

Cash flows used in investing activities in fiscal 2018 were \$15.1 million. This is primarily attributed to \$8.9 million in development of proprietary software and \$6.1 million for purchase of property and equipment, including internal use software.

Cash flows used in investing activities in fiscal 2017 were \$13.9 million. This is primarily attributed to \$11.9 million in development of proprietary software and \$4.2 million for purchase of property and equipment, including internal use software offset by \$2.2 million in proceeds from corporate owned life insurance policies.

Cash flow used in financing activities. Respectively, in fiscal 2019, 2018, and 2017, the \$0.8 million, \$1.3 million, and \$0.8 million cash flows used in financing activities were primarily comprised of the repurchase of shares to satisfy employee tax withholding and to cover the exercise price of the options, and payments on capital lease obligations.

Investments

Investments in Corporate-Owned Life Insurance Policies

Agilysys invests in corporate-owned life insurance policies for certain former executives, for which some are endorsement split-dollar life insurance arrangements. We entered into non-cancelable agreements with each of the former executives, whereby we must maintain the life insurance policy for a specified amount and split a portion of the policy benefits with their designated beneficiary. Our investment in these corporate-owned life insurance policies were recorded at their cash surrender value, which approximates fair value at the balance sheet date. In the Consolidated Balance Sheets at the balance sheet date, the cash surrender value of \$0.9 million for the remaining policies were held in "Other non-current assets," and the present value of future proceeds owed to those executives' designated beneficiary of \$0.1 million, which approximates fair value, were recorded within "Other non-current liabilities" in the Consolidated Balance Sheets at the balance sheet date.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements that have had or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Contractual Obligations

The following table provides aggregate information regarding our contractual obligations as of March 31, 2019.

(In thousands)	Total	2020	2021-2022	2023-2024	Thereafter
Operating leases (1)	\$ 19,437	\$ 4,143	\$ 7,111	\$ 3,686	\$ 4,497
Capital leases	65	27	38	—	—
Asset retirement obligation	400	—	150	250	—
Total contractual obligations (2)	\$ 19,902	\$ 4,170	\$ 7,299	\$ 3,936	\$ 4,497

- (1) Operating lease obligations are presented net of contractually binding sub-lease arrangements. Additional information regarding our operating lease obligations is contained in Note 12, *Commitments and Contingencies*.
- (2) At March 31, 2019, we had a \$1.1 million liability reserve for unrecognized income tax positions which is not reflected in the table above. The timing of potential cash outflows related to the unrecognized tax positions is not reasonably determinable and therefore, is not scheduled. Substantially all of this reserve is included in Other non-current liabilities. Additional information regarding unrecognized tax positions is provided in Note 10, *Income Taxes*.

We believe that cash on hand, funds from operations, and access to capital markets will provide adequate funds to finance capital spending and working capital needs and to service our obligations and other commitments arising during the foreseeable future.