

PROFORMA INCOME STATEMENT

PRACTICE #I-1005

1120S Corporate Tax Returns	Year End Sept. 2010	Adjustments	Proforma
Dr. Receipts	1,023,489		1,023,489
Interest Income ¹	3	(3)	-
Space Sharing Income ¹	21,880	(21,880)	-
Hygiene 18%	224,668		224,668
TOTAL INCOME	1,270,040	(21,883)	1,248,157
Compensation of Officers ²	290,194	(290,194)	-
Salaries & Wages	253,925		253,925
Repairs & Maintenance	23,116		23,116
Rent ³	96,000	(36,000)	60,000
Payroll Taxes ⁴	33,361	(10,000)	23,361
State Tax ⁵	800	(800)	-
Taxes & Licenses	9,986		9,986
Use Tax ⁵	36,236	(36,236)	-
Interest ⁵	694	(694)	-
Depreciation ⁶	8,959	(3,959)	5,000
Advertising	8,609		8,609
Pension, Profit-Sharing Plans ⁷	46,441	(22,000)	24,441
Auto & Truck ⁸	6,291	(6,291)	-
Bank Charges	19,413		19,413
Continuing Education ⁹	15,213	(12,213)	3,000
Courtesies & Promotions	3,469		3,469
Dues & Subscriptions ¹⁰	5,761	(3,000)	2,761
Health Savings Plan	5,342		5,342
Insurance ¹¹	50,286	(10,000)	40,286
Lab Fees	189,038		189,038
Legal & Professional ¹²	18,841	(13,841)	5,000
Meals & Entertainment ¹³	1,799	(1,349)	450
Miscellaneous Expense	12		12
Office Expense	17,824		17,824
Pension Plan Expenses ¹⁴	7,951	(7,951)	-
Supplies	101,675		101,675
Telephone	4,317		4,317
Travel ¹⁵	218	(218)	-
Uniforms	3,222		3,222
Utilities	12,376		12,376
TOTAL EXPENSES	1,271,369		
TOTAL ADJUSTMENTS		(454,746)	
TOTAL ADJUSTED EXPENSES			816,623
NET PROFIT	(1,329)		431,534
ADJUSTED NET PROFIT			431,534

Notes:

*Hygiene is approximately 18% of Dr. Receipts.

- 1.) Interest & Other Income: Non-dental sources and would not continue with a new owner.
- 2.) Compensation of Officers: Considered of personal benefit to Owner/Doctor.
- 3.) Rent: The amount shown 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 fees.
- 4.) Payroll Tax Expense: An adjustment was made to reflect payroll taxes attributed to Doctor.
- 5.) Taxes & Interest: Assume Debt Free. A new doctor will have his/her own debt structure.
- 6.) Depreciation: An adjustment is made, leaving a fund for replacement of any hard assets.
- 7.) Pension: The approximate amount shown is to reflect pension attributed to the staff.
- 8.) Auto & Truck: Considered of personal benefit to owner/doctor.
- 9.) Continuing Education: Considered of personal benefit to Owner/Doctor. An allowance is made for Continuing Education for the year.
- 10.) Dues & Subscriptions: The adjusted amount show is an estimated projection for this expense.
- 11.) Insurance: The adjusted amount show is an estimated projection for this expense.
- 12.) Accounting: The adjusted amount show is an estimated projection for this expense.
- 13.) Entertainment: An adjustment of 75% of the amount expensed is made to reflect the Owner's personal expenses.
- 14.) Pension Expense: Considered of personal benefit to Owner/Doctor.
- 15.) Travel: Considered of personal benefit to Owner/Doctor.

****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.**