

PROFORMA INCOME STATEMENT

PRACTICE #LV-959

	2008 Corp Ret	Adjustments	Proforma
Gross Receipts	1,858,054		1,858,054
Less Returns and Allowances	(54,298)		(54,298)
Net Receipts	1,803,756		1,803,756
Expenses:			
Advertising	49,733		49,733
Alarm Service	492		492
Bank Charges/Credit Card Discounts	48,600		48,600
Books & Journals ¹	1,546	(1,546)	0
Computer Expenses	8,607		8,607
Continuing Education ²	10,438	(10,438)	0
Dental Supplies ³	151,692	(40,000)	111,692
Depreciation ⁴	22,098	(22,098)	0
Equipment Rental ⁵	1,979	(1,979)	0
Gas, Oil & Repairs ⁶	11,771	(11,771)	0
Gifts, Flowers, Bereavements ⁷	828	(828)	0
Insurance-Business	1,818		1,818
Insurance-Group ⁸	19,827	(7,000)	12,827
Insurance-Malpractice	9,276		9,276
Insurance-Workers Comp	2,755		2,755
Interest Expense ⁹	6,434	(6,434)	0
Internet and Website	190		190
Janitorial	11,300		11,300
Laboratory	215,837		215,837
Laundry & Linen	3,675		3,675
Legal & Accounting	5,945		5,945
Licenses and Dues	3,997		3,997
Marketing	12,253		12,253
Medical Reimbursements	3,591		3,591
Medical Waste Removal	506		506
Office Expense	4,546		4,546
Office Supplies	13,005		13,005
Payroll Service	4,534		4,534
Postage & Meter Rental	3,784		3,784
Practice Development Services	4,447		4,447
Printing	180		180
Professional Assistance	20,133		20,133
Rent	113,228		113,228
Repairs & Maintenance	1,736		1,736
Salaries-Office ¹⁰	427,756	(19,800)	407,956
Salary-Officer ¹¹	415,000	(415,000)	0
Storage	1,490		1,490
Supplies-Other	7,110		7,110
Supplies-X-ray	116		116
Taxes & Licenses ¹²	72,979	(8,000)	64,979
Telephone ¹³	15,307	(4,500)	10,807
Travel ¹⁴	1,468	(1,468)	0
Uniforms	679		679
Utilities	10,785		10,785
Water	1,277		1,277
TOTAL EXPENSES	1,724,748		
TOTAL ADJUSTMENTS		(550,862)	
TOTAL ADJUSTED EXPENSES			1,173,886
NET PROFIT	79,008		629,870
ADJUSTED NET PROFIT			629,870

NOTES

- 1.) Books & Journals: Considered of personal benefit to the owner.
- 2.) Continuing Education: Expenses may no longer apply to the practice expenses.
- 3.) Dental Supplies: Adjusted to normalized national average dental supply costs, estimated @ 6% of gross collections.
- 4.) Depreciation: Considered a non-cash expense.
- 5.) Equipment Rental: Considered a non-recurring expense. Outstanding equipment leases are normally paid off from the proceeds from the sale of the practice.
- 6.) Gas, Oil & Repairs: Considered of personal benefit to the owner.
- 7.) Gifts, Flowers & Bereavements: Considered of personal benefit to the owner.
- 8.) Insurance: Adjustment considered of personal benefit to the owner.
- 9.) Interest Expense: Assume Debt-Free. A new doctor will have his/her own debt structure as it pertains to the purchase of the practice.
- 10.) Salaries-Office: Adjustment of salaries paid to seller's family member and office staff for outside labor.
- 11.) Salaries-Officer: Considered of personal benefit to the owner.
- 12.) Taxes & Licenses: Adjustment considered of personal benefit to the owner.
- 13.) Telephone: Adjustment related to doctor's cell phone bills.
- 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.**