

WORKFORCE OUTSOURCE SERVICES, INC

Financial Statements
Years Ended
September 30, 2019 and 2018

WORKFORCE OUTSOURCE SERVICES, INC

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Years Ended
September 30, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Workforce Outsource Services, Inc.

We have audited the accompanying financial statements of Workforce Outsource Services, Inc. (a nonprofit organization) which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Workforce Outsource Services, Inc. as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have previously audited Workforce Outsource Services, Inc.'s September 30, 2018, financial statements and in our report dated February 12, 2019, we expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matters

During the year ended September 30, 2019, Workforce Outsource Services, Inc.'s adopted Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to these matters.

Berard & Associates CPA's P.C.

Berard & Associates, CPA's P.C.
Suffern, New York 10901
February 3, 2020

Workforce Outsource Services, Inc.
Statement of Financial Position
September 30, 2019 and 2018

	2019	2018
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 6,157,500	\$ 5,090,551
Investments	517,476	500,187
Accounts Receivable	5,088,718	3,185,170
Prepaid Expenses	72,432	13,739
Short Term Loan Advances	1,402	2,983
Security Deposits	17,723	15,806
TOTAL CURRENT ASSETS	11,855,251	8,808,436
FURNITURE, FIXTURES & EQUIPMENT		
Furniture & Fixtures	194,042	187,339
Machinery & Equipment	7,245	7,245
Equipment In Kind Contribution	30,000	30,000
Web Site Development	90,036	90,036
Leasehold Improvements	658,080	658,080
Accumulated Depreciation	(605,090)	(471,938)
NET PROPERTY, PLANT & EQUIPMENT	374,313	500,762
INTANGIBLE ASSETS		
Organization Expense	8,149	8,149
Accumulated Amortization	(6,373)	(5,830)
NET INTANGIBLE ASSETS	1,776	2,319
TOTAL ASSETS	\$ 12,231,340	\$ 9,311,517
CURRENT LIABILITIES		
Accounts Payable	\$ 865,885	\$ 579,023
Payroll and Payroll Tax Liabilities	532,606	358,532
TOTAL CURRENT LIABILITIES	1,398,491	937,555
TOTAL LIABILITIES	1,398,491	937,555
NET ASSETS		
Without Donor Restrictions		
Board Designated- Operating Reserve	3,179,896	3,142,862
Board Designated- Expansion	4,892,172	3,108,314
Without Donor Restrictions	8,072,068	6,251,176
With Donor Restrictions	2,760,781	2,122,786
	10,832,849	8,373,962
TOTAL LIABILITIES AND NET ASSETS	\$ 12,231,340	\$ 9,311,517

See notes to financial statements.

Workforce Outsource Services, Inc.
Statement of Activities
Years Ended September 30, 2019 and 2018

	2019		2018	
	Without-Donor Restriction	With-Donor Restriction	Without-Donor Restriction	With-Donor Restriction
		Total		Total
REVENUES AND OTHER SUPPORT				
Charitable Contributions-Corporations	\$ 330,383	\$ 9,410,414	\$ 3,147,983	\$ 2,021,394
Charitable Contributions-Other	222,705	222,705	240,860	-
Fundraising Revenue	177,915	177,915	153,000	-
Fundraising Expense	(61,693)	(61,693)	(60,768)	-
Inkind Donations	48,100	48,100	36,000	-
Program Services	5,019,715	5,019,715	7,389,184	-
Interest Income	8,478	8,478	7,414	-
Net Investment Income	17,087	17,087	936	-
Miscellaneous Income	5,368	5,368	17,049	-
Net assets released from restrictions	8,772,419	(8,772,419)	1,415,056	(1,415,056)
TOTAL REVENUES & OTHER SUPPORT	\$ 14,540,477	\$ 15,178,472	\$ 12,346,714	\$ 606,338
				\$ 12,953,052
EXPENSES				
Program Expenses	11,827,945	11,827,945	11,662,118	-
Fundraising Expenses	71,554	71,554	114,083	-
Management & General	820,086	820,086	795,245	-
TOTAL EXPENSES	12,719,585	12,719,585	12,571,446	-
Changes in Net Assets	1,820,892	637,995	(224,732)	606,338
Net Assets, Beginning	6,251,176	2,122,786	6,475,908	1,516,448
NET ASSETS, ENDING	\$ 8,072,068	\$ 2,760,781	\$ 6,251,176	\$ 2,122,786
				\$ 8,373,962

See notes to financial statements.

Workforce Outsource Services, Inc.
Statement of Expenses
Years Ended September 30, 2019 and 2018

	2019			2018		
	Program Expenses	Management and General	Fundraising Expenses	Program Expenses	Management and General	Fundraising Expenses
Salaries	\$ 7,819,612	\$ 499,897	\$ 57,968	\$ 7,984,804	\$ 473,269	\$ 95,044
Payroll Taxes	580,489	37,327	4,293	647,268	41,759	6,960
Employee Benefits	505,250	32,488	3,736	530,200	34,206	5,701
Total Salaries & Related Expenses	<u>8,905,351</u>	<u>569,712</u>	<u>65,997</u>	<u>9,162,272</u>	<u>549,234</u>	<u>107,705</u>
Student Transportation and Relocation	532,331	-	-	532,331	-	-
Student Education and Programs	1,081,911	-	-	927,175	-	-
Accounting and Legal	-	78,075	-	-	84,180	-
Depreciation & Amortization	131,021	2,674	-	156,243	3,189	-
Travel	220,292	6,957	4,638	260,589	8,229	5,486
Insurance	35,553	3,950	-	34,699	3,855	-
Office Expenses	193,106	64,369	-	185,763	61,921	-
Marketing & Public Relations	139,417	-	-	135,224	-	-
Payroll Service	-	37,272	-	-	43,505	-
Consulting Fees	11,906	31,968	-	42,020	16,798	-
Occupancy	198,401	22,045	-	192,249	21,361	-
Telephone & Computer	26,655	3,064	919	25,860	2,973	892
Recruitment	352,001	-	-	225,641	-	-
Total Expenses	<u>\$ 11,827,945</u>	<u>\$ 820,086</u>	<u>\$ 71,554</u>	<u>\$ 11,662,118</u>	<u>\$ 795,245</u>	<u>\$ 114,083</u>
						<u>\$ 12,571,446</u>

See notes to financial statements.

Workforce Outsource Services, Inc.
Statement of Cash Flows
Years Ended September 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 2,458,887	\$ 381,606
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation & Amortization		-
Depreciation & Amortization	133,695	159,432
Change in Fair Value of Investments	(596)	(187)
Change in Receivables	(1,903,548)	367,620
Change in Prepaid Expenses	(58,693)	(3,043)
Change in Short-Term Loan Advances	1,581	9,912
Change in Security Deposits	(1,917)	(200)
Change in Accounts Payable and Payroll Liabilities	460,936	129,465
Net Cash Provided/(Used) by Operating Activities	<u>1,090,345</u>	<u>1,044,605</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	(6,703)	(9,525)
Purchase of investments	(16,693)	(500,000)
Net Cash Provided/(Used) by Investing Activities	<u>(23,396)</u>	<u>(509,525)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Loan Payable	-	(2,854)
Net Cash Provided/(Used) by Financing Activities	<u>-</u>	<u>(2,854)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	1,066,949	532,226
Cash and Cash Equivalents- Beginning	<u>5,090,551</u>	<u>4,558,325</u>
Cash and Cash Equivalents- Ending	<u>\$ 6,157,500</u>	<u>\$ 5,090,551</u>
NON-CASH ITEMS:		
In-kind contributions	\$ 48,100	\$ 36,000
Supplemental Information:		
Taxes Paid	NA	NA
Interest Paid	\$ -	\$ -

See notes to financial statements.

WORKFORCE OUTSOURCE SERVICES, INC
d/b/a WORKFORCE OPPORTUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE 1: NATURE OF ACTIVITIES

Workforce Outsource Services, Inc. is a non-profit agency, organized October 24, 2005 to provide educational training, professional development and employment to communities including low income and veteran. During 2019 the organization received 33% of its support from program revenue and 66% from contributions compared to 57% and 42%, respectively, for 2018.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING METHOD

The financial statements are prepared on an accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

RECENTLY ISSUED ACCOUNTING STANDARDS

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. Workforce Outsource Services, Inc. adopted the provisions of this new standard during the year ended September 31, 2019. In addition to changes in terminology used to describe categories of net assets throughout the financial statement, new disclosures were added regarding liquidity and the availability of resources, and disclosures related to functional allocation of expenses was expanded.

BASIS OF PRESENTATION:

Workforce Outsource Services, Inc., is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. These classes are defined as follows:

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. Workforce Outsource Services, Inc., reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

It is the policy of Workforce Outsource Services, Inc., to account for donor restricted funds, which are received and expended in the same year to be recorded as unrestricted.

Net Assets without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of Workforce Outsource Services, Inc., for general operating purposes. The Board has designated a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

WORKFORCE OUTSOURCE SERVICES, INC
d/b/a WORKFORCE OPPORTUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents

ACCOUNTS RECEIVABLE

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Revenue With and Without Donor Restrictions

Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

DONATED SERVICES AND MATERIALS

The Organization had donated legal services totaling \$48,100 and \$36,000 for the years ended September 30, 2019 and 2018, respectively

Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as personnel costs, consulting fees, office expenses, and insurance, which are allocated on the basis of estimates of time and effort.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

WORKFORCE OUTSOURCE SERVICES, INC
d/b/a WORKFORCE OPPORTUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

INCOME TAX STATUS

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deductions under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

NOTE 3: DESCRIPTION OF PROGRAMS

Workforce Outsource Services, Inc. trains and employs inner-city, rural and 'underserved' populations. The Organization also provided services for returning enlisted post 9-11 military veterans. The Organization forms strategic relationships with corporations, institutes of higher education, social-ventures and government agencies for training and jobs. The Organization has started expanding to other inner-cities across the country. To date services the organization has expanded their operation from New York in a number of states such as Florida, Indiana, Alabama, South Carolina, Washington DC, Virginia Michigan, Pennsylvania, North Carolina, Ohio, Texas, Iowa, Georgia, Connecticut, Oregon, Louisiana, California and New Jersey. Products and services include Software Engineering - Technical Specifications and Quality Assurance, Project Management, Database Design, Call Center Operations, Network Administration, Cyber security, Claims processing, Equipment mechanic, Sales Representative, Finance and accounting and E-Commerce Systems.

Workers at the Organization can receive extensive training in all of the above areas through concentrations programs at Columbia University, Rutgers, Penn State, University of Akron, North Carolina Charlotte, Georgia Institute of Technology, Collin College, Universal Technical institute, North East Iowa College, Western Connecticut State University, El Paso Community College, University of Texas El Paso, University of Michigan – Dearborn, Tennessee State and Louisiana State University. Workforce Outsource Services, Inc. is engaged in research activities and reporting that measure the intellectual, social, and self-esteem of its students engaged in the program.

Workforce Outsource Services also offers a community-based initiative to assist our local community in New York, Detroit and Dallas to take advantage of opportunities for advancement. This outreach, called WOS in the Community, enables us to provide a variety of training and opportunities to bolster the employment-related skills of residents.

Through this effort, we have established the WOS Learning Center to offer free workshops and classes that will help individuals navigate our ever-changing economic landscape. The workshops include Business Writing Essentials; Interviewing in Person and Over the Phone; Professionalism in the Workplace; and other interpersonal skills development such as teamwork, time-management and goal setting.

WORKFORCE OUTSOURCE SERVICES, INC
d/b/a WORKFORCE OPPORTUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE 3: DESCRIPTION OF PROGRAMS - Continued

The research results are reported in aggregate and used solely towards the general awareness of how under-served populations respond to assistance and higher education. Research results are also published in academic peer-reviewed journals.

WOS On Demand is a national program to allow sponsoring corporations to assist underserved individuals or small groups as opposed to sponsoring a cohort.

WOS Digital, an online platform that empowers corporate sponsors to search for early-career, diverse job-seekers for either short-term or long-term engagements. Corporate partners can search our database of candidates by location, skillsets, and education levels to meet their specific organizational needs.

When candidates join WOS Digital, they are provided with the network, tools, and resources needed to develop both their interpersonal and technical skills. Our dedicated team provides them with the guidance and support needed to move their careers forward, and once candidates have reached a proficient level of workplace readiness, they become searchable in our database.

After corporate partners select one or more of our candidates, WOS continues to work with both the corporate partner and candidate(s) to ensure the transition into the role and workplace is a success.

NOTE 4: INVESTMENTS AND FAIR VALUE MEASUREMENT

Generally accepted accounting principles provide a framework for measuring fair value. That framework establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

At September 30, 2019 and 2018, the Organization's investments consisted of publicly traded securities totaling \$517,476 and \$500,187. Investments are reported at fair value using a Level 1 measure as summarized below:

	<u>2019</u>	<u>2018</u>
Cash	\$ 4,435	\$ 4,835
Money Markets	<u>513,041</u>	<u>495,352</u>
Total investments	<u>\$ 517,476</u>	<u>\$ 500,187</u>

Investment income consisted of dividends earned totaling \$16,693 and \$2,358 for the years ended September 30, 2019 and 2018, respectively; net realized and unrealized gain/(loss) totaling \$3,424 and \$(1,422) for the years ended September 30, 2019 and 2018, respectively; and investment fees totaling \$3,030 and \$0 for the years ended September 30, 2019 and 2018, respectively.

WORKFORCE OUTSOURCE SERVICES, INC
d/b/a WORKFORCE OPPORTUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE 5: CONCENTRATIONS OF RISKS

The Organization maintains cash balances in two banks, Citibank and J. P. Morgan Chase Bank. The balances at each financial institution are insured by the Federal Deposit Insurance Corporation limit of up to \$250,000 at each bank. At September 30, 2019 the balance in both cash accounts exceeded the insured balance by \$3,883,586 and \$1,807,141, respectively.

NOTE 6: COMMITMENTS

Workforce Outsources Inc. entered into a lease agreement to lease office space with the Interchurch Center for a ten-year period commencing on February 1, 2013 to January 31, 2023. On September 1, 2016 Workforce amended their lease to increase their square footage at this location. The lease agreement requires monthly payments of \$ 15,570. Total payments to Interchurch for the year ended September 30, 2019 and 2018 was \$193,707. In connection with the Lease Agreement Workforce has a security deposit of \$15 ,406.

Workforce Outsources entered into a one-year lease agreement for office space in Texas commencing October 1, 2017 to September 30, 2019. The lease agreement requires monthly payments of \$ 1,597. In connection with the Lease Agreement Workforce has a security deposit of \$1,917.

Workforce Outsources entered into a two-year lease agreement for office space in Newark, New Jersey commencing August 22, 2019. The lease agreement requires monthly payments of \$1,917.

The minimum lease future obligations are:

September 2020	\$	245,732
September 2021		239,661
September 2022		197,808
September 2023		65,936

NOTE 7: OPERATING RESERVE

The Organization has determined that it needs cash for operating reserves to cover at least three month's expenses.

NOTE 8: LINE OF CREDIT

The Organization has a \$1,000,000 line of credit with JP Morgan Chase which is collateralized with the assets for the organization. The balance at September 30, 2019 and 2018 was \$0. The Interest rate is one-month LIBOR plus 2.23%.

WORKFORCE OUTSOURCE SERVICES, INC
d/b/a WORKFORCE OPPORTUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE 9: PROPERTY, PLANT AND EQUIPMENT and ORGANIZATIONAL COSTS

Equipment is recorded at cost if purchased or the fair market value at date of contribution. Assets with a cost of \$5,000 or greater are capitalized. Depreciation of equipment is provided on a straight-line basis over the estimated useful lives of the assets. Equipment, furniture and fixtures and the web site are depreciated over three to ten years. Leasehold Improvements are depreciated over the life of the lease. At September 30, 2019 and 2018 the cost or fair market value of such assets were as follows:

	<u>9/30/2019</u>	<u>9/30/2018</u>
Equipment	\$ 7,245	\$ 7,245
Furniture and fixtures	194,042	187,339
Computers Donated	30,000	30,000
Web Site Development	90,036	90,036
Leasehold Improvements	658,080	658,080
Less: Accumulated depreciation	<u>(605,089)</u>	<u>(471,938)</u>
Net Assets	<u>\$ 374,314</u>	<u>\$ 500,762</u>

Depreciation expense was \$133,152 and \$159,889 for the fiscal years ended September 30, 2019 and 2018, respectively.

Organizational costs of \$8,149 are being amortized on a straight-line basis over 15 years. Amortization expense for the years ended September 30, 2019 and 2018 was \$543 and \$543. Accumulated amortization for the year ended September 30, 2019 and 2018 was \$6,373 and \$5,830.

NOTE 10: EMPLOYEE BENEFIT PLAN

January 1, 2016, the Organization adopted a 401k pension plan covering all employees who have worked for one year and have completed 1,000 hours of service. Employees are eligible to contribute a percentage of salary to the maximum extent possible and subject to IRS allocation rules. The retirement plan allows for a matching contribution equal to a percentage of an employee's elective deferrals in an amount that the Organization will determine each year. For the Plan year ended December 31, 2017 a contribution of 50% up to 4% was approved and a payment of \$19,420 was made during The Organizations fiscal year ended September 30, 2018. For the plan year ended December 31, 2018, no match was approved and hence no payment was made during the Organization's fiscal year ended September 30, 2019. For the Plan year ended December 31, 2019 a contribution of 50% up to 4% was approved and a payment of \$26,000 will be made during The Organizations fiscal year ended September 30, 2020.

WORKFORCE OUTSOURCE SERVICES, INC
d/b/a WORKFORCE OPPORTUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE 11: LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Workforce Outsource Services, Inc.'s financial assets as of September 30, 2019, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or because the Board has set aside the funds for specific reserve as Board designated. Board designations could be drawn upon if the Board approves that action.

Financial assets at year-end:	
Cash	\$ 6,157,500
Investments	517,476
Accounts receivable	<u>5,088,718</u>
Financial assets at year end	11,763,694
Less: amount unavailable for general expenditure within one year due to : Board Designated for expansion	<u>4,000,000</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 7,763,694</u>

Workforce Outsource Services Inc. regularly monitors its cashflow and liquidity needs as part of its financial reporting and analysis. In the event of unanticipated liquidity need, Workforce Outsource Services, Inc. maintains three months of expenses in cash as well as stated in note 9, Workforce Outsource Services, Inc has a line of credit for \$1,000,000 with JP Morgan Chase.

NOTE 12: SUBSEQUENT EVENTS

WOS has announced plans to open an IT infrastructure facility, to serve its partners, in Dallas Texas by the end of the 2020.

Subsequent events were evaluated by management through February 3, 2020, which is the date the financial statements were available to be issued.