

## PROFORMA INCOME STATEMENT

### PRACTICE #AN-1190

|                                   | 2019 S Corp     | Adjustments      | Proforma       |
|-----------------------------------|-----------------|------------------|----------------|
| Gross Receipts                    | 606,763         |                  | 606,763        |
| <b>Net Receipts</b>               | <b>606,763</b>  |                  | <b>606,763</b> |
| <b>Expenses:</b>                  |                 |                  |                |
| Advertising                       | 5,806           |                  | 5,806          |
| Computer Expenses                 | 6,430           |                  | 6,430          |
| Continuing Education              | 1,192           |                  | 1,192          |
| Contract Labor <sup>1</sup>       | 76,909          | (76,909)         | 0              |
| Credit Card Fees                  | 7,458           |                  | 7,458          |
| Data Processing                   | 892             |                  | 892            |
| Dental Supplies                   | 29,007          |                  | 29,007         |
| Depreciation <sup>2</sup>         | 18,554          | (18,554)         | 0              |
| Dues & Subscriptions <sup>3</sup> | 6,210           | (3,000)          | 3,210          |
| Filing Fees                       | 25              |                  | 25             |
| Insurance                         | 31,916          |                  | 31,916         |
| Interest Expense <sup>4</sup>     | 18,129          | (18,129)         | 0              |
| Janitorial                        | 4,091           |                  | 4,091          |
| Laboratory                        | 22,185          |                  | 22,185         |
| Management Fees <sup>5</sup>      | 18,000          | (18,000)         | 0              |
| Meals <sup>6</sup>                | 4,941           | (4,941)          | 0              |
| Miscellaneous                     | 1,522           |                  | 1,522          |
| Office Association Dues           | 14,028          |                  | 14,028         |
| Office Supplies                   | 15,787          |                  | 15,787         |
| Postage & Delivery                | 1,092           |                  | 1,092          |
| Professional Fees                 | 1,925           |                  | 1,925          |
| Rent <sup>7</sup>                 | 60,000          |                  | 60,000         |
| Repairs & Maintenance             | 1,975           |                  | 1,975          |
| Salaries & Wages                  | 156,700         |                  | 156,700        |
| Salary-Officer <sup>8</sup>       | 72,000          | (72,000)         | 0              |
| Taxes & Licenses                  | 14,660          |                  | 14,660         |
| Taxes                             |                 |                  |                |
| CA State                          | 800             |                  | 800            |
| Payroll                           | 18,825          |                  | 18,825         |
| Telephone & Internet              | 5,794           |                  | 5,794          |
|                                   |                 |                  |                |
| <b>TOTAL EXPENSES</b>             | <b>616,853</b>  |                  |                |
| <b>TOTAL ADJUSTMENTS</b>          |                 | <b>(211,533)</b> |                |
| <b>TOTAL ADJUSTED EXPENSES</b>    |                 |                  | <b>405,320</b> |
| <b>NET PROFIT</b>                 | <b>(10,090)</b> |                  | <b>201,443</b> |
| <b>ADJUSTED NET PROFIT</b>        |                 |                  | <b>201,443</b> |

| NOTES  |
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| <p>1.) Contract Labor: Adjustment reflects estimated salary paid to Associate DDS.</p> <p>2.) Dues &amp; Subscriptions: Adjustment considered of personal benefit to the owner.</p> <p>3.) Depreciation: Considered a non-cash expense.</p> <p>4.) Interest Expense: Assume Debt-Free. A new doctor will have his/her own debt structure as it pertains to the purchase of the practice.</p> <p>5.) Management Fees: Considered of personal benefit to the owner.</p> <p>6.) Meals: Considered of personal benefit to the owner.</p> <p>7.) Rent: Seller owns condo unit. The estimated annual mortgage payment for a new owner would be \$60,395.72. This is based on the purchase price of \$1,275,000 w/ 10% down at an interest rate 2.3%* for a term of 25yrs. *SBA Loan rate as of Oct 2020.</p> <p>8.) Salary-Officer: 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> |