



December 16, 2020

The Honorable Mack "Bodi" White
Senate Finance Committee
Joint Legislative Committee on the Budget
PO Box 44294
Baton Rouge, LA 70804

Dear Senator White,

On December 16, 2020, the Board of Directors of the Louisiana Lottery Corporation (the "Corporation") adopted an amendment to the Corporation's Fiscal Year 2020-2021 Budget. The purpose of the amendment is to provide funding from retained earnings for a necessary capital expenditure.

The Corporation uses four automated drawing machines to conduct drawings for in-state draw-style games. These machines were purchased in 2012 at a cost of \$145,529 and require replacement or upgrades. The decision was made to refurbish and upgrade the existing machines at a cost of \$93,900. The upgrade to the machines includes new audit features, enhanced security features and user interface enhancements.

Additionally, an audit of the four machines by KPMG is necessary prior to putting them to use. The estimated cost of the audit provided by KPMG is \$75,000 to \$90,000. The Board of Directors approved the use of \$183,900 from retained earnings to fund this capital expenditure.

Pursuant to La. R.S. 47:9010, the Corporation is submitting this budget amendment to the Joint Legislative Committee on the Budget. If you or your staff have any questions, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Rose J. Hudson". The signature is written in a cursive style and is positioned above the printed name and title.

Rose J. Hudson
President & CEO