

1 State of Arkansas  
2 94th General Assembly  
3 Regular Session, 2023  
4

# A Bill

SENATE BILL 180

5 By: Senator J. Dotson  
6 By: Representative Jean  
7

## For An Act To Be Entitled

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

15 TO AMEND THE LAW TO ADOPT CERTAIN TERMS  
16 AND REQUIREMENTS ESTABLISHED BY THE  
17 GOVERNMENTAL ACCOUNTING STANDARDS BOARD.  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 SECTION 1. Arkansas Code § 10-4-411(b)(2), concerning audits of  
23 entities of the state, is amended to read as follows:

24 (2) If an annual financial audit of an entity of the state is  
25 deemed by the Legislative Auditor as necessary for the audit of the  
26 ~~comprehensive~~ annual comprehensive financial report of the State of Arkansas,  
27 then any contract with a private certified public accountant for the entity's  
28 annual financial audit shall include provisions requiring the annual  
29 financial audit to be completed and filed with Arkansas Legislative Audit by  
30 a date determined by the Legislative Auditor.  
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32 SECTION 2. Arkansas Code § 19-4-517(b) and (c), concerning interim and  
33 annual financial reports, are amended to read as follows:

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



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

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

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

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

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

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

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

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

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

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

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

9 (i) Information concerning the director;

10 (ii) A current organizational chart;

11 (iii) Information on each type of lottery game  
12 offered by the Arkansas Scholarship Lottery, game promotions, or other  
13 activities related to games during the fiscal year;

14 (iv) The annual financial audit report made to the  
15 Legislative Joint Auditing Committee;

16 (v) A statement of revenue, expenses, and changes in  
17 net assets for each fiscal year since inception of the Arkansas Scholarship  
18 Lottery;

19 (vi) Separate reports from each component or  
20 department of the office or the Arkansas Scholarship Lottery, including  
21 without limitation sales, marketing, retailers, gaming operations, players,  
22 and security;

23 (vii) A fiscal year-end report on any information  
24 required to be reported by the office on a monthly basis, including without  
25 limitation:

26 (a) Unclaimed lottery prize money under § 23-  
27 115-403;

28 (b) The Scholarship Shortfall Reserve Trust  
29 Account under § 23-115-802; and

30 (c) Minority-owned business and female-owned  
31 business participation under § 23-115-401;

32 (viii) Information concerning the Arkansas  
33 Scholarship Lottery's industry standings or rankings;

34 (ix) Information concerning the scholarships awarded  
35 from net lottery proceeds, including without limitation:

36 (a) Demographic reports from the Division of

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

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

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

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

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

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

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16 **APPROVED: 2/17/23**  
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