

# PROFORMA INCOME STATEMENT

PRACTICE #LV-860

Real Estate Purchase Scenario

|                                    | 2016 S Corp    | Adjustments     | Proforma       |
|------------------------------------|----------------|-----------------|----------------|
| Gross Receipts                     | 469,538        |                 | 469,538        |
| Returns and Allowances             | (4,144)        |                 | (4,144)        |
| <b>Net Receipts</b>                | <b>465,394</b> |                 | <b>465,394</b> |
| <b>Expenses:</b>                   |                |                 |                |
| Advertising                        | 709            |                 | 709            |
| Automobile <sup>1</sup>            | 9,610          | (9,610)         | 0              |
| Bank Charges                       | 10,762         |                 | 10,762         |
| Continuing Education               | 2,104          |                 | 2,104          |
| Dental Supplies                    | 29,702         |                 | 29,702         |
| Gifts <sup>2</sup>                 | 1,422          | (1,422)         | 0              |
| Dues & Subscriptions <sup>3</sup>  | 3,911          | (1,000)         | 2,911          |
| Employee Benefit Programs          | 8,780          |                 | 8,780          |
| Equipment Rental <sup>4</sup>      | 559            | (559)           | 0              |
| Insurance                          | 73,270         |                 | 73,270         |
| Legal & Professional               | 4,649          |                 | 4,649          |
| Meals & Entertainment <sup>5</sup> | 1,225          | (1,225)         | 0              |
| Office Supplies                    | 280            |                 | 280            |
| Postage                            | 501            |                 | 501            |
| Rent <sup>6</sup>                  | 33,000         | 12,000          | 45,000         |
| CAM Fees                           | 9,085          |                 | 9,085          |
| Repairs & Maintenance              | 4,114          |                 | 4,114          |
| Salaries & Wages                   | 108,638        |                 | 108,638        |
| Salary-Officer <sup>7</sup>        | 80,500         | (80,500)        | 0              |
| Taxes & Licenses <sup>8</sup>      | 32,481         | (8,000)         | 24,481         |
| Telephone                          | 5,901          |                 | 5,901          |
| Travel <sup>9</sup>                | 1,097          | (1,097)         | 0              |
| Utilities                          | 4,545          |                 | 4,545          |
|                                    |                |                 |                |
| <b>TOTAL EXPENSES</b>              | <b>426,845</b> |                 |                |
| <b>TOTAL ADJUSTMENTS</b>           |                | <b>(91,413)</b> |                |
| <b>TOTAL ADJUSTED EXPENSES</b>     |                |                 | <b>335,432</b> |
| <b>NET PROFIT</b>                  | <b>38,549</b>  |                 | <b>129,962</b> |
| <b>ADJUSTED NET PROFIT</b>         |                |                 | <b>129,962</b> |

| NOTES  |
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| <p>1.) Automobile: Considered of personal benefit to the owner.</p> <p>2.) Gifts: Considered of perwsonal benefit to the owner.</p> <p>3.) Dues and Subscriptions: Adjustment considered of personal benefit to the owner.</p> <p>4.) Equipment Rental: Considered a non-recurring expense. Outstanding equipment leases are normally paid off from the proceeds from the sale of the practice.</p> <p>5.) Meals and Entertainment: Considered of personal benefit to the owner.</p> <p>6.) Rent: Estimated mortgage expense of \$45,000/year.</p> <p>7.) Salary-Officer: Considered of personal benefit to the owner.</p> <p>8.) Taxes &amp; Licenses: Considered of personal benefit to the owner.</p> <p>9.) Travel: Considered of personal benefit to the owner.</p> <p style="text-align: center;"><b>**Above data has not been audited by Western Practice Sales.<br/>It is the Buyer's responsibility to verify if information is true and correct.</b></p> |