

Net cash used in investing activities was \$296.8 million for the year ended December 31, 2019. This was driven by our \$135.6 million purchase of long-term investments, \$89.1 million cash paid to acquire intellectual property, \$44.3 million in capital expenditures including personnel-related costs associated with development of internal-use software, and \$27.9 million net cash paid for our acquisition of Connect First, Inc.

Net cash used in investing activities for the year ended December 31, 2019 increased by \$213.3 million as compared to the year ended December 31, 2018, primarily due to our \$135.6 million purchase of long-term investments, an increase of \$70.6 million in cash paid for the acquisition of intangible assets, and higher capital expenditures during 2019.

Net Cash Provided by Financing Activities

Our primary financing activities have consisted of raising proceeds through the issuance of stock under our stock plans and issuance of our Notes.

Net cash provided by financing activities was approximately \$9.0 million for the year ended December 31, 2019, primarily resulting from \$15.2 million in proceeds from the issuance of shares in connection with our stock plans, net of taxes paid. This was partially offset by payments of \$5.2 million of contingent consideration associated with acquisitions, and repayment of our financing obligation of \$0.9 million.

Net cash provided by financing activities for the year ended December 31, 2019, decreased by \$388.2 million as compared to the year ended December 31, 2018, primarily due to proceeds from our Notes issued in 2018.

Backlog

We have generally signed new customers to contracts that vary in length, from month-to-month to multi-year terms for our subscriptions. The timing of invoicing to our customers is a negotiated term and thus varies among our subscription contracts. Payment terms are generally billed either monthly or on an annual basis. At any point in the contract term, there can be amounts that we have not yet been contractually able to invoice, which constitute backlog. Until such time as these amounts are invoiced, we do not recognize them as revenues, unearned revenues or elsewhere in our consolidated financial statements. Given the variability in our contract length, we believe that backlog is not a reliable indicator of future revenues and we do not utilize backlog as a key management metric internally.

Deferred Revenue

Deferred revenue primarily consists of the unearned portion of invoiced fees for our subscriptions, which we recognize as revenue in accordance with our revenue recognition policy. Customers with annual or multi-year contracts may opt for annual invoicing. For these customers, we generally invoice only one annual subscription period in advance. Therefore, our deferred revenue balance does not capture the full contract value of such multi-year contracts. Accordingly, we believe that deferred revenue is not a reliable indicator of future revenues and we do not utilize deferred revenue as a key management metric internally.

Contractual Obligations

The following summarizes our contractual obligations as of December 31, 2019 (in thousands):

	Payments due by period				Total
	Up to 1 year	1 to 3 years	3 to 5 years	More than 5 years	
Operating lease obligations	16,164	19,812	6,551	5,883	48,410
Financing obligations	2,956	5,912	—	—	8,868
Long-term debt	—	—	460,000	—	460,000
Purchase obligations	55,755	16,220	7,595	17,649	97,219
Total	74,875	41,944	474,146	23,532	614,497

Purchase obligations represent an estimate of open purchase orders and contractual obligations in the normal course of business for which we have not received the goods or services as of December 31, 2019. Although open purchase orders are considered enforceable and legally binding, except for our purchase orders with our inventory suppliers, the terms generally allow us the option to cancel, reschedule, and adjust our requirements based on our business needs prior to the delivery of goods or performance of services. Our purchase orders with our inventory suppliers are non-cancellable. In addition, we have other