

SLIDELL, LOUISIANA **General Dentistry**
MERGER FINANCIAL SUMMARY FOR PRACTICE 8737 3/31/2011 16:38

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			\$465,519	100.0%
	HYGIENE COMPONENT		\$46,552	10.0%
	DENTIST COMPONENT		\$418,967	90.0%
	RETAINED SELLER		\$116,380	25.0%
	ASSOCIATE		\$0	0.0%
	PURCHASER		\$302,587	65.0%
VARIABLE EXPENSE INCREASE				
	WAGES, PAYROLL TAX, ETC.		\$84,762	18.2%
	LABORATORY		\$36,465	7.8%
	CLINICAL SUPPLIES		\$35,043	7.5%
	OTHER VARIABLE EXPENSE		\$53,211	11.4%
TOTAL VARIABLE EXPENSE INCREASE			\$209,482	45.0%
FIXED EXPENSE INCREASE				
	RENT		\$30,000	6.4%
	PHONE, UTILITIES		\$3,000	0.6%
	LEGAL & ACCOUNTING		\$3,500	0.8%
	INSURANCE		\$1,500	0.3%
	OTHER FIXED EXPENSE		\$11,932	2.6%
TOTAL FIXED EXPENSE INCREASE			\$49,932	10.7%
DEBT SERVICE INCREASE				
	INTEREST		\$20,657	4.4%
	PRINCIPAL		\$37,404	8.0%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$58,061	12.5%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$465,519	100.0%
EXPECTED INCREASED EXPENSES			\$259,414	55.7%
EXPECTED INCREASED DEBT SERVICE			\$58,061	12.5%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$148,043	48.9%
PURCHASER PRODUCED PRODUCTION			\$302,587	65.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$37,404	12.4%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$12,844	4.2%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$198,292	65.5%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
	SALES PRICE & PERCENT OF GROSS		\$296,000	66%
	WORKING CAPITAL		\$22,000	4.7%
	TOTAL LOAN		\$318,000	68.3%
	LOAN INTEREST RATE		7.25%	
	LOAN TERM IN MONTHS		84	
	MONTHLY PAYMENT		\$4,838	12.5%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$5,848	15.1%

SLIDELL, LOUISIANA**MERGER DATA SUMMARY FOR PRACTICE NUMBER 8737**

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	2,850
EXPANDABLE FOOTAGE	2000 sq. ft., floored, unfinished attic
CURRENT MONTHLY RENTAL i.e. "1200"	
PRICE PER SQUARE FOOT	
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	10
PROXIMITY OF PARKING PLACES	10 feet away
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	3
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	1
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	2
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"	no
PRICE OF BUILDING	\$300,000
IF NOT FOR SALE, MO. RENTAL AMOUNT	\$2,500
ANNUAL REAL ESTATE TAXES	\$3,040
ANNUAL REAL ESTATE INSURANCE COST	\$3,450
PURCHASER MORTGAGE INTEREST RATE	7.50%
PURCHASER MORTGAGE TERM - YEARS	15
PURCHASER MONTHLY PAYMENT	
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	\$10.53

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE	Possibly 2 days a week for incoming dentist - salary
DAYS/WEEK CURRENTLY WORKED	4
ENTER DESIRED WORK DAYS FOR MERGER SALE	
DESIRED WORK DAYS/WEEK 1ST YR	3
DESIRED WORK DAYS/WEEK 2ND YR	3
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:

Fee for service; excellent staff; lively community I try to give best value for what patient wants and needs.

PRACTICE DATA	
WHAT CONSULTANT USED IN PAST 5 YRS	None
RESULTS	
DESCRIBE INTERNAL MARKETING	
DESCRIBE EXTERNAL MARKETING	
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	1,700
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	23
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	
HOW FAR AHEAD IS DENTIST SCHEDULED?	1 week
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	1 week
% PRACTICE INCOME FROM CASH	60%
% OF PATIENTS PAYING CASH	60%
% PRACTICE INCOME FROM INSURANCE	30%
% OF PATIENTS WITH INSURANCE	30%
% PRACTICE INCOME FROM HMO	
% OF PATIENTS WITH HMO	
% PRACTICE INCOME FROM PPO	10%
% OF PATIENTS WITH PPO	10%
% PRACTICE INCOME FROM CAPITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	
% OF PATIENTS WITH MEDICAID	
% PRACTICE INCOME WITH REDUCED FEE PLANS	10%
% OF PATIENTS WITH REDUCED FEE PLANS	10%
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
OFFICE HOURS	MONDAY 9 AM - 5 PM
	TUESDAY 9 AM - 5 PM
	WEDNESDAY 9 AM - 5 PM
	THURSDAY 9 AM - 5 PM
	FRIDAY
	SATURDAY
DENTIST HOURS WORKED PER WEEK	32
HYGIENIST HOURS WORKED PER WEEK	24
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	
HYGIENE PATIENT VISITS PER YEAR	
NUMBER OF DAYS WORKED PER YEAR	200
NUMBER OF WEEKS WORKED PER YEAR	50
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$104,400
SIX WEEKS ACCOUNTS RECEIVABLE	\$53,714
WHAT IS YOUR COLLECTION PERCENTAGE	93%
WHAT TYPE RECALL SYSTEM	Postcard
WHAT TYPE COMPUTER SYSTEM	Easy Dental

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	10%
OPERATIVE	20%
PEDODONTICS	5%
ORTHODONTICS	0%
IMPLANTS	0%
REMOVABLE PROSTHETICS	20%
FIXED PROSTHETICS	10%
ENDODONTICS	10%
PERIODONTICS	0%
ORAL SURGERY	5%
COSMETIC	20%
TMJ TREATMENT	0%
SOFT TISSUE MANAGEMENT	0%
OTHER	0%
TOTAL	100%
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	35%
LOCATION DEMAND SCALE 0% - 100%	80%
PLAN / MEDICAID PRACTICE %	10%
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
FEE SCHEDULE	
ADULT PROPHY 01110	\$55
GOLD INLAY 02540	
TWO SURFACE POSTERIOR COMPOSITE 02386	\$121
TWO SURFACE AMALGAM 02150	\$101
CORE BUILD-UP INCLUDING PINS 02950	\$191
GOLD / PORCELAIN CROWN 02750	\$799
ANTERIOR CANAL ROOT CANAL 03310	\$457
BICUSPID ROOT CANAL 03320	\$567
LABIAL PORCELAIN VENEER 02962	\$578
AVERAGE OF FEES	\$359
PERCENT OF FEE PARITY	67%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	28,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	9,000
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES	8
WITHIN	5 miles
MAJOR EMPLOYERS IN AREA	St. Tammany Parish Schools, Textron Marine, Stennis Space Center
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	\$20,250	Yes	2008
OFFICE MANAGER	\$ _____	_____	_____
RECEPTIONIST	\$ _____	_____	_____
ASSISTANT	\$17,704	Yes	1996
ASSISTANT	\$14,833	Yes	1998
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$33,450	Yes	2003
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER _____			
DESCRIBE FRINGE BENEFITS AND VALUE	SEP - 10% to 20% of wages monthly		
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	1-1-2010 - 5-31-2010	2009	2008
GROSS PRODUCTION	\$204,630	\$517,082	\$559,916
HYGIENISTS	\$ _____	\$ _____	\$ _____
OWNER	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ENTER ASSOCIATE SALARY IN DOLLARS IF FIXED			
ENTER ASSOCIATE COMMISSION PERCENTAGE			
ENTER HYGIENIST SALARY IN DOLLARS IF FIXED	\$260/day		
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	Yes		
EXPLAIN	3 year probabion 2005-2008;state board did not like treatment of 3 patients-failed root canal; patient did not like partial		
HAVE YOU HAD ANY PRACTICE RELATED SUITS FILED	Yes		
AGAINST YOU IN THE PAST TEN YEARS? EXPLAIN	2005-failed root canal; 2009-patient did not mention radiation to jaws-extractions followed; 2004 patient said I pulled wrong tooth		
DESCRIBE ANY HEALTH PROBLEMS WHICH WOULD AFFECT YOUR PRACTICE OF DENTISTRY	Occasional tingling		