



Ohio Revised Code Section 1701.38 Annual report.

Effective: May 16, 2002

Legislation: House Bill 278 - 124th General Assembly

(A) At the annual meeting of shareholders, or the meeting held in lieu of it, every corporation, except a banking corporation, shall lay before the shareholders financial statements, which may be consolidated, consisting of:

(1) A balance sheet containing a summary of the assets, liabilities, stated capital, if any, and surplus (showing separately any capital surplus arising from unrealized appreciation of assets, other capital surplus, and earned surplus) as of the end of the corporation's most recent fiscal year, except that, if consolidated financial statements are laid before the shareholders, the consolidated balance sheet shall show separately or disclose by a note the amount of consolidated surplus that does not constitute under the Revised Code earned surplus of the corporation or any of its subsidiaries and that is not classified as stated capital or capital surplus on the consolidated balance sheet;

(2) A statement of profit and loss and surplus, including a summary of profits, dividends or distributions paid, and other changes in the surplus accounts, for the period commencing with the date marking the end of the period for which the last preceding statement of profit and loss required under this section was made and ending with the date of the balance sheet or, in the case of the first statement of profit and loss, for the period commencing with the date of incorporation of the corporation and ending with the date of the balance sheet.

(B) The financial statements shall have appended to them an opinion signed by the president or a vice-president or the treasurer or an assistant treasurer of the corporation or by a public accountant or firm of public accountants to the effect that the financial statement presents fairly the financial position of the corporation and the results of its operations in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period, or to the effect that the financial statements have been prepared on the basis of accounting practices and principles that are reasonable in the circumstances.

(C) Upon request of any shareholder made in writing or by any other means of communication



authorized by the corporation prior to the date of the meeting described in division (A) of this section, the corporation shall send a copy of the financial statements laid or to be laid before the shareholders at the meeting to the shareholder by mail, overnight delivery service, or any other means of communication authorized by the shareholder to whom the copy is sent on or before the later of the following:

(1) The fifth day after the receipt of the written request;

(2) The earlier of the following:

(a) The fifth day before the date of the meeting;

(b) The fifth day after the expiration of four months from the date of the balance sheet described in division (A)(1) of this section.

(D) If the meeting described in division (A) of this section is to be held solely by means of communications equipment, the corporation shall make the financial statements described in that division open to the examination of any shareholder or proxyholder during the whole time of the meeting on a reasonably accessible electronic network. The directors may adopt guidelines and procedures to permit the corporation to verify that any person accessing the financial statements is a shareholder or proxyholder.