

North Atlanta, Georgia **General Dentistry**
MERGER FINANCIAL SUMMARY FOR PRACTICE 8880 12/9/2012 8:00

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			\$544,178	100.0%
	HYGIENE COMPONENT		\$136,044	25.0%
	DENTIST COMPONENT		\$408,133	75.0%
	RETAINED SELLER		\$0	0.0%
	ASSOCIATE		\$0	0.0%
	PURCHASER		\$408,133	75.0%
VARIABLE EXPENSE INCREASE				
	WAGES, PAYROLL TAX, ETC.		\$125,852	23.1%
	LABORATORY		\$23,949	4.4%
	CLINICAL SUPPLIES		\$52,564	9.7%
	OTHER VARIABLE EXPENSE		\$17,198	3.2%
TOTAL VARIABLE EXPENSE INCREASE			\$219,563	40.3%
FIXED EXPENSE INCREASE				
	RENT		\$23,000	4.2%
	PHONE, UTILITIES		\$3,000	0.6%
	LEGAL & ACCOUNTING		\$3,500	0.6%
	INSURANCE		\$1,500	0.3%
	OTHER FIXED EXPENSE		\$13,468	2.5%
TOTAL FIXED EXPENSE INCREASE			\$44,468	8.2%
DEBT SERVICE INCREASE				
	INTEREST		\$18,461	3.4%
	PRINCIPAL		\$32,196	5.9%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$50,657	9.3%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$544,178	100.0%
EXPECTED INCREASED EXPENSES			\$264,032	48.5%
EXPECTED INCREASED DEBT SERVICE			\$50,657	9.3%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$229,489	56.2%
PURCHASER PRODUCED PRODUCTION			\$408,133	75.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$32,196	7.9%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$17,189	4.2%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$278,874	68.3%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
	SALES PRICE & PERCENT OF GROSS		\$372,000	71%
	WORKING CAPITAL		\$26,000	4.8%
	TOTAL LOAN		\$398,000	73.1%
	LOAN INTEREST RATE		5.00%	
	LOAN TERM IN MONTHS		120	
	MONTHLY PAYMENT		\$4,221	9.3%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$6,802	15.0%

North Atlanta, Georgia

MERGER DATA SUMMARY FOR PRACTICE NUMBER 8880

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	2,744
EXPANDABLE FOOTAGE	
CURRENT MONTHLY RENTAL	\$3,518
PRICE PER SQUARE FOOT	\$15.38
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	10
PROXIMITY OF PARKING PLACES	Front of building
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	3
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	2
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	2
NUMBER OF UNPLUMBED EMPTY OPERATORIES	
DATE OF LEASE	July-10
DATE LEASE ENDS	July-15
TERM OF LEASE IN YEARS	5
YEARS REMAINING ON LEASE	3
RENEWAL OPTIONS	Lease can be cancelled as of July 31, 2013
DO YOU OWN YOUR BUILDING?	No
DO YOU WISH TO SELL THE BUILDING?	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	Finish some cases in progress
DAYS/WEEK CURRENTLY WORKED	4
ENTER DESIRED WORK DAYS FOR MERGER 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, Family, Aesthetic & Laser dentistry. Fully computerized digital-utilizing lasers, CAD/CAM and other high-tech platforms to provide most conservative approach to ideal dental care/dental health centered on prevention. Practice minimally invasive treatment options to provide patients affordable therapies to reach their long and short term dental healthcare goals. Long term dedicated patient base (some 20+ years). Excellent staff and office management.

PRACTICE DATA	
WHAT CONSULTANT USED IN PAST 5 YRS	None
RESULTS	
DESCRIBE INTERNAL MARKETING	Gift cards for referrals; patient loyalty rewards program
DESCRIBE EXTERNAL MARKETING	Direct mail, Groupon, Living Social; 1-800-Dentist; Dental Centers of America On Line
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	No
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	850
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	20
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	8
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	8
HOW FAR AHEAD IS DENTIST SCHEDULED?	2 Weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	4 Weeks
% PRACTICE INCOME FROM CASH	70%
% OF PATIENTS PAYING CASH	50%
% PRACTICE INCOME FROM INSURANCE	30%
% OF PATIENTS WITH INSURANCE	50%
% 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	MON 7:30 AM - 6:30 PM
	TUESDAY 10:00 AM - 4:00 PM
	WEDNESDAY 7:30 AM - 4:00 PM
	THURSDAY 7:30 AM - 4:00 PM
	FRIDAY
	SATURDAY
DENTIST HOURS WORKED PER WEEK	34
HYGIENIST HOURS WORKED PER WEEK	24
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	1,568
HYGIENE PATIENT VISITS PER YEAR	1,568
NUMBER OF DAYS WORKED PER YEAR	196
NUMBER OF WEEKS WORKED PER YEAR	49
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$29,768
SIX WEEKS ACCOUNTS RECEIVABLE	\$62,790
WHAT IS YOUR COLLECTION PERCENTAGE	99%
WHAT TYPE RECALL SYSTEM	Lighthouse; mail
WHAT TYPE COMPUTER SYSTEM	Practiceworks

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	25%
OPERATIVE	18%
PEDODONTICS	0%
ORTHODONTICS	3%
IMPLANTS	9%
REMOVABLE PROSTHETICS	2%
FIXED PROSTHETICS	23%
ENDODONTICS	4%
PERIODONTICS	2%
ORAL SURGERY	4%
COSMETIC	1%
TMJ TREATMENT	1%
SOFT TISSUE MANAGEMENT	0%
OTHER - OXYFRESH, FLUORIDE, ROTODENT, BOTOX, BLEACH	9%
TOTAL	100%
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	80%
LOCATION DEMAND SCALE 0% - 100%	85%
PLAN / MEDICAID PRACTICE %	
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
FEE SCHEDULE	
ADULT PROPHY 01110	\$92
GOLD INLAY 02540	
TWO SURFACE POSTERIOR COMPOSITE 02386	\$221
TWO SURFACE AMALGAM 02150	
CORE BUILD-UP INCLUDING PINS 02950	\$345
GOLD / PORCELAIN CROWN 02750	\$1,092
ANTERIOR CANAL ROOT CANAL 03310	\$800
BICUSPID ROOT CANAL 03320	\$895
LABIAL PORCELAIN VENEER 02962	\$1,365
AVERAGE OF FEES	\$687
PERCENT OF FEE PARITY	117%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	32,274
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	5 Million
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	seventy
MAJOR EMPLOYERS IN AREA	Norcross
	State Farm, CibaVision, CheckFree/FiServe, HQ Napa Auto, Technology Park (500 acres w/7000 high tech businesses)
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	None

STAFF DATA			
DESCRIBE STAFF BY POSITION AS TO	ANNUAL SALARY	WILL POSSIBLY STAY?	YEAR HIRED
RECEPTIONIST	\$ _____	_____	_____
OFFICE MANAGER	\$53,479	Yes	1994
RECEPTIONIST	\$ _____	_____	_____
ASSISTANT	\$30,710	Yes	2012
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$48,000	Yes	2012
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER			
DESCRIBE FRINGE BENEFITS AND VALUE	\$250 towards health benefits		
DO YOU HIRE ANY UNPAID FAMILY MEMBERS	No		
DESCRIBE DUTIES			
ESTIMATED ANNUAL VALUE OF ABOVE			
PRODUCTION CENTERS			
	YEAR TO DATE	LAST YEAR	TWO YEARS AGO
ENTER YEAR	1/1/12-9/13/12	2011	2010
GROSS PRODUCTION	\$421,761	\$510,630	
HYGIENISTS	\$ 96,572	\$133,693	
OWNER	\$325,189	\$376,937	
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		