

31A-40-305 Financial statements required for licensing.

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 - (a) A person that files a financial statement with an application for an initial license under Section 31A-40-302 shall file the professional employer organization's most recent audit as of the day the application is filed, except that the financial statement may not be older than 10 months from the day on which the application is filed.
 - (b) A person that files a financial statement to renew a license shall file the most recent financial statement of the professional employer organization as of the day the application for renewal is filed with the commission.
 - (c)
 - (i) The person filing an application may apply for an extension with the commissioner if the request for an extension is accompanied by a letter from the person conducting the audit for the financial statement stating:
 - (A) the reason for the delay; and
 - (B) the anticipated date on which the audit will be completed.
 - (ii) If a person complies with Subsection (1)(c)(i), the commissioner may grant an extension up to 30 days from the day on which the financial statement is due under this section.
 - (d) A professional employer organization may file a combined or consolidated financial statement if:
 - (i) the professional employer organization is owned by or in common control with another person; and
 - (ii) the combined or consolidated financial statement clearly identifies the following of the professional employer organization:
 - (A) its working capital;
 - (B) its assets; and
 - (C) its liabilities.
- (2) A financial statement required by this chapter shall be:
 - (a) prepared in accordance with generally accepted accounting principles;
 - (b) audited by an independent certified public accountant licensed to practice in the jurisdiction in which the person conducting the audit is located; and
 - (c) without qualification as to the going concern status of the professional employer organization.
- (3) Notwithstanding the other provisions of this section, the commissioner shall license a professional employer organization that does not have sufficient operating history to have an audited financial statement on the basis of at least 12 months if:
 - (a) the professional employer organization complies with the other requirements for licensure, including Section 31A-40-205; and
 - (b) the person filing the application for license files a financial statement that is reviewed by a certified public accountant.

Enacted by Chapter 318, 2008 General Session