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	YEAR 1	YEAR 2	YEAR 3
Cash Flow from Operating Activities			
Net Income/(Loss)	27,820	123,215	168,240
Adjustments to Reconcile Net Inc/(Loss)	50,448	226,312	376,855
Add Back Depreciation Expense	33,000	66,000	99,000
(Decrease) Increase in Accounts Payable	3,753	8,793	10,683
(Decrease) Increase Other Current Liabilities	833	833	833
(Increase) Decrease Accounts Receivable	(5,175)	(8,377)	(16,001)
(Increase) Decrease in Inventories	(10,282)	(19,540)	(38,078)
(Increase) Decrease in Other Current Assets	(50,000)	(50,000)	(50,000)
Cash Provided By Operating Activities	50,199	345,237	551,513
Cash Flow from Investing Activities			
Purchase of Fixed Assets and Start Up Expenses	(165,000)	(330,000)	(495,000)
Cash Provided By Investing Activities	(165,000)	(330,000)	(495,000)
Cash Flow from Financing Activities			
(Decrease) Increase Long Term Payable	0	0	0
(Decrease) Increase Equity Investment	305,000	0	0
Cash Provided By Financing Activities	305,000	0	0
Net Change in cash Decrease/Increase	190,199	15,237	56,513
Cash at the Beginning of the Period	0	190,199	205,436
Cash at the End of the Period	190,199	205,436	261,949

How the Cloud is Affecting Client Write-Up

It would be hard to miss the major shift that small businesses have made toward cloud accounting over the past few years. Although there have been totally web-based accounting and business management systems since about 1998-1999, when NetSuite and Intacct debuted, these solutions were primarily focused on mid-sized and larger businesses, or at least small enterprises with fairly complex needs.

Even though other technology vendors started offering online bookkeeping and

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drifting away from off-the-shelf software and implementing web-based solutions. While the initial challenge for some professionals may be in ensuring that their clients' data gets properly imported and mapped into the professional accounting and write-up solution they use, most of the systems on the market use common business reporting code and bank-level encryption, ensuring generally simple data transfer.

The transition clients are making to the cloud also has many advantages that may one day be looked at as being as beneficial as when businesses initially moved from paper-based records to computers in the 1980s and 1990s.

Foremost is the ability to access live client data at any time or when clients run into problems, instead of waiting until the end of the month or end of a quarter to start digging through transactions looking for client errors. Not to mention potential hassles with period closes and data transfer. Cloud-based programs can also pull the latest transaction summaries from banks, speeding up reconciliation tasks.

As a result of these changes, many write-up processes are changing, and many firms are developing new bookkeeping services that keep them engaged with their client's books on a more proactive, day-to-day basis. This is still primarily for smaller clients with less complex needs, but firms should be aware that the day will eventually come when there will be very few businesses using installed systems.

That is not to say that write-up will ever disappear, however, just that many firms will be able to take a more proactive approach. There will always be client errors and as such, there will always be the need for making correcting and reversing entries, for verifying the accuracy of banking and credit transactions, and certainly for financial reporting and analysis.

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professionals, in favor of terms that customers more easily understand, such as full-service accounting, outsourced accounting or virtual CFO services, but the core functions are the same, and as long as there's a potential for human error, professional accountants will need technologies to help them fix those client errors.

Accounting • Technology

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