



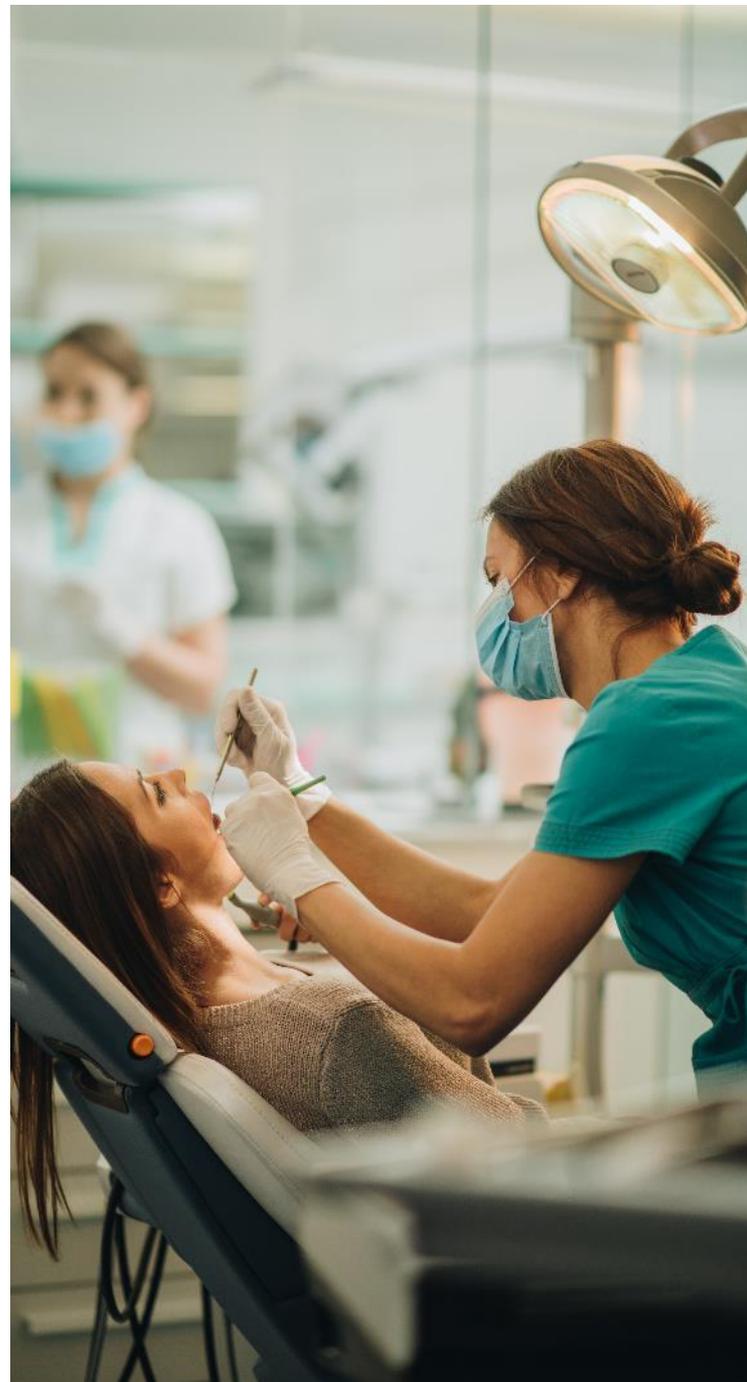
## Dental Entrepreneurial Boot Camp

Valuations, accounting, taxes and  
basics of practice profitability

May 18, 2019



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## Your presenters



**Ron Barthell, CPA**  
Partner



**Robyn Murray, CPA**  
Senior Manager

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## Agenda

- Example returns
- Student loan debt
- Estimate of practice value
- Compensation formula
- Management report
- New practice checklist



# Example tax return 1

<b>Form</b>	<b>1120S</b>	<b>U.S. Income Tax Return for an S Corporation</b>	MA No. 1646-0129
Department of the Treasury Internal Revenue Service		<b>2018</b>	
Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Go to <a href="http://www.irs.gov/Form1120S">www.irs.gov/Form1120S</a> for instructions and the latest information.			
<b>For calendar year 2018 or tax year beginning</b> _____ <b>and ending</b> _____			
<b>A</b> S election effective date <b>04/01/2000</b>	<b>Name</b> _____	<b>D</b> Employer identification number _____	
<b>B</b> Business activity code number (see instructions) <b>621210</b>	<b>Number, street, and room or suite no. If a P.O. box, see instructions.</b> _____	<b>E</b> Date incorporated <b>04/01/2000</b>	
<b>C</b> Check if Sch. M-3 attached _____	<b>City or town, state or province, country, and ZIP or foreign postal code</b> _____	<b>F</b> Total assets (see instructions) <b>\$ 302,098.</b>	
<b>G</b> Is the corporation electing to be an S corporation beginning with this tax year? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If "Yes," attach Form 2553 if not already filed			
<b>H</b> Check if: (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Name change (3) <input type="checkbox"/> Address change (4) <input type="checkbox"/> Amended return (5) <input type="checkbox"/> S election termination or revocation			
<b>I</b> Enter the number of shareholders who were shareholders during any part of the tax year _____ <b>1</b>			
<b>Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.</b>			
	<b>1 a</b> Gross receipts or sales <b>1,868,975.</b>	<b>b</b> Return and allowances <b>25,867.</b>	<b>1c</b> <b>1,843,108.</b>
<b>Income</b>	<b>2</b> Cost of goods sold (attach Form 1125-A) _____		<b>2</b>
	<b>3</b> Gross profit. Subtract line 2 from line 1c _____		<b>3</b> <b>1,843,108.</b>
	<b>4</b> Net gain (loss) from Form 4797, line 17 (attach Form 4797) _____		<b>4</b>
	<b>5</b> Other income (loss) (attach statement) _____		<b>5</b>
	<b>6 Total income (loss). Add lines 3 through 5</b> _____		<b>6</b> <b>1,843,108.</b>
<b>Deductions (See instructions for limitations)</b>	<b>7</b> Compensation of officers (see instr. - attach Form 1125-E) _____		<b>7</b> <b>255,060.</b>
	<b>8</b> Salaries and wages (less employment credits) _____		<b>8</b> <b>416,391.</b>
	<b>9</b> Repairs and maintenance _____		<b>9</b> <b>4,935.</b>
	<b>10</b> Bad debts _____		<b>10</b>
	<b>11</b> Rents _____		<b>11</b> <b>101,300.</b>
	<b>12</b> Taxes and licenses _____ <b>STATEMENT 2</b>		<b>12</b> <b>83,211.</b>
	<b>13</b> Interest (see instructions) _____		<b>13</b> <b>463.</b>
	<b>14</b> Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562) _____		<b>14</b> <b>14,680.</b>
	<b>15</b> Depletion (Do not deduct oil and gas depletion.) _____		<b>15</b>
	<b>16</b> Advertising _____		<b>16</b> <b>62,224.</b>
	<b>17</b> Pension, profit sharing, etc., plans _____		<b>17</b> <b>147,773.</b>
	<b>18</b> Employee benefit programs _____		<b>18</b> <b>780.</b>
	<b>19</b> Other deductions (attach statement) _____ <b>STATEMENT 3</b>		<b>19</b> <b>340,160.</b>
	<b>20 Total deductions. Add lines 7 through 19</b> _____		<b>20</b> <b>1,426,977.</b>
	<b>21 Ordinary business income (loss). Subtract line 20 from line 6</b> _____		<b>21</b> <b>416,131.</b>
<b>Tax and Payments</b>	<b>22 a</b> Excess net passive income or LIFO recapture tax (see instructions) <b>22a</b> _____		
	<b>b</b> Tax from Schedule D (Form 1120S) _____ <b>22b</b>		
	<b>c</b> Add lines 22a and 22b _____ <b>22c</b>		
	<b>23 a</b> 2018 estimated tax payments and 2017 overpayment credited to 2018 _____ <b>23a</b>		
	<b>b</b> Tax deposited with Form 7004 _____ <b>23b</b>		
	<b>c</b> Credit for federal tax paid on levels (attach Form 4136) _____ <b>23c</b>		
	<b>d</b> Refundable credit from Form 8827, line 8c _____ <b>23d</b>		
	<b>e</b> Add lines 23a through 23d _____ <b>23e</b>		
	<b>24</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached _____ <b>24</b>		
	<b>25 Amount owed.</b> If line 23e is smaller than the total of lines 22c and 24, enter amount owed _____ <b>25</b>		
	<b>26 Overpayment.</b> If line 23e is larger than the total of lines 22c and 24, enter amount overpaid _____ <b>26</b>		
	<b>27</b> Enter amount from line 26: <b>Credited to 2019 estimated tax</b> _____ <b>Refunded</b> _____ <b>27</b>		
<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	Signature of officer _____	Date _____	<b>OWNER</b> Title _____
<b>Paid Preparer's Information</b>	Preparer's name <b>ROBYN L. MURRAY, CPA</b>	Preparer's signature <b>ROBYN L. MURRAY, CPA</b>	Date <b>03/12/19</b>
	Firm's name <b>BAKER TILLY VIRCHOW KRAUSE, LLP</b>	Check if self-employed <input type="checkbox"/>	PTIN <b>P01258996</b>
	Firm's address <b>225 S 6TH ST #2300          MINNEAPOLIS, MN 55402</b>	Firm's EIN <b>**-***9910</b>	Phone no. <b>612.876.4500</b>



# Example tax return 2

Form <b>1120S</b>		<b>U.S. Income Tax Return for an S Corporation</b>		OMB No. 1545-0047	
Department of the Treasury Internal Revenue Service		▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. ▶ Go to <a href="http://www.irs.gov/Form1120S">www.irs.gov/Form1120S</a> for instructions and the latest information.		<b>2018</b>	
		EXTENSION GRANTED TO 09/16/19			
For calendar year 2018 or tax year beginning _____ and ending _____					
A S election effective date <b>01/01/2018</b>	Name	D Employer identification number			
B Business activity code number (see instructions) <b>621210</b>	Number, street, and room or suite no. If a P.O. box, see instructions.	E Date incorporated <b>03/28/1972</b>			
C Check if Sch. M-3 attached	City or town, state or province, country, and ZIP or foreign postal code	F Total assets (see instructions) \$ <b>524,853.</b>			
G Is the corporation electing to be an S corporation beginning with this tax year? <input checked="" type="checkbox"/> Yes No If "Yes," attach Form 2553 if not already filed					
H Check if: (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Name change (3) <input type="checkbox"/> Address change (4) <input type="checkbox"/> Amended return (5) <input type="checkbox"/> S election termination or revocation					
I Enter the number of shareholders who were shareholders during any part of the tax year <b>3</b>					
<b>Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.</b>					
<b>Income</b>		<b>1 a</b> Gross receipts or sales <b>5,495,047.</b>		<b>1c</b> <b>5,465,167.</b>	
<b>2</b> Cost of goods sold (attach Form 1125-A)		<b>b</b> Allowances <b>29,880.</b>		<b>2</b>	
<b>3</b> Gross profit. Subtract line 2 from line 1c				<b>3</b> <b>5,465,167.</b>	
<b>4</b> Net gain (loss) from Form 4797, line 17 (attach Form 4797)				<b>4</b>	
<b>5</b> Other income (loss) (attach statement)		<b>STATEMENT 1</b>		<b>5</b> <b>148.</b>	
<b>6</b> Total income (loss). Add lines 3 through 5				<b>6</b> <b>5,465,315.</b>	
<b>7</b> Compensation of officers (see instrs. - attach Form 1125-L)				<b>7</b> <b>1,433,103.</b>	
<b>8</b> Salaries and wages (less employment credits)				<b>8</b> <b>1,862,022.</b>	
<b>9</b> Repairs and maintenance				<b>9</b> <b>3,080.</b>	
<b>10</b> Bad debts				<b>10</b>	
<b>11</b> Rents				<b>11</b> <b>192,094.</b>	
<b>12</b> Taxes and licenses		<b>STATEMENT 2</b>		<b>12</b> <b>295,206.</b>	
<b>13</b> Interest (see instructions)				<b>13</b> <b>14,045.</b>	
<b>14</b> Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)				<b>14</b> <b>42,167.</b>	
<b>15</b> Depletion (Do not deduct oil and gas depletion.)				<b>15</b>	
<b>16</b> Advertising				<b>16</b> <b>18,196.</b>	
<b>17</b> Pension, profit-sharing, etc., plans				<b>17</b> <b>72,410.</b>	
<b>18</b> Employee benefit programs				<b>18</b> <b>126,144.</b>	
<b>19</b> Other deductions (attach statement)		<b>STATEMENT 3</b>		<b>19</b> <b>983,445.</b>	
<b>20</b> Total deductions. Add lines 7 through 19				<b>20</b> <b>5,041,912.</b>	
<b>21</b> Ordinary business income (loss). Subtract line 20 from line 6				<b>21</b> <b>423,403.</b>	
<b>22 a</b> Excess net passive income or LIFO recapture tax (see instructions)		<b>22a</b>			
<b>b</b> Tax from Schedule D (Form 1120S)		<b>22b</b>			
<b>c</b> Add lines 22a and 22b				<b>22c</b>	
<b>23 a</b> 2018 estimated tax payments and 2017 overpayment credited to 2018		<b>23a</b>			
<b>b</b> Tax deposited with Form 7004		<b>23b</b>			
<b>c</b> Credit for federal tax paid on fuels (attach Form 4136)		<b>23c</b>			
<b>d</b> Refundable credit from Form 8827, line 8c (attach Form 4136)		<b>23d</b>			
<b>e</b> Add lines 23a through 23d				<b>23e</b>	
<b>24</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached				<b>24</b>	
<b>25</b> Amount owed. If line 23e is smaller than the total of lines 22c and 24, enter amount owed				<b>25</b>	
<b>26</b> Overpayment. If line 23e is larger than the total of lines 22c and 24, enter amount overpaid				<b>26</b>	
<b>27</b> Enter amount from line 26: Credited to 2019 estimated tax				<b>27</b>	
		Refunded			
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, this return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.					
<b>Sign Here</b>		<b>PRESIDENT</b>		May the IRS discuss this return with the preparer shown below (see note)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Signature of officer		Date		Title	
RONALD J. SZARZYNSKI, CPA		03/08/19		PRESIDENT	
Preparer's name		Preparer's signature		PIN	
BAKER TILLY VIRCHOW KRAUSE, LLP		RONALD J. SZARZYNSKI, CPA		P00030314	
Firm's name		Firm's address		Firm's EIN	
225 S 6TH ST #2300		MINNEAPOLIS, MN 55402		***-**-9910	
				Phone no.	
				612.876.4500	



# Repayment of student loan debt

Production Required to Payoff Debt			
Combined Tax Bracket	<u>30.00%</u>	<u>40.00%</u>	<u>45.00%</u>
Gross Production	87,313	101,865	111,125
Write-offs and adjustments	(17,463)	(20,373)	(22,225)
Net Production-Collections	69,850	81,492	88,900
Overhead Rate-60%	(41,910)	(48,895)	(53,340)
Net Income	27,940	32,597	35,560
Federal and State Tax	(8,382)	(13,039)	(16,002)
Available To Pay Debt	<u>19,558</u>	<u>19,558</u>	<u>19,558</u>

## Estimate of practice value

**PAINLESS DENTISTRY, DDS, PA**  
**Estimate of Practice Value**  
**December 31, 201X**

<b>Method 1 - asset value</b>	<b>Low</b>	<b>High</b>
Dental equipment -	\$150,000	\$150,000
Office equipment and furniture	10,500	10,500
Leasehold improvements	20,000	20,000
Dental supplies & hand instruments	15,000	15,000
Accounts receivable	110,000	125,000
<u>Patient records/goodwill</u>	<u>490,000</u>	<u>765,000</u>
Total value	\$795,500	\$1,085,500

# Estimate of practice value (cont.)

## PAINLESS DENTISTRY, DDS, PA Estimate of Practice Value December 31, 201X

### Method 2 - Annualized net production (weighted ave)

12/31/xx	\$1,100,000	times 1	\$1,100,000
12/31/xy	1,350,000	times 2	\$2,700,000
1231/xz	<u>1,530,000</u>	<u>times 3</u>	<u>\$4,590,000</u>
		6	\$8,390,000

divide by 6 \$1,398,333

Average annual net production \$1,398,333

Total value	<u>\$769,083</u>	<u>\$1,048,750</u>
	55%	75%

# Estimate of practice value (cont.)

## PAINLESS DENTISTRY, DDS, PA Estimate of Practice Value December 31, 201X

### Method 3 - Capitalized earnings

Average annual net production-(from above)		\$1,398,333	
Less: Average operating expenses	60%	(839,000)	
Professional labor (38% of net Dr.prod after lab)		(350,000)	
Equipment contribution		<u>(25,000)</u>	
	Excess Earnings	<u><u>\$184,333</u></u>	
	Capitalization Rate		<u>20%</u> <u>16%</u>
			(5 times)      (6.25 times)
<b>Total value</b>			<u><u>\$921,667</u></u> <u><u>\$1,152,083</u></u>

# Estimate of practice value (cont.)

## PAINLESS DENTISTRY, DDS, PA Estimate of Practice Value December 31, 201X

Method 4 - Annualized earnings		Low	High
Total earnings(amt available for doctors)			
	12/31/xx	\$420,000	
	12/31/xy	\$520,000	
	12/31/xz	<u>\$650,000</u>	
	Total earnings for the above years	<u>\$1,590,000</u>	
		div by 3	
	Average annual earnings	<u>\$530,000</u>	
		2	2.5
	<b>Total value</b>	<u>\$1,060,000</u>	<u>\$1,325,000</u>

# Estimate of practice value (cont.)

**PAINLESS DENTISTRY, DDS, PA**  
**Estimate of Practice Value**  
**December 31, 201X**

## Average value of the four methods presented

Method 1	\$795,500	\$1,085,500
Method 2	769,083	1,048,750
Method 3	921,667	1,152,083
Method 4	1,060,000	1,325,000
	<hr/>	<hr/>
Total of the four methods presented	\$3,546,250	\$4,611,333
	<hr/> <hr/>	<hr/> <hr/>
	div by 4	div by 4
Average of the above valuation methods	\$886,563	\$1,152,833
	<hr/> <hr/>	<hr/> <hr/>
Calculated value (average of low & high)		<b>\$1,019,698</b>

### Other Balance Sheet items at 12/31/1X

Cash	\$20,000
Accounts payable	(2,500)
Payroll withholdings payable	(7,500)
Notes payable	(100,000)
Current year profit	0
Net total	<hr/> <hr/> (90,000)

Net value	<b>929,698</b>
Net value-rounded	<b>930,000</b>

# Compensation formula

PAINLESS DENTISTRY, DDS, PA  
 Compensation formula  
 For the 12 months ended December 31, 201X

PRACTICE VALUE=\$930,000	50%= \$	465,000	
STOCK			90,000 AFTER TAX \$
COMP SHIFT			375,000 PRE-TAX \$
	6.0%	=\$5478.08 PER MONTH FOR 72 MONTHS	
NET INCOME			100,000
ADD: SALARIES AND FRINGE BENEFITS OF OWNER DRs			<u>510,874</u>
COMPENSATION POOL			<u><u>\$610,874</u></u>

# Compensation formula

ALLOCATION OF COMPENSATION POOL:	SENIOR	JUNIOR	TOTAL	
70% COMP POOL X NET PRODUCTION %	265,682	161,930	427,612	70.00%
30% COMP POOL X OWNERSHIP \$	91,631	91,631	183,262	30.00%
<b>TOTAL COMPENSATION</b>	<b>357,313</b>	<b>253,561</b>	<b>610,874</b>	<b>100.00%</b>
COMP SHIFT (5478.08/MO)	65,738	(65,738)	0	
<b>NET EARNED</b>	<b>423,051</b>	<b>187,823</b>	<b>610,874</b>	
LESS: SALARIES PAID	300,000	150,000	450,000	
AUTO EXPENSES	1,000	0	1,000	
DUES AND JOURNALS	1,712	1,301	3,013	
TELEPHONE	596	0	596	
MEDICAL INS	18,000	10,000	28,000	
CONTINUING EDUCATION	3,200	565	3,765	
PROFIT SHARING/401K	24,500	0	24,500	
<b>TOTAL SALARIES AND FRINGES</b>	<b>349,008</b>	<b>161,866</b>	<b>510,874</b>	
<b>BALANCE OF COMP DUE (OVER)-CURRENT</b>	<b>74,043</b>	<b>25,957</b>	<b>100,000</b>	
BALANCE OF COMP DUE (OVER) FROM PRIOR YR	0	0	0	
<b>COMPENSATION DUE (OVERPAID)</b>	<b>74,043</b>	<b>25,957</b>	<b>100,000</b>	

Stock Payment

\$90,000 6 yr 7% 1534.41/mo

\$18,412

## Compensation formula

	SENIOR	JUNIOR	TOTAL
GROSS PRODUCTION	750,000	450,000	1,200,000
LESS: LAB FEES PAID	(65,000)	(32,500)	(97,500)
	<hr/>		
NET PRODUCTION	685,000	417,500	1,102,500
	<hr/>		
PERCENT OF NET PRODUCTION	62.13%	37.87%	100.00%
	<hr/>		
PERCENT OF OWNERSHIP	50.00%	50.00%	100.00%

# Management report

	Current period				
	This	%	Last	%	\$
	year		year		
	Oct - Dec		Oct - Dec		
<b>Gross Production</b>	\$888,812	100.0	\$894,498	100.0	(\$5,686)
<b>Adjustments &amp; Writeoffs</b>	(\$228,999)	-25.8	(\$215,099)	-24.0	(\$13,901)
<b>Net Production</b>	<u>\$659,813</u>	<u>100.0</u>	<u>679,399</u>	<u>100.0</u>	<u>(\$19,587)</u>
<b>Receipts</b>	\$673,989	102.1	\$664,554	97.8	9,435
<b>Staff Salaries</b>	168,927	25.6	165,249	24.3	3,677
<b>Lab Fees</b>	81,220	12.3	39,404	5.8	41,816
<b>Dental Supplies</b>	33,790	5.1	(14,395)	-2.1	48,186
<b>Office Supplies</b>	40,896	6.2	23,089	3.4	17,806
<b>Occupancy</b>	16,653	2.5	16,509	2.4	143
<b>Other</b>	\$395,231	59.9	\$490,187	72.2	(\$94,956)
<b>Net Income/(Loss)</b>	<u>(\$62,727)</u>	<u>-9.5</u>	<u>(\$55,489)</u>	<u>-8.2</u>	<u>(\$7,238)</u>
<b>OVERHEAD</b>	<u>\$429,089</u>	<u>65.0</u>	<u>\$312,312</u>	<u>46.0</u>	<u>\$116,777</u>

	Year-to-date					Avg.
	This	%	Last	%	\$	
	year		year			
	Jan - Dec		Jan - Dec			
	\$3,560,160	100.0	\$3,470,618	100.0	\$89,542	
	(\$941,839)	-26.5	(\$890,676)	-25.7	(\$51,163)	
	<u>\$2,618,321</u>	<u>100.0</u>	<u>\$2,579,942</u>	<u>100.0</u>	<u>\$38,379</u>	
	\$2,580,516	98.6	\$2,571,583	99.7	\$8,934	<b>98 plus</b>
	656,611	25.1	624,068	24.2	32,543	<b>24-28</b>
	198,593	7.6	178,697	6.9	19,896	<b>7-9</b>
	157,570	6.0	135,422	5.2	22,148	<b>6-8</b>
	115,329	4.4	93,480	3.6	21,849	<b>2-3</b>
	67,639	2.6	66,613	2.6	1,026	<b>6-8</b>
	\$1,094,766	41.8	\$1,191,066	46.2	(96,300)	
	<u>\$290,009</u>	<u>11.1</u>	<u>\$282,237</u>	<u>10.9</u>	<u>7,772</u>	
	<u>\$1,504,804</u>	<u>57.5</u>	<u>\$1,401,367</u>	<u>54.3</u>	<u>103,437</u>	<b>58-62</b>

**PAINLESS DENTISTRY, DDS, PA**  
**Management report**  
**December 31, 201X & December 31, 201Y**

Overhead analysis	
Key expenses	
Staff Salaries	32,543
Lab Fees	19,896
Dental Supplies	22,148
Office Supplies	21,849
Occupancy	1,026
	97,462
Other expenses	
sales tax	(5,674)
continuing ed	(7,976)
Repairs	
office promotion	
ins	7,123
professional fees	0
consulting fees	16,489
Dues & subs	
Advertising	
Misc	(3,987)
	5,975
<b>Total overhead changes</b>	<b>103,437</b>

# Management report

## PAINLESS DENTISTRY, DDS, PA For the 3 & 12 months ended December 31, 201X & December 31, 201Y

	Jan - Dec <b>201X</b>	%	Jan - Dec <b>201Y</b>	%	<b>Difference</b>
Doctor Production	\$2,458,597	69%	\$2,385,603	69%	\$72,994
Hygiene Production	1,101,563	31%	1,085,014	31%	16,548
Other Dr Production	0	0%	0	0%	0
<b>Total Production</b>	<b>\$3,560,160</b>	<b>\$1</b>	<b>\$3,470,618</b>	<b>\$1</b>	<b>\$89,542</b>

	<b>201X</b>		<b>201Y</b>		<b>Difference</b>
Doctor Production	\$2,458,597	-	\$2,385,603	-	\$72,994
Adjust/Writeoffs	(650,421)	-26.5%	(612,225)	-25.7%	(38,196)
Net Production	1,808,176		1,773,378		34,798
Less: Lab	(198,593)		(178,697)		(19,896)
Cerac X *150	(24,750)		(30,300)	368	
Net After Lab	1,584,833		1,564,381		20,452
	38%		38%		
<b>Doctor Earnings</b>	<b>\$602,236</b>		<b>\$594,465</b>		<b>\$7,772</b>

	<b>201X</b>		<b>201Y</b>		<b>Difference</b>
Receipts	\$2,580,516	-	\$2,571,583	-	\$8,934
Overhead	(1,504,804)		(1,401,367)		103,437
Net available	1,075,712		1,170,216		(94,503)
Doctor Earnings	(602,236)		(594,465)		7,772
Owner Profits	473,476		575,751		(102,275)
Total Practice Net Prod	\$2,618,321		\$2,579,942		
<b>INVESTMENT RETURN</b>	<b>18.08%</b>		<b>22.32%</b>		<b>-4.23%</b>

<b>DOCTOR EARNINGS</b>					
	<b>201X</b>		<b>201Y</b>		<b>Difference</b>
Net profit	\$290,009	-	\$282,237	-	\$7,772
Salary	599,038		637,168		(38,130)
Cont ed/mtgs	7,143		14,387		(7,244)
Payroll taxes-dr	21,929		22,482		(553)
Health Ins	0		0		0
Drs Dues and Licenses	10,329		6,656		3,673
Profit Sharing	12,105		12,057		48
Marketing/entertainment	38,447		37,816		631
Telephone	8,620		9,787		
Prof fees	0		2,650		
Auto	2,609		11,927		(9,318)
Dr. fixed assets	9,624				
Dr other expenses	1,833		4,966		
Drs Comp Pool	1,001,687		1,038,616		(36,929)
<b>TOTAL EARNINGS</b>	<b>\$1,001,687</b>		<b>\$1,038,616</b>		<b>(\$36,929)</b>
Depreciation	48,309		117,169		(68,860)
Wages, payroll taxes other dr	0		0		0
Interest Expense	11,271		4,716		6,555
Profit sharing staff	14,446		9,716		4,730
	74,026		131,601		(57,575)
<b>Total Drs + Other</b>	<b>\$1,075,712</b>		<b>\$1,170,216</b>		<b>(\$94,504)</b>

	Jan - Dec <b>201X</b>	Jan - Dec <b>201Y</b>	<b>Difference</b>
Hygiene Salaries	\$291,005	\$275,845	\$15,160
Hygiene Production	1,101,563	1,085,014	16,548
Salaries as a % of Prod	26.42%	25.42%	0.99%

<b>Cash Flow - Year 201X</b>	
<b>CASH BALANCE AT 1/1/201X</b>	\$54,212
Net Income	\$290,009
Depreciation and Amortization	48,309
<b>Adjustments:</b>	
Dividends	(416,506)
Fixed Assets Purchases	(46,412)
Due To/From	(44,935)
Shareholder Loan	0
Loan	0
Bank Loan	183,899
401K Withholding	(6,068)
Other Receivables	0
Retirement Plan Payable	0
	(330,022)
<b>CASH BALANCE AT 12/31/1X</b>	<b>\$62,507</b>

	<b>CURRENT YEAR 12/31/1X</b>	<b>PRIOR YEAR 12/31/1Y</b>
Accounts Receivable	\$255,699	\$245,048
Monthly Average Gross Production	296,680	289,218
# Of Months of Gross		
In Accounts Receivable	0.86	0.85





# New practice checklist (cont.)

<input type="checkbox"/>	2. Develop Chart of Accounts				
<input type="checkbox"/>	3. Develop Accounts Payable procedures				
<input type="checkbox"/>	4. Apply for Federal & State Employer Identification Numbers				
<input type="checkbox"/>	5. Internal Control Policies and Procedures				
<input type="checkbox"/>	<b>VI. Office Equipment</b>				
<input type="checkbox"/>	1. Develop list of major furniture, fixtures & equipment needed				
<input type="checkbox"/>	2. Initial Supply Inventory				
<input type="checkbox"/>	A. Dental				
<input type="checkbox"/>	B. Office				
<input type="checkbox"/>	3. Special Requirements				
<input type="checkbox"/>	A. Electrical				
<input type="checkbox"/>	B. Certification-Registration				
<input type="checkbox"/>	4. Explore Group Purchasing Opportunities				
<input type="checkbox"/>	<b>VII. Licenses/Permits/Registrations</b>				
<input type="checkbox"/>	1. Determine requirements for: City and County occupational/privilege/business licenses				
<input type="checkbox"/>	2. Inform State Medical Licensing Board of new address or process for licensure by state				
<input type="checkbox"/>	3. Submit change of address regarding Federal DEA number				
<input type="checkbox"/>	4. Determine CLIA requirements and submit application				
<input type="checkbox"/>	5. Develop Compliance processes for:				
<input type="checkbox"/>	A. OSHA				
<input type="checkbox"/>	B. CLIA (Laboratory)				
<input type="checkbox"/>	C. HIPAA				
<input type="checkbox"/>	D. Dental Practice Compliance Program				
<input type="checkbox"/>	6. Secure Government Forms				
<input type="checkbox"/>	A. Federal W-4				
<input type="checkbox"/>	B. Tax Tables				
<input type="checkbox"/>	C. State W-4				
<input type="checkbox"/>	D. Tax Tables				
<input type="checkbox"/>	E. Federal I-9				
<input type="checkbox"/>	<b>VIII. Provider Numbers/Credentialing Applications</b>				
<input type="checkbox"/>	1. Complete Hospital Medical Staff Credentialing				
<input type="checkbox"/>	2. Contact Medicare/Medicaid for provider applications				
<input type="checkbox"/>	3. Determine which MCOs to participate with				
<input type="checkbox"/>	4. Secure credentialing applications				
<input type="checkbox"/>	5. Medical/Dental Society Memberships				
<input type="checkbox"/>	A. State Medical Society				
<input type="checkbox"/>	B. County/Parish Medical Society				
<input type="checkbox"/>	C. Specialty Society				
<input type="checkbox"/>	D. American Dental Association				
<input type="checkbox"/>	6. Managed Care Contracting Assessment				
<input type="checkbox"/>	A. Length of time to obtain provider numbers				
<input type="checkbox"/>	B. Dates of submission of applications				
<input type="checkbox"/>	C. Date(s) of receipt of provider numbers by major insurance companies				
<input type="checkbox"/>	D. Responsible parties for obtaining Managed Care Contracts				

# New practice checklist (cont.)

<input type="checkbox"/>	E. Managed Care Contract Status Report				
<input type="checkbox"/>	F. Obtain NPI Numbers (Group/Individuals)				
<input type="checkbox"/>					
<input type="checkbox"/>	<b>IX. Personnel</b>				
<input type="checkbox"/>	1. Begin advertising for and interviewing applicants				
<input type="checkbox"/>	2. Hire Office Manager				
<input type="checkbox"/>	3. Develop staffing/salary projections				
<input type="checkbox"/>	4. Develop benefit structure				
<input type="checkbox"/>	5. Develop job descriptions				
<input type="checkbox"/>	6. Develop personnel policies/procedures				
<input type="checkbox"/>	7. Schedule staff orientation				
<input type="checkbox"/>	8. Dentist Benefit Package				
<input type="checkbox"/>	9. Order Payroll Withholding Booklets (i.e., Federal, State, City) through local IRS office)				
<input type="checkbox"/>					
<input type="checkbox"/>	<b>X. Practice Information Systems</b>				
<input type="checkbox"/>	1. Evaluate computer system needs and desired functions				
<input type="checkbox"/>	2. Solicit information from system vendors				
<input type="checkbox"/>	3. Solicit bids from desired vendors				
<input type="checkbox"/>	4. Schedule PMS/EMR Demonstrations				
<input type="checkbox"/>	5. Perform Cost/Benefit Analysis Re: Outsourcing Billing				
<input type="checkbox"/>	6. Select Computer Consultant				
<input type="checkbox"/>	7. Select Computer				
<input type="checkbox"/>	8. Hardware Specifications/Quotes				
<input type="checkbox"/>	9. Evaluate Lease/Purchase/ASP Options				
<input type="checkbox"/>					
<input type="checkbox"/>	<b>XI. Dental Records</b>				
<input type="checkbox"/>	1. Choose format				
<input type="checkbox"/>	2. Obtain samples from vendors				
<input type="checkbox"/>	3. Determine need for dictation equipment and solicit information from vendors				
<input type="checkbox"/>	4. Assess feasibility of electronic medical records				
<input type="checkbox"/>	5. Assess feasibility of voice recognition system				
<input type="checkbox"/>	6. Develop policies/procedures for record maintenance				
<input type="checkbox"/>					
<input type="checkbox"/>	<b>XII. Business Office</b>				
<input type="checkbox"/>	1. Develop Dental Practice Policy & Procedure Manual				
<input type="checkbox"/>	2. Select and/or develop Business Office forms				
<input type="checkbox"/>	3. Develop patient encounter form (Superbill)				
<input type="checkbox"/>	4. Select Collection Agency				
<input type="checkbox"/>					
<input type="checkbox"/>	<b>XIII. Clinical Procedures</b>				
<input type="checkbox"/>	1. Develop Clinical Policies/Procedures for:				
<input type="checkbox"/>	A. Patient Care				
<input type="checkbox"/>	B. Laboratory				
<input type="checkbox"/>	C. X-ray				
<input type="checkbox"/>	D. Prescription refills				
<input type="checkbox"/>	E. Infection control				
<input type="checkbox"/>	F. Employee safety and health				

# New practice checklist (cont.)

<input type="checkbox"/>	2. Dental Forms				
<input type="checkbox"/>	A. Patient Registration				
<input type="checkbox"/>	B. Medical Record Release				
<input type="checkbox"/>	3. Reference Lab Arrangement				
<input type="checkbox"/>	4. Obtain quotes for laboratory services				
<input type="checkbox"/>	5. On call schedule/coverage				
<input type="checkbox"/>	6. Appointment Scheduling				
<input type="checkbox"/>	7. Office/Hospital Procedures Protocol				
<input type="checkbox"/>	8. Prescription Refill Policy				
<input type="checkbox"/>	9. Patient Registration Packet				
<input type="checkbox"/>	<b>XIV. Insurance</b>				
<input type="checkbox"/>	1. Choose Insurance Broker and obtain policies for:				
<input type="checkbox"/>	A. Professional Liability				
<input type="checkbox"/>	B. General and Premise Liability				
<input type="checkbox"/>	C. Property/Contents				
<input type="checkbox"/>	D. Auto				
<input type="checkbox"/>	E. Employee Dishonest				
<input type="checkbox"/>	F. Workers' Compensation				
<input type="checkbox"/>	G. Special Coverages				
<input type="checkbox"/>	H. Health				
<input type="checkbox"/>	I. Life				
<input type="checkbox"/>	J. Disability (LT/ST)				
<input type="checkbox"/>	K. Umbrella Policy				
<input type="checkbox"/>	L. Business Interruption				
<input type="checkbox"/>	2. Financial Planning Services				
<input type="checkbox"/>	<b>XV. Practice Compliance &amp; Integrity</b>				
<input type="checkbox"/>	1. Medical/Dental Practice Compliance Program				
<input type="checkbox"/>	2. Coding Compliance Program				
<input type="checkbox"/>	3. HIPAA				
<input type="checkbox"/>	A. Privacy				
<input type="checkbox"/>	B. Security				
<input type="checkbox"/>	4. OSHA				
<input type="checkbox"/>	5. ADA				
<input type="checkbox"/>	6. OIG Work Plan Risk Areas				
<input type="checkbox"/>	7. Physician & Employee Compensation Standards & Evaluation				
<input type="checkbox"/>	8. Billing Issues & Regulations				
<input type="checkbox"/>	<b>XVI. General Office Services</b>				
<input type="checkbox"/>	1. Choose vendors to provide the following services:				
<input type="checkbox"/>	A. Waste management (regular and biohazardous)				
<input type="checkbox"/>	B. Janitorial services				
<input type="checkbox"/>	C. Pest control				
<input type="checkbox"/>	D. Landscape maintenance				
<input type="checkbox"/>	E. Answering service				
<input type="checkbox"/>	F. Transcription service				



# New practice checklist (cont.)

<input type="checkbox"/>	F. Recall cards/letters			
<input type="checkbox"/>	G. Placards for office			
<input type="checkbox"/>	H. Newspaper announcements			
<input type="checkbox"/>	I. Yellow Page Ads			
<input type="checkbox"/>	J. Order Patient Education Materials			
<input type="checkbox"/>	K. Prescription Pads			
<input type="checkbox"/>	L. Referral Form			
<input type="checkbox"/>	M. Fax Cover Sheet			
<input type="checkbox"/>	N. Note Pads			
<input type="checkbox"/>	4. Business Plan Development/Target Marketing			
<input type="checkbox"/>	A. Dentists			
<input type="checkbox"/>	B. Hospitals			
<input type="checkbox"/>	C. Pharmacies			
<input type="checkbox"/>	D. Nursing Homes			
<input type="checkbox"/>	E. Home Health Agencies			
<input type="checkbox"/>	F. Medical Societies			
<input type="checkbox"/>	G. Community/Civic Leaders			
<input type="checkbox"/>	H. Chamber of Commerce			
<input type="checkbox"/>	I. Community/Civic Organizations			
<input type="checkbox"/>	J. Major Employers			
<input type="checkbox"/>	K. Managed Care Companies			
<input type="checkbox"/>	L. Media			
<input type="checkbox"/>	M. New Resident Information (Welcome Wagon)			
<input type="checkbox"/>	5. Competitor Assessment			
<input type="checkbox"/>	6. Identify Key Constituencies			
<input type="checkbox"/>	7. Development of Strategic Business Plan			
<input type="checkbox"/>	8. Media Opportunities			
<input type="checkbox"/>	9. Website Development			
<input type="checkbox"/>	10. Schedule Physician meetings regarding potential referral sources			
<input type="checkbox"/>	11. Register for patient referral service at local hospitals and Medical Society			
<input type="checkbox"/>	12. Check on memberships at civic/social organizations			
<input type="checkbox"/>	13. Plan Reception/Open House			
<input type="checkbox"/>	14. Conduct Customer Service Training for all employees			
<input type="checkbox"/>	15. Develop First Year Business Plan			
<input type="checkbox"/>	16. Hospital Orientation Process			
<input type="checkbox"/>	17. Physician Mentor (Via Hospital)			
<input type="checkbox"/>	18. Personal/Family Issues			
<input type="checkbox"/>	19. Obtain and Evaluate Market Data			
<input type="checkbox"/>	20. Physician Directory Listings			
<input type="checkbox"/>	21. Call Center Listings			
<input type="checkbox"/>	22. Add Physician Information to Hospital(s) Website(s)			
<input type="checkbox"/>	23. Stamp for Patient Education Literature			

Thank you!



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