



Financial Analysis Form

FINANCIAL ANALYSIS FORM

Please complete the following form. See instructions for completing the form following this page.

Property Address: 305 Garfield Ave. Pomona, CA 91767

	current year	year two	year three	year four	year five	year six	year seven	year eight	year nine	year ten	EXPLANATION
Step 1: Determine Annual Income of Property											
1. Monthly Rental Income	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	Even if a property is owner-occupied, an estimated monthly rental income is needed as a basis for this worksheet formula.
2. Annual Rental Income	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	Line item # 1 X 12 months
Step 2: Calculated Annual Operating Expenses											
3. Insurance	1,902	1,902	1,902	1,902	1,902	1,902	1,902	1,902	1,902	1,902	Fire, liability, etc.
4. Utilities	6,828	6,828	6,828	6,828	6,828	6,828	6,828	6,828	6,828	6,828	Water, gas, electric.
5. Management	--	--	--	--	--	--	--	--	--	--	
6. Other Expenses	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	Do not include property taxes and mortgage payments.
7. Total Annual Expenses	15,030	15,030	15,030	15,030	15,030	15,030	15,030	15,030	15,030	15,030	Add lines 3 through 6.
Step 3: Determine Net Operating Income											
8. Net Operating Income	18,570	18,570	18,570	18,570	18,570	18,570	18,570	18,570	18,570	18,570	Line 2 minus Line 7.



	current year	year two	year three	year four	year five	year six	year seven	year eight	year nine	year ten
--	-----------------	-------------	---------------	--------------	--------------	-------------	---------------	---------------	--------------	-------------

Step 4: Determine Capitalization Rate

9.	Interest Component	3.95%	3.95%	3.95%	3.95%	3.95%	3.95%	3.95%	3.95%	3.95%	Average of the rates determined by the State Board of Equalization over the past five years = 4.2%**
10.	Historical Property Risk Component	4%	4%	4%	4%	4%	4%	4%	4%	4%	Single family home = 4% All other property = 2%
11.	Amortization Component	5%	5%	5%	5%	5%	5%	5%	5%	5%	If the life of the improvements is 20 years, use $100 \times 1/20 = 5\%$
12.	Property Tax Component	1%	1%	1%	1%	1%	1%	1%	1%	1%	.01 times the assessment ratio of 100% = 1%
13.	Capitalization Rate	13.95%	13.95%	13.95%	13.95%	13.95%	13.95%	13.95%	13.95%	13.95%	Add lines 9 through 12.

Step 5: Determine Estimated Tax Savings

14.	Mills Act Assessment Value	133,118	133,118	133,118	133,118	133,118	133,118	133,118	133,118	133,118	Line 8 divided by line 13.
15.	Mills Act Taxes	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	Line 14 x .01
16.	Current Taxes	6,410	6,410	6,410	6,410	6,410	6,410	6,410	6,410	6,410	General tax levy only – don't include voted indebtedness or direct assessments.
17.	Estimated Tax Savings	5,079	5,079	5,079	5,079	5,079	5,079	5,079	5,079	5,079	Line 16 minus line 15.
18.	ESTIMATED TOTAL SAVINGS OVER TEN YEAR PERIOD = \$50,790										Sum of all figures in line 17.

**Rates for past five years: 2020 = 4.25%; 2019 = 4.75%; 2018 = 4.00%; 2017 = 3.75%; 2016 = 4.25% (Source: Board of Equalization)