

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 2022 American Society of Clinical Oncology (ASCO) which met June 3-7, 2022, at McCormick Place.

MPEA management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating contractors’ compliance with the procedures enumerated below. 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. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

We were engaged by MPEA management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the contractors enumerated above complied 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.

The procedures were applied to the following contractors:

- General Show Contractor - Freeman
- Exhibitor Appointed Contractor (EAC)
 - o 2020 Exhibits Inc
 - o Core Labor Solutions LLC
 - o Event Horizon
 - o Exponents
 - o Kubik Inc
 - o RTA Supervision Inc
 - o Czarnowski Display Service Inc

- o Exhibits Source dba Condit
- o Impact XM
- o Visual Communications, Inc.
- o Regional Trade Services
- o Spiro
- EAC Subcontractor
 - o Eagle Management
 - o Lancaster
 - o Nth Degree
 - o Nuvista
 - o Onlocation

The agreed-upon-procedures and results are as follows:

1. Procedure: For the ASCO Show (which took place June 3-7, 2022, at McCormick Place), we will observe if the show kit contains 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 ASCO Show Management, 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 45 of 137 exhibitors with labor billings, related to the ASCO Show, we will observe 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 will inspect evidence of communications made by the general show contractor to the exhibitor to observe 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 two individuals consisting of riggers, teamsters, or decorators, where applicable. No exceptions were noted.

3. Procedure: For the General Show Contractor's exhibitor billings random sample selected in procedure #2 above, we are to agree the amounts billed to the exhibitors for labor to underlying work orders. We will 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.

Results:

Crowe evaluated 45 of the 137 exhibitors with labor billings. Total labor billed was \$5,832,204.53 and Crowe sampled dollars totaling \$4,565,110.63 and 1,170 transactions. Crowe's sample represented approximately 78% of the total labor billed dollars and approximately 33% of the number of exhibitors.

- 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 49 exceptions for 18 of the 45 exhibitors for an error rate of approximately 40% of the total exhibitors inspected.
- For the 49 exceptions we noted the following errors:

Table 1

| Type of Exception | Number of Work Tickets (Overbilled to Exhibitor) | Total Dollars Overbilled | % of Total Overbilled Dollars Errors Noted | Number of Work Tickets (Underbilled to Exhibitor) | Total Dollars Underbilled | % of Total Underbilled Dollars Errors Noted |
|---|--|--------------------------|--|---|---------------------------|---|
| Show kit price vs. regular price | 2 | \$ 774.00 | 10.54% | 5 | \$ (742.75) | 8.65% |
| Hours on invoice vs. hours on work ticket variances | 18 | \$ 6,517.25 | 88.75% | 19 | \$ (6,994.00) | 81.47% |
| Type of hours variance: ST/OT vs. DT hour differences | 1 | \$ 52.50 | 0.71% | 4 | \$ (848.00) | 9.88% |
| TOTAL | 21 | \$ 7,343.75 | | 28 | \$(8,584.75) | |

- A total of \$7,343.75 Overbilling, less than 0.2% of the total sampled dollars inspected.
- A total of \$8,584.75 Underbilling, less than 0.2% of the total sampled dollars inspected.
- The table below provides the number of exhibitors that had exceptions. There was a total of 49 exceptions identified across the 18 of the 45 exhibitors in our selection (note: exhibitors names are not listed):

Table 2

| # | Overbilled | Underbilled | Overall Difference |
|--------------|--------------------|----------------------|--------------------|
| 1 | \$ 60.00 | | \$ 60.00 |
| 2 | | \$ (450.00) | \$ 450.00 |
| 3 | | \$ (137.25) | \$ 137.25 |
| 4 | \$ 368.00 | | \$ 368.00 |
| 5 | \$ 1,080.00 | | \$ 1,080.00 |
| 6 | \$ 1,800.00 | \$ (1,486.50) | \$ 3,286.50 |
| 7 | \$ 112.50 | | \$ 112.50 |
| 8 | | \$ (132.50) | \$ 132.50 |
| 9 | | \$ (105.00) | \$ 105.00 |
| 10 | \$ 240.00 | \$ (930.00) | \$ 1,170.00 |
| 11 | | \$ (95.50) | \$ 95.50 |
| 12 | | \$ (120.00) | \$ 120.00 |
| 13 | \$ 15.25 | | \$ 15.25 |
| 14 | \$ 1,293.00 | \$ (4,150.00) | \$ 5,443.00 |
| 15 | \$ 1,597.50 | \$ (180.00) | \$ 1,777.50 |
| 16 | \$ 725.00 | \$ (153.00) | \$ 878.00 |
| 17 | | \$ (645.00) | \$ 645.00 |
| 18 | \$ 52.50 | | \$ 52.50 |
| TOTAL | \$ 7,343.75 | \$ (8,584.75) | |

- Per discussion with the general show contractor, these overbillings were credited back to the exhibitors after we discovered and noted the error. Crowe corroborated this by obtaining and inspecting the credit invoices to the exhibitors.

- Procedure:** For the General Show Contractor we will recalculate a random sample of 30 laborers payroll to determine if they received pay in accordance with the legislation and the Show Kit.

Results:

We obtained payroll records for 30 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.

- Procedure:** In addition to the General Show Contractor procedure, we will agree the amounts billed to the exhibitors for labor for a random sample of 14 Exhibitor Appointed Contractors (“EAC”)s billings to underlying work orders. We will 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. Crowe compared employees pay in accordance with the legislation and the Show Kit.

Results:

From the EAC listing provided by Show Management, we noted there were 44 EACs which had labor billed. Crowe selected ten (10) EACs that had not previously been subjected to these procedures, plus an additional four (4) EACs that had been previously selected for these procedures as part of another engagement, to arrive at a total sample of 14 EACs. Of the 14 EACs

selected, Crowe inspected supporting documentation from 11 EACs as three (3) did not have labor billed for installation and dismantle.

We requested labor billing details from the 11 EACs and recalculated the total costs billed to the exhibitors. Our sample of 11 EACs had a total labor billed amount of \$3,991,701.94 and 1,306 transactions.

- For the eleven (11) 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 35 exceptions for three (3) of the 11 EACs as follows:

Table 3

| # | Number of Exhibitors Tested | Number of Exhibitors with Exceptions | % of Number Exhibitors with Errors |
|--------------|-----------------------------|--------------------------------------|------------------------------------|
| 1 | 1 | 1 | 100% |
| 2 | 12 | 4 | 33% |
| 3 | 10 | 8 | 80% |
| TOTAL | 23 | 13 | |

| # | Total Dollars Tested | Number of Work Tickets (Overbilled to Exhibitor) | Total Dollars Overbilled | % of Total Overbilled Dollars Errors Noted | Number of Work Tickets (Underbilled to Exhibitor) | Total Dollars Underbilled | % of Total Underbilled Dollars Errors Noted |
|--------------|-----------------------|--|--------------------------|--|---|---------------------------|---|
| 1 | \$ 15,505.00 | - | \$ - | n/a | 1 | \$ 2,610.00 | 17% |
| 2 | \$ 470,218.49 | - | \$ - | n/a | 9 | \$ 5,546.00 | 1% |
| 3 | \$ 949,256.52 | 13 | \$ 9,001.00 | 1% | 12 | \$ 2,566.40 | 0% |
| TOTAL | \$1,434,980.01 | | \$ 9,001.00 | | | \$ 10,722.40 | |

- A total of \$9,001.00 Overbilled to the Exhibitor for 0.23% of the total EAC Labor Billings dollars inspected.
- A total of \$10,722.40 Underbilled to the Exhibitors for 0.27% of the total EAC Labor Billings dollars inspected.
- One (1) of the three (3) EACs, overbilled the Exhibitors. The EAC credited the Exhibitors for this error, and we inspected the credit invoice.

We are required to be independent of Metropolitan Pier and Exposition Authority management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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
July 20, 2023