

were previously deemed to be indefinitely reinvested outside the U.S., under current tax laws we would incur additional tax expense upon such repatriation.

We believe that cash available and borrowing capacity under our existing credit facilities should be sufficient to finance anticipated operating activities, capital improvements and expansions, as well as debt repayments, for the foreseeable future. We continue to monitor the factors that drive our markets and strive to maintain our leadership and competitive advantage in the markets we serve while aligning our cost structures with market conditions.

Operating Activities

During Fiscal 2013, net cash provided by operating activities was \$91.8 million. During Fiscal 2012, net cash used in operating activities was \$6.0 million and in Fiscal 2011, net cash provided by operating activities was \$15.5 million. Cash flow from operations is primarily influenced by demand for our products and services and is impacted as our progress payment terms with our customers are matched with the payment terms with our suppliers. During Fiscal 2013, our cash from operations increased over Fiscal 2012, primarily due to increased net income, as well as the increase in billing in excess of costs and estimated earnings on uncompleted contracts and the collection of contracts receivable based on the progress billing milestones. Additionally in Fiscal 2013, we received

\$6.8 million in contract settlements related to Fiscal 2012 matters. During Fiscal 2012, the cash used in operations of \$6.0 million was primarily the result of increased unbilled contract receivables based on progress billing milestones. Cash flow provided by operations of \$15.5 million in Fiscal 2011 resulted primarily from the increase in accounts payable.

Investing Activities

Purchases of property, plant and equipment during Fiscal 2013 totaled \$74.4 million compared to \$29.1 million and \$7.3 million in Fiscal 2012 and 2011, respectively. A significant portion of the investments in the last two fiscal years was to acquire land and build facilities in the United States and Canada to support our continued expansion in our key markets, including the oil and gas markets and Canadian oil sands region. Costs related to upgrades and enhancements to our Business Systems were also incurred during Fiscal 2013; which are expected to be placed into service in the second quarter of our fiscal year ending September 30, 2014.

Financing Activities

Net cash used in financing activities was \$0.5 million in Fiscal 2013. Net cash provided by financing activities was \$1.3 million during Fiscal 2012 due to cash being received from the exercise of stock options. Net cash used in financing activities was \$0.8 million during Fiscal 2011.

Contractual and Other Obligations

At September 30, 2013, our long-term contractual obligations were limited to debt and leases. The table below details our commitments by type of obligation, including interest if applicable, and the period that the payment will become due (in thousands).

As of September 30, 2013, Payments Due by Period:	Long-Term Debt Obligations	Capital Lease Obligations	Operating Lease Obligations	Total
Less than 1 year	\$ 408	\$ 16	\$ 4,741	\$ 5,165
1 to 3 years	813	—	6,462	7,275
3 to 5 years	809	—	4,099	4,908
More than 5 years	1,606	—	6,405	8,011
Total long-term contractual obligations	\$ 3,636	\$ 16	\$ 21,707	\$ 25,359

The lease on our previously occupied Canadian facility does not expire until July 2023; however, we have sublet that facility through July 2019.

As of September 30, 2013, the total unrecognized tax benefit related to uncertain tax positions was \$3.8 million. We estimate that none of this will be paid within the next 12 months. However, we believe that it is reasonably possible that within the next 12 months, the total unrecognized tax benefits will decrease by approximately 1% due to the expiration of certain statutes of limitations in various state and local jurisdictions. We are unable to make reasonably reliable estimates regarding the timing of future cash outflows, if any, associated with the remaining unrecognized tax benefits.