

MERGER FINANCIAL SUMMARY FOR PRACTICE 8687

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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			\$295,654	100.0%
HYGIENE COMPONENT			\$68,000	23.0%
DENTIST COMPONENT			\$227,654	77.0%
RETAINED SELLER			\$0	0.0%
ASSOCIATE			\$0	0.0%
PURCHASER			\$295,654	100.0%

VARIABLE EXPENSE INCREASE

WAGES, PAYROLL TAX, ETC.			\$62,442	21.1%
LABORATORY			\$13,798	4.7%
CLINICAL SUPPLIES			\$19,366	6.6%
OTHER VARIABLE EXPENSE			\$10,913	3.7%
TOTAL VARIABLE EXPENSE INCREASE			\$106,520	36.0%

FIXED EXPENSE INCREASE

RENT			\$0	0.0%
PHONE, UTILITIES			\$3,000	1.0%
LEGAL & ACCOUNTING			\$3,500	1.2%
INSURANCE			\$1,500	0.5%
OTHER FIXED EXPENSE			\$1,135	0.4%
TOTAL FIXED EXPENSE INCREASE			\$9,135	3.1%

DEBT SERVICE INCREASE

INTEREST			\$21,348	7.2%
PRINCIPAL			\$29,429	10.0%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$50,777	17.2%

SUMMARY

EXPECTED INCREASED COLLECTIONS			\$295,654	100.0%
EXPECTED INCREASED EXPENSES			\$115,655	39.1%
EXPECTED INCREASED DEBT SERVICE			\$50,777	17.2%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$129,222	43.7%
PURCHASER PRODUCED PRODUCTION			\$295,654	100.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$29,429	10.0%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$10,343	3.5%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD			\$168,995	57.2%

THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:

SALES PRICE & PERCENT OF GROSS			\$249,000	88%
WORKING CAPITAL			\$14,000	4.7%
TOTAL LOAN			\$263,000	89.0%
LOAN INTEREST RATE			9.00%	
LOAN TERM IN MONTHS			84	
MONTHLY PAYMENT			\$4,231	17.2%
ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT			\$3,400	13.8%

Biloxi, Mississippi

MERGER DATA SUMMARY FOR PRACTICE NUMBER 8687

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	1,440
EXPANDABLE FOOTAGE	No
CURRENT MONTHLY RENTAL i.e. "1200"	\$1,850
PRICE PER SQUARE FOOT	\$15.42
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	50 for complex
PROXIMITY OF PARKING PLACES	Front door
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"	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	Rejoining the Navy
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:

Providing quality oral health care in a timely and cost effective manner. Creating an environment conducive to relaxation and compassion.

PRACTICE DATA	
WHAT CONSULTANT USED IN PAST 5 YRS	No
RESULTS	
DESCRIBE INTERNAL MARKETING	Referrals from patients and some active duty Navy/Air Force
DESCRIBE EXTERNAL MARKETING	
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	Increasing since Katrina back to pre-Katrina production
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS!	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	938
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	23
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	12
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	
HOW FAR AHEAD IS DENTIST SCHEDULED?	two weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	
% PRACTICE INCOME FROM CASH	13%
% OF PATIENTS PAYING CASH	13%
% PRACTICE INCOME FROM INSURANCE	27%
% OF PATIENTS WITH INSURANCE	27%
% PRACTICE INCOME FROM HMO	
% OF PATIENTS WITH HMO	
% PRACTICE INCOME FROM PPO	60%
% OF PATIENTS WITH PPO	60%
% PRACTICE INCOME FROM CAPITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	
% OF PATIENTS WITH MEDICAID	
% PRACTICE INCOME WITH REDUCED FEE PLANS	60%
% OF PATIENTS WITH REDUCED FEE PLANS	60%
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS!	
OFFICE HOURS	MONDAY 11:00 am - 5:30 pm (no lunch)
	TUESDAY 10:00 am - 4:30 pm (no lunch)
	WEDNESDAY
	THURSDAY 11:00 am - 5:30 pm (no lunch)
	FRIDAY 10:00 am - 4:30 pm (no lunch)
	SATURDAY
DENTIST HOURS WORKED PER WEEK	26
HYGIENIST HOURS WORKED PER WEEK	
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	1,500
HYGIENE PATIENT VISITS PER YEAR	
NUMBER OF DAYS WORKED PER YEAR	180
NUMBER OF WEEKS WORKED PER YEAR	46
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$88,520
SIX WEEKS ACCOUNTS RECEIVABLE	\$34,114
WHAT IS YOUR COLLECTION PERCENTAGE	88%
WHAT TYPE RECALL SYSTEM	Recall cards sent every six months
WHAT TYPE COMPUTER SYSTEM	Softdent

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENE PRODUCTION	25%
OPERATIVE	25%
PEDODONTICS	5%
ORTHODONTICS	0%
IMPLANTS	0%
REMOVABLE PROSTHETICS	5%
FIXED PROSTHETICS	15%
ENDODONTICS	15%
PERIODONTICS	2%
ORAL SURGERY	8%
COSMETIC	0%
TMJ TREATMENT	0%
SOFT TISSUE MANAGEMENT	0%
OTHER	0%
TOTAL	100%
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	75%
LOCATION DEMAND SCALE 0% - 100%	70%
PLAN / MEDICAID PRACTICE %	60%
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
FEE SCHEDULE	
ADULT PROPHY 01110	\$72
GOLD INLAY 02540	\$585
TWO SURFACE POSTERIOR COMPOSITE 02386	\$142
TWO SURFACE AMALGAM 02150	\$140
CORE BUILD-UP INCLUDING PINS 02950	\$185
GOLD / PORCELAIN CROWN 02750	\$750
ANTERIOR CANAL ROOT CANAL 03310	\$475
BICUSPID ROOT CANAL 03320	\$595
LABIAL PORCELAIN VENEER 02962	\$525
AVERAGE OF FEES	\$385
PERCENT OF FEE PARITY	69%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	50,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	200,000
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	sixteen
MAJOR EMPLOYERS IN AREA	three
	Air Force, Navy, Casions, Federal/State, Northrop Grumman, Chevron
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	Loss of production after Katrina rebounding in 2009 to normal

STAFF DATA			
DESCRIBE STAFF BY POSITION AS TO	ANNUAL SALARY	WILL POSSIBLY STAY?	YEAR HIRED
RECEPTIONIST	\$ _____	_____	_____
OFFICE MANAGER	\$26,000	Yes	2002
RECEPTIONIST	\$ _____	_____	_____
ASSISTANT	\$18,000	Yes	2009
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER _____			
DESCRIBE FRINGE BENEFITS AND VALUE	Free dental, bonus to office manager		
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 TO 8/20/09		
GROSS PRODUCTION	\$282,328	\$ _____	\$ _____
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			
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		