

PROFORMA INCOME STATEMENT

PRACTICE #DG-1403 *adjusted*

| | Year end 2021 | Adjustments | Proforma |
|---|----------------|---------------|----------------|
| Gross Receipts | 826,158 | | 826,158 |
| Other Income ¹ | 15,000 | (15,000) | 0 |
| HHS Grant ¹ | 22,878 | (22,878) | 0 |
| Income Adjustment to reflect true Income ² | | (22,878) | (22,878) |
| Returns & Allowance | (3,186) | | (3,186) |
| Net Receipts | 860,851 | | 800,095 |
| Expenses: | | | |
| Advertising | 519 | | 519 |
| Automobile ³ | 3,192 | (3,192) | 0 |
| Consulting ⁴ | 6,475 | (6,475) | 0 |
| Dental Supplies ⁵ | 16,834 | 30,000 | 46,834 |
| Depreciation ⁶ | 12,873 | (12,873) | 0 |
| Insurance | 6,030 | | 6,030 |
| Laboratory ⁷ | 12,528 | 35,000 | 47,528 |
| Meals ⁸ | 962 | (962) | 0 |
| Membership Fees: CDA | 3,691 | | 3,691 |
| Office Expense | 3,382 | | 3,382 |
| Pension & Profit Sharing | 8,481 | | 8,481 |
| Rent | 73,091 | | 73,091 |
| Repairs & Maintenance | 4,064 | | 4,064 |
| Salaries & Wages | 142,991 | | 142,991 |
| Taxes & Licenses | 16,488 | | 16,488 |
| Travel ⁹ | 6,199 | (6,199) | 0 |
| Utilities | 16,221 | | 16,221 |
| TOTAL EXPENSES | 334,020 | | |
| TOTAL ADJUSTMENTS | | 35,300 | |
| TOTAL ADJUSTED EXPENSES | | | 369,320 |
| NET PROFIT | 526,831 | | 430,775 |
| ADJUSTED NET PROFIT | | | 430,775 |

NOTES

- 1.) Other Income: Covid Relief Funds & Other Income are non-relevant to Buyer.
- 2.) Income Adjustment: Adjusted to reflect true income of practice as accountant incorrectly designated PPP Loan funds as income.
- 3.) Automobile: Considered of personal benefit to the owner.
- 4.) Consulting: California Actuarial Consults-considered of personal benefit to the owner.
- 5.) Dental Supplies: Adjusted to normalized Dental Supplies @ 5% gross revenues.
- 6.) Depreciation: Considered a non-cash expense.
- 7.) Laboratory: Adjusted to normalized Lab expenses @ approximately 5% of gross revenues.
- 8.) Meals: Considered of personal benefit to the owner.
- 9.) 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.