

Central WV General Dentistry
FINANCIAL DATA SUMMARY FOR PRACTICE 9523

The following statistics are based on assumptions that the subject practice will continue to be operated as it has been in the past. Variation from past performance are 1) increase in fees for each year; 2) no production increase occurs; and 3) overhead expenses increase each year. Fee and overhead increases are based on estimates of inflation and can be adjusted.
 The purpose of this summary is to demonstrate the individual practice revenues and profitability of this particular practice.

PRACTICE FINANCIAL SUMMARY

AMOUNT OF INCOME PERSONALLY GENERATED BY PURCHASER **\$693,647**

COMPENSATION FOR PURCHASER FOR HIS/HER PRODUCTION.
 CONSIDER A GENEROUS COMMISSION RATE OF **35%** **\$242,777**

NOW CONSIDER THE PRACTICE PROFIT. THIS IS AN AMOUNT OVER AND ABOVE THE COMPENSATION FOR PURCHASER'S PRODUCTION.

THE PROFIT IS THE BENEFIT OF OWNERSHIP OF THE PRACTICE. ONLY PRACTICE OWNERS REALIZE PRACTICE PROFIT.

IN THIS PRACTICE, THE PROFIT, AFTER ALL EXPENSES AND SALARY COMPENSATION TO THE PURCHASER ARE PAID IS **\$181,229**

THE PROFIT - NOT INCLUDING PURCHASER SALARY, DIVIDED BY THE TOTAL LOAN FOR THE PRACTICE PRICE AND WORKING CAPITAL IS AT A RATE OF **15%**

TO COMPARE THIS OPPORTUNITY TO OTHER OPPORTUNITIES, WHETHER THEY ARE ASSOCIATESHIPS OR OTHER PRACTICES TO PURCHASE, LOOK AT SEVERAL KEY DATA POINTS. **SUBJECT PRACTICE**

1. HOW DOES THE ALTERNATIVE COMPARE WITH NET BEFORE TAX DOLLARS (AFTER DEBT SERVICE)	\$280,842
2. NET AS PERCENT OF PERSONAL PRODUCTION OF PRACTICE NET INCOME	40%
3. ARE THERE TAX SAVINGS AND EQUITY INCREASES FOR THE PURCHASER	\$101,287
4. TOTAL ECONOMIC BENEFIT - NET CASH FLOW (AFTER DEBT SERVICE) PLUS EQUITY, AND TAX SAVINGS	\$382,129
5. WHAT IS PERCENT OF TOTAL ECONOMIC BENEFIT VERSUS PURCHASER PERSONAL PRODUCTION	55%

Central WV		General Dentistry			
FINANCIAL DATA FOR PRACTICE		9523			
The following summary illustrates a projected year's income and expenses for the subject practice which incorporates an increase in fees and overhead expense but no increase in production. This summary is not a representation or warranty of future practice performance. Purchasers should obtain qualified legal and accounting counsel prior to any purchase decisions. NOTE: Practice price does not include accounts receivable.					
PRACTICE INCOME				\$	%
EXPECTED GROSS COLLECTIONS				\$924,863	100.0%
	HYGIENE COMPONENT			\$231,216	25.0%
	DENTIST COMPONENT			\$693,647	75.0%
		RETAINED SELLER			
		ASSOCIATE			
		PURCHASER		\$693,647	75.0%
VARIABLE EXPENSES				\$	%
	WAGES, PAYROLL TAX, ETC.			\$363,908	39.3%
	LABORATORY			\$67,655	7.3%
	CLINICAL SUPPLIES			\$118,500	12.8%
	OTHER VARIABLE EXPENSE			(\$141,886)	-15.3%
			TOTAL VARIABLE EXPENSE	\$408,177	44.1%
FIXED EXPENSES				\$	%
		PHONE, UTILITIES		\$20,052	2.2%
		LEGAL & ACCOUNTING		\$9,785	1.1%
		INSURANCE		\$7,725	0.8%
		OTHER FIXED EXPENSE		\$55,118	6.0%
			TOTAL FIXED EXPENSE	\$92,680	10.0%
DEBT SERVICE FOR PRACTICE AND BULDING				\$	%
		INTEREST		\$76,304	8.3%
		PRINCIPAL		\$66,860	7.2%
			TOTAL DEBT SERVICE	\$143,164	15.5%
SUMMARY				\$	%
EXPECTED COLLECTIONS				\$924,863	100.0%
EXPECTED EXPENSES				\$500,857	54.2%
PRACTICE DEBT SERVICE				\$143,164	15.5%
PROJECTED NET INCOME AFTER EXPENSES & DEBT / PERCENT OF PERSONAL PROD.				\$280,842	40%
PURCHASER PRODUCED PRODUCTION			PERCENTAGE OF GROSS	\$693,647	75.0%
EQUITY INCREASE			% OF PERSONAL PRODUCTION	\$66,860	9.6%
TAX SAVINGS FROM DEPRECIATION			% OF PERSONAL PRODUCTION	\$34,427	5.0%
TOTAL BENEFIT - CASH, TAX SAVINGS, EQUITY			% OF PERSONAL PRODUCTION	\$382,129	55%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				\$	%
PRACTICE SALES PRICE & PERCENT OF GROSS				\$675,000	76%
WORKING CAPITAL				\$44,000	
TOTAL PRACTICE LOAN				\$719,000	
PRACTICE LOAN INTEREST RATE				7.00%	
PRACTICE LOAN TERM (MONTHS)				120	
MONTHLY PRACTICE PAYMENT				\$8,348	11%
BUILDING PRICE				\$500,000	
MONTHLY BUILDING MORTGAGE PAYMENTS				\$3,582	0%
ESTIMATED MONTHLY HYGIENE PROFIT				\$13,052	17%
PURCHASER SALARY				\$242,777	
PRACTICE PROFIT - IN ADDITION TO PURCHASER SALARY				\$181,229	25%
PURCHASER FIRST YEAR TAX SAVINGS				\$34,427	
TOTAL PURCHASER SALARY, PRACTICE PROFIT & TAX SAVINGS				\$458,433	
LESS DEBT SERVICE FOR PRACTICE AND BULDING				(\$143,164)	
PRACTICE SALARY + PROFIT +TAX SAVINGS - DEBT SERVICE / PERSONAL PROD %				\$315,269	45%

Central WV	
DATA	FOR PRACTICE NUMBER 9523
The following data is provided by the owner of the practice. It is believed to the best of the owner's knowledge to be a true and accurate representation of the facts of the practice. It is the responsibility of any purchaser to verify all information contained herein and to seek qualified counsel in the interpretation and verification thereof.	
OFFICE DATA	
SQUARE FOOTAGE OF OFFICE	2,900
EXPANDABLE FOOTAGE	
CURRENT MONTHLY RENTAL i.e. "1200"	\$4,500
PRICE PER SQUARE FOOT	\$18.62
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	9
PROXIMITY OF PARKING PLACES	Directly in front of and beside office
# EQUIPPED OPS	6
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF OPERATORIES USED PRIMARILY BY DENTIST(S)	
NUMBER OF OPERATORIES USED PRIMARILY BY HYGIENIST(S)	
NUMBER OF UNPLUMBED AND EMPTY OPERATORIES	
DO YOU OWN YOUR BUILDING? YES OR NO	YES
DO YOU WISH TO SELL THE BUILDING? YES OR NO	YES
IF NOT APPRAISED, ESTIMATED BUILDING PRICE	\$500,000
IF NOT SOLD, MONTHLY RENTAL AMOUNT	
ANNUAL REAL ESTATE TAXES	
ANNUAL REAL ESTATE INSURANCE COST	
DATE OF LEASE i.e. "6/1/2016"	
DATE LEASE ENDS - i.e. "1/1/2020"	
IS THERE AN OPTION TO PURCHASE?	
RENEWAL OPTIONS	
BUILDING VALUE TO BE USED	\$500,000
PURCHASER MORTGAGE INTEREST RATE	6.00%
PURCHASER MORTGAGE TERM - YEARS	20
PURCHASER MONTHLY PAYMENT	\$3,582
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	\$14.82
WORK SCHEDULE	
PLANS AFTER SALE OF PRACTICE	Negotiable
DAYS/WEEK CURRENTLY WORKED	4.0
HOW MANY DAYS WOULD YOU PREFER TO WORK FOR BUYER	
DESIRED WORK DAYS/WEEK 1ST YR	
DESIRED WORK DAYS/WEEK 2ND YR	
DESIRED WORK DAYS/WEEK 3RD YR	
DESIRED WORK DAYS/WEEK 4TH YR	
DESIRED WORK DAYS/WEEK 5TH YR	
DESIRED WORK DAYS/WEEK 6TH YR	
PRACTICE HISTORY	
YEAR BEGINNING PRACTICE IN CITY	2005
YEAR BEGINNING PRACTICE IN CURRENT LOCATION	2008
RIGHT OR LEFT HANDED	Right
PURCHASE OR SCRATCH START	Purchase
DO YOU OWN OTHER PRACTICES? HOW FAR AWAY?	1

PRACTICE DATA	
MANAGEMENT CONSULTANT IN LAST 5 YRS? IF SO WHO?	No
RESULTS	
DESCRIBE INTERNAL MARKETING	Word of mouth; Referrals
DESCRIBE EXTERNAL MARKETING	Facebook Ads
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	
LIST SEDATIONS USED - NITROUS, DOCS, IV SEDATION	Nitrous Oxide Sedation
IS YOUR PRACTICE MERCURY FREE - NO AMALGAM?	Yes
WHAT TYPE RECALL SYSTEM	6 Month Recall
WHAT TYPE COMPUTER SYSTEM	Dentrix
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	4,750
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	11
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST(S)	11
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST(S)	9
HOW FAR AHEAD IS DENTIST SCHEDULED?	9 Weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	8 Months
PRACTICE DATA	
% INCOME FROM CASH	25%
% OF PATIENTS PAYING CASH	25%
% INCOME FROM INSURANCE	70%
% OF PATIENTS WITH INSURANCE	70%
% PRACTICE INCOME FROM CAPTITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	5%
% OF PATIENTS WITH MEDICAID	5%
% PRACTICE INCOME FROM REDUCED FEE PLANS	5%
% OF PATIENTS WITH REDUCED FEE PLANS	5%
SCHEDULING DATA	
MONDAY	8:30 AM - 4:30 PM
TUESDAY	8:30 AM - 4:30 PM
WEDNESDAY	8:30 AM - 4:30 PM
THURSDAY	8:30 AM - 4:30 PM
FRIDAY	Closed
SATURDAY	Closed
OWNER HOURS WORKED PER WEEK	32
ASSOCIATE HOURS WORKED PER WEEK	
HYGIENIST HOURS WORKED PER WEEK	32
DENTIST PATIENT VISITS PER YEAR	1,900
HYGIENE PATIENT VISITS PER YEAR	1,500
NUMBER OF DAYS WORKED PER YEAR	185
NUMBER OF WEEKS WORKED PER YEAR	45
COLLECTION DATA	
WHAT IS YOUR COLLECTION PERCENTAGE	
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$97,690
WHAT IS YOUR PATIENT CREDIT BALANCE	
ACCOUNTS RECEIVABLES - CURRENT	\$67,098
ACCOUNTS RECEIVABLES - 31-60 DAYS	\$5,523
ACCOUNTS RECEIVABLE - 61-90 DAYS	\$6,986
ACCOUNTS RECEIVABLE >90 DAYS	\$18,083

WHAT PERCENTAGE OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	20%
OPERATIVE	35%
PEDODONTICS	
ORTHODONTICS	
IMPLANTS	5%
REMOVABLE PROSTHETICS	5%
FIXED PROSTHETICS	5%
ENDODONTICS	1%
PERIODONTICS	1%
ORAL SURGERY	2%
COSMETIC	
TMJ TREATMENT	
DIAGNOSTIC	23%
OTHER	3%
TOTAL	100%
WHAT SERVICES ARE REFERRED OUT?	
REVENUES SOURCES	
IS ANY OF YOUR REPORTED INCOME FROM ANY OTHER	
SOURCE THAN PATIENT TREATMENT FROM THIS PRACTICE?	No
IF SO HOW MUCH IN CURRENT PERIOD?	
IF SO , HOW MUCH FOR LAST YEAR?	
IF SO HOW MUCH FOR THE PREVIOUS YEAR?	
WHAT IS THE SOURCE OF THIS OTHER INCOME?	
FEE SCHEDULE	
ADULT PROPHY 01110	\$85
TWO SURFACE ANTERIOR COMPOSITE 02331	\$175
CORE BUILD-UP 02950	\$237
CROWN - GOLD/PORCELAIN 02750	\$1,100
ANTERIOR CANAL ROOT CANAL 03310	\$725
PANORAMIC X-RAY 00330	\$110
TWO SURFACE POSTERIOR COMPOSITE 02392	\$210
CROWN - PORCELAIN CERAMIC 02740	\$1,195
LABIAL PORCELAIN VENEER 02962	\$1,000
BICUSPID ROOT CANAL 03320	\$825
AVERAGE OF FEES	\$566
PERCENT OF FEE PARITY	104%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	47,500
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	255,000
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES	
	WITHIN
MAJOR EMPLOYERS IN AREA	State school board; Coal mines
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN DRAWING AREA	

