

Monroe Area, LA **General Dentistry**
MERGER FINANCIAL SUMMARY FOR PRACTICE 8689 2/10/2011 16:15

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			\$355,958	100.0%
	HYGIENE COMPONENT		\$88,989	25.0%
	DENTIST COMPONENT		\$266,968	75.0%
	RETAINED SELLER		\$0	0.0%
	ASSOCIATE		\$0	0.0%
	PURCHASER		\$266,968	75.0%
VARIABLE EXPENSE INCREASE				
	WAGES, PAYROLL TAX, ETC.		\$79,640	22.4%
	LABORATORY		\$22,128	6.2%
	CLINICAL SUPPLIES		\$27,873	7.8%
	OTHER VARIABLE EXPENSE		\$6,637	1.9%
TOTAL VARIABLE EXPENSE INCREASE			\$136,278	38.3%
FIXED EXPENSE INCREASE				
	RENT		\$0	0.0%
	PHONE, UTILITIES		\$3,000	0.8%
	LEGAL & ACCOUNTING		\$3,500	1.0%
	INSURANCE		\$1,500	0.4%
	OTHER FIXED EXPENSE		\$10,236	2.9%
TOTAL FIXED EXPENSE INCREASE			\$18,236	5.1%
DEBT SERVICE INCREASE				
	INTEREST		\$24,850	7.0%
	PRINCIPAL		\$33,891	9.5%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$58,740	16.5%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$355,958	100.0%
EXPECTED INCREASED EXPENSES			\$154,514	43.4%
EXPECTED INCREASED DEBT SERVICE			\$58,740	16.5%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$142,704	53.5%
PURCHASER PRODUCED PRODUCTION			\$266,968	75.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$33,891	12.7%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$10,668	4.0%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$187,263	70.1%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
	SALES PRICE & PERCENT OF GROSS		\$218,000	64%
	WORKING CAPITAL		\$17,000	4.8%
	TOTAL LOAN		\$235,000	66.0%
	LOAN INTEREST RATE		7.00%	
	LOAN TERM IN MONTHS		84	
	MONTHLY PAYMENT		\$4,895	16.5%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$4,449	15.0%

Monroe Area, LA**MERGER DATA SUMMARY FOR PRACTICE NUMBER 8689**

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	2,107
EXPANDABLE FOOTAGE	No
CURRENT MONTHLY RENTAL i.e. "1200"	\$1,263
PRICE PER SQUARE FOOT	\$7.19
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	16
PROXIMITY OF PARKING PLACES	Rear of building
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	3
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"	
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"	Yes
PRICE OF BUILDING	\$150,000
IF NOT FOR SALE, MO. RENTAL AMOUNT	\$2,000
ANNUAL REAL ESTATE TAXES	
ANNUAL REAL ESTATE INSURANCE COST	
PURCHASER MORTGAGE INTEREST RATE	7.00%
PURCHASER MORTGAGE TERM - YEARS	15
PURCHASER MONTHLY PAYMENT	\$1,348
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	\$7.68

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE	Move back to New Orleans area
DAYS/WEEK CURRENTLY WORKED	4.25
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	Laurel Grantham
RESULTS	Mixed
DESCRIBE INTERNAL MARKETING	Monthly newsletter
DESCRIBE EXTERNAL MARKETING	Participate in United Concordia, Metlife, Delta Dental Preferred/PPO BCBS LA, Guardian, Cigna, Radius, Humana PPO, Dentemax, GEHA C
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	Yes Recession
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	1,008
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	25
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	7
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	4
HOW FAR AHEAD IS DENTIST SCHEDULED?	one week
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	six months
% PRACTICE INCOME FROM CASH	36%
% OF PATIENTS PAYING CASH	36%
% PRACTICE INCOME FROM INSURANCE	64%
% OF PATIENTS WITH INSURANCE	64%
% 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 10:00 am - 5:00 pm
	TUESDAY 8:00 am - 3:00 pm
	WEDNESDAY 10:00 am - 5:00 pm
	THURSDAY 8:00 am - 3:00 pm
	FRIDAY 8:00 am - 12:00 pm once a month
	SATURDAY
DENTIST HOURS WORKED PER WEEK	29
HYGIENIST HOURS WORKED PER WEEK	29
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	1,512
HYGIENE PATIENT VISITS PER YEAR	864
NUMBER OF DAYS WORKED PER YEAR	216
NUMBER OF WEEKS WORKED PER YEAR	54
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$24,170
SIX WEEKS ACCOUNTS RECEIVABLE	\$41,072
WHAT IS YOUR COLLECTION PERCENTAGE	98%
WHAT TYPE RECALL SYSTEM	Pre-appoint 6 mos, cards in file box
WHAT TYPE COMPUTER SYSTEM	Practice Works

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	25%
OPERATIVE	35%
PEDODONTICS	0%
ORTHODONTICS	1%
IMPLANTS	4%
REMOVABLE PROSTHETICS	7%
FIXED PROSTHETICS	3%
ENDODONTICS	7%
PERIODONTICS	2%
ORAL SURGERY	13%
COSMETIC	0%
TMJ TREATMENT	0%
SOFT TISSUE MANAGEMENT	0%
OTHER	3%
TOTAL	100%
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	70%
LOCATION DEMAND SCALE 0% - 100%	30%
PLAN / MEDICAID PRACTICE %	
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
FEE SCHEDULE	
ADULT PROPHY 01110	\$72
GOLD INLAY 02540	\$827
TWO SURFACE POSTERIOR COMPOSITE 02386	\$204
TWO SURFACE AMALGAM 02150	\$170
CORE BUILD-UP INCLUDING PINS 02950	\$256
GOLD / PORCELAIN CROWN 02750	\$960
ANTERIOR CANAL ROOT CANAL 03310	\$663
BICUSPID ROOT CANAL 03320	\$810
LABIAL PORCELAIN VENEER 02962	\$965
AVERAGE OF FEES	\$547
PERCENT OF FEE PARITY	98%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	5,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	15,000
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	two
MAJOR EMPLOYERS IN AREA	ten
	SAPA Extrusion, Century Link, Graphic Packaging, Walmart, Chase
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	Stable growth, 1,500+ new jobs Delta-ConAgri Plant, 1,400+ new jobs car/vehicle company, new gas discovery in Haynesville

STAFF DATA			
DESCRIBE STAFF BY POSITION AS TO	ANNUAL SALARY	WILL POSSIBLY STAY?	YEAR HIRED
RECEPTIONIST	\$33,000	Yes	2006
OFFICE MANAGER	\$ _____	_____	_____
RECEPTIONIST	\$ _____	_____	_____
ASSISTANT	\$18,400	Yes	2009
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$38,700	Yes	2006
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER			
DESCRIBE FRINGE BENEFITS AND VALUE	16 hrs/well pay, 16 hrs/vacation 2nd year		
DO YOU HIRE ANY UNPAID FAMILY MEMBERS			
DESCRIBE DUTIES			
ESTIMATED ANNUAL VALUE OF ABOVE			
PRODUCTION CENTERS			
	YEAR TO DATE	LAST YEAR	TWO YEARS AGO
ENTER YEAR	YEAR TO DATE	LAST YEAR	TWO YEARS AGO
GROSS PRODUCTION	1/1/09 TO 12/31/09	2008	2007
HYGIENISTS	\$528,801	\$571,516	\$581,320
OWNER	\$ 89,462	\$ 94,203	\$115,795
ASSOCIATE	\$439,349	\$477,213	\$465,524
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		