

Lake Charles, Louisiana **General Dentistry**
MERGER FINANCIAL SUMMARY FOR PRACTICE 9060 10/27/2015 16:26

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			\$378,439	100.0%
	HYGIENE COMPONENT		\$56,652	15.0%
	DENTIST COMPONENT		\$321,787	85.0%
		RETAINED SELLER	\$321,787	85.0%
		ASSOCIATE		
		PURCHASER		
VARIABLE EXPENSE INCREASE				
	WAGES, PAYROLL TAX, ETC.		\$66,985	17.7%
	LABORATORY		\$14,096	3.7%
	CLINICAL SUPPLIES		\$40,873	10.8%
	OTHER VARIABLE EXPENSE		\$135,620	35.8%
TOTAL VARIABLE EXPENSE INCREASE			\$257,575	68.1%
FIXED EXPENSE INCREASE				
	RENT			
	PHONE, UTILITIES		\$3,000	0.8%
	LEGAL & ACCOUNTING		\$3,500	0.9%
	INSURANCE		\$1,500	0.4%
	OTHER FIXED EXPENSE		\$10,814	2.9%
TOTAL FIXED EXPENSE INCREASE			\$18,814	5.0%
DEBT SERVICE INCREASE - EXCLUSIVE OF ANY REAL ESTATE MORTGAGE WHICH IS INCLUDED IN FIXED EXPENSES				
	INTEREST		\$9,373	2.5%
	PRINCIPAL		\$18,115	4.8%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$27,488	7.3%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$378,439	100.0%
EXPECTED INCREASED EXPENSES			\$276,389	73.0%
EXPECTED INCREASED DEBT SERVICE			\$27,488	7.3%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$74,562	#DIV/0!
PURCHASER PRODUCED PRODUCTION				
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$18,115	#DIV/0!
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$7,547	#DIV/0!
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$100,224	#DIV/0!
FIRST YEAR RETURN ON INVESTMENT			\$108,597	53.8%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
	PRACTICE SALES PRICE & PERCENT OF GROSS		\$202,000	56%
	WORKING CAPITAL		\$18,000	
	TOTAL LOAN		\$220,000	
	LOAN INTEREST RATE		4.60%	
	LOAN TERM IN MONTHS		120	
	TOTAL MONTHLY PAYMENT		\$2,291	7%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$12,331	39%

Lake Charles, Louisiana

DATA SUMMARY FOR PRACTICE NUMBER 9060

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	2,107
EXPANDABLE FOOTAGE	Possibly
CURRENT MONTHLY RENTAL i.e. "1200"	\$1,500
PRICE PER SQUARE FOOT	\$8.54
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	10
PROXIMITY OF PARKING PLACES	Adjacent
TOTAL NUMBER OF EQUIPPED OPERATORIES	4
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF OPERATORIES USED PRIMARILY BY DENTIST(S)	3
NUMBER OF OPERATORIES USED PRIMARILY BY HYGIENIST(S)	1
NUMBER OF UNPLUMBED AND EMPTY OPERATORIES	
DO YOU OWN YOUR BUILDING?	Yes
DO YOU WISH TO SELL THE BUILDING?	Yes
WAS BUILDING APPRAISED?	Yes
WHEN?	41,334
APPRAISED PRICE	\$280,000
IF NOT APPRAISED, ESTIMATED BUILDING PRICE	
IF NOT FOR SALE, MO. RENTAL AMOUNT	
ANNUAL REAL ESTATE TAXES	\$2,300
ANNUAL REAL ESTATE INSURANCE COST	\$5,000
DATE OF LEASE i.e. "1/1/99"	
DATE LEASE ENDS - i.e. "1/1/04"	
RENEWAL OPTIONS	
IS THERE AN OPTION TO PURCHASE?	
BUILDING VALUE TO BE USED	\$280,000
PURCHASER MORTGAGE INTEREST RATE	5.00%
PURCHASER MORTGAGE TERM - YEARS	15
PURCHASER MONTHLY PAYMENT	\$2,214
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	\$12.61

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE	Semi retire
DAYS/WEEK CURRENTLY WORKED	4.0
HOW MANY DAYS WOULD YOU PREFER TO WORK FOR BUYER	
DESIRED WORK DAYS/WEEK 1ST YR	2.0
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?	We just hired Donavie Crawford-we now file electronically
RESULTS	
DESCRIBE INTERNAL MARKETING	Recall patients; send letters
DESCRIBE EXTERNAL MARKETING	New website; newspaper ads; google ad; local web and FB
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	Yes; after BP oil spill; changed healthcare insurance; no marketing strategy and cut medicaid. Now we are building back up with marketing.
LIST SEDATIONS USED - NITROUS, DOCS, IV SEDATION	Nitrous oxide; Conscious Sedation;
IS YOUR PRACTICE MERCURY FREE - NO AMALGAM?	0.98
WHAT TYPE RECALL SYSTEM	Manual but upgrading to software
WHAT TYPE COMPUTER SYSTEM	Easy Dental
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	1,678
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	25
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST(S)	
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST(S)	
HOW FAR AHEAD IS DENTIST SCHEDULED?	6 months
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	6 months
PRACTICE DATA	
% INCOME FROM CASH	5%
% OF PATIENTS PAYING CASH	5%
% INCOME FROM FEE FOR SERVICE INSURANCE	5%
% OF PATIENTS WITH FEE FOR SERVICE INSURANCE	5%
% PRACTICE INCOME FROM REDUCED FEE PLANS	90%
% OF PATIENTS WITH REDUCED FEE PLANS	90%
% PRACTICE INCOME FROM CAPTITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	
% OF PATIENTS WITH MEDICAID	
% PRACTICE INCOME FROM REDUCED FEE PLANS	90%
% OF PATIENTS WITH REDUCED FEE PLANS	90%
SCHEDULING DATA	
MONDAY	8 AM - 5 PM
TUESDAY	8 AM - 5 PM
WEDNESDAY	8 AM - 5 PM
THURSDAY	8 AM - 5 PM
FRIDAY	8 AM -12 PM
SATURDAY	
SUNDAY	
OWNER HOURS WORKED PER WEEK	32
ASSOCIATE HOURS WORKED PER WEEK	
HYGIENIST HOURS WORKED PER WEEK	32
DENTIST PATIENT VISITS PER YEAR	2,328
HYGIENE PATIENT VISITS PER YEAR	1,746
NUMBER OF DAYS WORKED PER YEAR	291
NUMBER OF WEEKS WORKED PER YEAR	52
COLLECTION DATA	
WHAT IS YOUR COLLECTION PERCENTAGE	90%
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$39,637
WHAT IS YOUR PATIENT CREDIT BALANCE	\$1,967
ACCOUNTS RECEIVABLES - CURRENT	\$32,952
ACCOUNTS RECEIVABLES - 31-60 DAYS	\$1,817
ACCOUNTS RECEIVABLE - 61-90 DAYS	\$863
ACCOUNTS RECEIVABLE >90 DAYS	\$3,138

WHAT PERCENTAGE OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	15%
OPERATIVE	41%
PEDODONTICS	
ORTHODONTICS	
IMPLANTS	
REMOVABLE PROSTHETICS	9%
FIXED PROSTHETICS	5%
ENDODONTICS	9%
PERIODONTICS	7%
ORAL SURGERY	12%
COSMETIC	
TMJ TREATMENT	
SOFT TISSUE MANAGEMENT	
OTHER	2%
TOTAL	100%
WHAT SERVICES ARE REFERRED OUT?	
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	\$89
TWO SURFACE ANTERIOR COMPOSITE 02331	\$192
CORE BUILD-UP 02950	\$268
CROWN - GOLD/PORCELAIN 02750	\$975
ANTERIOR CANAL ROOT CANAL 03310	\$665
PANORAMIC X-RAY 00330	\$98
TWO SURFACE POSTERIOR COMPOSITE 02392	\$222
CROWN - PORCELAIN CERAMIC 02740	\$996
LABIAL PORCELAIN VENEER 02962	\$985
BICUSPID ROOT CANAL 03320	\$810
AVERAGE OF FEES	\$530
PERCENT OF FEE PARITY	89%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	195,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	Lake Charles
MAJOR EMPLOYERS IN AREA	Sasol, Golden Nugget, L'Auberge, Iles of Capri, all chemical plants, Memorial, St. Pat and Moss Hospitals
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	BP oil spill, Medicaid cut, Health insurance change
Positive:	Sasol (increase in employees), Golden Nugget, \$50B worth of new construction plant

STAFF DATA				
POSITION	YEAR	STAY?	VALUE OF BENEFITS	ANNUAL SALARY AND/OR COMMISSION PERCENT
RECEPTIONIST				
OFFICE MANAGER	2008	Yes		\$35,540
INSURANCE				
OTHER FRONT DESK				
BOOKKEEPER				
ASSISTANT	2014	Yes		\$22,308
ASSISTANT				
ASSISTANT				
ASSISTANT				
ASSISTANT				
HYGIENIST	2005	Yes		\$58,498
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				
	YEAR TO DATE	LAST YEAR	TWO YEARS AGO	
PERIOD	1/1/2015 -7/23/2015	2014	2013	
GROSS COLLECTIONS	\$346,224	\$340,967	\$311,796	
OWNER COLLECTIONS	\$311,942	\$290,55	\$289,508	
HYGIENIST COLLECTIONS	\$ 34,154	\$ 50,252	\$ 22,288	
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: