

Southwestern Virginia				Periodontics	
MERGER FINANCIAL SUMMARY FOR PRACTICE 8758				1/8/2013 16:22	
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				\$1,421,756	100.0%
	HYGIENE COMPONENT			\$312,786	22.0%
	DENTIST COMPONENT			\$1,108,969	78.0%
		RETAINED SELLER		\$0	0.0%
		ASSOCIATE		\$0	0.0%
		PURCHASER		\$1,108,969	78.0%
VARIABLE EXPENSE INCREASE					
	WAGES, PAYROLL TAX, ETC.			\$320,792	22.6%
	LABORATORY			\$4,874	0.3%
	CLINICAL SUPPLIES			\$56,924	4.0%
	OTHER VARIABLE EXPENSE			\$131,281	9.2%
TOTAL VARIABLE EXPENSE INCREASE				\$513,871	36.1%
FIXED EXPENSE INCREASE					
	RENT			\$0	0.0%
	PHONE, UTILITIES			\$3,000	0.2%
	LEGAL & ACCOUNTING			\$3,500	0.2%
	INSURANCE			\$1,500	0.1%
	OTHER FIXED EXPENSE			\$21,457	1.5%
TOTAL FIXED EXPENSE INCREASE				\$29,457	2.1%
DEBT SERVICE INCREASE					
	INTEREST			\$53,476	3.8%
	PRINCIPAL			\$130,738	9.2%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE				\$184,214	13.0%
SUMMARY					
EXPECTED INCREASED COLLECTIONS				\$1,421,756	100.0%
EXPECTED INCREASED EXPENSES				\$543,328	38.2%
EXPECTED INCREASED DEBT SERVICE				\$184,214	13.0%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION				\$694,214	62.6%
PURCHASER PRODUCED PRODUCTION				\$1,108,969	78.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION				\$130,738	11.8%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION				\$54,512	4.9%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.				\$879,464	79.3%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:					
	SALES PRICE & PERCENT OF GROSS			\$995,000	73%
	WORKING CAPITAL			\$68,000	4.8%
	TOTAL LOAN			\$1,063,000	74.8%
	LOAN INTEREST RATE			5.65%	
	LOAN TERM IN MONTHS			84	
	MONTHLY PAYMENT			\$15,351	13.0%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT			\$15,639	13.2%

Southwestern Virginia**MERGER DATA SUMMARY FOR PRACTICE NUMBER 8758**

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	3,666
EXPANDABLE FOOTAGE	
CURRENT MONTHLY RENTAL i.e. "1200"	\$5,657
PRICE PER SQUARE FOOT	\$18.52
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	40
PROXIMITY OF PARKING PLACES	Adjacent to building
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	4
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	2
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	1
NUMBER OF UNPLUMBED EMPTY OPERATORIES	
DATE OF LEASE i.e. "1/1/99"	December-09
DATE LEASE ENDS - i.e. "1/1/04"	November-14
TERM OF LEASE IN YEARS i.e. "5"	5
YEARS REMAINING ON LEASE i.e. "2.5"	4
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	
IF NOT FOR SALE, MO. RENTAL AMOUNT	\$5,675
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	\$5,657
PRICE PER SQUARE FOOT	\$18.58

WORK SCHEDULE

DAYS WORKED PER WEEK BY EACH DENTIST (2 DDS)	4
DAYS PER WEEK OFFICE IS OPEN	5
ENTER DESIRED WORK DAYS FOR MERGER 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 RESULTS	No
DESCRIBE INTERNAL MARKETING	Educational material
DESCRIBE EXTERNAL MARKETING	
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	Yes, increase in placing implants
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	3,510
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	42
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	13
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	16
HOW FAR AHEAD IS DENTIST SCHEDULED?	7 days
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	2 - 3 weeks
% PRACTICE INCOME FROM CASH	41%
% OF PATIENTS PAYING CASH	34%
% PRACTICE INCOME FROM INSURANCE	45%
% OF PATIENTS WITH INSURANCE	45%
% PRACTICE INCOME FROM HMO	
% OF PATIENTS WITH HMO	
% PRACTICE INCOME FROM PPO	14%
% OF PATIENTS WITH PPO	21%
% PRACTICE INCOME FROM CAPITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	
% OF PATIENTS WITH MEDICAID	
% PRACTICE INCOME WITH REDUCED FEE PLANS	14%
% OF PATIENTS WITH REDUCED FEE PLANS	21%
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
OFFICE HOURS	MONDAY 8 AM - 5 PM
	TUESDAY 8 AM - 5 PM
	WEDNESDAY 8 AM - 5 PM
	THURSDAY 8 AM - 5 PM
	FRIDAY 8 AM - 5 PM
	SATURDAY
DENTIST HOURS WORKED PER WEEK	64
HYGIENIST HOURS WORKED PER WEEK	80
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	2,444
HYGIENE PATIENT VISITS PER YEAR	3,008
NUMBER OF DAYS WORKED PER YEAR	188
NUMBER OF WEEKS WORKED PER YEAR	47
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$57,602
SIX WEEKS ACCOUNTS RECEIVABLE	\$164,049
WHAT IS YOUR COLLECTION PERCENTAGE	99%
WHAT TYPE RECALL SYSTEM	Schedule next recall when patient is in the office
WHAT TYPE COMPUTER SYSTEM	Eaglesoft

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	22%
OPERATIVE	0%
PEDODONTICS	0%
ORTHODONTICS	0%
IMPLANTS	35%
REMOVABLE PROSTHETICS	0%
FIXED PROSTHETICS	0%
ENDODONTICS	0%
PERIODONTICS	40%
ORAL SURGERY	3%
COSMETIC	0%
TMJ TREATMENT	0%
SOFT TISSUE MANAGEMENT	0%
OTHER	0%
TOTAL	100%
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	40%
LOCATION DEMAND SCALE 0% - 100%	50%
PLAN / MEDICAID PRACTICE %	14%
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
FEE SCHEDULE	
ADULT PROPHY 01110	\$102
GOLD INLAY 02540	
TWO SURFACE POSTERIOR COMPOSITE 02386	
TWO SURFACE AMALGAM 02150	
CORE BUILD-UP INCLUDING PINS 02950	
GOLD / PORCELAIN CROWN 02750	
ANTERIOR CANAL ROOT CANAL 03310	
BICUSPID ROOT CANAL 03320	
LABIAL PORCELAIN VENEER 02962	
AVERAGE OF FEES	\$102
PERCENT OF FEE PARITY	131%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	95,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	350,000
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES	twelve
WITHIN	5 miles
MAJOR EMPLOYERS IN AREA	Carilion Clinic, Kroger, Advance Auto, GE
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	Recession

STAFF DATA			
DESCRIBE STAFF BY POSITION AS TO	ANNUAL SALARY	WILL POSSIBLY STAY?	YEAR HIRED
RECEPTIONIST	\$36,860	Yes	2005
TRANSCRIPTIONIST	\$11,269	Yes	2002
PART-TIME RECEPTIONIST	\$25,569	Yes	2009
ASSISTANT	\$31,140	Yes	2010
ASSISTANT	\$35,275	Yes	1987
ASSISTANT	\$37,053	Yes	1995
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$54,049	Yes	1983
HYGIENIST	\$62,664	Yes	1978
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER _____			
DESCRIBE FRINGE BENEFITS AND VALUE	1/2 health ins. Premium, uniform allow., (\$100/qtr.) Profit share plan		
DO YOU HIRE ANY UNPAID FAMILY MEMBERS	No		
DESCRIBE DUTIES			
ESTIMATED ANNUAL VALUE OF ABOVE			
PRODUCTION CENTERS			
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	None		
YOUR PRACTICE OF DENTISTRY			