

PROFORMA INCOME STATEMENT

PRACTICE #EN-1329

*Office closed due to Covid from March 16 - June 2, 2020

| | Year end 2020 | Adjustments | Proforma |
|--|----------------|-----------------|----------------|
| Gross Receipts | 797,187 | | 797,187 |
| Net Receipts | 797,187 | | 797,187 |
| Expenses: | | | |
| Accounting | 14,742 | | 14,742 |
| Advertising | 981 | | 981 |
| Amortization ¹ | 42 | (42) | 0 |
| Automobile ² | 1,380 | (1,380) | 0 |
| Bank Charges | 10,094 | | 10,094 |
| Collection Fees | 1,643 | | 1,643 |
| Computer Expenses | 19,090 | | 19,090 |
| Dental Supplies | 66,792 | | 66,792 |
| Depreciation ³ | 14,582 | (14,582) | 0 |
| Dues & Subscriptions | 3,162 | | 3,162 |
| Equipment Rental ⁴ | 146 | (146) | 0 |
| Insurance | 11,252 | | 11,252 |
| Interest Expense ⁵ | 1,192 | (1,192) | 0 |
| Janitorial | 3,543 | | 3,543 |
| Laboratory | 75,059 | | 75,059 |
| Laundry & Cleaning | 36 | | 36 |
| License & Fees | 846 | | 846 |
| Meals ⁶ | 619 | (619) | 0 |
| Mortgage - estimate ⁷ | | 35,530 | 35,530 |
| Condo Association Dues | 11,891 | | 11,891 |
| Office Expense | 22,411 | | 22,411 |
| Outside Services | 376 | | 376 |
| Parking & Tolls | 25 | | 25 |
| Patient Refunds | 2,862 | | 2,862 |
| Pension & Profit Sharing | 6,243 | | 6,243 |
| Pension Plan Administration ⁸ | 2,622 | (2,622) | 0 |
| Postage | 1,317 | | 1,317 |
| Printing | 1,828 | | 1,828 |
| Promotion | 9,315 | | 9,315 |
| Repairs & Maintenance | 4,956 | | 4,956 |
| Returned Checks | 63 | | 63 |
| Salaries & Wages ⁹ | 253,177 | (18,000) | 235,177 |
| Security | 258 | | 258 |
| Staff Expense ¹⁰ | 9,082 | (9,082) | 0 |
| Storage | 1,908 | | 1,908 |
| Taxes & Licenses | 30,995 | | 30,995 |
| Telephone | 8,043 | | 8,043 |
| Uniforms | 1,186 | | 1,186 |
| Utilities | 4,643 | | 4,643 |
| | | | |
| TOTAL EXPENSES | 598,402 | | |
| TOTAL ADJUSTMENTS | | (12,135) | |
| TOTAL ADJUSTED EXPENSES | | | 586,267 |
| NET PROFIT | 198,785 | | 210,920 |
| ADJUSTED NET PROFIT | | | 210,920 |

NOTES

- 1.) Amortization: Considered a non-cash expense.
- 2.) Automobile: Considered of personal benefit to the owner.
- 3.) Depreciation: Considered a non-cash expense.
- 4.) Equipment Rental: Considered a non-recurring expense. Outstanding equipment leases are normally paid off from the proceeds from the sale of the practice.
- 5.) Interest Expense: Assume Debt-Free. A new doctor will have his/her own debt structure as it pertains to the purchase of the practice.
- 6.) Meals: Considered of personal benefit to the owner.
- 7.) Mortgage (estimated): Seller owns building. Adjustment reflects annual mortgage payment new Owner would expect to pay with purchase price of \$825,000 with 20% down amortized for 25 yrs @ 2.5%. The monthly payment would be approximately \$2,960.87
- 8.) Pension & Profit Sharing Administration: Fees considered of personal benefit to the owner.
- 9.) Salaries & Wages: Adjusted for Family members wages whose positions will be not required by new owner.
- 10.) Staff Expense: 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.**