

NW Georgia General Dentistry
MERGER FINANCIAL SUMMARY FOR PRACTICE 8562 11/25/2009 15:30

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			\$670,375	100.0%
	HYGIENE COMPONENT		\$181,001	27.0%
	DENTIST COMPONENT		\$489,374	73.0%
	RETAINED SELLER		\$0	0.0%
	ASSOCIATE		\$0	0.0%
	PURCHASER		\$489,374	73.0%
VARIABLE EXPENSE INCREASE				
	WAGES, PAYROLL TAX, ETC.		\$174,474	26.0%
	LABORATORY		\$30,391	4.5%
	CLINICAL SUPPLIES		\$32,110	4.8%
	OTHER VARIABLE EXPENSE		\$14,341	2.1%
TOTAL VARIABLE EXPENSE INCREASE			\$251,316	37.5%
FIXED EXPENSE INCREASE				
	RENT		\$0	0.0%
	PHONE, UTILITIES		\$3,000	0.4%
	LEGAL & ACCOUNTING		\$3,500	0.5%
	INSURANCE		\$1,500	0.2%
	OTHER FIXED EXPENSE		\$8,806	1.3%
TOTAL FIXED EXPENSE INCREASE			\$16,806	2.5%
DEBT SERVICE INCREASE				
	INTEREST		\$38,231	5.7%
	PRINCIPAL		\$52,704	7.9%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$90,935	13.6%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$670,375	100.0%
EXPECTED INCREASED EXPENSES			\$268,122	40.0%
EXPECTED INCREASED DEBT SERVICE			\$90,935	13.6%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$311,318	63.6%
PURCHASER PRODUCED PRODUCTION			\$489,374	73.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$52,704	10.8%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$17,903	3.7%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD			\$381,925	78.0%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
	SALES PRICE & PERCENT OF GROSS		\$439,000	68%
	WORKING CAPITAL		\$32,000	4.8%
	TOTAL LOAN		\$471,000	70.3%
	LOAN INTEREST RATE		9.00%	
	LOAN TERM IN MONTHS		84	
	MONTHLY PAYMENT		\$7,578	13.6%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$9,050	16.2%

NW Georgia**MERGER DATA SUMMARY FOR PRACTICE NUMBER 8562**

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	2,881
EXPANDABLE FOOTAGE	Entire upstairs storage area
CURRENT MONTHLY RENTAL i.e. "1200"	\$4,120
PRICE PER SQUARE FOOT	\$17.16
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	14 in front; 11 in back
PROXIMITY OF PARKING PLACES	At 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"	October-05
DATE LEASE ENDS - i.e. "1/1/04"	November-15
TERM OF LEASE IN YEARS i.e. "5"	10
YEARS REMAINING ON LEASE i.e. "2.5"	7
RENEWAL OPTIONS	Yes
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	Buy practice in another state (TN, NC, VA)
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:

Cosmetic and family dentistry practice. We serve our patients by maintaining a friendly and knowledgeable staff that utilizes the most recent developments in dental technology. We excel in educating our patients on matters of oral health and the benefits of cosmetic dentistry. We always welcome new patients and try to our utmost ability to provide many forms of payment opportunities, including Capital One financing. We are a fee-for-service practice and are not contracted with any insurance company, but we gladly accept most patient's insurance. No medicare or medicaid. Most patients are long-standing, satisfied, middle class, working patients who are grateful for our treatment.

PRACTICE DATA	
WHAT CONSULTANT USED IN PAST 5 YRS	
RESULTS	
DESCRIBE INTERNAL MARKETING	
DESCRIBE EXTERNAL MARKETING	
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	No
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS!	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	1,750
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	18
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	9
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	8
HOW FAR AHEAD IS DENTIST SCHEDULED?	two weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	six months
% PRACTICE INCOME FROM CASH	10%
% OF PATIENTS PAYING CASH	10%
% PRACTICE INCOME FROM INSURANCE	90%
% OF PATIENTS WITH INSURANCE	90%
% 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 - 12:00 pm and 1:15pm- 5:00 pm
	TUESDAY 8:00 am - 12:00 pm and 1:15pm- 5:00 pm
	WEDNESDAY 8:00 am - 12:00 pm and 1:15pm- 5:00 pm
	THURSDAY 8:00 am - 12:00 pm and 1:15pm- 5:00 pm
	FRIDAY (If needed for big case)
	SATURDAY
DENTIST HOURS WORKED PER WEEK	32
HYGIENIST HOURS WORKED PER WEEK	28
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	
HYGIENE PATIENT VISITS PER YEAR	
NUMBER OF DAYS WORKED PER YEAR	
NUMBER OF WEEKS WORKED PER YEAR	
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$35,000
SIX WEEKS ACCOUNTS RECEIVABLE	\$77,351
WHAT IS YOUR COLLECTION PERCENTAGE	98%
WHAT TYPE RECALL SYSTEM	Pre-appt, telephone reminders, postcards
WHAT TYPE COMPUTER SYSTEM	Kodak SoftDent Practice Manager

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	26%
OPERATIVE	22%
PEDODONTICS	1%
ORTHODONTICS	0%
IMPLANTS	0%
REMOVABLE PROSTHETICS	10%
FIXED PROSTHETICS	25%
ENDODONTICS	3%
PERIODONTICS	1%
ORAL SURGERY	7%
COSMETIC	3%
TMJ TREATMENT	1%
SOFT TISSUE MANAGEMENT	1%
OTHER	0%
TOTAL	100%
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	70%
LOCATION DEMAND SCALE 0% - 100%	50%
PLAN / MEDICAID PRACTICE %	
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
FEE SCHEDULE	
ADULT PROPHY 01110	\$75
GOLD INLAY 02540	
TWO SURFACE POSTERIOR COMPOSITE 02392	\$188
TWO SURFACE AMALGAM 02150	
CORE BUILD-UP INCLUDING PINS 02950	\$226
GOLD / PORCELAIN CROWN 02750	\$910
ANTERIOR CANAL ROOT CANAL 03310	\$599
BICUSPID ROOT CANAL 03320	\$700
LABIAL PORCELAIN VENEER 02962	\$878
AVERAGE OF FEES	\$511
PERCENT OF FEE PARITY	87%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	40,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	360,000
NUMBER OF DENTISTS WITHIN 5 MILES	10
NUMBER NEW DENTISTS WITHIN 5 MILES IN LAST 5 YEARS	3
MAJOR EMPLOYERS IN AREA	Floyd Medical Center, Floyd Co. Schools, Harbin Clinic, Redmond Regional Medical Center, Mohawk Industries, Inland Paper, Pierre/Zartic Corp, City of Rome, Kellogg, Shaw Corp, Suzuki
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	\$27,000	Yes	2002
OFFICE MANAGER	\$40,200	Yes	1998
RECEPTIONIST	\$ _____	_____	_____
ASSISTANT	\$27,600	Yes	2004
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$41,500	Yes	2002
HYGIENIST	\$25,000 PT	Yes	2007
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER _____			
DESCRIBE FRINGE BENEFITS AND VALUE	Matching 401K; 100% health insurance off mgr & receptionist		
DO YOU HIRE ANY UNPAID FAMILY MEMBERS	plus free dental care (less lab fees), paid vacation and holidays		
DO YOU HIRE ANY UNPAID FAMILY MEMBERS	No		
ESTIMATED ANNUAL VALUE OF ABOVE			
PRODUCTION CENTERS			
	YEAR TO DATE	LAST YEAR	TWO YEARS AGO
ENTER YEAR	1/1/08 TO 8/20/08	2007	2006
GROSS PRODUCTION	\$433,000	\$700,000	\$782,000
HYGIENISTS	\$113,000	\$182,000	\$203,000
OWNER	\$320,000	\$518,000	\$579,000
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
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 YOUR PRACTICE OF DENTISTRY	None		