

**PROFORMA INCOME STATEMENT**  
PRACTICE #G-875

	Year end 2010	Adjustments	Proforma
Gross Receipts	2,141,080		2,141,080
Less Returns & Allowances	(12,924)		(12,924)
<b>Net Receipts</b>	<b>2,128,156</b>		<b>2,128,156</b>
Expenses:			
Advertising	39,048		39,048
Amortization <sup>1</sup>	33,999	(33,999)	0
Bank Charges	384		384
Books	529		529
Building Maintenance & Repairs <sup>2</sup>	8,311	(8,311)	0
Computer Maintenance	22,853		22,853
Computer Parts & Supplies	11,754		11,754
Continuing Education <sup>3</sup>	18,620	(16,000)	2,620
Contract Labor <sup>4</sup>	63,616	(63,616)	0
Dental Supplies	149,221		149,221
Depreciation <sup>5</sup>	38,214	(38,214)	0
Drug Tests Required	241		241
Dues & Subscriptions <sup>6</sup>	6,728	(4,000)	2,728
Employee Benefit Programs	46,356		46,356
Equipment Rental <sup>7</sup>	2,397	(2,397)	0
Equipment Repairs <sup>8</sup>	22,733	(15,000)	7,733
Garbage	1,820		1,820
Gardening/Landscape <sup>9</sup>	2,705	(2,705)	0
Insurance	10,432		10,432
Insurance-Workers Comp	12,753		12,753
Interest Expense <sup>10</sup>	59,471	(59,471)	0
Internet Expense	5,275		5,275
Janitorial	9,191		9,191
Laboratory	166,961		166,961
Legal & Professional	15,977		15,977
Licenses	3,902		3,902
Management Consulting Fees <sup>11</sup>	11,100	(11,100)	0
Meals & Entertainment <sup>12</sup>	110	(110)	0
Merchant Fees	20,236		20,236
Office Expense	5,846		5,846
Patient Finance Expense	2,431		2,431
Pension & Profit Sharing <sup>13</sup>	2,257	(2,257)	0
Pest Control	819		819
Postage	3,983		3,983
Rent	78,000		78,000
Security	524		524
Staff Meetings	1,004		1,004
Storage Costs	1,100		1,100
Supplies	21,915		21,915
Taxes & Licenses	79,035		79,035
Telephone	15,300		15,300
Travel <sup>14</sup>	3,233	(3,233)	0
Uniforms	2,414		2,414
Utilities	17,922		17,922
Wages	792,862		792,862
<b>TOTAL EXPENSES</b>	<b>1,813,582</b>		
<b>TOTAL ADJUSTMENTS</b>		<b>(260,413)</b>	
<b>TOTAL ADJUSTED EXPENSES</b>			<b>1,553,169</b>
<b>NET PROFIT</b>	<b>314,574</b>		<b>574,987</b>
<b>ADJUSTED NET PROFIT</b>			<b>574,987</b>

**NOTES**

- 1.) Amortization: Considered a non-cash expense.
- 2.) Building Maintenance/Repairs: Considered a one-time, non-recurring expense.
- 3.) Continuing Education: Considered a personal benefit to the owner.
- 4.) Contract Labor: Estimated salary paid to Associate DDS.
- 5.) Depreciation: Considered a non-cash expense.
- 6.) Dues & Subscriptions: Adjustment considered of personal benefit to the owner.
- 7.) Equipment Rental: Considered a non-recurring expense. Outstanding equipment leases are normally paid off from the proceeds from the sale of the practice.
- 8.) Equipment Repairs: Considered excessive. Include small equipment purchases that were expensed this year.
- 9.) Gardening/Landscape: Considered of personal benefit to the owner.
- 10.) Interest Expense: Assume Debt-Free. A new doctor will have his/her own debt structure as it pertains to the purchase of the practice.
- 11.) Management Consulting: Considered of personal benefit to the owner.
- 12.) Meals & Entertainment: Considered of personal benefit to the owner.
- 13.) Pension & Profit Sharing: Adjustment considered of personal benefit to the owner.
- 14.) 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.**