

PROFORMA INCOME STATEMENT

PRACTICE #J-1009

Profit & Loss 2010	Year End 2010	Adjustments	Proforma
Dr. Receipts	534,861		534,861
Fees Other ¹	(233)	233	-
Less Returns	(3,636)		(3,636)
Bank Reversal ¹	82	(82)	-
Hygiene	348,995		348,995
TOTAL INCOME	880,069	151	880,220
Reconciliation Discrepancies ²	28	(28)	-
Rentals - Atwood: Lawn Care ³	2,200	(2,200)	-
Rentals - Atwood: Other ³	320	(320)	-
Rentals - Sedona ³	2,009	(2,009)	-
Employee Retirement	4,658		4,658
Call Service	145		145
Staff Education	442		442
Laundry	2,025		2,025
Advertising & Promotion	7,399		7,399
Automobile Expense ⁴	1,658	(1,658)	-
Bank Service Charges	7,224		7,224
Cleaning	9,282		9,282
Contract Labor	1,205		1,205
Contributions	7,030		7,030
Dues & Subscriptions	19,807		19,807
Property Insurance	2,265		2,265
Life Insurance ⁵	3,308	(3,308)	-
Disability Insurance ⁵	2,334	(2,334)	-
Liability Insurance	2,235		2,235
Workers Comp Insurance	4,026		4,026
Interest ⁶	158	(158)	-
Laboratory Fees	29,274		29,274
Office	6,393		6,393
Wages	239,839		239,839
Payroll Taxes	24,293		24,293
Postage & Delivery	161		161
Professional Fees: Accounting	1,760		1,760
Professional Fees: Other	45		45
Building Repairs	15,874		15,874
Computer Repairs	1,162		1,162
Equipment Repairs	956		956
Repairs: Other	332		332
Rent	27,594		27,594
Supplies	85,322		85,322
Property Tax	4,387		4,387
Taxes: Other ⁷	(1,232)	1,232	-
Telephone	3,909		3,909
Travel & Entertainment: Meals	784		784
Utilities	6,772		6,772
Depreciation ⁸	-	3,000	3,000
TOTAL EXPENSES	527,382		
TOTAL ADJUSTMENTS		(7,784)	
TOTAL ADJUSTED EXPENSES			519,598
NET PROFIT	352,687		360,621
ADJUSTED NET PROFIT			360,621

Notes:

Hygiene figures from reports provided by Seller.

- 1.) Fees Other / Bank Reversal: Non-Dental Income.
- 2.) Reconciliation Decrepancies: Buyer will have its own debt stucture.
- 3.) Rentals - Atwood / Sedona: Consider of personal benefit to Owner.
- 4.) Automobile Expense: Considered of personal benefit to Owner/Doctor.
- 5.) Life & Disability Insurances: Considered of personal benefit to Owner/Doctor.
- 6.) Interest: Assume Debt Free. A new doctor will have his/her own debt structure.
- 7.) Taxes: Other: Buyer will have its own debt structure.
- 8.) Amortization/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.**