

Wilmington, North Carolina	General Dentistry
MERGER FINANCIAL SUMMARY FOR PRACTICE 8643	3/17/2014 15:23

The following summary illustrates a projected year's income and expenses for the subject practice which incorporates an 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			\$555,680	100.0%
	HYGIENE COMPONENT		\$144,477	26.0%
	DENTIST COMPONENT		\$411,203	74.0%
	RETAINED SELLER		\$411,203	74.0%
	ASSOCIATE			
	PURCHASER			
VARIABLE EXPENSE INCREASE				
	WAGES, PAYROLL TAX, ETC.		\$133,887	24.1%
	LABORATORY		\$51,389	9.2%
	CLINICAL SUPPLIES		\$48,675	8.8%
	OTHER VARIABLE EXPENSE		\$166,501	30.0%
TOTAL VARIABLE EXPENSE INCREASE			\$400,452	72.1%
FIXED EXPENSE INCREASE				
	RENT			
	PHONE, UTILITIES		\$3,000	0.5%
	LEGAL & ACCOUNTING		\$3,500	0.6%
	INSURANCE		\$1,500	0.3%
	OTHER FIXED EXPENSE		\$9,603	1.7%
TOTAL FIXED EXPENSE INCREASE			\$17,603	3.2%
DEBT SERVICE INCREASE - EXCLUSIVE OF ANY REAL ESTATE MORTGAGE WHICH IS INCLUDED IN FIXED EXPENSES				
	INTEREST		\$16,818	3.0%
	PRINCIPAL		\$38,462	6.9%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$55,280	9.9%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$555,680	100.0%
EXPECTED INCREASED EXPENSES			\$418,056	75.2%
EXPECTED INCREASED DEBT SERVICE			\$55,280	9.9%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$82,345	#DIV/0!
PURCHASER PRODUCED PRODUCTION				
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$38,462	#DIV/0!
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$16,490	#DIV/0!
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$137,297	#DIV/0!
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
	PRACTICE SALES PRICE & PERCENT OF GROSS		\$428,000	80%
	WORKING CAPITAL		\$27,000	
	TOTAL LOAN		\$455,000	
	LOAN INTEREST RATE		4.00%	
	LOAN TERM IN MONTHS		120	
	TOTAL MONTHLY PAYMENT		\$4,607	10%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$18,590	40%

Wilmington, North Carolina

DATA SUMMARY FOR PRACTICE NUMBER 8643

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	2,000
EXPANDABLE FOOTAGE	
CURRENT MONTHLY RENTAL i.e. "1200"	\$3,800
PRICE PER SQUARE FOOT	\$22.80
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	100
PROXIMITY OF PARKING PLACES	Outside office
TOTAL NUMBER OF EQUIPPED OPERATORIES	4
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF OPERATORIES USED PRIMARILY BY DENTIST(S)	2
NUMBER OF OPERATORIES USED PRIMARILY BY HYGIENIST(S)	2
NUMBER OF UNPLUMBED AND EMPTY OPERATORIES	
DO YOU OWN YOUR BUILDING?	No
DO YOU WISH TO SELL THE BUILDING?	No
WAS BUILDING APPRAISED?	
WHEN?	
APPRAISED PRICE	
IF NOT APPRAISED, ESTIMATED BUILDING PRICE	
IF NOT FOR SALE, MO. RENTAL AMOUNT	
ANNUAL REAL ESTATE TAXES	
ANNUAL REAL ESTATE INSURANCE COST	
DATE OF LEASE i.e. "1/1/99"	
DATE LEASE ENDS - i.e. "1/1/04"	Never ending
RENEWAL OPTIONS	
IS THERE AN OPTION TO PURCHASE?	
BUILDING VALUE TO BE USED	
PURCHASER MORTGAGE INTEREST RATE	
PURCHASER MORTGAGE TERM - YEARS	
PURCHASER MONTHLY PAYMENT	
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE	Work part time
DAYS/WEEK CURRENTLY WORKED	3.0
HOW MANY DAYS WOULD YOU PREFER TO WORK FOR BUYER	
DESIRED WORK DAYS/WEEK 1ST YR	3.0
DESIRED WORK DAYS/WEEK 2ND YR	3.0
DESIRED WORK DAYS/WEEK 3RD YR	3.0
DESIRED WORK DAYS/WEEK 4TH YR	3.0
DESIRED WORK DAYS/WEEK 5TH YR	3.0
DESIRED WORK DAYS/WEEK 6TH YR	3.0

PRACTICE DATA	
MANAGEMENT CONSULTANT IN LAST 5 YRS? IF SO WHO?	
RESULTS	
DESCRIBE INTERNAL MARKETING	
DESCRIBE EXTERNAL MARKETING	Direct mail
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	No
LIST SEDATIONS USED - NITROUS, DOCS, IV SEDATION	No
IS YOUR PRACTICE MERCURY FREE - NO AMALGAM?	Yes
WHAT TYPE RECALL SYSTEM	
WHAT TYPE COMPUTER SYSTEM	
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	825
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	15
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST(S)	8
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST(S)	8
HOW FAR AHEAD IS DENTIST SCHEDULED?	2 weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	2 weeks
PRACTICE DATA	
% INCOME FROM CASH	100%
% OF PATIENTS PAYING CASH	100%
% INCOME FROM FEE FOR SERVICE INSURANCE	
% OF PATIENTS WITH FEE FOR SERVICE INSURANCE	
% PRACTICE INCOME FROM REDUCED FEE PLANS	
% OF PATIENTS WITH REDUCED FEE PLANS	
% PRACTICE INCOME FROM CAPTITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	
% OF PATIENTS WITH MEDICAID	
% PRACTICE INCOME FROM REDUCED FEE PLANS	
% OF PATIENTS WITH REDUCED FEE PLANS	
SCHEDULING DATA	
MONDAY	8 AM - 5 PM
TUESDAY	8 AM - 5 PM
WEDNESDAY	12 PM - 7 PM
THURSDAY	
FRIDAY	
SATURDAY	
SUNDAY	
OWNER HOURS WORKED PER WEEK	30
ASSOCIATE HOURS WORKED PER WEEK	30
HYGIENIST HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	
HYGIENE PATIENT VISITS PER YEAR	
NUMBER OF DAYS WORKED PER YEAR	
NUMBER OF WEEKS WORKED PER YEAR	50
COLLECTION DATA	
WHAT IS YOUR COLLECTION PERCENTAGE	98%
ACTUAL ACCOUNTS RECEIVABLE BALANCE	
WHAT IS YOUR PATIENT CREDIT BALANCE	
ACCOUNTS RECEIVABLES - CURRENT	
ACCOUNTS RECEIVABLES - 31-60 DAYS	
ACCOUNTS RECEIVABLE - 61-90 DAYS	
ACCOUNTS RECEIVABLE >90 DAYS	

WHAT PERCENTAGE OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	26%
OPERATIVE	
PEDODONTICS	
ORTHODONTICS	
IMPLANTS	
REMOVABLE PROSTHETICS	
FIXED PROSTHETICS	
ENDODONTICS	
PERIODONTICS	
ORAL SURGERY	
COSMETIC	
TMJ TREATMENT	
SOFT TISSUE MANAGEMENT	
DIAGNOSTIC	
TOTAL	26%
WHAT SERVICES ARE REFERRED OUT?	
REVENUES SOURCES	
IS ANY OF YOUR REPORTED INCOME FROM ANY OTHER SOURCE THAN PATIENT TREATMENT FROM THIS PRACTICE?	
IF SO HOW MUCH IN CURRENT PERIOD?	
IF SO , HOW MUCH FOR LAST YEAR?	
IF SO HOW MUCH FOR THE PREVIOUS YEAR?	
WHAT IS THE SOURCE OF THIS OTHER INCOME?	
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	90%
LOCATION DEMAND SCALE 0% - 100%	85%
OWNER URGENCY SCALE 0% - 100%	50%
REDUCED FEE %	
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
FEE SCHEDULE	
ADULT PROPHY 01110	
TWO SURFACE ANTERIOR COMPOSITE 02331	
CORE BUILD-UP 02950	
CROWN - GOLD/PORCELAIN 02750	
ANTERIOR CANAL ROOT CANAL 03310	
PANORAMIC X-RAY 00330	
TWO SURFACE POSTERIOR COMPOSITE 02392	
CROWN - PORCELAIN CERAMIC 02740	
LABIAL PORCELAIN VENEER 02962	
BICUSPID ROOT CANAL 03320	
AVERAGE OF FEES	#DIV/0!
PERCENT OF FEE PARITY	#DIV/0!
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	106,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	106,000
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	
MAJOR EMPLOYERS IN AREA	PPD, Corning, GE
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	

STAFF DATA				
POSITION	YEAR	STAY?	VALUE OF BENEFITS	ANNUAL SALARY AND/OR COMMISSION PERCENT
RECEPTIONIST	2012	Yes	\$3600	\$40,000
OFFICE MANAGER				
INSURANCE				
OTHER FRONT DESK				
BOOKKEEPER				
ASSISTANT	2011	Yes		\$44,000
ASSISTANT				
ASSISTANT				
ASSISTANT				
ASSISTANT				
HYGIENIST	2011	Yes		\$47,000
HYGIENIST				
HYGIENIST				
HYGIENIST				
LAB TECHNICIAN				
LAB TECHNICIAN				
ASSOCIATE				
ASSOCIATE				
ASSOCIATE				
WHAT BENEFITS DO YOU PROVIDE FOR THE STAFF?				
COST OF BENEFITS PROVIDED FOR EACH EMPLOYEE				
DO YOU HIRE ANY UNPAID FAMILY MEMBERS?				
				No
WHAT POSITION DO THEY HOLD AND WHAT IS THE ESTIMATED FAIR MARKET VALUE OF THEIR JOB?				
ARE THERE ANY EMPLOYEES WHO ARE PAID MORE OR LESS THAN THE NORMAL SALARY FOR THEIR POSITION?				
				No
WHAT POSITIONS AND WHAT IS AMOUNT OF OVER/UNDER COMPENSATION FOR EACH				
COLLECTION CENTERS				
PERIOD	2013	2012	2011	
GROSS COLLECTIONS	\$	\$	\$	
OWNER COLLECTIONS	\$	\$	\$	
HYGIENIST COLLECTIONS	\$	\$	\$	
ASSOCIATE COLLECTIONS	\$	\$	\$	
ASSOCIATE COLLECTIONS	\$	\$	\$	
ASSOCIATE COLLECTIONS	\$	\$	\$	
ASSOCIATE COLLECTIONS				
ASSOCIATE SALARY IN DOLLARS OR COMMISSION PERCENT	\$	OR	%	
HYGIENIST SALARY IN DOLLARS OR COMMISSION PERCENT	\$	OR	%	

DESCRIBE YOUR PRACTICE, STAFF, PATIENTS, COMMUNITY, AND PRACTICE PHILOSOPHY AND THE BEST STRENGTHS AND WORST WEAKNESSES OF YOUR PRACTICE: