

## Consolidated Statements of Cash Flows

Years Ended December 31,	2000	2001	2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income	\$ 28,637,395	\$ 28,232,901	\$ 31,271,462
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	9,272,917	12,219,545	9,193,328
Earned compensation from stock option grants	131,531	2,570,566	(1,308,365)
Investment in joint venture	(6,100,020)	2,977,201	(225,333)
Loss on disposal of property and equipment	—	15,668	—
Forgiveness of officer note receivable	—	—	285,000
Minority interest	—	—	809,718
Changes in operating assets and liabilities			
Sale (purchase) of marketable securities	25,716,032	(23,501,159)	37,119,071
Accounts receivable	(9,028,796)	(5,834,753)	(3,307,126)
Inventory	(10,671,318)	(1,489,134)	(10,996,095)
Advanced royalty payments	(1,357,789)	503,239	(871,311)
Prepaid expenses and other	(4,037,788)	920,421	1,377,841
Accounts payable	4,656,864	(1,926,693)	(3,698,357)
Accrued expenses	(3,317,215)	5,529,435	(9,534,539)
Income taxes payable	4,411,429	(6,052,382)	7,056,041
Reserve for sales returns and allowances	(8,764,770)	(1,600,352)	8,626,489
Deferred income taxes	442,983	800,000	431,667
Total adjustments	1,354,060	(14,868,398)	34,958,029
Net cash provided by operating activities	29,991,455	13,364,503	66,229,491
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Property and equipment	(13,787,805)	(4,971,185)	(6,593,600)
Other assets	(1,134,864)	(1,230,664)	(1,658,539)
Investment in joint venture	—	(1,112,154)	—
Cash paid for net assets	(30,535,848)	(12,280,536)	(80,409,951)
Notes receivable—officers	(2,450,000)	226,000	861,000
Net cash used by investing activities	(47,908,517)	(19,368,539)	(87,801,090)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from sale of common stock	—	—	59,094,505
Repurchase of common stock	(12,911,483)	—	—
Proceeds from debt	1,500,000	95,070	—
Proceeds from stock options and warrants exercised	1,171,243	3,069,745	5,883,931
Repayments of debt	(113,680)	(1,400,000)	(30,214)
Net cash provided (used) by financing activities	(10,353,920)	1,764,815	64,948,222
Net increase (decrease) in cash and cash equivalents	(28,270,982)	(4,239,221)	43,376,623
Cash and cash equivalents, beginning of year	57,546,406	29,275,424	25,036,203
Cash and cash equivalents, end of year	\$ 29,275,424	\$ 25,036,203	\$ 68,412,826
Cash paid during the period for:			
Interest	\$ 189,630	\$ 118,144	\$ 80,312
Income taxes	\$ 8,600,895	\$ 14,007,578	\$ 3,235,095

See note 17 for additional supplemental information to consolidated statements of cash flows.

See notes to consolidated financial statements.