

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 2021 True Value Fall Reunion Show on September 30 – October 2, 2021 (True Value or True Value Show). 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 were applied to the following contractors:

- General Show Contractor - GES
- Elite Tradeshow Services
- Matrex Exhibits
- Rise Exhibits and Environments
- Spectrum Show Services Inc
- The Design Agency Inc
- USA Displays Inc
- Condit Exhibits LLC
- Hamilton Exhibits
- Stevens Exhibits
- Lancaster Management Services
- On Location Inc.

The agreed-upon-procedures were as follows:

1. Procedure: For the True Value Fall Reunion Show (which took place September 30 – October 2, 2021), 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 True Value Company, 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 27 of 65 exhibitors with labor billings, related to the True Value 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:

Crowe tested 27 of the 65 exhibitors with labor billings. This represented approximately 92% of the total labor billed dollars and approximately 42% of the number of exhibitors.

Results:

- Crowe compared 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. We noted 13 exceptions for 12 of the 27 exhibitors tested for an error rate of approximately 44% of the total exhibitors tested.
- For the 13 exceptions we noted the following errors:

Table 1

Type of Exception	Number of Work Tickets	Total Dollars Overbilled	% of Total Overbilled Dollars Errors Noted	Total Dollars Underbilled	% of Total Underbilled Dollars Errors Noted
Rate difference: show kit price vs. regular price	6	\$ 636.75	79.47%	\$ -	0.00%
Type of labor misclassified: Electric vs. I&D	1	\$ 91.13	11.37%	\$ -	0.00%
Hours on invoice vs. hours on work ticket variances	4	\$ 73.38	9.16%	\$ 378.62	61.19%
Type of hours variance: ST/OT vs. DT hour differences	2	\$ -	0.00%	\$ 240.13	38.81%
TOTAL	13	\$ 801.25		\$ 618.74	

- A total for \$801.25 Overbilling, about 0.5% of the total sampled dollars tested was noted.
- A total of \$618.74 Underbilling, less than 0.5% of the total sampled dollars tested was noted.

- The table below provides the number of exhibitors that had exceptions, a total of 13 exceptions across the 12 of the 27 exhibitors tested for labor billings were noted during our testing (note: exhibitors names are not listed):

Table 2

#	Overbilled	Underbilled	Overall Difference
1	\$ (54.75)	\$ 0	\$ (54.75)
2	\$ (91.13)	\$ 88.13	\$ (3.00)
3	\$ (54.75)	\$ 0	\$ (54.75)
4	\$ (164.25)	\$ 0	\$ (164.25)
5	\$ 0	\$ 157.50	\$ 157.50
6	\$ 0	\$ 218.12	\$ 218.12
7	\$ 0	\$ 72.37	\$ 72.37
8	\$ (144.00)	\$ 0	\$ (144.00)
9	\$ (109.50)	\$ 0	\$ (109.50)
10	\$ 0	\$ 82.63	\$ 82.63
11	\$ (73.38)	\$ 0	\$ (73.38)
12	\$ (109.50)	\$ 0	\$ (109.50)
TOTAL	\$ (801.25)	\$ 618.74	

- 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 14 laborers payroll to determine if they received pay in accordance with the legislation and the Show Kit.

Results:

For the payroll testing, we obtained payroll records for 14 laborers and compared to the laborers corresponding work ticket to determine if they received the proper regular and/or 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 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 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 each EAC we obtained a listing from the General Show Contractor of the EACs that were utilized by the exhibitors. There were 23 EACs in total which had labor billed. We selected a sample and tested 11 of the 23 EACs for a total of \$44,782.07. Our sample included 7 EACs for whom we have not previously reviewed plus an additional 4 EACs to arrive at a total of 11 EACs. We requested billing details from the EACs and recalculated the total costs billed to the exhibitors.

Results:

- Of the eleven (11) EACs selected, all EACs had labor billed:
 - Two (2) of the eleven (11) EACs used two (2) third-party providers which were already included in our sample, and
 - Two (2) of the eleven (11) EACs used one (1) third-party provider that was not included in our sample.

- Therefore, eight (8) separate EACs that billed labor were as follows:
 - Condit Exhibits LLC
 - Eagle Management
 - Lancaster Management Services
 - Matrex Exhibits
 - On Location Inc
 - Spectrum Show Services Inc
 - Stevens Exhibits
 - USA Displays Inc

- For the eight (8) 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. We noted two (2) exceptions for two (2) of the eight (8) EACs tested as follows:
 - For one (1) EAC, we noted one (1) exception where the laborer worked on Saturday; however the Laborer was billed at a Straight-time but paid Over-time, total underbilled was \$936.25
 - For one (1) EAC, we noted one (1) exception where the laborer worked on Saturday; however the Laborer was billed at a Straight-time and paid Straight-time but should have been paid Over-time, total underbilled was \$262. Per discussion with the EAC, the EAC is waiting for the Summer 2022 Carpenter review to correct the Laborer's pay accordingly.

- A total of \$1,198.25 Underbilled to the Exhibitors for 2.68% of the total dollars tested was noted as a result of our testing.
- Per discussion with the two (2) EACs since these were underbilled the EAC will not be further billing the Exhibitor to account for this error.

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
April 29, 2022