

North Coastal Carolina General Dentistry
MERGER FINANCIAL SUMMARY FOR PRACTICE 8319 11/30/2009 14:02

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			\$359,871	100.0%
	HYGIENE COMPONENT		\$82,770	23.0%
	DENTIST COMPONENT		\$277,101	77.0%
	RETAINED SELLER		\$0	0.0%
	ASSOCIATE		\$0	0.0%
	PURCHASER		\$359,871	100.0%
VARIABLE EXPENSE INCREASE				
	WAGES, PAYROLL TAX, ETC.		\$76,005	21.1%
	LABORATORY		\$25,356	7.0%
	CLINICAL SUPPLIES		\$25,672	7.1%
	OTHER VARIABLE EXPENSE		\$10,117	2.8%
TOTAL VARIABLE EXPENSE INCREASE			\$137,149	38.1%
FIXED EXPENSE INCREASE				
	RENT		\$0	0.0%
	PHONE, UTILITIES		\$3,000	0.8%
	LEGAL & ACCOUNTING		\$3,500	1.0%
	INSURANCE		\$1,500	0.4%
	OTHER FIXED EXPENSE		\$7,252	2.0%
TOTAL FIXED EXPENSE INCREASE			\$15,252	4.2%
DEBT SERVICE INCREASE				
	INTEREST		\$17,533	4.9%
	PRINCIPAL		\$24,170	6.7%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$41,703	11.6%
SUMMARY				
EXPECTED INCREASED COLLECTIONS			\$359,871	100.0%
EXPECTED INCREASED EXPENSES			\$152,402	42.3%
EXPECTED INCREASED DEBT SERVICE			\$41,703	11.6%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$165,766	46.1%
PURCHASER PRODUCED PRODUCTION			\$359,871	100.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$24,170	6.7%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$7,970	2.2%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD			\$197,907	55.0%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:				
	SALES PRICE & PERCENT OF GROSS		\$199,000	58%
	WORKING CAPITAL		\$17,000	4.7%
	TOTAL LOAN		\$216,000	60.0%
	LOAN INTEREST RATE		9.00%	
	LOAN TERM IN MONTHS		84	
	MONTHLY PAYMENT		\$3,475	11.6%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$4,139	13.8%

North Coastal Carolina**MERGER DATA SUMMARY FOR PRACTICE NUMBER 8319**

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	1,650
EXPANDABLE FOOTAGE	No
CURRENT MONTHLY RENTAL i.e. "1200"	\$1,650
PRICE PER SQUARE FOOT	\$12.00
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	135
PROXIMITY OF PARKING PLACES	Front of building
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	2
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	1
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	1
NUMBER OF UNPLUMBED EMPTY OPERATORIES	
DATE OF LEASE i.e. "1/1/99"	July-92
DATE LEASE ENDS - i.e. "1/1/04"	July-06
TERM OF LEASE IN YEARS i.e. "5"	7
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	Relocation to a midwest state seeking a consultant job
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:

Small town practice where most of the patients and staff have lived in the area their entire lives. Most people know each other. Our practice is considered to be very friendly and helpful to everyone. The staff treats people the way they want to be treated going to other offices.

PRACTICE DATA	
WHAT CONSULTANT USED IN PAST 5 YRS	
RESULTS	
DESCRIBE INTERNAL MARKETING	
DESCRIBE EXTERNAL MARKETING	
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	Yes, increase each year due to more new patients and
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS!	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	2,700
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	40
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	27
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	
HOW FAR AHEAD IS DENTIST SCHEDULED?	seven months
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	
% PRACTICE INCOME FROM CASH	5%
% OF PATIENTS PAYING CASH	5%
% PRACTICE INCOME FROM INSURANCE	25%
% OF PATIENTS WITH INSURANCE	25%
% PRACTICE INCOME FROM HMO	
% OF PATIENTS WITH HMO	
% PRACTICE INCOME FROM PPO	20%
% OF PATIENTS WITH PPO	20%
% PRACTICE INCOME FROM CAPITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	50%
% OF PATIENTS WITH MEDICAID	50%
% PRACTICE INCOME WITH REDUCED FEE PLANS	70%
% OF PATIENTS WITH REDUCED FEE PLANS	70%
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS!	
OFFICE HOURS	
MONDAY	9:00 am - 6:00 pm
TUESDAY	9:00 am - 6:00 pm
WEDNESDAY	9:00 am - 6:00 pm
THURSDAY	9:00 am - 6:00 pm
FRIDAY	
SATURDAY	
DENTIST HOURS WORKED PER WEEK	32
HYGIENIST HOURS WORKED PER WEEK	
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	4,545
HYGIENE PATIENT VISITS PER YEAR	
NUMBER OF DAYS WORKED PER YEAR	192
NUMBER OF WEEKS WORKED PER YEAR	48
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$958
SIX WEEKS ACCOUNTS RECEIVABLE	\$41,524
WHAT IS YOUR COLLECTION PERCENTAGE	
WHAT TYPE RECALL SYSTEM	Every six months
WHAT TYPE COMPUTER SYSTEM	Softdent

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	0%
OPERATIVE	25%
PEDODONTICS	5%
ORTHODONTICS	0%
IMPLANTS	0%
REMOVABLE PROSTHETICS	25%
FIXED PROSTHETICS	5%
ENDODONTICS	0%
PERIODONTICS	30%
ORAL SURGERY	5%
COSMETIC	5%
TMJ TREATMENT	0%
SOFT TISSUE MANAGEMENT	0%
OTHER	0%
TOTAL	100%
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	70%
LOCATION DEMAND SCALE 0% - 100%	40%
PLAN / MEDICAID PRACTICE %	70%
ANNUAL FEE INCREASE %	4%
ANNUAL OVERHEAD INCREASE %	4%
FEE SCHEDULE	
ADULT PROPHY 01110	\$65
GOLD INLAY 02540	
TWO SURFACE POSTERIOR COMPOSITE 02386	\$110
TWO SURFACE AMALGAM 02150	\$100
CORE BUILD-UP INCLUDING PINS 02950	\$270
GOLD / PORCELAIN CROWN 02750	\$695
ANTERIOR CANAL ROOT CANAL 03310	
BICUSPID ROOT CANAL 03320	
LABIAL PORCELAIN VENEER 02962	
AVERAGE OF FEES	\$248
PERCENT OF FEE PARITY	73%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	17000 (Elizabeth City)
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	102,871 (Camden, Currituck, Outer Banks, Perquimas, Chouan)
NUMBER OF DENTISTS WITHIN 5 MILES	seven
NUMBER NEW DENTISTS WITHIN 5 MILES IN LAST 5 YEARS	
MAJOR EMPLOYERS IN AREA	Elizabeth State University, Coast Guard, Albemarle Hospital, College of Albemarle (Community college)
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	Proposed race track with hotels and motels in future

STAFF DATA			
DESCRIBE STAFF BY POSITION AS TO	ANNUAL SALARY	WILL POSSIBLY STAY?	YEAR HIRED
RECEPTIONIST	\$26,793	Yes	1990
OFFICE MANAGER	\$ _____	_____	_____
RECEPTIONIST	\$ _____	_____	_____
ASSISTANT	\$30,584	Yes	1984
ASSISTANT	\$16,992	Yes	1994
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
OTHER _____	\$ _____	_____	_____
OTHER _____			
DESCRIBE FRINGE BENEFITS AND VALUE	Health insurance 100% paid by employer		
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		