

COASTAL PEDO, NORTH CAROLINA Pedodontics
FINANCIAL DATA SUMMARY FOR PRACTICE 6558 11/25/2009 15:34

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. This summary is not a representation or warranty of future practice performance. Purchasers should obtain qualified legal and accounting counsel prior to any purchase decisions. **NOTE: Practice price does not include accounts receivable.**

PRACTICE INCOME				
EXPECTED GROSS COLLECTIONS			\$718,341	100.0%
	HYGIENE COMPONENT		\$215,502	30.0%
	DENTIST COMPONENT		\$502,839	70.0%
		RETAINED SELLER	\$0	0.0%
		ASSOCIATE	\$0	0.0%
		PURCHASER	\$502,839	70.0%

VARIABLE EXPENSES				
	WAGES, PAYROLL TAX, ETC.		\$246,572	34.3%
	LABORATORY		\$960	0.1%
	CLINICAL SUPPLIES		\$41,101	5.7%
	OTHER VARIABLE EXPENSE		\$18,513	2.6%
TOTAL VARIABLE EXPENSE INCREASE			\$307,145	42.8%

FIXED EXPENSES				
	RENT		\$28,800	4.0%
	PHONE, UTILITIES		\$23,611	3.3%
	LEGAL & ACCOUNTING		\$6,760	0.9%
	INSURANCE		\$7,800	1.1%
	OTHER FIXED EXPENSE		\$36,682	5.1%
TOTAL FIXED EXPENSE INCREASE			\$103,652	14.4%

DEBT SERVICE				
	INTEREST		\$41,722	5.8%
	PRINCIPAL		\$57,516	8.0%
TOTAL DEBT SERVICE			\$99,237	13.8%

SUMMARY				
EXPECTED COLLECTIONS			\$718,341	100.0%
EXPECTED EXPENSES			\$410,797	57.2%
DEBT SERVICE			\$99,237	13.8%
EXPECTED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$208,307	41.4%
PURCHASER PRODUCED PRODUCTION			\$502,839	70.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$57,516	11.4%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$21,953	4.4%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$287,776	57.2%

THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
	SALES PRICE & PERCENT OF GROSS		\$479,000	69%
	WORKING CAPITAL		\$35,000	4.9%
	TOTAL LOAN		\$514,000	71.6%
	LOAN INTEREST RATE		9.00%	
	LOAN TERM IN MONTHS		84	
	MONTHLY PAYMENT		\$8,270	13.8%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$12,759	21.3%

**COASTAL PEDO, NORTH CAROLINA
DATA SUMMARY FOR PRACTICE NUMBER 6558**

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	2,150
EXPANDABLE FOOTAGE	Yes
CURRENT MONTHLY RENTAL i.e. "1200"	\$2,400
PRICE PER SQUARE FOOT	\$13.40
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	Large parking area
PROXIMITY OF PARKING PLACES	Front and back
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	5
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF UNPLUMBED EMPTY OPERATORIES	
DATE OF LEASE i.e. "1/1/99"	1996
DATE LEASE ENDS - i.e. "1/1/04"	Renewable now
TERM OF LEASE IN YEARS i.e. "5"	Yearly
YEARS REMAINING ON LEASE i.e. "2.5"	
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	Teach dentistry
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:

Doctor does multiple restorations and extractions of special needs children and behavioral management children at hospital (New Hanover Regional Medical Center).

Concentrate on preschool children and difficult management cases. Have two full days of block time in out-patient surgery. Well trained staff. All assistants are CEII in NC with coronal polishing. Enjoy interceptive Phase I ortho. Have word of mouth patients with broad base referrals.

PRACTICE DATA	
WHAT CONSULTANT USED IN PAST 5 YRS	N/A
RESULTS	
DESCRIBE INTERNAL MARKETING	Word of mouth, appreciation, patient referrals
DESCRIBE EXTERNAL MARKETING	Yellow pages
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	Yes
	More staff, good doctoring, hospital
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	5,000
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	60
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	20
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	30
HOW FAR AHEAD IS DENTIST SCHEDULED?	4-6 weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	16 weeks
% PRACTICE INCOME FROM CASH	10%
% OF PATIENTS PAYING CASH	10%
% PRACTICE INCOME FROM INSURANCE	15%
% OF PATIENTS WITH INSURANCE	15%
% 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	75%
% OF PATIENTS WITH MEDICAID	75%
% PRACTICE INCOME WITH REDUCED FEE PLANS	75%
% OF PATIENTS WITH REDUCED FEE PLANS	75%
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
OFFICE HOURS	MONDAY 7:00 - 4:00 (Hospital)
	TUESDAY 7:00 - 4:00 (Hospital)
	WEDNESDAY 8:00 - 5:00
	THURSDAY 8:00 - 5:00
	FRIDAY
	SATURDAY
DENTIST HOURS WORKED PER WEEK	
HYGIENIST HOURS WORKED PER WEEK	
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	\$130,000
SIX WEEKS ACCOUNTS RECEIVABLE	\$82,885
WHAT IS YOUR COLLECTION PERCENTAGE	90%
WHAT TYPE RECALL SYSTEM	Phone, cards
WHAT TYPE COMPUTER SYSTEM	Gateway, Hewlett Packard, Easy Dental

WHAT % OF THE PRACTICE INCOME IS:		
	HYGIENE	30%
	OPERATIVE	0%
	PEDODONTICS	40%
	ORTHODONTICS	30%
	IMPLANTS	0%
	REMOVABLE PROSTHETICS	0%
	FIXED PROSTHETICS	0%
	ENDODONTICS	0%
	PERIODONTICS	0%
	ORAL SURGERY	0%
	COSMETIC	0%
	TMJ TREATMENT	0%
	SOFT TISSUE MANAGEMENT	0%
	OTHER	0%
	TOTAL	100%
MARKET FACTOR DATA		
EQUIPMENT FACTOR	SCALE 0% - 100%	30%
LOCATION DEMAND	SCALE 0% - 100%	75%
PLAN / MEDICAID PRACTICE %		75%
ANNUAL FEE INCREASE %		4.0%
ANNUAL OVERHEAD INCREASE %		4.0%
FEE SCHEDULE		
CHILD PROPHY 01110		\$65
GOLD INLAY 02540		
TWO SURFACE POSTERIOR COMPOSITE 02386		\$130
TWO SURFACE AMALGAM 02150		\$105
CORE BUILD-UP INCLUDING PINS 02950		
GOLD / PORCELAIN CROWN 02750		
ANTERIOR CANAL ROOT CANAL 03310		
BICUSPID ROOT CANAL 03320		
LABIAL PORCELAIN VENEER 02962		
AVERAGE OF FEES		\$100
PERCENT OF FEE PARITY		95%
DEMOGRAPHIC DATA		
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN		75,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA		300,000
NUMBER OF DENTISTS WITHIN 5 MILES		80
NUMBER NEW DENTISTS WITHIN 5 MILES IN LAST 5 YEARS		5
MAJOR EMPLOYERS IN AREA		Corning, Dupont, GE, UNC-Wilmington, New Hanover Medical Center
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	\$22,417		1999
OFFICE MANAGER	\$22,876		1998
RECEPTIONIST	\$4,955		2000
ASSISTANT	\$20,120		1999
ASSISTANT	\$25,099		1989
ASSISTANT	\$21,421		1998
ASSISTANT	\$11,792		1998
ASSISTANT	\$ _____		
HYGIENIST	\$ _____		
HYGIENIST	\$ _____		
HYGIENIST	\$ _____		
HYGIENIST	\$ _____		
LAB TECHNICIAN	\$ _____		
LAB TECHNICIAN	\$ _____		
OTHER _____	\$8,501		1998
OTHER _____			
DESCRIBE FRINGE BENEFITS AND VALUE			
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	_____ TO _____		
GROSS PRODUCTION	\$ _____	\$ _____	\$ _____
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		