

Birmingham Area, AL **General Dentistry**
MERGER FINANCIAL SUMMARY FOR PRACTICE 8706 2/18/2010 14:36

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			\$1,278,853	100.0%
	HYGIENE COMPONENT		\$230,194	18.0%
	DENTIST COMPONENT		\$1,048,660	82.0%
	RETAINED SELLER		\$0	0.0%
	ASSOCIATE		\$0	0.0%
	PURCHASER		\$1,048,660	82.0%
VARIABLE EXPENSE INCREASE				
	WAGES, PAYROLL TAX, ETC.		\$277,633	21.7%
	LABORATORY		\$126,602	9.9%
	CLINICAL SUPPLIES		\$99,797	7.8%
	OTHER VARIABLE EXPENSE		\$62,929	4.9%
TOTAL VARIABLE EXPENSE INCREASE			\$566,960	44.3%
FIXED EXPENSE INCREASE				
	RENT		\$0	0.0%
	PHONE, UTILITIES		\$3,000	0.2%
	LEGAL & ACCOUNTING		\$3,500	0.3%
	INSURANCE		\$1,500	0.1%
	OTHER FIXED EXPENSE		\$14,535	1.1%
TOTAL FIXED EXPENSE INCREASE			\$22,535	1.8%
DEBT SERVICE INCREASE				
	INTEREST		\$86,438	6.8%
	PRINCIPAL		\$105,987	8.3%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$192,425	15.0%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$1,278,853	100.0%
EXPECTED INCREASED EXPENSES			\$589,495	46.1%
EXPECTED INCREASED DEBT SERVICE			\$192,425	15.0%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$496,933	47.4%
PURCHASER PRODUCED PRODUCTION			\$1,048,660	82.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$105,987	10.1%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$44,568	4.3%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$647,488	61.7%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
	SALES PRICE & PERCENT OF GROSS		\$796,000	65%
	WORKING CAPITAL		\$61,000	4.8%
	TOTAL LOAN		\$857,000	67.0%
	LOAN INTEREST RATE		9.00%	
	LOAN TERM IN MONTHS		84	
	MONTHLY PAYMENT		\$16,035	15.0%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$11,510	10.8%

Birmingham Area, AL**MERGER DATA SUMMARY FOR PRACTICE NUMBER 8706**

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	1,960
EXPANDABLE FOOTAGE	
CURRENT MONTHLY RENTAL i.e. "1200"	\$5,000
PRICE PER SQUARE FOOT	\$30.61
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	8 in lot and 8 on street
PROXIMITY OF PARKING PLACES	Adjacent and on street
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	4
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	2
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	\$250,000
IF NOT FOR SALE, MO. RENTAL AMOUNT	\$3,000
ANNUAL REAL ESTATE TAXES	\$1,800
ANNUAL REAL ESTATE INSURANCE COST	\$3,300
PURCHASER MORTGAGE INTEREST RATE	7.00%
PURCHASER MORTGAGE TERM - YEARS	15
PURCHASER MONTHLY PAYMENT	\$2,247
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	\$13.76

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	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	Yes
RESULTS	MGE and internal work
DESCRIBE INTERNAL MARKETING	Phone calls, postcards, events
DESCRIBE EXTERNAL MARKETING	
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	Yes, this past year with the economy down
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	2,135
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	64
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	20
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	10
HOW FAR AHEAD IS DENTIST SCHEDULED?	one week
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	3 weeks full and 6 months sporadic
% PRACTICE INCOME FROM CASH	37%
% OF PATIENTS PAYING CASH	37%
% PRACTICE INCOME FROM INSURANCE	63%
% OF PATIENTS WITH INSURANCE	63%
% 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 8:00 am - 6:00 pm (see patients 9:30 - 4:30)
	TUESDAY 8:00 am - 6:00 pm (see patients 9:00 - 4:30)
	WEDNESDAY 8:00 am - 6:00 pm (see patients 10:00 - 4:30)
	THURSDAY 8:00 am - 6:00 pm (see patients 9:30 - 4:30)
	FRIDAY Occasionally
	SATURDAY
DENTIST HOURS WORKED PER WEEK	40
HYGIENIST HOURS WORKED PER WEEK	40
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	
HYGIENE PATIENT VISITS PER YEAR	
NUMBER OF DAYS WORKED PER YEAR	184
NUMBER OF WEEKS WORKED PER YEAR	50
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$106,389
SIX WEEKS ACCOUNTS RECEIVABLE	\$147,560
WHAT IS YOUR COLLECTION PERCENTAGE	100%
WHAT TYPE RECALL SYSTEM	Phone calls, postcards
WHAT TYPE COMPUTER SYSTEM	Softdent

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	18%
OPERATIVE	52%
PEDODONTICS	0%
ORTHODONTICS	0%
IMPLANTS	1%
REMOVABLE PROSTHETICS	5%
FIXED PROSTHETICS	12%
ENDODONTICS	5%
PERIODONTICS	5%
ORAL SURGERY	2%
COSMETIC	0%
TMJ TREATMENT	0%
SOFT TISSUE MANAGEMENT	0%
OTHER	0%
TOTAL	100%
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	70%
LOCATION DEMAND SCALE 0% - 100%	70%
PLAN / MEDICAID PRACTICE %	
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
FEE SCHEDULE	
ADULT PROPHY 01110	\$54
GOLD INLAY 02540	
TWO SURFACE POSTERIOR COMPOSITE 02386	
TWO SURFACE AMALGAM 02150	\$78
CORE BUILD-UP INCLUDING PINS 02950	\$140
GOLD / PORCELAIN CROWN 02750	\$825
ANTERIOR CANAL ROOT CANAL 03310	\$475
BICUSPID ROOT CANAL 03320	\$550
LABIAL PORCELAIN VENEER 02962	\$895
AVERAGE OF FEES	\$431
PERCENT OF FEE PARITY	74%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	one
MAJOR EMPLOYERS IN AREA	seven miles
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	

