

MERGER FINANCIAL SUMMARY FOR PRACTICE 6973

1/7/2011 11:11

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. **NOTE: Practice price does not include accounts receivable.**

PRACTICE INCOME

EXPECTED GROSS COLLECTION INCREASE			\$201,431	100.0%
	HYGIENIST COMPONENT		\$50,358	25.0%
	DENTIST COMPONENT		\$151,073	75.0%
		RETAINED SELLER	\$80,572	40.0%
		ASSOCIATE	\$0	0.0%
		PURCHASER	\$70,501	35.0%

VARIABLE EXPENSE INCREASE

	WAGES, PAYROLL TAX, ETC.		\$22,630	11.2%
	LABORATORY		\$14,383	7.1%
	CLINICAL SUPPLIES		\$15,504	7.7%
	OTHER VARIABLE EXPENSE		\$35,395	17.6%
TOTAL VARIABLE EXPENSE INCREASE			\$87,912	43.6%

FIXED EXPENSE INCREASE

	RENT		\$12,060	6.0%
	PHONE, UTILITIES		\$3,000	1.5%
	LEGAL & ACCOUNTING		\$1,000	0.5%
	INSURANCE		\$0	0.0%
	OTHER FIXED EXPENSE		\$0	0.0%
TOTAL FIXED EXPENSE INCREASE			\$16,060	8.0%

DEBT SERVICE INCREASE

	INTEREST		\$8,901	4.4%
	PRINCIPAL		\$16,396	8.1%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$25,297	12.6%

SUMMARY

EXPECTED INCREASED COLLECTIONS			\$201,431	100.0%
EXPECTED INCREASED EXPENSES			\$103,972	51.6%
EXPECTED INCREASED DEBT SERVICE			\$25,297	12.6%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$72,162	102.4%
PURCHASER PRODUCED PRODUCTION			\$70,501	35.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$16,396	23.3%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$5,050	7.2%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$93,608	132.8%

THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:

	SALES PRICE & PERCENT OF GROSS		\$129,000	67%
	WORKING CAPITAL		\$10,000	5.0%
	TOTAL LOAN		\$139,000	69.0%
	LOAN INTEREST RATE		7.15%	
	LOAN TERM IN MONTHS		84	
	MONTHLY PAYMENT		\$2,108	12.6%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$4,961	29.6%

Chattanooga, Tennessee**MERGER DATA SUMMARY FOR PRACTICE NUMBER 6973**

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	1,050
EXPANDABLE FOOTAGE	No
CURRENT MONTHLY RENTAL i.e. "1200"	\$959
PRICE PER SQUARE FOOT	\$10.97
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	6
PROXIMITY OF PARKING PLACES	In front of building
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"	March-10
DATE LEASE ENDS - i.e. "1/1/04"	March-11
TERM OF LEASE IN YEARS i.e. "5"	1
YEARS REMAINING ON LEASE i.e. "2.5"	
RENEWAL OPTIONS	Yes
DO YOU OWN YOUR BUILDING? "YES" OR "NO"	No
DO YOU WISH TO SELL THE BUILDING? "YES" OR "NO"	No
PRICE OF BUILDING	
IF NOT FOR SALE, MO. RENTAL AMOUNT	
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	

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	1.5
DESIRED WORK DAYS/WEEK 2ND YR	1.5
DESIRED WORK DAYS/WEEK 3RD YR	1.5
DESIRED WORK DAYS/WEEK 4TH YR	1.5
DESIRED WORK DAYS/WEEK 5TH YR	1.5
DESIRED WORK DAYS/WEEK 6TH YR	1.5

PRACTICE DATA	
WHAT CONSULTANT USED IN PAST 5 YRS RESULTS	No
DESCRIBE INTERNAL MARKETING	
DESCRIBE EXTERNAL MARKETING	
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	No
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	1,002
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	8
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	7
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	9
HOW FAR AHEAD IS DENTIST SCHEDULED?	two weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	six months
% PRACTICE INCOME FROM CASH	55%
% OF PATIENTS PAYING CASH	39%
% PRACTICE INCOME FROM INSURANCE	45%
% OF PATIENTS WITH INSURANCE	61%
% 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	
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
OFFICE HOURS	MONDAY 9:00 am - 5:00 pm
	TUESDAY 9:00 am - 5:00 pm
	WEDNESDAY 9:00 am - 5:00 pm
	THURSDAY 9:00 am - 5:00 pm
	FRIDAY
	SATURDAY
DENTIST HOURS WORKED PER WEEK	30
HYGIENIST HOURS WORKED PER WEEK	27
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	
HYGIENE PATIENT VISITS PER YEAR	874
NUMBER OF DAYS WORKED PER YEAR	171
NUMBER OF WEEKS WORKED PER YEAR	46
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$23,140
SIX WEEKS ACCOUNTS RECEIVABLE	\$23,021
WHAT IS YOUR COLLECTION PERCENTAGE	100%
WHAT TYPE RECALL SYSTEM	Book 4-6 months in advance
WHAT TYPE COMPUTER SYSTEM	Eagle Soft

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	25%
OPERATIVE	18%
PEDODONTICS	0%
ORTHODONTICS	0%
IMPLANTS	0%
REMOVABLE PROSTHETICS	7%
FIXED PROSTHETICS	20%
ENDODONTICS	0%
PERIODONTICS	0%
ORAL SURGERY	6%
COSMETIC	0%
TMJ TREATMENT	0%
SOFT TISSUE MANAGEMENT	0%
DIAGNOSTIC	24%
TOTAL	100%
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	50%
LOCATION DEMAND SCALE 0% - 100%	60%
PLAN / MEDICAID PRACTICE %	
ANNUAL FEE INCREASE %	5%
ANNUAL OVERHEAD INCREASE %	5%
FEE SCHEDULE	
ADULT PROPHY 01110	\$59
GOLD INLAY 02540	
TWO SURFACE POSTERIOR COMPOSITE 02386	\$142
TWO SURFACE AMALGAM 02150	\$95
CORE BUILD-UP INCLUDING PINS 02950	\$163
GOLD / PORCELAIN CROWN 02750	\$771
ANTERIOR CANAL ROOT CANAL 03310	\$432
BICUSPID ROOT CANAL 03320	\$527
LABIAL PORCELAIN VENEER 02962	\$675
AVERAGE OF FEES	\$376
PERCENT OF FEE PARITY	67%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	250,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	250,000
NUMBER OF DENTISTS WITHIN 5 MILES	
NUMBER NEW DENTISTS WITHIN 5 MILES IN LAST 5 YEARS	4
MAJOR EMPLOYERS IN AREA	Dupont, McKee, TVA, BCBS, Unum, VW
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	Amazon 2011 North GA and Chattanooga. Hamilton County

STAFF DATA			
DESCRIBE STAFF BY POSITION AS TO	ANNUAL SALARY	WILL POSSIBLY STAY?	YEAR HIRED
RECEPTIONIST	\$5,848	_____	_____
OFFICE MANAGER	\$ _____	_____	_____
RECEPTIONIST	\$ _____	_____	_____
ASSISTANT	\$26,532	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$31,436	_____	_____
HYGIENIST	\$2,842	_____	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER _____			
DESCRIBE FRINGE BENEFITS AND VALUE	Holidays and vacation		
DO YOU HIRE ANY FAMILY MEMBERS	Yes, Wife is receptionist		
DESCRIBE DUTIES			
ESTIMATED ANNUAL VALUE OF ABOVE			
PRODUCTION CENTERS			
	YEAR TO DATE	LAST YEAR	TWO YEARS AGO
ENTER YEAR	1/1/10-11/30/10	2009	2008
GROSS PRODUCTION	\$189,833	\$217,950	\$229,640
HYGIENISTS	\$ 46,964	\$ 47,420	\$ 50,344
OWNER	\$142,869	\$170,530	\$179,296
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ENTER ASSOCIATE SALARY IN DOLLARS IF FIXED			
ENTER ASSOCIATE COMMISSION PERCENTAGE			
ENTER HYGIENIST SALARY IN DOLLARS IF FIXED	\$32,966 (\$212/day)		
ENTER HYGIENIST COMMISSION PERCENTAGE			
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		