

Northeast North Carolina	General Dentistry
FINANCIAL DATA SUMMARY FOR PRACTICE	8723
4/19/2011 16:30	

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				\$1,596,013	100.0%
	HYGIENE COMPONENT			\$319,203	20.0%
	DENTIST COMPONENT			\$1,276,810	80.0%
		RETAINED SELLER		\$558,605	35.0%
		ASSOCIATE		\$0	0.0%
		PURCHASER		\$718,206	45.0%
VARIABLE EXPENSES					
	WAGES, PAYROLL TAX, ETC.			\$372,665	23.3%
	LABORATORY			\$62,891	3.9%
	CLINICAL SUPPLIES			\$122,150	7.7%
	OTHER VARIABLE EXPENSE			\$256,319	16.1%
TOTAL VARIABLE EXPENSE INCREASE				\$814,025	51.0%
FIXED EXPENSES					
	RENT			\$0	0.0%
	PHONE, UTILITIES			\$16,485	1.0%
	LEGAL & ACCOUNTING			\$6,760	0.4%
	INSURANCE			\$7,800	0.5%
	OTHER FIXED EXPENSE			\$102,195	6.4%
TOTAL FIXED EXPENSE INCREASE				\$133,240	8.3%
DEBT SERVICE					
	INTEREST			\$115,577	7.2%
	PRINCIPAL			\$150,739	9.4%
TOTAL DEBT SERVICE				\$266,316	16.7%
SUMMARY					
EXPECTED COLLECTIONS				\$1,596,013	100.0%
EXPECTED EXPENSES				\$947,265	59.4%
DEBT SERVICE				\$266,316	16.7%
EXPECTED NET INCOME & PERCENT OF PERSONAL PRODUCTION				\$382,432	53.2%
PURCHASER PRODUCED PRODUCTION				\$718,206	45.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION				\$150,739	21.0%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION				\$57,189	8.0%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.				\$590,361	82.2%
THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:					
	SALES PRICE & PERCENT OF GROSS			\$989,000	64%
	WORKING CAPITAL			\$77,000	4.8%
	TOTAL LOAN			\$1,066,000	66.8%
	LOAN INTEREST RATE			7.50%	
	LOAN TERM IN MONTHS			84	
	MONTHLY PAYMENT			\$22,193	16.7%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT			\$38,705	29.1%

Northeast North Carolina**DATA SUMMARY FOR PRACTICE NUMBER 8723**

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	3,300
EXPANDABLE FOOTAGE	
CURRENT MONTHLY RENTAL i.e. "1200"	
PRICE PER SQUARE FOOT	
IS OFFICE HANDICAPPED ACCESSIBLE?	
NUMBER OF PARKING SPACES	20 +
PROXIMITY OF PARKING PLACES	
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	6
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	2
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF UNPLUMBED EMPTY OPERATORIES	
DATE OF LEASE i.e. "1/1/99"	
DATE LEASE ENDS - i.e. "1/1/04"	
TERM OF LEASE IN YEARS i.e. "5"	
YEARS REMAINING ON LEASE i.e. "2.5"	
RENEWAL OPTIONS	
DO YOU OWN YOUR BUILDING? "YES" OR "NO"	Yes
DO YOU WISH TO SELL THE BUILDING? "YES" OR "NO"	Yes
PRICE OF BUILDING	\$650,000
IF NOT FOR SALE, MO. RENTAL AMOUNT	
ANNUAL REAL ESTATE TAXES	\$10,000
ANNUAL REAL ESTATE INSURANCE COST	
PURCHASER MORTGAGE INTEREST RATE	7.00%
PURCHASER MORTGAGE TERM - YEARS	15
PURCHASER MONTHLY PAYMENT	\$5,842
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	\$21.25

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE	Relocate to continue growth of second practice
DAYS/WEEK CURRENTLY WORKED	5
ENTER DESIRED DAYS WORKED FOR NEW BUYER SALE	
DESIRED WORK DAYS/WEEK 1ST YR	4
DESIRED WORK DAYS/WEEK 2ND YR	4
DESIRED WORK DAYS/WEEK 3RD YR	4
DESIRED WORK DAYS/WEEK 4TH YR	0
DESIRED WORK DAYS/WEEK 5TH YR	0
DESIRED WORK DAYS/WEEK 6TH YR	0

OTHER PRACTICE INFORMATION: Loyal hard working staff, eager to learn. The practice is in a rural town with slow growth, the practice has grown beyond my expectations in the first 3 years and there is still room for more growth. We treat all patients young and old and accept all insurances. Our goal is to treat patients with a warm friendly attitude to make them comfortable while providing quality dental care.

PRACTICE DATA	
WHAT CONSULTANT USED IN PAST 5 YRS	Silkin Management
RESULTS	Too early to tell, just started with this group in January
DESCRIBE INTERNAL MARKETING	Reactivation of existing patients, newsletters via email.
DESCRIBE EXTERNAL MARKETING	Patient referrals
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	Have just started this in Feb. Too early to tell but we are getting more insurance & cash pay patients since.
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	4,000
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	120
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	39
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	13
HOW FAR AHEAD IS DENTIST SCHEDULED?	2 weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	4 weeks
% PRACTICE INCOME FROM CASH	10%
% OF PATIENTS PAYING CASH	10%
% PRACTICE INCOME FROM INSURANCE	90%
% OF PATIENTS WITH INSURANCE	90%
% PRACTICE INCOME FROM HMO	20%
% OF PATIENTS WITH HMO	20%
% PRACTICE INCOME FROM PPO	
% OF PATIENTS WITH PPO	
% PRACTICE INCOME FROM CAPITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	70%
% OF PATIENTS WITH MEDICAID	70%
% PRACTICE INCOME WITH REDUCED FEE PLANS	90%
% OF PATIENTS WITH REDUCED FEE PLANS	90%
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
OFFICE HOURS	MONDAY 8 AM - 5 PM
	TUESDAY 8 AM - 5 PM
	WEDNESDAY 8 AM - 5 PM
	THURSDAY 8 AM - 5 PM
	FRIDAY 8 AM - 2 PM
	SATURDAY Closed
DENTIST HOURS WORKED PER WEEK	30
HYGIENIST HOURS WORKED PER WEEK	32
ASSOCIATE HOURS WORKED PER WEEK	32
DENTIST PATIENT VISITS PER YEAR	8,404
HYGIENE PATIENT VISITS PER YEAR	2,713
NUMBER OF DAYS WORKED PER YEAR	212
NUMBER OF WEEKS WORKED PER YEAR	50
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$134,775
SIX WEEKS ACCOUNTS RECEIVABLE	\$184,155
WHAT IS YOUR COLLECTION PERCENTAGE	92%
WHAT TYPE RECALL SYSTEM	Reminder cards and calls. Schedule before patient leaves
WHAT TYPE COMPUTER SYSTEM	Dentrix

WHAT % OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	20%
OPERATIVE	20%
PEDODONTICS	5%
ORTHODONTICS	3%
IMPLANTS	3%
REMOVABLE PROSTHETICS	20%
FIXED PROSTHETICS	5%
ENDODONTICS	5%
PERIODONTICS	0%
ORAL SURGERY	20%
COSMETIC	0%
TMJ TREATMENT	0%
SOFT TISSUE MANAGEMENT	0%
OTHER	0%
TOTAL	100%
MARKET FACTOR DATA	
EQUIPMENT FACTOR SCALE 0% - 100%	80%
LOCATION DEMAND SCALE 0% - 100%	40%
PLAN / MEDICAID PRACTICE %	90%
ANNUAL FEE INCREASE %	4.0%
ANNUAL OVERHEAD INCREASE %	4.0%
FEE SCHEDULE	
ADULT PROPHY 01110	\$70
GOLD INLAY 02540	N/A
TWO SURFACE POSTERIOR COMPOSITE 02386	\$200
TWO SURFACE AMALGAM 02150	\$140
CORE BUILD-UP INCLUDING PINS 02950	\$220
GOLD / PORCELAIN CROWN 02750	\$902
ANTERIOR CANAL ROOT CANAL 03310	\$670
BICUSPID ROOT CANAL 03320	\$735
LABIAL PORCELAIN VENEER 02962	\$875
AVERAGE OF FEES	\$477
PERCENT OF FEE PARITY	85%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	20,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	100,000
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	7
MAJOR EMPLOYERS IN AREA	5 miles
	Kenametal, Kapstone, Patch Rubber, Reesers
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	\$33,106	Yes	2008
OFFICE MANAGER	\$26,857	Yes	2006
RECEPTIONIST	\$30,696	Yes	2008
ASSISTANT	\$24,724	Yes	2008
ASSISTANT	\$26,345	Yes	2007
ASSISTANT	\$32,676	Yes	2008
ASSISTANT	\$25,093	Yes	2008
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$45,491	Yes	2006
HYGIENIST	\$26,432	Yes	2008
HYGIENIST	\$ _____	_____	_____
HYGIENIST	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
DESCRIBE FRINGE BENEFITS AND VALUE	PTO at hourly rate accrued by year, paid holiday, 40K match up to 4% of salary. Uniform allowance \$75/year and ce \$500/yr		
			0
DO YOU HIRE ANY UNPAID FAMILY MEMBERS	No		
DESCRIBE DUTIES			
ESTIMATED ANNUAL VALUE OF ABOVE	\$8,000		
PRODUCTION CENTERS			
	YEAR TO DATE	LAST YEAR	TWO YEARS AGO
ENTER YEAR	1/10 to 3/16/10		
GROSS PRODUCTION	\$384,328.11	\$1,509,890.49	\$1,224,023.10
HYGIENISTS	\$ 71,818.00	\$ 264,767.98	\$ 257,570.00
OWNER	\$157,527.03	\$1,004,835.75	\$ 934,039.00
ASSOCIATE	\$154,982.15	\$ 239,835.16	\$ _____
ASSOCIATE			32412
ASSOCIATE	\$ _____	\$ _____	\$ _____
ENTER ASSOCIATE SALARY IN DOLLARS IF FIXED			
ENTER ASSOCIATE COMMISSION PERCENTAGE	32.00%		
ENTER HYGIENIST SALARY IN DOLLARS IF FIXED	\$28.00/hour		
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		