

MERGER FINANCIAL SUMMARY FOR PRACTICE 8683

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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			\$758,272	100.0%
	HYGIENE COMPONENT		\$155,175	20.5%
	DENTIST COMPONENT		\$603,097	79.5%
		RETAINED SELLER	\$0	0.0%
		ASSOCIATE	\$303,309	40.0%
		PURCHASER	\$299,789	39.5%

VARIABLE EXPENSE INCREASE

	WAGES, PAYROLL TAX, ETC.		\$160,339	21.1%
	LABORATORY		\$9,964	1.3%
	CLINICAL SUPPLIES		\$53,236	7.0%
	OTHER VARIABLE EXPENSE		\$139,256	18.4%
TOTAL VARIABLE EXPENSE INCREASE			\$362,795	47.8%

FIXED EXPENSE INCREASE

	RENT		\$0	0.0%
	PHONE, UTILITIES		\$3,000	0.4%
	LEGAL & ACCOUNTING		\$3,500	0.5%
	INSURANCE		\$1,500	0.2%
	OTHER FIXED EXPENSE		\$4,204	0.6%
TOTAL FIXED EXPENSE INCREASE			\$12,204	1.6%

DEBT SERVICE INCREASE

	INTEREST		\$52,547	6.9%
	PRINCIPAL		\$84,175	11.1%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$136,722	18.0%

SUMMARY

EXPECTED INCREASED COLLECTIONS			\$758,272	100.0%
EXPECTED INCREASED EXPENSES			\$374,999	49.5%
EXPECTED INCREASED DEBT SERVICE			\$136,722	18.0%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$246,551	82.2%
PURCHASER PRODUCED PRODUCTION			\$299,789	39.5%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$84,175	28.1%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$28,630	9.6%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD			\$359,357	119.9%

THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:

	SALES PRICE & PERCENT OF GROSS		\$695,000	95%
	WORKING CAPITAL		\$36,000	4.7%
	TOTAL LOAN		\$731,000	96.4%
	LOAN INTEREST RATE		8.00%	
	LOAN TERM IN MONTHS		84	
	MONTHLY PAYMENT		\$11,394	18.0%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$17,940	28.4%

North Raleigh, North Carolina**MERGER DATA SUMMARY FOR PRACTICE NUMBER 8683**

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	2,400
EXPANDABLE FOOTAGE	No
CURRENT MONTHLY RENTAL i.e. "1200"	\$4,471
PRICE PER SQUARE FOOT	\$22.36
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	15 +
PROXIMITY OF PARKING PLACES	Very close
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	4
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF UNPLUMBED EMPTY OPERATORIES	4
DATE OF LEASE i.e. "1/1/99"	April-08
DATE LEASE ENDS - i.e. "1/1/04"	April-11
TERM OF LEASE IN YEARS i.e. "5"	3
YEARS REMAINING ON LEASE i.e. "2.5"	2
RENEWAL OPTIONS	1-3 year option
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	5
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

PRACTICE DATA	
WHAT CONSULTANT USED IN PAST 5 YRS	No
RESULTS	
DESCRIBE INTERNAL MARKETING	Referral cards, recall cards, etc.
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	1,497
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	251
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	16
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	7
HOW FAR AHEAD IS DENTIST SCHEDULED?	2 weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	6 months
% PRACTICE INCOME FROM CASH	17%
% OF PATIENTS PAYING CASH	17%
% PRACTICE INCOME FROM INSURANCE	51%
% OF PATIENTS WITH INSURANCE	51%
% 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	32%
% OF PATIENTS WITH MEDICAID	32%
% PRACTICE INCOME WITH REDUCED FEE PLANS	32%
% OF PATIENTS WITH REDUCED FEE PLANS	32%
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS!	
OFFICE HOURS	MONDAY 9:00 AM - 4:00 PM
	TUESDAY 9:00 AM - 4:00 PM
	WEDNESDAY 9:00 AM - 4:00 PM
	THURSDAY 9:00 AM - 4:00 PM
	FRIDAY 8:00 AM - 3:00 PM
	SATURDAY
DENTIST HOURS WORKED PER WEEK	
HYGIENIST HOURS WORKED PER WEEK	32
ASSOCIATE HOURS WORKED PER WEEK	35
DENTIST PATIENT VISITS PER YEAR	3,984
HYGIENE PATIENT VISITS PER YEAR	1,743
NUMBER OF DAYS WORKED PER YEAR	249
NUMBER OF WEEKS WORKED PER YEAR	52
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$92,032
SIX WEEKS ACCOUNTS RECEIVABLE	\$87,493
WHAT IS YOUR COLLECTION PERCENTAGE	88%
WHAT TYPE RECALL SYSTEM	Computer
WHAT TYPE COMPUTER SYSTEM	Softdent

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	27%
OPERATIVE	46%
PEDODONTICS	0%
ORTHODONTICS	0%
IMPLANTS	0%
REMOVABLE PROSTHETICS	5%
FIXED PROSTHETICS	4%
ENDODONTICS	3%
PERIODONTICS	5%
ORAL SURGERY	8%
COSMETIC	2%
TMJ TREATMENT	0%
SOFT TISSUE MANAGEMENT	0%
OTHER	0%
TOTAL	100%
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	90%
LOCATION DEMAND SCALE 0% - 100%	95%
PLAN / MEDICAID PRACTICE %	32%
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
FEE SCHEDULE	
ADULT PROPHY 01110	\$79
GOLD INLAY 02540	\$1,100
TWO SURFACE POSTERIOR COMPOSITE 02386	\$226
TWO SURFACE AMALGAM 02150	
CORE BUILD-UP INCLUDING PINS 02950	\$236
GOLD / PORCELAIN CROWN 02750	\$945
ANTERIOR CANAL ROOT CANAL 03310	\$788
BICUSPID ROOT CANAL 03320	\$840
LABIAL PORCELAIN VENEER 02962	\$1,100
AVERAGE OF FEES	\$664
PERCENT OF FEE PARITY	109%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	25,300
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	25,300
NUMBER OF DENTISTS WITHIN 5 MILES	
NUMBER NEW DENTISTS WITHIN 5 MILES IN LAST 5 YEARS	
MAJOR EMPLOYERS IN AREA	State of NC, Wake County School system, Glaxo, Progress Energy, City of Raleigh
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	\$29,952	Yes	2008
OFFICE MANAGER	\$ _____	_____	_____
RECEPTIONIST	\$23,296	Yes	2009
ASSISTANT	\$34,528	Yes	2008
ASSISTANT	\$32,448	Yes	2009
ASSISTANT	\$30,784	Yes	2009
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$54,912	Yes	2009
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER _____			
DESCRIBE FRINGE BENEFITS AND VALUE	Health insurance, vacation, holidays		
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	1/1/09 - 7/23/09	9/8/08 - 12/31/08	
GROSS PRODUCTION	\$482,127	\$235,165	
HYGIENISTS	\$ 36,055	28,672	
OWNER	\$100,461	110,500	
ASSOCIATE	\$345,611	95,993	
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ENTER ASSOCIATE SALARY IN DOLLARS IF FIXED			
ENTER ASSOCIATE COMMISSION PERCENTAGE	32%		
ENTER HYGIENIST SALARY IN DOLLARS IF FIXED	\$33/hour		
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		