

PROFORMA INCOME STATEMENT

Practice #I-9171

2007 Schedule C Tax Returns	Year End 2007	Adjustments	Proforma
Gross Receipts	221,154		221,154
Net Receipts	221,154	0	221,154
Cost of Goods Sold: Materials & Supplies ¹	26,955	(13,600)	13,355
Cost of Goods Sold: Other Costs ²	43,675	(19,300)	24,375
Advertising	3,937		3,937
Car & Truck Expenses ³	1,462	(1,462)	-
Depreciation ⁴	4,373	(1,373)	3,000
Insurance ⁵	14,820	(12,714)	2,106
Legal & Professional Services	695		695
Office Expense	4,323		4,323
Repairs & Maintenance	1,125		1,125
Taxes & Licenses	2,903		2,903
Utilities	5,831		5,831
Wages	42,171		42,171
Management Fees ⁶	2,491		2,491
Payroll Taxes	3,917		3,917
Uniforms & Laundry Service	644		644
Rent ⁷	0	18,000	18,000
TOTAL EXPENSES	159,322		
TOTAL ADJUSTMENTS		(30,449)	
TOTAL ADJUSTED EXPENSES			128,873
NET PROFIT	61,832	30,449	92,281
ADJUSTED NET PROFIT			92,281

Notes:

- 1.) Cost of Goods Sold: Materials & Supplies: The adjusted amount shows an estimated projection for this expense.
- 2.) Cost of Good Sold: Other Costs: The adjusted amount shows an estimated projection for this expense.
- 3.) Truck & Car Expenses: Considered of personal benefit to Owner/Doctor.
- 4.) Depreciation: To depreciate an asset represents a tax advantage for the purchaser and is not an operating expense of the practice. An adjustment for depreciation is made, leaving a fund for replacement of any hard assets/equipment.
- 5.) Insurance: : The IRS allows the owner of a practice to deduct some personal insurance cost through the practice, an amount was adjusted to reflect the personal portion of the owners insurance costs.
- 6.) Management Fee: Continued expense if Buyer purchases the condo.
- 7.) Rent: If Buyer decides not to purchase Condo, the amount is a projection of anticipated rent to be paid by the Buyer based on fair market rental for the area in which the office is located including association fees. (750sf at \$2.00/sf = \$1,500/mo)

****Above data has not been audited by Western Practice Sales/John M. Cahill Associates. It is the Buyer's responsibility to verify if information is true and correct.**