

PROFORMA INCOME STATEMENT
PRACTICE #E-980

| | 2010 Corp Ret | Adjustments | Proforma |
|--|------------------|------------------|------------------|
| Gross Receipts | 1,959,265 | | 1,959,265 |
| Less Returns and Allowances | (48,551) | | (48,551) |
| Net Receipts | 1,910,714 | | 1,910,714 |
| Expenses: | | | |
| Advertising | 139,655 | | 139,655 |
| Associate Fees ¹ | 255,700 | (255,700) | 0 |
| Automobile ² | 7,127 | (3,631) | 3,496 |
| Bank Charges | 774 | | 774 |
| Business Promotion | 33 | | 33 |
| Computer Expenses ³ | 38,634 | (36,378) | 2,256 |
| Continuing Education ⁴ | 2,689 | (1,795) | 894 |
| Dental Supplies | 133,005 | | 133,005 |
| Depreciation ⁵ | 40,151 | (40,151) | 0 |
| Dues & Subscriptions | 953 | | 953 |
| Employee Benefit Programs | 36,882 | | 36,882 |
| Insurance ⁶ | 12,806 | (4,128) | 8,678 |
| Interest Expense ⁷ | 958 | (958) | 0 |
| Janitorial | 19,070 | | 19,070 |
| Laboratory | 21,356 | | 21,356 |
| Legal & Professional ⁸ | 44,738 | (6,880) | 37,858 |
| Meals & Entertainment ⁹ | 1,865 | (1,865) | 0 |
| Merchant Fees | 24,464 | | 24,464 |
| Office Expense | 10,237 | | 10,237 |
| Payroll Processing Fees | 2,890 | | 2,890 |
| Postage | 8,361 | | 8,361 |
| Printing | 6,383 | | 6,383 |
| Reduction for Insurance Premium Credit | (188) | | (188) |
| Rent ¹⁰ | 308,624 | 15,910 | 324,534 |
| Repairs & Maintenance ¹¹ | 57,818 | (20,000) | 37,818 |
| Salaries & Wages | 605,596 | | 605,596 |
| Taxes & Licenses | 97,648 | | 97,648 |
| Telephone | 14,629 | | 14,629 |
| Travel ¹² | 440 | (440) | 0 |
| Uniforms | 39 | | 39 |
| Utilities | 41,264 | | 41,264 |
| | | | |
| TOTAL EXPENSES | 1,934,601 | | |
| TOTAL ADJUSTMENTS | | (356,016) | |
| TOTAL ADJUSTED EXPENSES | | | 1,578,585 |
| NET PROFIT | (23,887) | | 332,129 |
| ADJUSTED NET PROFIT | | | 332,129 |

NOTES

- 1.) Associate Fees: Estimated salary paid to associate working in office, whose services may not be warranted by new owner/operator.
- 2.) Automobile: One-time, non-recurring expense, of personal benefit to the owner.
- 3.) Computer Expense: Considered a one-time, non-recurring expense.
- 4.) Continuing Education: Considered of personal benefit to the owner.
- 5.) Depreciation: Considered a non-cash expense.
- 6.) Insurance: Adjustment considered of personal benefit to the owner.
- 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 and Professional: Considered of personal benefit to the owner.
- 9.) Meals and Entertainment: Considered of personal benefit to the owner.
- 10.) Rent: Adjustment based proposed rents and current leases.
- 11.) Repairs and Maintenance: Considered high for the industry. Adjustment reflects one-time, non-recurring expense, of personal benefit to the owner.
- 12.) 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**