

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 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 Drug Information Association (DIA) 2017 show. MPEA management selected the show for the application of these procedures. 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:

- Freeman
- American Convention Exhibitor Service
- Chicago Exhibit Productions
- Concept 360 Exhibits
- Noble Rich Trade Shows
- Positive Exhibit Services
- Sparks
- Trade Design

The agreed-upon-procedures were as follows:

1. Procedure: For the DIA 2017 Show (which took place June 18 – 22, 2017), 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 25 exhibitors with the greatest amount of labor billed by Freeman, which consisted of 77% of the total labor costs billed by Freeman. For the sample of exhibitors related to the DIA 2017 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 bills from 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, where applicable. No exceptions were noted.

3. Procedure: For the DIA 2017 show, we obtained a listing from the show manager, DIA, of the exhibitor appointed contractors (“EAC”s) that were utilized by the exhibitors. We selected seven EACs utilized in the DIA 2017 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 selected, 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 25 exhibitors outlined in procedure #2 related to the DIA 2017 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 one of the original seven EACs, Trade Design, that they used Noble Rich Trade Show (an EAC already included in our sample) as a third party provider, therefore, our sample size was reduced to six EACs.
- The six EACs selected were as follows:
 1. American Convention Exhibitor Service
 2. Chicago Exhibit Productions
 3. Concept 360 Exhibits
 4. Noble Rich Trade Shows
 5. Positive Exhibit Services
 6. Sparks
- For one of the six EACs, we requested invoices and work tickets for four exhibitors and noted the following:
 - The EAC indicated that they had lump sum, fixed price agreements with two of the four exhibitors selected.
 - For one of the two exhibitors we were provided price agreement support, in email form, as well as copies of the estimated fees. We agreed the estimates to the invoices billed.
 - For the other exhibitor we were not provided price agreement support. We were provided the estimated fees. We agreed the estimates to the invoices billed. However, we were unable to determine if the fixed price billed was agreed upon by the exhibitor, this is an exception.

- The EAC invoiced the remaining two of the four exhibitors based on actual hours worked, but we were told that work tickets were not available to substantiate the hours worked. The EAC indicated that the invoice hours were based upon Show Leads submitting summaries of total hours by type (straight time, overtime, double-time) to the EACs' Payroll Department. Due to the lack of supporting documentation, we could not perform the procedures enumerated on two of the exhibitors billed by this EAC, therefore this is an exception.
- For the 25 exhibitors selected in procedure #2, 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.
 - During the procedures enumerated above for procedure #2, we noted one exception. For seventeen of the twenty-five exhibitors tested we noted the general show contractor invoice/bill rate for the 2-man condor, straight-time rate was \$.03 lower than the Show Kit rate. According to the general show contractor, the actual rate invoiced/bill was due to a keying error when entering the pricing. A total of \$.59 was under billed, in favor of the exhibitors.

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. 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, 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 Horwath LLP

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Chicago, Illinois
January 19, 2018