

LESSON 15 Devotional

Knowing the Condition of Your Flocks

Barry owned a chain of furniture stores when he first approached Ray for consulting help. At their initial meeting, Barry explained to Ray that he had grown his business from nothing to \$5 million in revenue in only four years and without any debt. But something didn't seem right, especially since Barry seemed desperate for his help.

As Ray began digging into the financial condition of the business, it became evident very quickly that Barry's business was seriously deficient in financial record keeping. More specifically, bank statements hadn't been reconciled in more than a year. Barry also had no idea if they were making any money. Yet, he knew they were delinquent in paying their payroll taxes, just not how much.

Ray worked hard to gain an understanding about the financial condition of Barry's business, but Barry had fired his bookkeeper. Replacing the bookkeeper was Barry's sales manager who had no experience or interest in bookkeeping.

Ray's biggest concern was Barry's exposure to the IRS. When Ray asked about debt to the IRS, Barry assured him that they probably owed \$40,000. Further, they had not received any liens or levies.

After meeting with the IRS agent on Barry's behalf, Ray realized the business was doomed. The agent began the conversation with the statement, "I only agreed to meet with you as a courtesy before I padlock Barry's business tomorrow." During the next few minutes Ray learned that Barry owed not \$40,000 but \$250,000 in back taxes, and unfortunately levies and liens had just been filed. Within a few days the IRS had closed all of Barry's business' locations and forced him into bankruptcy.

