

PROFORMA INCOME STATEMENT

PRACTICE #B-9941

1120S Corporate Tax Return	Sept - Aug 2010	Adjustments	Proforma
Dr. Receipts	577,452		577,452
Returns & Allowances	(4,121)		(4,121)
Other Income ¹	542	(542)	0
Hygiene 34%*	297,476		297,476
Net Receipts	871,349		870,807
Expenses:			
Compensation of Officers ²	213,600	(213,600)	0
Salaries and Wages	259,021		259,021
Repairs & Maintenance	3,236		3,236
Rents	31,334		31,334
Payroll Tax	37,906		37,906
Taxes and Licenses	899		899
California Taxes ³	1,220	(1,220)	0
Depreciation ⁴	1,775	1,225	3,000
Advertising	206		206
Pension, Profit-Sharing Programs ⁵	82,221	(72,250)	9,971
Employee Benefit Programs	5,676		5,676
Auto Expense ⁶	5,180	(5,180)	0
Bank Service Charges	2,181		2,181
Dues & Subscriptions	5,578		5,578
Employee Activities	1,735		1,735
Insurance ⁷	13,089	(3,775)	9,314
Laundry	1,014		1,014
Legal & Accounting ⁸	17,798	(12,798)	5,000
Meals & Entertainment ⁹	145	(145)	0
Office Supplies	9,669		9,669
Outside Services	6,647		6,647
Professional Development	1,480		1,480
Professional Lab Fees	65,650		65,650
Professional Supplies	39,706		39,706
Telephone	2,390		2,390
Travel ¹⁰	52	(52)	0
Utilities	4,666		4,666
TOTAL EXPENSES	814,074		
TOTAL ADJUSTMENTS		(307,795)	
TOTAL ADJUSTED EXPENSES			506,279
NET PROFIT	57,275		364,528
ADJUSTED NET PROFIT			364,528

NOTES

*Hygiene is approximately 34% of Dr. Receipts

- 1.) Other Income: Non-dental sources and would not necessarily continue with a new owner.
- 2.) Compensation of Officers: Considered of personal benefit to the owner.
- 3.) California Taxes: Considered of personal benefit to owner.
- 4.) Depreciation: To depreciate an asset represents a tax advantage for the purchaser and is not an operating expense of the practice. An adjustment for depreciation is made, leaving a fund for replacement of any hard assets/equipment.
- 5.) Pension: The approximate amount shown is to reflect pension attributed to the staff.
- 6.) Automobile: Considered of personal benefit to the owner.
- 7.) Insurance: The adjusted amount show is an estimated projection for this expense.
- 8.) Legal & Accounting: The adjusted amount show is an estimate projection for this expense.
- 9.) Meals and Entertainment: Considered of personal benefit to the owner.
- 10.) Travel: Considered of personal benefit to the owner.

****Above data has not been audited by Western Practice Sales/John M. Cahill Associates. It is the Buyer's responsibility to verify if information is true and correct.**