

## PROFORMA INCOME STATEMENT

PRACTICE # KL-909 Corp Tax

	Jul 2017-Jun 2018	Adjustments	Proforma
Gross Receipts	1,425,491		1,425,491
Interest Income <sup>1</sup>	8,617	(8,617)	0
Other Income-Management Fees <sup>1</sup>	4,200	(4,200)	0
Returns and Allowances	(6,820)		(6,820)
<b>Net Receipts</b>	<b>1,431,488</b>		<b>1,418,671</b>
<b>Expenses:</b>			
Advertising	819		819
Amortization <sup>2</sup>	650	(650)	0
Bank Charges	14,168		14,168
Barter Expense <sup>3</sup>	3,360	(3,360)	0
Casual Labor & Temps	14,370		14,370
Computer Expenses	2,545		2,545
Dental Supplies	69,365		69,365
Depreciation <sup>4</sup>	2,143	(2,143)	0
Dues & Subscriptions	1,710		1,710
Employee Benefit Programs <sup>5</sup>	74,774	(17,760)	57,014
Gifts <sup>6</sup>	594	(594)	0
Insurance	26,119		26,119
Interest Expense <sup>7</sup>	21,981	(21,981)	0
Laboratory	58,062		58,062
Legal & Accounting <sup>8</sup>	28,612	(15,402)	13,210
Licenses & Fees	1,672		1,672
Meals & Entertainment <sup>9</sup>	332	(332)	0
Office Supplies	38,694		38,694
Other Expenses	333		333
Pension & Profit Sharing <sup>10</sup>	44,000	(31,000)	13,000
Printing & Storage	1,782		1,782
Rent <sup>11</sup>	65,320	6,680	72,000
Repairs & Maintenance <sup>12</sup>	18,000	(1,440)	16,560
<b>Salaries &amp; Wages<sup>13</sup></b>	<b>515,624</b>		<b>515,624</b>
Salary-Officer <sup>14</sup>	333,000	(333,000)	0
Security	276		276
<b>Taxes</b>			
Payroll <sup>15</sup>	54,944	(13,049)	41,895
Property <sup>16</sup>	5,273	(5,273)	0
State	830		830
Telephone	8,048		8,048
Uniforms	2,829		2,829
Utilities	15,209		15,209
<b>TOTAL EXPENSES</b>	<b>1,425,438</b>		
<b>TOTAL ADJUSTMENTS</b>		<b>(439,304)</b>	
<b>TOTAL ADJUSTED EXPENSES</b>			<b>986,134</b>
<b>NET PROFIT</b>	<b>6,050</b>		<b>432,537</b>
<b>ADJUSTED NET PROFIT</b>			<b>432,537</b>

### NOTES

- 1.) Other Income-Interest & Management: Income non-practice related and of personal benefit to the owner.
- 2.) Amortization: Considered a non-cash expense.
- 3.) Barter Expense: Considered of personal benefit to the owner.
- 4.) Depreciation: Considered a non-cash expense.
- 5.) Employee Benefit Programs: Adjustment considered of personal benefit to the owner.
- 6.) Gifts: Considered of personal benefit to the owner.
- 7.) Interest Expense: Assume Debt-Free. A new doctor will have his/her own debt structure as it pertains to the purchase of the practice.
- 8.) Legal & Accounting: Adjusted amount reflects average cost a new owner would typically incur.
- 9.) Meals and Entertainment: Considered of personal benefit to the owner.
- 10.) Pension & Profit Sharing: Adjustment reflects Seller's portion of retirement plan contribution.
- 11.) Rent: Adjusted to reflect current rent amount of \$6,000/month.
- 12.) Repairs & Maintenance: Adjustment reflects landscaping & exterior maintenance, included in included in Rent.
- 13.) **Salaries & Wages: Notification to buyer that pay rate has increased for Associate & employees that will result in an increase of \$73,800 that will appear on the next fiscal year tax return.**
- 14.) Salary-Officer: Considered of personal benefit to the owner.
- 15.) Taxes-Payroll: Adjustment reflects Seller's portion of payroll taxes.
- 16.) Taxes-Property: Will be included in rent & non-applicable to new owner.

**\*\*Above data has not been audited by Western Practice Sales.  
It is the Buyer's responsibility to verify if information is true and correct.**