

**Tri-Cities Tennessee General Dentistry**  
**FINANCIAL DATA SUMMARY FOR PRACTICE 6676** 4/8/2011 16:37

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. 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			\$716,782	100.0%
HYGIENE COMPONENT			\$203,840	28.4%
DENTIST COMPONENT			\$512,942	71.6%
RETAINED SELLER			\$179,195	25.0%
ASSOCIATE			\$0	0.0%
PURCHASER			\$333,746	46.6%

**VARIABLE EXPENSES**

WAGES, PAYROLL TAX, ETC.			\$221,303	30.9%
LABORATORY			\$72,842	10.2%
CLINICAL SUPPLIES			\$53,000	7.4%
OTHER VARIABLE EXPENSE			\$77,870	10.9%
<b>TOTAL VARIABLE EXPENSE INCREASE</b>			<b>\$425,015</b>	<b>59.3%</b>

**FIXED EXPENSES**

RENT			\$18,000	2.5%
PHONE, UTILITIES			\$5,700	0.8%
LEGAL & ACCOUNTING			\$6,760	0.9%
INSURANCE			\$7,800	1.1%
OTHER FIXED EXPENSE			\$8,796	1.2%
<b>TOTAL FIXED EXPENSE INCREASE</b>			<b>\$47,057</b>	<b>6.6%</b>

**DEBT SERVICE**

INTEREST			\$32,579	4.5%
PRINCIPAL			\$36,808	5.1%
<b>TOTAL DEBT SERVICE</b>			<b>\$69,386</b>	<b>9.7%</b>

**SUMMARY**

EXPECTED COLLECTIONS			\$716,782	100.0%
EXPECTED EXPENSES			\$472,072	65.9%
DEBT SERVICE			\$69,386	9.7%
<b>EXPECTED NET INCOME &amp; PERCENT OF PERSONAL PRODUCTION</b>			<b>\$175,324</b>	<b>52.5%</b>
PURCHASER PRODUCED PRODUCTION			\$333,746	46.6%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$36,808	11.0%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$26,634	8.0%
<b>TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY &amp; % PERSONAL PROD.</b>			<b>\$238,765</b>	<b>71.5%</b>

**THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:**

SALES PRICE & PERCENT OF GROSS			\$464,000	67%
WORKING CAPITAL			\$34,000	4.7%
TOTAL LOAN			\$498,000	69.5%
LOAN INTEREST RATE			7.00%	
LOAN TERM IN MONTHS			120	
MONTHLY PAYMENT			\$5,782	9.7%
ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT			\$13,547	22.7%

**Tri-Cities Tennessee****DATA SUMMARY FOR PRACTICE NUMBER 6676**

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	1,200
EXPANDABLE FOOTAGE	None
CURRENT MONTHLY RENTAL i.e. "1200"	\$1,205
PRICE PER SQUARE FOOT	\$12.05
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	38 plus access to parking lot next door
PROXIMITY OF PARKING PLACES	Front door
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	2
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	2
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF UNPLUMBED EMPTY OPERATORIES	
DATE OF LEASE i.e. "1/1/99"	
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	
IF NOT FOR SALE, MO. RENTAL AMOUNT	\$1,500
ANNUAL REAL ESTATE TAXES	
ANNUAL REAL ESTATE INSURANCE COST	
PURCHASER MORTGAGE INTEREST RATE	7.00%
PURCHASER MORTGAGE TERM - YEARS	15
PURCHASER MONTHLY PAYMENT	
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	\$15.00

**WORK SCHEDULE**

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

OTHER PRACTICE INFORMATION: This is a restorative, preventive practice. I do very few extractions, full dentures. I am very conservative. We educate our patients, then they can decide if/what treatment they want. Except for sometimes trying to "convince" a few patients to retain at least some teeth, I do not "push" any treatment. There is no external marketing. Staff is hardworking, loyal and treat patients with respect they deserve. Our community is well educated, income probably above state average considerably.

<b>PRACTICE DATA</b>	
WHAT CONSULTANT USED IN PAST 5 YRS	None
RESULTS	
DESCRIBE INTERNAL MARKETING	All marketing is internal--try to treat patients with respect and kindness.
DESCRIBE EXTERNAL MARKETING	
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	No
<b>PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA &amp; REDUCED FEE PLANS</b>	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	2,103
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	11
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	13
HOW FAR AHEAD IS DENTIST SCHEDULED?	Two weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	Two-three weeks
% PRACTICE INCOME FROM CASH	100%
% OF PATIENTS PAYING CASH	100%
% PRACTICE INCOME FROM INSURANCE	
% OF PATIENTS WITH INSURANCE	
% PRACTICE INCOME FROM HMO	
% OF PATIENTS WITH HMO	
% PRACTICE INCOME FROM PPO	
% OF PATIENTS WITH PPO	
% PRACTICE INCOME FROM CAPITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	
% OF PATIENTS WITH MEDICAID	
% PRACTICE INCOME WITH REDUCED FEE PLANS	
% OF PATIENTS WITH REDUCED FEE PLANS	
<b>PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA &amp; REDUCED FEE PLANS</b>	
OFFICE HOURS	MONDAY 8 AM - 5 PM
	TUESDAY 8 AM - 5 PM
	WEDNESDAY 8 AM - 5 PM
	THURSDAY 8 AM - 5 PM
	FRIDAY
	SATURDAY
DENTIST HOURS WORKED PER WEEK	33
HYGIENIST HOURS WORKED PER WEEK	33
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	
HYGIENE PATIENT VISITS PER YEAR	
NUMBER OF DAYS WORKED PER YEAR	
NUMBER OF WEEKS WORKED PER YEAR	
ACTUAL ACCOUNTS RECEIVABLE BALANCE	
SIX WEEKS ACCOUNTS RECEIVABLE	\$82,706
WHAT IS YOUR COLLECTION PERCENTAGE	
WHAT TYPE RECALL SYSTEM	
WHAT TYPE COMPUTER SYSTEM	Eaglesoft

<b>WHAT % OF THE PRACTICE INCOME IS:</b>	
HYGIENIST PRODUCTION	23%
OPERATIVE	15%
PEDODONTICS	0%
ORTHODONTICS	0%
IMPLANTS	0%
REMOVABLE PROSTHETICS	1%
FIXED PROSTHETICS	38%
ENDODONTICS	0%
PERIODONTICS	2%
ORAL SURGERY	0%
COSMETIC	0%
OTHER	5%
RADIOLOGY	5%
EXAMS	7%
TOTAL	97%
<b>MARKET FACTOR DATA</b>	
EQUIPMENT FACTOR SCALE 0% - 100%	75%
LOCATION DEMAND SCALE 0% - 100%	55%
PLAN / MEDICAID PRACTICE %	
ANNUAL FEE INCREASE %	4.0%
ANNUAL OVERHEAD INCREASE %	4.0%
<b>FEE SCHEDULE</b>	
ADULT PROPHY 01110	\$53
GOLD INLAY 02540	
TWO SURFACE POSTERIOR COMPOSITE 02386	\$140
TWO SURFACE AMALGAM 02150	\$105
CORE BUILD-UP INCLUDING PINS 02950	\$152
GOLD / PORCELAIN CROWN 02750	\$689
ANTERIOR CANAL ROOT CANAL 03310	
BICUSPID ROOT CANAL 03320	
LABIAL PORCELAIN VENEER 02962	\$510
AVERAGE OF FEES	\$275
PERCENT OF FEE PARITY	62%
<b>DEMOGRAPHIC DATA</b>	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	44,130
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	1.1 million
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	28
MAJOR EMPLOYERS IN AREA	3-4 miles
	Eastman Chemical, Domtar, Wellmont Health System
	East Tennessee University
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	Experiences in this area during economic downturn probably mirror those nationwide.

<b>STAFF DATA</b>			
DESCRIBE STAFF BY POSITION AS TO	ANNUAL SALARY	WILL POSSIBLY STAY?	YEAR HIRED
RECEPTIONIST	\$27,795	Yes	2004
OFFICE MANAGER			
RECEPTIONIST	\$ _____	_____	_____
ASSISTANT	\$34,717	Yes	1978
MOVING ASSISTANT	\$ 8,281	Yes	2009
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$34,010 (45% PRODUC)	Yes	1981
HYGIENIST	\$59,838 (39% PRODUC)	Yes	1975
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER _____			
DESCRIBE FRINGE BENEFITS AND VALUE	Profit-sharing 12-13% of full time employees salary		
DO YOU HIRE ANY UNPAID FAMILY MEMBERS			
DESCRIBE DUTIES			
ESTIMATED ANNUAL VALUE OF ABOVE			
<b>PRODUCTION CENTERS</b>			
	YEAR TO DATE	LAST YEAR	TWO YEARS AGO
ENTER YEAR	Jan 1 to March 31,10	2009	2008
GROSS PRODUCTION	\$186,380	\$683,112	\$667,750
HYGIENISTS	\$ 62,383	\$239,525	\$229,753
OWNER	\$123,997	\$443,568	\$424,411
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ENTER ASSOCIATE SALARY IN DOLLARS IF FIXED	None		
ENTER ASSOCIATE COMMISSION PERCENTAGE			
ENTER HYGIENIST SALARY IN DOLLARS IF FIXED			
ENTER HYGIENIST COMMISSION PERCENTAGE	39% AND 45%		
<b>CONFORMITY DATA</b>			
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 AGAINST YOU IN THE PAST TEN YEARS?	No		
EXPLAIN			
DESCRIBE ANY HEALTH PROBLEMS WHICH WOULD AFFECT YOUR PRACTICE OF DENTISTRY	None		