

PROFORMA INCOME STATEMENT

PRACTICE #D-9921

Profit & Loss Statement	Year end 2010	Adjustments	Proforma
Dr. Receipts	241,481		241,481
Patient Refunds	(2,887)		(2,887)
Returned Checks	(941)		(941)
Other Income ¹	(72)	72	-
Income: Consultation ¹	(475)	475	-
Hygiene 35%*	130,028		130,028
Net Receipts	367,134	547	367,681
Dental Supplies	16,982		16,982
Payroll - Assistant	20,868		20,868
Payroll - Hygiene	52,467		52,467
Payroll - Office Manager	34,672		34,672
Advertising	17,023		17,023
Automobile Expense ²	2,265	(2,265)	-
Bank Service Charge	15		15
Collection Expense	74		74
Computer Software Support	1,599		1,599
Computer Tech Support	3,320		3,320
Continuing Education	60		60
Contract Labor ³	1,601	(1,601)	-
Contributions	450		450
Credit Cards Costs	2,671		2,671
Dues & Subscriptions	1,622		1,622
Entertainment	464		464
Equipment Rental ⁴	1,158	(1,158)	-
Business Office Insurance	1,937		1,937
Health Employees Insurance	19,638		19,638
Liability Insurance	347		347
Malpractice Insurance	1,734		1,734
Workers Comp Insurance	2,633		2,633
Interest ⁵	3,802	(3,802)	-
Internet Service	13,632		13,632
Janitorial	570		570
Lab Fees	18,798		18,798
Laundry	940		940
Licenses & Permits	318		318
Miscellaneous	481		481
Office Lunch Office	762		762
Online Service / Web Page	269		269
Outside Services	25		25
Payroll Fees	740		740
Payroll Expense	10,796		10,796
Payroll Payable	2,434		2,434
Petty Cash	20		20
Postage & Delivery	1,064		1,064
Printing & Reproduction	381		381
Processing Fees	30		30

Professional Development	36		36
Accounting	550		550
Bookkeeping	878		878
Legal Fees	150		150
Payroll	407		407
Placement Service	58		58
Professional Fees - Other	759		759
Promotional	1,719		1,719
Rent	23,820		23,820
Equipment Repairs	179		179
Repairs - Other	150		150
Small Gift	170		170
Office Supplies	3,262		3,262
Supplies - Other	396		396
Property Taxes	3,167		3,167
State Taxes ⁶	800	(800)	-
Taxes - Other ⁶	(933)	933	-
Telephone - Message Service	442		442
Telephone - Other	5,867		5,867
Meals	349		349
Travel ⁷	26	(26)	-
Travel & Entertainment - Other ⁷	318	(318)	-
Uncategorized Expenses ⁸	379	(379)	-
Depreciation ⁹	-	3,000	3,000
TOTAL EXPENSES			
	281,613		
TOTAL ADJUSTMENTS			
		(6,416)	
TOTAL ADJUSTED EXPENSES			
			275,197
NET PROFIT			
	85,522		92,485
ADJUSTED NET PROFIT			
			92,485

Notes:

Hygiene is approximately 35% of Dr. Receipts.

- 1.) Other Income: Non-dental sources and would not necessarily continue with a new owner.
- 2.) Automobile: Considered of personal benefit to the owner/doctor.
- 3.) Contract Labor: Considered of personal benefit to the owner/doctor.
- 4.) Equipment Rental: Equipment leases will be paid in full by the current owner.
- 5.) Interest: Assume Debt Free. A new doctor will have his/her own debt structure.
- 6.) Taxes: An adjustment was made to reflect taxes attributed to the owner/doctor.
- 7.) Travel & Entertainment: Considered of personal benefit to owner/doctor.
- 8.) Uncategorized Expenses: Considered of personal benefit to owner/doctor.
- 9.) 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.

****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.**