

CONSOLIDATED BALANCE SHEETS

| (in thousands) | December 31, | |
|---------------------------------|--------------|------------|
| | 2000 | 1999 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 69,733 | \$ 25,451 |
| Marketable securities | 38,953 | 30,717 |
| Accounts receivable: | | |
| Trade | 7,311 | 1,578 |
| Unbilled | 57,084 | 31,286 |
| Other | 820 | 1,342 |
| Prepaid expenses | 6,785 | 8,332 |
| Deferred income tax benefit | 694 | — |
| Total current assets | 181,380 | 98,706 |
| Property and equipment: | | |
| Land | 2,920 | 2,920 |
| Buildings and improvements | 14,242 | 11,222 |
| Computer hardware and software | 28,679 | 22,232 |
| Software development costs | 11,556 | 7,075 |
| Furniture and fixtures | 18,756 | 13,886 |
| Vehicles | 1,863 | 1,386 |
| | 78,016 | 58,721 |
| Accumulated depreciation | (25,649) | (14,347) |
| Total property and equipment | 52,367 | 44,374 |
| Other assets: | | |
| Notes receivable from employees | 994 | 994 |
| Other assets | 8,076 | 3,624 |
| Total other assets | 9,070 | 4,618 |
| Total assets | \$ 242,817 | \$ 147,698 |

| (in thousands) | December 31, | |
|---|--------------|------------|
| | 2000 | 1999 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 1,496 | \$ 2,787 |
| Payroll taxes and other payroll deductions payable | 57,919 | 21,518 |
| Accrued worksite employee payroll expense | 57,354 | 31,367 |
| Other accrued liabilities | 10,819 | 5,737 |
| Deferred income taxes | – | 141 |
| Income taxes payable | 2,613 | 1,364 |
| Total current liabilities | 130,201 | 62,914 |
| Noncurrent liabilities: | | |
| Deferred income taxes | 7,106 | 4,316 |
| Total noncurrent liabilities | 7,106 | 4,316 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock, par value \$0.01 per share: | | |
| Shares authorized – 20,000 | | |
| Shares issued and outstanding – none | – | – |
| Common stock, par value \$0.01 per share: | | |
| Shares authorized – 120,000 | | |
| Shares issued – 30,435 and 29,817 at December 31, 2000 and 1999, respectively | 304 | 298 |
| Additional paid-in capital | 75,378 | 65,061 |
| Treasury stock, at cost – 3,015 and 2,919 shares at December 31, 2000 and 1999, respectively | (20,643) | (18,072) |
| Accumulated other comprehensive income (loss) | 172 | (218) |
| Retained earnings | 50,299 | 33,399 |
| Total stockholders' equity | 105,510 | 80,468 |
| Total liabilities and stockholders' equity | \$ 242,817 | \$ 147,698 |

See accompanying notes.