

Are Books and Records important?

The financial records of the practice are a good indication of how well the practice has been doing over the years. Keep in mind that tax records are not designed to show the business in the best light; no one likes to pay more taxes than they have to, and the owners of businesses are no different. Generally, tax returns are a worse case scenario. You need to be able to look at the expenses and discover which ones are non-cash items, such as depreciation, and business use of home and vehicles. How important was the business trip to Las Vegas ? A professional business broker can point these items out to you.

Please keep in mind that financial records are only history. There are no guarantees that they will or can be duplicated or repeated. All of your profits are future. In the final analysis, the financial records of the practice are an indicator of what the practice has done; what you do with it's future is up to you!