

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	\$1,510,361
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COMPENSATION FOR PURCHASER FOR HIS/HER PRODUCTION. CONSIDER A GENEROUS COMMISSION RATE OF 35%	\$528,626
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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	\$539,990
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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	18%
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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
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1. HOW DOES THE ALTERNATIVE COMPARE WITH BEFORE TAX DOLLARS (AFTER DEBT SERVICE)	\$669,384
2. WHAT IS PERCENT OF PERSONAL PRODUCTION OF PRACTICE NET INCOME	44%
3. ARE THERE TAX SAVINGS AND EQUITY INCREASES FOR THE PURCHASER	\$252,978
4. TOTAL ECONOMIC BENEFIT - NET CASH FLOW (AFTER DEBT SERVICE), EQUITY, AND TAX SAVINGS	\$922,362
5. WHAT IS PERCENT OF TOTAL ECONOMIC BENEFIT VERSUS PURCHASER PERSONAL PRODUCTION	61.1%

Shenandoah Valley		General Dentistry	
FINANCIAL DATA SUMMARY FOR PRACTICE		9172	
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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		\$1,798,049	100.0%
HYGIENE COMPONENT		\$287,688	16.0%
DENTIST COMPONENT		\$1,510,361	84.0%
	RETAINED SELLER		
	ASSOCIATE		
	PURCHASER	\$1,510,361	84.0%
VARIABLE EXPENSES			
WAGES, PAYROLL TAX, ETC.		\$432,444	24.1%
LABORATORY		\$124,645	6.9%
CLINICAL SUPPLIES		\$106,230	5.9%
OTHER VARIABLE EXPENSE		\$35,801	2.0%
	TOTAL VARIABLE EXPENSE	\$699,120	38.9%
FIXED EXPENSES			
RENT			
PHONE, UTILITIES		\$51,983	2.9%
LEGAL & ACCOUNTING		\$6,695	0.4%
INSURANCE		\$7,725	0.4%
OTHER FIXED EXPENSE		\$50,832	2.8%
	TOTAL FIXED EXPENSE	\$117,236	6.5%
DEBT SERVICE FOR PRACTICE AND BULDING			
INTEREST		\$146,255	8.1%
PRINCIPAL		\$166,055	9.2%
	TOTAL DEBT SERVICE	\$312,309	17.4%
SUMMARY			
EXPECTED COLLECTIONS		\$1,798,049	100.0%
EXPECTED EXPENSES		\$816,356	45.4%
DEBT SERVICE		\$312,309	17.4%
EXPCTD NET INCOME AFTER EXPENSES AND DEBT & PERCENT OF PERSONAL PROD.		\$669,384	44.3%
PURCHASER PRODUCED PRODUCTION		\$1,510,361	84.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION		\$166,055	11.0%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION		\$86,923	5.8%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.		\$922,362	61.1%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:			
PRACTICE SALES PRICE & PERCENT OF GROSS		\$1,456,420	83%
WORKING CAPITAL		\$87,000	
TOTAL PRACTICE LOAN		\$1,543,420	
PRACTICE LOAN INTEREST RATE		4.50%	
PRACTICE LOAN TERM IN MONTHS		120	
PRACTICE MONTHLY PAYMENT		\$15,996	11%
BUILDING PRICE		\$1,400,000	
BUILDING MONTHLY PAYMENT		\$10,030	7%
PURCHASER CASH FLOW CONSIDERATIONS			
MONTHLY PAYMENTS FOR PRACTICE AND BULDING		\$26,026	17%
ESTIMATED MONTHLY HYGIENE AND ASSOCIATE PROFIT		\$10,224	7%
PURCHASER SALARY BASED ON 35% OF PERSONAL PRODUCTION		\$528,626	
PRACTICE PROFIT - IN ADDITION TO PURCHASER SALARY		\$539,990	35%
TOTAL PURCHASER SALARY AND PRACTICE PROFIT		\$1,068,617	
LESS DEBT SERVICE FOR PRACTICE AND BULDING		(\$312,309)	
PURCHASER SALARY AND PROFIT AFTER DEBT SERVICE		\$756,307	

Shenandoah Valley
DATA SUMMARY FOR PRACTICE NUMBER 9172

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	5,500
EXPANDABLE FOOTAGE	2,000
CURRENT MONTHLY RENTAL i.e. "1200"	\$10,000
PRICE PER SQUARE FOOT	\$21.82
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	24
PROXIMITY OF PARKING PLACES	At front door
TOTAL NUMBER OF EQUIPPED OPERATORIES	14
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF OPERATORIES USED PRIMARILY BY DENTIST(S)	6
NUMBER OF OPERATORIES USED PRIMARILY BY HYGIENIST(S)	8
NUMBER OF UNPLUMBED AND EMPTY OPERATORIES	
DO YOU OWN YOUR BUILDING?	Yes
DO YOU WISH TO SELL THE BUILDING?	yes
WAS BUILDING APPRAISED?	No
WHEN?	
APPRAISED PRICE	
IF NOT APPRAISED, ESTIMATED BUILDING PRICE	\$1,400,000
IF NOT FOR SALE, MO. RENTAL AMOUNT	\$12,000
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"	
RENEWAL OPTIONS	
IS THERE AN OPTION TO PURCHASE?	
BUILDING VALUE TO BE USED	\$1,400,000
PURCHASER MORTGAGE INTEREST RATE	6.00%
PURCHASER MORTGAGE TERM - YEARS	20
PURCHASER MONTHLY PAYMENT	\$10,030
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	\$21.88

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE	Retire
DAYS/WEEK CURRENTLY WORKED	4.5
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?	None
RESULTS	
DESCRIBE INTERNAL MARKETING	Word of mouth
DESCRIBE EXTERNAL MARKETING	Website, Yellow Pages
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	No
LIST SEDATIONS USED - NITROUS, DOCS, IV SEDATION	Nitrous Oxide, DOCS
IS YOUR PRACTICE MERCURY FREE - NO AMALGAM?	Yes
WHAT TYPE RECALL SYSTEM	Computerized
WHAT TYPE COMPUTER SYSTEM	Eaglesoft
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	2,700
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	15
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST(S)	13
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST(S)	22
HOW FAR AHEAD IS DENTIST SCHEDULED?	3 days
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	2 weeks
PRACTICE DATA	
% INCOME FROM CASH	75%
% OF PATIENTS PAYING CASH	75%
% INCOME FROM FEE FOR SERVICE INSURANCE	25%
% OF PATIENTS WITH FEE FOR SERVICE INSURANCE	25%
% PRACTICE INCOME FROM REDUCED FEE PLANS	
% OF PATIENTS WITH REDUCED FEE PLANS	
% 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	7:45 AM - 5:00 PM
TUESDAY	7:45 AM - 5:00 PM
WEDNESDAY	7:45 AM - 5:00 PM
THURSDAY	7:45 AM - 5:00 PM
FRIDAY	7:45 AM - 1:00 PM
SATURDAY	
SUNDAY	
OWNER HOURS WORKED PER WEEK	40
ASSOCIATE HOURS WORKED PER WEEK	
HYGIENIST HOURS WORKED PER WEEK	32
DENTIST PATIENT VISITS PER YEAR	3,200
HYGIENE PATIENT VISITS PER YEAR	4,300
NUMBER OF DAYS WORKED PER YEAR	198
NUMBER OF WEEKS WORKED PER YEAR	44
COLLECTION DATA	
WHAT IS YOUR COLLECTION PERCENTAGE	98%
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$1,127,753
WHAT IS YOUR PATIENT CREDIT BALANCE	
ACCOUNTS RECEIVABLES - CURRENT	\$95,752
ACCOUNTS RECEIVABLES - 31-60 DAYS	\$52,435
ACCOUNTS RECEIVABLE - 61-90 DAYS	\$46,457
ACCOUNTS RECEIVABLE >90 DAYS	\$933,109

WHAT PERCENTAGE OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	16%
OPERATIVE	34%
PEDODONTICS	
ORTHODONTICS	
IMPLANTS	2%
REMOVABLE PROSTHETICS	4%
FIXED PROSTHETICS	28%
ENDODONTICS	6%
PERIODONTICS	5%
ORAL SURGERY	3%
COSMETIC	
TMJ TREATMENT	
SOFT TISSUE MANAGEMENT	
OTHER	2%
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	\$88
TWO SURFACE ANTERIOR COMPOSITE 02331	\$171
CORE BUILD-UP 02950	\$294
CROWN - GOLD/PORCELAIN 02750	\$1,177
ANTERIOR CANAL ROOT CANAL 03310	\$674
PANORAMIC X-RAY 00330	\$118
TWO SURFACE POSTERIOR COMPOSITE 02392	\$193
CROWN - PORCELAIN CERAMIC 02740	\$1,231
LABIAL PORCELAIN VENEER 02962	\$1,284
BICUSPID ROOT CANAL 03320	\$803
AVERAGE OF FEES	\$603
PERCENT OF FEE PARITY	101%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	165,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	220,000
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	
MAJOR EMPLOYERS IN AREA	UVA, GE, Northrup Grumman, State Farm, CFA, PRA
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN DRAWING AREA	None

DESCRIBE YOUR PRACTICE, STAFF, PATIENTS, COMMUNITY, AND PRACTICE PHILOSOPHY AND THE BEST STRENGTHS AND WORST WEAKNESSES OF YOUR PRACTICE:

Patient oriented. Quality care by quality personnel working in the practice. Most modern up-to-date dentistry. To provide patients with superb care as well as comprehensive education as to care and maintenance of the mouth.

I can be very demanding of myself, staff and patients. Low tolerance for non-compliance as well as failure on the part of patients in keeping scheduled appointments