

Atlanta, GA **General Dentistry**
MERGER FINANCIAL SUMMARY FOR PRACTICE 8575 3/1/2011 15:43

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			\$428,745	100.0%
	HYGIENE COMPONENT		\$98,611	23.0%
	DENTIST COMPONENT		\$330,134	77.0%
	RETAINED SELLER		\$115,761	27.0%
	ASSOCIATE		\$0	0.0%
	PURCHASER		\$214,373	50.0%
VARIABLE EXPENSE INCREASE				
	WAGES, PAYROLL TAX, ETC.		\$91,243	21.3%
	LABORATORY		\$20,830	4.9%
	CLINICAL SUPPLIES		\$28,702	6.7%
	OTHER VARIABLE EXPENSE		\$57,225	13.3%
TOTAL VARIABLE EXPENSE INCREASE			\$198,000	46.2%
FIXED EXPENSE INCREASE				
	RENT		\$12,866	3.0%
	PHONE, UTILITIES		\$3,000	0.7%
	LEGAL & ACCOUNTING		\$1,000	0.2%
	INSURANCE		\$1,000	0.2%
	OTHER FIXED EXPENSE		\$5,411	1.3%
TOTAL FIXED EXPENSE INCREASE			\$23,277	5.4%
DEBT SERVICE INCREASE				
	INTEREST		\$16,824	3.9%
	PRINCIPAL		\$30,464	7.1%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$47,289	11.0%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$428,745	100.0%
EXPECTED INCREASED EXPENSES			\$221,277	51.6%
EXPECTED INCREASED DEBT SERVICE			\$47,289	11.0%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$160,179	74.7%
PURCHASER PRODUCED PRODUCTION			\$214,373	50.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$30,464	14.2%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$10,704	5.0%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$201,348	93.9%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
	SALES PRICE & PERCENT OF GROSS		\$249,000	60%
	WORKING CAPITAL		\$10,000	2.3%
	TOTAL LOAN		\$259,000	60.4%
	LOAN INTEREST RATE		7.25%	
	LOAN TERM IN MONTHS		84	
	MONTHLY PAYMENT		\$3,941	11.0%
	ESTIMATED MONTHLY HYGIENE/ASSSOC PROFIT		\$8,692	24.3%

Atlanta, GA

MERGER DATA SUMMARY FOR PRACTICE NUMBER 8575

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	1,838
EXPANDABLE FOOTAGE	
CURRENT MONTHLY RENTAL i.e. "1200"	\$2,138
PRICE PER SQUARE FOOT	\$13.96
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	42
PROXIMITY OF PARKING PLACES	Outside of front door
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	3
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"	September-05
DATE LEASE ENDS - i.e. "1/1/04"	August-11
TERM OF LEASE IN YEARS i.e. "5"	5
YEARS REMAINING ON LEASE i.e. "2.5"	3
RENEWAL OPTIONS	5 years
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	Relocate to another state
DAYS/WEEK CURRENTLY WORKED	4
ENTER DESIRED DAYS WORKED FOR NEW BUYER SALE	
DESIRED WORK DAYS/WEEK 1ST YR	2
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

PRACTICE DATA	
WHAT CONSULTANT USED IN PAST 5 YRS RESULTS	No
DESCRIBE INTERNAL MARKETING	Newsletter (twice/year) to existing patients; \$20 credit for referring patients, website, various patient activities; donations,
DESCRIBE EXTERNAL MARKETING	sponsorships
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	No
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	1,134
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	12
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	7
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	7
HOW FAR AHEAD IS DENTIST SCHEDULED?	one week
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	two weeks
% PRACTICE INCOME FROM CASH	39%
% OF PATIENTS PAYING CASH	23%
% PRACTICE INCOME FROM INSURANCE	55%
% OF PATIENTS WITH INSURANCE	69%
% PRACTICE INCOME FROM HMO	
% OF PATIENTS WITH HMO	
% PRACTICE INCOME FROM PPO	6%
% OF PATIENTS WITH PPO	8%
% PRACTICE INCOME FROM CAPITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	
% OF PATIENTS WITH MEDICAID	
% PRACTICE INCOME WITH REDUCED FEE PLANS	6%
% OF PATIENTS WITH REDUCED FEE PLANS	8%
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
OFFICE HOURS	MONDAY 7:30 am - 4:00 pm
	TUESDAY 7:30 am - 4:00 pm
	WEDNESDAY 7:30 am - 4:00 pm
	THURSDAY 7:30 am - 4:00 pm
	FRIDAY 8:00 am - 2:00 pm (occasionally)
	SATURDAY
DENTIST HOURS WORKED PER WEEK	30
HYGIENIST HOURS WORKED PER WEEK	30
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	1,797
HYGIENE PATIENT VISITS PER YEAR	1,797
NUMBER OF DAYS WORKED PER YEAR	204
NUMBER OF WEEKS WORKED PER YEAR	52
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$20,000
SIX WEEKS ACCOUNTS RECEIVABLE	\$49,471
WHAT IS YOUR COLLECTION PERCENTAGE	98%
WHAT TYPE RECALL SYSTEM	Postcards, phone calls
WHAT TYPE COMPUTER SYSTEM	Dentrix

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	22%
OPERATIVE	38%
PEDODONTICS	0%
ORTHODONTICS	0%
IMPLANTS	1%
REMOVABLE PROSTHETICS	5%
FIXED PROSTHETICS	0%
ENDODONTICS	1%
PERIODONTICS	2%
ORAL SURGERY	1%
COSMETIC	0%
TMJ TREATMENT	1%
SOFT TISSUE MANAGEMENT	1%
DIAGNOSTIC	28%
TOTAL	100%
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	70%
LOCATION DEMAND SCALE 0% - 100%	70%
PLAN / MEDICAID PRACTICE %	6%
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
FEE SCHEDULE	
ADULT PROPHY 01110	\$80
GOLD INLAY 02540	\$997
TWO SURFACE POSTERIOR COMPOSITE 02386	\$211
TWO SURFACE AMALGAM 02150	\$211
CORE BUILD-UP INCLUDING PINS 02950	\$247
GOLD / PORCELAIN CROWN 02750	\$997
ANTERIOR CANAL ROOT CANAL 03310	\$800
BICUSPID ROOT CANAL 03320	\$900
LABIAL PORCELAIN VENEER 02962	\$997
AVERAGE OF FEES	\$604
PERCENT OF FEE PARITY	108%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	17,757
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	
NUMBER OF DENTISTS WITHIN 5 MILES	
NUMBER NEW DENTISTS WITHIN 5 MILES IN LAST 5 YEARS	
MAJOR EMPLOYERS IN AREA	Gwinnett County School System
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	\$ _____	_____	_____
OFFICE MANAGER	\$35,360	Yes	2008
RECEPTIONIST	\$ _____	_____	_____
ASSISTANT	\$30,056	Yes	2007
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$6,126	Yes	1999
HYGIENIST	\$35,657	Yes	2005
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER _____			
DESCRIBE FRINGE BENEFITS AND VALUE	Non-elective dental treatment for family, earned time off, 401K		
DO YOU HIRE ANY UNPAID FAMILY MEMBERS	(3% employer contribution)		
DESCRIBE DUTIES			
ESTIMATED ANNUAL VALUE OF ABOVE			
PRODUCTION CENTERS			
	YEAR TO DATE	LAST YEAR	TWO YEARS AGO
ENTER YEAR	1/1/08 TO 10/2/08	2007	2006
GROSS PRODUCTION	\$300,262	\$412,457	\$411,438
HYGIENISTS	\$ _____	\$ _____	\$ _____
OWNER	\$ _____	\$ _____	\$ _____
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		