

Metairie General Dentistry
MERGER FINANCIAL SUMMARY FOR PRACTICE 2930 8/21/2009 9:21

The following summary illustrates a projected year's income and expenses for the subject practice which incorporates a 4% increase in fees and overhead expense but no increase in production. Although all variable expenses are included, fixed expenses that will not be duplicated are not included. This summary is not a representation or warranty of future practice performance. Purchasers should obtain legal and accounting counsel prior to any purchase decision.

PRACTICE INCOME				
EXPECTED GROSS COLLECTION INCREASE			\$545,109	100.0%
	HYGIENE COMPONENT		\$98,120	18.0%
	DENTIST COMPONENT		\$446,989	82.0%
	RETAINED SELLER		\$272,554	50.0%
	ASSOCIATE		\$0	0.0%
	PURCHASER		\$174,435	32.0%
VARIABLE EXPENSE INCREASE				
	WAGES, PAYROLL TAX, ETC.		\$107,112	19.6%
	LABORATORY		\$32,019	5.9%
	CLINICAL SUPPLIES		\$33,236	6.1%
	OTHER VARIABLE EXPENSE		\$101,938	18.7%
TOTAL VARIABLE EXPENSE INCREASE			\$274,305	50.3%
FIXED EXPENSE INCREASE				
	RENT		\$0	0.0%
	PHONE, UTILITIES		\$3,000	0.6%
	LEGAL & ACCOUNTING		\$3,500	0.6%
	INSURANCE		\$1,500	0.3%
	OTHER FIXED EXPENSE		\$5,923	1.1%
TOTAL FIXED EXPENSE INCREASE			\$13,923	2.6%
DEBT SERVICE INCREASE				
	INTEREST		\$29,134	5.3%
	PRINCIPAL		\$48,176	8.8%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$77,310	14.2%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$545,109	100.0%
EXPECTED INCREASED EXPENSES			\$288,227	52.9%
EXPECTED INCREASED DEBT SERVICE			\$77,310	14.2%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$179,572	102.9%
PURCHASER PRODUCED PRODUCTION			\$174,435	32.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$48,176	27.6%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$15,963	9.2%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD			\$243,711	139.7%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
	SALES PRICE & PERCENT OF GROSS		\$389,000	72%
	WORKING CAPITAL		\$27,000	5.0%
	TOTAL LOAN		\$416,000	76.3%
	LOAN INTEREST RATE		7.80%	
	LOAN TERM IN MONTHS		84	
	MONTHLY PAYMENT		\$6,442	14.2%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$14,787	32.6%

Metairie

MERGER DATA SUMMARY FOR PRACTICE NUMBER 2930

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	1,100
EXPANDABLE FOOTAGE	
CURRENT MONTHLY RENTAL i.e. "1200"	\$1,800
PRICE PER SQUARE FOOT	\$19.64
IS OFFICE HANDICAPPED ACCESSIBLE?	yes
NUMBER OF PARKING SPACES	
PROXIMITY OF PARKING PLACES	ON PREMISES
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	2
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	1
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF UNPLUMBED EMPTY OPERATORIES	
DATE OF LEASE i.e. "1/1/99"	Dr. Wells has shared the office for 30 years
DATE LEASE ENDS - i.e. "1/1/04"	
TERM OF LEASE IN YEARS i.e. "5"	
YEARS REMAINING ON LEASE i.e. "2.5"	
RENEWAL OPTIONS	
DO YOU OWN YOUR BUILDING? "YES" OR "NO"	yes
DO YOU WISH TO SELL THE BUILDING? "YES" OR "NO"	no
PRICE OF BUILDING	\$475,000
IF NOT FOR SALE, MO. RENTAL AMOUNT	\$1,800
ANNUAL REAL ESTATE TAXES	\$2,747
ANNUAL REAL ESTATE INSURANCE COST	\$6,500
PURCHASER MORTGAGE INTEREST RATE	7.00%
PURCHASER MORTGAGE TERM - YEARS	15
PURCHASER MONTHLY PAYMENT	
PURCHASER CURRENT MONTHLY RENT	\$1,600
PRICE PER SQUARE FOOT	\$19.64

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE	RETIREMENT
DAYS/WEEK CURRENTLY WORKED	4
ENTER DESIRED DAYS WORKED FOR NEW BUYER SALE	
DESIRED WORK DAYS/WEEK 1ST YR	2
DESIRED WORK DAYS/WEEK 2ND YR	2
DESIRED WORK DAYS/WEEK 3RD YR	2
DESIRED WORK DAYS/WEEK 4TH YR	2
DESIRED WORK DAYS/WEEK 5TH YR	0
DESIRED WORK DAYS/WEEK 6TH YR	0

PRACTICE DATA	
WHAT CONSULTANT USED IN PAST 5 YRS	NO
RESULTS	
DESCRIBE INTERNAL MARKETING	
DESCRIBE EXTERNAL MARKETING	
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS!	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	2,582
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	10
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	10
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	12
HOW FAR AHEAD IS DENTIST SCHEDULED?	TWO DAYS
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	TWO WEEKS
% PRACTICE INCOME FROM CASH	32%
% OF PATIENTS PAYING CASH	32%
% PRACTICE INCOME FROM INSURANCE	38%
% OF PATIENTS WITH INSURANCE	38%
% PRACTICE INCOME FROM HMO	
% OF PATIENTS WITH HMO	
% PRACTICE INCOME FROM PPO	30%
% OF PATIENTS WITH PPO	30%
% PRACTICE INCOME FROM CAPITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	
% OF PATIENTS WITH MEDICAID	
% PRACTICE INCOME WITH REDUCED FEE PLANS	30%
% OF PATIENTS WITH REDUCED FEE PLANS	30%
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS!	
OFFICE HOURS	MONDAY 8:30 TO 5:00
	TUESDAY 8:30 TO 5:00
	WEDNESDAY
	THURSDAY 8:30 TO 5:00
	FRIDAY 8:30 TO 5:00
	SATURDAY
DENTIST HOURS WORKED PER WEEK	32
HYGIENIST HOURS WORKED PER WEEK	16
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	1,800
HYGIENE PATIENT VISITS PER YEAR	4,320
NUMBER OF DAYS WORKED PER YEAR	180
NUMBER OF WEEKS WORKED PER YEAR	45
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$58,306
SIX WEEKS ACCOUNTS RECEIVABLE	\$69,436
WHAT IS YOUR COLLECTION PERCENTAGE	99%
WHAT TYPE RECALL SYSTEM	COMPUTER, CALLS, AND POST CARDS
WHAT TYPE COMPUTER SYSTEM	PRACTICE WORKS

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	18%
OPERATIVE	30%
PEDODONTICS	3%
ORTHODONTICS	1%
IMPLANTS	0%
REMOVABLE PROSTHETICS	4%
FIXED PROSTHETICS	25%
ENDODONTICS	15%
PERIODONTICS	2%
ORAL SURGERY	1%
COSMETIC	0%
TMJ TREATMENT	1%
SOFT TISSUE MANAGEMENT	0%
OTHER	0%
TOTAL	100%
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	30%
LOCATION DEMAND SCALE 0% - 100%	50%
PLAN / MEDICAID PRACTICE %	30%
ANNUAL FEE INCREASE %	1%
ANNUAL OVERHEAD INCREASE %	1%
FEE SCHEDULE	
ADULT PROPHY 01110	\$60
GOLD INLAY 02540	\$600
TWO SURFACE POSTERIOR COMPOSITE 02386	\$160
TWO SURFACE AMALGAM 02150	\$125
CORE BUILD-UP INCLUDING PINS 02950	\$180
GOLD / PORCELAIN CROWN 02750	\$830
ANTERIOR CANAL ROOT CANAL 03310	\$540
BICUSPID ROOT CANAL 03320	\$660
LABIAL PORCELAIN VENEER 02962	\$830
AVERAGE OF FEES	\$443
PERCENT OF FEE PARITY	79%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	250,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	325,000
NUMBER OF DENTISTS WITHIN 5 MILES	40
NUMBER NEW DENTISTS WITHIN 5 MILES IN LAST 5 YEARS	
MAJOR EMPLOYERS IN AREA	AVONSDALE BANKS
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	

STAFF DATA			
DESCRIBE STAFF BY POSITION AS TO	ANNUAL SALARY	WILL POSSIBLY STAY?	YEAR HIRED
RECEPTIONIST	\$33528	yes	2000
OFFICE MANAGER	\$ _____	_____	_____
RECEPTIONIST	\$ _____	_____	_____
ASSISTANT	\$24506	yes	2005
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$35000	yes	1994
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER _____			
DESCRIBE FRINGE BENEFITS AND VALUE	2 weeks paid vacation		
DO YOU HIRE ANY UNPAID FAMILY MEMBERS	no		
DESCRIBE DUTIES			
ESTIMATED ANNUAL VALUE OF ABOVE			
PRODUCTION CENTERS			
	YEAR TO DATE	LAST YEAR	TWO YEARS AGO
ENTER YEAR	01/01/08 to 10/30/08	2007	2006
GROSS PRODUCTION	\$ 480,089	\$ 563350.20	\$ 564,969
HYGIENISTS	\$ 83,041	\$ 98,751	\$ 103,857
OWNER	\$397,048	\$ 464,599.20	\$ 461,112
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ENTER ASSOCIATE SALARY IN DOLLARS IF FIXED			
ENTER ASSOCIATE COMMISSION PERCENTAGE			
ENTER HYGIENIST SALARY IN DOLLARS IF FIXED			
ENTER HYGIENIST COMMISSION PERCENTAGE	33%		
CONFORMITY DATA			
DOES YOUR PRACTICE MEET OSHA STANDARDS?	Yes		
WHY NOT			
DOES YOUR PRACTICE MEET CDC STANDARDS?	Yes		
WHY NOT			
DOES PRACTICE MEET ALL GOVERNMENTAL REGULATIONS?	Yes		
EXPLAIN ANY DISCREPANCIES			
HAVE YOU HAD ANY DISCIPLINARY ACTION IN LAST 7 YRS	No		
EXPLAIN			
HAVE YOU HAD ANY PRACTICE RELATED SUITS FILED	No		
AGAINST YOU IN THE PAST TEN YEARS? EXPLAIN			
DESCRIBE ANY HEALTH PROBLEMS WHICH WOULD AFFECT YOUR PRACTICE OF DENTISTRY	None		