

**PROFORMA INCOME STATEMENT**  
PRACTICE #CG-995 12-month P&L

	Combined	Adjustments	Proforma
Gross Receipts	1,650,386		1,650,386
Cash Basis Adjustment	5,617		5,617
Interest Income	189	(189)	0
Miscellaneous Income	2,120		2,120
Other Income	31		31
Refunds & Returned Checks	(685)		(685)
Retained Earnings at Beginning of Year	4,125		4,125
<b>Net Receipts</b>	<b>1,661,783</b>		<b>1,661,594</b>
<b>Expenses:</b>			
Accounting & Legal <sup>1</sup>	14,995	(4,300)	10,695
Advertising	1,182		1,182
Automobile <sup>2</sup>	190	(190)	0
Bank Service Charges	10,302		10,302
Computer Expenses	8,139		8,139
Continuing Education & Meetings <sup>3</sup>	5,593	(3,000)	2,593
Dental Supplies	101,908		101,908
Depreciation <sup>4</sup>	8,616	(8,616)	0
Dues & Subscriptions <sup>5</sup>	10,966	(8,026)	2,940
Employee Benefit Programs <sup>6</sup>	25,083	(12,006)	13,077
Equipment Lease <sup>7</sup>	5,021	(5,021)	0
Insurance	12,063		12,063
Business Overhead	1,727		1,727
Health - Staff <sup>8</sup>	24,800	(11,000)	13,800
Life	500		500
Malpractice	1,372		1,372
Other	1,005		1,005
Property	1,305		1,305
Workers Comp	3,048		3,048
Interest Expense <sup>9</sup>	1	(1)	0
Janitorial	2,872		2,872
Laboratory	136,746		136,746
Laundry & Uniforms	1,180		1,180
Licenses, Fees & Permits	842		842
Maintenance	6,439		6,439
Marketing	7,522		7,522
Meals & Entertainment <sup>10</sup>	3,184	(3,184)	0
Merchant Fees	15,556		15,556
Office Supplies	32,731		32,731
Parking & Tolls <sup>11</sup>	6	(6)	0
Payroll Services	2,614		2,614
Pension & Profit Sharing <sup>12</sup>	70,000	(59,000)	11,000
Administration	1,540		1,540
Postage & Delivery <sup>13</sup>	3,416	(1,114)	2,302
Professional Development <sup>14</sup>	1,316	(1,316)	0
Professional Fees	1,210		1,210
Promotion	2,065		2,065
Rent <sup>15</sup>	55,455	4,545	60,000
Repairs & Maintenance	20,086		20,086
Retirement Contribution - Staff	9,500		9,500
Salaries & Wages			
Assistant	66,133		66,133
Hygienist	252,933		252,933
Office <sup>16</sup>	220,691	(80,000)	140,691
Officer <sup>17</sup>	116,760	(116,760)	0
Security	806		806
Small Equipment <sup>18</sup>	1,574	(1,574)	0
Taxes			
Employee Payroll <sup>19</sup>	57,052	(8,000)	49,052
Property	703		703
Real Estate	2,092		2,092
State	800		800
Taxes & Licenses	4,621		4,621
Telephone	16,738		16,738
Travel & Lodging <sup>20</sup>	9,753	(9,753)	0
Utilities	7,879		7,879
<b>TOTAL EXPENSES</b>	<b>1,370,631</b>		
<b>TOTAL ADJUSTMENTS</b>		<b>(328,322)</b>	
<b>TOTAL ADJUSTED EXPENSES</b>			<b>1,042,309</b>
<b>NET PROFIT</b>	<b>291,152</b>		<b>619,285</b>
<b>ADJUSTED NET PROFIT</b>			<b>619,285</b>

**NOTES**

- 1.) Accounting: Adjusted to normalized cost for single practice, due to merger opportunity.
- 2.) Automobile: Considered of personal benefit to the owner.
- 3.) Continuing Education & Meetings: Adjustment considered of personal benefit to the owner.
- 4.) Depreciation: Considered a non-cash expense.
- 5.) Dues & Subscriptions: Adjustment considered of personal benefit to the owner.
- 6.) Employee Benefit Programs: Adjusted benefits for Owner's Spouse + 1 Employee who are leaving after sale of practice.
- 7.) Equipment Lease: Considered a non-recurring expense. Outstanding equipment leases are normal paid off from the proceeds from the sale of the practice.
- 8.) Insurance - Health/Staff: Adjusted benefits for Owner's Spouse + 1 Employee who are leaving after sale of practice.
- 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.) Meals & Entertainment: Considered of personal benefit to the owner.
- 11.) Parking & Tolls: Considered of personal benefit to the owner.
- 12.) Pension & Profit Sharing: Adjustment represents Doctor's portion of pension, of personal benefit to the owner.
- 13.) Postage & Delivery: Adjusted to normalized cost for one office, due to merger opportunity.
- 14.) Professional Development: Considered of personal benefit to the owner.
- 15.) Rent: Seller owns building. Adjusted rent to reflect \$5,000.00/month to be paid by Tenant.
- 16.) Salary-Office: Adjusted estimated salaries of both Sellers' spouses, who do not work in office and estimated salary of additional employee, whose services will no longer be needed due to merger opportunity.
- 17.) Salary-Officer: Considered of personal benefit to the owner.
- 18.) Small Equipment: Considered a one-time, non-recurring expense.
- 19.) Taxes-Payroll: Adjustment represents payroll taxes related to \$80,000 salary adjustment (see above notes)
- 20.) Travel & Lodging: Considered of personal benefit to the 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.