

**COMPUTER SERVICES, INC. & SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FY2007 - FY2017**

(in thousands)

YEARS ENDED FEBRUARY 28 AND 29,	2017	2016	2015	2014	2013	2012	2011
<b>Cash flows from operating activities</b>							
Net income	\$ 30,921	\$ 29,140	\$ 27,839	\$ 26,656	\$ 25,839	\$ 25,506	\$ 24,016
Adjustments to reconcile net income to net cash provided by operating activities							
Depreciation	7,234	7,209	7,313	7,543	7,058	5,786	5,976
Amortization	8,255	7,815	7,263	7,981	7,874	7,743	8,248
Gain from reduction in earn-out provision related to acquisition	-	-	-	-	-	(2,000)	-
Restricted stock expense	1,153	1,566	1,233	1,316	1,266	1,199	1,001
Stock-based compensation expense	313	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	19	7	53	52	64	13	57
Gain on sale of marketable securities	-	-	-	-	-	-	-
Loss on equity investment	-	-	-	-	-	-	-
Tax benefit of restricted stock vested	19	142	119	178	353	266	114
Tax benefit of restricted stock forfeited	-	-	3	-	-	-	-
Deferred income taxes	1,619	3,417	1,411	964	1,806	4,256	3,378
Changes in operating assets and liabilities, net of acquisitions							
Accounts receivable	(134)	(2,323)	265	(3,998)	(647)	203	409
Income tax receivable	-	2,915	(2,455)	259	1,647	(402)	(2,042)
Prepaid expenses and other current assets	(946)	(866)	96	(5,269)	(637)	403	(505)
Other assets	1,123	428	(2,224)	308	617	212	(442)
Accounts payable and accrued expenses	(1,218)	(3,725)	(2,910)	234	(3,458)	(461)	(1,229)
Deferred revenue	2,031	(1,051)	(167)	139	(759)	2,979	312
Income tax payable	(1,043)	-	-	-	-	-	(895)
Other liabilities	304	79	81	81	79	80	135
<b>Net cash from operating activities</b>	<b>49,650</b>	<b>45,064</b>	<b>38,550</b>	<b>36,625</b>	<b>41,102</b>	<b>45,783</b>	<b>38,533</b>
<b>Cash flows from investing activities</b>							
Proceeds from sale of property and equipment	42	6	389	9	46	15	236
Purchase of property and equipment	(8,030)	(8,794)	(5,766)	(7,794)	(10,565)	(7,066)	(6,605)
Purchase of software and software licenses	(5,690)	(11,126)	(6,030)	(5,636)	(10,506)	(3,331)	(10,360)
Purchase of subsidiary, net of cash received	-	-	-	-	-	(13,943)	(3,513)
Purchase of intangibles	(387)	-	-	(198)	-	-	-
Purchase of equity investment	-	-	-	-	-	(1,000)	(500)
Sale of marketable securities	-	-	-	-	-	-	-
<b>Net cash from investing activities</b>	<b>(14,065)</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>Cash flows from financing activities</b>							
Proceeds from issuance of long-term debt	-	-	9,000	35,500	9,000	7,000	13,492
Payments on long-term debt	-	-	(9,007)	(35,560)	(9,155)	(10,963)	(18,680)
Payment of dividends	(14,852)	(13,271)	(10,769)	(8,685)	(22,498)	(6,890)	(5,998)
Purchase of common stock	(3,387)	(6,034)	(5,277)	(13,242)	(5,068)	(4,692)	(6,451)
Redemption of common stock	(191)	(297)	(319)	(440)	(535)	-	-
Proceeds from the exercise of stock options, net	-	-	-	-	164	74	92
<b>Net cash from financing activities</b>	<b>(18,430)</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>Net change in cash and cash equivalents</b>	<b>17,155</b>	<b>5,548</b>	<b>10,771</b>	<b>579</b>	<b>(8,015)</b>	<b>4,987</b>	<b>246</b>
Cash and cash equivalents, beginning of year	17,397	11,849	1,078	499	8,514	3,527	3,281
<b>Cash and cash equivalents, end of year</b>	<b>\$ 34,552</b>	<b>\$ 17,397</b>	<b>\$ 11,849</b>	<b>\$ 1,078</b>	<b>\$ 499</b>	<b>\$ 8,514</b>	<b>\$ 3,527</b>

(in thousands)

YEARS ENDED FEBRUARY 28 AND 29,	2010	2009	2008	2007
<b>Cash flows from operating activities</b>				
Net income	\$ 21,635	\$ 20,702	\$ 17,666	\$ 15,308
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation	6,125	6,010	6,386	5,967
Amortization	7,412	6,665	6,531	5,438
Gain from reduction in earn-out provision related to acquisition	-	-	-	-
Restricted stock expense	793	629	527	302
Stock-based compensation expense	-	-	-	-
Impairment loss on intangible asset	-	-	-	-
Impairment loss on asset available for resale	-	-	-	-
(Gain)/loss on sale of property and equipment	18	(7)	353	(322)
Gain on sale of marketable securities	-	-	-	-
Loss on equity investment	-	-	-	391
Tax benefit of restricted stock vested	40	30	42	43
Tax benefit of restricted stock forfeited	-	-	-	-
Deferred income taxes	242	(401)	(1,666)	(1,292)
Changes in operating assets and liabilities, net of acquisitions				
Accounts receivable	(1,903)	(272)	(1,526)	397
Income tax receivable	-	-	-	-
Prepaid expenses and other current assets	(400)	228	(447)	(776)
Other assets	-	1,207	(1,253)	72
Accounts payable and accrued expenses	212	700	(1,156)	283
Deferred revenue	1,243	670	547	939
Income tax payable	895	(1,331)	576	765
Other liabilities	(726)	(64)	(22)	36
<b>Net cash from operating activities</b>	<b>35,586</b>	<b>34,766</b>	<b>26,558</b>	<b>27,551</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of property and equipment	48	128	321	520
Purchase of property and equipment	(4,485)	(5,178)	(5,541)	(7,481)
Purchase of software and software licenses	(6,203)	(3,550)	(8,180)	(2,317)
Purchase of subsidiary, net of cash received	(9,956)	(1,600)	-	(9,622)
Purchase of intangibles	-	-	-	-
Purchase of equity investment	-	(11)	-	(1,178)
Sale of marketable securities	-	-	-	-
<b>Net cash from investing activities</b>	<b>(20,596)</b>	<b>(10,211)</b>	<b>(13,400)</b>	<b>(20,078)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issuance of long-term debt	12,650	1,500	5,963	11,693
Payments on long-term debt	(11,970)	(6,576)	(9,253)	(10,125)
Payment of dividends	(5,280)	(5,080)	(4,568)	(3,934)
Purchase of common stock	(8,476)	(15,744)	(7,027)	(3,172)
Redemption of common stock	-	-	-	-
Proceeds from the exercise of stock options, net	47	416	126	167
<b>Net cash from financing activities</b>	<b>(13,029)</b>	<b>(25,484)</b>	<b>(14,759)</b>	<b>(5,371)</b>
Net change in cash and cash equivalents	1,961	(929)	(1,601)	2,102
Cash and cash equivalents, beginning of year	1,320	2,249	3,850	1,748
<b>Cash and cash equivalents, end of year</b>	<b>\$ 3,281</b>	<b>\$ 1,320</b>	<b>\$ 2,249</b>	<b>\$ 3,850</b>