

Years Ended June 30,	2000	2001	2002
<i>(In thousands)</i>			
Cash flows from operating activities:			
Net income (loss)	\$ 5,428	\$(20,375)	\$ (77,165)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities —			
Depreciation and amortization	16,327	24,099	25,763
Charges for in-process research and development	—	9,915	14,900
Write-off of investments	—	5,000	8,923
Deferred stock-based compensation	—	65	(65)
Gain on sale of property	—	(257)	—
Deferred income taxes	(6,201)	(12,783)	896
Write-off of assets related to restructuring	—	1,159	1,169
Research and development costs subject to common stock settlement	—	—	924
Changes in assets and liabilities —			
Accounts receivable	(7,977)	(3,399)	1,591
Unbilled services	(5,625)	(7,277)	333
Prepaid expenses and other current assets	(4,119)	(417)	(1,400)
Long-term installments receivable	4,021	(8,845)	6,816
Accounts payable and accrued expenses	18,555	5,195	8,865
Unearned revenue	3,831	4,323	751
Deferred revenue	3,774	(9,786)	(368)
Net cash provided by (used in) operating activities	28,014	(13,383)	(8,067)
Cash flows from investing activities:			
Purchase of property and leasehold improvements	(9,682)	(20,350)	(12,940)
Proceeds on sale of property	—	2,438	1,725
Increase in computer software development costs	(4,082)	(5,573)	(7,986)
Increase in other assets	(6,826)	(1,693)	(1,940)
Decrease in short-term investments	373	33,884	12,257
Increase (decrease) in other liabilities	400	(675)	36
Cash used in the purchase of businesses, net of cash acquired	(2,085)	(21,746)	(93,437)
Net cash used in investing activities	(21,902)	(13,715)	(102,285)
Cash flows from financing activities:			
Issuance of common stock and common stock warrants, net of issuance costs	—	—	47,956
Issuance of Series B convertible preferred stock and common stock warrants, net of issuance costs	—	—	56,588
Issuance of common stock under employee stock purchase plans	3,860	4,710	5,306
Exercise of stock options and warrants	7,860	11,901	1,619
Payments of long-term debt and capital lease obligations	(2,266)	(1,041)	(4,305)
Payment of dividends	(444)	—	—
Net cash provided by financing activities	9,010	15,570	107,164
Effect of exchange rate changes on cash and cash equivalents	210	(1,210)	126
Increase (decrease) in cash and cash equivalents	15,332	(12,738)	(3,062)
Cash and cash equivalents, beginning of period	34,039	49,371	36,633
Cash and cash equivalents, end of period	\$ 49,371	\$ 36,633	\$ 33,571
Supplemental disclosure of cash flow information:			
Cash paid for income taxes	\$ 806	\$ 2,072	\$ 1,955
Cash paid for interest	\$ 4,972	\$ 5,023	\$ 4,841
Supplemental disclosure of non-cash financing activities:			
Accretion of discount on Series B convertible preferred stock	\$ —	\$ —	\$ 2,209
Preferred stock dividend due to beneficial conversion feature of Series B convertible preferred stock	\$ —	\$ —	\$ 3,232
Issuance of common stock in settlement of obligation subject to common stock settlement	\$ —	\$ —	\$ 18,500
Supplemental disclosure of cash flows related to acquisitions:			
The Company acquired certain companies as described in Note 4.			
These acquisitions are summarized as follows:			
Fair value of assets acquired, excluding cash	\$ 2,360	\$ 60,379	\$ 140,141
Payments in connection with the acquisitions, net of cash acquired	(2,085)	(21,746)	(93,437)
Value of stock issued in connection with the acquisitions	—	(31,555)	—
Charge for in-process research and development	—	9,915	14,900
Liabilities assumed	\$ 275	\$ 16,993	\$ 61,604

The accompanying notes are an integral part of these consolidated financial statements.