

Financial Statements

Homemade or Hand Crafted!?!

Believe it or not, "Financial Statements" come in many shapes and sizes. Most are very basic and are used primarily to balance your checkbook and prepare income tax returns. However, such simple formats are not useful to really manage and run your practice, and most doctors' eyes glaze over when they try to study them.

Below is a simple "Profit & Loss" statement with all the expenses neatly laid out in alphabetic order. This is typical of what might be prepared by QuickBooks or by a "generalist" CPA/accountant. Compare it with the more comprehensive format on the next page if you try to "unlock the secrets in your numbers" by asking questions like these:

1. Why does my taxable "accounting profit" not match my true "cash flow"?
2. There does not seem to be much profit--what's going on!?!
3. Just what is my true overhead, and how does it compare to national averages?
4. Specifically, are the hygienists paid too much compared to their production/collections?
5. I know payroll is a big part of overhead, but just what are my *total* payroll expenses, including taxes, etc.?
6. How is my collection ratio compared to my production? How much am I adjusting off for insurance?

Homemade Sample, DMD, PC Profit & Loss 12 Months Ending June 30, 2001

Fees Collected	733,750.19
Expenses:	
Accounting	7,200.00
Advertising	2,010.48
Bank Charges	3,205.05
Bank Loan	56,755.00
Bonus	12,500.00
...	...
...	...
Dental Supplies	48,109.01
...	...
Lab Fees	78,574.83
Meals & Entertainment	9,917.61
...	...
Wages	<u>341,081.77</u>
Total Expenses	<u>731,123.69</u>
Profit	<u><u>2,626.50</u></u>

The "P&L" and other reports on the following pages are designed to answer these types of questions to help you run your practice. For instance, notice the following:

- A. The statements show Production as well as Collections. We want to be able to compare those!
- B. We can see how much of the total production is done by hygiene department vs. the dentist.
- C. Expenses are broken out into functional categories. Note how easy you can see the total personnel cost.
- D. The hygiene wages are segregated so we can compare them to the hygiene production up top.
- E. Near the end, notice that the doctor's "personal" benefits and wages are not shown as overhead.

Finally, notice the optional graphs at the end that show an amazing amount of management information that goes far beyond what you typically think of as "accounting"! Our 30 years of experience working with dentists gives us the background and knowledge to help you analyze your practice and plan a successful future!

Seminar Sample, DMD, PC
Statement of Revenues and Expenses
(Income Tax Basis)
For the 1 and 12 Months Ending
June 30, 2000 and June 30, 2001

Month				Year to Date					
Last Year	%	This Year	%	Last Year	%	This Year	%		
PRACTICE MANAGEMENT DATA									
Doctor:									
48,793.00	81.91	51,630.00	81.9	601-000	Fees Charged - Dr.	580,963.00	83.55	619,065.00	83.4
19.00	0.03	17.00	0.0	602-000	Days Worked	206.00	0.03	193.00	0.0
2,568.05		3,037.06			Charged/Day	2,820.21		3,207.59	
152.00	0.26	136.00	0.2	604-000	Hours Worked	1,648.00	0.24	1,544.00	0.2
321.01		379.63			Charged/Hour	352.53		400.95	
142.00	0.24	119.00	0.2	607-000	Patient Visits	1,507.00	0.22	1,175.00	0.2
343.61		433.87			Charged/Visit	385.51		526.86	
Hygienist:									
11,458.00	19.23	12,158.00	19.3	611-000	Fees Charged-Hyg	129,315.00	18.60	140,608.00	18.9
19.00	0.03	17.00	0.0	612-000	Days Worked	206.00	0.03	193.00	0.0
603.05		715.18			Charged/Day	627.74		728.54	
152.00	0.26	136.00	0.2	614-000	Hours Worked	1,648.00	0.24	1,544.00	0.2
75.38		89.40			Charged/Hr	78.47		91.07	
147.00	0.25	153.00	0.2	617-000	Patient Visits	1,615.00	0.23	1,649.00	0.2
77.95		79.46			Charged/Visit	80.07		85.27	
Other:									
26.00	0.04	26.00	0.0	621-000	# New Patients	299.00	0.04	263.00	0.0
28.00	0.05	32.00	0.1	622-000	# Units Crown & Bridge	351.00	0.05	406.00	0.1

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Month					Year to Date			
Last Year	%	This Year	%		Last Year	%	This Year	%
				Fees Charged (MEMO):				
48,793.00	81.91	51,630.00	81.9	634-000 Doctor	580,963.00	83.55	619,065.00	83.4
11,458.00	19.23	12,158.00	19.3	642-000 Hygienist	129,315.00	18.60	140,608.00	18.9
678.55-	-1.14	786.00-	-1.2	643-000 Less Adjustments	14,907.05-	-2.14	17,259.00-	-2.3
59,572.45	100.00	63,002.00	100.0	645-000 Net Fees Charged (Memo)	695,370.95	100.00	742,414.00	100.0
				Fees Collected:				
46,251.88	77.64	51,821.27	82.3	648-100 Collections-Cash & Checks	578,836.02	83.24	652,754.50	87.9
8,766.98	14.72	9,874.24	15.7	648-200 Collections-M/C and VISA	79,252.58	11.40	100,231.69	13.5
655.25-	-1.10	763.00-	-1.2	695-000 Less Refunds & Returned Checks	17,512.80-	-2.52	19,236.00-	-2.6
54,363.61	91.26	60,932.51	96.7	699-000 Net Fees Collected	640,575.80	92.12	733,750.19	98.8
				Major/Operating Expenses:				
				Personnel Expenses:				
2,937.54	4.93	3,128.00	5.0	702-000 Wages-Hygienist	41,594.54	5.98	49,565.48	6.7
2,650.00	4.45	5,000.00	7.9	703-000 Wages-Business	30,150.00	4.34	60,000.00	8.1
3,958.55	6.64	4,128.65	6.6	704-000 Wages-Clinical	51,597.09	7.42	55,516.29	7.5
568.78	0.95	738.51	1.2	707-000 FICA & Unemp-Staff	8,514.36	1.22	9,501.56	1.3
1,200.00	2.01	1,500.00	2.4	708-000 Medical Insurance	13,200.00	1.90	19,500.00	2.6
347.00	0.58	875.00	1.4	709-000 Medical Reimbursement	3,767.00	0.54	4,122.00	0.6
100.00	0.17	564.00	0.9	713-000 Workers' Comp Insurance	1,600.00	0.23	564.00	0.1
11,761.87	19.74	15,934.16	25.3	719-000 Total Personnel Expenses	150,422.99	21.63	198,769.33	26.8
				Production Expenses:				
5,128.55	8.61	4,237.42	6.7	720-000 Dental Supplies	43,722.19	6.29	48,109.01	6.5
7,198.54	12.08	7,244.56	11.5	723-000 Lab Fees	74,034.32	10.65	78,574.83	10.6
12,327.09	20.69	11,481.98	18.2	729-000 Total Production Expenses	117,756.51	16.93	126,683.84	17.1
				Facility Expenses:				
2,300.00	3.86	2,300.00	3.7	743-000 Rent-Office	29,900.00	4.30	29,900.00	4.0
145.78	0.24	1,423.00	2.3	744-000 Repairs & Maintenance-Office	2,778.63	0.40	2,853.00	0.4
428.80	0.72	462.41	0.7	745-000 Utilities	3,547.32	0.51	3,895.22	0.5
2,874.58	4.83	4,185.41	6.6	749-100 Total Facility Expenses	36,225.95	5.21	36,648.22	4.9
26,963.54	45.26	31,601.55	50.2	749-500 TOTAL MAJOR EXPENSES	304,405.45	43.78	362,101.39	48.8
				Minor/General & Admin. Expense:				
460.00	0.77	600.00	1.0	750-000 Accounting & Tax Prep	6,895.00	0.99	7,200.00	1.0
135.00	0.23	1,325.48	2.1	751-000 Advertising	635.00	0.09	2,010.48	0.3
167.94	0.28	183.57	0.3	752-000 Bank Service Charge	3,033.16	0.44	3,205.05	0.4
200.00	0.34	200.00	0.3	754-000 Computer Support	2,400.00	0.35	2,400.00	0.3
0.00	0.00	2,000.00	3.2	755-000 Consulting Fees	0.00	0.00	24,000.00	3.2
0.00	0.00	250.00	0.4	756-000 Continuing Education - Drs.	6,488.56	0.93	3,450.00	0.5
135.00	0.23	0.00	0.0	756-100 Continuing Education - Staff	3,385.00	0.49	1,200.00	0.2
120.00	0.20	0.00	0.0	757-000 Dues, Licenses & Journals	705.00	0.10	685.00	0.1
50.00	0.08	145.00	0.2	759-000 Gifts	2,710.00	0.39	3,170.00	0.4
0.00	0.00	0.00	0.0	760-000 Insurance - Gen Liability & Property	1,187.58	0.17	1,345.62	0.2

Seminar Sample, DMD, PC
Statement of Revenues and Expenses
(Income Tax Basis)
For the 1 and 12 Months Ending
June 30, 2000 and June 30, 2001

Month				Year to Date					
Last Year	%	This Year	%			Last Year	%	This Year	%
0.00	0.00	0.00	0.0	761-000	Insurance - Malpractice	1,247.66	0.18	1,345.00	0.2
250.00	0.42	300.00	0.5	763-000	Laundry & Uniforms - Drs.	250.00	0.04	300.00	0.0
987.64	1.66	0.00	0.0	764-000	Legal Fees	987.64	0.14	0.00	0.0
143.00	0.24	863.50	1.4	765-000	Meals & Entertainment	2,497.00	0.36	5,248.50	0.7
61.48	0.10	57.84	0.1	765-500	Meetings & Meals-Staff	833.07	0.12	741.41	0.1
328.83	0.55	587.44	0.9	766-000	Office Supplies	5,182.77	0.75	5,726.10	0.8
300.00	0.50	200.00	0.3	767-000	Postage	2,600.00	0.37	2,300.00	0.3
1,784.52	3.00	0.00	0.0	769-000	Repairs & Maintenance - Equip.	3,033.27	0.44	4,368.49	0.6
590.77	0.99	648.58	1.0	774-000	Telephone	4,416.76	0.64	4,730.82	0.6
<u>5,714.18</u>	<u>9.59</u>	<u>7,361.41</u>	<u>11.7</u>	786-000	Total Minor/General & Admin.	<u>48,487.47</u>	<u>6.97</u>	<u>73,426.47</u>	<u>9.9</u>
<u>32,677.72</u>	<u>54.85</u>	<u>38,962.96</u>	<u>61.8</u>	787-000	Total Operating Expenses	<u>352,892.92</u>	<u>50.75</u>	<u>435,527.86</u>	<u>58.7</u>
21,685.89	36.40	21,969.55	34.9	788-000	Net Income Before Other Expense	287,682.88	41.37	298,222.33	40.2
					Other Expenses:				
					Equipment & Financing:				
7,685.85	12.90	4,687.50	7.4	790-000	Depreciation	29,154.42	4.19	21,075.73	2.8
947.86	1.59	865.24	1.4	793-100	Interest - Banks & Other	20,185.26	2.90	19,232.82	2.6
<u>8,633.71</u>	<u>14.49</u>	<u>5,552.74</u>	<u>8.8</u>	794-900	Total Equipment & Financing	<u>49,339.68</u>	<u>7.10</u>	<u>40,308.55</u>	<u>5.4</u>
					Associates:				
0.00	0.00	0.00	0.0	799-000	Total Associates	0.00	0.00	0.00	0.0
					Budgeted Expenses:				
286.59	0.48	341.27	0.5	807-000	Meals & Entertainment	3,969.15	0.57	4,669.11	0.6
1,087.94	1.83	269.63	0.4	808-000	Meetings & Travel	5,456.82	0.78	6,811.52	0.9
<u>1,374.53</u>	<u>2.31</u>	<u>610.90</u>	<u>1.0</u>	818-100	Total Budgeted Expense	<u>9,425.97</u>	<u>1.36</u>	<u>11,480.63</u>	<u>1.5</u>
<u>10,008.24</u>	<u>16.80</u>	<u>6,163.64</u>	<u>9.8</u>	818-200	Total Other Expenses	<u>58,765.65</u>	<u>8.45</u>	<u>51,789.18</u>	<u>7.0</u>
11,677.65	19.60	15,805.91	25.1	819-000	Net Income Before Owner	228,917.23	32.92	246,433.15	33.2
					Owner Cash Compensation				
34,000.00	57.07	13,000.00	20.6	820-000	Salary - Doctor	243,000.00	34.95	176,000.00	23.7
435.85	0.73	1,565.57	2.5	822-000	Match FICA - Dr.	435.85	0.06	7,967.12	1.1
<u>34,435.85</u>	<u>57.80</u>	<u>14,565.57</u>	<u>23.1</u>	839-000	Total Owner Compensation	<u>243,435.85</u>	<u>35.01</u>	<u>183,967.12</u>	<u>24.8</u>
<u>22,758.20-</u>	<u>-38.20</u>	<u>1,240.34</u>	<u>2.0</u>	899-000	Net Taxable Income	<u>14,518.62-</u>	<u>-2.09</u>	<u>62,466.03</u>	<u>8.4</u>

**vs. \$2,626.50
Cash Flow!**

Seminar Sample, DMD, PC Cash Flow Report

**For the 1 and 12 Months Ending
June 30, 2000 and June 30, 2001**

Month				Year to Date					
Last Year	%	This Year	%	Last Year	%	This Year	%		
Fees Charged (MEMO):									
48,793.00	81.91	51,630.00	81.9	634-000	Doctor	580,963.00	83.55	619,065.00	83.4
11,458.00	19.23	12,158.00	19.3	642-000	Hygienist	129,315.00	18.60	140,608.00	18.9
678.55-	-1.14	786.00-	-1.2	643-000	Less Adjustments	14,907.05-	-2.14	17,259.00-	-2.3
<u>59,572.45</u>	<u>100.00</u>	<u>63,002.00</u>	<u>100.0</u>	645-000	Net Fees Charged (Memo)	<u>695,370.95</u>	<u>100.00</u>	<u>742,414.00</u>	<u>100.0</u>
Fees Collected:									
46,251.88	77.64	51,821.27	82.3	648-100	Collections-Cash & Checks	578,836.02	83.24	652,754.50	87.9
8,766.98	14.72	9,874.24	15.7	648-200	Collections-M/C and VISA	79,252.58	11.40	100,231.69	13.5
655.25-	-1.10	763.00-	-1.2	695-000	Less Refunds & Returned Checks	17,512.80-	-2.52	19,236.00-	-2.6
<u>54,363.61</u>	<u>91.26</u>	<u>60,932.51</u>	<u>96.7</u>	699-000	Net Fees Collected	<u>640,575.80</u>	<u>92.12</u>	<u>733,750.19</u>	<u>98.8</u>
Major/Operating Expenses:									
Personnel Expenses:									
2,937.54	4.93	3,128.00	5.0	702-000	Wages-Hygienist	41,594.54	5.98	49,565.48	6.7
2,650.00	4.45	5,000.00	7.9	703-000	Wages-Business	30,150.00	4.34	60,000.00	8.1
3,958.55	6.64	4,128.65	6.6	704-000	Wages-Clinical	51,597.09	7.42	55,516.29	7.5
568.78	0.95	738.51	1.2	707-000	FICA & Unemp-Staff	8,514.36	1.22	9,501.56	1.3
1,200.00	2.01	1,500.00	2.4	708-000	Medical Insurance	13,200.00	1.90	19,500.00	2.6
347.00	0.58	875.00	1.4	709-000	Medical Reimbursement	3,767.00	0.54	4,122.00	0.6
100.00	0.17	564.00	0.9	713-000	Workers' Comp Insurance	1,600.00	0.23	564.00	0.1
0.00	0.00	0.00	0.0	714-100	FICA W/H & Match	0.00	0.00	1,477.83-	-0.2
0.00	0.00	0.00	0.0	714-200	FED W/H Tax	0.00	0.00	1,678.40-	-0.2
0.00	0.00	0.00	0.0	714-300	GA W/H Tax	0.00	0.00	184.57-	0.0
<u>11,761.87</u>	<u>19.74</u>	<u>15,934.16</u>	<u>25.3</u>	719-000	Total Personnel Expenses	<u>150,422.99</u>	<u>21.63</u>	<u>195,428.53</u>	<u>26.3</u>
Production Expenses:									
5,128.55	8.61	4,237.42	6.7	720-000	Dental Supplies	43,722.19	6.29	48,109.01	6.5
7,198.54	12.08	7,244.56	11.5	723-000	Lab Fees	74,034.32	10.65	78,574.83	10.6
<u>12,327.09</u>	<u>20.69</u>	<u>11,481.98</u>	<u>18.2</u>	729-000	Total Production Expenses	<u>117,756.51</u>	<u>16.93</u>	<u>126,683.84</u>	<u>17.1</u>
Facility Expenses:									
2,300.00	3.86	2,300.00	3.7	743-000	Rent-Office	29,900.00	4.30	29,900.00	4.0
145.78	0.24	1,423.00	2.3	744-000	Repairs & Maintenance-Office	2,778.63	0.40	2,853.00	0.4
428.80	0.72	462.41	0.7	745-000	Utilities	3,547.32	0.51	3,895.22	0.5
<u>2,874.58</u>	<u>4.83</u>	<u>4,185.41</u>	<u>6.6</u>	749-100	Total Facility Expenses	<u>36,225.95</u>	<u>5.21</u>	<u>36,648.22</u>	<u>4.9</u>
<u>26,963.54</u>	<u>45.26</u>	<u>31,601.55</u>	<u>50.2</u>	749-500	TOTAL MAJOR EXPENSES	<u>304,405.45</u>	<u>43.78</u>	<u>358,760.59</u>	<u>48.3</u>
Minor/General & Admin. Expense:									
460.00	0.77	600.00	1.0	750-000	Accounting & Tax Prep	6,895.00	0.99	7,200.00	1.0
135.00	0.23	1,325.48	2.1	751-000	Advertising	635.00	0.09	2,010.48	0.3
167.94	0.28	183.57	0.3	752-000	Bank Service Charge	3,033.16	0.44	3,205.05	0.4
200.00	0.34	200.00	0.3	754-000	Computer Support	2,400.00	0.35	2,400.00	0.3
0.00	0.00	2,000.00	3.2	755-000	Consulting Fees	0.00	0.00	24,000.00	3.2
0.00	0.00	250.00	0.4	756-000	Continuing Education - Drs.	6,488.56	0.93	3,450.00	0.5
135.00	0.23	0.00	0.0	756-100	Continuing Education - Staff	3,385.00	0.49	1,200.00	0.2

Seminar Sample, DMD, PC Cash Flow Report

**For the 1 and 12 Months Ending
June 30, 2000 and June 30, 2001**

Month				Year to Date					
Last Year	%	This Year	%			Last Year	%	This Year	%
120.00	0.20	0.00	0.0	757-000	Dues, Licenses & Journals	705.00	0.10	685.00	0.1
50.00	0.08	145.00	0.2	759-000	Gifts	2,710.00	0.39	3,170.00	0.4
0.00	0.00	0.00	0.0	760-000	Insurance - Gen Liability & Property	1,187.58	0.17	1,345.62	0.2
0.00	0.00	0.00	0.0	761-000	Insurance - Malpractice	1,247.66	0.18	1,345.00	0.2
250.00	0.42	300.00	0.5	763-000	Laundry & Uniforms - Drs.	250.00	0.04	300.00	0.0
987.64	1.66	0.00	0.0	764-000	Legal Fees	987.64	0.14	0.00	0.0
143.00	0.24	863.50	1.4	765-000	Meals & Entertainment	2,497.00	0.36	5,248.50	0.7
328.83	0.55	587.44	0.9	766-000	Office Supplies	5,182.77	0.75	5,726.10	0.8
300.00	0.50	200.00	0.3	767-000	Postage	2,600.00	0.37	2,300.00	0.3
1,784.52	3.00	0.00	0.0	769-000	Repairs & Maintenance - Equip.	3,033.27	0.44	4,368.49	0.6
61.48	0.10	57.84	0.1	769-500	Meetings & Meals-Staff	833.07	0.12	741.41	0.1
590.77	0.99	648.58	1.0	774-000	Telephone	4,416.76	0.64	4,730.82	0.6
<u>5,714.18</u>	<u>9.59</u>	<u>7,361.41</u>	<u>11.7</u>	786-000	Total Minor/General & Admin.	<u>48,487.47</u>	<u>6.97</u>	<u>73,426.47</u>	<u>9.9</u>
<u>32,677.72</u>	<u>54.85</u>	<u>38,962.96</u>	<u>61.8</u>	787-000	Total Operating Expenses	<u>352,892.92</u>	<u>50.75</u>	<u>432,187.06</u>	<u>58.2</u>
21,685.89	36.40	21,969.55	34.9	787-500	Cash Flow Before Other Items	287,682.88	41.37	301,563.13	40.6
					Other Expenses:				
					Equipment & Financing:				
0.00	0.00	15,000.00	23.8	792-200	<i>Current Year Acquisitions</i>	0.00	0.00	15,000.00	2.0
947.86	1.59	865.24	1.4	793-100	Interest - Banks & Other	20,185.26	2.90	19,232.82	2.6
1,000.00	1.68	6,672.46	10.6	793-200	<i>Note Payable-Citizens Trust</i>	12,000.00	1.73	37,549.95	5.1
50,451.61-	-84.69	2,817.88	4.5	793-300	<i>Note Payable-Matsco</i>	36,951.61-	-5.31	19,206.11	2.6
<u>48,503.75-</u>	<u>-81.42</u>	<u>25,355.58</u>	<u>40.2</u>	794-900	Total Equipment & Financing	<u>4,766.35-</u>	<u>-0.69</u>	<u>90,988.88</u>	<u>12.3</u>
					Associates:				
0.00	0.00	0.00	0.0	799-000	Total Associates	0.00	0.00	0.00	0.0
					Budgeted Expenses:				
286.59	0.48	341.27	0.5	807-000	Meals & Entertainment	3,969.15	0.57	4,669.11	0.6
1,087.94	1.83	269.63	0.4	808-000	Meetings & Travel	5,456.82	0.78	6,811.52	0.9
<u>1,374.53</u>	<u>2.31</u>	<u>610.90</u>	<u>1.0</u>	818-100	Total Budgeted Expense	<u>9,425.97</u>	<u>1.36</u>	<u>11,480.63</u>	<u>1.5</u>
<u>47,129.22-</u>	<u>-79.11</u>	<u>25,966.48</u>	<u>41.2</u>	818-200	Total Other Expenses	<u>4,659.62</u>	<u>0.67</u>	<u>102,469.51</u>	<u>13.8</u>
68,815.11	115.51	3,996.93-	-6.3	818-500	Cash Flow Before Owner	283,023.26	40.70	199,093.62	26.8
					Owner Cash Compensation				
34,000.00	57.07	13,000.00	20.6	820-000	Salary - Doctor	243,000.00	34.95	176,000.00	23.7
435.85	0.73	1,565.57	2.5	822-000	Match FICA - Dr.	435.85	0.06	7,967.12	1.1
0.00	0.00	2,500.00	4.0	835-000	<i>Due From Officer</i>	0.00	0.00	12,500.00	1.7
<u>34,435.85</u>	<u>57.80</u>	<u>17,065.57</u>	<u>27.1</u>	839-000	Total Owner Compensation	<u>243,435.85</u>	<u>35.01</u>	<u>196,467.12</u>	<u>26.5</u>
<u>34,379.26</u>	<u>57.71</u>	<u>21,062.50-</u>	<u>-33.4</u>	898-000	Net Cash Flow	<u>39,587.41</u>	<u>5.69</u>	<u>2,626.50</u>	<u>0.4</u>

**vs. \$62,466.03
Net Tax Income!**

Seminar Sample, DMD, PC
Statement of Assets, Liabilities & Equity
and One Month Current Change.
(Income Tax Basis)
As of June 30, 2001

	<u>Current Change</u>			
ASSETS				
Current Assets				
102-000	21,062.50-	Citizens Trust Bank-Checking	\$ 1,279.57	
110-000	0.00	Citizens Trust Bank-Savings	5,778.93	
130-000	2,500.00	Due From Officer	12,500.00	
150-000	<u>18,562.50-</u>	Total Current Assets	<u>\$ 19,558.50</u>	
Fixed Assets				
210-000	0.00	Furniture & Equipment	368,487.71	
220-000	15,000.00	Current Year Acquisitions	15,000.00	
228-000	0.00	Leasehold Improvements	24,000.00	
240-000	4,687.50-	Accumulated Depreciation	185,660.28-	
270-000	<u>10,312.50</u>	Net Fixed and Other Assets	<u>221,827.43</u>	
299-000	<u><u>8,250.00-</u></u>	Total Assets	<u><u>\$ 241,385.93</u></u>	
LIABILITIES & EQUITY				
Current Liabilities				
330-100	0.00	FICA W/H & Match	\$ 1,477.83	
330-200	0.00	FED W/H Tax	1,678.40	
330-300	0.00	GA W/H Tax	184.57	
340-100	6,672.46-	Note Payable-Citizens Trust	149,180.11	
340-300	2,817.88-	Note Payable-Matsco	136,281.39	
350-000	<u>9,490.34-</u>	Total Liabilities	<u>\$ 288,802.30</u>	
Equity				
520-000	0.00	Common Stock	500.00	
525-000	0.00	Retained Earnings	110,382.40-	
590-000	1,240.34	Net Income This Year	62,466.03	
591-000	<u>1,240.34</u>	Total Equity	<u>47,416.37-</u>	
592-000	<u><u>8,250.00-</u></u>	Total Liabilities & Equity	<u><u>\$ 241,385.93</u></u>	

-DENTA-ETRIX Scorecard

Tom Sample, DDS, PC

For
11 Months Ending 11/30/02

METRIC DESCRIPTION	Exhibit No.	THIS MONTH				THIS YEAR				NOTES & COMMENTS
		ACTUAL	GOAL/BUDGET	VARIANCE	%	ACTUAL	GOAL/BUDGET	VARIANCE	%	
FINANCES:										
Gross Fees	1,3	65,507	59,257	6,250	9.5	619,874	651,828	-31,954	-5.2	Month is good but YTD is negative. Month is good but YTD is negative. Approaching Red Zone! Although expenses under budget, that is not enough to overcome revenue drop.
- Ins Adj		(2,000)	(1,500)	-500	-25.0	(24,100)	(20,600)	-3,500	-14.5	
- Courtesy Adj.		(1,200)	(1,500)	300	25.0	(16,400)	(19,400)	3,000	18.3	
- Other Adj.		(600)	(500)	-100	-16.7	(5,450)	(4,400)	-1,050	-19.3	
Net Production		61,707	55,757	5,950	9.6	573,924	607,428	-33,504	-5.8	
Net Collections	3	63,681	55,433	8,248	13.0	556,109	609,765	-53,656	-9.6	
Collection Ratio	3	103.2%	98.0%	5.2%	5.0	96.9%	98.0%	-1.1%	-1.1	
Overhead	3	29,410	28,938	472	1.6	308,611	318,318	-9,707	-3.1	
Overhead/Production Ratio		47.7%	51.9%	-4.2%	-8.9	53.8%	52.4%	1.4%	2.5	
Net Income Before Dr.	3,4	34,271	26,495	7,776	22.7	247,498	291,447	-43,949	-17.8	
Net Cash Before Dr.	3,5	30,000	25,000	5,000	16.7	225,000	275,000	-50,000	-22.2	

PRODUCTION:											
Doctor(s):											
Total Doctor(s)	6	48,506	43,222	5,284	10.9	438,609	475,444	-36,835	-8.4	Dr. prod. is down but hyg. is up. Although YTD exceeds goal, Ex. 9 shows an improving trend.	
Production per Day	6,7	2,695	2,940	-245	-9.1	2,535	2,620	-84	-3.3		
Actual/Available Hrs.	9	94.8%	97.0%	0	-2.4	95.5%	97.0%	0	-1.6		
# Failed Appts	6,10	4	5	-1	-25.0	64	55	9	14.1		
% Crown & Bridge	8	36.1%	40.0%	-3.9%	-10.9	38.0%	40.0%	-2.0%	-5.2		
Hygienist(s):											
Total Hygienist(s)	6	17,001	15,716	1,285	7.6	181,265	172,873	8,392	4.6		
Production per Day	6,7	531	622	-91	-17.1	587	575	12	2.0		
Actual/Available Hrs.	9	98.5%	95.0%	3.5%	3.6	96.3%	95.0%	1.3%	1.3		
# Failed Appts	6,10	14	15	-1	-7.1	175	165	10	5.7		
STM % of Hygiene	8	36.7%	33.0%	3.7%	10.0	36.3%	33.0%	3.3%	9.1		
Wage/Production %		35.0%	35.0%	0.0%	0.0	36.6%	35.0%	1.6%	4.3		
Recall % (Seen/Due)		92.3%	85.0%	7.3%	7.9	93.7%	85.0%	8.7%	9.3		
# New Patients	6	14	22	-8	-55.2	210	239	-29	-13.8		
# Units Crown & Bridge	6	25	21	4	17.5	211	227	-16	-7.5		

COLLECTIONS:											
Over the Counter %		35.0%	35.0%	0.0%	0.0	31.4%	35.0%	-3.6%	-11.6	Although not yet ideal, Exhibit 10 shows a positive trend in reducing age as well as the total AR.	
# Mo Prod. In A/R	11b					1.2	1.0	0.2	17.8		
A/R ageing:											
0-30 Days	11					30.9%	40.0%	-9.1%	-29.5		
30-60 Days	11					33.8%	30.0%	3.8%	11.3		
60-90 Days	11					23.5%	20.0%	3.5%	15.0		
> 90 Days	11					11.8%	10.0%	1.8%	15.0		

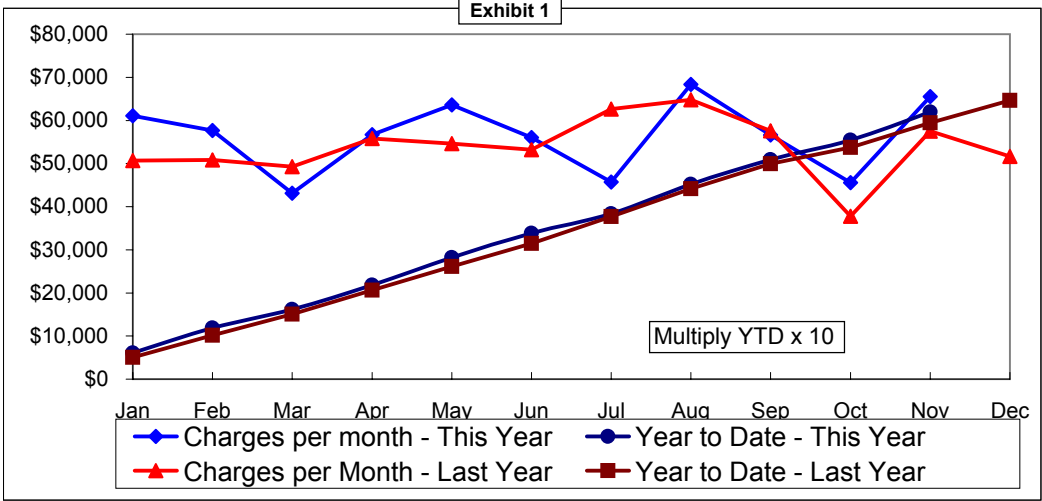
Variance Flags: -Good 0-10% -Great >10% -Not Good 0-10% -Bad >10%

NOTES & COMMENTS:

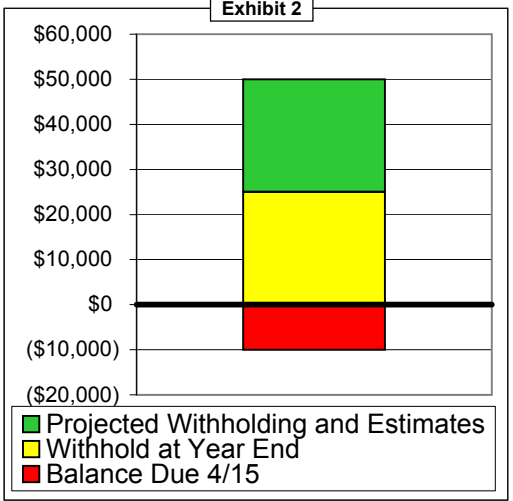
1. According to your tax projection and Exhibit 2, you are on track with your estimated payments. You may recall that your estimated payments are purposely LESS than you will ultimately owe next April 15. This is due to the fact that you are relying on the "safe harbor" rule to pay the LEAST you legally have to pay to avoid penalties based on your prior year taxes. This means you are holding the governments' money longer. So, although you are scheduled to pay \$10,000 next April, you can't be penalized for underpayment.
2. You can still buy about \$13,000 more in equipment to reduce your taxes if you actually need some new equipment.
3. Don't forget to give us the wages and withholding tax amounts that you anticipate to be on your wife's W2 from the hospital this year.

Tom Sample, DDS, PC
11 Months Ending 11/30/02

MONTHLY & YEARLY CHARGES



INCOME TAX PROJECTION



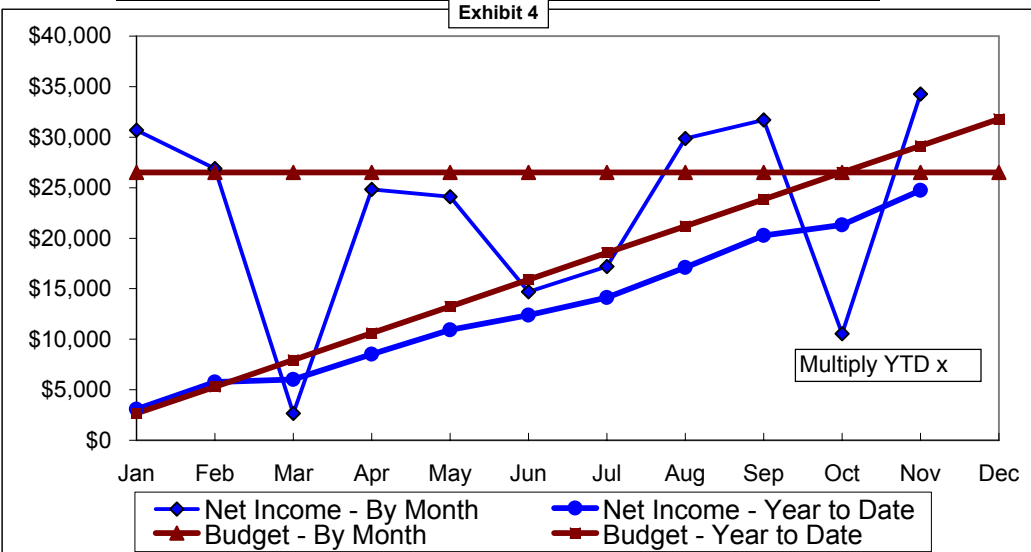
FINANCIAL SUMMARY

Exhibit 3

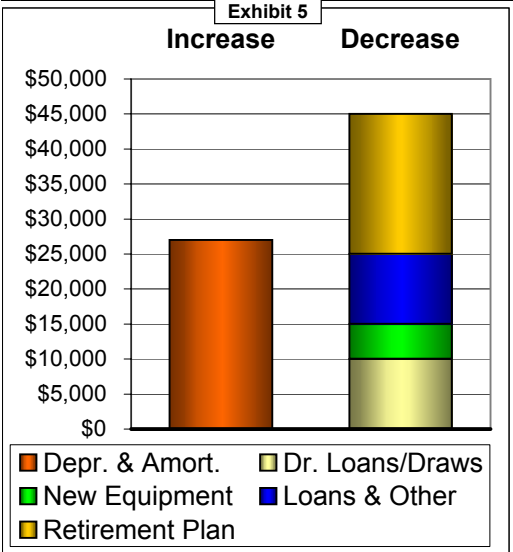
DESCRIPTION	LAST YR		THIS MONTH					THIS YEAR				
	Actual	%	Actual	%	Budget	Variance	%	Actual	%	Budget	Variance	%
Net Fees Charged	\$594,795	100.0	\$65,507	100.0	\$59,257	6,250	9.5	\$619,874	100.0	\$651,828	-\$31,954	-5.2
Accounts Receivable (Increase) Decrease	-31,985	-5.4	-1,826	-2.8	-3,824	1,998	109.4	-63,765	-10.3	-42,063	-21,702	-34.0
Net Fees Collected (90-100, Avg 97%)	562,810	94.6	63,681	97.2	55,433	8,248	13.0	556,109	89.7	609,765	-53,656	-9.6
OPERATING EXPENSES:												
Personnel (25-34, Avg 29%)	150,270	25.3	15,954	24.4	14,817	1,137	7.1	157,082	25.3	162,983	-5,901	-3.8
Production (10-18, Avg 14%)	62,859	10.6	4,509	6.9	6,470	-1,961	-43.5	67,473	10.9	71,168	-3,695	-5.5
Facility (4-10, Avg 7%)	25,264	4.2	2,303	38.6	2,648	-345	-15.0	25,131	45.6	29,124	-3,993	-15.9
Gen. & Admin. (4-10, Avg 7%)	29,501	5.0	2,492	38.6	2,532	-40	-1.6	32,783	45.6	27,854	4,929	15.0
Total Operating Expenses (Avg 58%)	267,894	45.0	25,258	38.6	26,466	-1,208	-4.8	282,469	127.4	291,129	-8,660	-3.1
Net Income Before Other Expenses	294,916	49.6	38,423	58.7	28,967	9,456	24.6	273,640	-37.7	318,637	-44,997	-16.4
OTHER EXPENSES:												
Equipment & Financing	3,812	0.6	0	0.0	829	-829	0.0	2,723	0.4	9,123	-6,400	-235.0
Associates	0	0.0	0	0.0	0	0	0.0	0	0.0	0	0	0.0
Budgeted Expenses	17,811	3.0	4,152	6.3	1,642	2,510	60.4	23,419	3.8	18,067	5,352	22.9
Total Other Expenses	21,623	3.6	4,152	6.3	2,472	1,680	40.5	26,142	4.2	27,189	-1,047	-4.0
NET INCOME BEFORE OWNER	273,293	45.9	34,271	52.3	26,495	7,776	22.7	247,498	39.9	291,447	-43,949	-17.8
Owner Cash Compensation	181,160	30.5	15,074	23.0	23,478	-8,404	-55.8	190,714	30.8	258,263	-67,549	-35.4
NET TAXABLE INCOME	92,133	15.5	19,197	29.3	3,017	16,180	84.3	56,784	9.2	33,184	23,600	41.6
Cash Flow Adjustments	-33,757	-5.7	374	0.6	-2,055	2,429	649.5	-42,934	-6.9	-22,607	-20,327	-47.3
NET CHANGE IN CASH	58,376	9.8	19,571	29.9	962	18,609	95.1	13,850	2.2	10,577	3,273	23.6

Variance Flags:
█ -Good 0-10%
 █ -Great >10%
 █ -Not Good 0-10%
 █ -Bad >10%

MONTHLY & YEARLY NET INCOME BEFORE OWNER



YTD CASH FLOW ADJUSTMENTS



Tom Sample, DDS, PC

11 Months Ending 11/30/02

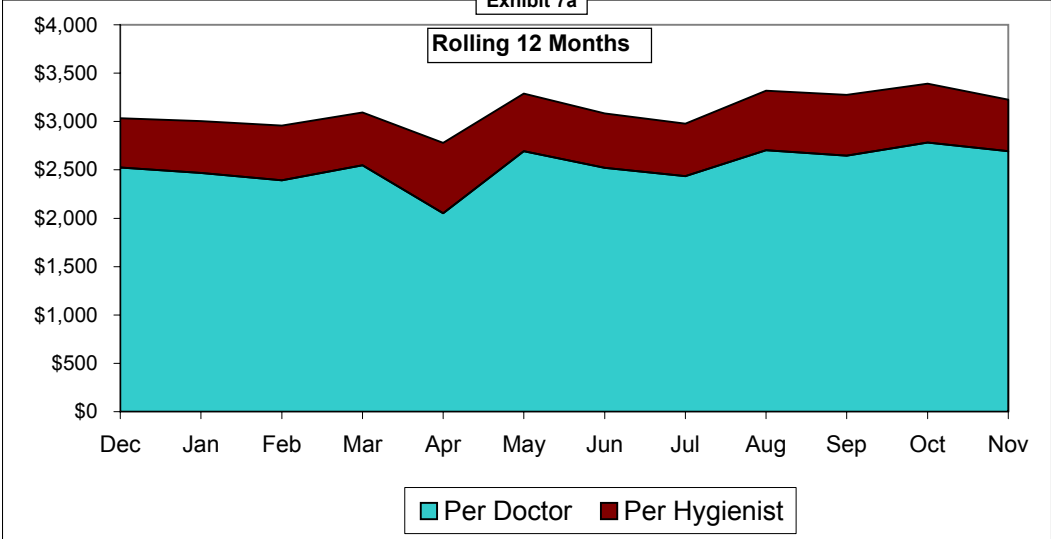
PRODUCTION SUMMARY

Exhibit 6

DESCRIPTION	LAST YR		THIS MONTH					THIS YEAR				
	Actual	%	Actual	%	Budget	Variance	%	Actual	%	Budget	Variance	%
DOCTOR: Number Dr: 1.00												
Total Charged	\$433,632	73.3	\$48,506	74.0	\$43,222	\$5,284	10.9	\$438,609	70.8	\$475,444	-\$36,835	-8.4
Charged/Day	2,370		2,695		2,940	-245	-9.1	2,535		2,620	-84	-3.3
Charged/Actual Hr.	290		335		382	-47	-14.2	313		341	-28	-8.9
Charged/Pt.	159		183		197	-14	-7.8	170		176	-6	-3.5
HYGIENE: Number Hyg: 1.70												
Total Charged	\$157,681	26.7	\$17,001	26.0	\$15,716	\$1,285	7.6	\$181,265	29.2	\$172,873	\$8,392	4.6
Charged/Day	524		531		622	-91	-17.1	587		575	12	2.0
Charged/Actual Hr.	68		63		77	-14	-21.8	72		73	-1	-1.7
Charged/Pt.	59		61		70	-8	-13.5	61		64	-3	-5.2
OTHER: # Active Pts: 1,765												
# New Patients	206		14		22	-8	-55.2	210		239	-29	-13.8
# Units C&B (incl inlays, veneers, etc.)	201		25		21	4	17.5	211		227	-16	-7.5
# Failed Appointments - Doctor	64		4		5	-1	-25.0	64		55	9	14.1
# Failed Appointments - Hygienist	175		14		15	-1	-7.1	175		165	10	5.7

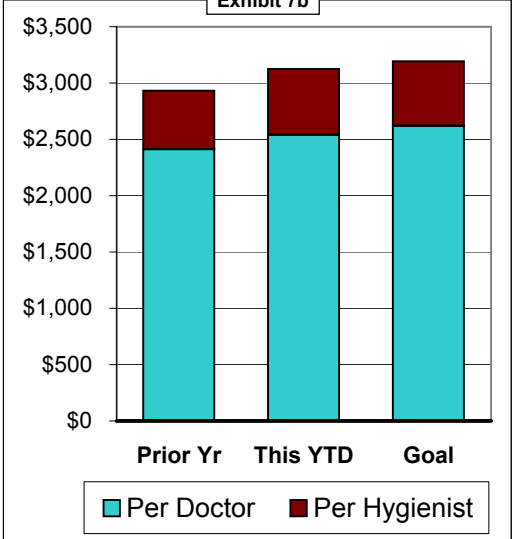
PRODUCTION PER DAY PER DOCTOR & PER HYGIENIST

Exhibit 7a



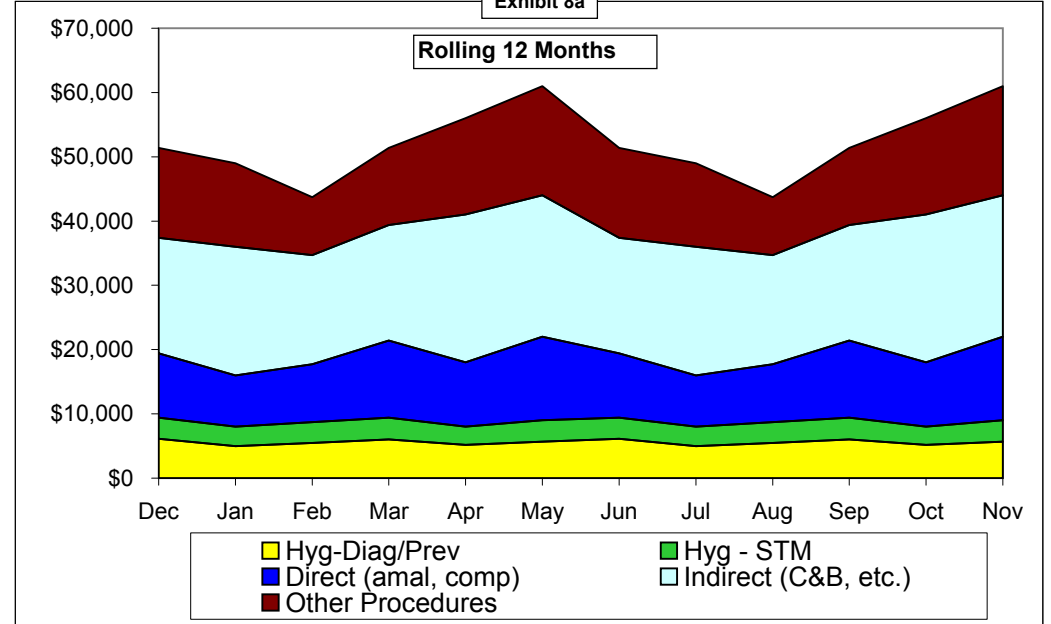
YTD AVG PRODUCTION PER DAY

Exhibit 7b



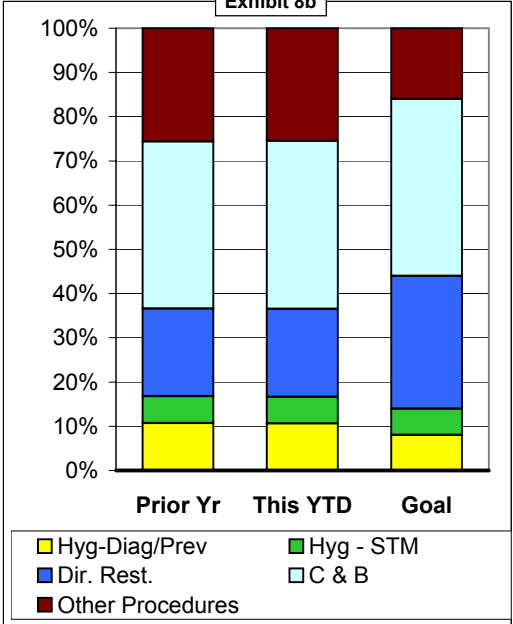
PRODUCTION BY PROCEDURE

Exhibit 8a



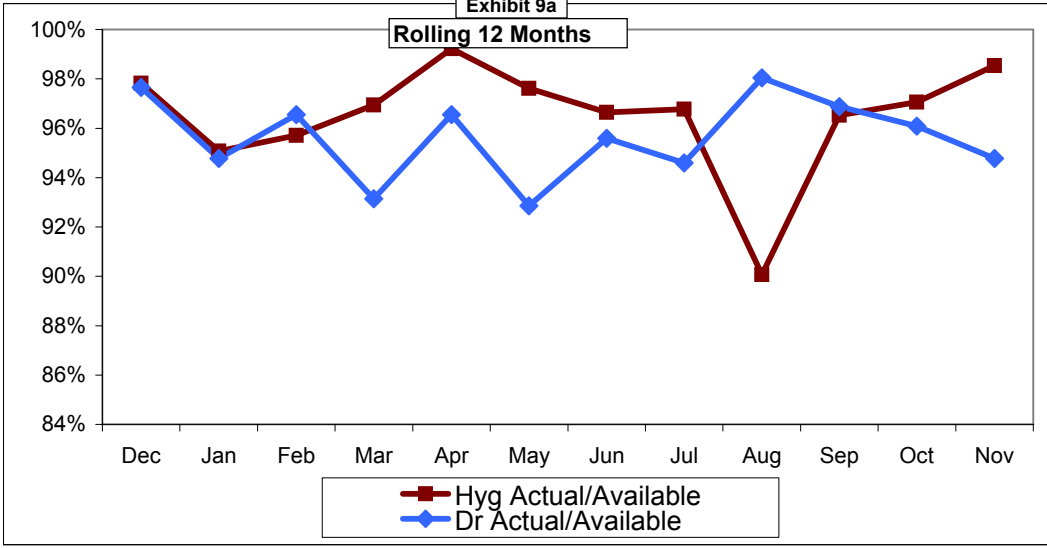
PROCEDURE ANALYSIS BY PCT.

Exhibit 8b

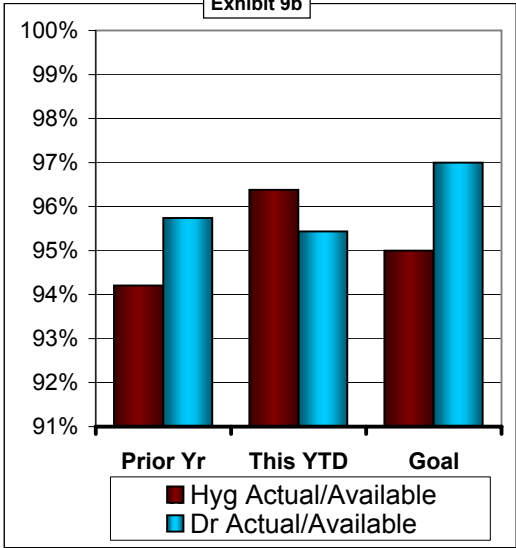


Tom Sample, DDS, PC
11 Months Ending 11/30/02

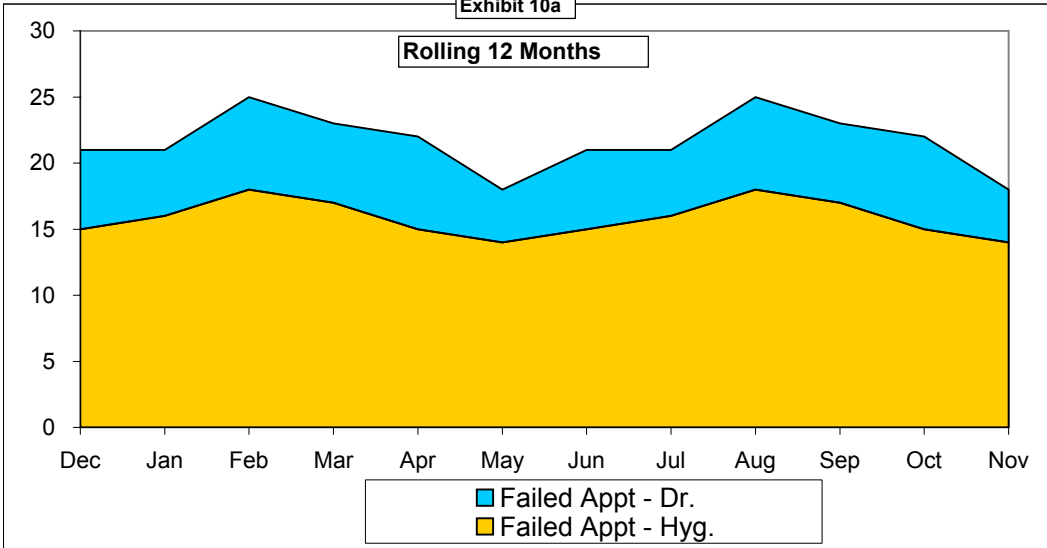
ACTUAL VS. AVAILABLE HRS. - DOCTOR & HYGIENE



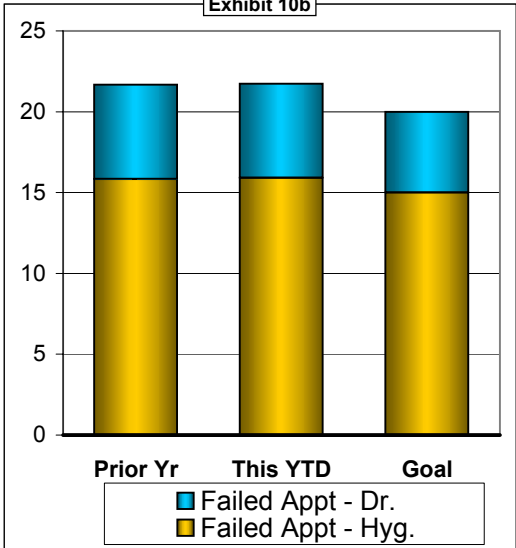
AVG. ACTUAL vs. AVAILABLE HRS.



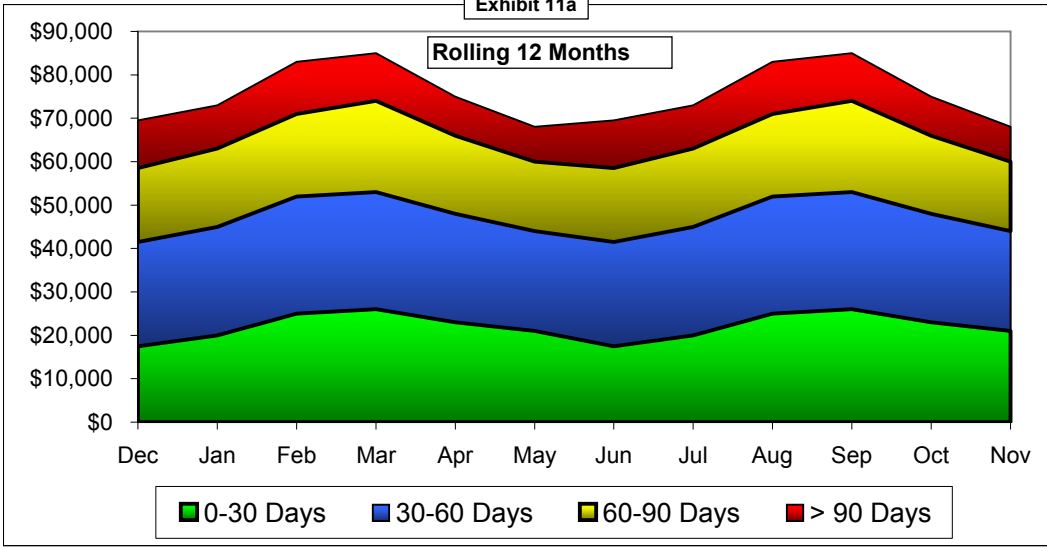
FAILED APPOINTMENTS - DOCTOR & HYGIENE



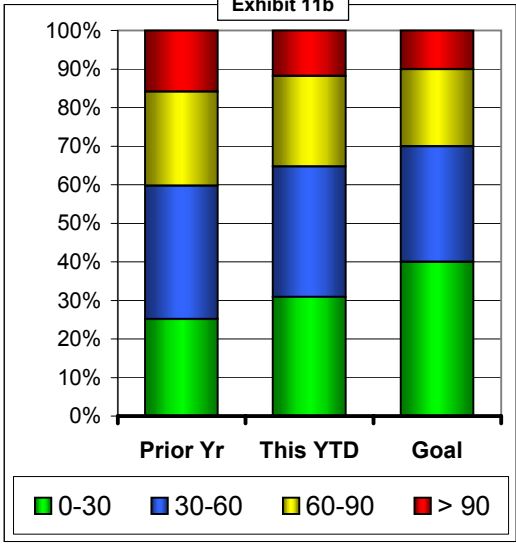
AVG. FAILED APPT. PER MO.



ACCOUNTS RECEIVABLE AGEING - DOLLARS



A/R AGEING - PERCENT



Mo Prod: 1.3 1.2 1.0