

**COMPUTER SERVICES, INC. & SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FY2006 - FY2016**

(in thousands)

YEARS ENDED FEBRUARY 28 AND 29,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Cash flows from operating activities</b>											
Net income	\$ 29,140	\$ 27,839	\$ 26,656	\$ 25,839	\$ 25,506	\$ 24,016	\$ 21,635	\$ 20,702	\$ 17,666	\$ 15,308	\$ 14,104
Adjustments to reconcile net income to net cash provided by operating activities											
Depreciation	7,209	7,313	7,543	7,058	5,786	5,976	6,125	6,010	6,386	5,967	5,101
Amortization	7,815	7,263	7,981	7,874	7,743	8,248	7,412	6,665	6,531	5,438	4,429
Gain from reduction in earn-out provision related to acquisition	-	-	-	-	(2,000)	-	-	-	-	-	-
Restricted stock expense	1,566	1,233	1,316	1,266	1,199	1,001	793	629	527	302	123
Stock-based compensation expense	311	257	181	-	-	-	-	-	-	-	-
Impairment loss on intangible asset	-	180	-	-	-	-	-	-	-	-	-
Impairment loss on asset available for resale	-	193	-	-	-	-	-	-	-	-	-
(Gain)/loss on sale of property and equipment	7	53	52	64	13	57	18	(7)	353	(322)	235
Gain on sale of marketable securities	-	-	-	-	-	-	-	-	-	-	-
Loss on equity investment	-	-	-	-	-	-	-	-	-	391	463
Tax benefit of restricted stock vested	142	119	178	353	266	114	40	30	42	43	-
Tax benefit of restricted stock forfeited	-	3	-	-	-	-	-	-	-	-	-
Deferred income taxes	3,417	1,411	964	1,806	4,256	3,378	242	(401)	(1,666)	(1,292)	(582)
Changes in operating assets and liabilities, net of acquisitions											
Accounts receivable	(2,323)	265	(3,998)	(647)	203	409	(1,903)	(272)	(1,526)	397	563
Income tax receivable	2,915	(2,455)	259	1,647	(402)	(2,042)	-	-	-	-	-
Prepaid expenses and other current assets	(866)	96	(5,269)	(637)	403	(505)	(400)	228	(447)	(776)	187
Other assets	428	(2,224)	308	617	212	(442)	-	1,207	(1,253)	72	(339)
Accounts payable and accrued expenses	(3,725)	(2,910)	234	(3,458)	(461)	(1,229)	212	700	(1,156)	283	(664)
Deferred revenue	(1,051)	(167)	139	(759)	2,979	312	1,243	670	547	939	120
Income taxes	-	-	-	-	-	(695)	895	(1,331)	576	765	214
Other liabilities	-	81	81	79	80	135	(726)	(64)	(22)	36	36
<b>Net cash from operating activities</b>	<b>46,064</b>	<b>38,550</b>	<b>36,625</b>	<b>41,102</b>	<b>45,783</b>	<b>38,533</b>	<b>35,586</b>	<b>34,766</b>	<b>26,558</b>	<b>27,551</b>	<b>23,990</b>
<b>Cash flows from investing activities</b>											
Proceeds from sale of property and equipment	6	389	9	46	15	236	48	128	321	520	49
Purchase of property and equipment	(6,794)	(5,766)	(7,794)	(10,565)	(7,066)	(6,505)	(4,485)	(5,178)	(5,541)	(7,481)	(5,743)
Purchase of software and software licenses	(11,126)	(6,030)	(5,636)	(10,506)	(3,331)	(10,360)	(6,203)	(3,550)	(8,180)	(2,317)	(5,961)
Purchase of subsidiary, net of cash received	-	-	-	-	-	(13,943)	(3,513)	(9,956)	(1,600)	(9,622)	(22,420)
Purchase of intangibles	-	-	(198)	-	-	-	-	-	-	-	-
Purchase of equity investment	-	-	-	-	(1,000)	(500)	-	(11)	-	(1,178)	(3,500)
Sale of marketable securities	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash from investing activities</b>	<b>(19,914)</b>	<b>(11,407)</b>	<b>(13,619)</b>	<b>(21,025)</b>	<b>(25,325)</b>	<b>(20,742)</b>	<b>(20,596)</b>	<b>(10,211)</b>	<b>(13,400)</b>	<b>(20,078)</b>	<b>(37,575)</b>
<b>Cash flows from financing activities</b>											
Proceeds from issuance of long-term debt	-	9,000	35,500	9,000	7,000	13,492	12,650	1,500	5,963	11,693	13,000
Payments on long-term debt	-	(9,007)	(35,560)	(9,155)	(10,963)	(18,680)	(11,970)	(6,576)	(9,253)	(10,125)	(5,712)
Payment of dividends	(13,271)	(10,769)	(8,685)	(22,498)	(6,890)	(5,998)	(5,280)	(5,080)	(4,568)	(3,934)	(3,309)
Purchase of common stock	(6,004)	(5,277)	(13,242)	(5,068)	(4,692)	(6,451)	(8,476)	(15,744)	(7,027)	(3,172)	(3,631)
Redemption of common stock	(297)	(319)	(440)	(535)	-	-	-	-	-	-	-
Proceeds from the exercise of stock options, net	-	-	-	164	74	92	47	416	126	167	53
<b>Net cash from financing activities</b>	<b>(19,602)</b>	<b>(16,372)</b>	<b>(22,427)</b>	<b>(28,092)</b>	<b>(15,471)</b>	<b>(17,545)</b>	<b>(13,029)</b>	<b>(25,484)</b>	<b>(14,759)</b>	<b>(5,371)</b>	<b>401</b>
Net change in cash and cash equivalents	5,548	10,771	579	(8,015)	4,987	246	1,961	(929)	(1,601)	2,102	(13,184)
Cash and cash equivalents, beginning of year	11,849	1,078	499	8,514	3,527	3,281	1,320	2,249	3,850	1,748	14,932
<b>Cash and cash equivalents, end of year</b>	<b>\$ 17,397</b>	<b>\$ 11,849</b>	<b>\$ 1,078</b>	<b>\$ 499</b>	<b>\$ 8,514</b>	<b>\$ 3,527</b>	<b>\$ 3,281</b>	<b>\$ 1,320</b>	<b>\$ 2,249</b>	<b>\$ 3,850</b>	<b>\$ 1,748</b>