UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): February 26, 2018

AppFolio, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-37468

(Commission File Number)

26-0359894

(IRS Employer Identification Number)

50 Castilian Drive

Santa Barbara, CA 93117

(Address of principal executive offices)

Registrant's telephone number, including area code: (805) 364-6093

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

□ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

□ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company x

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. x

On February 26, 2018, AppFolio, Inc. (the "Company") issued a press release announcing its financial results for its fourth fiscal quarter and year ended December 31, 2017. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information contained in this Item 2.02, including the press release attached as Exhibit 99.1 hereto, is being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that Section. Such information shall not be deemed to be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing, except as otherwise expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

Exhibit Number	Decretation
	Description
99.1	Press release issued on February 26, 2018.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AppFolio, Inc.

By: /s/ Ida Kane

Name: Ida Kane Title: Chief Financial Officer

Exhibit Number	Description
99.1	Press release issued on February 26, 2018.



News Release

AppFolio, Inc. Announces Fourth Quarter and Fiscal Year 2017 Financial Results

SANTA BARBARA, Calif., February 26, 2018 (GLOBE NEWSWIRE) -- AppFolio, Inc. (NASDAQ: APPF) ("AppFolio" or the "Company"), a leading provider of cloud-based business software solutions, today announced its financial results for the fourth quarter and fiscal year ended December 31, 2017.

AppFolio's operating results for the fourth quarter and fiscal year 2017 are summarized in the tables accompanying this press release. The Company nevertheless urges investors to read its full Annual Report on Form 10-K for the year ended December 31, 2017, which was filed with the Securities and Exchange Commission (the "SEC") on February 26, 2018, and is available on AppFolio's website at http://ir.appfolioinc.com. The limited information that follows is not adequate for making an informed investment judgment.

Financial Outlook

Based on information available as of February 26, 2018, the Company's current outlook for fiscal year 2018 follows:

- Full year revenue is expected to be in the range of \$179 million to \$182 million.
- Diluted weighted average shares are expected to be approximately 36 million for the full year.

Conference Call Information

As previously announced, the Company will host a conference call today, February 26, 2018, at 1:30 p.m. Pacific Time, 4:30 p.m. Eastern Time, to discuss its financial results. Investors are invited to submit questions to management via the Investor Q&A form located on the Investor Overview section of AppFolio's website.

A live webcast of the call will be available at http://ir.appfolioinc.com, and it may also be accessed by dialing 866-393-4306 (Domestic), or 734-385-2616 (International). The conference ID is 1675569. A replay of the call will be available at 855-859-2056 (Domestic) and 404-537-3406 (International) until the end of day March 1, 2018, and an archived webcast will be available for twelve months on the Company's website.

Investor Relations Contact: ir@appfolio.com

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which statements are subject to considerable risks and uncertainties. Forward-looking statements include all statements that are not statements of historical fact contained in this press release, and can be identified by words such as "anticipates," "believes," "seeks," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "could," "will," "would," or similar expressions and the negatives of those expressions. In particular, forward-looking statements contained in this press release relate to the Company's future or assumed revenues and weighted-average outstanding shares, as well as its future growth and success.

Forward-looking statements represent AppFolio's current beliefs and assumptions based on information currently available. Forward-looking statements involve numerous known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Some of the risks and uncertainties that may cause the Company's actual results to materially differ from those expressed or implied by these forward-looking statements are described in the section entitled "Risk Factors" in AppFolio's Annual Report on Form 10-K for the year ended December 31, 2017, which was filed with the SEC on February 26, 2018, as well as in the Company's other filings with the SEC. You should read this press release with the understanding that the Company's actual future results may be materially different from the results expressed or implied by these forward looking statements.

Except as required by applicable law or the rules of the NASDAQ Global Market, AppFolio assumes no obligation to update any forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

(in thousands, except par values)

		December 31,			
		2017		2016	
Assets					
Current assets					
Cash and cash equivalents	\$	16,109	\$	10,699	
Investment securities—current		29,800		15,473	
Accounts receivable, net		3,387		2,511	
Prepaid expenses and other current assets		4,546		3,537	
Total current assets		53,842		32,220	
Investment securities—noncurrent		22,401		26,688	
Property and equipment, net		6,696		7,077	
Capitalized software, net		17,609		15,539	
Goodwill		6,737		6,737	
Intangible assets, net		1,725		3,105	
Other assets		1,238		1,217	
Total assets	\$	110,248	\$	92,583	
Liabilities and Stockholders' Equity					
Current liabilities					
Accounts payable	\$	610	\$	937	
Accrued employee expenses		10,710		7,550	
Accrued expenses		4,289		4,044	
Deferred revenue		7,080		7,638	
Other current liabilities		1,223		1,192	
Total current liabilities		23,912		21,361	
Other liabilities		1,257		1,540	
Total liabilities		25,169		22,901	
Stockholders' equity:					
Preferred stock, \$0.0001 par value, 25,000 authorized and no shares issued and outstanding as of December 31, 2017 and 2016					
Class A common stock, \$0.0001 par value, 250,000 shares authorized as of December 31 2017 and 2016; 14,879 and 11,691 shares issued and outstanding as of December 31, 2017 and 2016, respectively	,	1		1	
Class B common stock, \$0.0001 par value, 50,000 shares authorized as of December 31, 2017 and 2016; 19,102 and 22,028 shares issued and outstanding as of December 31, 2017 and 2016, respectively		3		3	
Additional paid-in capital		152,531		146,692	
Accumulated other comprehensive loss		(209)		(51)	
Accumulated deficit		(67,247)		(76,963)	
Total stockholders' equity		85,079		69,682	
Total liabilities and stockholders' equity	\$		\$		
Total naomites and stockholices equity	φ	110,248	φ	92,583	

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(in thousands, except per share amounts)

	 Three Months Ended December 31,				Twelve Months Ended December 31,				
	2017	2016			2017		2016		
Revenue	\$ 37,897	\$	28,010	\$	143,803	\$	105,586		
Costs and operating expenses:									
Cost of revenue (exclusive of depreciation and amortization)	14,536		11,243		55,283		44,630		
Sales and marketing	7,153		6,730		28,709		28,827		
Research and product development	4,580		3,107		16,578		12,638		
General and administrative	5,889		5,399		21,199		17,979		
Depreciation and amortization	3,352		2,823		12,699		9,935		
Total costs and operating expenses	 35,510		29,302		134,468		114,009		
Income (loss) from operations	 2,387		(1,292)		9,335		(8,423)		
Other expense, net	(3)		(3)		(96)		(37)		
Interest income, net	158		25		535		246		
Income (loss) before provision for income taxes	2,542		(1,270)		9,774		(8,214)		
Income tax (benefit) provision	(35)		19		58		67		
Net income (loss)	\$ 2,577	\$	(1,289)	\$	9,716	\$	(8,281)		
Net income (loss) per common share:									
Basic	0.08		(0.04)		0.29		(0.25)		
Diluted	0.07		(0.04)		0.28		(0.25)		
Weighted average common shares outstanding:									
Basic	33,944		33,654		33,849		33,561		
Diluted	35,310		33,654		35,151		33,561		

Stock-Based Compensation Expense

(in thousands)

		Three Months Ended December 31,				elve Months E	nded December 31,	
		2017		2016		2017)17 2	
Costs and operating expenses:								
Cost of revenue (exclusive of depreciation and amortization)	\$	198	\$	150	\$	725	\$	471
Sales and marketing		207		146		723		442
Research and product development		186		118		657		382
General and administrative		1,201		1,043		3,991		3,006
Total stock-based compensation expense		1,792	\$	1,457	\$	6,096	\$	4,301

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

(in thousands)

Cach monopending activities201201201Cach monopending activities52.57751.62951.629Adjustments to reconcile net income (loss) to net cash provided by operating activities52.8232.8231.629Depreciation admotrization-1.07-6.00-0.93-0.93Purchased investment premium, net of amotrization-1.15-1.15-6.13-6.13Loss on disposed of property, equipment and intragibles-38.89-4.13Loss on disposed of property, equipment and intragibles-31.15-6.09-4.01Loss on disposed of property, equipment and intragibles-31.16-6.09-4.01Loss on disposed and preventing assets-1.15-1.15-6.09-4.01Changes no preating assets and liabilities:-7-7-7-7.01Changes no preating assets and liabilities:-7-7-7.01-7.01Other assets-1.01-1.01-1.01-7.01-7.01-7.01Accounts payable-1.01-1.01-7.01-7.01-7.01-7.01-7.01Account paperse-1.01-1.01-7.01-7.01-7.01-7.01-7.01-7.01Account paperse-1.01-7.01 <th></th> <th>Th</th> <th colspan="3">Three Months Ended December 31,</th> <th>Ти</th> <th>December 31,</th>		Th	Three Months Ended December 31,			Ти	December 31,		
Net income (loss) S 2,577 S (1,289) S 9,716 S (8,281) Adjustments to reconcile net income (loss) to net cash provided by operating activities: -			2017		2016		2017		2016
Adjustments to reconcile net income (loss) to net cash provided by operating activities: 3,352 2,823 12,699 9,035 Purchased investment premium, net of amortization (17) 60 63 63 Amortization of deferred financing costs 15 15 63 63 Stock-based compensation 1,792 1,457 6,096 4,401 Lease abandonment — — — 161 Changes in operating assets and liabilities: 3 427 (1,009) (377) Other assets (153) 427 (1,009) (377) Other assets (30) 60 (84) (103) Accound spayable (469) 205 (100) (904) Accound spayable (1442) (206) 271 1,148 Defered revenue (1428) 1,011 (558) 2,685 Other liabilities	Cash from operating activities								
Depreciation and amortization 3,352 2,823 12,699 9,935 Purchased investment premium, net of amortization (17) 60 (39) 245 Amortization of deferred financing costs 15 15 63 63 Loss on disposal of property, equipment and intangibles 3 8 97 41 Stock-based compensation 1.792 1.457 6.096 4.301 Lease abandomment - - - 161 Changes in operating assets and liabilities: 32 196 (876) (463) Prepaid expenses and other current assets (153) 427 (1.009) (377) Other assets (30) 60 (48) (030) 64 (103) Accrued expenses (1.42) (206) 271 1.148 Deferred revenue (428) 1.011 (558) 2.685 Other Iabilities 186 (357) (149) 826 Net cash provided by operating activities 7.815 6.77 29.371 11.500	Net income (loss)	\$	2,577	\$	(1,289)	\$	9,716	\$	(8,281)
Purchased investment premium, net of amortization (17) 60 (39) 245 Amortization of deferred financing costs 15 15 63 63 Loss on disposal of property, equipment and intangibles 3 8 97 41 Stock-based compensation 1,792 1,457 6,096 4,301 Lease abandoment - - - 161 Changes in operating assets and liabilities: 32 196 (876) (463) Prepaid expenses and other current assets (153) 427 (1,009) (377) Other assets (30) 60 (84) (103) Accrund syable (469) 205 (100) (904) Accrund expenses 2,397 2,367 3,243 2,223 Accrund expenses (1,442) (206) 271 1,148 Deferred revenue (428) 1,011 (558) 2,685 Other liabilities 7,815 6,777 2,9,371 11,500 Cash rom investing activities	Adjustments to reconcile net income (loss) to net cash provided by operating activities:								
Amortization of deferred financing costs 15 15 63 63 Loss on disposal of property, equipment and intangibles 3 8 97 41 Stock-based compensation 1,792 1,457 6,096 4,301 Lease abandonment — …	Depreciation and amortization		3,352		2,823		12,699		9,935
Loss on disposal of property, equipment and intangibles 3 8 97 41 Stock-based compensation 1,792 1,457 6,096 4,301 Lease abandonment — — — 16 Changes in operating assets and liabilities: — — 16 Accounts receivable 32 196 (876) (463) Prepaid expenses and other current assets (133) 427 (1,009) (377) Other assets (133) 427 (1,009) (904) Accrued exployee expenses 2,397 2,367 3,243 2,223 Accrued exployee expenses (1,442) (206) 271 1,148 Deferred revenue (1,420) 10(1) 155 <td>Purchased investment premium, net of amortization</td> <td></td> <td>(17)</td> <td></td> <td>60</td> <td></td> <td>(39)</td> <td></td> <td>245</td>	Purchased investment premium, net of amortization		(17)		60		(39)		245
Stock-based compensation 1,792 1,457 6,096 4,301 Lease abandomment — — — — 161 Changes in operating assets and liabilities: 32 196 (876) (463) Prepaid expenses and other current assets (153) 427 (1,009) (377) Other assets (30) 60 (84) (103) Accounds payable (469) 205 (100) (904) Accured expenses (1,442) (206) 271 1,148 Deferred revenue (48) (101) (558) 2,885 Other liabilities 186 (357) (148) 826 Net cash provided by operating activities 7,815 6,777 29,371 11,500 Purchases of investing activities (2,370) (2,612) (10,455) (11,168) Purchases of investing activities (9,051) (7,217) (26,648) (31,551) Sales of investing activities — — 2,533 15 2,559 <t< td=""><td>Amortization of deferred financing costs</td><td></td><td>15</td><td></td><td>15</td><td></td><td>63</td><td></td><td>63</td></t<>	Amortization of deferred financing costs		15		15		63		63
Lease abandonment — — — — — — 161 Changes in operating assets and liabilities: 32 196 (876) (463) Prepaid expenses and other current assets (153) 427 (1,009) (377) Other assets (30) 60 (84) (103) Accounts payable (469) 205 (100) (904) Accrued employee expenses 2,397 2,367 3,243 2,223 Accrued employee expenses (1,442) (206) 271 1,148 Deferred revenue (428) 1,011 (558) 2,685 Other liabilities 186 (357) (148) 826 Net cash provided by operating activities 7,815 6,777 29,371 11,500 Purchases of property and equipment (533) (682) (2,213) (4,242) Additions to capitalized software (2,370) (2,612) (10,455) (11,166) Purchases of investment securities 5,500 4,225 16,474 21,337 Purchases of ininvestment securities 5,500 <td< td=""><td>Loss on disposal of property, equipment and intangibles</td><td></td><td>3</td><td></td><td>8</td><td></td><td>97</td><td></td><td>41</td></td<>	Loss on disposal of property, equipment and intangibles		3		8		97		41
Changes in operating assets and liabilities: 32 196 (876) (463) Prepaid expenses and other current assets (13) 427 (1,009) (377) Other assets (30) 60 (84) (103) Accounts payable (469) 205 (100) (904) Account payable (469) 205 (100) (904) Account expenses 2,397 2,367 3,243 2,223 Accrued expenses (1,442) (206) 271 1,148 Deferred revenue (1,428) 1,011 (558) 2,685 Other liabilities 186 (357) (149) 826 Net cash provided by operating activities 7,815 6,777 29,371 11,500 Chash from investing activities (9,051) (7,217) (26,648) (31,551) Purchases of investiment securities (9,051) (7,217) (26,648) (31,655) Additions to capitalized software (2,370) (2,612) (10,455) (11,166) <t< td=""><td>Stock-based compensation</td><td></td><td>1,792</td><td></td><td>1,457</td><td></td><td>6,096</td><td></td><td>4,301</td></t<>	Stock-based compensation		1,792		1,457		6,096		4,301
Accounts receivable 32 196 (876) (463) Prepaid expenses and other current assets (153) 427 (1,009) (377) Other assets (30) 60 (84) (103) Accounts payable (469) 205 (100) (904) Accrued employee expenses 2,397 2,367 3,243 2,223 Accrued expenses (1,442) (206) 271 1,148 Deferred revenue (428) 1,011 (558) 2,685 Other liabilities 186 (357) (149) 826 Net cash provided by operating activities 7,815 6,777 29,371 11,500 Cash from investing activities (2,370) (2,612) (1,423) (4,242) Additions to capitalized software (2,370) (2,612) (1,426) (11,166) Purchases of investment securities (9,051) (7,217) (26,648) (3,155)1 Sales of investment securities (5,00) 4,225 16,474 21,337 Purchases of investing activities (6,454) (3,743) (22,828) (13	Lease abandonment		—		—		—		161
Prepaid expenses and other current assets (153) 427 (1,009) (377) Other assets (30) 60 (84) (103) Accounts payable (469) 205 (100) (904) Accured expenses 2,397 2,367 3,243 2,223 Accured expenses (1,442) (206) 271 1,148 Deferred revenue (428) 1,011 (558) 2,685 Other liabilities 186 (357) (148) 826 Net cash provided by operating activities 7,815 6,777 29,371 11,500 Purchases of property and equipment (533) (682) (2,213) (4,242) Additions to capitalized software (2,370) (2,612) (10,455) (11,166) Purchases of investment securities (9,051) (7,217) (26,648) (31,551) Sales of investment securities 5,500 4,225 16,474 21,337 Purchases of intrestment securities (6,454) (3,743) (22,828) (13,055) <td>Changes in operating assets and liabilities:</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Changes in operating assets and liabilities:								
Other assets (30) 60 (84) (103) Accounts payable (469) 205 (100) (904) Accrued employee expenses 2,397 2,367 3,243 2,223 Accrued expenses (1,442) (206) 271 1,148 Deferred revenue (428) 1,011 (558) 205 Other liabilities 186 (357) (148) 826 Net cash provided by operating activities 7,815 6,777 29,371 11,500 Cash from investing activities 7,815 6,777 29,371 (11,66) Purchases of property and equipment (533) (682) (2,213) (4,242) Additions to capitalized software (2,370) (2,612) (10,455) (11,16) Purchases of investment securities (9,051) (7,217) (26,648) (31,551) Sales of investment securities 5,500 4,225 16,474 21,337 Purchases of intangible assets — — — (11) (2) <tr< td=""><td>Accounts receivable</td><td></td><td>32</td><td></td><td>196</td><td></td><td>(876)</td><td></td><td>(463)</td></tr<>	Accounts receivable		32		196		(876)		(463)
Accounts payable (469) 205 (100) (904) Accrued employee expenses 2,397 2,367 3,243 2,223 Accrued expenses (1,442) (206) 271 1,148 Deferred revenue (428) 1,011 (558) 2,685 Other liabilities 186 (357) (148) 826 Net cash provided by operating activities 7,815 6,777 29,371 11,500 Cash from investing activities 7,815 (6,777 29,371 (14,642) Purchases of property and equipment (533) (682) (2,213) (4,242) Additions to capitalized software (9,051) (7,177) (26,648) (31,51) Sales of investment securities - 2,543 15 12,559 Maturities of investment securities (6,6454) (3,743) (22,828) (13,065) Cash from financing activities 155 92 663 352 Proceeds from stock option exercises 155 92 663 352 <t< td=""><td>Prepaid expenses and other current assets</td><td></td><td>(153)</td><td></td><td>427</td><td></td><td>(1,009)</td><td></td><td>(377)</td></t<>	Prepaid expenses and other current assets		(153)		427		(1,009)		(377)
Accrued employee expenses 2,397 2,367 3,243 2,223 Accrued expenses (1,442) (206) 271 1,148 Deferred revenue (428) 1,011 (558) 2,685 Other liabilities 186 (357) (148) 826 Net cash provided by operating activities 7,815 6,777 29,371 11,500 Cash from investing activities 7,815 6,777 29,371 11,600 Purchases of property and equipment (533) (682) (2,213) (4,242) Additions to capitalized software (2,370) (2,612) (10,455) (11,166) Purchases of investment securities (9,051) (7,217) (26,648) (31,551) Sales of investment securities 5,500 4,225 16,474 21,337 Purchases of investing activities (6,454) (3,743) (22,828) (13,065) Cash from financing activities (155 92 663 352 Net cash used in investing activities 155 92 663 352 Tax withholding forn et share settlement (188)	Other assets		(30)		60		(84)		(103)
Accrued expenses (1,442) (206) 271 1,148 Deferred revenue (428) 1,011 (558) 2,685 Other liabilities 186 (357) (148) 826 Net cash provided by operating activities 7,815 6,777 29,371 11,500 Cash from investing activities 7,815 (6,82) (2,213) (4,242) Additions to capitalized software (2,370) (2,612) (10,455) (11,166) Purchases of investment securities (9,051) (7,217) (26,648) (31,551) Sales of investment securities - 2,543 15 12,559 Maturities of investment securities 5,500 4,225 16,474 21,337 Purchases of intangible assets - - (1) (2) Net cash used in investing activities (550) 4,225 16,474 21,337 Purchase of intancing activities 155 92 663 352 Tax withholding for net share settlement (188) (26) (1,796)	Accounts payable		(469)		205		(100)		(904)
Deferred revenue (428) 1,011 (558) 2,685 Other liabilities 186 (357) (148) 826 Net cash provided by operating activities 7,815 6,777 29,371 11,500 Cash from investing activities 7,815 6,777 29,371 (4,242) Additions to capitalized software (2,370) (2,612) (10,455) (11,66) Purchases of investment securities (9,051) (7,217) (26,648) (31,551) Sales of investment securities - 2,543 15 12,559 Maturities of investment securities 5,500 4,225 16,474 21,337 Purchases of intangible assets - - (11) (2) Net cash used in investing activities (6,454) (3,743) (22,828) (13,065) Cash from financing activities - - (11) (2) Net cash used in investing activities 155 92 663 352 Tax withholding for net share settlement (188) (26) (1,796)	Accrued employee expenses		2,397		2,367		3,243		2,223
Other liabilities 186 (357) (148) 826 Net cash provided by operating activities 7,815 6,777 29,371 11,500 Cash from investing activities (533) (682) (2,213) (4,242) Additions to capitalized software (2,370) (2,612) (10,455) (11,166) Purchases of investment securities (9,051) (7,217) (26,648) (31,551) Sales of investment securities - 2,543 15 12,559 Maturities of investment securities - - (11) (2) Net cash used in investing activities (6,454) (3,743) (22,828) (13,065) Cash from financing activities (6,454) (3,743) (22,828) (13,065) Cash from financing activities 155 92 663 352 Tax withholding for net share settlement (188) (26) (1,796) (111) Principal payments under capital lease obligations - (5) - (29) Principal payments on debt (30)	Accrued expenses		(1,442)		(206)		271		1,148
Net cash provided by operating activities 7,815 6,777 29,371 11,500 Cash from investing activities Purchases of property and equipment (533) (682) (2,213) (4,242) Additions to capitalized software (2,370) (2,612) (10,455) (11,166) Purchases of investment securities (9,051) (7,217) (26,648) (31,551) Sales of investment securities - 2,543 15 12,559 Maturities of investment securities - - (1) (2) Net cash used in investing activities (6,454) (3,743) (22,828) (13,065) Cash from financing activities (6,454) (3,743) (22,828) (13,065) Cash from financing activities 155 92 663 352 Tax withholding for net share settlement (188) (26) (1,796) (111) Principal payments under capital lease obligations - (5) - (29) Principal payments on debt <td< td=""><td>Deferred revenue</td><td></td><td>(428)</td><td></td><td>1,011</td><td></td><td>(558)</td><td></td><td>2,685</td></td<>	Deferred revenue		(428)		1,011		(558)		2,685
Cash from investing activities Purchases of property and equipment (533) (682) (2,213) (4,242) Additions to capitalized software (2,370) (2,612) (10,455) (11,166) Purchases of investment securities (9,051) (7,217) (26,648) (31,551) Sales of investment securities - 2,543 15 12,559 Maturities of investment securities 5,500 4,225 16,474 21,337 Purchases of intangible assets - - (1) (2) Net cash used in investing activities (6,454) (3,743) (22,828) (13,065) Cash from financing activities - - (1) (2) Net cash used in investing activities (188) (26) (1,796) (111) Proceeds from stock option exercises 155 92 663 352 Tax withholding for net share settlement (188) (26) (1,796) (111) Principal payments under capital lease obligations - (5) - (29) </td <td>Other liabilities</td> <td></td> <td>186</td> <td></td> <td>(357)</td> <td></td> <td>(148)</td> <td></td> <td>826</td>	Other liabilities		186		(357)		(148)		826
Purchases of property and equipment (533) (682) (2,213) (4,242) Additions to capitalized software (2,370) (2,612) (10,455) (11,166) Purchases of investment securities (9,051) (7,217) (26,648) (31,551) Sales of investment securities - 2,543 15 12,559 Maturities of investment securities 5,500 4,225 16,474 21,337 Purchases of intangible assets - - (1) (2) Net cash used in investing activities (6,6454) (3,743) (22,828) (13,065) Cash from financing activities (155) 92 663 352 Tax withholding for net share settlement (188) (26) (1,796) (111) Principal payments under capital lease obligations - (5) - (29) Proceeds from issuance of debt 30 30 118 117 Principal payments on debt (30) (29) (11,8) (128) Net cash (used in) provided by financing activities (33) 62 (1,133) 201 Net increase (decrea	Net cash provided by operating activities		7,815		6,777		29,371		11,500
Additions to capitalized software $(2,370)$ $(2,612)$ $(10,455)$ $(11,166)$ Purchases of investment securities $(9,051)$ $(7,217)$ $(26,648)$ $(31,551)$ Sales of investment securities $ 2,543$ 15 $12,559$ Maturities of investment securities $5,500$ $4,225$ $16,474$ $21,337$ Purchases of intagible assets $ (1)$ (2) Net cash used in investing activities $(6,454)$ $(3,743)$ $(22,828)$ $(13,065)$ Cash from financing activities 15592 663 352 Tax withholding for net share settlement (188) (26) $(1,796)$ (111) Principal payments under capital lease obligations $ (29)$ (168) (128) Principal payments on debt (30) (29) (118) (128) Net cash (used in) provided by financing activities (33) 62 $(1,133)$ 201 Net cash (used in) provided by financing activities $1,328$ $3,096$ $5,410$ $(1,364)$ Cash and cash equivalents $1,328$ $3,096$ $5,410$ $(1,364)$ Cash and cash equivalents $14,781$ $7,603$ $10,699$ $12,063$	Cash from investing activities								
Purchases of investment securities $(9,051)$ $(7,217)$ $(26,648)$ $(31,551)$ Sales of investment securities $ 2,543$ 15 $12,559$ Maturities of investment securities $5,500$ $4,225$ $16,474$ $21,337$ Purchases of intangible assets $ (1)$ (2) Net cash used in investing activities $(6,454)$ $(3,743)$ $(22,828)$ $(13,065)$ Cash from financing activities $(6,454)$ $(3,743)$ $(22,828)$ $(13,065)$ Tax withholding for net share settlement (188) (26) $(1,796)$ (111) Principal payments under capital lease obligations $ (5)$ $ (29)$ Proceeds from issuance of debt 30 30 118 117 Principal payments on debt (33) 62 $(1,133)$ 201 Net cash (used in) provided by financing activities (33) 62 $(1,133)$ 201 Net cash quivalents $1,328$ $3,096$ $5,410$ $(1,364)$ Cash and cash equivalents $1,328$ $3,096$ $5,410$ $(1,364)$ Beginning of period $14,781$ $7,603$ $10,699$ $12,063$	Purchases of property and equipment		(533)		(682)		(2,213)		(4,242)
Sales of investment securities $ 2,543$ 15 $12,559$ Maturities of investment securities $5,500$ $4,225$ $16,474$ $21,337$ Purchases of intagible assets $ (1)$ (2) Net cash used in investing activities $(6,454)$ $(3,743)$ $(22,828)$ $(13,065)$ Cash from financing activities $(6,454)$ $(3,743)$ $(22,828)$ $(13,065)$ Cash from financing activities 155 92 663 352 Tax withholding for net share settlement (188) (26) $(1,796)$ (111) Principal payments under capital lease obligations $ (5)$ $ (29)$ Proceeds from issuance of debt 30 30 118 117 Principal payments on debt (30) (29) (118) (128) Net cash (used in) provided by financing activities (33) 62 $(1,133)$ 201 Net increase (decrease) in cash and cash equivalents $1,328$ $3,096$ $5,410$ $(1,364)$ Cash and cash equivalents $14,781$ $7,603$ $10,699$ $12,063$	Additions to capitalized software		(2,370)		(2,612)		(10,455)		(11,166)
Maturities of investment securities $5,500$ $4,225$ $16,474$ $21,337$ Purchases of intangible assets $ (1)$ (2) Net cash used in investing activities $(6,454)$ $(3,743)$ $(22,828)$ $(13,065)$ Cash from financing activities $(6,454)$ $(3,743)$ $(22,828)$ $(13,065)$ P roceeds from stock option exercises 155 92 663 352 Tax withholding for net share settlement (188) (26) $(1,796)$ (111) Principal payments under capital lease obligations $ (5)$ $ (29)$ Proceeds from issuance of debt 30 30 118 117 Principal payments on debt (30) (29) (118) (128) Net cash (used in) provided by financing activities (33) 62 $(1,133)$ 201 Net cash equivalents $1,328$ $3,096$ $5,410$ $(1,364)$ Cash and cash equivalents $14,781$ $7,603$ $10,699$ $12,063$	Purchases of investment securities		(9,051)		(7,217)		(26,648)		(31,551)
Purchases of intangible assets——(1)(2)Net cash used in investing activities(6,454)(3,743)(22,828)(13,065)Cash from financing activitiesProceeds from stock option exercises15592663352Tax withholding for net share settlement(188)(26)(1,796)(111)Principal payments under capital lease obligations—(5)—(29)Proceeds from issuance of debt3030118117Principal payments on debt(30)(29)(118)(128)Net cash (used in) provided by financing activities(33)62(1,133)201Net increase (decrease) in cash and cash equivalents1,3283,0965,410(1,364)Egginning of period14,7817,60310,69912,063	Sales of investment securities				2,543		15		12,559
Net cash used in investing activities(6,454)(3,743)(22,828)(13,065)Cash from financing activitiesProceeds from stock option exercises15592663352Tax withholding for net share settlement(188)(26)(1,796)(111)Principal payments under capital lease obligations(5)(29)Proceeds from issuance of debt3030118117Principal payments on debt(30)(29)(118)(128)Net cash (used in) provided by financing activities(33)62(1,133)201Net increase (decrease) in cash and cash equivalents1,3283,0965,410(1,364)Beginning of period14,7817,60310,69912,063	Maturities of investment securities		5,500		4,225		16,474		21,337
Cash from financing activitiesImage: constraint of the section of the s	Purchases of intangible assets				—		(1)		(2)
Proceeds from stock option exercises 155 92 663 352 Tax withholding for net share settlement (188) (26) (1,796) (111) Principal payments under capital lease obligations (5) (29) Proceeds from issuance of debt 30 30 118 117 Principal payments on debt (30) (29) (118) (128) Net cash (used in) provided by financing activities (33) 62 (1,133) 201 Net increase (decrease) in cash and cash equivalents 1,328 3,096 5,410 (1,364) Cash and cash equivalents 14,781 7,603 10,699 12,063	Net cash used in investing activities		(6,454)		(3,743)		(22,828)		(13,065)
Tax withholding for net share settlement(188)(26)(1,796)(111)Principal payments under capital lease obligations—(5)—(29)Proceeds from issuance of debt3030118117Principal payments on debt(30)(29)(118)(128)Net cash (used in) provided by financing activities(33)62(1,133)201Net increase (decrease) in cash and cash equivalents1,3283,0965,410(1,364)Cash and cash equivalents14,7817,60310,69912,063	Cash from financing activities								
Principal payments under capital lease obligations—(5)—(29)Proceeds from issuance of debt3030118117Principal payments on debt(30)(29)(118)(128)Net cash (used in) provided by financing activities(33)62(1,133)201Net increase (decrease) in cash and cash equivalents1,3283,0965,410(1,364)Cash and cash equivalents14,7817,60310,69912,063	Proceeds from stock option exercises		155		92		663		352
Proceeds from issuance of debt3030118117Principal payments on debt(30)(29)(118)(128)Net cash (used in) provided by financing activities(33)62(1,133)201Net increase (decrease) in cash and cash equivalents1,3283,0965,410(1,364)Cash and cash equivalents14,7817,60310,69912,063	Tax withholding for net share settlement		(188)		(26)		(1,796)		(111)
Proceeds from issuance of debt3030118117Principal payments on debt(30)(29)(118)(128)Net cash (used in) provided by financing activities(33)62(1,133)201Net increase (decrease) in cash and cash equivalents1,3283,0965,410(1,364)Cash and cash equivalents14,7817,60310,69912,063	Principal payments under capital lease obligations		_		(5)		_		(29)
Net cash (used in) provided by financing activities(33)62(1,133)201Net increase (decrease) in cash and cash equivalents1,3283,0965,410(1,364)Cash and cash equivalentsBeginning of period14,7817,60310,69912,063	Proceeds from issuance of debt		30				118		
Net increase (decrease) in cash and cash equivalents 1,328 3,096 5,410 (1,364) Cash and cash equivalents 14,781 7,603 10,699 12,063	Principal payments on debt		(30)		(29)		(118)		(128)
Cash and cash equivalents Beginning of period 14,781 7,603 10,699 12,063	Net cash (used in) provided by financing activities		(33)		62		(1,133)		201
Cash and cash equivalents 14,781 7,603 10,699 12,063	Net increase (decrease) in cash and cash equivalents		1,328		3,096		5,410		(1,364)
Beginning of period 14,781 7,603 10,699 12,063	Cash and cash equivalents								
	Beginning of period		14,781		7,603		10,699		12,063
	End of period	\$	16,109	\$	10,699	\$	16,109	\$	10,699