Cash Flow Statement in Dynamics NAV

This paper discusses how to set up a Cash Flow Statement in Dynamics NAV. The solution requires version Dynamics NAV 2013 or higher.

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1 Cash Flow Statement

When you open Microsoft Dynamics NAV for the first time, you will not find an out-of-the-box Statement of Cash Flows. In the CRONUS USA, Inc. demo company you will find two Account Schedules named CASH FLOW and CASHFLOW:

The CASHFLOW schedule with the Description Calculation of Cash Flow is a tool to report expected future cash movements. This is a truly exciting new feature in Dynamics NAV 2013, but it is in no way related to a Cash Flow Statement.

The CASH FLOW schedule with the Description Cash Flow Statement is empty. You can click the Edit Account Schedule icon in the ribbon, and you get a blank sheet of paper. There simply is no report behind this schedule. I am certain Microsoft will put flesh and skin around this bone in a future version, but for now there is no Microsoft-made Cash Flow Statement you could look at and learn from.

1.1 Balance Sheet for the Preparation of a Cash Flow Statement

You will have to set up your own Cash Flow Statement, and this setup depends on the structure of your Balance Sheet.

You may find it helpful to set up a special Balance Sheet report for the preparation of a Cash Flow Statement. The following picture shows such a special balance sheet containing four columns: A beginning and ending balance for the year, the net change, and a break down of net change by debits and credits, explaining the difference between beginning and ending balances:
### General

- **Account Schedule Name:** BALANCE CF
- **Column Layout Name:** CHANGEOFBA
- **View by:** Year
- **Date Filter:** 01/01/13..12/31/13
- **Show Amounts in Adj. Reporting Currency:**

<table>
<thead>
<tr>
<th>Row No.</th>
<th>Description</th>
<th>Beginning Balance</th>
<th>Debits</th>
<th>Credits</th>
<th>Net Change</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Liquid Assets I</td>
<td>12,429.37</td>
<td>692,344.21</td>
<td>319,507.48</td>
<td>372,836.73</td>
<td>385,266.10</td>
</tr>
<tr>
<td>02</td>
<td>Securities I</td>
<td>18,278.46</td>
<td></td>
<td></td>
<td></td>
<td>18,278.46</td>
</tr>
<tr>
<td>03</td>
<td>Accounts Receivable O</td>
<td>1,370,150.28</td>
<td>13,807,252.40</td>
<td>13,467,640.34</td>
<td>330,612.06</td>
<td>1,707,762.24</td>
</tr>
<tr>
<td>04</td>
<td>Inventory O</td>
<td>1,410,362.82</td>
<td>2,093,224.26</td>
<td>1,753,580.80</td>
<td>339,643.46</td>
<td>1,750,006.28</td>
</tr>
<tr>
<td>05</td>
<td>WIP O</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A01</td>
<td>Total Current Assets</td>
<td>2,811,220.93</td>
<td>16,592,820.87</td>
<td>15,540,728.62</td>
<td>1,052,092.25</td>
<td>3,863,313.18</td>
</tr>
</tbody>
</table>

### Dimension Filters

- **Department Filter:**
- **Project Filter:**
- **Dimension 3 Filter:**
- **Dimension 4 Filter:**
- **Cost Center Filter:**
- **Cost Object Filter:**
- **Cash Flow Filter:**
- **G/L Budget Filter:**
- **Cost Budget Filter:**

OK
1.2 How to Design a Balance Sheet

Microsoft offers a unique tool you can use to create your own financial reports called Account Schedules. You can find Account Schedules under Financial Management > General Ledger > Reports and Analysis >Analysis & Reporting. When you click on Account Schedules, the Edit - Account Schedule Names window opens:
In the above picture BALANCE SH is an Account Schedule already contained in the CRONUS USA, Inc. demo database. Account Schedule BALANCE CF is simply a copy of BALANCE SH. The only change I made was to mark every line with the letters O I F for the Operating, Investment, and Financing sections of the Cash Flow Statement.

What makes the Balance Sheet for the preparation of a Cash Flow Statement special are the columns. Click on the Edit Column Layout Setup icon in the ribbon of the Edit - Account Schedule Names window.

The Edit - Column Layout window opens:

CHANGEOFBA is a new Column Layout I made up from scratch.

The starting point is column C50 Ending Balance which will show the balance on the last day of the year you filter
on when you run the report, in our example December 31st, 2013.

Column **C10 Beginning Balance** carries the value **-1Y** in field **Comparison Date Formula**. This means when you run the report on the year 2013, the system will calculate column C10 back to the year 2012. What you actually see is the ending balance on December 31st 2012, rather than the beginning balance on January 1st 2013.

There is a reason for this setup. If you were to post beginning balances to January 1st, another accountant might also post transactions to January 1st. A report filtering on January 1st would show the sum of the beginning balance and January 1st transactions.

It is better to post ending balances to December 31st if you start a new business on January 1st, and this is what Microsoft did in the **CRONUS USA, Inc.** demo company.

Please take a look at the very first G/L Entries in the **CRONUS USA, Inc.** demo company:

![General Ledger Entries](image)

You can see CRONUS started operations in 2013, but the beginning balances were posted to the 2012 closing date **C12/31/2012** rather than the last day of the year, **12/31/2012**.

For this reason our Balance Sheet report must include the closing date **C/12/31/2012** to show the beginning balances for 2013.

If you look again at the **BALANCE CF** report you will notice I set a Date filter including the closing date: **01/01/2013..C12/31/2013**.
2 Cash Flow from Operating Activities

We will now design our own Cash Flow Statement Account Schedule CASHFLOWST.

The next picture shows the Operating Activities section of the Cash Flow Statement:
2.1 Net Income

The Operating section of the Cash Flow Statement starts with Row R01 Net Income.

In the Chart of Accounts, you can see the very last G/L Account 99999 NET INCOME is defined as the Total for all Income Statement G/L Accounts 40000..99999:

Dynamics NAV records revenues as negative amounts and expenses as positive amounts. In the above picture a date filter for the year 2013 has been applied, so column Net Change for G/L Account 99999 shows 2013 Net Income as a negative $-615,356.02.

Notice the date filter 01/01/13..12/31/13 excludes the Closing Date C12/31/13. If you were to include the Closing Date in your date filter, the included closing entries would result in a zero Net Income.

If you look up again at Row R01 Net Income in the design of Account Schedule CASHFLOWST you notice the check mark Show Opposite Sign is set.

The next picture shows $615,356.02 as Net Income for 2013 as the first line of our Cash Flow Statement. Again, the Closing Date is excluded, and Net Income appears as a positive amount because we had set the Show Opposite Sign check mark.
2.2 Adjustments to Reconcile Net Income to Net Cash Flow

Let us take a look at Rows R02 to R06 in the design of Account Schedule CASHFLOWST:

![Account Schedule CASHFLOWST](image)

Depreciation is a noncurrent accrued expense and had been subtracted from revenue to calculate Net Income. Now depreciation must be added back to Net Income to calculate Cash Flow from Operating Activities.

Row **R02 Add Depreciation Expense** sums up the Net Change in G/L Accounts 16300, 17200, and 18200, which are actually Balance Sheet accounts for the accumulated depreciation of vehicles, operating equipment, and buildings.

When posting depreciation expense, the accumulated depreciation account is credited, which Dynamics NAV shows as a negative number in the Amount field:
Because Dynamics NAV shows the credit balance on the accumulated depreciation account as a negative number, we must set the Show Opposite Sign check mark in Row R02. Setting the Show Opposite Sign check mark displays the negative number in the Chart of Accounts as a positive number in our Cash Flow Statement, but the check mark does not influence the math in our schedule.

Please take a look at field Totaling in Row R06 Net Cash Flow from Operating Activities. In this formula, Row - R02 is substracted from the total. Substracing the negative amount adds it to the total.

Row R03 Subtract Accounts Receivable Increase also shows with the opposite sign and is being substracted from the total in Row R06. When posting a sales order, the A/R account is debited, showing as a positive number in the Amount field.

The same logic applies to Row R04 Subtract Inventory Increase. An inventory increase leaves a debit balance on the inventory account, which Dynamics NAV displays as a positive number in the Amount field. We must enter - R04 with a negative sign into the formula in Row R06 to subtract an inventory increase. Should inventory have decreased in our reporting period, the negative -R04 will add the credit balance shown as a negative number in the Amount field into the total in Row R06.

An increase in A/P leaves a credit balance on the liability account, which Dynamics NAV shows as a negative number in the Amount field. To add an increase, we must substract the negative amount in Row R05 Add Accounts Payable Increase from the total in Row R06.

Because Dynamics NAV shows the credit balance on the accumulated depreciation account as a negative number, we must set the Show Opposite Sign check mark in Row R02. Setting the Show Opposite Sign check mark displays the negative number in the Chart of Accounts as a positive number in our Cash Flow Statement, but the check mark does not influence the math in our schedule.

Please take a look at field Totaling in Row R06 Net Cash Flow from Operating Activities. In this formula, Row - R02 is substracted from the total. Substracing the negative amount adds it to the total.

Row R03 Subtract Accounts Receivable Increase also shows with the opposite sign and is being substracted from the total in Row R06. When posting a sales order, the A/R account is debited, showing as a positive number in the Amount field.

The same logic applies to Row R04 Subtract Inventory Increase. An inventory increase leaves a debit balance on the inventory account, which Dynamics NAV displays as a positive number in the Amount field. We must enter - R04 with a negative sign into the formula in Row R06 to subtract an inventory increase. Should inventory have decreased in our reporting period, the negative -R04 will add the credit balance shown as a negative number in the Amount field into the total in Row R06.

An increase in A/P leaves a credit balance on the liability account, which Dynamics NAV shows as a negative number in the Amount field. To add an increase, we must substract the negative amount in Row R05 Add Accounts Payable Increase from the total in Row R06.
2.3 Final Report: Net Cash Flow from Operating Activities
3 Cash Flow from Investing Activities

The next section of our Cash Flow Statement covers Cash Flows from Investing Activities.

Row R11 Purchases of Fixed Assets sums the Net Changes in Balance Sheet accounts 16210, 17110, and 18110 for Increases during the Year of vehicles, operating equipment, and buildings. Purchases of Fixed Assets cause a debit balance on the Balance Sheet accounts but represent cash outflows, so we have to subtract the increase. This adjustment assumes all Fixed Asset purchases were paid with cash.

Row R12 Proceeds from the Sale of Fixed Assets sums up the Net Changes in Balance Sheet accounts 16220, 17120, and 18120 for Decreases during the Year of vehicles, operating equipment, and buildings. The assumption that the decrease in Fixed Asset value represents the cash inflow we need to report will almost never hold.

In order to have an example to look at, I posted the sale of a not fully depreciated Fixed Asset. G/L Account 16220 shows a negative $-26,900.07, and this is the amount we will report in Row R12 as cash inflow:
When you look at the G/L Entries posted with the sales order, you can see the vehicle was sold for $19,000.00:

The $3,136.00 debit to G/L Account 16300 Accum. Depreciation, Vehicles reverses the previously posted monthly depreciations. This amount is already reported in Row R02 Add Depreciation Expense in the Operating section of our Cash Flow Statement.

Because the vehicle was sold for less than its book value, the company realized a loss of $4,764.07, debited to G/L Account 81200 Gains and Losses.

A look at the applied Customer Ledger Entry to the sales order shows cash was collected in the same period. This means we need to record a cash inflow of $19,000.00 instead of the $26,900.07 reported in Row R12. The problem is there is really no way to report this adjustment by summing up G/L Accounts.
3.1 Cash Flow Forecast to report Cash Flow Statement Adjustments

Please take a look at Row R13 Correction Proceeds on Disposal. Field Totaling Type contains the value Cash Flow Entry Accounts. What we do here is to report a value in our Cash Flow Statement that is not a G/L Entry.

With version Dynamics NAV 2013, Microsoft introduced a new functionality called Cash Flow Forecast. This Cash Flow Forecast is a planning tool. You use this planning tool to register estimated future cash movements in Cash Flow Forecast Entries. Based on the daily balances of those Cash Flow Forecast Entries you can design reports showing your expected future daily cash positions.

The Cash Flow Forecast tool has absolutely nothing to do with Cash Flow Statements. What we have done was to take advantage of the fact that Cash Flow Forecast Entries can be reported on in Account Schedules, right next to G/L Entries. Microsoft's intention was to give you the ability to design reports in Account Schedules that compare Cash Flow Forecast Entries to G/L Entries, so you can see how accurate your Cash Flow Forecast was.

3.2 Chart of Cash Flow Accounts and Cash Flow Forecast Card

Cash Flow Forecast Entries are organized in Cash Flow Forecasts that use the structure of a Chart of Cash Flow Accounts. The below picture shows the Chart of Cash Flow Accounts Microsoft entered into the CRONUS USA, Inc. demo company:

![Chart of Cash Flow Accounts](image)

You can see I added a new Account 0051 Fixed Asset Disposal Correction.
There is only one Chart of Cash Flow Accounts, but you can add an unlimited number of Cash Flow Forecasts. Below is the picture of **Cash Flow Forecast Card CF100002**:

I added Cash Flow Forecast CF100002 for the sole purpose of recording Balance Sheet adjustments for the preparation of a Cash Flow Statement. While all other Cash Flow Forecasts can be used for forecasts and analytical purposes, CF100002 must not carry any entries other than those needed to adjust Balance Sheet positions for the Cash Flow Statement.
3.3 **Cash Flow Forecast Entries**

I registered a single Manual Expense Entry for **$-4,764.07**:

This single Entry is reported in Row **R13 Correction Proceeds on Disposal**.
### 3.4 Final Report: Net Cash Flow from Investing Activities

![Spreadsheet showing net cash flow from investing activities](image)

#### General
- **Account Schedule Name**: CASHFLOWST
- **Column Layout Name**: NETCHNG
- **View by**: Year
- **Date Filter**: 01/01/13..12/31/13
- **Show Amounts in Add. Reporting Currency**: unchecked

<table>
<thead>
<tr>
<th>Row No.</th>
<th>Description</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cash Flows from Investing Activities</td>
<td></td>
</tr>
<tr>
<td>R11</td>
<td>Purchases of Fixed Assets</td>
<td>-201,961.88</td>
</tr>
<tr>
<td>R12</td>
<td>Proceeds from the Sale of Fixed Assets</td>
<td>26,900.07</td>
</tr>
<tr>
<td>R13</td>
<td>Correction Proceeds on Disposal</td>
<td>-4,764.07</td>
</tr>
<tr>
<td>R14</td>
<td>Net Cash Flows from Investing Activities</td>
<td>-178,925.88</td>
</tr>
</tbody>
</table>

#### Dimension Filters
- **Department Filter**:
- **Project Filter**:
- **Dimension 3 Filter**:
- **Dimension 4 Filter**:
- **Cost Center Filter**:
- **Cost Object Filter**:
- **Cash Flow Filter**:
- **G/L Budget Filter**:
- **Cost Budget Filter**:

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4 Cash Flow from Financing Activities

The next section of our Cash Flow Statement covers Cash Flows from Financing Activities.

In 2013 CRONUS USA Inc. borrowed on the Revolving Credit Account, resulting in a debit balance on G/L Account 22100. This debit balance represents a cash inflow and Row R21 adds the balance to the Cash Flows from Financing Activities.

Row R22 stays blank because there was no stock issuance or stock retirement.

Row R23 reports a dividend payment. The dividend payment debited G/L Account 30200 Retained Earnings. You can see in the design above the Amount Type in Row R23 is set to Debit Amount, reporting only debits posted to Retained Earnings. This set up will work for our test data, but it will fail as soon as someone posts any corrections to Retained Earnings.
You can change the Amount Type back to Net Amount in Row R23, reporting all entries posted to Retained Earnings throughout the year as dividend paid. If all you ever posted to Retained Earnings are dividends paid, our Cash Flow Statement is still correct. But if there are any postings to Retained Earnings that did not result in a cash outflow, our Row R23 does not report the correct amount.

To report dividend payments correctly, I added another Account 1071 Dividend Payments to the Chart of Cash Flow Accounts:
I again registered a single Cash Flow Manual Expense Entry to the same Cash Flow Forecast **CF100002** I already used for the Fixed Asset disposal correction:

![Chart of Cash Flow Accounts](image-url)
Finally, I changed the design of Row **R23** to report on the manually registered Cash Flow Expense Entries:
4.1 Final Report: Net Cash Flow from Financing Activities

<table>
<thead>
<tr>
<th>Row No.</th>
<th>Description</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>R21</td>
<td>Revolving Credit</td>
<td>988,839.99</td>
</tr>
<tr>
<td>R22</td>
<td>Capital Stock</td>
<td></td>
</tr>
<tr>
<td>R23</td>
<td>Dividend Payment</td>
<td>-25,900.00</td>
</tr>
<tr>
<td>R24</td>
<td>Net Cash Flows from Financing Activities</td>
<td>962,939.99</td>
</tr>
</tbody>
</table>

**Dimension Filters**

- Department Filter:
- Project Filter:
- Dimension 3 Filter:
- Dimension 4 Filter:
- Cost Center Filter:
## 5 Entire Cash Flow Statement

The final design of the entire Cash Flow Statement looks like this:

![Cash Flow Statement](image)

### Table: Entire Cash Flow Statement

<table>
<thead>
<tr>
<th>Row No.</th>
<th>Description</th>
<th>Totaling Type</th>
<th>Totaling</th>
<th>Show Opp... Sign</th>
<th>Row Type</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Statement of Cash Flows</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash Flows from Operating Activities</td>
<td>Posting Accounts</td>
<td></td>
<td></td>
<td>Net Change</td>
</tr>
<tr>
<td>R01</td>
<td>Net Income</td>
<td>Total Accounts</td>
<td>99999</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R02</td>
<td>Adjustments to reconcile net income to n...</td>
<td>Posting Accounts</td>
<td></td>
<td></td>
<td>Net Change</td>
</tr>
<tr>
<td>R03</td>
<td>Add Depreciation Expense</td>
<td>Posting Accounts</td>
<td>16300</td>
<td></td>
<td>Net Change</td>
</tr>
<tr>
<td>R04</td>
<td>Sub. Accounts Receivable Increase</td>
<td>Total Accounts</td>
<td>13400</td>
<td></td>
<td>Net Change</td>
</tr>
<tr>
<td>R05</td>
<td>Sub. Inventory Increase</td>
<td>Total Accounts</td>
<td>14500</td>
<td></td>
<td>Net Change</td>
</tr>
<tr>
<td>R06</td>
<td>Add Accounts Payable Increase</td>
<td>Total Accounts</td>
<td>22500</td>
<td></td>
<td>Net Change</td>
</tr>
<tr>
<td>R11</td>
<td>Net Cash Flow from Operating Activities</td>
<td>Formula</td>
<td>-R01-R02-R03-R04-R05</td>
<td></td>
<td>Net Change</td>
</tr>
<tr>
<td></td>
<td>Cash Flows from Investing Activities</td>
<td>Posting Accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R12</td>
<td>Purchases of Fixed Assets</td>
<td>Posting Accounts</td>
<td>16210</td>
<td></td>
<td>Net Change</td>
</tr>
<tr>
<td>R13</td>
<td>Proceeds from the Sale of Fixed Assets</td>
<td>Posting Accounts</td>
<td>16220</td>
<td></td>
<td>Net Change</td>
</tr>
<tr>
<td>R14</td>
<td>Correction Proceeds on Disposal</td>
<td>Cash Flow Entry</td>
<td>0051</td>
<td></td>
<td>Net Change</td>
</tr>
<tr>
<td></td>
<td>Net Cash Flows from Investing Activities</td>
<td>Formula</td>
<td>-R11-R12-R13</td>
<td></td>
<td>Net Change</td>
</tr>
<tr>
<td></td>
<td>Cash Flows from Financing Activities</td>
<td>Posting Accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R21</td>
<td>Revolving Credit</td>
<td>Posting Accounts</td>
<td>22100</td>
<td></td>
<td>Net Change</td>
</tr>
<tr>
<td>R22</td>
<td>Capital Stock</td>
<td>Posting Accounts</td>
<td>30100</td>
<td></td>
<td>Net Change</td>
</tr>
<tr>
<td>R23</td>
<td>Dividend Payment</td>
<td>Cash Flow Entry</td>
<td>1071</td>
<td></td>
<td>Net Change</td>
</tr>
<tr>
<td>R24</td>
<td>Net Cash Flows from Financing Activities</td>
<td>Formula</td>
<td>R21+R22-R23</td>
<td></td>
<td>Net Change</td>
</tr>
<tr>
<td></td>
<td>Net Increase in Cash and Cash Equivalents</td>
<td>Formula</td>
<td>R06+R14-R24</td>
<td></td>
<td>Net Change</td>
</tr>
<tr>
<td>R34</td>
<td>Cash and Cash Equivalents at Beginning of Period</td>
<td>Total Accounts</td>
<td>17000</td>
<td></td>
<td>Beginning...</td>
</tr>
<tr>
<td>R35</td>
<td>Cash and Cash Equivalents at End of Period</td>
<td>Formula</td>
<td>R31+R34-R35</td>
<td></td>
<td>Net Change</td>
</tr>
</tbody>
</table>
When you click the Overview icon in the ribbon of the Edit - Account Schedule window, the Acc. Schedule Overview window opens:

There is a Print button in the Actions tab of the Account Schedule Overview ribbon, giving you the following page 25 of 28
Account Schedule

CRONUS USA, Inc.

Period: 01/01/13 - 12/31/13
Fiscal Start Date: 01/01/13
Account Schedule: CASHFLOWST
Cash Flow Statement
Column Layout: NETCHNG

All amounts are in USD.

<table>
<thead>
<tr>
<th>Description</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Statement of Cash Flows</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Cash Flows from Operating Activities</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>615,356.02</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash flow</td>
<td></td>
</tr>
<tr>
<td>Add Depreciation Expense</td>
<td>470,016.24</td>
</tr>
<tr>
<td>Sub. Accounts Receivable Increase</td>
<td>-339,012.06</td>
</tr>
<tr>
<td>Sub. Inventory Increase</td>
<td>-339,643.46</td>
</tr>
<tr>
<td>Add Accounts Payable Increase</td>
<td>29,644.04</td>
</tr>
<tr>
<td><strong>Net Cash Flow from Operating Activities</strong></td>
<td>436,562.78</td>
</tr>
<tr>
<td><strong>Cash Flows from Investing Activities</strong></td>
<td></td>
</tr>
<tr>
<td>Purchases of Fixed Assets</td>
<td>-201,061.88</td>
</tr>
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<td>Proceeds from the Sale of Fixed Assets</td>
<td>26,900.07</td>
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<td>Dividend Payment</td>
<td>-25,000.00</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Financing Activities</strong></td>
<td>963,839.99</td>
</tr>
<tr>
<td>Net Increase in Cash and Cash Equivalents</td>
<td>1,220,576.89</td>
</tr>
<tr>
<td>Cash and Cash Equivalents at Beginning of Period</td>
<td>30,707.83</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents at End of Period</strong></td>
<td>1,251,284.72</td>
</tr>
</tbody>
</table>
6 Discussion

6.1 Data Security

The key to the successful design of a Cash Flow Statement is the ability to record adjustments to the Balance Sheet for the cash-relevant portion of transactions.

With Dynamics NAV 2013 Microsoft introduced Cash Flow Forecast Entries, giving you a tool to record such adjustments outside the General Ledger.

If you go ahead and implement a solution as shown here, Cash Flow Forecast Entries become a data source for your financial reporting. You must then make sure Cash Flow Forecast Entries used in financial reporting cannot be manipulated by un-authorized users.

Up until this point the entire design of the Cash Flow Statement presented here was done within standard Dynamics NAV, without any software modification. For the purpose of data security, it may be desirable to make a small software modification, tying permissions to edit Cash Flow Forecasts used in financial reporting to the User Setup. Your Microsoft Partner can easily make such a modification for you.

6.2 Business Process

The preparation of a Cash Flow Statement requires that the Balance Sheet be analyzed and adjustments be registered. It may be a good idea to add this task to your to-do list for Month-end closings. When a Month is closed and you have registered all needed adjustments, you can change the name of the Account Schedule to mark this closing. For instance, the Description field in the first line of the Account Schedule could read:

Statement of Cash Flows FY 2013 Closed

A Month later, you would change the Description in the first line of the Account Schedule to

Statement of Cash Flows January 2014 Closed

The advantage of such a process is that every user of Cash Flow Statements would know how current the document is. Account Schedules may be viewed in Dynamics NAV itself, they may be exported to Excel or used in
a Jet Report or be published on a dashboard, or they may feed into a business intelligence solution. Which ever way your Account Schedule finds its way to a user, every user would enjoy the same assurance the document is current.

6.3 Next Steps

If you have any question about the above design of a Cash Flow Statement, or if you need any help setting up your own Cash Flow Statement, please do not hesitate to contact me at

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