

AD HOC ON THE 2028 OLYMPICS AND PARALYMPIC GAMES COMMITTEE REPORT relative to the LA 2028 Annual Report for 2019 and the LA 2028 Independent Budget Assessment Report conducted by audit and financial advisory firm KPMG.

Recommendations for Council action:

1. NOTE and FILE the LA 2028 Annual Report for the year ending December 31, 2018, inasmuch as it is submitted for informational purposes only.
2. NOTE and FILE the independent review of the 2028 Olympics and Paralympic Games budget conducted by KPMG inasmuch as it is submitted for informational purposes only.
3. DIRECT the City Administrative Officer (CAO) and the Chief Legislative Analyst (CLA), with assistance from the City Attorney and Los Angeles Police Department, to work with LA 2028 and national, State, and local law enforcement agencies to identify and report concerning the timing of the appropriations process and the methods for determining any additional costs of security that might be outside the National Special Security Event designation.

Fiscal Impact Statement: The CAO and CLA report that this action will not impact the General Fund.

Community Impact Statement: None submitted.

## SUMMARY

In a joint report to the Ad Hoc on the 2028 Olympics and Paralympic Games Committee dated May 3, 2019, the CAO and CLA discuss the LA 2028 Annual Report for 2019 and the LA 2028 Independent Budget Assessment Report conducted by audit and financial advisory firm KPMG. The 2019 Annual Report provides the City with updates on key issues and presents an overview of the previous year's operations and how LA 2028 performed financially. Included with the 2019 Annual Report are budget and unaudited financial statements. The 2019 Annual Report also transmits the Joint Marketing Program Agreement between LA 2028 and the United States Olympic Committee, as approved by the International Olympic Committee.

The CAO and CLA go on to report that KPMG was retained by the City to evaluate the Olympic Games proposed budget. KPMG reports the 2028 Games budget is reasonable and complete for this stage of the event lifecycle with the event nine years in the future. Further, KPMG found that there are reasonable processes in place to mitigate risk of overspending in the additional four years of planning. The 2028 Games budget is \$6.88 billion, which includes a contingency of \$615.9 million, showing an increase in expenses and revenues of \$1.58 billion each.

The LA 2028 Annual Report for the year ending December 31, 2018, and KPMG's independent review of the budget are attached to the CAO-CLA report. The CAO and CLA recommend that Council note and file the reports, and further recommend that a future report be submitted relative to security costs and related matters, as shown above.

At its special meeting held June 18, 2019, the Ad Hoc on the 2028 Olympics and Paralympic Games Committee recommended that Council approve the recommendations of the CAO and CLA.

Respectfully Submitted,

AD HOC ON THE 2028 OLYMPICS AND PARALYMPIC GAMES COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
WESSON:	YES
CEDILLO:	YES
KREKORIAN:	YES
BUSCAINO:	YES
BLUMENFIELD:	YES
O'FARRELL:	YES
PRICE:	YES

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**