

Decatur Area AL General Dentistry
MERGER FINANCIAL SUMMARY FOR PRACTICE 8724 3/16/2010 12:20

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			\$289,581	100.0%
	HYGIENE COMPONENT		\$78,187	27.0%
	DENTIST COMPONENT		\$211,394	73.0%
		RETAINED SELLER	\$0	0.0%
		ASSOCIATE	\$0	0.0%
		PURCHASER	\$211,394	73.0%
VARIABLE EXPENSE INCREASE				
	WAGES, PAYROLL TAX, ETC.		\$66,256	22.9%
	LABORATORY		\$27,327	9.4%
	CLINICAL SUPPLIES		\$22,496	7.8%
	OTHER VARIABLE EXPENSE		\$7,225	2.5%
TOTAL VARIABLE EXPENSE INCREASE			\$123,304	42.6%
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		\$1,047	0.4%
TOTAL FIXED EXPENSE INCREASE			\$9,047	3.1%
DEBT SERVICE INCREASE				
	INTEREST		\$15,260	5.3%
	PRINCIPAL		\$21,037	7.3%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$36,297	12.5%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$289,581	100.0%
EXPECTED INCREASED EXPENSES			\$132,351	45.7%
EXPECTED INCREASED DEBT SERVICE			\$36,297	12.5%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$120,933	57.2%
PURCHASER PRODUCED PRODUCTION			\$211,394	73.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$21,037	10.0%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$7,064	3.3%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$149,034	70.5%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
	SALES PRICE & PERCENT OF GROSS		\$174,000	62%
	WORKING CAPITAL		\$14,000	4.8%
	TOTAL LOAN		\$188,000	64.9%
	LOAN INTEREST RATE		9.00%	
	LOAN TERM IN MONTHS		84	
	MONTHLY PAYMENT		\$3,025	12.5%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$3,909	16.2%

Decatur Area AL**MERGER DATA SUMMARY FOR PRACTICE NUMBER 8724**

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	1,000
EXPANDABLE FOOTAGE	
CURRENT MONTHLY RENTAL i.e. "1200"	\$600
PRICE PER SQUARE FOOT	\$7.20
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	6
PROXIMITY OF PARKING PLACES	Front door
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	2
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"	December-07
DATE LEASE ENDS - i.e. "1/1/04"	December-12
TERM OF LEASE IN YEARS i.e. "5"	3
YEARS REMAINING ON LEASE i.e. "2.5"	2
RENEWAL OPTIONS	3 years
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	Retire
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

PRACTICE DATA	
WHAT CONSULTANT USED IN PAST 5 YRS	None
RESULTS	
DESCRIBE INTERNAL MARKETING	
DESCRIBE EXTERNAL MARKETING	
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	Dropped somewhat in 2009 (Hygienist left; stopped seeing new patients.
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	600
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	8
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	1
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	1
HOW FAR AHEAD IS DENTIST SCHEDULED?	2 weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	4 weeks
% PRACTICE INCOME FROM CASH	6%
% OF PATIENTS PAYING CASH	6%
% PRACTICE INCOME FROM INSURANCE	40%
% OF PATIENTS WITH INSURANCE	70%
% PRACTICE INCOME FROM HMO	
% OF PATIENTS WITH HMO	
% PRACTICE INCOME FROM PPO	54%
% OF PATIENTS WITH PPO	24%
% PRACTICE INCOME FROM CAPITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	
% OF PATIENTS WITH MEDICAID	
% PRACTICE INCOME WITH REDUCED FEE PLANS	54%
% OF PATIENTS WITH REDUCED FEE PLANS	24%
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
OFFICE HOURS	MONDAY 8:00 - 4:30
	TUESDAY 8:00 - 4:30
	WEDNESDAY 8:00 - 4:30
	THURSDAY
	FRIDAY
	SATURDAY
DENTIST HOURS WORKED PER WEEK	23
HYGIENIST HOURS WORKED PER WEEK	23
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	1,200
HYGIENE PATIENT VISITS PER YEAR	132
NUMBER OF DAYS WORKED PER YEAR	50
NUMBER OF WEEKS WORKED PER YEAR	50
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$39,801
SIX WEEKS ACCOUNTS RECEIVABLE	\$33,413
WHAT IS YOUR COLLECTION PERCENTAGE	98%
WHAT TYPE RECALL SYSTEM	Postcards
WHAT TYPE COMPUTER SYSTEM	Easy Dental

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	27%
OPERATIVE	29%
PEDODONTICS	0%
ORTHODONTICS	0%
IMPLANTS	0%
REMOVABLE PROSTHETICS	18%
FIXED PROSTHETICS	18%
ENDODONTICS	2%
PERIODONTICS	0%
ORAL SURGERY	6%
COSMETIC	0%
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%	50%
PLAN / MEDICAID PRACTICE %	54%
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
FEE SCHEDULE	
ADULT PROPHY 01110	\$50
GOLD INLAY 02540	
TWO SURFACE POSTERIOR COMPOSITE 02386	\$104
TWO SURFACE AMALGAM 02150	\$80
CORE BUILD-UP INCLUDING PINS 02950	\$116
GOLD / PORCELAIN CROWN 02750	\$595
ANTERIOR CANAL ROOT CANAL 03310	\$395
BICUSPID ROOT CANAL 03320	\$460
LABIAL PORCELAIN VENEER 02962	\$580
AVERAGE OF FEES	\$298
PERCENT OF FEE PARITY	56%
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	
MAJOR EMPLOYERS IN AREA	
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	\$ _____	_____	_____
OFFICE MANAGER	\$33,280	Yes	_____
RECEPTIONIST	\$ _____	_____	_____
ASSISTANT	\$21,632	No	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$24,960	Yes	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER			
DESCRIBE FRINGE BENEFITS AND VALUE	5 days sick leave; 10 days vacation		
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	2009	2008	
GROSS PRODUCTION	\$340,368	\$339,061	
HYGIENISTS	\$100,000	\$113,000	
OWNER	\$240,368	\$226,000	
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ENTER ASSOCIATE SALARY IN DOLLARS IF FIXED			
ENTER ASSOCIATE COMMISSION PERCENTAGE			
ENTER HYGIENIST SALARY IN DOLLARS IF FIXED	\$20/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		