

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 **\$503,182**

COMPENSATION FOR PURCHASER FOR HIS/HER PRODUCTION.
 CONSIDER A GENEROUS COMMISSION RATE OF 35% **\$176,114**

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 IS PAID AMOUNTS TO **\$362,399**

THE PROFIT - NOT INCLUDING PURCHASER SALARY, DIVIDED BY THE TOTAL LOAN
 FOR THE PRACTICE PRICE AND WORKING CAPITAL, REPRESENTS THE RATE OF **72%**

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 BEFORE TAX DOLLARS (AFTER DEBT SERVICE)	\$362,399
2. WHAT IS PERCENT OF PERSONAL PRODUCTION OF PRACTICE NET INCOME	72%
3. ARE THERE TAX SAVINGS AND EQUITY INCREASES FOR THE PURCHASER	\$51,476
4. TOTAL ECONOMIC BENEFIT - NET CASH FLOW (AFTER DEBT SERVICE), EQUITY, AND TAX SAVINGS	\$413,875
5. WHAT IS PERCENT OF TOTAL ECONOMIC BENEFIT VERSUS PURCHASER PERSONAL PRODUCTION	82.3%
6. BREAK-EVEN RETENTION PERCENTAGE	8%

Western Maryland	General Dentistry
FINANCIAL DATA SUMMARY FOR PRACTICE	9126
	6/9/2017 14:47

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			\$628,978	100.0%
	HYGIENE COMPONENT		\$125,796	20.0%
	DENTIST COMPONENT		\$503,182	80.0%
		RETAINED SELLER		
		ASSOCIATE		
		PURCHASER	\$503,182	80.0%

VARIABLE EXPENSES

	WAGES, PAYROLL TAX, ETC.		\$124,538	19.8%
	LABORATORY		\$29,566	4.7%
	CLINICAL SUPPLIES		\$38,837	6.2%
	OTHER VARIABLE EXPENSE		\$11,225	1.8%
		TOTAL VARIABLE EXPENSE	\$204,166	32.5%

FIXED EXPENSES

	RENT			
	PHONE, UTILITIES		\$3,000	0.5%
	LEGAL & ACCOUNTING		\$3,500	0.6%
	INSURANCE		\$1,500	0.2%
	OTHER FIXED EXPENSE		\$4,666	0.7%
		TOTAL FIXED EXPENSE	\$12,666	2.0%

PRACTICE DEBT SERVICE

	INTEREST		\$16,666	2.6%
	PRINCIPAL		\$33,081	5.3%
		TOTAL DEBT SERVICE	\$49,746	7.9%

SUMMARY

EXPECTED COLLECTIONS			\$628,978	100.0%
EXPECTED EXPENSES			\$216,832	34.5%
PRACTICE DEBT SERVICE			\$49,746	7.9%
EXPCTD NET INCOME AFTER EXPENSES AND DEBT & PERCENT OF PERSONAL PROD.			\$362,399	72.0%
PURCHASER PRODUCED PRODUCTION			\$503,182	80.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$33,081	6.6%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$18,395	3.7%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$413,875	82.3%

THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:

PRACTICE SALES PRICE & PERCENT OF GROSS	\$369,000	60%
WORKING CAPITAL	\$31,000	
TOTAL PRACTICE LOAN	\$400,000	
PRACTICE LOAN INTEREST RATE	4.50%	
PRACTICE LOAN TERM IN MONTHS	120	
PRACTICE MONTHLY PAYMENT	\$4,146	8%

PURCHASER CASH FLOW CONSIDERATIONS

MONTHLY PRACTICE PAYMENTS	\$4,146	8%
ESTIMATED MONTHLY HYGIENE AND ASSOCIATE PROFIT	\$5,870	11%
PURCHASER SALARY BASED ON 35% OF PERSONAL PRODUCTION	\$176,114	
PRACTICE PROFIT - IN ADDITION TO PURCHASER SALARY	\$254,427	64%
TOTAL PURCHASER SALARY AND PRACTICE PROFIT	\$430,541	
LESS DEBT SERVICE FOR PRACTICE AND BULDING	(\$49,746)	
PURCHASER SALARY AND PROFIT AFTER DEBT SERVICE	\$380,794	

**Western Maryland
DATA SUMMARY FOR PRACTICE NUMBER 9126**

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	2,200
EXPANDABLE FOOTAGE	
CURRENT MONTHLY RENTAL i.e. "1200"	\$3,083
PRICE PER SQUARE FOOT	\$16.82
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	Multiple
PROXIMITY OF PARKING PLACES	Close
TOTAL NUMBER OF EQUIPPED OPERATORIES	5
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF OPERATORIES USED PRIMARILY BY DENTIST(S)	2
NUMBER OF OPERATORIES USED PRIMARILY BY HYGIENIST(S)	3
NUMBER OF UNPLUMBED AND EMPTY OPERATORIES	
DO YOU OWN YOUR BUILDING?	No
DO YOU WISH TO SELL THE BUILDING?	No
WAS BUILDING APPRAISED?	
WHEN?	
APPRAISED PRICE	
IF NOT APPRAISED, ESTIMATED BUILDING PRICE	
IF NOT FOR SALE, MO. RENTAL AMOUNT	
ANNUAL REAL ESTATE TAXES	
ANNUAL REAL ESTATE INSURANCE COST	
DATE OF LEASE i.e. "6/1/2016"	June 1, 2013
DATE LEASE ENDS - i.e. "1/1/2020"	
RENEWAL OPTIONS	Renewable
IS THERE AN OPTION TO PURCHASE?	No
BUILDING VALUE TO BE USED	
PURCHASER MORTGAGE INTEREST RATE	6.00%
PURCHASER MORTGAGE TERM - YEARS	20
PURCHASER MONTHLY PAYMENT	
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE	Retire
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 DATA	
MANAGEMENT CONSULTANT IN LAST 5 YRS? IF SO WHO?	No
RESULTS	
DESCRIBE INTERNAL MARKETING	
DESCRIBE EXTERNAL MARKETING	
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	No
LIST SEDATIONS USED - NITROUS, DOCS, IV SEDATION	No
IS YOUR PRACTICE MERCURY FREE - NO AMALGAM?	No
WHAT TYPE RECALL SYSTEM	6 months recall
WHAT TYPE COMPUTER SYSTEM	Softdent
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	4
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST(S)	20
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST(S)	30
HOW FAR AHEAD IS DENTIST SCHEDULED?	2 - 3 months
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	2 - 3 months
PRACTICE DATA	
% INCOME FROM CASH	8%
% OF PATIENTS PAYING CASH	8%
% INCOME FROM FEE FOR SERVICE INSURANCE	30%
% OF PATIENTS WITH FEE FOR SERVICE INSURANCE	30%
% PRACTICE INCOME FROM REDUCED FEE PLANS	20%
% OF PATIENTS WITH REDUCED FEE PLANS	20%
% PRACTICE INCOME FROM CAPITATION	20%
% OF PATIENTS WITH CAPITATION	20%
% PRACTICE INCOME FROM MEDICAID	22%
% OF PATIENTS WITH MEDICAID	22%
% PRACTICE INCOME FROM REDUCED FEE PLANS	62%
% OF PATIENTS WITH REDUCED FEE PLANS	62%
SCHEDULING DATA	
MONDAY	8 AM - 4:30 PM
TUESDAY	8 AM - 4:30 PM
WEDNESDAY	8 AM - 4:30 PM
THURSDAY	8 AM - 4:30 PM
FRIDAY	
SATURDAY	
SUNDAY	
OWNER HOURS WORKED PER WEEK	36
ASSOCIATE HOURS WORKED PER WEEK	
HYGIENIST HOURS WORKED PER WEEK	108
DENTIST PATIENT VISITS PER YEAR	4,000
HYGIENE PATIENT VISITS PER YEAR	1,500
NUMBER OF DAYS WORKED PER YEAR	172
NUMBER OF WEEKS WORKED PER YEAR	48
COLLECTION DATA	
WHAT IS YOUR COLLECTION PERCENTAGE	
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$70,958
WHAT IS YOUR PATIENT CREDIT BALANCE	
ACCOUNTS RECEIVABLES - CURRENT	
ACCOUNTS RECEIVABLES - 31-60 DAYS	\$45,640
ACCOUNTS RECEIVABLE - 61-90 DAYS	\$11,644
ACCOUNTS RECEIVABLE >90 DAYS	\$13,674

WHAT PERCENTAGE OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	20%
OPERATIVE	30%
PEDODONTICS	1%
ORTHODONTICS	
IMPLANTS	
REMOVABLE PROSTHETICS	20%
FIXED PROSTHETICS	20%
ENDODONTICS	5%
PERIODONTICS	
ORAL SURGERY	4%
COSMETIC	
TMJ TREATMENT	
SOFT TISSUE MANAGEMENT	
OTHER	
TOTAL	100%
WHAT SERVICES ARE REFERRED OUT?	Molar root canals, impactions, perio
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	\$88
TWO SURFACE ANTERIOR COMPOSITE 02331	\$132
CORE BUILD-UP 02950	\$158
CROWN - GOLD/PORCELAIN 02750	\$970
ANTERIOR CANAL ROOT CANAL 03310	\$516
PANORAMIC X-RAY 00330	\$95
TWO SURFACE POSTERIOR COMPOSITE 02392	\$155
CROWN - PORCELAIN CERAMIC 02740	\$810
LABIAL PORCELAIN VENEER 02962	\$716
BICUSPID ROOT CANAL 03320	\$616
AVERAGE OF FEES	\$426
PERCENT OF FEE PARITY	71%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	25,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	75,000
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	
MAJOR EMPLOYERS IN AREA	Western Maryland Hospital, CSX Railroad, ADT explosives, federal and state prisons
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN DRAWING AREA	Stable

STAFF DATA				
POSITION	YEAR HIRED	STAY	BENEFITS	ANNUAL SALARY AND/OR COMMISSION PERCENT
RECEPTIONIST	1999	Yes		\$26,272
OFFICE MANAGER	1996	Yes		\$17,260
INSURANCE				
OTHER FRONT DESK	2000	Yes		\$26,680
BOOKKEEPER				
ASSISTANT	2001	Yes		\$33,292
ASSISTANT - PT	1996	Yes		\$4,800
ASSISTANT	2016	Yes		\$19,308
ASSISTANT	1998	Yes		\$25,800
ASSISTANT				
HYGIENIST	1999	Yes		\$41,580
HYGIENIST	1997	Yes		\$48,932
HYGIENIST	1995	Yes		\$45,992
HYGIENIST				
LAB TECHNICIAN				
LAB TECHNICIAN				
ASSOCIATE				
ASSOCIATE				
ASSOCIATE				
WHAT BENEFITS DO YOU PROVIDE FOR THE STAFF?			Medical Insurance - 70%; employee pays 30%	
DO YOU HIRE ANY UNPAID FAMILY MEMBERS?			No	
WHAT POSITION DO THEY HOLD?				
WHAT IS THE ESTIMATED MARKET VALUE OF THEIR JOB?				
THAN THE NORMAL SALARY FOR THEIR POSITION?				
WHAT POSITIONS AND WHAT IS AMOUNT OF OVER/UNDER				
COMPENSATION FOR EACH				
COLLECTION CENTERS				
PERIOD		1/1/2016 - / /2016	2015	2014
GROSS COLLECTIONS				
OWNER COLLECTIONS				
HYGIENIST COLLECTIONS				
ASSOCIATE COLLECTIONS				
ASSOCIATE COLLECTIONS				
ASSOCIATE COLLECTIONS				
ASSOCIATE COLLECTIONS				
ASSOCIATE SALARY IN DOLLARS OR COMMISSION PERCENT				
HYGIENIST SALARY IN DOLLARS OR COMMISSION PERCENT				

