

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”) management and Advisory Council solely to assist you with respect to evaluating compliance with the MPEA Act 70 ILCS 2010, as amended by Public Acts 096-0898 and 096-0899 (“Legislative Reforms”). MPEA's management is 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 agreed-upon-procedures were as follows:

1. Procedure: For the National Electrical Contractors Association (NECA) 2014 Show (which took place September 24 – 30, 2014), we identified that the show kit contained language that specifically allows 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, Freeman, and identified that the allowed activities listed in Sections 5.4(c)(1)- (5) of the Legislative Reforms were communicated in the published kit.

2. Procedure: We selected a sample of the 20 exhibitors with the greatest amount of labor billed by Freeman which consisted of 63% of the total labor costs billed by Freeman. For the sample of exhibitors related to the NECA 2014 show, by inspecting bills from the general show contractor, we identified any crew sizes larger than two individuals consisting of riggers, teamsters, or decorators, billed to exhibitors by the general show contractor. 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. There were no crew sizes greater than 2 individuals consisting of these types of labor, and no exceptions were noted.

3. Procedure: For the NECA 2014 show, we obtained a listing from the show manager, NECA, of the exhibitor appointed contractors ("EAC"s) that were utilized by the exhibitors. We selected all seven (7) EACs utilized in the NECA 2014 show and all exhibitors billed by them. We requested billing details from the EACs and calculated the total costs billed to the exhibitors.

For the EAC billings tested, we agreed the amounts billed to the exhibitors for labor to underlying work orders. We agreed the hourly rates billed to rates published by EACs 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.

In addition, for the sample of 20 exhibitors outlined in procedure #2 related to the NECA 2014 show, we obtained billing information from the general show contractor and agreed the amounts billed for labor to underlying work orders. We agreed 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 sample of shows and exhibitors selected.

Results:

- We were informed by show management of one of the original 7 EACs, Superior Exhibits and Design Inc., from which we requested exhibitor invoices that the EAC did not provide any labor services to the Exhibitor even though they were on the original listing provided by NECA. This information was confirmed by the Exhibitor.
- We were informed by show management of another of the original 7 EACs, Creative Event Production, from which we requested exhibitor invoices and the EAC refused to participate in our AUP.
- The remaining sample of 5 EACs included 24 different exhibitors' invoices.
- The remaining 5 EACs selected were as follows:
  1. Sho-link
  2. Momentum
  3. Nth Degree
  4. Renaissance Management
  5. The Expo Group
- 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. There was one exception noted. During our testing we noted one difference resulting in an overbilling of \$128.90 to the exhibitor as a result of one hour and a half for a two-man crew being charged where straight-time rates applied. Per discussion and confirmation from the contractor, this overbilling was credited to the customer after Crowe discovered the error.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the Legislative Reforms. Accordingly, we do not express such an opinion. 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.



Crowe Horwath LLP

Chicago, Illinois  
December 4, 2015