

PROFORMA INCOME STATEMENT

PRACTICE #EN-1235

**Office closed due to Covid from March 16 - April 30, 2020*

	2020 S Corp	Adjustments	Proforma
Gross Receipts	1,110,224		1,110,224
Other Income ¹	26,520	(26,520)	0
Returns and Allowances	(671)		(671)
Net Receipts	1,136,073		1,109,553
Expenses:			
Advertising	13,523		13,523
Amortization ²	37,222	(37,222)	0
Automobile ³	13,241	(13,241)	0
Continuing Education	2,822		2,822
Contract Labor	400		400
Credit Card Discounts	9,268		9,268
Debt Collection Agency	761		761
Dental Supplies ⁴	153,164	(50,000)	103,164
Depreciation ⁵	169,408	(169,408)	0
Dues & Subscriptions ⁶	6,085	(3,000)	3,085
Employee Benefit Programs	6,679		6,679
Equipment Rental ⁷	549	(549)	0
Insurance	19,821		19,821
Interest Expense ⁸	33,969	(33,969)	0
Janitorial	455		455
Laboratory	57,208		57,208
Landscaping	5,130		5,130
Legal & Professional	6,775		6,775
Loan Processing Fee ⁹	100	(100)	0
Meals ¹⁰	3,198	(3,198)	0
Office Expense	39,078		39,078
Payroll Processing Fee	2,420		2,420
Pest Control	2,033		2,033
Postage	373		373
Printing	640		640
Refuse Disposal	1,731		1,731
Rent (Mortgage) ¹¹	65,864	100,208	166,072
Repairs & Maintenance	7,492		7,492
Salaries & Wages	262,811		262,811
Salary-Officer ¹²	75,000	(75,000)	0
Security	2,339		2,339
Small Dental Equipment	188		188
Taxes & Licenses	32,727		32,727
Telephone	8,933		8,933
Travel ¹³	1,810	(1,810)	0
Uniforms	2,841		2,841
Utilities	17,528		17,528
TOTAL EXPENSES	1,063,586		
TOTAL ADJUSTMENTS		(287,289)	
TOTAL ADJUSTED EXPENSES			776,297
NET PROFIT	72,487		333,256
ADJUSTED NET PROFIT			333,256

NOTES

- 1.) Other Income: HHS Stimulus Fund is non-relevant to the new Buyer.
- 2.) Amortization: Considered a non-cash expense.
- 3.) Automobile: Considered of personal benefit to the owner.
- 4.) Dental Supplies: Adjusted to reflect normal annualized dental supply costs, estimated @ 5-8% of gross collections.
- 5.) Depreciation: Considered a non-cash expense.
- 6.) Dues & Subscriptions: Adjustment considered of personal benefit to the owner.
- 7.) Equipment Rental: Considered a non-recurring expense. Outstanding equipment leases are normally paid off from the proceeds from the sale of the practice.
- 8.) Interest Expense: Assume Debt-Free. A new doctor will have his/her own debt structure as it pertains to the purchase of the practice.
- 9.) Loan Processing Fee: Considered a non-recurring expense.
- 10.) Meals: Considered of personal benefit to the owner.
- 11.) Rent: Seller owns building. Adjusted to estimated annual mortgage payment for a new owner would be \$166,072. This is based on the purchase price of \$3,350,000 w/ \$350,000 down at an interest rate 2.75% for a term of 25yrs.
- 12.) Salary-Officer: Considered of personal benefit to the owner.
- 13.) Travel: 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.**