FORM GEN. 160

**CITY OF LOS ANGELES**
INTER-DEPARTMENTAL CORRESPONDENCE

C.F. No. 15-0989-S68
0150-13219-0001

Date: November 20, 2026

To: Honorable Members of the Ad Hoc Committee on the 2028 Olympic and Paralympic Games

From: Matthew W. Szabo, City Administrative Officer

Sharon M. Tso, Chief Legislative Analyst

Subject: **ENHANCED CITY RESOURCES MASTER AGREEMENT FOR THE 2028 OLYMPIC AND PARALYMPIC GAMES - AUDIT PROVISION LANGUAGE**

## RECOMMENDATION

That the City Council approve the language for the audit provision (Section 12 - Audit Rights) for incorporation in the previously approved Enhanced City Resources Master Agreement (ECRMA) between the City of Los Angeles and the Los Angeles Organizing Committee for the Olympic and Paralympic Games 2028 (LA28).

## SUMMARY

Pursuant to the Games Agreement between the City and LA28 (C-139679), the City commits to provide and maintain, at its own cost, normal and customary City resource levels leading up to and during the 2028 Olympic and Paralympic Games (2028 Games). To support the successful delivery of the 2028 Games, the City will provide Enhanced City Resources (ECR) exceeding normal and customary levels, and LA28 will reimburse the City for costs resulting from these services in accordance with terms established in the Enhanced City Resources Master Agreement (ECRMA). The ECRMA was presented to Council and approved with an amending Motion on August 12, 2026 (Rodriguez/Harris-Dawson; Council File 15-0989-S68) instructing the City Administrative Officer and Chief Legislative Analyst to include language in the ECRMA concerning audit rights and preservation of documents for future reference. This report provides for Council approval of the language that would achieve the purpose of the Amendment.

### Audit Rights (Section 12) Amendment

The proposed revised Section 12 (Audit Rights) is as follows, with the revisions in italics:

> **12. AUDIT RIGHTS**. The OCOG represents that it does and shall continue to maintain a commercially reasonable accounting and document preservation system. In the event

that an audit is required in order for City to be eligible for state or federal funding, OCOG agrees to work in good faith with City to provide it with OCOG records that are necessary for City to pursue such funding.

*The OCOG shall conduct, at OCOG's cost, an independent audit of its books and records, and other financial documents after the completion of the 2028 Games and prior to: (i) the disbursement of any Surplus to the Legacy Entity, or; (ii) the dissolution of the OCOG; or (iii) any City funds being expended to cover the OCOG's expenditures in excess of OCOG's revenues. Consistent with Games Agreement Section 13.4(ii), the OCOG shall provide the City with copies of the OCOG's independently audited financial statements within 30 days of OCOG's receipt from its independent auditor.*

*Furthermore, to ensure long-term preservation of relevant documents, such documents shall be retained consistent with both parties' obligations under the Host City Contract, which shall include a provision for the City's digital access to such documents for reference for future Games that include Los Angeles, subject to reasonable confidentiality restrictions.*

Notwithstanding any provision in this ECRMA, the Parties shall maintain all audit rights delineated in the Games Agreement, including with respect to Section 13.6 (Surplus Audit) of the Games Agreement, which states that "[a]fter the OCOG has calculated the Surplus, the City shall have the right to independently audit all information used by OCOG to calculate the Surplus.

**FISCAL IMPACT STATEMENT**

There is no fiscal impact to the 2026-27 Budget resulting from the recommendations in this report. City work relating to planning activities for the 2028 Games is performed under current budget and staff resources. In accordance with the ECRMA, the City shall receive reimbursement of ECR in direct support of the 2028 Games.

The future fiscal impact of hosting the 2028 Games cannot be determined at this time. Positive financial implications resulting from the hosting of the 2028 Games include, but are not limited to, the Youth Sports Partnership Agreement, and the creation of a Legacy Entity to further advance commitments to youth sports with funding from the potential financial surplus at the conclusion of the 2028 Games.

**FINANCIAL POLICIES STATEMENT**

Approval of the recommendation in this report complies with the City's Financial Policies.

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