	0.6391	1.0858
Fairfield ISD	Vacant Lots - Strata 5	3	1.0153	1.0385	7.5661	1.0922	0.9296
Frost - Bynum ISD	Rural Land/Imps	11	0.9996	0.9671	10.4005	1.0469	0.95
Frost - Bynum ISD	Single Family - Strata 1	0	1.0000	1.0000	0.0000	1.0000	1.0000
Frost - Bynum ISD	Single Family - Strata 2	1	1.0873	1.0873	0.0000	1.0873	1.0000

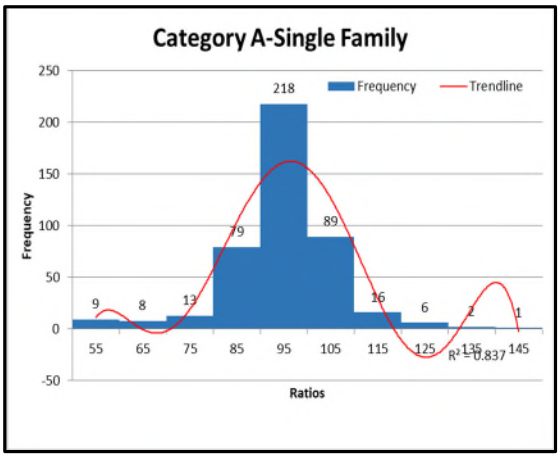
School	Category	Number of Sales	Mean	Median	COD	Weighted Mean	PRD
Frost - Bynum ISD	Single Family - Strata 3	4	0.9912	0.9797	3.4072	0.9868	1.0045
Frost - Bynum ISD	Single Family - Strata 4	6	1.0748	1.0306	10.7691	1.0585	1.0154
Frost - Bynum ISD	Single Family - Strata 5	5	0.9511	0.9733	4.6808	0.9488	1.0024
Kerens ISD	Rural Land/Imps	36	1.0137	1.0118	11.6955	1.0217	0.99
Kerens ISD	Single Family - Strata 1	8	0.8868	0.8975	11.7243	0.9889	0.8968
Kerens ISD	Single Family - Strata 2	15	1.0088	1.0108	4.3787	1.0074	1.0014
Kerens ISD	Single Family - Strata 3	10	0.9430	0.9704	9.3671	0.9475	0.9953
Kerens ISD	Single Family - Strata 4	5	1.0429	1.0181	9.4226	1.0559	0.9877
Kerens ISD	Single Family - Strata 5	2	0.9916	0.9916	0.6303	0.9911	1.0005
Kerens ISD	Vacant Lots - Strata 1	22	0.9811	1.0037	13.8583	1.0188	0.9630
Kerens ISD	Vacant Lots - Strata 2	6	0.9193	0.9885	9.8132	0.9226	0.9964
Kerens ISD	Vacant Lots - Strata 3	2	0.9768	0.9768	1.7968	0.9772	0.9996
Kerens ISD	Vacant Lots - Strata 4	4	1.0159	0.9832	4.6501	1.0148	1.0011
Kerens ISD	Vacant Lots - Strata 5	4	0.9225	1.0264	16.4572	0.9157	1.0074
Mildred ISD	Rural Land/Imps	21	0.9720	0.9628	11.3861	0.9702	1.00
Mildred ISD	Single Family - Strata 1	12	1.0326	1.0304	11.2597	1.1942	0.8647
Mildred ISD	Single Family - Strata 2	43	0.9863	0.9770	9.1119	1.0544	0.9354
Mildred ISD	Single Family - Strata 3	15	0.9695	0.9887	5.5762	0.9647	1.0050
Mildred ISD	Single Family - Strata 4	12	0.9827	4.6931	0.9575	0.9575	1.0263
Mildred ISD	Single Family - Strata 5	6	0.9843	0.9874	10.8647	0.9885	0.9958
Mildred ISD	Vacant Lots - Strata 1	27	1.0451	1.0502	10.6646	1.0638	0.9824
Mildred ISD	Vacant Lots - Strata 2	30	0.9401	0.9900	7.9950	0.9413	0.9987
Mildred ISD	Vacant Lots - Strata 3	15	1.0149	1.0020	8.7084	1.0173	0.9976
Mildred ISD	Vacant Lots - Strata 4	11	0.8787	0.9166	10.9690	0.9332	0.9416
Mildred ISD	Vacant Lots - Strata 5	5	1.0192	0.9744	13.0763	1.0211	0.9981
Rice - Ennis ISD	Rural Land/Imps	9	1.0468	1.0000	10.8540	0.9803	1.07
Rice - Ennis ISD	Single Family - Strata 1	-	1.0000	1.0000	0.0000	1.0000	1.0000
Rice - Ennis ISD	Single Family - Strata 2	1	1.0441	1.0441	0.0000	1.0441	1.0000
Rice - Ennis ISD	Single Family - Strata 3	9	0.9988	0.9765	9.5620	0.9974	1.0014
Rice - Ennis ISD	Single Family - Strata 4	5	0.9745	0.9552	6.7779	0.9754	0.9991
Rice - Ennis ISD	Single Family - Strata 5	9	1.0089	0.9860	5.1531	1.0057	1.0032
Wortham ISD	Rural Land/Imps	6	1.0519	1.0427	12.0938	1.0254	1.03

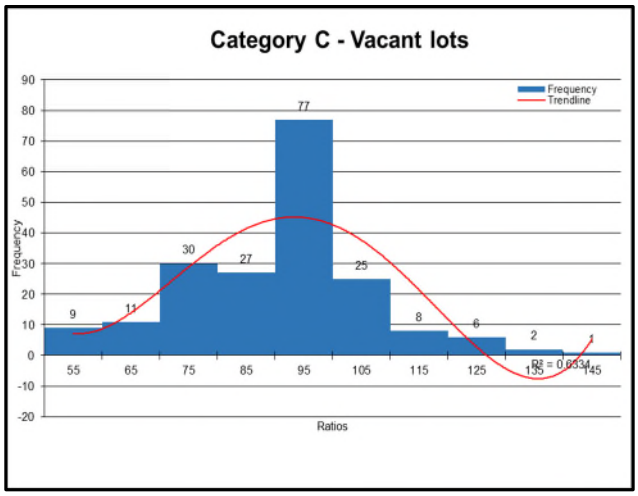
Appraisal Ratio Distribution

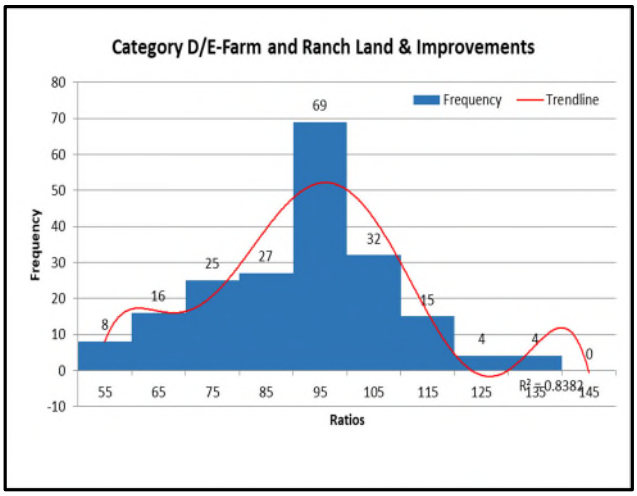
Appraisal ratios tend to cluster in one central area. Ideally, the “cluster” will reflect an appraisal ratio at 100%. The following histograms illustrate the frequency distribution of appraisal ratios from NCAD’s study for model calibration. All graphs indicate normal distributions of appraisal/sale ratios in the categories tested. Other categories, with limited sales for credible analysis are not included.

These illustrations are what statisticians call a normal bell-shaped frequency distribution and is the ideal indicator of the desired central tendency withing the 95% - 105% confidence interval.









Neighborhood Analysis

The base replacement cost for Imps will be the same throughout the county. However, sales prices indicate that some locations are deemed more desirable (by buyers) than others. For example, two identical homes may have the exact same construction materials and date. One in a small town may sell for say $200,000 while its "twin" situated on a lakefront property may sell for $225,000. When this situation occurs with frequency, the appraisal model must be adjusted in specific market areas for appraisals to reflect the local markets.

These adjustments are made through market areas established in the appraisal model that are studied and adjusted based upon sales that occur within the boundaries of those neighborhoods or market areas.

The following are the results of NCAD's neighborhood studies for this appraisal cycle.

Neighborhood Name	Code	Sample Count	Mean	Median	COD	Weighted Mean
ANN ARBOR	AA	2	0.9947	0.9947	0.9902	0.9964
AZURE BAY W2	AB W2	1	0.6635	0.6635	0	0.6635
ARROWHEAD W1	AH W1	1	1.2799	1.2799	0	1.2799
ARROWHEAD W2	AH W2	1	1.3936	1.3936	0	1.3936
ANGLERS CORNER	ANGCOR	1	1.4011	1.4011	0	1.4011
ADMIRAL SHORES OFFW	ASR OFFW	1	1.0103	1.0103	0	1.0103
ADMIRAL SHORES W3	ASR W3	1	0.9087	0.9087	0	0.9087
BELCLAIRE CIRCLE	BC CIR	2	1.0774	1.0774	0.0937	1.0774
BAYVIEW COUNTRY EST OFFW	BCE OFFW	1	1.0253	1.0253	0	1.0235
BAREFOOT BAY	BF BAY	1	0.8512	0.8512	0	0.8512
BLUFFVIEW W1	BLUFFV W1	3	0.9752	1.0002	6.5408	0.9544
BAY OAKS EST OFFW	BOE OFFW	1	0.9622	0.9622	0	0.9622
BROOKWOOD	BROOKW	1	1.0341	1.0341	0	1.0341
BRYN MAWR WOODCASTLE	BRY MA WC	2	1.0400	1.0400	1.0067	1.0388
CITY OF BARRY	CBA	4	0.9765	1.0030	8.5412	0.9624
CITY OF BLOOMING GROVE	CBG	12	1.0003	1.0136	8.2834	0.9881
CLEARVIEW COLLINS W2	CC W2	1	0.9888	0.9888	0	0.9888
CLEARVIEW COLLINS W3	CC W3	1	0.9884	0.9884	0	0.9884
CITY OF CORSICANA CENTRAL	CCO CEN	23	0.9702	0.9918	7.1889	9498
CCO Commercial Prop	CCO COMM	1	1.0115	1.0115	0	1.0115
CITY OF CORSICANA EAST	CCO EAST	25	0.9977	0.9763	7.7207	0.9844

Neighborhood Name	Code	Sample Count	Mean	Median	COD	Weighted Mean
CITY OF CORSICANA NORTH	CCO NORTH	99	1.0121	1.0081	8.1285	1.0066
CITY OF CORSICANA SOUTH	CCO SOUTH	19	0.9888	.9734	5.2128	1.0007
CORSICANA COMMONS	CCOMMON	16	1.0173	1.0575	6.8196	1.0190
CITY OF DAWSON	CDW	6	1.0024	1.0083	5.7245	1.0170
CITY OF FROST	CFR	13	1.0058	0.9733	8.0302	0.9949
CHAPEL HILL ESTATES	CHILL EST	1	1.0336	1.0336	0	1.0336
CHANDERL LANDING OFFW	CHLAN OFFW	1	1.0449	1.0449	0	1.0449
CHANDERL LANDING W1	CHLAN W1	1	0.9963	0.9963	0	0.9963
CITY OF KERENS	CKE	16	0.9947	0.9936	4.9576	0.9952
COLLEGE CIRCLE	COL CIR	1	1.0513	1.0513	0	1.0513
CHAMBERS POINT OFFW	CP OFFW	1	1.0017	1.0017	0	1.0017
CHAMBERS POINT W1	CP W1	2	1.1283	1.1283	12.6704	1.1131
CITY OF RICE	CRI	10	0.9609	0.9358	7.5351	0.9560
CITY OF RICHLAND	CRL	1	0.9808	0.9808	0	0.9808
CREEKSIDE LANDING OFFW	CSL OFFW	1	0.8644	0.8644	0	0.8644
DOBBINS CROSSING	DOBB	1	1.0356	1.0356	0	1.0356
DRANE ESTATES	DRANE EST	3	0.9961	0.9732	2.8554	0.9976
EUREKA FOREST OFFW	EF OFFW	4	0.8907	0.973	8.9518	1.0029
FRANCISCO BAY W1	FB W1	1	1.0181	1.0181	0	1.0181
FAIRFAX MIMOSA	FF MIM	1	0.9667	0.9667	0	0.9667
FOWLERS POINT W1	FP W1	3	0.9411	0.9468	5.5047	0.9617
GRANDVIEW EST W1	GE W1	1	1.0166	1.0166	0	1.0166
GRANDVIEW EST W3	GE W3	1	0.977	0.977	0	0.977
GLENBROOK KINGSTON BRIARWOOD	GL KI BW	5	1.0127	0.9973	3.7854	1.0095
GLADSTONE LOVE RENEE	GLAD LOV R	2	1.0538	1.0538	0.3217	1.0538
GIBSON LAKEVIEW EST W3	GLE W3	1	0.9973	0.9973	0	0.9973
GLENWOOD CIRCLE	GLENW CIR	3	0.9846	0.9691	2.2991	0.9772
GRISON ESTATES	GRIEST	3	0.9393	1.0028	6.7355	1.0056
HIDAWAY HARBOR OFFW	HH OFFW	1	0.9916	0.9916	0	0.9916
HIDAWAY HARBOR W3	HH W3	1	0.9384	0.9384	0	0.9384
HIDDEN HILLS	HID HIL	1	1.0017	1.0017	0	1.0017
HIDDEN OAKS OFFW	HO OFFW	2	0.98	0.98	1.3837	0.9781
HIDDEN OAKS W3	HO W3	1	1.0006	1.0006	0	1.0006
LINDA TAMMY	LIN TAM	1	0.9562	0.9562	0	0.9562
LINKS	LINKS	3	0.9496	0.9619	1.6583	0.9501
LYNN	LYNN	1	0.9803	0.9803	0	0.9803
MADISON CIRCLE	MADI CI	6	0.9869	0.9927	3.2417	0.9852
MADIE CASTON SHORE 2 OFFW	MCS 2 OFFW	3	1.0206	0.9498	13.0152	1.0135
MADIE CASTON SHORE 3 OFFW	MCS 3 OFFW	2	0.9767	0.9767	7.5131	0.9977
MADIE CASTON SHORE 3 W3	MCS 3 W3	2	0.9604	0.9604	6.0329	0.9643
MOONLIGHT POINT W1	MLP W1	1	0.9937	0.9937	0	0.9937
NORTHPARK	NPARK	3	1.0178	1.021	2.1008	1.011
NORTHSHORE CONDOS	NSCON	1	0.9639	0.9639	0	0.9639
THE OVERLOOK AT RICHLAND CHAMBERS	ORC	1	1.0679	1.0679	0	1.0679

Neighborhood Name	Code	Sample Count	Mean	Median	COD	Weighted Mean
OAKRIDGE HEIGHTS OFFW	ORH OFFW	1	1.2365	1.2365	0	1.2365
OAKRIDGE HEIGHTS W3	ORH W3	1	0.9314	0.9314	0	0.9314
OVERLOOK ADDITION	OV ADD	2	0.9772	0.9772	6.3571	0.9765
PARADISE BAY W2	PB W2	1	0.9104	0.9104	0	0.9104
PARADISE BAY W3	PB W3	1	0.7737	0.7737	0	0.7737
PLETTENBURG BAY W2	PBB W2	1	1.0197	1.0197	0	1.0197
PEYTON PLACE	PEY PL	3	1.0056	0.9872	2.9983	1.017
PELICAN ISLE OFFW	PI OFFW	3	0.8003	0.7	16	0.9691
PELICAN ISLE W2	PI W2	3	0.9822	0.9673	9.986	0.9649
PIKE HILL	PIKE HI	2	1.0497	1.0497	5.8465	1.034
PENINSULA POINT OFFW	PP OFFW	1	0.9371	0.9371	0	0.9371
PENINSULA POINT POND	PP POND	1	0.9562	0.9562	0	0.9562
RICHLAND CHAMBERS OFFW	RCL OFFW	1	0.9628	0.9628	0	0.9628
RICHLAND CHAMBERS W1	RCL W1	3	0.7285	0.6324	24.9656	0.72
RUSTLING OAKS EST OFFW	ROE OFFW	1	1.0255	1.0255	0	1.0255
RUSTLING OAKS EST W1	ROE W1	1	1.0219	1.0219	0	1.0219
RUSTLING OAKS EST W3	ROE W3	1	0.9799	0.9799	0	0.9799
ISD BLOOMING GROVE	SBG	43	0.9609	0.973	8.3518	1.0023
STARCREST ESTATES OFFW	SCE OFFW	1	0.9887	0.9887	0	0.9887
STARCREST ESTATES W1	SCE W1	1	0.8218	0.9218	0	0.9218
STARCREST ESTATES W3	SCE W3	1	0.95	0.95	0	0.95
ISD CORSICANA	SCO	54	1.0116	0.9795	11.3028	1.0219
ISD DAWSON	SDW	29	0.936	0.9493	13.5399	0.92
ISD FAIRFIELD	SFA	10	1.0287	1.0538	6.0561	1.0136
ISD FROST	SFR	14	1.0049	1.014	8.9148	1.0437
SHORES POND	SHORE P	1	0.9157	0.9157	0	0.9157
THE SHORES W1	SHORE W1	2	0.9931	0.9911	1.012	0.9931
SHORE WATER 2 PENNS	SHORE W2P	1	0.9927	0.9927	0	0.9927
THE SHORES W3	SHORE W3	11	0.9095	0.9681	10.9728	1.0063
THE SHORES OFFW	SHORES OFF	1	0.8822	0.8822	0	0.8822
THE SHORES N OF 287	SHORES_N	2	1.0498	1.0498	1.8461	1.0498
ISD KERENS	SKE	26	1.0041	1.0013	7.0616	1.0093
ISD MILDRED	SMI	27	0.9908	0.969	12.3319	0.9686
SMI Commercial Prop	SMI COMM	1	1.0529	1.0529	0	1.0529
SWEETWATER RANCH W1	SR W1	3	0.9972	0.9978	4.6691	0.9986
ISD RICE	SRI	22	1.0043	0.9983	5.3313	0.9949
SUNRISE POINT OFFW1	SRPOFFW1	2	0.965	0.965	2.7607	0.9648
SUNRISE WEST	SRWEST	1	0.919	0.919	0	0.919
STERNS ADDITION	STERNS	2	1.0914	1.0914	0.5397	1.0914
STORY LAND ADDN	STORYLAND	1	0.9494	0.9494	0	0.9494
SUNNY	SUN	1	0.9256	0.9256	0	0.9256
SHERWOOD OFFW	SW OFFW	1	0.878	0.878	0	0.878
ISD WORTHAM	SWO	6	1.0963	1.0449	7.8172	1.1895
TRAIL RIDGE	TRL RI	2	1.0181	1.0181	1.6128	1.0199

Neighborhood Name	Code	Sample Count	Mean	Median	COD	Weighted Mean
TRAIL RIDGE 2	TRL RI 2	1	0.9306	0.9306	0	0.9303
VISTA RIDGE OFFW	VR OFFW	1	1.1639	1.1639	0	1.1639
VISTA RIDGE W1	VR W1	1	0.8591	0.8591	0	0.8591
VILLAGE WOODS OFFW	VW OFFW	1	1.2193	1.2193	0	1.2193
WINKLER CREEK ESTATE W1	WCE W1	1	0.9882	0.9882	0	0.9882
WESTWOOD	WESTW	1	1.0225	1.0225	0	1.0225
WILLIAMS WINDFIELD	WIL WIN	2	1.0113	1.0113	4.5535	1.0013
WESTOVER HILLS ADDN	WOH	8	1.0401	1.0131	4.1909	1.0366
WHITEROCK W1	WR W1	3	0.9604	0.9405	2.117	0.9942
WHITEROCK W2	WR W2	2	1.055	1.0055	4.3738	1.0004
WHITEROCK W3	WR W3	2	0.9976	0.9976	0.1835	0.9972
THE WOODS AT RC W1	WRC W1	1	1.039	1.039	0	1.039
THE WOODS AT RC W2	WRC W2	4	0.9957	0.9977	8.4501	1.0431

Conclusions & Study Results

Final reconciliation of the sales data indicates that NCAD's overall level of appraisal as of January 1, 2025 was unacceptable, but with study and appraisal model calibration, the level of appraisal attained by the district is within the acceptable standard parameters as indicated below:

	Beginning			Ending		
		95% Confidence			95% Confidence	
		Lower	Upper		Lower	Upper
Mean	0.92	0.93	0.94	0.99	0.98	1.00
Median	0.94			0.99		
Weighted Mean	0.91			0.99		
Coefficient of Dispersion	17.34			9.40		
Price-related Differential	1.01			1.00		
Absolute Deviation	0.16			0.09		
Standard Deviation	0.21			0.13		
Number of Sales	758			860		

Overall Ratio taken from PACS Ratio Recap Report
All classes of property with an appraised/sale ratio between 0.5-1.5

Simply put, it could be reliably assumed that 95% of the district's appraisal to sales ratios were at 93% of market value.

After model calibration, the district's appraisal level was adjusted to where 95% of the district's appraisal to sales ratios were adjusted to fall between 0.99 and 1.00, with a final Price Related Differential (PRD) of 1.00, well within the acceptable measures of central tendency and the PTAD required 95% to 105% confidence interval.

Individuals Providing Significant Mass Appraisal Assistance

Name	Type of Assistance
Appraisal Director Joe E. McClure RPA TDLR # 75510	• Ensured that on-site inspection schedule was completed according to reappraisal schedule. • Performed on-site inspections of improved properties. • Analyzed sales information in preparation for appraisal model calibration (cost schedules, neighborhoods, etc.) • Assisted staff in application of appraisal practices and laws governing exemptions and special valuations. • Assisted appraisers in providing explanations to property owners for proposed appraised values and made adjustments as needed based upon observations. • Reviewed appraisal adjustment reports generated from property owner inquiries as needed to ensure legitimacy of adjustments.
Business Personal Commercial Property Terri Lenamon RPA/CTA/CCA TDLR #70712	• Performed on-site inspections of business personal property parcels. • Reviewed rendition statements from property owners to ensure that all personal property used for the production of income was properly listed on the appraisal roll. • Assisted appraiser and their assistants on proper application of the appraisal model for real estate parcels. • Reviewed exemption applications for qualifications and supervised correspondence when additional information was needed for approval, modification, or denial. • Provided explanations to property owners for proposed appraised values and made adjustments as needed based upon observations.
Real Land & Improvements Hector Castaneda RPA TDLR# 72076 Shaun Williams TDLR# 77058 Preston Motley TDLR# 77285 James Reed	• Performed on-site inspections of improved parcels as assigned. • Performed CAMA data entry to modify records as a result of inspections. • Performed reviews of land records through examination of CAD GIS maps, USDA Soil Survey Maps, and available aerial photography. • Reviewed applications for Open Space Land Valuation for pasture, cropland, timberland, and wildlife management for completeness and qualifying activities. • Corresponded with applicants as needed to process open space

Name	Type of Assistance
TDLR# 77567 Jason Hasugulig TDLR# 77872	applications. • Made on-site inspections of properties. • Provided explanations to property owners for proposed appraised values and made adjustments as needed based upon observations.
Mineral/Utility/Industrial Pritchard & Abbott Contracted Professional Valuation Firm	• Appraised all mineral, utility, industrial, and utility properties in the district in accordance with their reappraisal plan activities outlined in their reappraisal plan submitted to the district. • Provided explanations to property owners for proposed appraised values and made adjustments as needed based upon observations.