

NW Georgia General Dentistry
MERGER FINANCIAL SUMMARY FOR PRACTICE 8193 10/18/2011 21:41

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			\$480,188	100.0%
	HYGIENE COMPONENT		\$124,849	26.0%
	DENTIST COMPONENT		\$355,339	74.0%
	RETAINED SELLER		\$0	0.0%
	ASSOCIATE		\$0	0.0%
	PURCHASER		\$355,339	74.0%
VARIABLE EXPENSE INCREASE				
WAGES, PAYROLL TAX, ETC.			\$115,842	24.1%
LABORATORY			\$27,563	5.7%
CLINICAL SUPPLIES			\$45,908	9.6%
OTHER VARIABLE EXPENSE			\$9,015	1.9%
TOTAL VARIABLE EXPENSE INCREASE			\$198,327	41.3%
FIXED EXPENSE INCREASE				
RENT			\$0	0.0%
PHONE, UTILITIES			\$3,000	0.6%
LEGAL & ACCOUNTING			\$3,500	0.7%
INSURANCE			\$1,500	0.3%
OTHER FIXED EXPENSE			\$14,730	3.1%
TOTAL FIXED EXPENSE INCREASE			\$22,730	4.7%
DEBT SERVICE INCREASE				
INTEREST			\$22,682	4.7%
PRINCIPAL			\$42,880	8.9%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$65,563	13.7%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$480,188	100.0%
EXPECTED INCREASED EXPENSES			\$221,058	46.0%
EXPECTED INCREASED DEBT SERVICE			\$65,563	13.7%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$193,567	54.5%
PURCHASER PRODUCED PRODUCTION			\$355,339	74.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$42,880	12.1%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$13,743	3.9%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$250,191	70.4%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
SALES PRICE & PERCENT OF GROSS			\$339,000	73%
NOTE: Price	WORKING CAPITAL		\$23,000	4.8%
does not include	TOTAL LOAN		\$362,000	75.4%
Cerec. Add	LOAN INTEREST RATE		7.00%	
\$20,000 to	LOAN TERM IN MONTHS		84	
purchase	MONTHLY PAYMENT		\$5,464	13.7%
Cerec.	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$6,242	15.6%

NW Georgia**MERGER DATA SUMMARY FOR PRACTICE NUMBER 8193**

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	1,800
EXPANDABLE FOOTAGE	No
CURRENT MONTHLY RENTAL i.e. "1200"	\$1,500
PRICE PER SQUARE FOOT	\$10.00
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	Plenty
PROXIMITY OF PARKING PLACES	
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	3
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	2
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF UNPLUMBED EMPTY OPERATORIES	
DATE OF LEASE i.e. "1/1/99"	April-02
DATE LEASE ENDS - i.e. "1/1/04"	August-12
TERM OF LEASE IN YEARS i.e. "5"	10
YEARS REMAINING ON LEASE i.e. "2.5"	3
RENEWAL OPTIONS	3-5 year renewals
DO YOU OWN YOUR BUILDING? "YES" OR "NO"	No
DO YOU WISH TO SELL THE BUILDING? "YES" OR "NO"	No
PRICE OF BUILDING	
IF NOT FOR SALE, MO. RENTAL AMOUNT	
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	
PRICE PER SQUARE FOOT	

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE	Relocating out of state
DAYS/WEEK CURRENTLY WORKED	4
ENTER DESIRED DAYS WORKED FOR NEW BUYER 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

OTHER PRACTICE INFORMATION:

Serving NW Georgia since 1997. Progressive, Professional, Cosmetic, General dental office on the cutting edge of dental knowledge. Patients appreciate best quality materials and award winning lab work. Diagnodent, Veloscope, Cerec3D, Digital Radiography, Digital photography with power point presentations on LCD HD quality screens. Great word of mouth referral system, recare system, reputation for excellent dental care and friendly professional staff. All fee for service with private insurance, major credit cards, Care Credit, and cash. No current or previous assignment with HMO's, PPO's, Medicaid, Delta Dental, or other managed care plans. Solid patient base of conscientious patients who understand and appreciate high quality care. Solid systems, productive scheduling, highly trained team. A real 'turn-key' opportunity for the new dentist to personalize.

PRACTICE DATA	
WHAT CONSULTANT USED IN PAST 5 YRS	Blatchford Solutions
RESULTS	20 less work days in 08 than 07 (went from 200 to 180) 8 week vacation in 2008
DESCRIBE INTERNAL MARKETING	New website; before and after photos, power point consultations spa amenities, billboards, patient rewards program
DESCRIBE EXTERNAL MARKETING	Direct mail, radio
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	No. The goal was to work smarter, not harder. I've trimmed my staff, worked less hours, taken more time off, and made the same.
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	3,268
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	16
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	7
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	9
HOW FAR AHEAD IS DENTIST SCHEDULED?	2 months
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	2 months
% PRACTICE INCOME FROM CASH	40%
% OF PATIENTS PAYING CASH	40%
% PRACTICE INCOME FROM INSURANCE	60%
% OF PATIENTS WITH INSURANCE	60%
% PRACTICE INCOME FROM HMO	
% OF PATIENTS WITH HMO	
% PRACTICE INCOME FROM PPO	
% OF PATIENTS WITH PPO	
% PRACTICE INCOME FROM CAPITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	
% OF PATIENTS WITH MEDICAID	
% PRACTICE INCOME WITH REDUCED FEE PLANS	
% OF PATIENTS WITH REDUCED FEE PLANS	
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
OFFICE HOURS	MONDAY 8:00 am - 5:00 pm TUESDAY 8:00 am - 5:00 pm WEDNESDAY 8:00 am - 5:00 pm THURSDAY 8:00 am - 5:00 pm FRIDAY By appointment only SATURDAY
DENTIST HOURS WORKED PER WEEK	32
HYGIENIST HOURS WORKED PER WEEK	24
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	1,048
HYGIENE PATIENT VISITS PER YEAR	1,650
NUMBER OF DAYS WORKED PER YEAR	180
NUMBER OF WEEKS WORKED PER YEAR	45
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$78,841
SIX WEEKS ACCOUNTS RECEIVABLE	\$55,406
WHAT IS YOUR COLLECTION PERCENTAGE	98%
WHAT TYPE RECALL SYSTEM	6 months
WHAT TYPE COMPUTER SYSTEM	Dentrix with Dell Computers - G4

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	24%
OPERATIVE	35%
PEDODONTICS	0%
ORTHODONTICS	7%
IMPLANTS	0%
REMOVABLE PROSTHETICS	1%
FIXED PROSTHETICS	4%
ENDODONTICS	4%
PERIODONTICS	15%
ORAL SURGERY	2%
COSMETIC	2%
TMJ TREATMENT	2%
SOFT TISSUE MANAGEMENT	2%
DIAGNOSTIC	2%
TOTAL	100%
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	50%
LOCATION DEMAND SCALE 0% - 100%	35%
PLAN / MEDICAID PRACTICE %	
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
FEE SCHEDULE	
ADULT PROPHY 01110	\$80
GOLD INLAY 02540	\$424
TWO SURFACE POSTERIOR COMPOSITE 02386	\$280
TWO SURFACE AMALGAM 02150	
CORE BUILD-UP INCLUDING PINS 02950	\$222
GOLD / PORCELAIN CROWN 02750	\$1,295
ANTERIOR CANAL ROOT CANAL 03310	\$660
BICUSPID ROOT CANAL 03320	\$745
LABIAL PORCELAIN VENEER 02962	\$1,400
AVERAGE OF FEES	\$638
PERCENT OF FEE PARITY	105%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	50,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	100,000
NUMBER OF DENTISTS WITHIN 5 MILES	15
NUMBER NEW DENTISTS WITHIN 5 MILES IN LAST 5 YEARS	1 OR 2
MAJOR EMPLOYERS IN AREA	Shaw, Mohawk, Bealieu
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	

STAFF DATA			
DESCRIBE STAFF BY POSITION AS TO	ANNUAL SALARY	WILL POSSIBLY STAY?	YEAR HIRED
RECEPTIONIST	\$25,000	Yes	2008
OFFICE MANAGER	\$ _____	_____	_____
RECEPTIONIST	\$ _____	_____	_____
ASSISTANT	\$30,000	Yes	2006
ASSISTANT	\$35,000	Yes	2009
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$60,000	Yes	2002
HYGIENIST	\$60,000	Yes	2007
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER _____			
DESCRIBE FRINGE BENEFITS AND VALUE	BAM Bonus System		
DO YOU HIRE ANY UNPAID FAMILY MEMBERS			
DESCRIBE DUTIES			
ESTIMATED ANNUAL VALUE OF ABOVE			
PRODUCTION CENTERS			
	YEAR TO DATE	LAST YEAR	TWO YEARS AGO
ENTER YEAR	1/1/ 2011 - 8/31/2011	2010	2009
GROSS PRODUCTION	\$307,813	\$601,369	\$816,049
HYGIENISTS	\$ _____	\$ _____	\$ _____
OWNER	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ENTER ASSOCIATE SALARY IN DOLLARS IF FIXED			
ENTER ASSOCIATE COMMISSION PERCENTAGE			
ENTER HYGIENIST SALARY IN DOLLARS IF FIXED	\$220/day (8 hours) 5% of daily gross production		
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 YOUR PRACTICE OF DENTISTRY	None		