

**MISSISSIPPI LOTTERY CORPORATION LIST OF QUESTIONS RECEIVED BY 10/04/23**

**RE: RFP NO.10 – REQUEST FOR PROPOSALS FOR LINE OF CREDIT RESPONSE SUBMISSION DEADLINE: OCTOBER 13, 2023 (2:00 P.M. CST)**

**RESPONSES DUE TO:  
ALISON FRYANT, VICE-PRESIDENT OF FINANCE  
afryant@mslot.org**

**C/O BALCH & BINGHAM LLP**

**188 E. CAPITOL STREET, SUITE 1400, JACKSON, MS 39201**

	<b>QUESTIONS-RFP NO. 10</b>	<b>MS LOTTERY CORPORATION ANSWERS</b>
1	Are deposit accounts (and related deposit services) of the MS Lottery Corp in play as part of the RFP? Page 9, item 6 and page 10 and 11 give the impression that deposit accounts and services (along with fees/cost) should be part of our proposal... along with the indicated unsecured line of credit.	<i>The deposit accounts are not included in the RFP. The RFP is for the Line of Credit only.</i>
2	Is MLC looking for a specific term length on the credit facility? Or is that open to the banks providing responses?	<i>The Corporation would prefer a 5-year term with at least five (5) additional 1-year term renewals that can be exercised each year or in total, renewing all additional years by mutual agreement and Corporation’s Board of Directors approval.</i>
3	The only requested service appears to be the line of credit; however, a lot of the requested info is on service charges for transactions that would be related to deposit services, including the collateral requirements. Just looking for clarification.	<i>The deposit accounts are not included in the RFP. The RFP is for the Line of Credit only. The fees listed in the RFP are related to ACH payment, wire transfer, maintenance costs, etc. for the Line of Credit.</i>
4	I had a question about the mechanics of the repayment of any borrowings on the line...how does that work? I know the law requires disbursement of all proceeds, etc.	<i>The Line of Credit payment would be an expense to the Corporation. Therefore, net proceeds would be reduced by the repayment of any borrowings (interest and principal payments).</i>
5	Concerning any future usage of the subject line of credit, would debt service payments (interest and principal repayments) be made before net proceeds are distributed?	<i>The Line of Credit payment would be an expense to the Corporation. Therefore, net proceeds would be reduced by the repayment of any borrowings (interest and principal payments).</i>

6	Since the MS Lottery Corporation is a component unit of the State of MS, what is the State of Mississippi's position as it relates to repayment of the Corporation's debt?	<i>The Corporation is intended to be self-sustaining and self-funded. State law prohibits the Corporation to use State monies for expenses or prize payments.</i>
7	How long will the lottery last? What is the plan for repayment of debts if the lottery is ever "voted out" in Mississippi?	<i>Since inception the Corporation has consistently returned dollars to the Lottery Proceeds Fund to fund the State Highway and Education Enhancement Funds for the State of Mississippi. If the Lottery gets "voted out", the Corporation's Board of Directors and management will determine the best strategy for paying any outstanding debt.</i>
8	What types of expenses will the line of credit be used for and how was the \$15 million amount determined? Do you foresee ever having to use the line of credit...ie...cash currently sits at \$44 million, prize payable at \$48 million. Will there be an upcoming need to fill that gap?	<i>Fifteen million (\$15 million) was the amount of the initial line of credit. The line of credit would be used only in a case of extreme emergency. The Corporation does not anticipate using the Line of Credit to fund prizes.</i>
9	Who is the current bank handling the line of credit? What is the current rate? The CPA audit indicates that the line of credit currently has a variable rate based on "an index" plus 1.65%. What is the index being used at the present time?	<i>The previous line of credit expired May 2023. Currently, there is not a line of credit in place.</i>
10	If there are additional questions after your Q/A posting on the Corporation's website on 10/06/2023, how can those be answered?	<i>The deadline for all questions related to RFP 10 was October 4, 2023. There will be no additional questions answered pertaining to this RFP.</i>
11	Page 26 of the 2023 Forvis CPS Audit, Note 5, indicates that all Net Proceeds of the Corporation are due to the State of MS. For example, \$122.4 million in Net Proceeds was transferred to the State of MS in fiscal 2023. If the subject LOC had been used in 2023, please explain how the repayment of the line impacts the net proceeds and therefore, payment to the State of MS? When is the line repaid, before or after payment to the State of MS.	<i>The Line of Credit payment would be an expense to the Corporation. Therefore, net proceeds would be reduced by the repayment of any borrowings (interest and principal payments).</i>