

Western Maryland	General Dentistry	9450
MERGER FINANCIAL DATA SUMMARY FOR PRACTICE		

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	\$425,189
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COMPENSATION FOR PURCHASER FOR HIS/HER PRODUCTION. CONSIDER A GENEROUS COMMISSION RATE OF 35%	\$148,816
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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	\$283,566
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THE PROFIT - NOT INCLUDING PURCHASER SALARY, DIVIDED BY THE TOTAL LOAN FOR THE PRACTICE PRICE AND WORKING CAPITAL, REPRESENTS THE RATE OF	67%
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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)	\$283,566
2. ARE THERE TAX SAVINGS AND EQUITY INCREASES FOR THE PURCHASER	\$47,091
3. TOTAL ECONOMIC BENEFIT - NET CASH FLOW (AFTER DEBT SERVICE), EQUITY, AND TAX SAVINGS	\$330,658

PROJECTED ANNUALIZED COLLECTIONS FOR 2020 BY DEDUCTING THE DAYS CLOSED FOR COVID WOULD TOTA \$499,783

Western Maryland General Dentistry						
MERGER FINANCIAL DATA FOR PRACTICE 9450						
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				\$514,776	100.0%	
HYGIENE COMPONENT				\$89,588	17.4%	
DENTIST COMPONENT				\$425,189	82.6%	
RETAINED SELLER						
ASSOCIATE						
PURCHASER				\$425,189	82.6%	
VARIABLE EXPENSES						
WAGES, PAYROLL TAX, ETC.				\$96,044	18.7%	
LABORATORY				\$33,424	6.5%	
CLINICAL SUPPLIES				\$22,305	4.3%	
OTHER VARIABLE EXPENSE				\$19,310	3.8%	
				TOTAL VARIABLE EXPENSE	\$171,082	33.2%
FIXED EXPENSES						
PHONE, UTILITIES				\$3,000	0.6%	
LEGAL & ACCOUNTING				\$3,500	0.7%	
INSURANCE				\$1,500	0.3%	
OTHER FIXED EXPENSE				\$9,206	1.8%	
				TOTAL FIXED EXPENSE	\$17,206	3.3%
PRACTICE DEBT SERVICE						
INTEREST				\$11,956	2.3%	
PRINCIPAL				\$30,965	6.0%	
				TOTAL DEBT SERVICE	\$42,921	8.3%
SUMMARY						
EXPECTED COLLECTIONS				\$514,776	100.0%	
EXPECTED EXPENSES				\$188,288	36.6%	
PRACTICE DEBT SERVICE				\$42,921	8.3%	
EXPCTD NET INCOME AFTER EXPENSES AND DEBT & PERCENT OF PERSONAL PROD.				\$283,566	67%	
PURCHASER PRODUCED PRODUCTION				\$425,189	82.6%	
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION				\$30,965	7.3%	
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION				\$16,126	3.8%	
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.				\$330,658	78%	
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:						
PRACTICE SALES PRICE & PERCENT OF GROSS				\$335,000	67%	
WORKING CAPITAL				\$25,000		
TOTAL PRACTICE LOAN				\$360,000		
PRACTICE LOAN INTEREST RATE				3.60%		
PRACTICE LOAN TERM IN MONTHS				120		
PRACTICE MONTHLY PAYMENT				\$3,577	8%	
PURCHASER CASH FLOW CONSIDERATIONS						
MONTHLY PRACTICE PAYMENTS				\$3,577	8%	
ESTIMATED MONTHLY HYGIENE AND ASSOCIATE PROFIT				\$4,181	10%	
PURCHASER SALARY BASED ON 35% OF PERSONAL PRODUCTION				\$148,816		
PRACTICE PROFIT - IN ADDITION TO PURCHASER SALARY				\$193,798	54%	
TOTAL PURCHASER SALARY AND PRACTICE PROFIT				\$342,614		
				LESS PRACTICE DEBT SERVICE	(\$42,921)	
PURCHASER SALARY, PROFIT AND TAX SAVINGS AFTER DEBT SERVICE				\$299,693		

Western Maryland	
MERGER DATA FOR PRACTICE NUMBER 9450	
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	2,600
EXPANDABLE FOOTAGE	950
CURRENT MONTHLY RENTAL i.e. "1200"	
PRICE PER SQUARE FOOT	
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	11
PROXIMITY OF PARKING PLACES	Front and Behind Building
# EQUIPPED OPS	6
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	1
NUMBER OF OPERATORIES USED PRIMARILY BY DENTIST(S)	4
NUMBER OF OPERATORIES USED PRIMARILY BY HYGIENIST(S)	2
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	\$300,000
IF NOT SOLD, MONTHLY RENTAL AMOUNT	
ANNUAL REAL ESTATE TAXES	\$2,256
ANNUAL REAL ESTATE INSURANCE COST	\$1,137
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	\$300,000
PURCHASER MORTGAGE INTEREST RATE	3.75%
PURCHASER MORTGAGE TERM - YEARS	20
PURCHASER MONTHLY PAYMENT	\$1,779
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	\$8.21
WORK SCHEDULE	
PLANS AFTER SALE OF PRACTICE	Work Part-Time
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	
COVID INFORMATION	
DATE CLOSED FOR COVID	March 24, 2020
DATE REOPENED FOR COVID	June 9, 2020
DATE OF LATEST PRACTICE REVENUE	December 31, 2020
AMOUNT OF LATEST PRACTICE REVENUES	\$394,349
ANNUALIZED 2020 COLLECTIONS ADJUSTED FOR TIME CLOSED	\$499,783
AMOUNT OF ANY PPP OR EIDL LOANS	

PRACTICE DATA	
MANAGEMENT CONSULTANT IN LAST 5 YRS? IF SO WHO?	
RESULTS	
DESCRIBE INTERNAL MARKETING	
DESCRIBE EXTERNAL MARKETING	Website
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	Yes; Covid lockdown which lingers into 2021 with more cancellations delayed care. Taking more vacation time
LIST SEDATIONS USED - NITROUS, DOCS, IV SEDATION	Equipped for Nitrous Oxide
IS YOUR PRACTICE MERCURY FREE - NO AMALGAM?	
WHAT TYPE RECALL SYSTEM	Easy Dental
WHAT TYPE COMPUTER SYSTEM	Easy Dental
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	1,602
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	8
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST(S)	8
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST(S)	10
HOW FAR AHEAD IS DENTIST SCHEDULED?	Week
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	6 Months
PRACTICE DATA	
% INCOME FROM CASH	57%
% OF PATIENTS PAYING CASH	50%
% INCOME FROM INSURANCE	43%
% OF PATIENTS WITH INSURANCE	50%
#REF!	#REF!
% PRACTICE INCOME FROM CAPTITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	
% OF PATIENTS WITH MEDICAID	
% PRACTICE INCOME FROM REDUCED FEE PLANS	
% OF PATIENTS WITH REDUCED FEE PLANS	
SCHEDULING DATA	
MONDAY	9 AM - 6 PM
TUESDAY	9 AM - 6 PM
WEDNESDAY	9 AM - 5 PM
THURSDAY	9 AM - 5 PM
FRIDAY	
SATURDAY	
	43914
OWNER HOURS WORKED PER WEEK	30
ASSOCIATE HOURS WORKED PER WEEK	
HYGIENIST HOURS WORKED PER WEEK	30
DENTIST PATIENT VISITS PER YEAR	1,450
HYGIENE PATIENT VISITS PER YEAR	1,880
NUMBER OF DAYS WORKED PER YEAR	180
NUMBER OF WEEKS WORKED PER YEAR	45
COLLECTION DATA	
WHAT IS YOUR COLLECTION PERCENTAGE	95%
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$28,274
WHAT IS YOUR PATIENT CREDIT BALANCE	\$17
ACCOUNTS RECEIVABLES - CURRENT	\$23,775
ACCOUNTS RECEIVABLES - 31-60 DAYS	\$725
ACCOUNTS RECEIVABLE - 61-90 DAYS	\$2,481
ACCOUNTS RECEIVABLE >90 DAYS	\$1,293

WHAT PERCENTAGE OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	15%
OPERATIVE	35%
PEDODONTICS	5%
ORTHODONTICS	
IMPLANTS	3%
REMOVABLE PROSTHETICS	5%
FIXED PROSTHETICS	20%
ENDODONTICS	5%
PERIODONTICS	
ORAL SURGERY	5%
COSMETIC	5%
TMJ TREATMENT	2%
SOFT TISSUE MANAGEMENT	
OTHER	
TOTAL	100%
WHAT SERVICES ARE REFERRED OUT?	Ortho, Pedo, Perio, Molar Endo & Many O.S.
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	\$60
TWO SURFACE ANTERIOR COMPOSITE 02331	\$159
CORE BUILD-UP 02950	\$223
CROWN - GOLD/PORCELAIN 02750	\$1,031
ANTERIOR CANAL ROOT CANAL 03310	\$668
PANORAMIC X-RAY 00330	\$74
TWO SURFACE POSTERIOR COMPOSITE 02392	\$159
CROWN - PORCELAIN CERAMIC 02740	\$960
LABIAL PORCELAIN VENEER 02962	\$803
BICUSPID ROOT CANAL 03320	\$746
AVERAGE OF FEES	\$488
PERCENT OF FEE PARITY	90%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	20,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	80,000
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES	
	WITHIN
MAJOR EMPLOYERS IN AREA	Northrop Grumman, UPMC Medical Center, Board of Education, American Woodmark, CSX, Hunter Douglas, Rocky Gap Casino and Golf
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN DRAWING AREA	New construction within mile of office includes: Holiday Inn Express, CVS Pharmacy, MD State Police Barracks, Cracker Barrel, LaVale Rescue Squad, Rita Ice. LaVale & Nat'l. Hwy always growi

STAFF DATA						
POSITION	YEAR HIRED	STAY	BENEFITS	ANNUAL SALARY	HOURLY SALARY	ANNUAL COST OF BENEFITS
RECEPTIONIST	2019	Yes		\$16,500		
OFFICE MANAGER						
INSURANCE						
OTHER FRONT DESK						
BOOKKEEPER						
ASSISTANT /FRONT DESK						
ASSISTANT	2005	Yes		\$18,000		
ASSISTANT						
ASSISTANT						
ASSISTANT						
HYGIENIST	2017	Yes		\$30,500		
HYGIENIST						
HYGIENIST						
HYGIENIST						
LAB TECHNICIAN						
LAB TECHNICIAN						
ASSOCIATE						
ASSOCIATE						
ASSOCIATE						
WHAT BENEFITS DO YOU PROVIDE FOR THE STAFF?				Earned part time off; paid holidays=100 hours a year		
COST OF BENEFITS PROVIDED FOR EACH EMPLOYEE						
DO YOU HIRE ANY UNPAID FAMILY MEMBERS?				No		
WHAT POSITION DO THEY HOLD?						
WHAT IS THE ESTIMATED MARKET VALUE OF THEIR JOB?						
ARE THERE ANY EMPLOYEES WHO ARE PAID MORE OR LESS THAN THE NORMAL SALARY FOR THEIR POSITION?						
WHAT POSITIONS AND WHAT IS AMOUNT OF OVER/UNDER COMPENSATION FOR EACH						
COLLECTION CENTERS						
				\$2,020	2019	2018
GROSS COLLECTIONS				\$394,349	\$442,501	\$463,670
OWNER COLLECTIONS				\$342,955	\$354,249	\$374,492
HYGIENIST COLLECTIONS				\$51,394	\$88,252	\$89,178
ASSOCIATE COLLECTIONS						
ASSOCIATE COLLECTIONS						
ASSOCIATE COLLECTIONS						
ASSOCIATE COLLECTIONS						
ASSOCIATE - SALARY IN DOLLARS / COMMISSION PERCENT				\$0	\$0	
HYGIENIST - SALARY IN DOLLARS / COMMISSION PERCENT				\$0		

CONFORMITY DATA			
DOES YOUR PRACTICE MEET OSHA STANDARDS? WHY NOT?	Yes		
DOES YOUR PRACTICE MEET HIPAA STANDARDS? WHY NOT?	Yes		
ANY DISCIPLINARY ACTION IN LAST 7 YRS? EXPLAIN	No		
ANY PRACTICE LAWSUITS FILED IN PAST TEN YRS. EXPLAIN	No		
DESCRIBE ANY HEALTH PROBLEMS WHICH WOULD AFFECT YOUR PRACTICE OF DENTISTRY?	No		
INSURANCE EXPLANATION			
TOTAL EXPENSE FOR INSURANCE IN CURRENT PERIOD	\$8,350		
HOW MUCH OF TOTAL IS FOR OWNER HEALTH INSURANCE?			
HOW MUCH OF TOTAL IS FOR STAFF HEALTH INSURANCE?			
HOW MUCH OF TOTAL IS FOR OTHER OWNER BENEFITS?	\$4,884		
HOW MUCH OF TOTAL IS FOR MALPRACTICE INSURANCE?	\$1,722		
HOW MUCH FOR TOTAL IS FOR BUILDING INSURANCE?	\$1,137		
TAXES AND LICENSES EXPLANATION			
TOTAL EXPENSE FOR TAXES	\$87,590		
HOW MUCH OF TOTAL IS FOR PAYROLL TAXES?			
HOW MUCH OF TOTAL IS FOR STAFF PAYROLL TAX?	\$18,651		
HOW MUCH OF TOTAL IS FOR OWNER PAYROLL TAX?	\$65,500		
HOW MUCH OF TOTAL IS AD VALOREM (PRACTICE EQUIP)?	\$1,153		
HOW MUCH OF TOTAL IS FOR REAL ESTATE TAXES?	\$2,256		
PENSION EXPLANATION AND 401k COMBINED			
TOTAL EXPENSES FOR PENSION PLAN	\$15,000		
HOW MUCH OF TOTAL IS FOR STAFF			
HOW MUCH OF TOTAL IS FOR OWNER?	\$15,000		
BENEFITS EXPLANATION			
TOTAL EXPENSE FOR EMPLOYEE BENEFITS	\$6,000		
HOW MUCH OF TOTAL IS FOR STAFF?	\$6,000		
HOW MUCH OF TOTAL IS FOR OWNER?			
	% OF PRX INCOME	% OF YOUR FEE	
PLAN NAME - BE SURE TO LIST DELTA PREMIERE IF YOU HAVE	FROM THIS PLAN	THIS PLAN PAYS	
Delta Dental	25%	75%	
United Concordia	12%	75%	
MetLife	5%	75%	
UPMC	4%	80%	
Aetna	3%	75%	
BC/BS	1%	75%	
Cigna	3%	75%	
	53%		

DESCRIBE YOUR PRACTICE, STAFF, PATIENTS, COMMUNITY, PRACTICE PHILOSOPHY AND ITS STRENGTHS AND WEAKNESSES:

For over 30 years we have been meeting the dental needs of our patients. We've invested in newer technologies when they improved our ability to diagnose and treat the dental needs of our patients. We treat them, and each other, as we would want to be treated.

Insurance companies becoming more difficult to work with.

COVID INFORMATION

Date Closed for Covid: 3/24/2020

Date Reopened: 6/9/2020

What percent reduction in operational capacity in 2020 was there compared to 2019: 10% to 20%

How does your schedule for 2020 compare to 2019: We don't schedule as tightly

Do you have adequate PPE inventory: Yes

Do you pass cost of PPE on to patients? Some

How does your post Covid treatment mix compare to same period of 2019: More crowns & bridges after delay

Has your insured patient/cash patient ratio changed since reopening: Not sure

Have all staff members returned or been replaced: Yes What is your estimated monthly payroll expense: \$5,000