

PROFORMA INCOME STATEMENT

PRACTICE #C-8901

	Year end 2010	Adjustments	Proforma
Gross Receipts	616,098		616,098
Net Receipts	616,098		616,098
Expenses:			
Accounting ¹	15,000	(10,000)	5,000
Automobile ²	1,958	(1,958)	0
Bank Charges	128		128
Computer Repair & Maintenance	6,262		6,262
Computer Services	3,523		3,523
Dental Supplies ³	46,904	(6,858)	40,046
Depreciation ⁴	11,435	(8,435)	3,000
Dues & Subscriptions	245		245
E-Claims	2,271		2,271
Education	853		853
Employee Benefit Programs	12,309		12,309
Gifts ⁵	125	(125)	0
Guaranteed Payments to Partners ⁶	88,000	(88,000)	0
Insurance	8,102		8,102
Interest Expense ⁷	257	(257)	0
Janitorial	2,250		2,250
Laboratory	51,289		51,289
Legal & Professional ⁸	3,840	(3,840)	0
Marketing ⁹	39,633	(10,633)	29,000
Meals & Entertainment ¹⁰	142	(142)	0
Merchant Fees	4,065		4,065
Office Expense	6,000		6,000
Outside Services	1,126		1,126
Payroll Services	1,739		1,739
Postage	1,398		1,398
Rent ¹¹	74,558	(8,558)	66,000
Repairs & Maintenance	2,657		2,657
Salaries & Wages ¹²	213,071	(50,000)	163,071
Security	426		426
Supplies	3,381		3,381
Taxes & Licenses	17,609		17,609
Telephone	3,072		3,072
Utilities	6,189		6,189
TOTAL EXPENSES	629,817		
TOTAL ADJUSTMENTS		(188,806)	
TOTAL ADJUSTED EXPENSES			441,011
NET PROFIT	(13,719)		175,087
ADJUSTED NET PROFIT			175,087

NOTES

- 1.) Accounting: The adjusted amount shown is an estimated projection for this expense.
- 2.) Automobile: Considered of personal benefit to the owner.
- 3.) Dental Supplies: The adjusted amount shown is an estimated projection for this expense.

- 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.) Gifts: Considered of personal benefit to the owner.
- 6.) Guaranteed Payment to Partners: New owner/operator will not need the services of partners.
- 7.) Interest Expense: Assume Debt-Free. A new doctor will have his/her own debt structure as it pertains to the purchase of the practice.
- 8.) Legal & Professional: The adjusted amount shown is an estimated projection for this expense.
- 9.) Marketing: The adjusted amount shown is an estimated projection for this expense.
- 10.) Meals and Entertainment: Considered of personal benefit to the owner.
- 11.) Rent: The adjusted amount is a projection of anticipated rent to be paid by the purchaser based on fair market rental for the area in which the office is located including association fees.
- 12.) Salaries & Wages: Office is overstaffed due to Owner's personal schedule.

****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.**