

## PROFORMA INCOME STATEMENT

PRACTICE #C-1016

1120s Tax Returns	Year End 2009	Adjustments	Proforma
Dr. Receipts	343,829		343,829
Returns & Allowances	(2,799)		(2,799)
Other Income <sup>1</sup>	408	(408)	-
Hygiene*	114,610		114,610
<b>TOTAL INCOME</b>	<b>456,048</b>	<b>(408)</b>	<b>455,640</b>
Compensation of Officers <sup>2</sup>	9,000	(9,000)	-
Salaries & Wages	159,570		159,570
Repairs & Maintenance	1,592		1,592
Rents	31,921		31,921
Taxes & Licenses	17,073		17,073
Interest <sup>3</sup>	15,958	(15,958)	-
Depreciation <sup>4</sup>	4,686	(1,686)	3,000
Advertising <sup>5</sup>	14,855	(14,855)	-
Employee Benefit Programs	7,659		7,659
Accounting	4,177		4,177
Amortization <sup>4</sup>	17,804	(17,804)	-
Auto & Truck Expense <sup>6</sup>	380	(380)	-
Bank Charges	2,292		2,292
Computer	384		384
Continuing Education	187		187
Dues & Subscriptions	2,225		2,225
Gifts & Promotion	1,464		1,464
Insurance	5,246		5,246
Janitorial	1,721		1,721
Laboratory	42,710		42,710
Laundry & Cleaning	54		54
Meals & Entertainment Expense	167		167
Office Expense	3,542		3,542
Outside Services	9,195		9,195
Parking & Tolls	20		20
Postage	1,282		1,282
Professional Licenses & Dues <sup>7</sup>	3,628	(1,628)	2,000
Staff Meetings	38		38
Supplies <sup>8</sup>	31,087	(3,749)	27,338
Telephone	2,504		2,504
<b>TOTAL EXPENSES</b>	<b>392,421</b>		
<b>TOTAL ADJUSTMENTS</b>		<b>(65,060)</b>	
<b>TOTAL ADJUSTED EXPENSES</b>			<b>327,361</b>
<b>NET PROFIT</b>	<b>63,627</b>	<b>64,652</b>	<b>128,279</b>
<b>ADJUSTED NET PROFIT</b>			<b>128,279</b>

**NOTES:**

\* Hygiene is approximately 25% of Dr. Receipts.

- 1.) Other Income: These income items are from non-dental sources and would not necessarily continue with a buyer.
- 2.) Compensation of Officers: This will be included as purchaser profit. Considered of personal benefit to Owner/Doctor.
- 3.) Interest: The current owner's interest expenses will not be assumed by the buyer so it is not applicable as an expense for the buyer.
- 4.) Depreciation, Amortization: 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/equipt.
- 5.) Advertising: Owner/Doctor has discontinued the advertising expense for the practice.
- 6.) Auto & Truck Expense: Considered of personal benefit to Owner/Doctor.
- 7.) Professional Licenses & Dues: Considered of personal benefit to Owner/Doctor. An estimated Owner/Doctor allowance is made for the year.
- 8.) Supplies: The adjusted amount show is an estimated projection for this expense.

**\*\*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.**