

## CASH FLOWS STATEMENTS

(In millions)

Year Ended June 30,	2016	2015	2014
<b>Operations</b>			
Net income	\$ 16,798	\$ 12,193	\$ 22,074
Adjustments to reconcile net income to net cash from operations:			
Goodwill and asset impairments	630	7,498	0
Depreciation, amortization, and other	6,622	5,957	5,212
Stock-based compensation expense	2,668	2,574	2,446
Net recognized gains on investments and derivatives	(223)	(443)	(109)
Deferred income taxes	332	224	(331)
Deferral of unearned revenue	57,072	45,072	44,325
Recognition of unearned revenue	(48,498)	(44,920)	(41,739)
Changes in operating assets and liabilities:			
Accounts receivable	(530)	1,456	(1,120)
Inventories	600	(272)	(161)
Other current assets	(1,167)	62	(29)
Other long-term assets	(41)	346	(628)
Accounts payable	88	(1,054)	473
Other current liabilities	(260)	(624)	1,075
Other long-term liabilities	(766)	1,599	1,014
Net cash from operations	<u>33,325</u>	<u>29,668</u>	<u>32,502</u>
<b>Financing</b>			
Proceeds from issuance of short-term debt, maturities of 90 days or less, net	7,195	4,481	500
Proceeds from issuance of debt	13,884	10,680	10,350
Repayments of debt	(2,796)	(1,500)	(3,888)
Common stock issued	668	634	607
Common stock repurchased	(15,969)	(14,443)	(7,316)
Common stock cash dividends paid	(11,006)	(9,882)	(8,879)
Other	(369)	362	(39)
Net cash used in financing	<u>(8,393)</u>	<u>(9,668)</u>	<u>(8,665)</u>
<b>Investing</b>			
Additions to property and equipment	(8,343)	(5,944)	(5,485)
Acquisition of companies, net of cash acquired, and purchases of intangible and other assets	(1,393)	(3,723)	(5,937)
Purchases of investments	(129,758)	(98,729)	(72,690)
Maturities of investments	22,054	15,013	5,272
Sales of investments	93,287	70,848	60,094
Securities lending payable	203	(466)	(87)
Net cash used in investing	<u>(23,950)</u>	<u>(23,001)</u>	<u>(18,833)</u>
Effect of foreign exchange rates on cash and cash equivalents	(67)	(73)	(139)
Net change in cash and cash equivalents	915	(3,074)	4,865
Cash and cash equivalents, beginning of period	5,595	8,669	3,804
Cash and cash equivalents, end of period	<u>\$ 6,510</u>	<u>\$ 5,595</u>	<u>\$ 8,669</u>

See accompanying notes.