

Atlanta Area Periodontal
MERGER FINANCIAL SUMMARY FOR PRACTICE 8838 3/28/2018 11:01

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			\$623,696	100.0%
	HYGIENE COMPONENT		\$101,870	16.3%
	DENTIST COMPONENT		\$521,826	83.7%
	RETAINED SELLER			
	ASSOCIATE			
	PURCHASER		\$521,826	83.7%
VARIABLE EXPENSE INCREASE				
	WAGES, PAYROLL TAX, ETC.		\$113,430	18.2%
	LABORATORY			
	CLINICAL SUPPLIES		\$67,591	10.8%
	OTHER VARIABLE EXPENSE		\$23,680	3.8%
TOTAL VARIABLE EXPENSE INCREASE			\$204,700	32.8%
FIXED EXPENSE INCREASE				
	RENT			
	PHONE, UTILITIES		\$3,000	0.5%
	LEGAL & ACCOUNTING		\$3,500	0.6%
	INSURANCE		\$1,500	0.2%
	OTHER FIXED EXPENSE		\$12,864	2.1%
TOTAL FIXED EXPENSE INCREASE			\$20,864	3.3%
DEBT SERVICE INCREASE - EXCLUSIVE OF ANY REAL ESTATE MORTGAGE WHICH IS INCLUDED IN FIXED EXPENSES				
	INTEREST		\$19,957	3.2%
	PRINCIPAL		\$39,614	6.4%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$59,571	9.6%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$623,696	100.0%
EXPECTED INCREASED EXPENSES			\$225,564	36.2%
EXPECTED INCREASED DEBT SERVICE			\$59,571	9.6%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$338,561	64.9%
PURCHASER PRODUCED PRODUCTION			\$521,826	83.7%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$39,614	7.6%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$22,127	4.2%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$400,302	76.7%
FIRST YEAR RETURN ON INVESTMENT			\$236,620	52.7%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
	PRACTICE SALES PRICE & PERCENT OF GROSS		\$449,000	75%
	WORKING CAPITAL		\$30,000	
	TOTAL LOAN		\$479,000	
	LOAN INTEREST RATE		4.50%	
	LOAN TERM IN MONTHS		120	
	TOTAL MONTHLY PAYMENT		\$4,964	10%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$5,094	10%

Atlanta Area

DATA SUMMARY FOR PRACTICE NUMBER 8838

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	2,020
EXPANDABLE FOOTAGE	
CURRENT MONTHLY RENTAL i.e. "1200"	\$2,888
PRICE PER SQUARE FOOT	\$17.15
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	
PROXIMITY OF PARKING PLACES	
TOTAL NUMBER OF EQUIPPED OPERATORIES	4
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	2
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?	No
DO YOU WISH TO SELL THE BUILDING?	No
WAS BUILDING APPRAISED?	
WHEN?	
APPRAISED PRICE	
IF NOT APPRAISED, ESTIMATED BUILDING PRICE	
IF NOT FOR SALE, MO. RENTAL AMOUNT	
ANNUAL REAL ESTATE TAXES	
ANNUAL REAL ESTATE INSURANCE COST	
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	
PURCHASER MORTGAGE INTEREST RATE	5.00%
PURCHASER MORTGAGE TERM - YEARS	15
PURCHASER MONTHLY PAYMENT	
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE	Go home
DAYS/WEEK CURRENTLY WORKED	4.0
HOW MANY DAYS WOULD YOU PREFER TO WORK FOR BUYER	
DESIRED WORK DAYS/WEEK 1ST YR	
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?	No
RESULTS	
DESCRIBE INTERNAL MARKETING	Marketing on hold; practice patient made brochures
DESCRIBE EXTERNAL MARKETING	
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	Yes; In 2010-2011 due to change in economy; the practice has steadily been growing over the past 3 years.
LIST SEDATIONS USED - NITROUS, DOCS, IV SEDATION	Nitrous Oxide, Conscious Sedation
IS YOUR PRACTICE MERCURY FREE - NO AMALGAM?	
WHAT TYPE RECALL SYSTEM	
WHAT TYPE COMPUTER SYSTEM	
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	814
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	13
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST(S)	10
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST(S)	8
HOW FAR AHEAD IS DENTIST SCHEDULED?	3 Weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	1 Month
PRACTICE DATA	
% INCOME FROM CASH	67%
% OF PATIENTS PAYING CASH	71%
% INCOME FROM FEE FOR SERVICE INSURANCE	33%
% OF PATIENTS WITH FEE FOR SERVICE INSURANCE	29%
% PRACTICE INCOME FROM REDUCED FEE PLANS	
% OF PATIENTS WITH REDUCED FEE PLANS	
% PRACTICE INCOME FROM CAPTITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	
% OF PATIENTS WITH MEDICAID	
% PRACTICE INCOME FROM REDUCED FEE PLANS	
% OF PATIENTS WITH REDUCED FEE PLANS	
SCHEDULING DATA	
MONDAY	
TUESDAY	8 AM - 5 PM
WEDNESDAY	8 AM - 5 PM
THURSDAY	8 AM - 5 PM
FRIDAY	8 AM - 5 PM
SATURDAY	
SUNDAY	
OWNER HOURS WORKED PER WEEK	
ASSOCIATE HOURS WORKED PER WEEK	32
HYGIENIST HOURS WORKED PER WEEK	24
DENTIST PATIENT VISITS PER YEAR	
HYGIENE PATIENT VISITS PER YEAR	
NUMBER OF DAYS WORKED PER YEAR	
NUMBER OF WEEKS WORKED PER YEAR	
COLLECTION DATA	
WHAT IS YOUR COLLECTION PERCENTAGE	98%
ACTUAL ACCOUNTS RECEIVABLE BALANCE	
WHAT IS YOUR PATIENT CREDIT BALANCE	
ACCOUNTS RECEIVABLES - CURRENT	
ACCOUNTS RECEIVABLES - 31-60 DAYS	
ACCOUNTS RECEIVABLE - 61-90 DAYS	
ACCOUNTS RECEIVABLE >90 DAYS	

WHAT PERCENTAGE OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	
OPERATIVE	
PEDODONTICS	
ORTHODONTICS	
IMPLANTS	
REMOVABLE PROSTHETICS	
FIXED PROSTHETICS	
ENDODONTICS	
PERIODONTICS	
ORAL SURGERY	
COSMETIC	
TMJ TREATMENT	
SOFT TISSUE MANAGEMENT	
DIAGNOSTIC	
TOTAL	
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	\$125
TWO SURFACE ANTERIOR COMPOSITE 02331	
CORE BUILD-UP 02950	
CROWN - GOLD/PORCELAIN 02750	
ANTERIOR CANAL ROOT CANAL 03310	
PANORAMIC X-RAY 00330	\$135
TWO SURFACE POSTERIOR COMPOSITE 02392	
CROWN - PORCELAIN CERAMIC 02740	
LABIAL PORCELAIN VENEER 02962	
BICUSPID ROOT CANAL 03320	
AVERAGE OF FEES	\$130
PERCENT OF FEE PARITY	124%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	
MAJOR EMPLOYERS IN AREA	Delta, Coca Cola, Emory Medical Centers, Airport, Fort Guillem, VA, Home Depot, Pinewood Studios, UPS
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING ARE	

STAFF DATA				
POSITION	YEAR	STAY?	VALUE OF BENEFITS	ANNUAL SALARY AND/OR COMMISSION PERCENT
RECEPTIONIST				
OFFICE MANAGER	2006	Yes		\$69,875
INSURANCE				
OTHER FRONT DESK	2015	Yes		
BOOKKEEPER				
ASSISTANT	1998	Yes		\$31,501
ASSISTANT				
ASSISTANT				
ASSISTANT				
ASSISTANT				
HYGIENIST	2004	Yes		\$25,649
HYGIENIST				
HYGIENIST				
HYGIENIST				
LAB TECHNICIAN				
LAB TECHNICIAN				
ASSOCIATE	2012	?		\$120,770
ASSOCIATE				
ASSOCIATE				
WHAT BENEFITS DO YOU PROVIDE FOR THE STAFF?				Medical leave and annual vacations; sick/personal days
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	2017	2016	2015	
GROSS COLLECTIONS	\$599,708	\$556,739	\$519,861	
OWNER COLLECTIONS				
HYGIENIST COLLECTIONS	\$119,942	\$83,511	\$72,781	
ASSOCIATE COLLECTIONS	\$479,466	\$473,228	\$447,080	
ASSOCIATE COLLECTIONS	\$	\$	\$	
ASSOCIATE COLLECTIONS	\$	\$	\$	
ASSOCIATE COLLECTIONS				
ASSOCIATE SALARY IN DOLLARS OR COMMISSION PERCENT	\$	OR	%	
HYGIENIST SALARY IN DOLLARS OR COMMISSION PERCENT	\$	OR	%	

CONFORMITY DATA	
DOES YOUR PRACTICE MEET OSHA STANDARDS? WHY NOT?	Yes
DOES YOUR PRACTICE MEET HIPAA STANDARDS? WHY NOT?	Yes
ANY DISCIPLINARY ACTION IN LAST 7 YRS? EXPLAIN	No
ANY PRACTICE LAWSUITS FILED IN PAST TEN YRS. EXPLAIN	Yes; terminated associate for risk reasons
DESCRIBE ANY HEALTH PROBLEMS WHICH WOULD AFFECT YOUR PRACTICE OF DENTISTRY	None
INSURANCE EXPLANATION	
TOTAL EXPENSE FOR INSURANCE IN CURRENT PERIOD	
HOW MUCH OF TOTAL IS FOR OWNER HEALTH INSURANCE?	
HOW MUCH OF TOTAL IS FOR STAFF HEALTH INSURANCE?	
HOW MUCH OF TOTAL IS FOR OTHER OWNER BENEFITS?	
HOW MUCH OF TOTAL IS FOR MALPRACTICE INSURANCE?	
HOW MUCH FOR TOTAL IS FOR BUILDING INSURANCE?	
TAXES AND LICENSES EXPLANATION	
TOTAL EXPENSE FOR TAXES	
HOW MUCH OF TOTAL IS FOR PAYROLL TAXES?	
HOW MUCH OF TOTAL IS FOR STAFF PAYROLL TAX?	
HOW MUCH OF TOTAL IS FOR OWNER PAYROLL TAX?	
HOW MUCH OF TOTAL IS AD VALOREM (PRACTICE EQUIP)?	
HOW MUCH OF TOTAL IS FOR REAL ESTATE TAXES?	
PENSION EXPLANATION	
TOTAL EXPENSES FOR PENSION PLAN	
HOW MUCH OF TOTAL IS FOR STAFF	
HOW MUCH OF TOTAL IS FOR OWNER?	
BENEFITS EXPLANATION	
TOTAL EXPENSE FOR EMPLOYEE BENEFITS	
HOW MUCH OF TOTAL IS FOR STAFF?	
HOW MUCH OF TOTAL IS FOR OWNER?	
REDUCED FEE PLANS	
NAME OF PLAN	PAYS WHAT PERCENT OF YOUR STANDARD FEE

PERIODONTAL PRACTICES

WHAT PERCENT OF YOUR PRACTICE IS:	
IMPLANTS	14%
SURGICAL	60%
NON-SURGICAL	11%
RECALL	15%
TMJ	
OTHER:	
DESCRIBE ANESTHESIA TECHNIQUES USED:	Nitrous and Oral Sedation
DO YOU USE A LASER? WHAT BRAND?	Yes - Biolitec Ceralas d15 980
DO YOU HAVE A CONE BEAM X-RAY? WHAT BRAND?	No
DESCRIBE IMPLANT TREATMENT TECHNIQUES	All techniques
REFERRALS?	20%