

## REPORT OF INDEPENDENT ACCOUNTANTS ON APPLYING AGREED-UPON PROCEDURES

Metropolitan Pier and Exposition Authority  
Management and Advisory Council  
Chicago, Illinois

We have performed the procedures enumerated below, which were agreed to by Metropolitan Pier and Exposition Authority (“MPEA” or “you”) management and Advisory Council solely to assist you with respect to evaluating whether the contractors enumerated below complied with the MPEA Act 70 ILCS 2010, as amended by Public Acts 096-0898 and 096-0899 (“Legislative Reforms”), for the 2019 American Urological Association Show (AUA 2019 Show or AUA) . MPEA management selected the show for the application of these procedures and the Show Manager provided overall information on the show. The contractors are responsible for compliance with the Legislative Reforms. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures applied to the following contractors:

- General Show Contractor - GES
- Coastal International
- Eagle Management Group
- Exhibitus Inc
- Jendersee Inc
- Moose Exhibits
- Nth Degree
- Palladium Management
- Sho-Link
- Star Incorporated
- Sustainable Exhibits Management Group

The agreed-upon-procedures were as follows:

1. Procedure: For the AUA 2019 Show (which took place May 3 – 6, 2019), we identified that the show kit contained language that specifically allowed exhibitor and exhibitor employees under Sections 5.4(c) (1) - (5) of the Legislative Reforms to perform certain activities themselves and to load and unload their materials from privately owned vehicles, as published in the kits provided to exhibitors.

Results:

We obtained the show kit, referred to above, from the general show contractor and AUA, and identified that the allowed activities listed in Sections 5.4(c)(1) - (5) of the Legislative Reforms were communicated in the published kit. No exceptions were noted.

2. Procedure: For a random sample of 40 of 162 exhibitors, related to the AUA 2019 show, we identified any crew sizes larger than two individuals consisting of riggers, teamsters, or decorators, billed to exhibitors by the general show contractor by inspecting invoices from the general show contractor to selected exhibitors. In the instance that crew sizes were larger than two individuals, we inspected evidence of communications made by the general show contractor to the exhibitor to determine whether the exhibitor was informed of and approved the larger crew size.

Results:

We obtained bills from the general show contractor and inspected evidence of approval by the exhibitor for any crew sizes greater than 2 individuals consisting of riggers, teamsters, or decorators, where applicable. No exceptions were noted.

3. Procedure: For the General Show Contractor's exhibitor billings, we were to agree the amounts billed to the exhibitors for labor to underlying work orders. We were to agree the hourly rates billed to rates published by the General Show Contractor and to Sections 5.4(c) (6) – (11) of the Legislative Reforms, which set forth certain time windows for straight time, over-time, and double-time wages for union contractors, for the exhibitors selected. The following occurred for this procedure:

A. Sub-procedure:

Crowe haphazardly selected and tested 40 of the 162 exhibitors that represented approximately 73.46% of the total Labor Billed population for the exhibitors.

Results:

We noted a total of 60 exceptions for 21 of the 40 exhibitors tested. This resulted in a total underbilling of \$8,536.50 and total overbilling of \$15,763.88.

B. Sub-procedure:

Crowe met with MPEA and General Show Contractor to discuss the results from procedure 3.A. and determine next steps.

Results:

MPEA, Crowe, and the General Show Contractor met, and it was agreed by Crowe, MPEA and General Show Contractor as follows:

- The General Show Contractor would provide Crowe with a complete listing of the AUA Show Total Labor Billed dollars.
- The General Show Contractor would conduct a self-assessment on the AUA Show exhibitor billings to determine if there are additional billing errors.
- Crowe would then select and test an additional sample of exhibitor billings after the General Show Contractor performed a self-assessment of the Labor billings.

C. Sub-procedure:

After General Show Contractor performed a self-assessment of billings, Crowe haphazardly selected and tested 30 of the 162 exhibitors with labor that represented approximately 17.00% of the total Labor Billed population for the exhibitors.

Results:

We noted a total of 38 exceptions in 9 of the 30 exhibitors tested. This resulted in a total underbilling of \$1,604.15 and an overbilling of \$6,536.98.

- Due to the increase in errors noted in Round 2 of the testing, Crowe set up a meeting with MPEA to discuss the Round 2 results and determine next steps.
- MPEA, Crowe, and the General Show Contractor agreed to meet before the October 2020 Advisory meeting, where it was determined to present the results of the agreed-upon procedures without any additional testing.

Overall, Crowe tested 70 of the 162 exhibitors with labor billings. This represented 90.46% of the total Labor Billed dollars and approximately 43.20% of the number of exhibitors. We noted 98 exceptions, for a total underbilling of \$10,140.65 and total overbilling of \$22,300.86 for 30 of the 70 exhibitors tested.

- 24 of the 30 exhibitors had overbillings totaling \$22,300.86 from 55 exceptions, as follows:

Table 1

Type of Exception	Number of Exceptions	Dollar Amount	Percent of Dollar Amount to Total Dollar Amount
Charging Regular Rate When Discounted Rate Applied	5	\$170.13	1%
Incorrect Rates Charged (ST vs OT vs DT)	4	\$1,135.50	5%
Invoice Hours Greater Than Work Ticket Hours	26	\$6,921.78	31%
Missing Work Tickets To Agree Worked And Billed On Invoice	20	\$14,073.45	63%
<b>TOTAL</b>	<b>55</b>	<b>\$22,300.86</b>	<b>100%</b>

- 18 of the 30 exhibitors had underbilling totaling \$10,140.65 from 43 exceptions, as follows:

Table 2

Type of Exception	Number of Exceptions	Dollar Amount	Percent of Dollar Amount to Total Dollar Amount
Charging Discounted Rate When Regular Rate Applied	18	\$2,343.40	23%
Incorrect Rates Charged (ST vs OT vs DT)	9	\$3,284.00	32%
Invoice Hours Less Than Work Ticket Hours	16	\$4,513.25	45%
<b>TOTAL</b>	<b>43</b>	<b>\$10,140.65</b>	<b>100%</b>

- The table below provides the number of Exhibitors that had exceptions, for a grand total of 98 exceptions across the 30 of the 70 exhibitors tested for Labor Billings (note: exhibitors names are not listed):

Table 3

#	Underbilled	Overbilled	Overall Difference
1	\$212.00	\$(51.00)	\$161.00
2		(83.25)	(83.25)
3		(152.50)	(152.50)
4		(166.50)	(166.50)
5	309.50	(203.00)	106.50
6		(143.00)	(143.00)
7	39.00	(116.00)	(77.00)
8	159.00		159.00
9	150.00		150.00
10	877.00		877.00
11	397.00	(558.00)	(161.00)
12	1,339.75	(9,716.75)	(8,377.00)
13	132.00	(818.88)	(686.88)
14	342.25		342.25
15	41.63	(558.00)	(516.38)

16		(222.00)	(222.00)
17		(1,674.00)	(1,674.00)
18		(216.50)	(216.50)
19	2,983.38		2,983.38
20	1,295.00	(1,084.50)	210.50
21	259.00		259.00
22	112.50	(1,099.50)	(987.00)
23		(1,096.50)	(1,096.50)
24	405.50		405.50
25	521.25	(602.25)	(81.00)
26	564.90	(766.70)	(201.80)
27		(57.00)	464.25
28		(2,708.40)	(2,708.40)
29		(152.50)	(152.50)
30		(54.13)	(54.13)
<b>TOTAL</b>	<b>\$10,140.65</b>	<b>\$(22,300.86)</b>	

- Per discussion and confirmation with the general show contractor, these overbillings were credited back to the exhibitors after we discovered and noted the error. Crowe confirmed this by obtaining and reviewing the credit invoice to the exhibitor.

4. Procedure: For the General Show Contractor we performed testing by recalculating a random sample of 22 laborers payroll to determine if they received premium pay in accordance with the legislation and the Show Kit.

Results:

For the payroll testing, we obtained payroll records for 22 laborers that received premium pay and compared to the work ticket to determine if they indeed received the minimum premium pay. No exceptions were noted.

5. Procedure: In addition to the General Show Contractor testing, we performed testing for the Exhibitor Appointed Contractors ("EAC"s) billings where we agreed the amounts billed to the exhibitors for labor to underlying work orders. We agreed the hourly rates billed to rates published by the EACs and to Sections 5.4(c) (6) – (11) of the Legislative Reforms, which set forth certain time windows for straight time, over-time, and double-time wages for union contractors, for the exhibitors selected.

For the EAC we obtained a listing from the Show Manager, AUA, of the EACs that were utilized by the exhibitors. There were 20 EACs in total of which 13 EACs had Labor Billed. We selected a haphazard sample and tested 10 of the 13 EACs that represented approximately 77.00% of the total Labor Billed population for the exhibitors. We requested billing details from the EACs and recalculated the total costs billed to the exhibitors.

Results:

- Of the ten EACs selected:
  - One EAC used third-party providers which were already included in our sample
  - Nine EACs billed labor
- The nine EACs that billed labor were as follows:
  - Coastal International
  - Eagle Management Group
  - Jendersee Inc
  - Moose Exhibits (third-party CSI Worldwide)
  - Nth Degree

- Palladium Management
- Sho-Link
- Star Incorporated
- Sustainable Exhibits Management Group

- For the nine EACs that billed labor, we agreed the hourly rates billed to the rates published and to the time windows in the Legislative Reforms, through inspection of invoices and supporting work orders. No exceptions were noted.

We were not engaged to, and did not conduct an examination or a review, the objective of which would be the expression of an opinion or conclusion on compliance with the Legislative Reforms. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Metropolitan Pier and Exposition Authority management and Advisory Council and is not intended to be and should not be used by anyone other than these specified parties. However, in accordance with the Illinois Freedom of Information Act [5 ILCS 140], this report is a matter of public record.

*Crowe LLP*

Crowe LLP

Chicago, Illinois  
October 15, 2020