

State of Arkansas  
94th General Assembly  
Regular Session, 2023

# A Bill

SENATE BILL 180

By: Senator J. Dotson  
By: Representative Jean

## For An Act To Be Entitled

AN ACT TO AMEND THE LAW TO ADOPT CERTAIN TERMS AND  
REQUIREMENTS ESTABLISHED BY THE GOVERNMENTAL  
ACCOUNTING STANDARDS BOARD; AND FOR OTHER PURPOSES.

## Subtitle

TO AMEND THE LAW TO ADOPT CERTAIN TERMS  
AND REQUIREMENTS ESTABLISHED BY THE  
GOVERNMENTAL ACCOUNTING STANDARDS BOARD.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 10-4-411(b)(2), concerning audits of entities of the state, is amended to read as follows:

(2) If an annual financial audit of an entity of the state is deemed by the Legislative Auditor as necessary for the audit of the ~~comprehensive~~ annual comprehensive financial report of the State of Arkansas, then any contract with a private certified public accountant for the entity's annual financial audit shall include provisions requiring the annual financial audit to be completed and filed with Arkansas Legislative Audit by a date determined by the Legislative Auditor.

SECTION 2. Arkansas Code § 19-4-517(b) and (c), concerning interim and annual financial reports, are amended to read as follows:

(b) ~~A comprehensive~~ An annual comprehensive financial report covering all funds and account groups of the governmental unit, including appropriate combined, combining, and individual fund statements; notes to the financial



statements; schedules; narrative explanations; and statistical tables should be prepared and published.

(c) General purpose financial statements may be issued separately from the ~~comprehensive~~ annual comprehensive financial report. These statements should include the basic financial statements and notes to the financial statements that are essential to fair presentation of financial position and operating results and changes in financial position of proprietary funds and similar trust funds.

SECTION 3. Arkansas Code § 19-4-518(a), concerning the design of the state financial management system, is amended to read as follows:

(a) The financial management system shall be designed to record ~~assets, liabilities, net assets, revenues, expenditures, and other similar~~ transactions in accordance with generally accepted accounting principles as established by the Governmental Accounting Standards Board. The financial management system shall provide a suitable analysis of the operation, maintenance, and improvement of all state agencies and their functions. This system shall furnish a breakdown and itemization of all financial transactions in accordance with the appropriations and allotments of the General Assembly, federal grants, and bank funds of the agencies.

SECTION 4. Arkansas Code § 23-115-206(a)(8), concerning required actions by the Office of the Arkansas Lottery in relation to internal controls and annual audit, is amended to read as follows:

(8)(A) Submit monthly reports to the Governor and the Legislative Council disclosing the following budgeted and actual information for the reporting period and cumulatively for the fiscal year:

- (i) Total lottery revenues;
- (ii) Prize disbursements;
- (iii) Operating expenses;
- (iv) Net assets; and
- (v) Administrative expenses.

(B) The director shall submit ~~a comprehensive~~ an annual comprehensive financial report to the Governor and to the Legislative Council by placing the report on the office's website and providing notice of its availability to the Governor and to the Legislative Council.

(C)(i) The ~~comprehensive~~ annual comprehensive financial report shall comply with Governmental Accounting Standards Board Statement 34 and follow the guidelines of the Certificate of Achievement for Excellence in Financial Reporting Program of the Government Finance Officers Association.

(ii) The Legislative Council shall identify the statistical data required for compliance with this subdivision (a)(8)(C).

(D) The ~~comprehensive~~ annual comprehensive financial report shall include without limitation:

- (i) Information concerning the director;
- (ii) A current organizational chart;
- (iii) Information on each type of lottery game offered by the Arkansas Scholarship Lottery, game promotions, or other activities related to games during the fiscal year;
- (iv) The annual financial audit report made to the Legislative Joint Auditing Committee;
- (v) A statement of revenue, expenses, and changes in net assets for each fiscal year since inception of the Arkansas Scholarship Lottery;
- (vi) Separate reports from each component or department of the office or the Arkansas Scholarship Lottery, including without limitation sales, marketing, retailers, gaming operations, players, and security;
- (vii) A fiscal year-end report on any information required to be reported by the office on a monthly basis, including without limitation:
  - (a) Unclaimed lottery prize money under § 23-115-403;
  - (b) The Scholarship Shortfall Reserve Trust Account under § 23-115-802; and
  - (c) Minority-owned business and female-owned business participation under § 23-115-401;
- (viii) Information concerning the Arkansas Scholarship Lottery's industry standings or rankings;
- (ix) Information concerning the scholarships awarded from net lottery proceeds, including without limitation:
  - (a) Demographic reports from the Division of

Higher Education for each full semester during the fiscal year on accessibility to scholarships, award amounts for each approved institution of higher education; and

(b) The division's report to the Legislative Council required by § 6-85-219;

(x) A report from the Lottery Retailer Advisory Board, if a report was received during the fiscal year;

(xi) Where to find information on gambling disorder treatment and education programs;

(xii) Where to find website information on rules, gaming, and frequently asked questions; and

(xiii) Contact information for the Arkansas Scholarship Lottery and key employees of the office;

**APPROVED: 2/17/23**