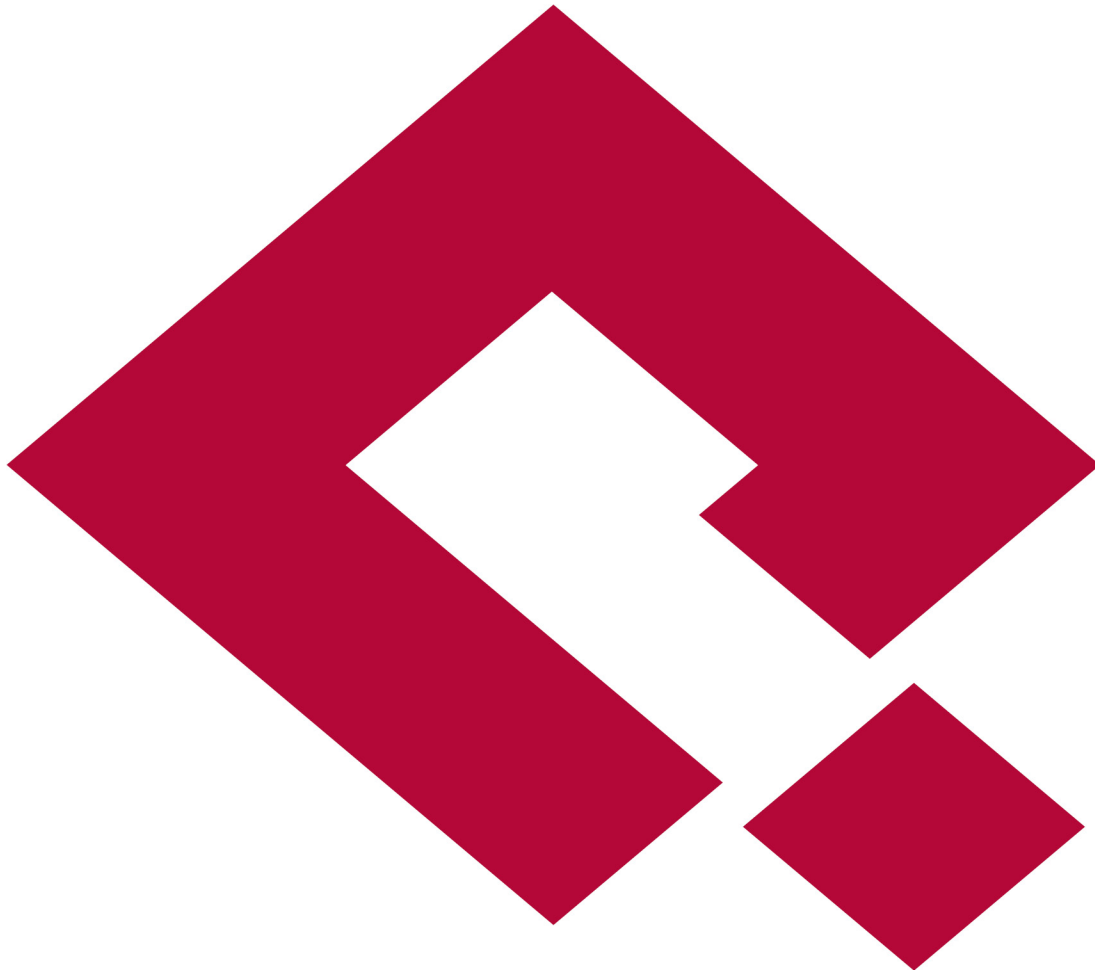




I-TRaC™ REPORT

City of Sampleville ▪ 2011 Q2





PARCELQUEST | I-TRaC™ REPORT

Prepared For The City of Sampleville ▪ 2011 Q2

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The I-TRaC™ Report has been designed as a tool for municipal finance managers to better estimate the total Assessed Value of their City or District. Financial professionals or those simply tasked with budgeting for their district deploy a number of tools to assist in forecasting property tax revenue; formal or informal numbers from the County Assessor's office, outside consulting firms, connecting with local Realtors along with internal spreadsheets and data bases. The I-TRaC™ Report supplements the existing forecasting process and because it is based on the most current data available from County Assessors, it provides an extra measure of insight and detail.

The I-TRaC™ Report has also been designed to provide municipal finance managers with the capability to consistently demonstrate the estimated trends in Assessed Value to the various publics that may not be familiar with the nuance of property tax finance. The graphs have been created to be used in formal presentations or simply copied and distributed to board members or council members.

Occasionally the user of the I-TRaC™ Spreadsheet Report will see numbers that seem anomalous or downright crazy. These are outliers. An outlier is an observation that appears to deviate markedly from other members of the sample in which it occurs. The I-TRaC Report in its current form does not systematically remove outliers. We have removed errors to the best of our ability. An example of an error is a sales price of tens of millions of dollars in a residential neighborhood; we would research that and discover it was a data entry error which gets corrected in our next daily update from the Assessor. However, if a property has a legitimate sales price significantly different from the Lien Date Roll (LDR) value, that spread will be included in the trending calculations applied to the whole data population, and if significant enough can distort the Prop 8 and/or Prop 13 trended values reported. This is precisely why the data is provided by Tax Rate Area (TRA), showing each TRA's Prop 8 trend, Prop 13 trend and Total trended change. As a result, outliers within individual TRAs are quickly identified and someone with the local knowledge of that particular micro market would best be able to interpret the data and incorporate any appropriate adjustments into your organization's analysis.

For example, the data may show that Prop 13 sales prices relative to Prop 13 LDR values were up 45% in one particular tax rate area, but upon closer examination, your local knowledge of that particular neighborhood allows you to temper that trend because you know that properties in that neighborhood have been flipped by investors and that your district total value is really not growing by 45%.

ParcelQuest does not nor do we have plans to interpret any of the data. We welcome your input into how outliers may be handled in the future.

Second Quarter 2011 Highlights

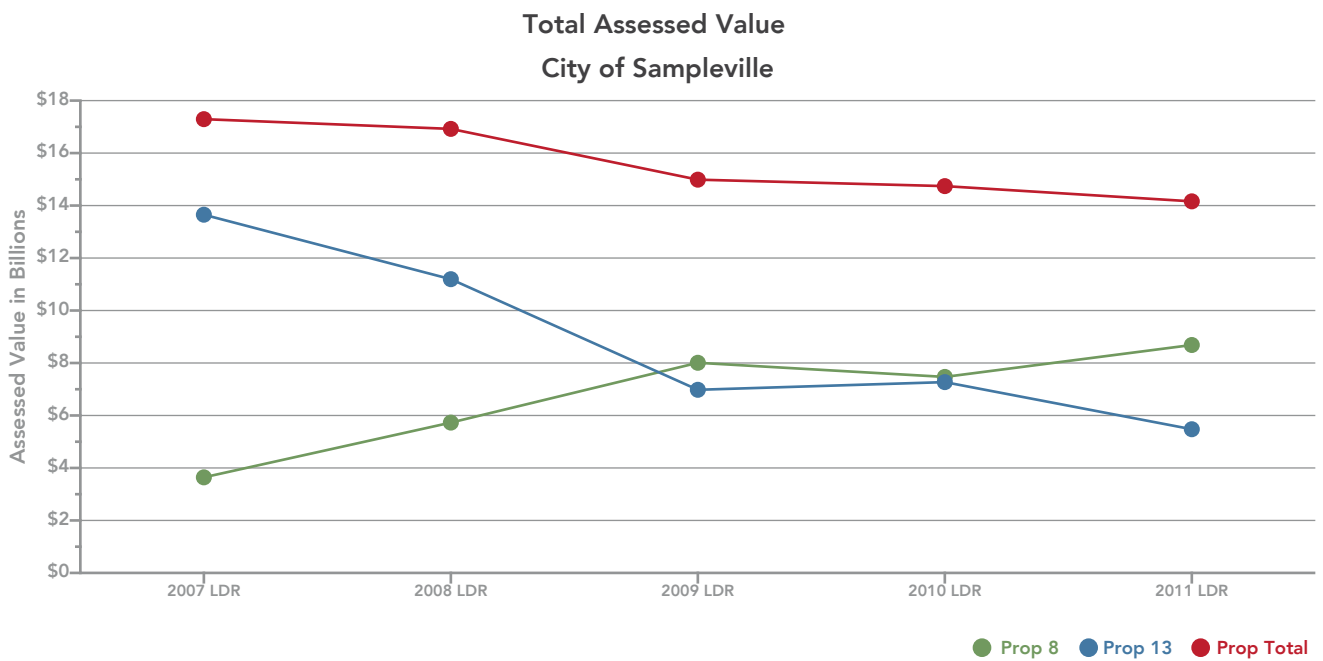
At this time of the year, most agency users of these reports are using the data as part of their analysis to confirm or adjust their estimates of property tax revenues (or tax increment revenues) for the new year and to better understand the new LDR. Because the reports are based on actual Assessor data, the reports provide you with an inside look into the new LDR that no other source provides so easily and timely.

This is a great time to review the change in values and the trends in parcels with Prop 8 valuations and those with Prop 13 valuations; and consider how these trends correlate with your understanding of your local real estate market(s). In addition, now that the data reflects the new LDR, it may be a great time to review your longer-term perspective and begin considering how activity in the coming year through normal property turnover, development, and due to changes in the local economy would likely effect property tax revenues in the year and years to come.

Section I: Trends by Municipality

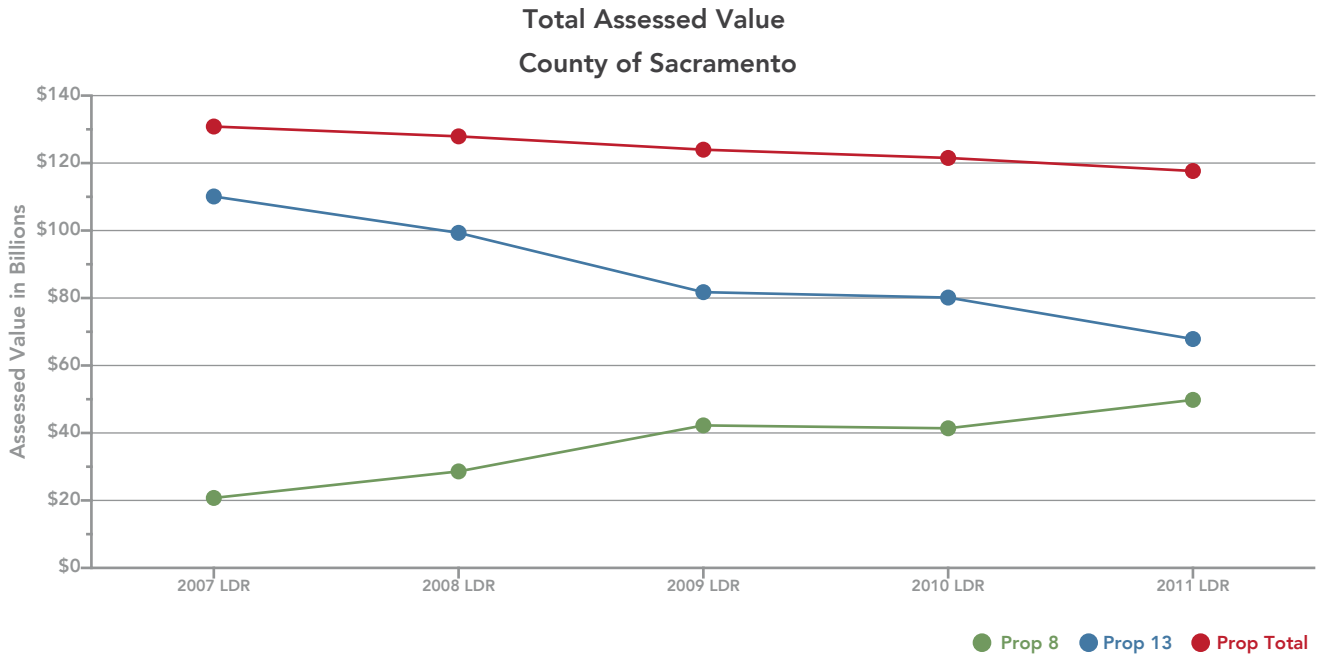
Total Assessed Value • City of Sampleville

The following graph shows the Total Assessed Value by year in the City of Sampleville broken out by current valuation type, either Prop-8 or Prop-13. Since properties having received reductions under Prop-8 are generally expected to reflect changes in market values (both up or down) until such time that their individual values return to their Prop-13 base values as adjusted for each year's Prop-13 growth factors, this chart provides an indication as to how much of your Agency's assessed value is more subject to changes in your local real estate market. The greater the Prop-8 share, the more your jurisdiction's change in assessed value is likely to reflect changes in the real estate market. Don't forget, though, that the County Assessor can initiate and/or increase a Prop-8 reduction if the underlying real estate market suggests that the current assessed value is more than a property's market value.



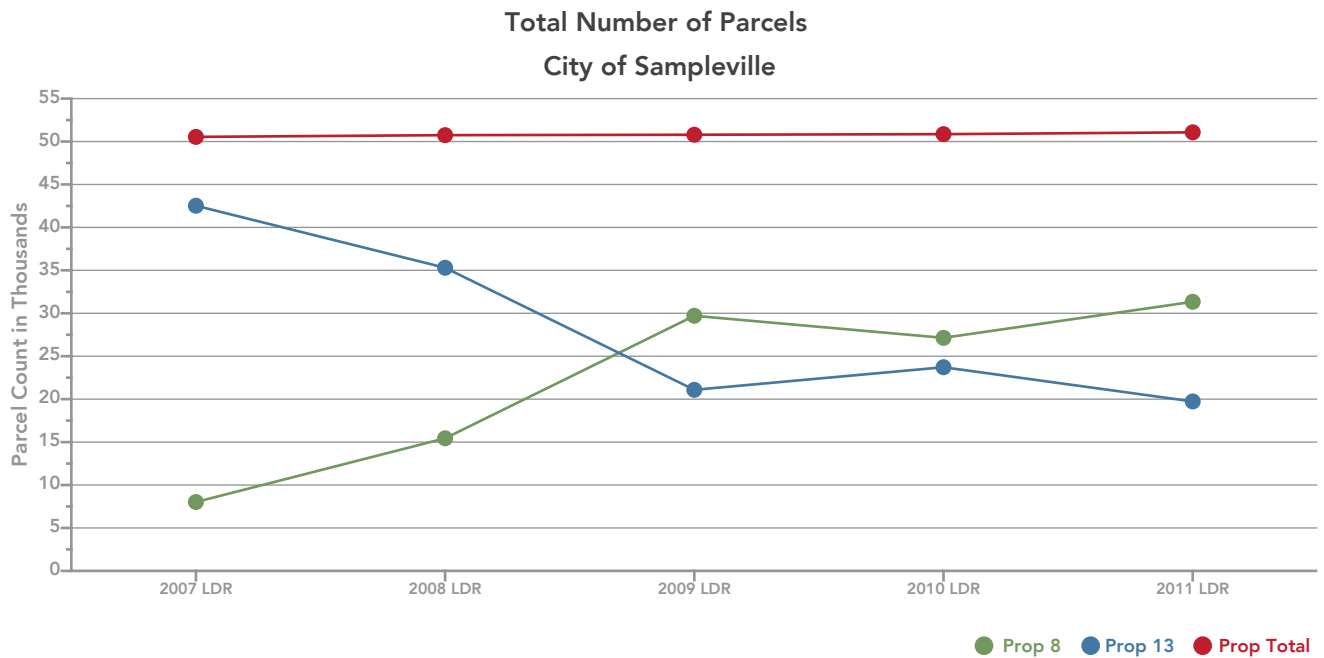
Total Assessed Value • County of Sacramento

The following graph shows the Total Assessed Value by year in Sacramento County broken out by current valuation type, either Prop-8 or Prop-13. This is the same analysis as the previous page, but for the entire County. It is included in order to provide some insight into whether your jurisdiction has been experiencing, on average, Prop-8 impacts on assessed value greater than, less than, or similar to what is being experienced countywide.



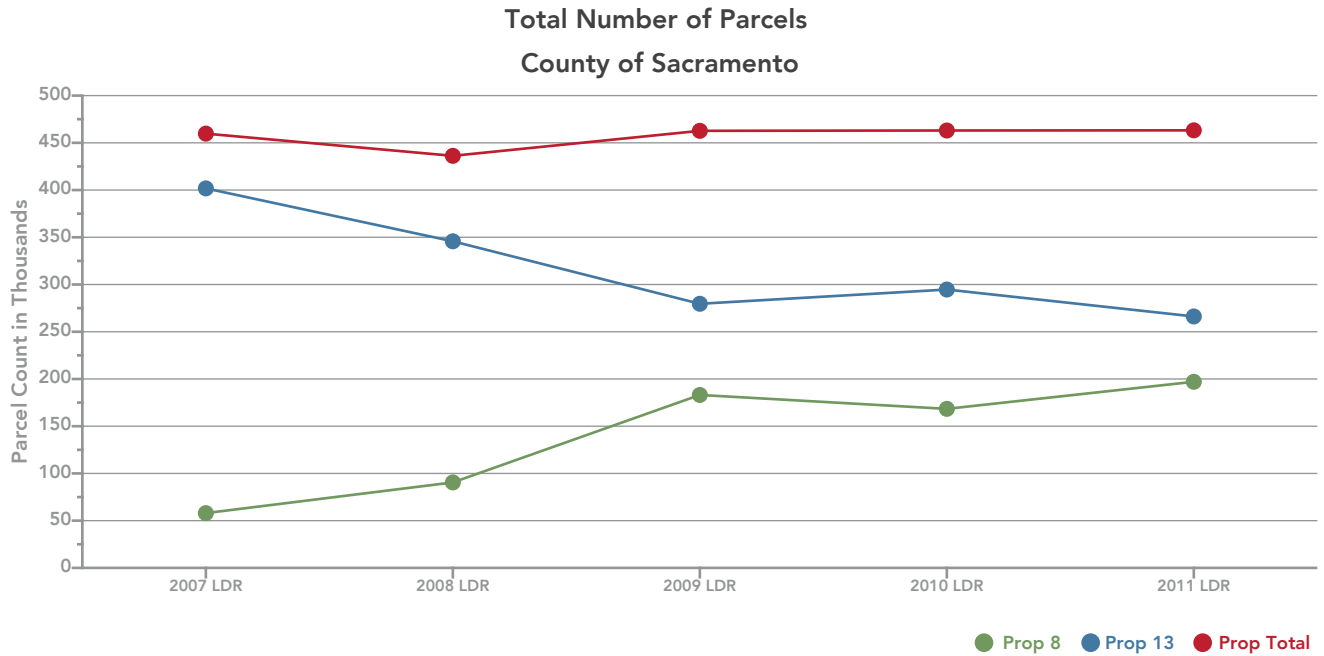
Total Number of Parcels • City of Sampleville

The following graph shows the total parcel count by year in the City of Sampleville broken out by current valuation type, either Prop-8 or Prop-13. Since properties having received reductions under Prop-8 are generally expected to reflect changes in market values (both up or down) until such time that their individual values return to their Prop-13 base values as adjusted for each year's Prop-13 growth factors, this chart provides an indication as to how many parcels in your jurisdiction have assessed values that are more greatly influenced by changes in your local real estate market. The greater the Prop-8 share, the more your jurisdiction's change in assessed value is likely to reflect changes in the local real estate market. Don't forget, though, that the County Assessor can initiate and/or increase a Prop-8 reduction if the underlying real estate market suggests that the current assessed value is more than a property's market value.



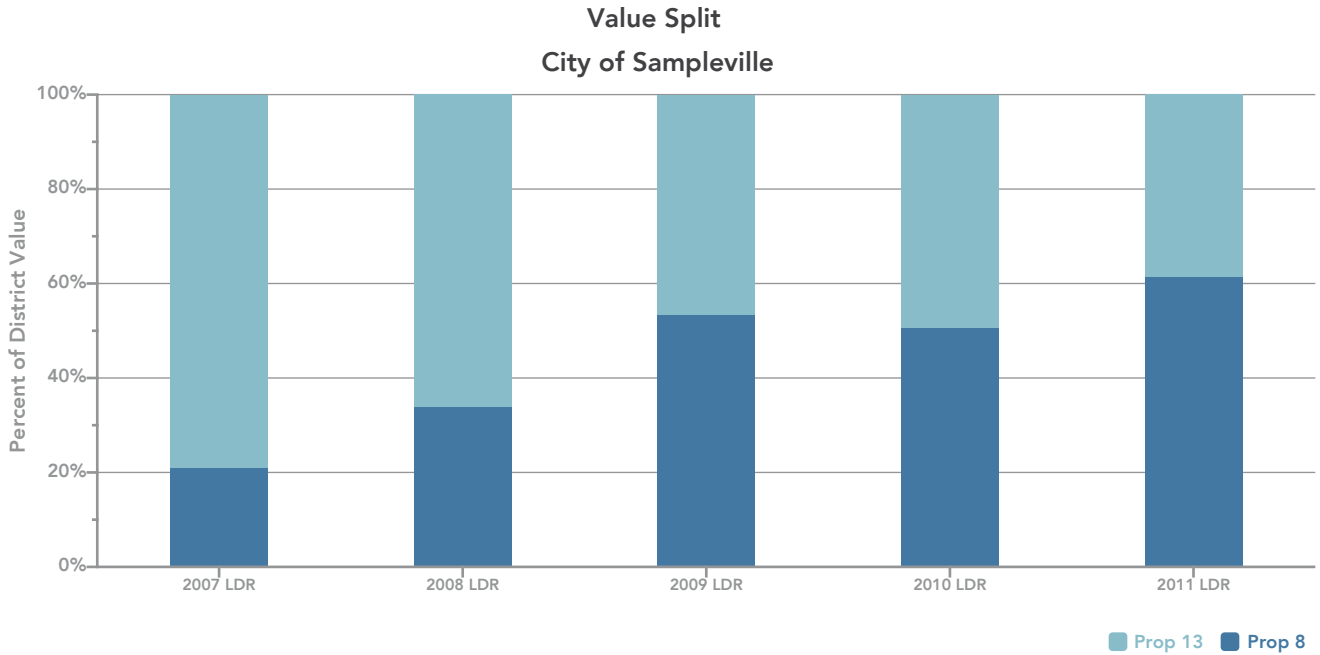
Total Number of Parcels • County of Sacramento

The following graph shows the total parcel count by year in Sacramento County broken out by current valuation type, either Prop-8 or Prop-13. This is the same analysis as the previous page, but for the entire County. It is included in order to provide some insight into whether your jurisdiction has been experiencing the effects of Prop-8 reductions on more, less, or similar shares of your parcels than those made countywide.



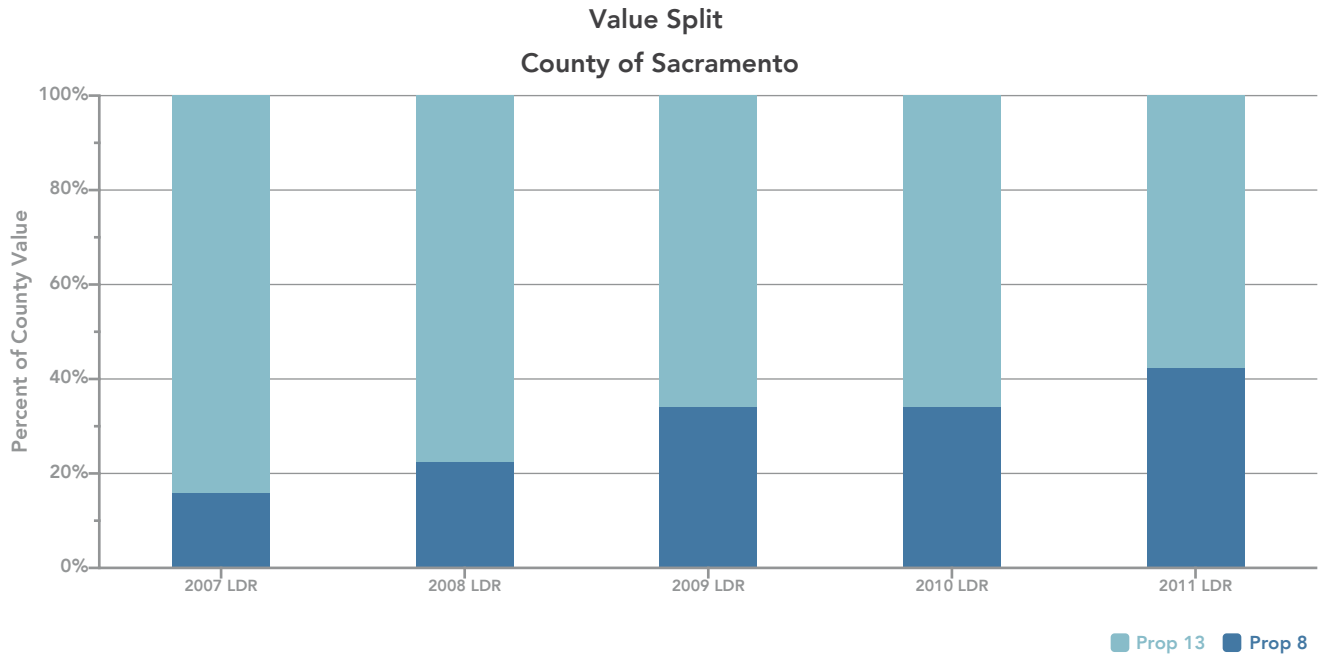
Value Split • City of Sampleville

The following graph shows the percentage of the Total Assessed Value of each current valuation type in the City of Sampleville. This chart is particularly useful in visualizing the trend your jurisdiction is experiencing related to Prop-13 vs. Prop-8 assessed values. Increasing Prop-8 proportions are an indication that future changes are likely to be influenced more strongly by the strength, or weakness, of the local real estate market. Decreasing Prop-8 proportions means that future values are likely to be driven more by Prop-13 type inflation adjustments and reassessments.



Value Split • County of Sacramento

The following graph shows the percentage of the Total Assessed Value of each current valuation type in Sacramento County. This is the same analysis as the previous page, but for the entire County. It is included in order to provide some insight into whether your jurisdiction has been experiencing the effects of Prop-8 reductions on more, less, or similar amounts of the assessed value than those made countywide.



Sale Value vs. Prior Lien Date Value (\$ Change) • Prop-8 Parcels • City of Sampleville

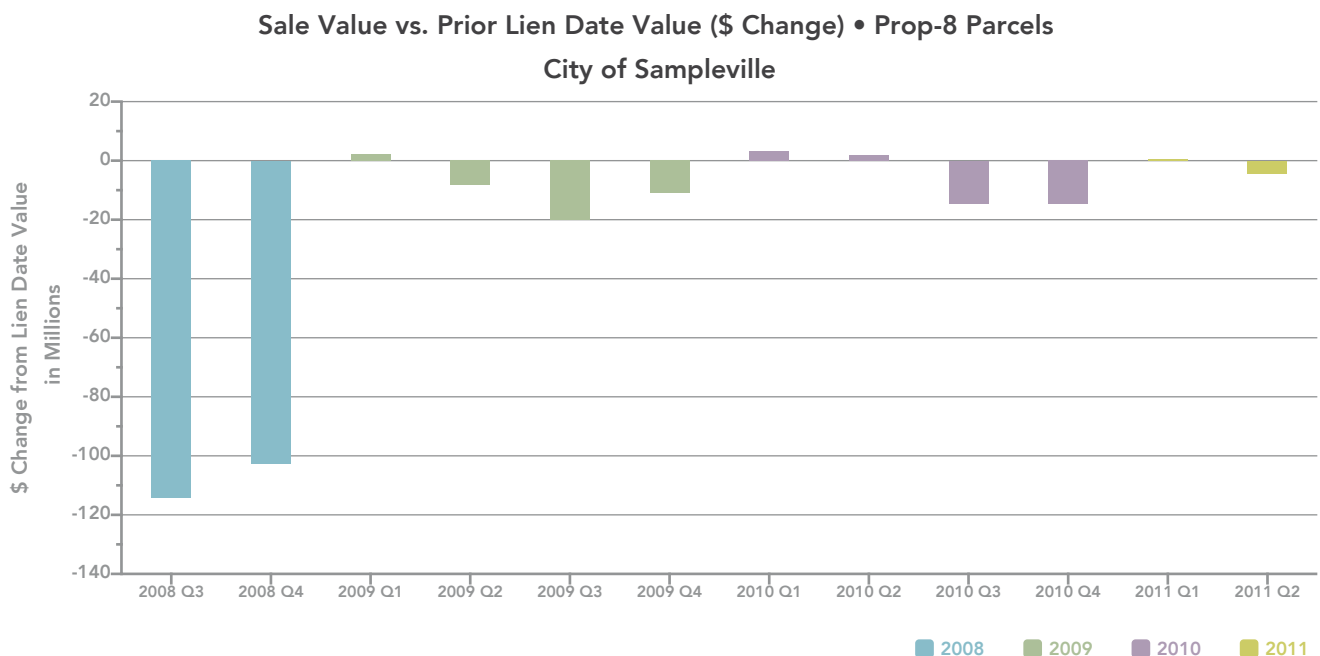
Note: Beginning with this second quarter report and continuing to the first quarter of next year, the sales activity for the current year will be compared to the most recent Lien Date Value (LDR) which closed in July. Therefore, the scale of the particular graph may have changed - either smaller or larger - from the first quarter report.

The following graph shows the quarterly trend of Prop-8 parcel sales price relative to that year's January Lien Date Roll value in the City of Sampleville. The most important aspect of this chart is "direction" (is the change in positive or negative territory) and the number of quarters that direction has prevailed; although the data for the 4th and 1st calendar quarters are likely to be the most critical.

If Prop-8 parcels are being sold for less than the roll value, it's an indication of further deterioration of the market as it is likely to affect future assessed values; and you should go back and consider the potential impacts of such deterioration on all of the Prop-8 parcels/values in your jurisdiction. In addition, if the market shows continued weakness during the first calendar quarter of the year, Assessors may include that information to update or initiate new Prop-8 adjustments in order to avoid the review and processing of anticipated appeals.

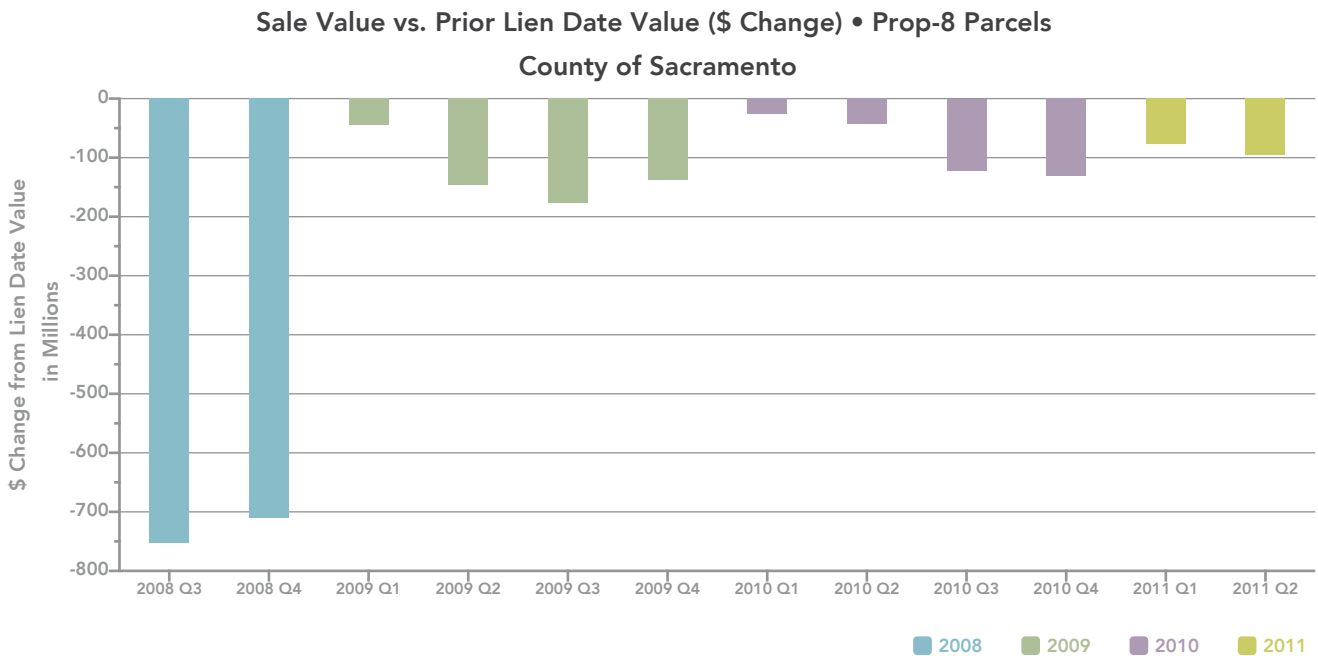
Finally, remember that all sales of property trigger Prop-13 reassessments, and establish new base values. If you have a large proportion of Prop-8 parcels/values, strong positive changes may translate into overall increases in assessed value as those older Prop-8 values are adjusted to reflect the improving underlying market conditions; persistent negative changes may well translate into longer lasting declines in property tax revenues.

Keep in mind that both "direction" and "persistence" are key. The greater the number of sales reflected in the sample, the greater the likelihood the trend information will be reflected in the LDR.



Sale Value vs. Prior Lien Date Value (\$ Change) • Prop-8 Parcels • County of Sacramento

The following graph shows the quarterly trend of Prop-8 parcel sales price relative to that year's January Lien Date Roll value in Sacramento County. This is the same analysis as on the previous page, but for the entire County. It is included in order to provide some insight into the breadth of the underlying real estate market countywide and enable you to compare that information with what you are experiencing in your jurisdiction. The key to comparing this graph to the one on the previous page is to determine whether the similarities or differences are expected and do they make sense? A multitude of factors can affect the individual economies within the county. If you see something unexpected in your review, investigation could be crucial to better understand how such differences might affect your assessed value projections.



Sale Value vs. Prior Lien Date Value (\$ Change) • Prop-13 Parcels • City of Sampleville

Note: Beginning with this second quarter report and continuing to the first quarter of next year, the sales activity for the current year will be compared to the most recent Lien Date Value (LDR) which closed in July. Therefore, the scale of the particular graph may have changed - either smaller or larger - from the first quarter report.

The following graph shows the quarterly trend of Prop-13 parcel sales price relative to that year's January Lien Date value in the City of Sampleville. As with the Prop-8 graphs on the previous pages, the most important aspect of this chart is "direction" (is the change in positive or negative territory) and the number of quarters that direction has prevailed; although, again, the data for the 4th and 1st calendar quarters are likely to be the most critical. Remember that new home sales are likely to have a positive influence on this analysis, especially during more "normal" times.

If, as a whole, Prop-13 parcels are being sold for less than the roll value (below the line), it's an indication of further deterioration of the market as it is likely to affect future assessed values. You might also anticipate more Prop-8 adjustments are forthcoming, and it might be wise to also consider the potential impacts on all of the current Prop-8 parcels/values in your jurisdiction.

The two admonitions provided with the similar Prop-8 graphic above hold true here as well:

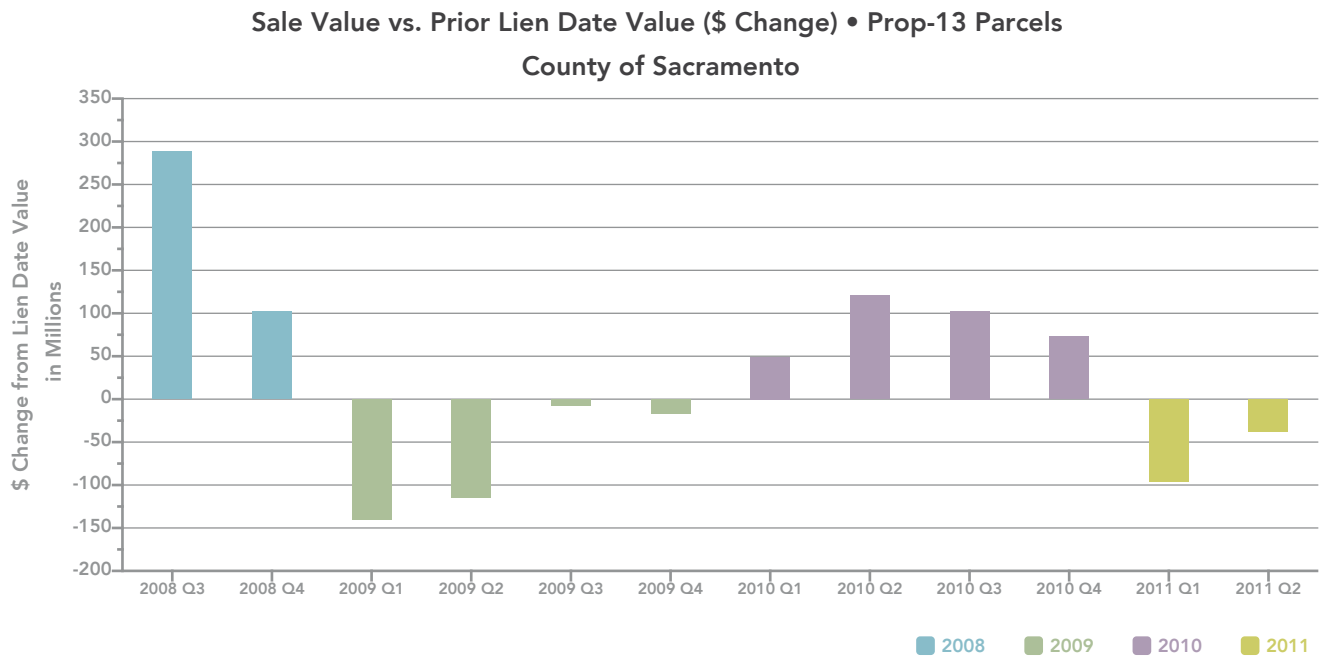
- If the market shows continued weakness during the first calendar quarter of the year, Assessors may include that information to update or initiate new Prop-8 adjustments in order to avoid the review and processing of anticipated appeals.
- Remember that all sales of property trigger Prop-13 reassessments, and establish new base values. If you have a large proportion of Prop-8 parcels/values, strong, persistent positive changes may translate into overall increases in assessed value as older Prop-8 values are adjusted to reflect the improving underlying market conditions; persistent negative changes may well translate into longer lasting declines in property tax revenues.

Sale Value vs. Prior Lien Date Value (\$ Change) • Prop-13 Parcels
City of Sampleville



Sale Value vs. Prior Lien Date Value (\$ Change) • Prop-13 Parcels • County of Sacramento

The following graph shows the quarterly trend of Prop-13 parcel sales price relative to that year's January Lien Date value in Sacramento County. This is the same analysis as the previous page, but for the entire County. It is included in order to provide some insight into the breadth of the underlying real estate market countywide and enable you to compare that information with what you are experiencing in your jurisdiction. The key to comparing this graph to the one above is to determine whether the similarities or differences are expected and do they make sense? A multitude of factors can affect the individual economies within the county. If you see something unexpected in your review, investigation could be crucial to better understand how such differences might affect your assessed value projections.



Sale Value vs. Prior Lien Date Value (% Change) • Prop-8 Parcels • City of Sampleville

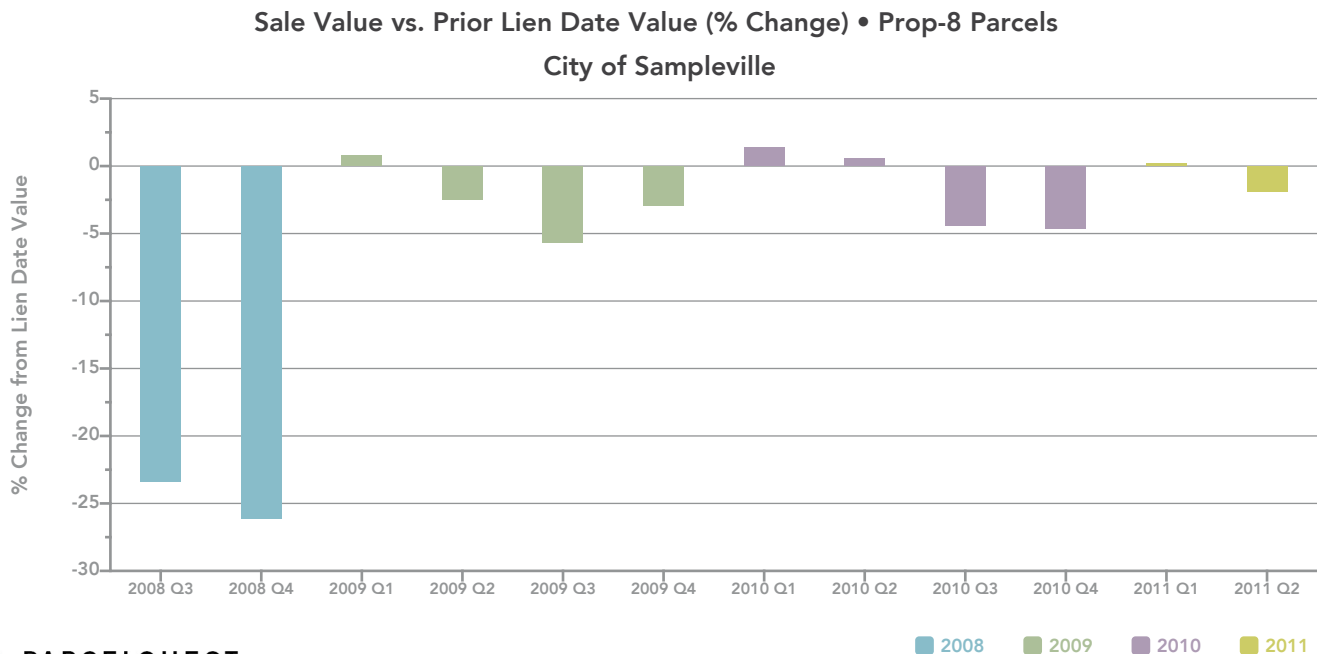
Note: Beginning with this second quarter report and continuing to the first quarter of next year, the sales activity for the current year will be compared to the most recent Lien Date Value (LDR) which closed in July. Therefore, the scale of the particular graph may have changed - either smaller or larger - from the first quarter report.

The following graph shows the quarterly percentage change of Prop-8 parcel sales price relative to that year's January Lien Date value in the City of Sampleville. As with the Prop-8 Sales Value v. Prior Lien Date Value graph on page 10, an important aspect of this chart is "direction" (is the change in positive or negative territory) as well as "persistence" (the number of quarters that direction has prevailed); and the data for the 4th and 1st calendar quarters are likely to be the most critical. However, while the chart on page 10 shows the total value change for Prop-8 sales, the graph below shows the average percentage change "per sale" of Prop-8 properties. This may provide a meaningful way to visualize the likely impact of Prop-8 sales on trended values.

Repeating what has been stated before regarding Prop-8 sales information:

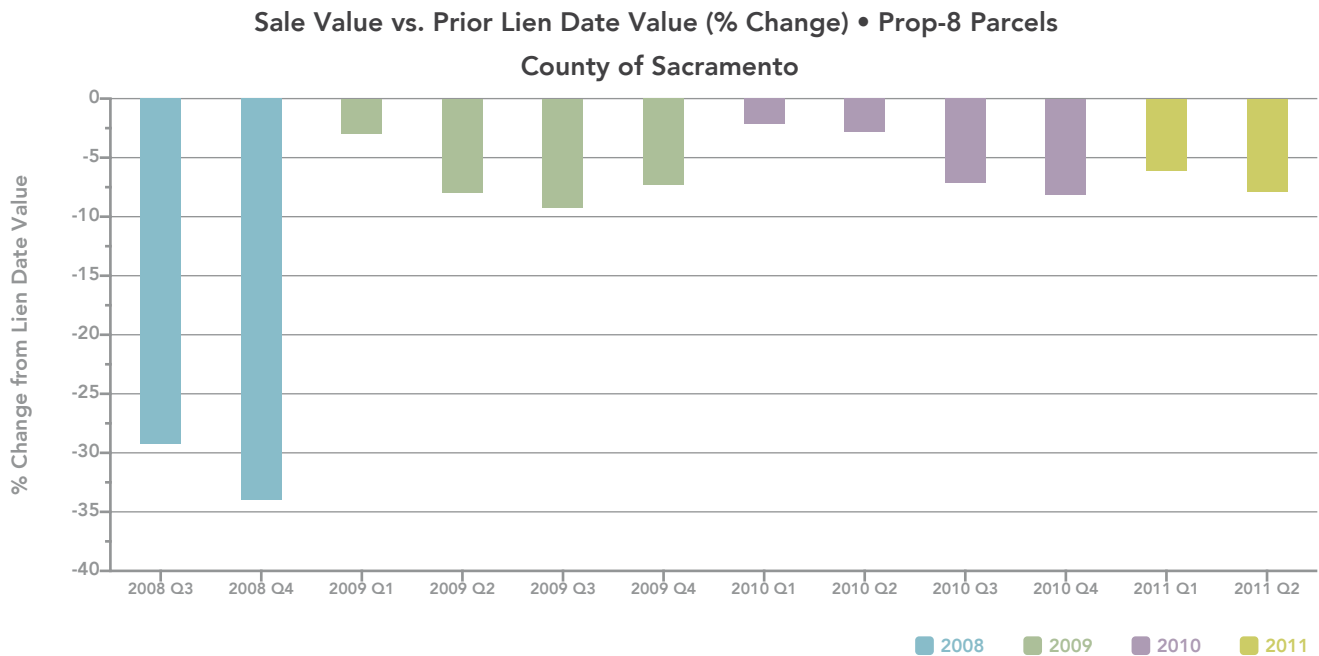
- If Prop-8 parcels are being sold for less than the roll value, it's an indication of further deterioration of the market as it is likely to affect future assessed values; and you should go back and consider the potential impacts of such deterioration on all of the Prop-8 parcels/values in your jurisdiction. In addition, if the market shows continued weakness during the first calendar quarter of the year, Assessors may include that information to update or initiate new Prop-8 adjustments in order to avoid the review and processing of anticipated appeals.
- Finally, remember that all sales of property trigger Prop-13 reassessments, and establish new base values. If you have a large proportion of Prop-8 parcels/values, strong positive changes may translate into overall increases in assessed value as those older Prop-8 values are adjusted to reflect the improving underlying market conditions; persistent negative changes may well translate into longer lasting declines in property tax revenues.

And again, both "direction" and "persistence" are key. The greater the number of sales reflected in the sample, the greater the likelihood the trend information will be reflected in the LDR.



Sale Value vs. Prior Lien Date Value (% Change) • Prop-8 Parcels • County of Sacramento

The following graph shows the quarterly percentage change of Prop-8 parcel sales price relative to that year's January Lien Date value in Sacramento County. This is the same average per sale analysis as the previous page, but for the entire County. It is included in order to provide some insight into the breadth of the impacts underlying the real estate market countywide and enable you to compare that information with what you are experiencing in your jurisdiction. The key to comparing this graph to the one on the previous page is to determine whether the similarities or differences are expected and do they make sense? A multitude of factors can affect the individual economies within the county. If you see something unexpected in your review, investigation could be crucial to better understand how such differences might affect your assessed value projections.



Sale Value vs. Prior Lien Date Value (% Change) • Prop-13 Parcels • City of Sampleville

Note: Beginning with this second quarter report and continuing to the first quarter of next year, the sales activity for the current year will be compared to the most recent Lien Date Value (LDR) which closed in July. Therefore, the scale of the particular graph may have changed - either smaller or larger - from the first quarter report.

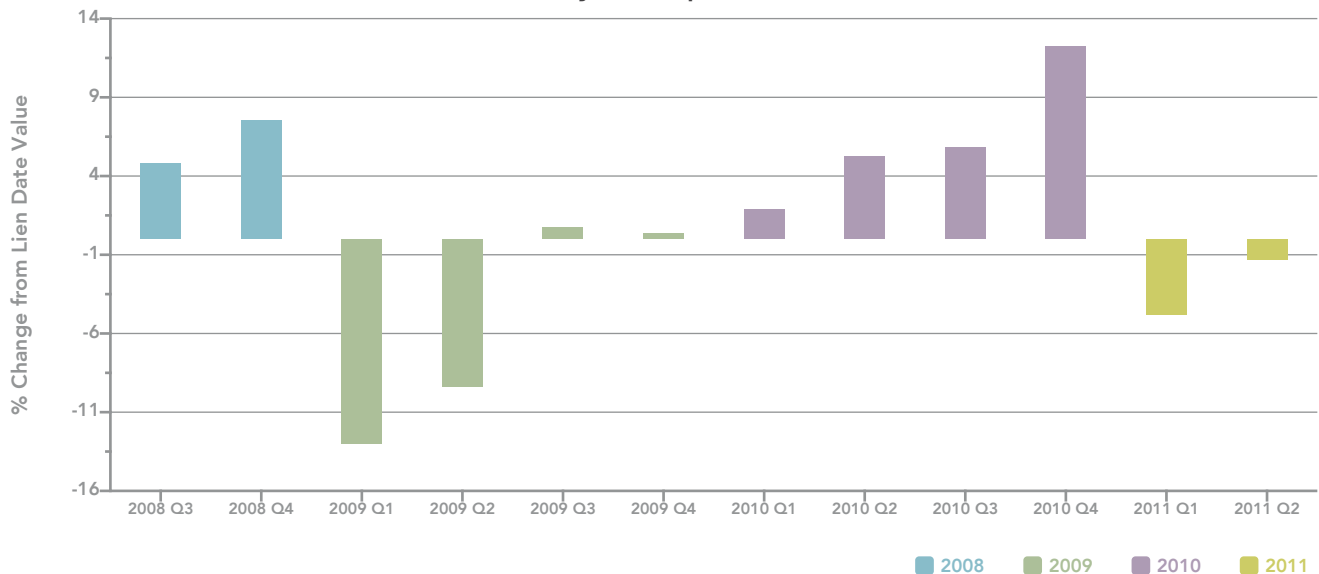
The following graph shows the quarterly percentage change of Prop-13 parcel sales price relative to that year's January Lien Date value in the City of Sampleville. As with the Prop-13 sales graph on page 12 above, the most important aspect of this chart is "direction" (is the change in positive or negative territory) and the number of quarters that direction has prevailed; although, the data for the 4th and 1st calendar quarters are likely to be the most critical. And remember that new home sales are likely to have a positive influence on this analysis, especially during more "normal" times.

In the graph below, the percentage change is an "average per sale". If, on average, Prop-13 parcels are being sold for less than the roll value, it's an indication of further deterioration of the market and will likely affect future assessed values. You might also anticipate more Prop-8 adjustments are forthcoming, and it might be wise to also consider the potential impacts on all of the current Prop-8 parcels/values in your jurisdiction.

The two admonitions provided with the similar Prop-8 graphic on the previous pages hold true here as well:

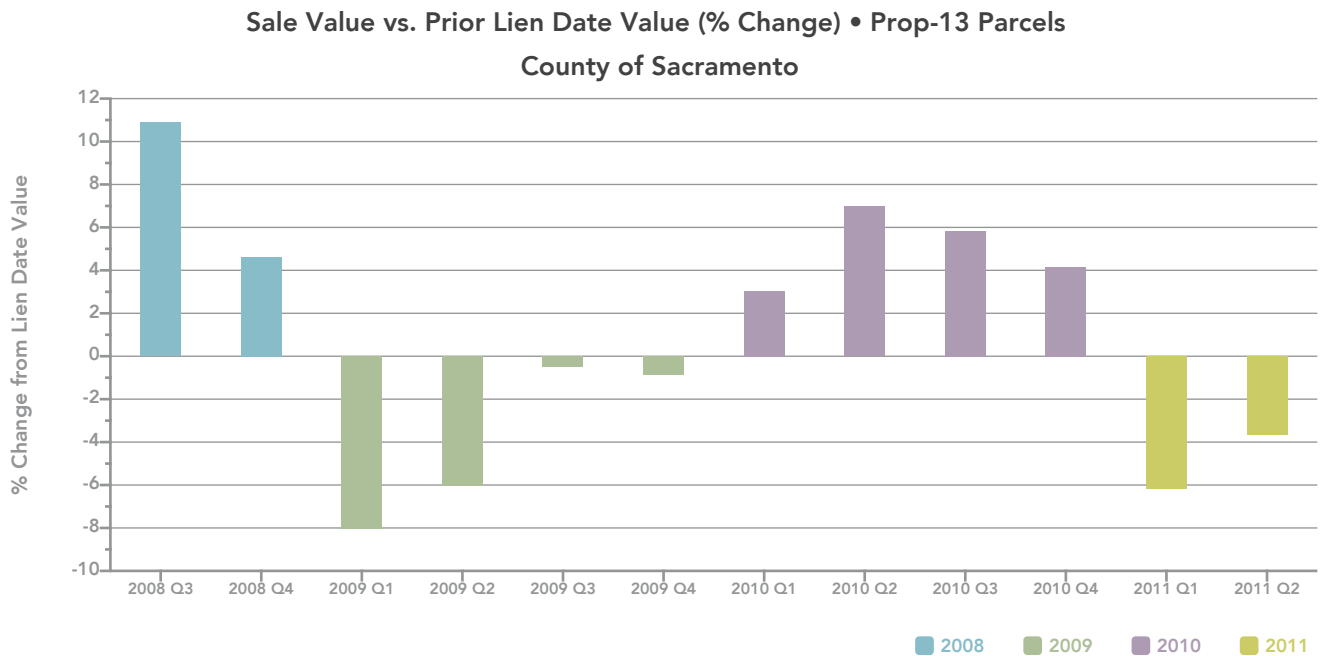
- If the market shows continued weakness during the first calendar quarter of the year, County Assessors may include that information to update or initiate new Prop-8 adjustments in order to avoid the review and processing of anticipated appeals.
- Remember that all sales of property trigger Prop-13 reassessments, and establish new base values. If you have a large proportion of Prop-8 parcels/values, strong positive changes may translate into overall increases in assessed value as those older Prop-8 values are adjusted to reflect the improving underlying market conditions; persistent negative changes may well translate into longer lasting declines in property tax revenues.

**Sale Value vs. Prior Lien Date Value (% Change) • Prop-13 Parcels
City of Sampleville**



Sale Value vs. Prior Lien Date Value (% Change) • Prop-13 Parcels • County of Sacramento

The following graph shows the quarterly percentage change of Prop-13 parcel sales price relative to that year's January Lien Date value in Sacramento County. This is the same "average per sale" analysis as the previous page, but for the entire County. It is included in order to provide some insight into the breadth of the impacts underlying the real estate market countywide and enable you to compare that information with what you are experiencing in your jurisdiction. The key to comparing this graph to the one above is to determine whether the similarities or differences are expected and do they make sense? A multitude of factors can affect the individual economies within the county. If you see something unexpected in your review, investigation could be crucial to better understand how such differences might affect your assessed value projections.



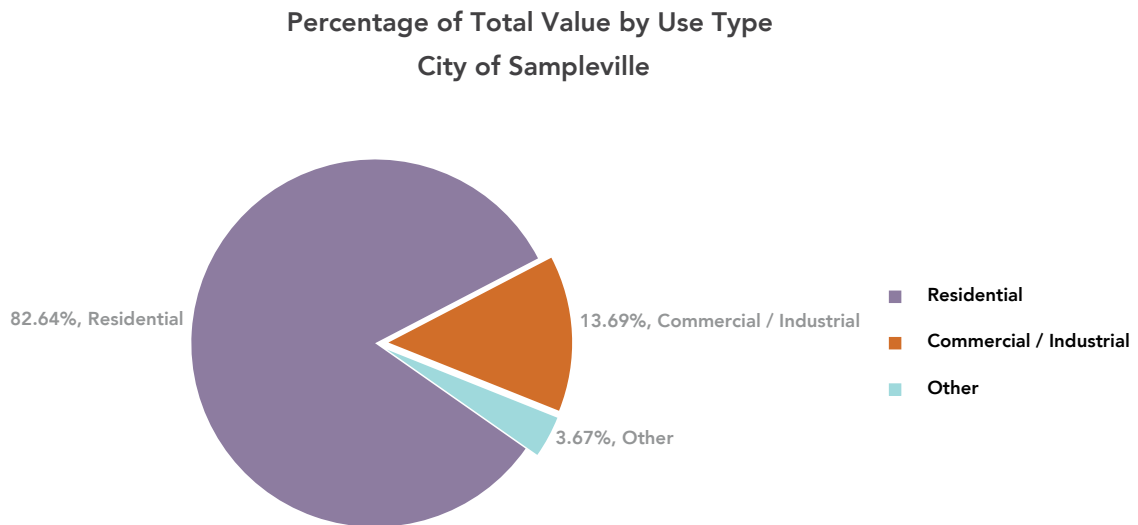
Section II: Splits and Trends by Use Type

This section provides a different view of the data, bringing property types (called "Use Types") into consideration. The primary breakdown is between Residential, Commercial/Industrial, and Other (principally Agricultural). Section II contains the same types of value and parcel information provided in Section I, but shows the information by Use Type, so that you can better see where changes in assessed values are occurring. Some jurisdictions have a large overall concentration of one type that dominates their overall jurisdictional valuations; and in some it may be that the countywide information "by type" provides a better comparison than what is shown in Section I. In addition, the revaluation of property due to turnover, new construction, or by Assessor's initiative in any year could be concentrated in one Use Type, and having knowledge of that could be beneficial to your efforts in understanding your market and/or projecting property tax revenues.

A few things to note as you review the Section II information. First, Section II data is displayed graphically as well as in the additional "tax rate area by type" tab within the I-TRaC spreadsheet. The graphs are available to help you understand the relationships between the underlying values and presence of each general use category in your community, and many I-TRaC clients find them helpful. Second, Section II data is prepared using annual data only, therefore this data will repeat each successive quarter until the second quarter of 2011.

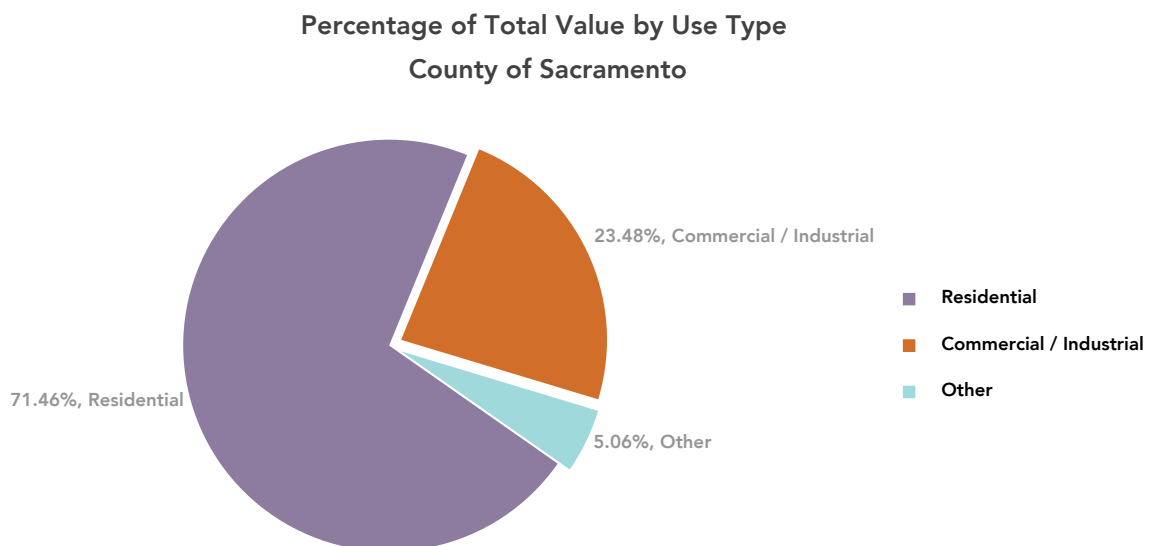
Percentage of Total Value by Use Type • City of Sampleville

The following graph shows the Total Assessed Value by Use Type in the City of Sampleville



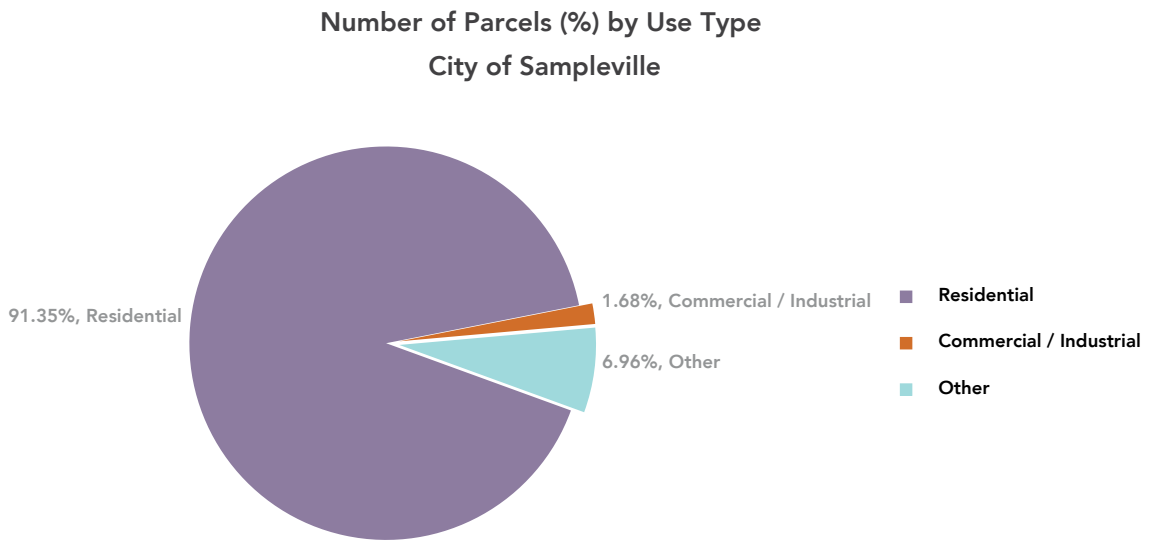
Percentage of Total Value by Use Type • County of Sacramento

The following graph shows the Total Assessed Value by Use Type in Sacramento County.



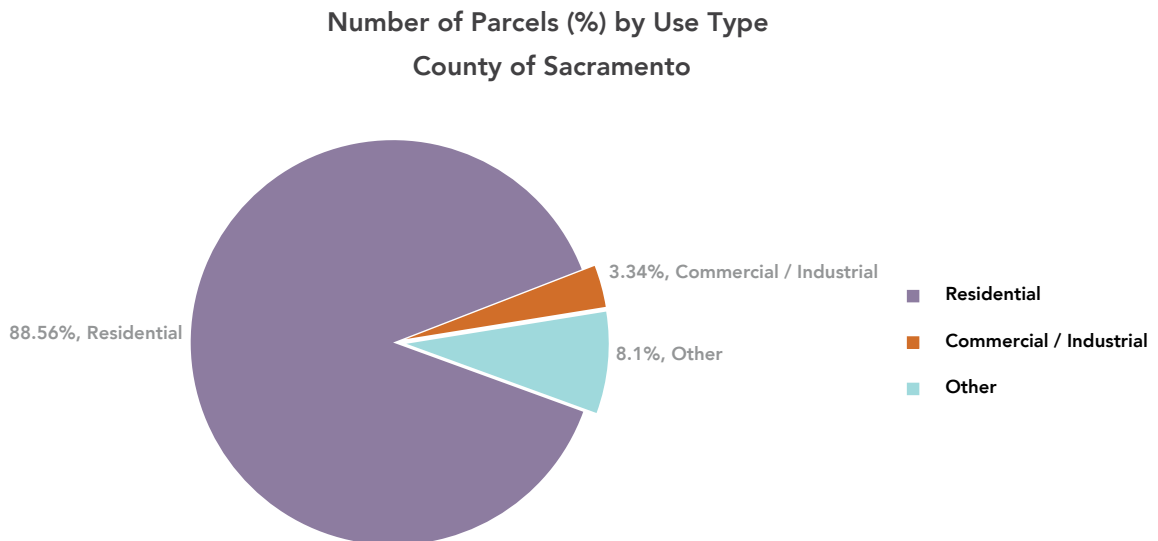
Number of Parcels (%) by Use Type • City of Sampleville

The following graph shows the percentage of Total Parcels by Use Type in the City of Sampleville.



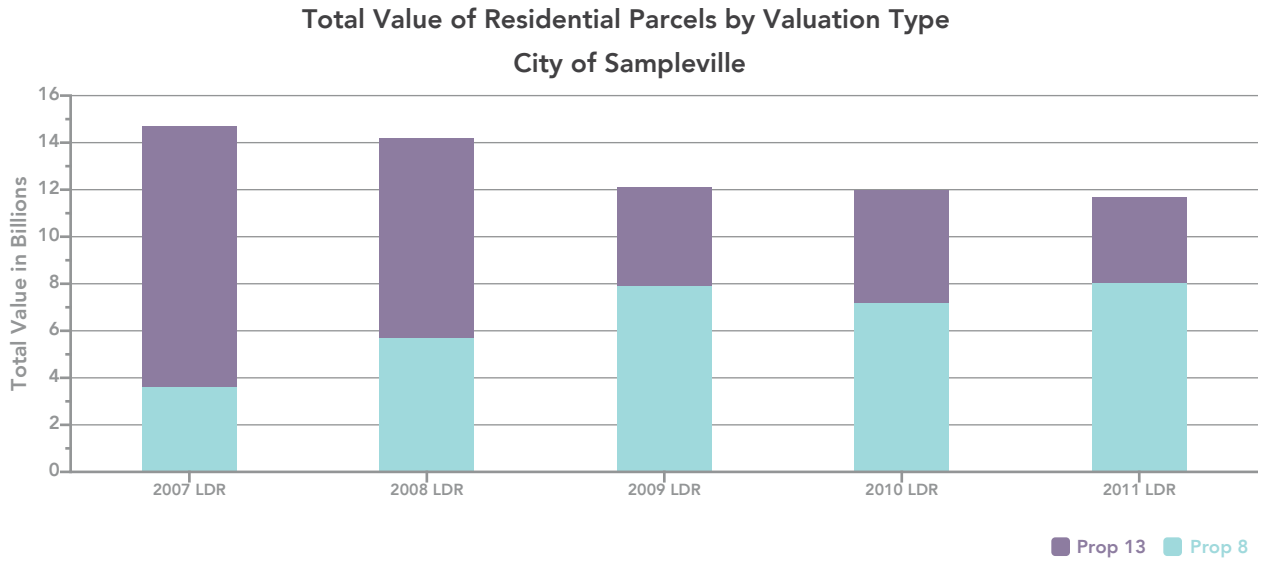
Number of Parcels (%) by Use Type • County of Sacramento

The following graph shows the percentage of Total Parcels by Use Type in Sacramento County.



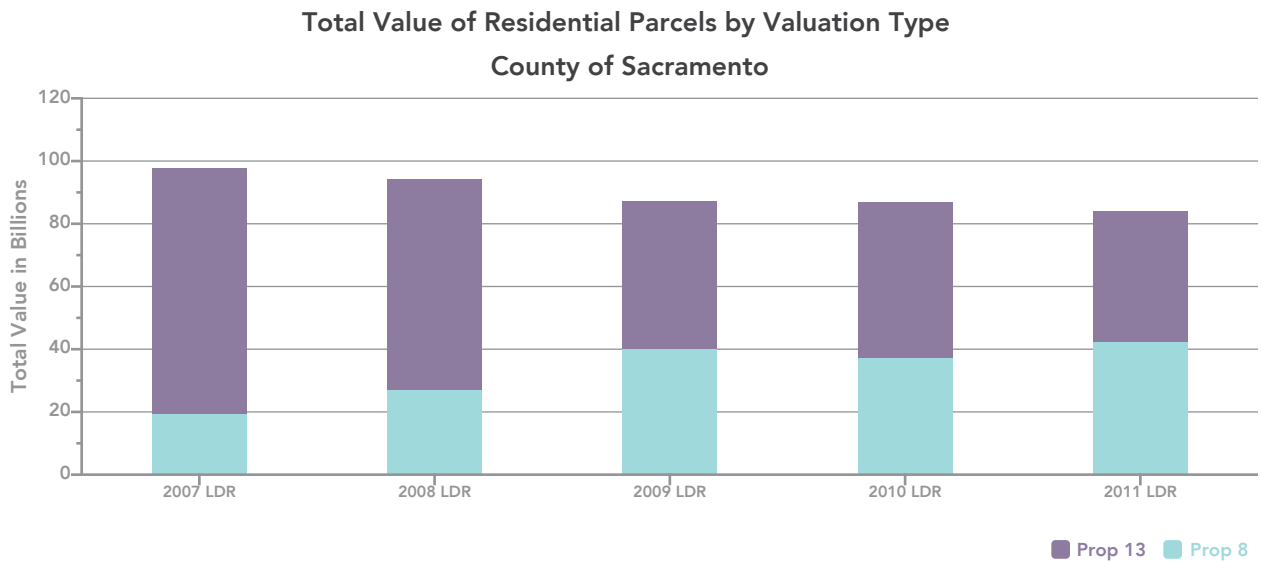
Total Value of Residential Parcels by Valuation Type • City of Sampleville

The following graph shows the Total Assessed Value of Residential Parcels by year in the City of Sampleville broken out by current valuation type, either Prop-8 or Prop-13.



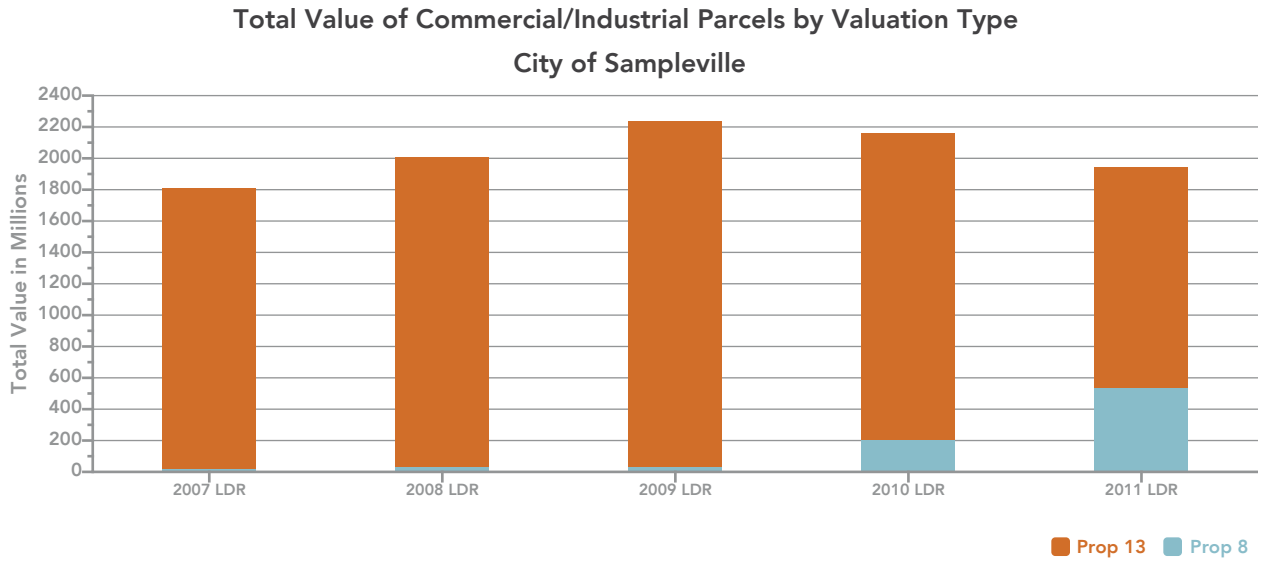
Total Value of Residential Parcels by Valuation Type • County of Sacramento

The following graph shows the Total Assessed Value of Residential Parcels by year in Sacramento County broken out by current valuation type, either Prop-8 or Prop-13.



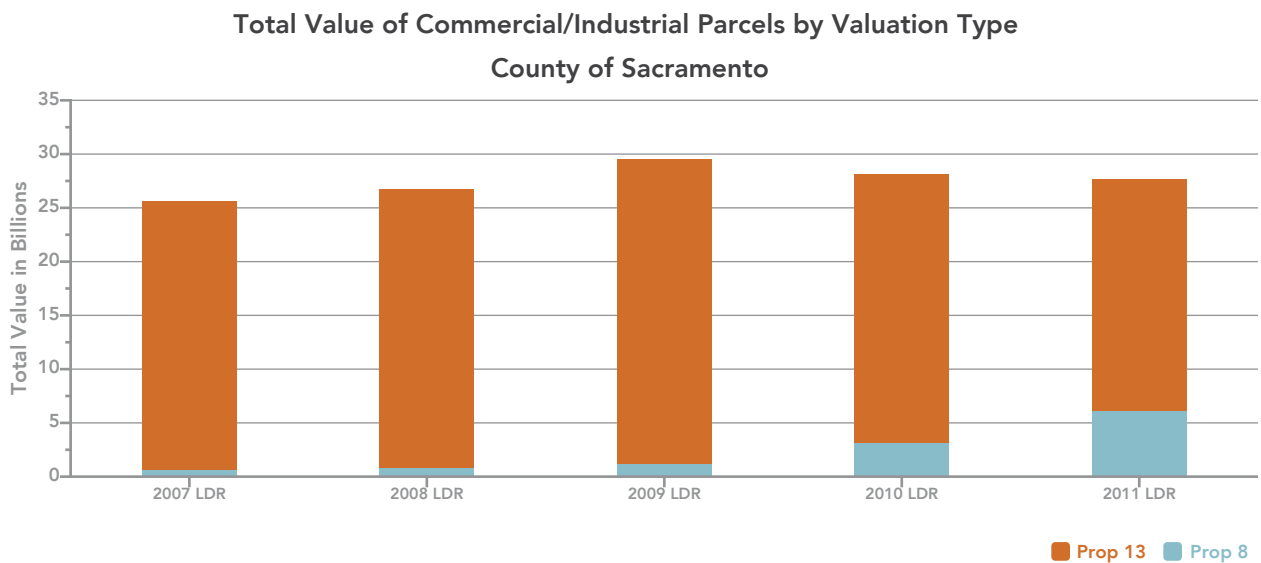
Total Value of Commercial/Industrial Parcels by Valuation Type • City of Sampleville

The following graph shows the Total Assessed Value of Commercial / Industrial Parcels by year in the City of Sampleville broken out by current valuation type, either Prop-8 or Prop-13.



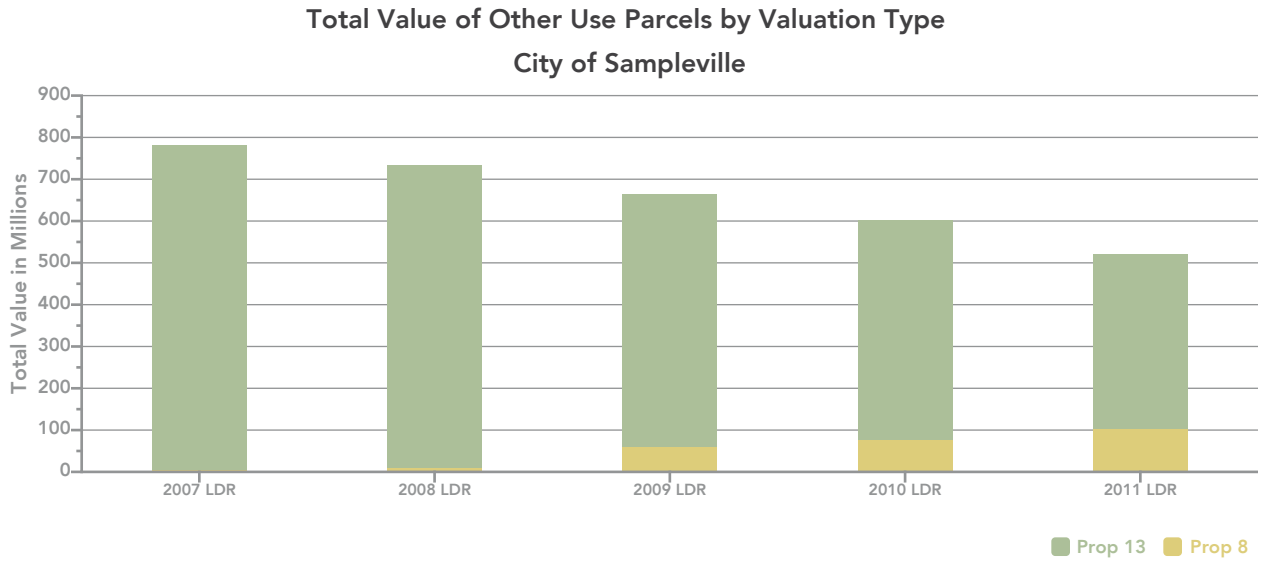
Total Value of Commercial/Industrial Parcels by Valuation Type • County of Sacramento

The following graph shows the Total Assessed Value of Commercial / Industrial Parcels by year in Sacramento County broken out by current valuation type, either Prop-8 or Prop-13.



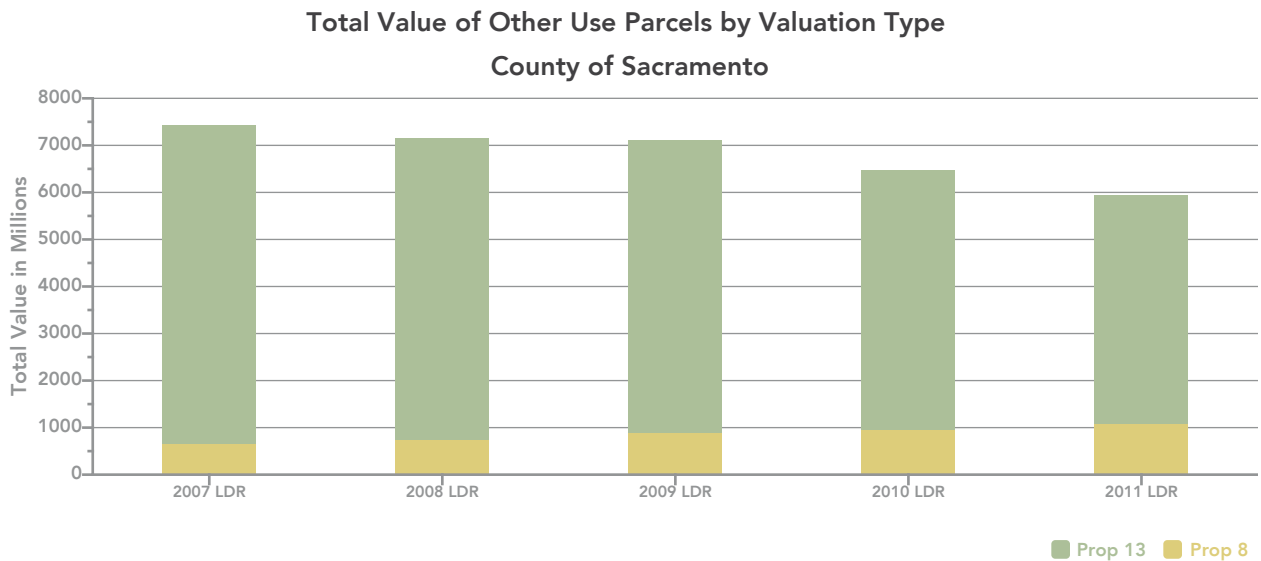
Total Value of Other Use Parcels by Valuation Type • City of Sampleville

The following graph shows the Total Assessed Value of Other Use Parcels by year in the City of Sampleville broken out by current valuation type, either Prop-8 or Prop-13.



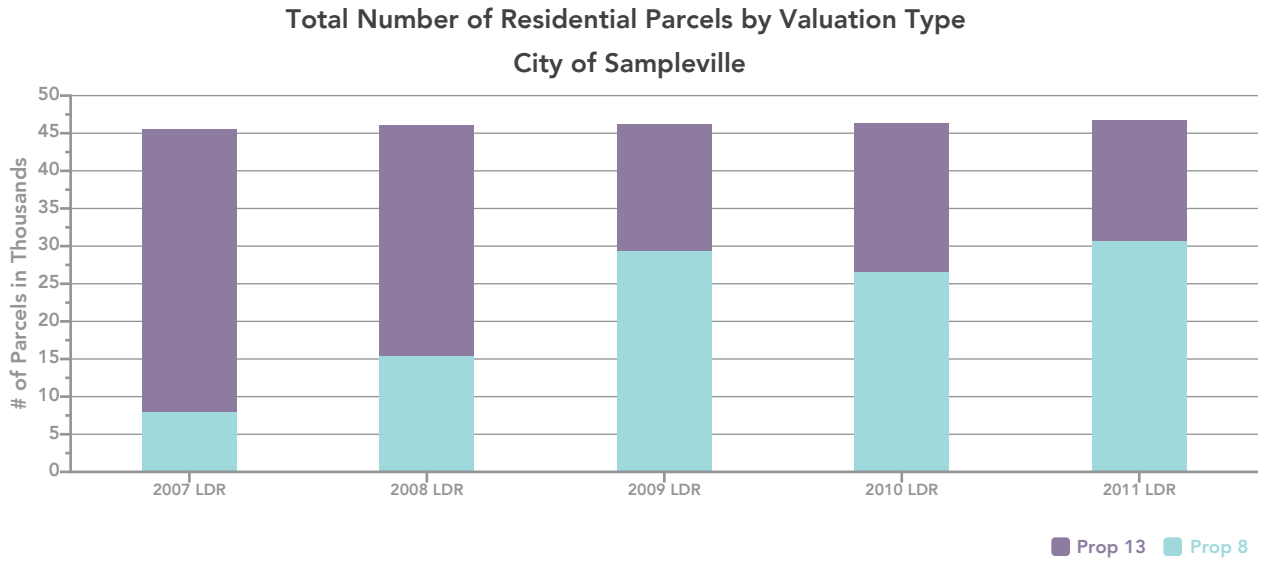
Total Value of Other Use Parcels by Valuation Type • County of Sacramento

The following graph shows the Total Assessed Value of Other Use Parcels by year in Sacramento County broken out by current valuation type, either Prop-8 or Prop-13.



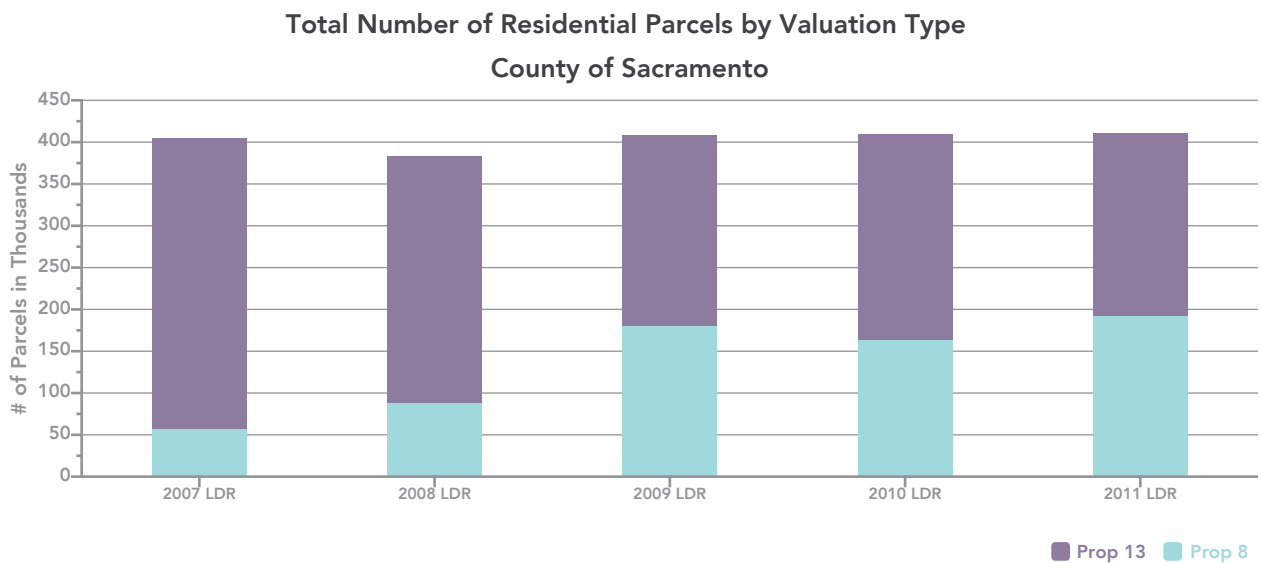
Total Number of Residential Parcels by Valuation Type • City of Sampleville

The following graph shows the number of Residential Parcels by year in the City of Sampleville broken out by current valuation type, either Prop-8 or Prop-13.



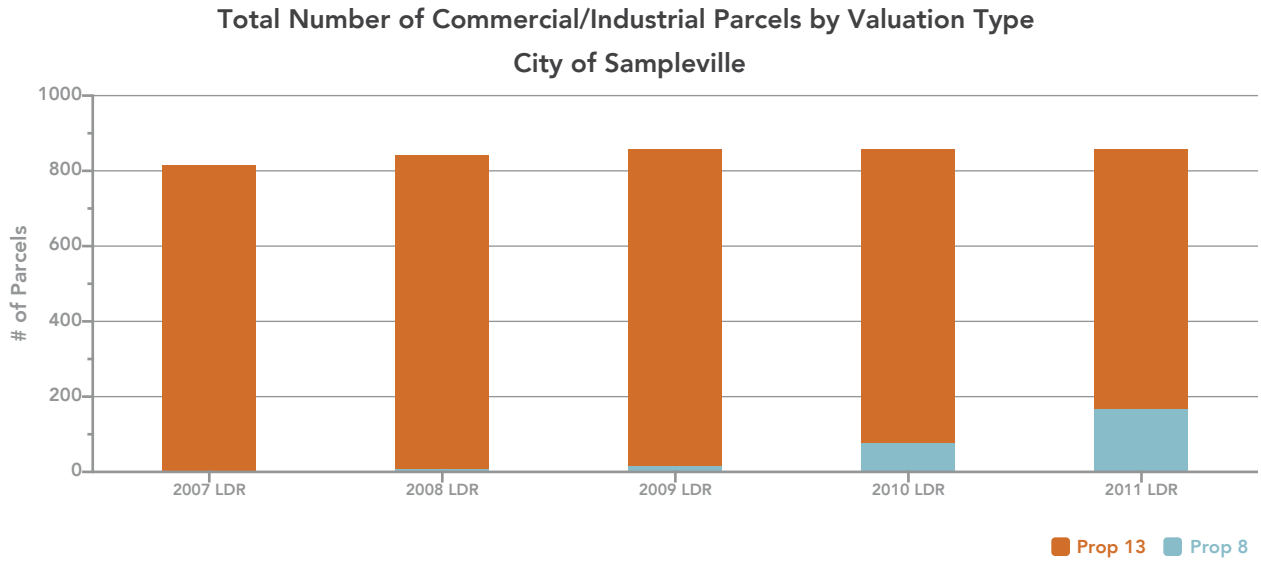
Total Number of Residential Parcels by Valuation Type • County of Sacramento

The following graph shows the number of Residential Parcels by year in Sacramento County broken out by current valuation type, either Prop-8 or Prop-13.



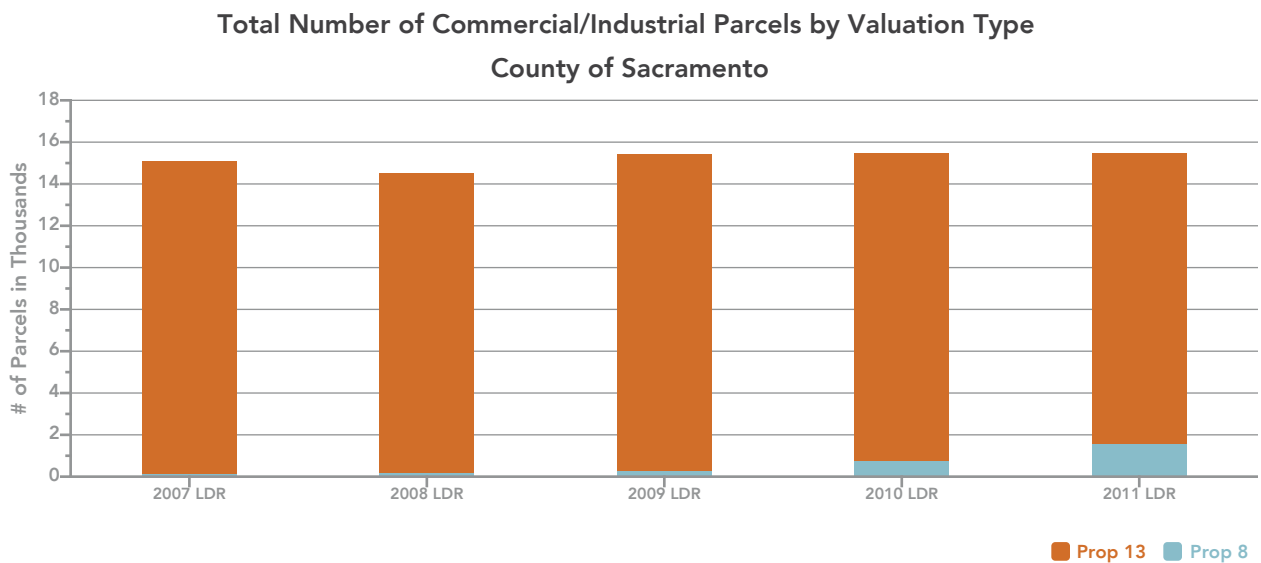
Total Number of Commercial/Industrial Parcels by Valuation Type • City of Sampleville

The following graph shows the number of Commercial / Industrial Parcels by year in the City of Sampleville broken out by current valuation type, either Prop-8 or Prop-13.



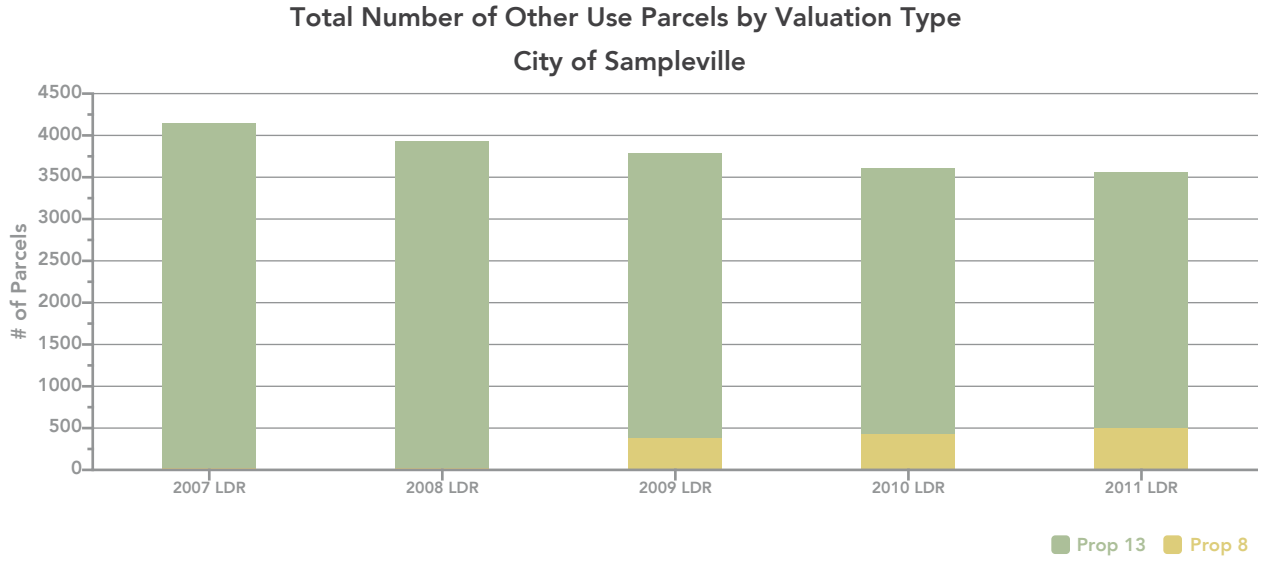
Total Number of Commercial/Industrial Parcels by Valuation Type • County of Sacramento

The following graph shows the number of Commercial / Industrial Parcels by year in Sacramento County broken out by current valuation type, either Prop-8 or Prop-13.



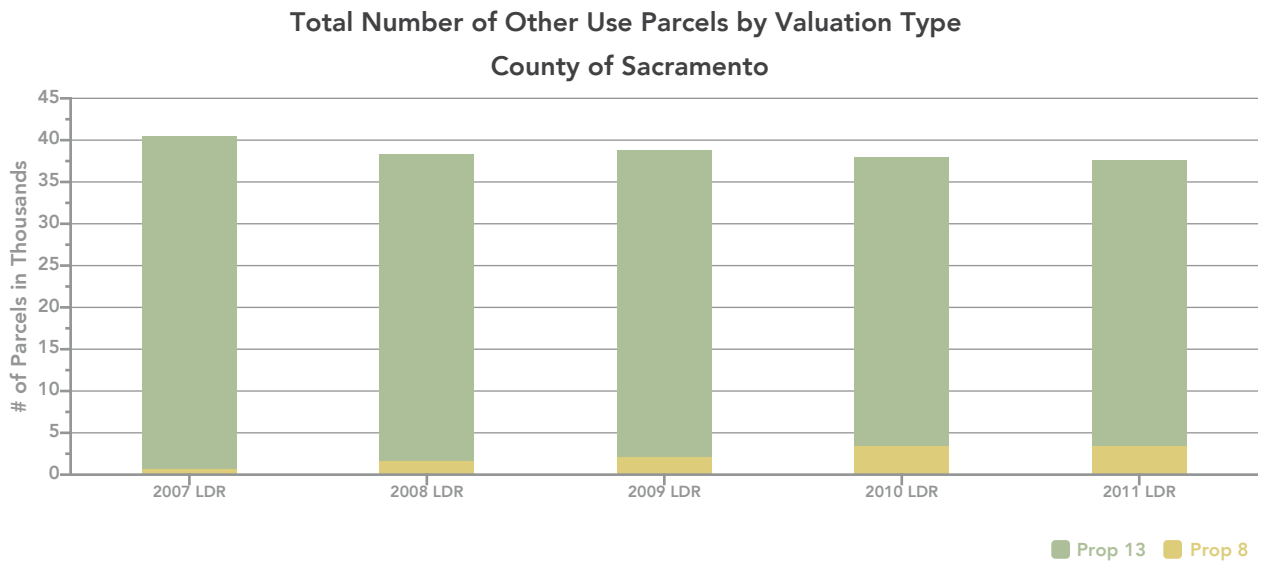
Total Number of Other Use Parcels by Valuation Type • City of Sampleville

The following graph shows the number of Other Use Parcels by year in the City of Sampleville broken out by current valuation type, either Prop-8 or Prop-13.



Total Number of Other Use Parcels by Valuation Type • County of Sacramento

The following graph shows the number of Other Use Parcels by year in Sacramento County broken out by current valuation type, either Prop-8 or Prop-13.



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