

Lafayette, Louisiana

MERGER FINANCIAL SUMMARY FOR PRACTICE 9027

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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			\$514,440	100.0%
	HYGIENE COMPONENT		\$133,754	26.0%
	DENTIST COMPONENT		\$380,686	74.0%
	RETAINED SELLER			
	ASSOCIATE			
	PURCHASER		\$380,686	74.0%
VARIABLE EXPENSE INCREASE				
	WAGES, PAYROLL TAX, ETC.		\$121,599	23.6%
	LABORATORY		\$48,204	9.4%
	CLINICAL SUPPLIES		\$26,325	5.1%
	OTHER VARIABLE EXPENSE		\$11,612	2.3%
TOTAL VARIABLE EXPENSE INCREASE			\$207,740	40.4%
FIXED EXPENSE INCREASE				
	RENT			
	PHONE, UTILITIES		\$3,000	0.6%
	LEGAL & ACCOUNTING		\$3,500	0.7%
	INSURANCE		\$1,500	0.3%
	OTHER FIXED EXPENSE		\$6,832	1.3%
TOTAL FIXED EXPENSE INCREASE			\$14,832	2.9%
DEBT SERVICE INCREASE - EXCLUSIVE OF ANY REAL ESTATE MORTGAGE WHICH IS INCLUDED IN FIXED EXPENSES				
	INTEREST		\$17,666	3.4%
	PRINCIPAL		\$35,066	6.8%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$52,731	10.3%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$514,440	100.0%
EXPECTED INCREASED EXPENSES			\$222,572	43.3%
EXPECTED INCREASED DEBT SERVICE			\$52,731	10.3%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$239,137	62.8%
PURCHASER PRODUCED PRODUCTION			\$380,686	74.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$35,066	9.2%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$18,656	4.9%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$292,859	76.9%
FIRST YEAR RETURN ON INVESTMENT			\$176,284	44.2%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
	PRACTICE SALES PRICE & PERCENT OF GROSS		\$399,000	80%
	WORKING CAPITAL		\$25,000	
	TOTAL LOAN		\$424,000	
	LOAN INTEREST RATE		4.50%	
	LOAN TERM IN MONTHS		120	
	TOTAL MONTHLY PAYMENT		\$4,394	10%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$6,688	16%

Lafayette, Louisiana

DATA SUMMARY FOR PRACTICE NUMBER 9027

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	1,250
EXPANDABLE FOOTAGE	550
CURRENT MONTHLY RENTAL i.e. "1200"	\$1,662
PRICE PER SQUARE FOOT	\$15.96
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	11
PROXIMITY OF PARKING PLACES	near office
TOTAL NUMBER OF EQUIPPED OPERATORIES	3
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF OPERATORIES USED PRIMARILY BY DENTIST(S)	2
NUMBER OF OPERATORIES USED PRIMARILY BY HYGIENIST(S)	1
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"	January 1, 2015
DATE LEASE ENDS - i.e. "1/1/04"	December 31, 2015
RENEWAL OPTIONS	Lease can be renewed annually
IS THERE AN OPTION TO PURCHASE?	No
BUILDING VALUE TO BE USED	#NUM!
PURCHASER MORTGAGE INTEREST RATE	5.00%
PURCHASER MORTGAGE TERM - YEARS	15
PURCHASER MONTHLY PAYMENT	
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE	Travel, golf and gardening
DAYS/WEEK CURRENTLY WORKED	4.0
HOW MANY DAYS WOULD YOU PREFER TO WORK FOR BUYER	
DESIRED WORK DAYS/WEEK 1ST YR	
DESIRED WORK DAYS/WEEK 2ND YR	
DESIRED WORK DAYS/WEEK 3RD YR	
DESIRED WORK DAYS/WEEK 4TH YR	
DESIRED WORK DAYS/WEEK 5TH YR	
DESIRED WORK DAYS/WEEK 6TH YR	

PRACTICE DATA	
MANAGEMENT CONSULTANT IN LAST 5 YRS? IF SO WHO?	No
RESULTS	
DESCRIBE INTERNAL MARKETING	Advanced hygiene appointments
DESCRIBE EXTERNAL MARKETING	Some internet; yellow pages
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	Yes; my lack of drive, attention to numbers and personal issues.
LIST SEDATIONS USED - NITROUS, DOCS, IV SEDATION	Nitrous Oxide
IS YOUR PRACTICE MERCURY FREE - NO AMALGAM?	Yes
WHAT TYPE RECALL SYSTEM	Eaglesoft
WHAT TYPE COMPUTER SYSTEM	Patterson Eaglesoft
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	1,039
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	8
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST(S)	4
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST(S)	7
HOW FAR AHEAD IS DENTIST SCHEDULED?	42159
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	42354
PRACTICE DATA	
% INCOME FROM CASH	75%
% OF PATIENTS PAYING CASH	75%
% INCOME FROM FEE FOR SERVICE INSURANCE	25%
% OF PATIENTS WITH FEE FOR SERVICE INSURANCE	25%
% 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 - 4:30 PM
TUESDAY	8 AM - 4:30 PM
WEDNESDAY	8 AM - 4:30 PM
THURSDAY	8 AM - 4:30 PM
FRIDAY	
SATURDAY	
SUNDAY	
OWNER HOURS WORKED PER WEEK	28
ASSOCIATE HOURS WORKED PER WEEK	
HYGIENIST HOURS WORKED PER WEEK	30
DENTIST PATIENT VISITS PER YEAR	1,390
HYGIENE PATIENT VISITS PER YEAR	300
NUMBER OF DAYS WORKED PER YEAR	172
NUMBER OF WEEKS WORKED PER YEAR	43
COLLECTION DATA	
WHAT IS YOUR COLLECTION PERCENTAGE	
ACTUAL ACCOUNTS RECEIVABLE BALANCE	
WHAT IS YOUR PATIENT CREDIT BALANCE	7879+
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	47%
PEDODONTICS	
ORTHODONTICS	0%
IMPLANTS	5%
REMOVABLE PROSTHETICS	4%
FIXED PROSTHETICS	6%
ENDODONTICS	1%
PERIODONTICS	0%
ORAL SURGERY	1%
COSMETIC	
TMJ TREATMENT	
ADJUNCT	2%
DIAGNOSTIC	8%
TOTAL	100%
WHAT SERVICES ARE REFERRED OUT?	Surgery; endo; perio; implants; ortho; pedo
REVENUES SOURCES	
IS ANY OF YOUR REPORTED INCOME FROM ANY OTHER SOURCE THAN PATIENT TREATMENT FROM THIS PRACTICE?	No
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?	
FEE SCHEDULE	
ADULT PROPHY 01110	\$79
TWO SURFACE ANTERIOR COMPOSITE 02331	\$167
CORE BUILD-UP 02950	\$165
CROWN - GOLD/PORCELAIN 02750	\$1,450
ANTERIOR CANAL ROOT CANAL 03310	
PANORAMIC X-RAY 00330	
TWO SURFACE POSTERIOR COMPOSITE 02392	\$190
CROWN - PORCELAIN CERAMIC 02740	\$1,240
LABIAL PORCELAIN VENEER 02962	\$628
BICUSPID ROOT CANAL 03320	
AVERAGE OF FEES	\$560
PERCENT OF FEE PARITY	94%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	230,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	244,000
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	
MAJOR EMPLOYERS IN AREA	Lafayette General Medical; Baker Hughes; Halliburton
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	Lourdes General Hospital; Petroquest Oil; Stone Energy.
The price of oil and gas	

STAFF DATA				
POSITION	YEAR	STAY?	VALUE OF BENEFITS	ANNUAL SALARY AND/OR COMMISSION PERCENT
RECEPTIONIST				\$9,600
OFFICE MANAGER				\$6,820
INSURANCE				
OTHER FRONT DESK				
BOOKKEEPER				
ASSISTANT				\$7,370
ASSISTANT				\$5,450
ASSISTANT				
ASSISTANT				
ASSISTANT				
HYGIENIST				\$64,989
HYGIENIST				
HYGIENIST				
HYGIENIST				
LAB TECHNICIAN				
LAB TECHNICIAN				
ASSOCIATE				
ASSOCIATE				
ASSOCIATE				
WHAT BENEFITS DO YOU PROVIDE FOR THE STAFF?	Free dental treatment			
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	YEAR TO DATE	LAST YEAR	TWO YEARS AGO	
	1/1/2015 - 5/5/2015	2014	2013	
GROSS COLLECTIONS	\$181,022	\$467,871	\$549,489	
OWNER COLLECTIONS	\$134,757	\$301,923	\$313,321	
HYGIENIST COLLECTIONS	\$ 46,265	\$165,948	\$236,168	
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: Pleasant, non-aggressive and too interested in hearing patients' needs versus listening, evaluating, diagnosing and informing of patients' needs. Poor to no case presentation on DDS part. Growing, educated and well compensated money for age group. Looking to get ahead, good private schools, nice subdivisions and lifestyle. Good modern health care. Deliver best possible care with progressive and factual treatment.

I have had an unusual amount of staff turnover at assistant and front desk. Poor judgment on doctor's fault in both cases and poor screening. I feel this has caused poor patient retention to some degree. Doctor has failed to recognize importance of marketing (internal and external) and lack of any advertising. Office decor slightly dated but a shortage of concealed storage space in some areas. Also a moderate degree of lack of enthusiasm on doctor's part; definitely could have been better.