



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF THE ARKANSAS LOTTERY

Post Office Box 3238
Little Rock, Arkansas 72203-3238
Phone: (501) 683-2000
Fax: (501) 683-1878
<http://myarkansaslottery.com>

January 10, 2024

The Honorable Sarah Huckabee Sanders
Governor of Arkansas
State Capitol
Little Rock, AR 72201

RE: Monthly Disclosure Reports

Dear Governor Sanders:

On behalf of the Arkansas of Department of Finance and Administration and the Office of the Arkansas Lottery, pursuant to A.C.A § 23-115-206 and 23-115-302, please accept the attached disclosure reports for the month of December 2023. The report contains the following:

1. Net Position
2. Revenues and Expenses
3. Lottery Scholarship Trust Account
4. Unclaimed Prizes Report
5. Debt Set-off Collections
6. Retailer Losses
7. Breakdown of Lottery Sales per County
8. Total Number of Retailers
9. ADHE
10. Instant Ticket Games Releases
11. Contracts Awarded
12. Internal Auditor Reports

Please contact me if you have any questions or need additional information.

Respectfully submitted,

J. Eric Hagler
Director

Enclosures

cc: Mr. Jim Hudson, Secretary of the Department of Finance and Administration



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January 10, 2024

The Honorable Ronald Caldwell, Co-Chair
The Honorable Mindy McAlindon, Co-Chair

One Capitol Mall Room R-501
Little Rock, AR 72201

RE: Monthly Disclosure Reports

Dear Senator Caldwell and Representative McAlindon:

On behalf of the Arkansas of Department of Finance and Administration and the Office of the Arkansas Lottery, pursuant to A.C.A § 23-115-206 and 23-115-302, please accept the attached disclosure reports for the month of December 2023. The report contains the following:

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SECTION 1
NET POSITION

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Net Position
December 31, 2023**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 6,557,329.82
Restricted assets:	
Cash and cash equivalents	280,126,126.99
Accounts receivable	18,101,637.70
Prepaid items	214,371.12
Total current assets	<u>304,999,465.63</u>
Non-current assets:	
Restricted assets:	
Cash and cash equivalents	20,573,096.35
Deposits with Multi-State Lottery Association	1,985,216.78
Capital assets, net	1,089,863.52
Total non-current assets	<u>23,648,176.65</u>
Total assets	<u>328,647,642.28</u>
Deferred outflows of resources:	
Related to pension	1,870,807.78
Related to OPEB	649,285.42
Total deferred outflows of resources	<u>2,520,093.20</u>
Total assets and deferred outflows of resources	<u>\$ 331,167,735.48</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 467,740.12
Prizes payable	28,778,991.73
Accrued and other liabilities	4,095,911.10
Due to other funds of the State	781,615.61
Due to Lottery Scholarship Trust Account	273,789,034.77
Lease Liability	270,765.08
Compensated absences	407,425.88
OPEB Obligation	99,509.08
Unearned revenue	433,963.52
Total current liabilities	<u>309,124,956.89</u>
Long-Term liabilities:	
Net other post employment benefits	2,496,941.25
Net pension liability	4,990,011.00
Lease Liability	478,966.43
Total long-term liabilities	<u>7,965,918.68</u>
Total liabilities	<u>317,090,875.57</u>
Deferred inflows of resources:	
Related to pension	215,173.00
Related to OPEB	1,227,745.22
Total deferred inflows of resources	<u>1,442,918.22</u>
Total liabilities and deferred inflows of resources	<u>318,533,793.79</u>

NET POSITION

Net position:	
Net investment in capital assets	610,897.09
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer bond reserve	569,396.35
Deposits with Multi-State Lottery Association	1,985,216.78
Unclaimed prizes reserve	6,337,092.22
Unrestricted (deficit)	<u>(16,868,660.75)</u>
Total net position	<u>12,633,941.69</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 331,167,735.48</u>



SECTION 2

REVENUE and EXPENSES

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues, Expenses and Change in Net Position
For the Six Months Ended December 31, 2023**

	Current month	Year to date
Operating revenues:		
Instant ticket sales	\$ 43,917,653.00	\$ 236,652,070.00
Online ticket sales	10,087,847.50	72,676,194.00
Retailer application, fidelity, bond and service fees	57,376.77	353,951.86
Other revenue	<u>11.80</u>	<u>(1,522.76)</u>
 Total operating revenues	 <u>54,062,889.07</u>	 <u>309,680,693.10</u>
 Operating expenses:		
Instant game prizes	32,725,294.78	172,415,643.41
Online game prizes	5,364,411.42	38,491,813.20
Retailer commissions	3,092,582.06	17,458,905.31
Gaming contract costs	2,580,918.49	15,034,517.27
Compensation and benefits	470,211.38	2,890,042.34
Marketing, advertising and promotions	449,217.20	3,159,603.06
General and administrative expenses	88,314.72	548,035.62
Services provided by Arkansas Department of Education - Division of Higher Education	100,000.00	600,000.00
Services provided by Arkansas Legislative Audit	13,400.00	80,400.00
Amortization - GASB 87 Leases	22,652.65	135,915.89
Depreciation	<u>33,806.32</u>	<u>207,686.06</u>
 Total operating expenses	 <u>44,940,809.02</u>	 <u>251,022,562.16</u>
 Operating income (1)	 9,122,080.05	 58,658,130.94
 Non-operating revenue:		
Interest income	1,015,505.19	4,570,222.14
Interest Expense	<u>(842.75)</u>	<u>(6,344.75)</u>
 Income before transfers	 10,136,742.49	 63,222,008.33
 Transfers to:		
Lottery Scholarship Trust Account (2)	<u>(8,851,693.47)</u>	<u>(57,878,069.51)</u>
 Change in net position	 <u>\$ 1,285,049.02</u>	 5,343,938.82
 Total net position - beginning		<u>7,290,002.87</u>
Total net position - ending		<u>\$ 12,633,941.69</u>

1) Includes all GAAP related accounting items including unclaimed prizes.

UNAUDITED PRELIMINARY DRAFT

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues and Expenses Budget Comparisons
For the Six Months Ended December 31, 2023

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating revenues:										
Instant games	\$ 43,917,653.00	81.23	\$ 40,000,000.00	82.73	\$ 3,917,653.00	\$ 236,652,070.00	76.42	\$ 230,500,000.00	82.82	\$ 6,152,070.00
Online games	10,067,847.50	18.66	8,299,000.00	17.16	1,768,847.50	72,878,194.00	23.47	47,481,000.00	17.06	25,195,194.00
Retailer fees	57,376.77	0.11	50,000.00	0.10	7,376.77	353,951.86	0.11	336,000.00	0.12	15,951.86
Other revenue	11.60	0.00	200.00	0.00	(188.20)	(1,522.76)	(0.00)	900.00	0.00	(2,422.76)
Total operating revenues	54,052,889.07	100.00	48,349,200.00	100.00	5,713,689.07	309,680,693.10	100.00	278,319,900.00	100.00	31,360,793.10
Operating expenses:										
Instant game prizes	32,725,294.78	60.53	28,971,583.00	59.92	3,753,711.78	172,415,643.41	55.66	166,819,498.00	59.94	5,596,145.41
Online game prizes	5,364,411.42	9.92	4,548,417.00	9.41	815,994.42	38,491,813.20	12.43	25,799,502.00	9.27	12,692,311.20
Retailer commissions	3,092,592.06	5.72	2,732,000.00	5.65	360,592.06	17,458,905.31	5.64	15,725,000.00	5.65	1,733,905.31
Gaming contract costs	2,580,918.49	4.77	2,417,000.00	5.00	163,918.49	15,034,517.27	4.85	13,918,000.00	5.00	1,116,517.27
Compensation & benefits	470,211.38	0.87	485,000.00	1.00	(14,788.62)	2,890,042.34	0.93	3,000,000.00	1.08	(109,957.66)
Marketing, advertising & promotions	449,217.20	0.83	542,000.00	1.12	(92,782.80)	3,169,603.06	1.02	3,248,000.00	1.17	(88,396.94)
General and administrative expenses	88,314.72	0.16	120,000.00	0.25	(31,685.28)	548,035.62	0.18	720,000.00	0.26	(171,964.38)
Services provided by other agencies	113,400.00	0.21	106,000.00	0.22	7,400.00	680,400.00	0.22	636,000.00	0.23	44,400.00
Amortization - GASB 87 Leases	22,652.65	0.04			22,652.65	135,915.89	0.04		0.00	135,915.89
Depreciation	33,806.32	0.06	56,000.00	0.12	(24,193.68)	207,686.06	0.07	352,000.00	0.13	(144,313.94)
Total operating expenses	44,940,809.02	83.13	39,980,000.00	82.69	4,960,809.02	251,022,562.16	81.06	230,216,000.00	82.72	20,806,562.16
Operating income	9,122,080.05	16.87	8,369,200.00	17.31	752,880.05	58,658,130.94	18.94	48,103,900.00	17.28	10,554,230.94
Non-operating revenue:										
Interest income	1,015,505.19	1.88	265,000.00	0.55	750,505.19	4,570,222.14	1.48	1,417,000.00	0.51	3,153,222.14
Interest expense	(842.75)	(0.00)	(1,500.00)	(0.00)	657.25	(8,344.75)	(0.00)	(9,000.00)	(0.00)	2,655.25
Income before transfers	\$ 10,136,742.49	18.75	\$ 8,632,700.00	17.85	\$ 1,504,042.49	\$ 63,222,008.33	20.42	\$ 48,511,900.00	17.79	\$ 13,710,108.33

UNAUDITED PRELIMINARY DRAFT

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues and Expenses - GAAP
For the Six Months Ended December 31, 2023 Compared to December 31, 2022

	Current Month December 31, 2023	% Sales	Current Month December 31, 2022	% Sales	Variance	Year to Date December 31, 2023	% Sales	Year to Date December 31, 2022	% Sales	Variance
Operating revenues:										
Instant ticket sales	\$ 43,917,653 00	81.2%	\$ 40,503,593 00	79.7%	\$ 3,414,060 00	\$ 236,852,070 00	76.4%	\$ 230,740,214 00	76.1%	\$ 5,911,856 00
Online ticket sales	10,087,847 50	18.7%	10,251,769 50	20.2%	(163,922 00)	72,676,194 00	23.5%	71,943,223 00	23.7%	732,971 00
Retailer fees	57,376 77	0.1%	49,107 41	0.1%	8,269 36	353,951 86	0.1%	345,908 62	0.1%	8,443 24
Other revenue	11 60	0.0%	0 00	0.0%	11 60	(1,522 78)	0.0%	10 44	0.0%	(1,533 20)
Total operating revenues	54,062,889 07	100.0%	50,804,469 91	100.0%	3,258,419 16	308,680,693 10	100.0%	303,026,956 06	100.0%	5,651,737 04
Operating expenses:										
Instant game prizes	32,725,294 78	60.5%	28,703,317 22	56.5%	4,021,977 56	172,415,643 41	55.7%	165,100,727 48	54.5%	7,314,915 93
Online game prizes	5,364,411 42	9.9%	5,493,752 16	10.8%	(129,340 74)	38,491,813 20	12.4%	38,494,763 27	12.7%	(2,950 07)
Retailer commissions	3,092,692 06	5.7%	2,872,716 86	5.7%	219,975 20	17,458,905 31	5.6%	17,033,220 55	5.6%	425,684 76
Gaming contract costs	2,580,919 49	4.8%	2,448,988 34	4.8%	131,931 15	15,034,517 27	4.9%	14,719,221 48	4.9%	315,295 81
Compensation and benefits	470,211 38	0.9%	486,974 10	1.0%	(16,762 72)	2,890,042 34	0.9%	2,876,278 21	0.9%	11,764 13
Marketing, advertising and promotions	449,217 20	0.8%	1,295,039 83	2.6%	(845,821 63)	3,159,603 06	1.0%	3,906,696 10	1.3%	(747,093 04)
General and administrative expenses	88,314 72	0.2%	205,503 10	0.4%	(121,589 38)	548,035 62	0.2%	1,505,531 47	0.5%	(957,555 85)
Services provided by AOE - Division of Higher Education	100,000 00	0.2%	125,200 00	0.2%	(25,200 00)	600,000 00	0.2%	570,300 00	0.2%	(70,300 00)
Services provided by Legislative/Audit Agency	13,400 00	0.0%	13,200 00	0.0%	200 00	80,400 00	0.0%	78,200 00	0.0%	1,200 00
Amortization - GASB 87 Leases	22,652 65	0.0%	22,652 65	0.0%	-	135,916 88	0.0%	135,916 87	0.0%	0 02
Depreciation	39,808 32	0.1%	35,688 95	0.1%	(1,892 63)	207,686 06	0.1%	214,596 51	0.1%	(6,912 45)
Total operating expenses	44,940,809 02	83.1%	41,707,414 21	82.1%	3,233,394 81	251,022,562 16	81.1%	244,736,512 92	80.8%	6,284,049 24
Operating income	9,122,080 05	16.9%	9,097,055 70	17.9%	25,024 35	58,658,130 94	19.9%	58,290,443 14	19.2%	367,687 80
Nonoperating revenue:										
Interest income	1,015,505 19	1.9%	200,325 27	0.4%	815,179 92	4,570,222 14	1.5%	1,201,435 10	0.4%	3,368,787 04
Other Non-Operating Income	(842 75)	-0.2%	(1,365 41)	-0.3%	522 66	(6,344 75)	-0.2%	(8,628 55)	-0.3%	2,283 80
Income before transfers	\$ 10,136,742 49	18.7%	\$ 9,296,015 56	18.3%	\$ 840,726 93	\$ 63,222,008 33	20.4%	\$ 59,463,249 69	19.6%	\$ 3,738,758 64
Net Proceeds (1)	\$ 8,851,693 47		\$ 6,435,783 40		\$ 2,415,910 07	\$ 57,876,069 51		\$ 53,377,325 22		\$ 4,500,744 29

Unaudited Preliminary Draft



SECTION 3

LOTTERY SCHOLARSHIP TRUST ACCOUNT

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Net Proceeds Computation to Transfer to Lottery Scholarship Trust
Modified Cash Basis
For the Six Months Ended December 31, 2023

	Year to date
Operating revenues:	
Instant ticket (Settlements)	\$ 235,497,186.00
Online ticket sales	72,676,194.00
Retailer application, fidelity and service fees	353,951.86
Other revenue	<u>(1,522.76)</u>
Total operating revenues	<u>308,525,809.10</u>

Operating expenses:	
Instant game prizes (Settlements)	171,603,064.11
Online game prizes	38,491,813.20
Retailer commissions	17,458,905.31
Gaming contract costs	15,034,517.27
Compensation and benefits	2,890,042.34
Marketing, advertising and promotions	3,159,603.06
General and administrative expenses	548,035.62
Services provided by Arkansas Department of Education - Division of Higher Education	600,000.00
Services provided by Legislative Audit Agency	80,400.00
Amortization - GASB 87 Leases	135,915.89
Current year capital asset cost	<u>30,505.10</u>
Total operating expenses	<u>250,032,801.90</u>
 Change in net proceeds from operations	 58,493,007.20

Non-operating revenue:	
Interest income	4,570,222.14
Other non-operating income	(6,344.75)
EDUCATION TRUST FUNDING-Current Year	(49,026,376.04)
Less Act 1180 Unclaimed Prizes	(5,337,092.22)
Less current year Bond Reserve Fees	(89,396.35) restricted reserves
Add Bond Funds in excess of \$500,000	see 23-115-603(a)(5)
Add back Write Off Retailer Bad Debt	
Less current year MUSL Reserves	95,673.49 see 23-115-103(17) and (19)(A)&(B)
Add OPEB expense in Comp and Benefits	<u>132,000.00</u>
NET PROCEEDS EARNED-Current Month	\$ 8,851,693.47
-Year to Date	<u>\$ 57,878,069.51</u>

	Transfer	Interest	Total
Lottery Scholarship Trust Account	\$ 263,928,656.82	\$ 9,860,377.95	\$ 273,789,034.77
November 2022 funding 12/15/22	\$ 10,496,530.57	\$ 161,458.63	\$ 10,657,989.20
Transfer to ADHE for FY 2023 Concurrent Scholarship Funding 12/7/22	\$ (2,000,000.00)		\$ (2,000,000.00)
December 2022 funding 1/15/23	\$ 6,286,787.59	\$ 168,995.81	\$ 6,435,783.40
January 2023 funding - 2/15/23	\$ 11,781,045.35	\$ 185,947.51	\$ 11,966,992.86
Transfer to ADHE for FY 2023 Spring Funding 2/22/22	\$ (30,000,000.00)		\$ (30,000,000.00)
February 2023 funding 3/15/23	\$ 6,931,065.01	\$ 166,498.75	\$ 7,097,563.76
March 2023 funding 4/15/23	\$ 8,124,755.27	\$ 171,089.26	\$ 8,295,844.53
Transfer to ADHE for FY 2023 Concurrent Scholarship Funding 4/18/22	\$ (400,000.00)		\$ (400,000.00)
April 2023 funding 5/15/23	\$ 7,814,389.31	\$ 160,070.07	\$ 7,974,459.38
May 2023 funding 6/15/23	\$ 8,969,373.45	\$ 197,086.83	\$ 9,166,470.28
June 2023 funding 7/15/23	\$ 15,027,163.81	\$ 185,573.05	\$ 15,212,736.86
Transfer to ADHE for FY 2024 Concurrent Scholarship Funding 7/14/23	\$ (2,500,000.00)		\$ (2,500,000.00)
Aug 8, 2023 ADHE Refund of FY 23 unused Scholarship Money	\$ 5,775,854.04		\$ 5,775,854.04
July 2023 funding 8/15/23	\$ 12,464,835.60	\$ 201,867.71	\$ 12,666,503.31
August 2023 funding 9/15/23	\$ 7,285,028.66	\$ 217,676.76	\$ 7,502,705.42
Transfer to ADHE for FY 2024 Workforce Scholarship Funding 9/28/23	\$ (750,000.00)		\$ (750,000.00)
Transfer to ADHE for FY 2024 Academic Scholarship Funding 9/28/23	\$ (30,000,000.00)		\$ (30,000,000.00)
September 2023 funding 10/15/23	\$ 9,266,597.78	\$ 864,374.07	\$ 10,130,971.85
October 2023 funding 11/15/23	\$ 8,615,141.08	\$ 911,767.62	\$ 9,526,908.70
November 2023 funding 12/15/23	\$ 8,313,139.36	\$ 866,147.40	\$ 9,199,286.76
December 2023 funding 1/15/24	\$ 7,958,190.71	\$ 893,502.76	\$ 8,851,693.47

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
ADHE Transfer Analysis**

Month	2024 Transfers	2024 Unclaimed Prizes	Total Transfer	2024 Budget	Over/Under Budget	Cumulative Balance
July, 2023	\$ 12,666,503.31	\$ 390,174.00	\$ 13,056,677.31	\$ 8,207,600.00	\$ 4,849,077.31	\$ 4,849,077.31
August	7,502,705.42	3,052,204.53	10,554,909.95	8,218,700.00	2,336,209.95	7,185,287.26
September	10,130,971.85	106,942.00	10,237,913.85	8,082,600.00	2,155,313.85	9,340,601.11
October	9,528,908.70	1,397,222.69	10,924,131.39	8,155,600.00	2,768,531.39	12,109,132.50
November	9,199,286.76	115,051.00	9,314,337.76	8,214,700.00	1,099,637.76	13,208,770.26
December	8,851,693.47	275,498.00	9,127,191.47	8,632,700.00	494,491.47	13,703,261.73
January, 2024						
February						
March						
April						
May						
June						
Sub Total	\$ 57,878,069.51	\$ 5,337,092.22	\$ 63,215,161.73	\$ 49,511,900.00		
Reserve GPW						
Total	<u>\$ 57,878,069.51</u>	<u>\$ 5,337,092.22</u>	<u>\$ 63,215,161.73</u>	<u>\$ 49,511,900.00</u>		<u>\$ 13,703,261.73</u>

UNAUDITED PRELIMINARY DRAFT



SECTION 4

UNCLAIMED PRIZES REPORT

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Unclaimed Prizes
December 31, 2023

	Monthly	Year to Date
Reserve Balance July 1, 2023		\$1,000,000.00
1. Unclaimed lottery prize money:	\$275,498.00	5,337,092.22
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves:	275,498.00	5,337,092.22
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		0
Reserve Balance December 31, 2023		\$6,337,092.22



SECTION 5

DEBT SET-OFF / COLLECTIONS

&

SECTION 6

RETAILER LOSSES

**Department of Finance & Administration
Office of the Arkansas Lottery
Debt Set-off/Collections
And Retailer Losses
(December 2023)**

Arkansas Debt Set-Off	Dec-23	Total Since Inception
Department of Finance and Administration	\$ 6,860	\$ 1,806,252
Office of Child Support Enforcement	\$ 1,848	\$ 703,480
Total Debt Set-Off	\$ 8,708	\$ 2,509,732

Income Taxes Withheld	Dec-23	Total Since Inception
Federal	\$ 1,000,829	\$ 137,015,307
State	\$ 195,995	\$ 36,743,315
Total Income Taxes Withheld	\$ 1,196,824	\$ 173,758,622

As of 12/31/2023

Retailer losses \$0



SECTION 7

BREAKDOWN OF LOTTERY SALES PER COUNTY

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
December 1 through December 31, 2023

COUNTY	CASH 3	CASH 4	FASTPLAY	INSTANT SETTLEMENTS	LETTOS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE	POWERBALL	TOTAL
ARKANSAS	\$15,613.50	\$11,015.00	\$20,727.00	\$519,142.00	\$3,626.00	\$3,546.00	\$9,077.00	\$3,161.00	\$24,073.00	\$699,980.50
ASHLEY	\$13,416.50	\$16,669.50	\$8,169.00	\$184,532.00	\$1,766.00	\$1,766.00	\$5,280.00	\$1,875.00	\$16,278.00	\$250,130.00
BAXTER	\$3,227.00	\$1,489.00	\$12,732.00	\$491,377.00	\$5,242.00	\$7,030.00	\$16,361.00	\$8,947.00	\$51,138.00	\$597,543.00
BENTON	\$10,372.50	\$4,848.00	\$30,275.00	\$1,643,149.00	\$24,784.00	\$26,636.00	\$80,807.00	\$22,818.00	\$290,079.00	\$2,133,669.50
BOONE	\$627.00	\$432.50	\$21,801.00	\$410,766.00	\$2,790.00	\$2,602.00	\$11,840.00	\$3,535.00	\$37,589.00	\$491,882.50
BRAZEL	\$2,044.00	\$3,743.50	\$2,645.00	\$180,646.00	\$1,028.00	\$952.00	\$2,391.00	\$1,050.00	\$7,110.00	\$201,809.00
CALHOUN	\$2,591.00	\$1,128.00	\$3,077.00	\$56,400.00	\$414.00	\$398.00	\$786.00	\$673.00	\$2,761.00	\$68,228.00
CARROLL	\$611.50	\$1,021.50	\$13,988.00	\$252,093.00	\$2,290.00	\$2,818.00	\$8,511.00	\$3,629.00	\$26,123.00	\$311,085.00
CHICOT	\$9,956.00	\$3,540.50	\$6,249.00	\$218,540.00	\$1,892.00	\$2,956.00	\$6,937.00	\$2,159.00	\$20,439.00	\$271,538.50
CLARK	\$4,860.50	\$1,949.50	\$23,612.00	\$409,476.00	\$3,506.00	\$4,294.00	\$9,935.00	\$4,211.00	\$23,299.00	\$483,139.00
CLAY	\$1,008.50	\$15.50	\$3,818.00	\$118,144.00	\$1,442.00	\$2,212.00	\$2,340.00	\$1,020.00	\$8,425.00	\$138,425.00
CLEBURNE	\$1,611.50	\$511.50	\$24,972.00	\$311,218.00	\$5,282.00	\$5,272.00	\$11,941.00	\$6,769.00	\$36,060.00	\$403,337.00
CLEVELAND	\$445.50	\$222.50	\$2,365.00	\$53,718.00	\$454.00	\$1,034.00	\$1,146.00	\$380.00	\$3,127.00	\$62,892.00
COLUMBIA	\$15,931.00	\$9,194.50	\$18,191.00	\$394,154.00	\$2,476.00	\$2,918.00	\$6,089.00	\$2,559.00	\$18,769.00	\$470,281.50
CONWAY	\$10,013.50	\$3,286.50	\$13,885.00	\$506,498.00	\$5,966.00	\$4,338.00	\$9,979.00	\$6,465.00	\$28,978.00	\$589,409.00
CRAIGHEAD	\$16,081.00	\$14,680.00	\$40,405.00	\$1,980,659.00	\$10,710.00	\$14,212.00	\$32,794.00	\$12,024.00	\$113,804.00	\$2,235,369.00
CRAWFORD	\$4,246.00	\$924.00	\$17,809.00	\$426,981.00	\$6,432.00	\$7,518.00	\$16,806.00	\$7,775.00	\$25,444.00	\$543,935.00
CRITTENDEN	\$45,886.50	\$27,533.50	\$21,138.00	\$863,627.00	\$4,682.00	\$10,436.00	\$28,169.00	\$8,477.00	\$93,968.00	\$1,103,915.00
CROSS	\$5,245.50	\$2,989.50	\$9,356.00	\$330,679.00	\$1,736.00	\$330.679.00	\$4,264.00	\$1,564.00	\$15,404.00	\$372,666.00
DALLAS	\$4,271.50	\$1,947.50	\$4,958.00	\$216,548.00	\$1,194.00	\$758.00	\$2,841.00	\$953.00	\$8,460.00	\$241,929.00
DESHA	\$3,679.50	\$2,913.50	\$3,339.00	\$237,432.00	\$1,652.00	\$1,346.00	\$4,729.00	\$2,168.00	\$14,404.00	\$271,663.00
DREW	\$4,137.50	\$3,447.00	\$13,168.00	\$391,834.00	\$2,424.00	\$3,534.00	\$6,781.00	\$3,212.00	\$18,943.00	\$447,480.50
FAULKNER	\$15,040.50	\$7,675.00	\$50,741.00	\$1,494,359.00	\$19,258.00	\$16,992.00	\$40,994.00	\$20,394.00	\$128,286.00	\$1,793,739.50
FRANKLIN	\$399.50	\$1,754.00	\$202,071.00	\$202,071.00	\$2,506.00	\$1,608.00	\$6,302.00	\$2,667.00	\$20,609.00	\$243,948.00
FULTON	\$232.00	\$698.00	\$5,703.00	\$54,160.00	\$752.00	\$728.00	\$1,501.00	\$657.00	\$5,016.00	\$68,848.00
GARLAND	\$14,173.50	\$6,492.50	\$41,603.00	\$1,332,860.00	\$19,640.00	\$19,822.00	\$48,524.00	\$31,802.00	\$152,861.00	\$1,667,775.50
GRANT	\$1,573.50	\$1,540.50	\$7,726.00	\$192,879.00	\$4,206.00	\$3,064.00	\$5,365.00	\$2,570.00	\$17,536.00	\$234,814.00
GREENE	\$1,059.00	\$480.00	\$21,487.00	\$751,995.00	\$4,004.00	\$4,004.00	\$12,791.00	\$5,342.00	\$45,678.00	\$847,042.00
HEMPSTEAD	\$73,735.00	\$26,761.00	\$9,244.00	\$416,842.00	\$1,618.00	\$4,514.00	\$6,155.00	\$2,789.00	\$20,987.00	\$562,645.00
HOT SPRING	\$4,058.50	\$608.50	\$15,525.00	\$408,436.00	\$3,524.00	\$4,636.00	\$8,907.00	\$3,934.00	\$25,642.00	\$475,271.00
HOWARD	\$59,542.00	\$17,001.50	\$11,329.00	\$249,873.00	\$1,204.00	\$2,720.00	\$4,126.00	\$2,176.00	\$11,354.00	\$359,325.50
INDEPENDENCE	\$4,551.50	\$2,993.00	\$50,040.00	\$675,949.00	\$4,242.00	\$4,296.00	\$12,351.00	\$4,427.00	\$36,122.00	\$794,971.50
IZARD	\$47.50	\$24.50	\$12,104.00	\$114,984.00	\$1,044.00	\$978.00	\$4,001.00	\$1,802.00	\$9,975.00	\$144,960.00
JACKSON	\$19,968.00	\$13,411.00	\$15,647.00	\$376,369.00	\$2,304.00	\$1,470.00	\$4,589.00	\$2,885.00	\$15,272.00	\$451,915.00
JEFFERSON	\$55,712.00	\$42,527.00	\$43,873.00	\$1,498,754.00	\$14,318.00	\$20,826.00	\$39,430.00	\$17,681.00	\$88,284.00	\$1,805,405.00
JOHNSON	\$728.00	\$1,871.50	\$5,136.00	\$297,677.00	\$2,852.00	\$2,718.00	\$8,893.00	\$3,645.00	\$24,839.00	\$348,359.50
LAFAYETTE	\$14,432.50	\$8,583.50	\$2,753.00	\$98,700.00	\$302.00	\$1,050.00	\$2,482.00	\$687.00	\$6,836.00	\$155,826.00
LAWRENCE	\$715.00	\$101.00	\$13,119.00	\$299,621.00	\$1,192.00	\$2,184.00	\$4,870.00	\$1,713.00	\$17,181.00	\$340,686.00
LEE	\$3,375.50	\$13,497.00	\$2,957.00	\$84,763.00	\$282.00	\$1,802.00	\$1,624.00	\$392.00	\$5,183.00	\$113,655.50
LINCOLN	\$775.50	\$387.00	\$3,940.00	\$111,690.00	\$1,140.00	\$1,782.00	\$2,488.00	\$1,369.00	\$7,086.00	\$130,657.50
LITTLE RIVER	\$7,670.00	\$6,472.00	\$10,646.00	\$187,493.00	\$998.00	\$1,434.00	\$4,589.00	\$1,018.00	\$13,509.00	\$233,839.00
LOGAN	\$259.00	\$18.50	\$15,912.00	\$266,281.00	\$2,384.00	\$2,022.00	\$6,397.00	\$2,703.00	\$19,755.00	\$315,711.50
LONoke	\$16,361.50	\$10,014.00	\$53,402.00	\$1,266,172.00	\$14,344.00	\$11,518.00	\$30,604.00	\$15,785.00	\$94,235.00	\$1,512,435.50
MADISON	\$39.50	\$24.00	\$1,951.00	\$106,258.00	\$1,636.00	\$2,124.00	\$4,553.00	\$1,100.00	\$14,538.00	\$132,223.50
MARION	\$1,676.50	\$1,432.50	\$15,318.00	\$277,899.00	\$2,656.00	\$2,772.00	\$6,360.00	\$4,602.00	\$19,082.00	\$331,798.00
MILLER	\$40,789.00	\$18,130.50	\$20,569.00	\$613,654.00	\$4,732.00	\$6,228.00	\$14,167.00	\$5,877.00	\$39,367.00	\$763,493.50
MISSISSIPPI	\$55,011.00	\$35,230.50	\$12,215.00	\$798,241.00	\$2,276.00	\$4,162.00	\$12,432.00	\$2,869.00	\$35,909.00	\$958,345.50

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY

December 1 through December 31, 2023

COUNTY	CASH 3	CASH 4	FASTPLAY	INSTANT SETTLEMENTS	LOTTO	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL
MONROE	\$18,308.00	\$10,622.50	\$17,834.00	\$201,378.00	\$1,448.00	\$1,508.00	\$5,432.00	\$1,484.00	\$15,789.00	\$272,001.50
MONTGOMERY	\$23.00	\$3.00	\$4,795.00	\$42,651.00	\$648.00	\$340.00	\$1,598.00	\$543.00	\$5,057.00	\$55,658.00
NEVADA	\$5,155.50	\$2,869.00	\$1,699.00	\$172,015.00	\$750.00	\$1,246.00	\$3,073.00	\$1,002.00	\$8,190.00	\$195,799.50
NEWTON	\$186.50	\$40.50	\$4,998.00	\$61,824.00	\$364.00	\$670.00	\$1,769.00	\$1,070.00	\$4,942.00	\$75,864.00
OUACHITA	\$18,827.00	\$12,196.50	\$21,858.00	\$744,481.00	\$3,630.00	\$4,858.00	\$8,105.00	\$3,586.00	\$24,827.00	\$842,378.50
PERRY	\$894.50	\$893.50	\$3,502.00	\$114,711.00	\$1,650.00	\$1,394.00	\$3,674.00	\$1,624.00	\$10,687.00	\$139,036.00
PHILLIPS	\$19,688.00	\$7,590.50	\$5,158.00	\$198,131.00	\$1,086.00	\$2,090.00	\$5,949.00	\$2,664.00	\$19,774.00	\$262,140.50
PIKE	\$190.50	\$200.00	\$3,945.00	\$132,220.00	\$2,026.00	\$1,680.00	\$3,627.00	\$1,946.00	\$10,002.00	\$155,836.50
POINSETT	\$5,032.00	\$1,424.50	\$22,311.00	\$551,365.00	\$2,046.00	\$1,910.00	\$7,320.00	\$2,254.00	\$26,618.00	\$620,280.50
POLK	\$1,759.00	\$122.00	\$13,528.00	\$181,405.00	\$2,338.00	\$2,794.00	\$7,308.00	\$3,158.00	\$19,495.00	\$231,907.00
POPE	\$4,057.50	\$1,618.50	\$32,201.00	\$894,635.00	\$9,888.00	\$9,778.00	\$24,269.00	\$10,989.00	\$72,406.00	\$1,059,852.00
PRAIRIE	\$1,613.50	\$460.50	\$3,954.00	\$131,749.00	\$836.00	\$1,178.00	\$3,123.00	\$730.00	\$8,778.00	\$152,422.00
PULASKI	\$189,904.00	\$171,988.00	\$273,419.00	\$7,464,823.00	\$181,874.00	\$296,752.00	\$386,998.00	\$214,655.00	\$1,171,691.00	\$10,352,104.00
RANDOLPH	\$279.00	\$68.50	\$7,075.00	\$197,856.00	\$2,030.00	\$2,436.00	\$6,112.00	\$1,666.00	\$17,215.00	\$234,737.50
SAINTEFRANCIS	\$27,942.00	\$14,522.50	\$5,470.00	\$325,402.00	\$2,286.00	\$3,136.00	\$7,976.00	\$3,212.00	\$27,565.00	\$418,511.50
SALINE	\$36,112.50	\$10,678.50	\$73,905.00	\$1,342,512.00	\$18,066.00	\$18,674.00	\$39,152.00	\$19,098.00	\$121,780.00	\$1,679,978.00
SCOTT	\$103.00	\$138.00	\$2,900.00	\$87,251.00	\$1,276.00	\$824.00	\$3,612.00	\$959.00	\$11,141.00	\$108,204.00
SEARGY	\$0.50	\$152.00	\$10,094.00	\$134,090.00	\$854.00	\$532.00	\$2,703.00	\$912.00	\$7,992.00	\$157,329.50
SEBASTIAN	\$13,734.00	\$4,780.50	\$38,155.00	\$934,939.00	\$14,496.00	\$17,858.00	\$44,487.00	\$22,680.00	\$150,002.00	\$1,241,131.50
SEVER	\$7,291.50	\$753.50	\$1,442.00	\$205,408.00	\$1,670.00	\$1,026.00	\$4,946.00	\$1,491.00	\$14,015.00	\$238,044.00
SHARP	\$1,177.50	\$763.00	\$21,375.00	\$389,530.00	\$2,376.00	\$3,568.00	\$9,844.00	\$4,500.00	\$29,722.00	\$462,855.50
STONE	\$823.00	\$278.00	\$5,757.00	\$106,291.00	\$1,438.00	\$1,932.00	\$3,555.00	\$2,462.00	\$9,955.00	\$132,491.00
UNION	\$86,937.00	\$46,204.50	\$38,064.00	\$893,881.00	\$4,902.00	\$7,336.00	\$13,920.00	\$5,686.00	\$43,518.00	\$1,140,448.50
VAN BUREN	\$857.00	\$893.50	\$14,677.00	\$274,503.00	\$3,188.00	\$2,786.00	\$7,277.00	\$4,143.00	\$23,068.00	\$331,392.50
WASHINGTON	\$22,021.00	\$9,090.00	\$39,832.00	\$1,735,285.00	\$27,266.00	\$28,568.00	\$72,460.00	\$23,889.00	\$241,256.00	\$2,199,667.00
WHITE	\$14,199.00	\$4,928.50	\$70,845.00	\$1,166,599.00	\$10,368.00	\$8,854.00	\$24,343.00	\$11,752.00	\$73,374.00	\$1,385,262.50
WOODRUFF	\$1,795.50	\$1,655.00	\$6,756.00	\$156,915.00	\$698.00	\$734.00	\$2,638.00	\$760.00	\$7,989.00	\$179,940.50
YELL	\$387.50	\$181.00	\$5,716.00	\$281,866.00	\$1,974.00	\$1,862.00	\$5,643.00	\$2,926.00	\$16,227.00	\$316,782.50

GRAND TOTALS	*Cash 3	*Cash 4	*Fast Play	*Instant Settlements	*Lotto	*Lucky for Life	*Mega Millions	*Natural State Jackpot	*Powerball	*Total Sales
	\$1,043,979.00	\$634,417.00	\$1,519,038.00	\$41,469,708.00	\$505,168.00	\$659,880.00	\$1,276,822.00	\$598,151.00	\$3,982,890.00	\$51,710,053.00



SECTION 8

TOTAL NUMBER OF RETAILERS

Arkansas Scholarship Lottery Retailer, Terminal Counts, and Vendor Service Highlights **intraLot**

December 2023

Monthly Highlights

Active	1,832
Renewal	169
Total	2,001

▶ 4,824,707 Total transactions processed through the Arkansas Scholarship Lottery System in December

▶ 569 service tickets resolved by Field Service and the Call Center for the month of December

Photon	2,075
TVM	124
DreamTouch Smart	84
Total	2,283

▶ 644 Preventative Maintenance Actions completed by Field Service Technicians for the month of December





SECTION 9

ADHE

Arkansas Department of Finance and Administration

Office of the Arkansas Lottery

December 1 through December 31, 2023

Office of the Arkansas Lottery had no requests from ADHE during the reporting period of December, 2023. 7



SECTION 10

INSTANT TICKET GAMES - RELEASES

DFA/Office of the Arkansas Lottery
Instant & Fast Play Games
December 2023

Sales for the following instant games began December 5, 2023. No ending dates have been determined for these games.

- \$1 Triple Payout**
- \$2 Multiplier Money**
- \$5 More Money**
- \$10 \$200,000 Bonus Multiplier**

Sales for the following instant game began December 18, 2023. No ending date has been determined for this game.

- \$10 \$50 or \$100! 2024 Edition**

Sales for the following Fast Play games began December 4, 2023. No ending dates have been determined for these games.

- \$1 Bingo**
- \$2 Snowflake Melt**



SECTION 11

CONTRACTS AWARDED

Arkansas Department of Finance and Administration

Office Arkansas Lottery

Term Contracts for Goods and Services

December 1 through December 31, 2023

OAL Marketing department entered into a contract as of 01/01/2024 with NW Arkansas Naturals.

This contract is good for one year, with an effective date of January 1, 2024, ending December 31, 2024. The contract will include Arkansas Scholarship Lottery Fan Cam, Thursday Night Game Sponsorship, and a 4'x4' Concourse Sign. The agreed upon payment is for \$12,000.00. Payment to be received by July 1, 2024.

Program Agreement

This Program Agreement (the "Agreement") is entered into as of January 1, 2024, by and between the Arkansas Scholarship Lottery ("Client") and Naturals Baseball Inc, d/b/a Northwest Arkansas Naturals ("Naturals"). Intending to be legally bound hereby, the parties agree to the following terms:

Promotion: Marketing sponsorship as described below (the "Promotion").

- **Arkansas Scholarship Lottery Fan Cam- (Season-Long Videoboard Promotional Spot)**
 - Client will sponsor a :30 Videoboard promotion with a rotating Fan Cam where fans will be encouraged to participate.
 - Promotion will run for all Naturals home games during the season, and any playoff games should the Naturals make the playoffs.
 - Client will have its logo on the videoboard for the duration of the promotion and will have a brief tagline read.
 - Option to provide a prize to the winner who is most enthusiastic (winner will be 18+, Naturals will ask for photo ID of winner, and contact information will be documented)
- **Thursday Night Game Sponsorship**
 - Arkansas Scholarship Lottery will be the game sponsor for a mutually agreed upon Thursday game
 - Arkansas Scholarship Lottery name and/or logo will be noted in a selection of media advertising leading up to the game night event.
 - Game Day Elements:
 - o Minimum of five (5) live PA/videoboard announcements throughout the night of the event
 - o Mutually agreed upon in-game activation opportunity.
 - o Arkansas Scholarship Lottery may provide samples of products, or coupons, to be passed out post-game as fans exit
 - o Honorary first pitch ceremony by a Arkansas Scholarship Lottery representative
 - o 50 Tickets to the game for staff and clients
 - o Arkansas Scholarship Lottery name and event details tagged in Naturals souvenir program & all pocket schedules.
 - o Table space near the Main Entrance to give away items to Naturals fans
 - o Arkansas Scholarship Lottery banner(s) at ballpark main entrance (*signage provided by Client*)
- **4'x4' Concourse Sign**
 - Signage will be displayed from for duration of term which includes all Naturals home games and special events held at Arvest Ballpark
 - The Naturals will be responsible for all initial production & instillation of the sign, as well as upkeep. Client would be responsible for any logo changes after initial instillation.

Responsibilities: Naturals will provide all elements described in the Promotion to the best of its abilities in a professional and timely fashion, ensuring each of the promotional elements are delivered in a manner which fulfills the agreed to requirements.

Term: 2024 Season; the term of the contract is for one (1) year, with an effective date of January 1, 2024, and an ending date of December 31, 2024.

License: Naturals and Client each grant the other, during the term of this Agreement, a non-exclusive limited license and right to use the other's trademarks, logos, and designs ("Trademarks") solely in connection with elements of the Promotion and the marketing and advertising of Promotion events. At all times, the owner of the Trademarks shall remain the

exclusive owner of its Trademarks and all use of the Trademarks shall inure to the benefit of the owner.

Approvals: All of the materials developed for the Promotion, which includes the trademarks, sponsor logos, designs, names or references, are subject to approval by all parties, which shall not be unreasonably withheld. All use of the Trademarks shall immediately cease when the Term of this Agreement ends.

Payment: Client agrees to pay the Naturals \$12,000.00 (the "Payment") in a mutually agreed upon billing cycle with full payment received no later than July 1, 2024.

Client understands there is obligation to pay within the agreed upon terms, as documented on the invoice, and that future credit may be withdrawn if payments are not made within those terms. Client grants Naturals and its agents the right to offset amounts owed to Client against amounts the Client owes to Naturals. Client also agrees to reimburse Naturals for any legal action or collection costs incurred in connection with seeking recovery of legitimate amounts owed by Client to Naturals.

Liability: In the event of the exclusion of any advertising or promotion in Arvest Ballpark, in any publications, or broadcast for any reason, as agreed under the Promotion, the Payment will be pro-rated by an amount that is based on an agreed upon price per element. Naturals reasonable judgment of such pro-rata amount shall be conclusive and binding on both Naturals and Client in the event of a dispute.

In the event that any event for which this Agreement pertains is cancelled due to weather conditions, natural disaster or facility/organizational difficulties beyond the realm of Naturals reasonable control, and/or if the Promotion involves a special event (ie. concert, exhibition games, etc.) which cannot be rescheduled, Naturals shall use its best commercial efforts to plan an alternate date and/or promotion, subject to availability, or return payment. In no event shall Client incur liability for cancellations due to the above mentioned criteria.

Indemnification: Naturals agrees to indemnify Client and hold Client, its officers, directors, employees, agents and assigns harmless from and against any and all claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees and related disbursements) arising out of (i) any material breach by Naturals of the terms and conditions of this Agreement and; (ii) any direct claims for personal injury, death or property damage resulting from the negligent acts or omissions of Naturals or its agents or employees.

Client agrees to indemnify Naturals and hold Naturals, its officers, directors, employees, agents, parents and assigns harmless from and against any and all claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees and related disbursements) arising out of (i) any material breach by Client of the terms and conditions of this Agreement; (ii) any claims for personal injury, death or property damage resulting from the negligent acts or omissions of Client, its employees, agents, or affiliates, including any manufacturing defects in products manufactured by Client; and (iii) any advertising material created by or for Client or trademarks of Client infringe on any proprietary right of any third party.

Termination for Public Health Reasons: Naturals may, at any time, cancel or suspend the Promotion because of a pandemic, epidemic, quarantine, or other public health reason including, without limitation, COVID-19. Upon such cancellation or suspension, neither party shall have

any obligation to the other party. If feasible, the parties may decide to negotiate a mutually agreeable alternative for the Promotion, which alternative (if any) shall be evidenced in writing signed by both parties.

Force Majeure: Neither party shall be liable or responsible to the other party, nor be deemed have breached this Agreement, for any failure or delay in performing or completing any obligation under this Agreement, when such failure or delay is caused by or results from an event that is beyond such party's (the "Impacted Party") reasonable control including, without limitation, the following events (the "Force Majeure Events"): (i) acts of God (but excluding normal weather conditions such as rain or snow), flood, fire, earthquake, blizzard; (ii) explosion, war, invasion, hostilities (whether or not war is declared), terrorist threats (including general threats) or acts, riot, other civil unrest; (iii) government order or action, eminent domain, condemnation of property, changes in laws or regulations; (iv) organized labor activities or disturbances such as strikes; (v) shortages of power, supplies, infrastructure, or transportation; (vi) emergencies (whether global, national, regional, or local); and (vii) pandemic, epidemic, or quarantines. The Impacted Party shall, as soon as reasonably practicable, give notice of the Force Majeure Event to the other party stating the period of time the Force Majeure Event is expected to last. NATURALS may cancel the Promotion due to a Force Majeure Event, by providing Client with notice of such cancellation. Upon such cancellation neither party shall have any obligation to the other party. If feasible, the parties may decide to negotiate a mutually agreeable alternative date for the Promotion, which alternative (if any) shall be evidenced in writing signed by both parties.

MLB PDL Club Agreements: Notwithstanding any other provision of this Agreement, this Agreement and the rights, exclusivities and protections granted by Naturals to Client hereunder shall, at the request of MLB PDL, be subject to its review and written approval, and shall in all respects be subordinate to, and shall not prevent the issuance, entering into, or amendment of, any of the following, each as may be issued, entered into or amended from time to time (collectively, the "PDL Documents"): (i) any present or future agreements or arrangements entered into by, or on behalf of MLB PDL and/or any of its respective present or future affiliates, assigns or successors (collectively, the "PDL Entities"); and (ii) the present and future mandates, rules, regulations, policies, practices, bulletins, by-laws, directives or guidelines issued or adopted by, or on behalf of, MLB PDL, any other PDL Entity and/or the Commissioner of Baseball that are specifically related to or generally applicable to the player development league system or one or more of the PDL Clubs. The issuance, entering into, amendment, or implementation of any of the PDL Documents shall be at no cost or liability to any PDL Entity or to any individual or entity related thereto [, except for the reduction in fees payable to Naturals and specifically referenced in the "Payment"]. The territory within which Client is granted rights hereunder is limited to, and nothing herein shall be construed as conferring on Client rights in areas outside of, the Marketing Territory of Naturals, as established and amended from time to time pursuant to the PDL Documents. No rights, exclusivities or obligations involving the Internet or any interactive or on-line media (as defined by the PDL Entities) are conferred by this Agreement, except as are specifically approved in writing by the applicable PDL Entity. The undersigned understand and agree to the terms and responsibilities set forth in this document.

Agreement/Modifications: This Agreement constitutes the entire understanding between Client and Naturals as it relates to the Proposal and supersedes any and all previous agreements with respect thereto. No modification or additions to this document shall have any effect unless it is set forth in writing and signed by both Client and Naturals. This Agreement shall be governed by the laws of the State of Arkansas, without regard to its conflict of laws principles. Any

controversy arising between the Arkansas Scholarship Lottery/Office of the Arkansas Lottery and Naturals Baseball, Inc., which arise under or by virtue of this contract between them, are to be governed by the Lottery's rules for claims in contract or tort, a copy of which is attached hereto as "Exhibit A", and incorporated herein by reference, as though set out word for word.

Client

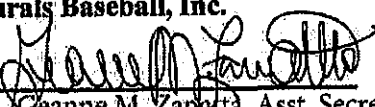
Eric
Hagler

Digitally signed by
Eric Hagler
Date: 2023.12.22
10:32:53 -0600

By: _____

Date: _____

Naturals Baseball, Inc.

By: 
Jeanne M. Zambata, Asst. Secretary

Date: 12/22/23

"EXHIBIT A"

Arkansas Lottery Commission Rules for Claims in Contract or Tort

Preface: The purpose of these rules is to proscribe the process concerning the consideration of claims in contract or in tort against the Arkansas Lottery Commission (ALC). These rules apply to all contracts entered into with the ALC and are issued pursuant to the authority vested in the ALC under Ark. Code Ann. §§ 23-115-207 and 23-115-208.

Section 1. Definitions.

- 1.1 "Act" means the Arkansas Scholarship Lottery Act.
- 1.2 "Contract" means all types of state agreements, regardless of what they may be called, for the purchase of commodities and services and for the disposal of surplus commodities and services not otherwise exempt.
 - (a) "Contract" includes awards and notices of award, contracts of a fixed-price, cost, cost-plus-a-fixed-fee, or incentive type, contracts providing for the issuance of job or task orders, leases, letter contracts, and purchase orders.
 - (b) "Contract" also includes supplemental agreements with respect to any of these items.
- 1.3 "Contractor" means any person having a contract with the ALC.
- 1.4 "Commissioners" means the members appointed to the Arkansas Lottery Commission by virtue of Arkansas Code Ann. § 23-115-202.
- 1.5 "Director" means the Director of the Arkansas Lottery Commission.
- 1.6 "Person" means any individual, corporation, partnership, unincorporated association, or other legal entity.
- 1.7 "Negotiation" means a consensual bargaining process in which the parties attempt to resolve a claim.
- 1.8 "Tort" means a claim arising in tort with respect to which:
 - (a) The claimant is an organization; or
 - (b) The claimant is an individual and the claim:

- (1) Arose in the course of the claimant's business or profession; and
- (2) Does not include damages arising out of personal injury to or the death of an individual.

Section 2. Policies.

- A. These rules do not waive the ALC's sovereign immunity to suit or liability.
- B. These rules apply to controversies between the ALC and a contractor which arise under or by virtue of a contract between them. This includes, without limitation, controversies based upon breach of contract, mistake, misrepresentation, or other cause for contract modifications or rescission.

Section 3. Pre-Hearing Negotiations.

3.1 Procedure.

- A. A contractor (hereinafter "claimant") asserting a claim of breach of contract or an action in tort against the ALC must file notice of the claim as provided by this section.
- B. The notice of claim shall:
 1. Be in writing and signed by the aggrieved party or the aggrieved party's authorized representative;
 2. Be delivered by hand, certified mail return receipt requested, or other verifiable delivery service, to the Director of the ALC, and
 3. State in detail:
 - a. The nature of the alleged breach of contract or tortious conduct, including the date of the event that the aggrieved party asserts as the basis of the claim and if applicable, each contractual provision allegedly breached;
 - b. A description of damages that resulted from the breach or conduct, including the amount and method used to calculate those damages;
 - c. the legal theory of recovery, i.e., breach of contract, including the causal relationship between the alleged breach and the damages claimed.

- d. If the claimant is represented by an attorney, each notice of claim, pleading or paper of such claimant shall be signed by such attorney whose address and phone number shall be stated. The signature of an attorney constitutes a certificate by the attorney that he or she has read the pleading, document or paper; that he or she is authorized to file it; and that to the best of his or her knowledge, information and belief there is good ground for it; and that, with respect to a notice of claim, he or she files it with the distinct knowledge and specific consent of the claimant.
 - e. A notice of claim, pleading or paper not signed by an attorney must be signed by the claimant with the address and phone number stated. Any pleading, notice of claim or claim filed on behalf of a corporation or other organization must be verified by an executive officer of such corporation or organization.
 - f. In any notice of claim when, upon inspection, the Director is of the opinion that the notice of claim, document or pleading tendered for filing does not comply with these rules, does not sufficiently set forth required information or is otherwise insufficient, the Director may decline to accept the notice of claim, document or paper and may return it unfiled, or the Director may accept it for filing and advise the person tendering it of the deficiency and require the deficiency be corrected. Simple "receipt" in the Commission office in no way implies an attempted claim has been "filed" with the Commission. The decision to accept or decline for filing an attempted, but deficient, claim is solely that of the Director.
- C. In addition to the mandatory contents of the notice of claim as required by subsection (c) of this section, the aggrieved party may submit supporting documentation or other tangible evidence to facilitate the ALC's evaluation of the aggrieved party's claim.
- D. If the claimant is an executor, administrator, guardian, or other representative acting under judicial appointment, a duly certified copy of the record of appointment shall be filed with the notice of claim.
- E. The notice of claim shall be delivered no later than one hundred and eighty (180) days after the date of the event that the aggrieved party asserts as the basis of the claim.
- G. Failure to assert a claim in a timely manner will result in a waiver of those issues.

3.2 Timetable.

- A. Following receipt of a notice of claim, the Director shall review the claim(s) and initiate negotiations with the claimant to attempt to resolve the claim(s).
- B. The parties shall begin negotiations within a reasonable period of time, not to exceed sixty (60) days following the later of:
 - 1. The date of termination of the contract;
 - 2. The completion date, or substantial completion date in the case of construction projects, in the original contract; or
 - 3. The date the ALC receives the claimant's notice of claim.
- C. The ALC may delay negotiations until after the 60th day after the date of the event giving rise to the claim of breach of contract by:
 - 1. Delivering written notice to the Claimant that the commencement of negotiations will be delayed; and
 - 2. Delivering written notice to the Claimant when the ALC is ready to begin negotiations.
- D. The parties may conduct negotiations according to an agreed schedule as long as they begin negotiations no later than the deadlines set forth in subsections (B) or (C) of this section, whichever is applicable.
- E. The parties shall complete the negotiations that are required by this Section as a prerequisite to a claimant's request for a dispute hearing no later than ninety (90) days after the ALC receives notice of a claim.
- F. The parties may agree in writing to extend the time for negotiations on or before the 60th day after the ALC receives notice of the claim. The agreement shall be signed by representatives of the parties with authority to bind each respective party and shall provide for the extension of the statutory negotiation period until a date certain. The parties may enter into a series of written extension agreements that comply with the requirements of this section.

3.3 Conduct of Negotiation.

- A. A negotiation under this Section may be conducted by any method, technique, or procedure authorized under the contract or agreed upon by the parties, including, without limitation, negotiation in person, by

telephone, by correspondence, by video conference, or by any other method that permits the parties to identify their respective positions, discuss their respective differences, confer with their respective advisers, exchange offers of settlement, and settle.

- B. The parties may, if the ALC agrees, conduct negotiations with the assistance of one or more neutral third parties.
- C. To facilitate the meaningful evaluation and negotiation of the claim(s) the parties may exchange relevant documents that support their respective claims, defenses, counterclaims or positions.
- D. Unless the parties agree otherwise, each party shall be responsible for its own costs incurred in connection with a negotiation, including, without limitation, the costs of attorney's fees, consultant's fees and expert's fees.

3.4 Settlement Agreement.

- A. A settlement agreement may resolve an entire claim or any designated and severable portion of a claim.
- B. To be enforceable, a settlement agreement must be in writing and signed by representatives of the aggrieved party and the ALC who have authority to bind each respective party.
- C. A partial settlement does not waive a party's rights as to the parts of the claims or counterclaims that are not resolved.
- D. The claimant and the Director must certify in writing if they do not reach a settlement. Such a certification will serve as an automatic request to the Director for a decision on the merits of the Claim.

3.5 Prerequisites to Any Other Remedy. The procedures contained in Section 3 are exclusive and required prerequisites any other remedy.

Section 4. Dispute Hearing.

- A. If the Director receives an automatic request for a decision pursuant to Section 3 of these rules, the Director shall issue a written decision within ten (10) business days.
 - 1. The decision shall state the reasons for the action taken.
 - 2. A copy of the decision shall be mailed by overnight mail or otherwise furnished immediately to the aggrieved party.

- B. A Claimant aggrieved by a decision of the Director may request a hearing before the Commissioners within fifteen (15) days after the written decision is issued by the Director. The Claimant must be granted a hearing before the Commissioners or their designee as soon as practicable but not later than sixty (60) days after the decision of the Director.
- C. The Commissioners, pursuant to the power granted to them in Arkansas Code Ann. §23-115-205, may authorize its Legal Committee to hear and dispose of administrative appeals from the Director as the Committee deems appropriate, including, but not limited to, designating one of its members to consider an act on an appeal on behalf of the Commissioners. Therefore, references herein to "Commissioners" shall be read to take this delegation of authority into account.
- D. All dispute hearings shall be open to the public and the press.
- E. The hearing need not be conducted or controlled by either the Arkansas Rules of Evidence or the Arkansas Rules of Civil Procedure. The hearing will be conducted to the extent and fashion deemed appropriate by the Commissioners.
- F. All hearings will be recorded by a certified court reporter. If a claimant desires the testimony be transcribed into a transcript or files an appeal, the claimant shall order directly from the reporter an original and one copy, both of which are the financial responsibility of the complainant ordering the transcript. The original transcript shall be filed by the reporter directly with the ALC.
- G. Based upon the evidence presented at the dispute hearing, the Commissioners may reverse a decision of the Director if the appellant proves the decision to be:
 - 1. In violation of Constitutional or statutory provisions;
 - 2. In excess of the statutory authority of the Director;
 - 3. In excess of the authority granted to the Director by the Commissioners;
 - 4. Made upon unlawful procedure;
 - 5. Affected by other error of law;
 - 6. Clearly erroneous in view of the reliable, probative, and substantial evidence of the whole record; or
 - 7. Arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion.

- H. The Commissioners may remand an appeal to the Director for further consideration or investigation. This decision of the Director shall be considered final and appealable only to the Arkansas Claims Commission.
- I. The Commissioners' determination must be in writing and must:
 - 1. Be sent by United States Postal Service certified mail, a commercial overnight delivery service or hand delivered to the appellant; and
 - 2. Explain the basis for the Commissioners' determination.

Section 5. Appeals.

- 5.1 Generally.** A claimant may appeal the decision of the Commissioners of the ALC to the Arkansas Claims Commission, pursuant to Arkansas Code. Ann. §§ 23-115-208 and 19-10-201. The claimant may:
- (a) Within forty (40) days after the decision is rendered, file with the Arkansas State Claims Commission a notice of appeal of the decision of the ALC;
 - (b) Within forty (40) days after the decision is rendered, file with the ALC a motion for reconsideration requesting the ALC to reconsider its decision; and
 - (c) Within twenty (20) days after the ALC's reconsideration or denial of the motion for reconsideration, file with the Arkansas State Claims Commission a notice of appeal of the decision of the ALC.
- 5.2 Exclusive Remedy.** These rules provide the exclusive procedure for asserting a claim against the ALC arising out of or relating to any matter related to contract or torts. Neither an aggrieved person, nor any other interested party has a right to any remedy against the ALC with respect to any matter in contract or tort except in accordance with the procedures set forth in these rules.



SECTION 12

INTERNAL AUDITOR REPORTS

Arkansas Department of Finance and Administration

Office of the Arkansas Lottery

December 1 through December 31, 2023

Office of the Arkansas Lottery had no audit reports issued during the reporting period of December, 2023.