What is a Proforma

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...and how do I read it?

Building the Proforma

♦ We start with the Seller's Schedule C, Corporate Tax Return or Year-end P&L

1	SCHEDULE C Form 1040 br 10(0-5R) (50 br 100-5R) Scolo Proprietom/bip (50 br Proprietom/bip) P 00 in www.in.gov/Schedule C for instructions and the stress information stress (ferrors) + Attach to Form 1040, 1040-5R, 1040-HR, or 1041; partnerships generally must life				ón.	2019 America No. 09			
Taker	to of propriets:				-			man and the INSN	
٨	Principal Busines Deintist: 1	e or profess	ion, Inci	ucting prostuct or service (ient in	structure)		ode from instructions	
C	Busitesa nama. If no separate busitests name, leave blank.							D Employer (D sumber (D30) (are from).	
8	Brainikia address (including autie or more inc) City, there or popt office, state, and (29 pode control of the								
F									
0	Appounding method: (1) S Cesh (2) Abcruel (3) (Dther (specify) -								
н	End you "materially participate" in the operation of the trustness during 2019? # "No," see instructions if if you stanted or acquired this business during 2019, check here							es Yes INC	
2	If you atterted or a	acquired this	Cusine	es during 2019, check her	£			+0	
<u>.</u>	Lind you make an	y pulymenta i	n 2019	max would require you to	lile Fo	amés) 10097 (ses instructiona)		Ves Who	
í ar	If "Yes." did your	OF WH YOU DA	e veguin	ed Forme (099/	_			Yes 🖺 No	
1					_				
1	Eduni W. 5 and in	sales See a	structio	ons for line 1 and clieck th	il box	If this income was repainted to you o			
2	Heluna and allow	e Statutory	employs	et" box on that form was	rteck	ed		634,180.	
3							2		
1	Subitact line 2 fm						2	634,880;	
5	Cost of goods so Grose profit. Su	CALIFICATION OF A	e43	2 C C 1 8 I			4		
	Offers Invention 199	contra and 4	rom ene				5	634,180,	
7	Gross income, inc Gross income, A	suching folders	and s	cate pancine or fuel tax or	ecti a	(refund (see instructions)	6		
	Experience A	Voo mes 5 M	112.12	or business use of you	-	and the second second second	7	634,180.	
0	Advertising	miller avbe	A	on prostance read of Abi					
		Contraction of the second		1,944.	18	Office expense (see instructione)	18	ø,	
	Car and truck expenses (see instructions)	autore (266		18 Persion and profit-sharing plans	19	σ.			
30	Commissions and	in i	10	110.	20		And and		
11	Cartract later (ine)		10	0.	0	A REAL PROPERTY OF A REAL PROPERTY.		Ū.	
12.	Depintion	nerio enerio	12	01	b		200	. 0.1	
53	Depreciation and a	action 179	- 16		21 Repairs and maintenance	21	13,215.		
	expense deduct	isni (ret	(rot		22	Supplies (not included in Fart III)	22	2,715.	
	Included in Part Instructionel	N) Exer	13	16,033.	74	Taxid and licerese Travel and mean	23	15,246.	
16	Employee benefit		10	7014271			1000		
	lother than on line	10	14	0.	a Travel	24a	825.		
15	Insurance (other th)		15	6,800.	b		100		
16	intervisif (see matro	ctional			25	instructions)	240	618	
			16a	0.	26		.25	16,7#4.	
b	Other .		162	0.	274	Wages (leas employment credits).	26	38,928.	
17	Legal and professions		17	1,585.	A CONTRACTOR OF A CONTRACTOR O	27a	83,600+		
28	Total expenses to	Aline expense	en for ba	unifilms una of Forme Add	lines	5 through 27a	27b 28	100 011	
29	Tentative profit av)	Issa) Subtra	ct line 2	6 Momiline 7			28	198,811.	
20	Expenses for busin	Next use of	your he	the Do not report theme	CAD!	report disasters Attach Core class	-	1221.1681	
	Expenses for business use of your home. Do not report these expenses statewhere. Attach Form 9829 unless using the emploited method (see instructiona). Bimplified method (lese entry, enter the total space localage of: (a) your home.								
	and (b) the part of y				(w) Ace		1.1		
	Matteri Worksham	in the instead	titices to	figure the encount to only		Uter the Simplified	100		
11	Net profit or press	Subtract in	w 36 A-	in the 193	r on i	ever do	32		
	Net profit ar (loss), Subtract line 30 fram line 29. • If a profit, enter on bolit Schedule 1 (Form 1040 or 1046-5H), line 3 (or Form 1040-NR, line)								
	13) and on Schedu Ituets, enter on For	Je SE, line 2	E OF YOU	shecked the box on line	7.80	e 3 (or Form 1040-NR, line et instructions). Eablies and	34	135, 369.	
	· If it loos, you mus					I			
lý.				scribes your investment is	inin-	nctivity (ana instructiona)			
	* If you checked it	32a amine in	d loss -	on both Schedule * /Kee	m 10	40 or 1040-SR), line 3 (or)			
	Form 1840-NR, firs 31 Instauctions). Eats	e 13) and on Meil and trust	Soherth	in SE, line 2. (* you clied on Form 1041, line 3.	kad ti	te box on Ine 1, ass the line	32a 🛄 All investment is at risk. 32b 🔲 Some investment is not		
	 If you checked 32 perior's Reduction. 	 you must 	attach l	Form E108. Your lass may	Delle	triled.		risk.	

	Cost of Goods Sold (see Instructions)	_		Page
33	Method(s) used to			
3	value closing inventory: a Cost b Cover of cost or market e Cother (at	tach explan	(noin)	
34	Was there any change in determining quantities, costs, or valuations between opening and closing investi # "Yee," attach explanation	oy7		No
35	Inventory at beginning of year. If different from last year's closing inventory, strach explanation	35		
36	Purchases less cost of items withdrawn for personal use	36		
37	Cost of labor, Do not include any emounts paid to yourself	37		
38	Materials and suppline	38		
39	Other costs .	39		-
40	Add lines 35 through 39	40		
HT .	Inventory at end of year	41		
12	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4			_
art	Information on Your Vehicle. Complete this past each if	42 Truck exc	enses on line	9
_	and are not required to file Form 4562 for this business. See the instructions for I file Form 4562.	ine 13 to f	ind aut if you	mus
9	When did you place your vehicle in service for business purposes? (month, day, year)			
4	Dif the total number of mass you drove your vehicle during 2018, enter the number of mass you used your w			
ι.	Notice of the second			
2	Business b Commuting (see instructional) e O			
	Bushness b: Community (see instructional) e: Of Wile your vehicles availables for prononal use d'uring off-outry trouve?	ther	Yes 🖸	No
5	Bustness b Commuting (see instructional e O Whe your vertices available for porsonal use during off-outly house? Ob you (or your spoorse) flows another vertices available for personal use?	ther	8. A F	No No
5	Bustiness b Continuiting (see instructional) e Of Weie your version available for porsional use during off-outly hours? .	ter [[] Yas []	
5	Business b Commuting (see instructions) e O Were your vehicle available for possional use during off-outry Youre? Do you (or your reported) Have another vehicle available for personal use? . Do you faive avidence to aupport your deduction? .	twr [. [. [Yen	No No
5	Bushess b Commuting (see instructions) e Of Wer your vehicle available for personal use diving off-duty Youw? Do you (or your spoorsi) flave another vehicle available for personal use? Do you faire middenear to support your deduction? If "Yes," is the evidence vertice? Other Expension. List bolow business expenses not included on lines 8-26 or line	twr [. [. [Yen	No No
5 5 b hrt	Busitives b Continuting (see instructions) e O We your verticies available for personal law diving off-daty Youw? Do you (or your spoorsi) flave another verticies available for personal law? Do you faire middenea to support your deduction? If "Yes," is the endonce written? If "Yes," is the endonce written? If "Yes," is the endonce written?	twr [. [. [Yen	No No No
5 5 b hrt	Bushess b Commuting (see instructions) e Of Wer your vehicle available for personal use diving off-duty Youw? Do you (or your spoorsi) flave another vehicle available for personal use? Do you faire middenear to support your deduction? If "Yes," is the evidence vertice? Other Expension. List bolow business expenses not included on lines 8-26 or line	twr [. [. [] Yes []] Yes []] Yes [] 31,1	No No No
5 6 5 6 7 0 7 0 7 0	Bushess b Commuting (see instructions) e O We yoar verticks available for personal use diving off-daty Youw? Do you (or your spoorsi) flave another verticle available for personal use? . Do you faire middenea to support your deduction? If "Yes," is the evidence vertice? <u>O'Other Expansion</u> . List below business expenses not included on lines 8-26 or line tal_Supp. t. Ed.	twr [. [. [] Yes []] Yes []] Yes [] 31,1	No No No 45.
5 6 7 6 7 6 7 6 7 6 7 6 7 6 7 6 7 6 7 6	Bushess b Commuting (see instructions) e O We yoar verticks available for personal use diving off-daty Youw? Do you (or your spoorsi) flave another verticle available for personal use? . Do you faire middenea to support your deduction? If "Yes," is the evidence vertice? <u>O'Other Expansion</u> . List below business expenses not included on lines 8-26 or line tal_Supp. t. Ed.	twr [. [. [Yen [] Yen [] Ym [] 31,1 7 40,9	No No No 45.
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♦ We insert these numbers **exactly** as they appear in the financials

PROFORMA INCOME STATEMENT PRACTICE #DN-1345

	Year and 2019	Adjustments	Proforma
Gross Receipts	634,180		634,180
Net Receipts	634,180		634,180
Expenses:	004,100		004,700
Advertising	1,944	1	1,944
Automobile ¹	110	(110)	(
Continuing Education	780	(110)	780
Credit Card Fees	4,407		4,407
Dental Supplies	31,145	-	31,145
Depreciation ²	16,433	(16,433)	(
Insurance	6.800	1.57.557	6.800
Laboratory	40.907		40,907
Legal & Professional	1,585		1,585
Meals ³	618	(618)	(
Office Supplies	2,715	19.50	2,715
Postage	1,126		1,126
Repairs & Maintenance	13,215		13,215
Salaries & Wages	38,928	1	38,928
Software Support & Billing	5,101		5,10
Subscriptions	142	1	142
Taxes & Licenses	15,246		15,246
Travel*	825	(825)	(
Utilities	16,784		16,784
TOTAL EXPENSES	198,811		
TOTAL ADJUSTMENTS		(17,986)	
TOTAL ADJUSTED EXPENSES	1		180,825
NET PROFIT	435,369		453,355
ADJUSTED NET PROFIT			453,355

NOTES

Automobile: Considered of personal benefit to the owner.

Depreciation: Considered a non-cash expense.

Meals: Considered of personal benefit to the owner. 4.)

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.

Next, we adjust any of the seller's personal expenses, one-time or non-recurring expenses, any expenses that are unrelated to this office, and/or any expenses not applicable to the new owner

PROFORMA INCOME STATEMENT PRACTICE #DN-1345

	Year end 2019	Adjustments	Proforma
Gross Receipts	634,180	-	634,180
Net Receipts	634,180		634,180
Expenses:			
Advertising	1,944		1,944
Automobile'	110	(110)	
Continuing Education	780		780
Credit Card Fees	4.407		4,40
Dental Supplies	31,145		31.14
Depreciation ²	16,433	(16,433)	1
Insurance	6,800		6,80
Laboratory	40,907		40,90
Legal & Professional	1,585		1,58
Meals ³	618	(618)	
Office Supplies	2,715		2,71
Postage	1,126		1,12
Repairs & Maintenance	13,215		13,21
Salaries & Wages	38,928	-	38,92
Software Support & Billing	5,101		5,10
Subscriptions	142		14
Taxes & Licenses	15,246		15,24
Travel*	825	(825)	1
Utilities	16,784		16,784
TOTAL EXPENSES	198,811		
TOTAL ADJUSTMENTS		(17,986)	
TOTAL ADJUSTED EXPENSES			180,82
NET PROFIT	435,369		453,355
ADJUSTED NET PROFIT			453,35

1) Automobile: Considered of personal benefit to the owner.
 2.) Depreciation: Considered a non-cash expense.

3.) Meals: Considered of personal benefit to the owner.

.) 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.

This leaves us with the adjusted totals for each line item, providing a buyer with an estimate of expenses that a buyer could expect if they managed the practice in the same way as the seller

PROFORMA INCOME STATEMENT PRACTICE #DN-1345

	Year end 2019	Adjustments	Proforma
Gross Receipts	634,180	-	634,180
Net Receipts	634,180		634,180
Expenses:	004,100		0011100
Advertising	1,944		1,944
Automobile ¹	110	(110)	(
Continuing Education	780	1.10/	780
Credit Card Fees	4,407		4.40
Dental Supplies	31,145		31,14
Depreciation ²	16,433	(16,433)	1
Insurance	6,800	1.21.427	6,800
Laboratory	40,907		40,90
Legal & Professional	1,585		1,58
Meals ³	618	(618)	1
Office Supplies	2,715		2,71
Postage	1,126		1,120
Repairs & Maintenance	13,215		13,21
Salaries & Wages	38,928		38,92
Software Support & Billing	5,101		5,10
Subscriptions	142		142
Taxes & Licenses	15,246		15,24
Travel*	825	(825)	(
Utilities	16,784		16.784
TOTAL EXPENSES	198,811		_
TOTAL ADJUSTMENTS		(17,986)	
TOTAL ADJUSTED EXPENSES			180,825
NET PROFIT	435,369		453,355
ADJUSTED NET PROFIT			453,355

NOTES

1.) Automobile: Considered of personal benefit to the owner.

2.) Depreciation: Considered a non-cash expense.

3.) Meals: Considered of personal benefit to the owner.

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.

 It also allows a buyer to review each of the adjustments and read the corresponding footnote which explains the reason each adjustment was made

PROFORMA INCOME STATEMENT PRACTICE #DN-1345

	Year end 2019	Adjustments	Proforma
Gross Receipts	634,180		634,180
Net Receipts	634,180		634,180
Expenses:			
Advertising	1,944		1,944
Automobile'	110	(110)	0
Continuing Education	780		780
Credit Card Fees	4,407		4,407
Dental Supplies	31,145		31,145
Depreciation*	16,433	(16,433)	0
Insurance	6,800		6,800
Laboratory	40,907		40,907
Legal & Professional	1,585		1,585
Meals	618	(618)	0
Office Supplies	2,715		2,715
Postage	1,126	1	1,126
Repairs & Maintenance	13,215		13,215
Salaries & Wages	38,928	1,	38,928
Software Support & Billing	5,101		5,101
Subscriptions	142	1	142
Taxes & Licenses	15,246		15,246
Travel	825	(825)	0
Utilities	16,784		16,784
TOTAL EXPENSES	198,811		
TOTAL ADJUSTMENTS		(17,986)	
TOTAL ADJUSTED EXPENSES			180,825
NET PROFIT	435,369		453,355
ADJUSTED NET PROFIT			453,355

NO	TEO .
1.)	Automobile: Considered of personal benefit to the owner.
2)	Depreciation: Considered a non-cash expense.
3.)	Meals: Considered of personal benefit to the owner.
4.)	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.

 Once the buyer has reviewed the adjustments and reasons for the revision, they can clearly see their expected net profit if they managed the practice in the same way as the seller

PROFORMA INCOME STATEMENT PRACTICE #DN-1345

	Year end 2019	Adjustments	Proforma
		1	
Gross Receipts	634,180		634,180
Net Receipts	634,180		634,180
Expenses:			
Advertising	1,944		1,944
Automobile'	110	(110)	0
Continuing Education	780		780
Credit Card Fees	4.407		4,407
Dental Supplies	31,145		31,145
Depreciation ²	16,433	(16,433)	0
Insurance	6,800		6,800
Laboratory	40,907		40,90
Legal & Professional	1,585		1,585
Meals ³	618	(618)	0
Office Supplies	2,715		2,715
Postage	1,126	1	1,126
Repairs & Maintenance	13,215		13,215
Salaries & Wages	38,928	1	38,928
Software Support & Billing	5,101		5,101
Subscriptions	142		142
Taxes & Licenses	15,246		15,246
Travel*	825	(825)	0
Utilities	16,784		16.784
TOTAL EXPENSES	198,811		
TOTAL ADJUSTMENTS		(17,986)	
TOTAL ADJUSTED EXPENSES		1	180,825
NET PROFIT	435,369		453,355
ADJUSTED NET PROFIT			453,355

IMPORTANT NOTE TO BUYERS

Your lender will be asking you questions during your credit interview to ensure that you understand the practice financials and these adjustments so please review thoroughly

Call the Western Practice Sales Listing Broker with any questions

	Year end 2019	Adjustments	Proforma
0.0			
Gross Receipts	634,180		634,18
Net Receipts	634,180		634,18
Expenses:	1		
Advertising	1,944		1,94
Automobile'	110	(110)	
Continuing Education	780		78
Credit Card Fees	4,407		4,40
Dental Supplies	31,145		31,14
Depreciation ²	16,433	(16,433)	
Insurance	6,800		6,80
Laboratory	40,907		40,90
Legal & Professional	1,585		1,58
Meals	618	(618)	
Office Supplies	2,715		2,71
Postage	1,126		1,12
Repairs & Maintenance	13,215		13,21
Salaries & Wages	38,928	-	38,92
Software Support & Billing	5,101		5.10
Subscriptions	142		14
Taxes & Licenses	15,246		15,24
Travel	825	(825)	
Utilities	16,784		16,78
	-		
TOTAL EXPENSES	198,811	1	
TOTAL ADJUSTMENTS		(17,986)	
TOTAL ADJUSTED EXPENSES		1	180,82
NET PROFIT	435,369		453,35
ADJUSTED NET PROFIT			453,35
NOTES			
 Automobile: Considered of personal be 			
Depreciation: Considered a non-cash r			
3.) Meals: Considered of personal benefit			
Travel: Considered of personal benefit			
**Above data has not bee	an audited by Western	Practice Sales.	
	to verify if informatio	is true and co	rrect.
it is the buyer a responsionity			
**Above data has not bee It is the Buver's responsibility	en audited by Western to verify if informatio	Practice Sales. In is true and co	rrect.

If you have any additional questions about proformas, we are here to help

Western Practice Sales 800.641.4179 info@westernpracticesales.com

Thank you