

Figure 9-2

REQUESTED INFORMATION FOR VALUATION PURPOSES

A. Compatibility of Purchaser and Seller

1. Contrast seller'(s) practice mission and philosophy to yours;
2. Contrast seller'(s) personal values and work ethic to yours; and
3. Assess seller'(s) reason for departure from active practice.

B. Financial Information

1. Federal income tax returns of the practice for the lesser of the last five fiscal years or the number of years in practice;
2. Financial statements and balance sheets (assuming that they are prepared for the practice) for the lesser of the last five fiscal years or the number of years in practice and the current fiscal year to date; and
3. An aged trial balance of all practice accounts receivable and the historical practice collection records for the lesser of the last five fiscal years or the number of years in practice and the current fiscal year to date.

C. Practice Facility

1. A floor plan of the practice facility;
2. An itemized list and the fair market value of all dental equipment being acquired by treatment room, plus darkroom, utility room, sterilization area, x-ray area and laboratory;
3. An itemized list and the fair market value of all office equipment and furniture being acquired;
4. An itemized list and the fair market value of all tangible assets, personal and other items located in the practice facility not being acquired;
5. An itemized list and the fair market value of all tangible assets (dental equipment, office equipment, and furniture) leased by the practice or located in the practice facility to which the practice does not hold clear title; and
6. Maintenance records for all dental and office equipment from the date of purchase through the current date.

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D. Lease and Real Estate Matters

1. A copy of the current lease, any renewal amendments and any document evidencing recording of the lease; and
2. Copies of any deed, documents and/or agreements relating to the practice owner's (or family members') ownership of the practice real estate.

E. Operational Matters

1. The number of active patients (patients treated in the past twenty-four consecutive months), as well as inactive patients (those patients not having any dental services rendered within the last twenty-four consecutive months);
2. A summary of the number of new patients in each consecutive month for the lesser of the last five fiscal years or the number of years in practice and the current fiscal year to date;
3. A summary of the current number of patients (and percentage of the practice) in recall, if applicable;
4. A current fee schedule and a summary of fee increases for the lesser of the last five fiscal years or the number of years in practice and the current fiscal year to date;
5. A specific list of those procedures performed by the practice and those referred to specialists, if applicable; and
6. Provide your written evaluation of the area demand and potential for economic growth for a dentist/specialist in the geographical area where you intend to practice.

F. Employment Relations and Benefits

1. Census of all employees of the practice, the hours worked, compensation levels, positions, responsibilities and dates of hire (including former employees) for the lesser of the last five fiscal years or the number of years in practice and the current fiscal year to date; and
2. Provide copies of any employee handbooks, job descriptions and/or other publications distributed to employees of the practice.