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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 United Fresh (UF) 2018 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 – General Show Contractor
- On Location
- Absolute Exhibits
- Elite Tradeshow Services
- Dimension Craft
- DesignShop Services
- Lewellen & Best Exhibits/LAB Exhibits
- NuVista Event Services
- The Expo Group
- Nth Degree
- Renaissance Management
- Jendersee
- Global Experience
- Exhibit Tec
- Tru Services Group

The agreed-upon-procedures were as follows:

1. Procedure: For the UF 2018 Show (which took place June 25 – 27, 2018), 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 and United Fresh, 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: We selected a sample of the 28 exhibitors with the greatest amount of labor billed by Freeman, which consisted of 75% of the total labor costs billed by Freeman. For the sample of exhibitors related to the United Fresh 2018 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.

For the exhibitor 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 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:

- 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.
- For the 28 exhibitors selected, 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, we noted the following exceptions for 4 of the 28 exhibitors.
 - For one (1) of the exhibitors tested we noted an incorrect rate was charged to the exhibitor as the advance rate (\$206) was billed and the on-site rate should have been billed (\$288.50) for a ½ an hour of labor billed. This resulted in a difference of \$41.25 that was under-billed, in favor of the exhibitor.
 - For two (2) of the exhibitors the rate charged to the exhibitor on the invoice was not listed on the Show Kit, and a total of \$113.25 was overbilled to the 2 exhibitors as follows:
 - One (1) of the exhibitors, the rate difference was \$3 where \$210 was billed to the exhibitor but the Show Kit rate was \$207.
 - One (1) of the exhibitors, the rate difference was \$110.25 where the rate charged to the exhibitor was not published in the Show Kit.

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.

- For one (1) of the exhibitors the laborer indicated hours as overtime on the work ticket; however, the work ticket noted to bill straight time and straight-time was billed on the invoice. This resulted in a difference of \$205 that was under-billed, in favor of the exhibitor. The laborer was paid the correct over-time amount. Crowe confirmed this by obtaining and reviewing the laborer's corresponding payroll records.

3. Procedure: For the United Fresh 2018 show, we obtained a listing from the show manager, United Fresh, of the exhibitor appointed contractors (“EAC”s) that were utilized by the exhibitors. There were 37 EACs in total. We selected twenty of the 37 EACs utilized in the United Fresh 2018 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 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.

As stated in procedure #2, for the sample of 28 exhibitors outlined in procedure #2 related to the United Fresh 2018 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:

- Of the twenty EACs selected:
 - Three EACs used third-party providers which were already included in our sample
 - Three EACs did not have any labor, which was confirmed with United Fresh
 - Fourteen EACs billed labor
- The fourteen EACs that billed labor were as follows:
 - On Location
 - Absolute Exhibits
 - Elite Tradeshow Services
 - Dimension Craft
 - DesignShop Services
 - Lewellen & Best Exhibits/LAB Exhibits
 - NuVista Event Services
 - The Expo Group
 - Nth Degree
 - Renaissance Management
 - Jendersee
 - Global Experience
 - Exhibit Tec
 - Tru Services Group
- For the fourteen 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. During these procedures, we noted the following exceptions:
 - For one (1) of the exhibitors, we noted half an hour was charged at the straight-time rate when it should have been charged at the over-time rate. This resulted in a difference of \$29 that was under-billed, in favor of the exhibitor. According to the EAC, this was a keying error. Crowe confirmed that payment was made to the laborer at the correct rate by obtaining and reviewing the laborer’s corresponding payroll records.
- For the exhibitor testing, see the Results section in procedure #2 above.

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 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.

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Chicago, Illinois
January 17, 2019