



## Ohio Administrative Code Rule 4123-17-15.4 Financial mandates.

Effective: July 1, 2023

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(A) An AEO, a PEO, or a PEO reporting entity shall prepare financial statements in accordance with generally accepted accounting principles and submit them electronically for registration and registration renewal pursuant to sections 4125.05 and 4133.08 of the Revised Code.

(1) The financial statements shall be audited by an independent certified public accountant authorized to practice in the jurisdiction in which that accountant is located.

(a) The resulting report of the auditor is not to include either of the following:

(i) A qualification or disclaimer of opinion as to adherence to generally accepted accounting principles; or

(ii) A statement expressing substantial doubt about the ability of the AEO, the PEO, or the PEO reporting entity to continue as a going concern.

(b) If an AEO or a PEO does not have at least twelve months of operating history on which to base financial statements, the financial statements are to be reviewed by a certified public accountant.

(2) A PEO reporting entity may submit a combined or consolidated financial statement for its member PEOs to satisfy this paragraph. If the combined or consolidated financial statement includes entities that are not PEOs or that are not in the PEO reporting entity, the controlling entity of the PEO reporting entity that is submitting the consolidated or combined financial statement shall guarantee that the PEOs of the PEO reporting entity have completely satisfied paragraph (B) of this rule.

(B) An AEO, a PEO, or a PEO reporting entity is obligated to maintain positive working capital at initial or annual registration, as reflected in the financial statements submitted to the bureau of workers' compensation under paragraph (A)(2)(j) of rule 4123-17-15.2 of the Administrative Code.



If a deficit in working capital is reflected in the financial statements submitted to the bureau, the AEO, the PEO, or the PEO reporting entity shall:

(1) Submit to the bureau a quarterly financial statement for each calendar quarter during which there is a deficit in working capital, accompanied by an attestation of the chief executive officer, president, or other individual who serves as the controlling person of the AEO, the PEO, or the PEO reporting entity that all wages, taxes, workers' compensation premiums, and employee benefits have been paid by the AEO, the PEO, or members of the PEO reporting entity.

(2) Obtain a bond, irrevocable letter of credit, or securities with a minimum market value in an amount sufficient to cover the deficit in working capital. Such security is to be held by a depository designated by the administrator of workers' compensation to secure payment by the AEO, the PEO, or the PEO reporting entity of all taxes, wages, benefits, or other entitlements due or otherwise pertaining to shared employees, if the AEO, the PEO, or the PEO reporting entity does not make those payments when due.