

**Salisbury, NC** **General Dentistry**  
**MERGER FINANCIAL SUMMARY FOR PRACTICE 8568** 11/25/2009 14:55

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.**

<b>PRACTICE INCOME</b>				
EXPECTED GROSS COLLECTION INCREASE			\$733,219	100.0%
	HYGIENE COMPONENT		\$168,640	23.0%
	DENTIST COMPONENT		\$564,578	77.0%
	RETAINED SELLER		\$0	0.0%
	ASSOCIATE		\$564,578	77.0%
	PURCHASER		\$0	0.0%
<b>VARIABLE EXPENSE INCREASE</b>				
	WAGES, PAYROLL TAX, ETC.		\$154,856	21.1%
	LABORATORY		\$47,290	6.4%
	CLINICAL SUPPLIES		\$54,058	7.4%
	OTHER VARIABLE EXPENSE		\$215,681	29.4%
TOTAL VARIABLE EXPENSE INCREASE			\$471,884	64.4%
<b>FIXED EXPENSE INCREASE</b>				
	RENT		\$0	0.0%
	PHONE, UTILITIES		\$3,000	0.4%
	LEGAL & ACCOUNTING		\$3,500	0.5%
	INSURANCE		\$1,500	0.2%
	OTHER FIXED EXPENSE		\$8,014	1.1%
TOTAL FIXED EXPENSE INCREASE			\$16,014	2.2%
<b>DEBT SERVICE INCREASE</b>				
	INTEREST		\$36,851	5.0%
	PRINCIPAL		\$50,802	6.9%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$87,653	12.0%
<b>SUMMARY</b>				
EXPECTED INCREASED COLLECTIONS			\$733,219	100.0%
EXPECTED INCREASED EXPENSES			\$487,898	66.5%
EXPECTED INCREASED DEBT SERVICE			\$87,653	12.0%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$157,667	#DIV/0!
PURCHASER PRODUCED PRODUCTION			\$0	0.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$50,802	#DIV/0!
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$17,223	#DIV/0!
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD			\$225,693	#DIV/0!
<b>THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:</b>				
	SALES PRICE & PERCENT OF GROSS		\$419,000	59%
	WORKING CAPITAL		\$35,000	4.8%
	TOTAL LOAN		\$454,000	61.9%
	LOAN INTEREST RATE		9.00%	
	LOAN TERM IN MONTHS		84	
	MONTHLY PAYMENT		\$7,304	12.0%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$26,589	43.5%

Salisbury, NC

**MERGER DATA SUMMARY FOR PRACTICE NUMBER 8568**

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	1,260
EXPANDABLE FOOTAGE	None
CURRENT MONTHLY RENTAL i.e. "1200"	\$2,550
PRICE PER SQUARE FOOT	\$24.29
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	18
PROXIMITY OF PARKING PLACES	Adjacent to building
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	3
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	
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	\$2,550
ANNUAL REAL ESTATE TAXES	\$1,510
ANNUAL REAL ESTATE INSURANCE COST	\$2,486
PURCHASER MORTGAGE INTEREST RATE	7.00%
PURCHASER MORTGAGE TERM - YEARS	15
PURCHASER MONTHLY PAYMENT	
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	\$24.29

**WORK SCHEDULE**

PLANS AFTER SALE OF PRACTICE	
DAYS/WEEK CURRENTLY WORKED	3
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

<b>PRACTICE DATA</b>	
WHAT CONSULTANT USED IN PAST 5 YRS	None
RESULTS	
DESCRIBE INTERNAL MARKETING	
DESCRIBE EXTERNAL MARKETING	
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	
<b>PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA &amp; REDUCED FEE PLANS!</b>	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	26
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	8
HOW FAR AHEAD IS DENTIST SCHEDULED?	two weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	six months
% PRACTICE INCOME FROM CASH	10%
% OF PATIENTS PAYING CASH	10%
% PRACTICE INCOME FROM INSURANCE	15%
% OF PATIENTS WITH INSURANCE	15%
% 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	75%
% OF PATIENTS WITH MEDICAID	75%
% PRACTICE INCOME WITH REDUCED FEE PLANS	75%
% OF PATIENTS WITH REDUCED FEE PLANS	75%
<b>PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA &amp; REDUCED FEE PLANS!</b>	
OFFICE HOURS	MONDAY 8:00 am - 5:00 pm
	TUESDAY 8:00 am - 5:00 pm
	WEDNESDAY 8:00 am - 5:00 pm
	THURSDAY 8:00 am - 5:00 pm
	FRIDAY
	SATURDAY
DENTIST HOURS WORKED PER WEEK	32
HYGIENIST HOURS WORKED PER WEEK	32
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	
HYGIENE PATIENT VISITS PER YEAR	
NUMBER OF DAYS WORKED PER YEAR	200
NUMBER OF WEEKS WORKED PER YEAR	50
ACTUAL ACCOUNTS RECEIVABLE BALANCE	
SIX WEEKS ACCOUNTS RECEIVABLE	\$84,602
WHAT IS YOUR COLLECTION PERCENTAGE	
WHAT TYPE RECALL SYSTEM	
WHAT TYPE COMPUTER SYSTEM	None

<b>WHAT % OF THE PRACTICE INCOME IS:</b>	
HYGIENIST PRODUCTION	23%
OPERATIVE	0%
PEDODONTICS	0%
ORTHODONTICS	0%
IMPLANTS	0%
REMOVABLE PROSTHETICS	0%
FIXED PROSTHETICS	0%
ENDODONTICS	0%
PERIODONTICS	0%
ORAL SURGERY	0%
COSMETIC	0%
TMJ TREATMENT	0%
SOFT TISSUE MANAGEMENT	0%
OTHER	0%
TOTAL	23%
<b>MARKET FACTOR DATA</b>	
EQUIPMENT FACTOR SCALE 0% - 100%	35%
LOCATION DEMAND SCALE 0% - 100%	40%
PLAN / MEDICAID PRACTICE %	75%
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
<b>FEE SCHEDULE</b>	
ADULT PROPHY 01110	
GOLD INLAY 02540	
TWO SURFACE POSTERIOR COMPOSITE 02386	
TWO SURFACE AMALGAM 02150	
CORE BUILD-UP INCLUDING PINS 02950	
GOLD / PORCELAIN CROWN 02750	
ANTERIOR CANAL ROOT CANAL 03310	
BICUSPID ROOT CANAL 03320	
LABIAL PORCELAIN VENEER 02962	
AVERAGE OF FEES	#DIV/0!
PERCENT OF FEE PARITY	80%
<b>DEMOGRAPHIC DATA</b>	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	28,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	136,000
NUMBER OF DENTISTS WITHIN 5 MILES	11
NUMBER NEW DENTISTS WITHIN 5 MILES IN LAST 5 YEARS	1
MAJOR EMPLOYERS IN AREA	Rowan-Salisbury School system, Freightliner, Food Lion Corp., VA Medical Center, Rowan Regional Medical Center
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	

<b>STAFF DATA</b>			
DESCRIBE STAFF BY POSITION AS TO	ANNUAL SALARY	WILL POSSIBLY STAY?	YEAR HIRED
RECEPTIONIST	\$9,200 PT	Yes	2008
OFFICE MANAGER	\$ _____	_____	_____
RECEPTIONIST	\$ _____	_____	_____
ASSISTANT	\$23,400	Yes	1994
ASSISTANT	\$13,300 PT	Yes	2007
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$43,600	Yes	2007
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER _____			
DESCRIBE FRINGE BENEFITS AND VALUE	Profit sharing plan, paid vacation		
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	_____ TO _____	_____	_____
GROSS PRODUCTION	\$ _____	\$ _____	\$ _____
HYGIENISTS	\$ _____	\$ _____	\$ _____
OWNER	\$ _____	\$ _____	\$ _____
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			
<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	No		
AGAINST YOU IN THE PAST TEN YEARS? EXPLAIN			
DESCRIBE ANY HEALTH PROBLEMS WHICH WOULD AFFECT YOUR PRACTICE OF DENTISTRY			