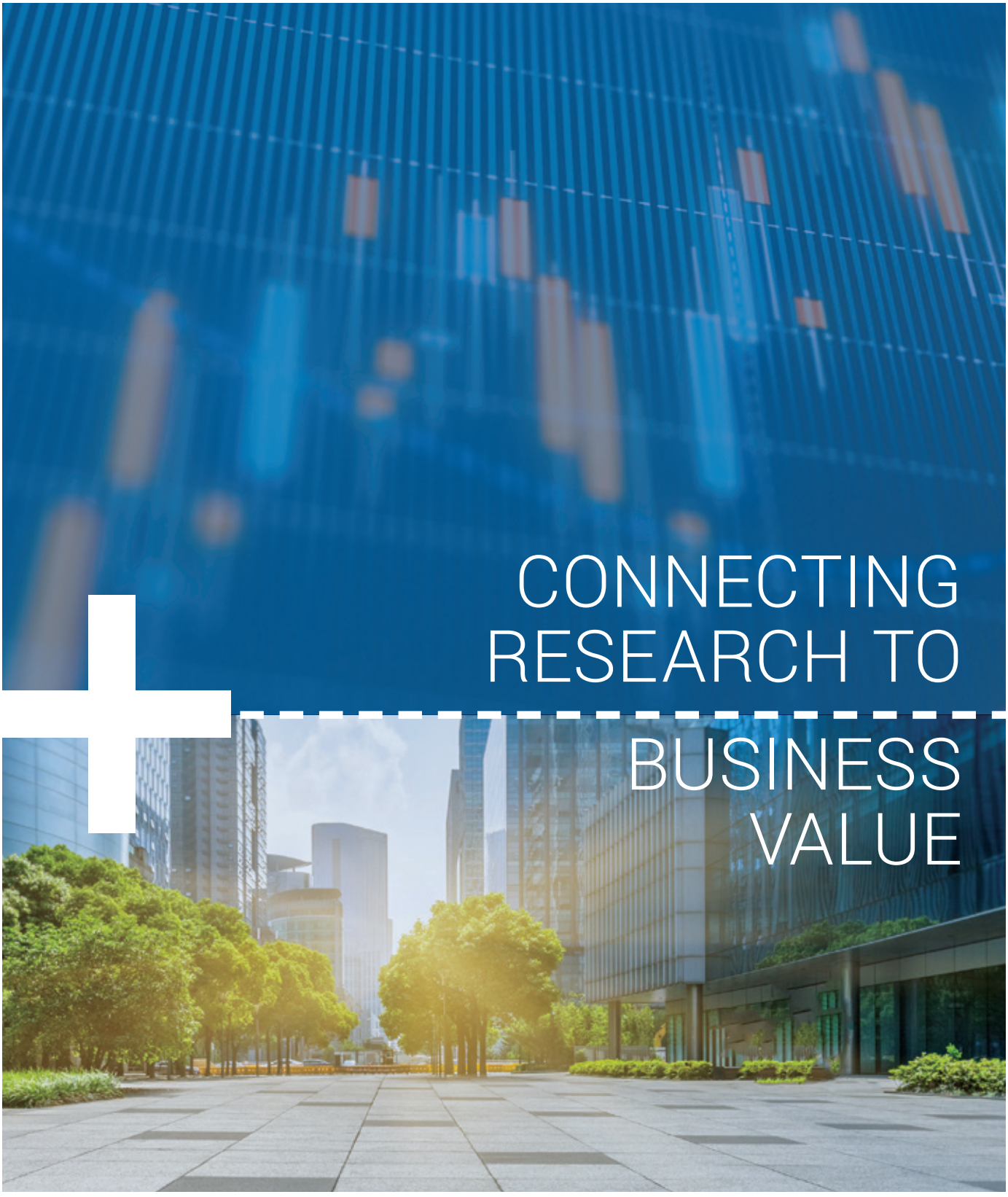


CONNECTING RESEARCH TO BUSINESS VALUE

2018 ANNUAL REPORT

CONSTRUCTION INDUSTRY INSTITUTE®

THE CONSTRUCTION INDUSTRY INSTITUTE, BASED AT THE UNIVERSITY OF TEXAS AT AUSTIN, is a consortium of nearly 150 leading owners, engineering-contractor, supplier and related professional firms from both the public and private arenas.

These organizations have joined together to enhance the business effectiveness and sustainability of the capital facility lifecycle through CII research, related initiatives, and industry alliances. CII is unique as the research and development forum for the engineering and construction industry.

OUR MISSION

The mission of CII is to provide a research and development platform to create and drive innovative solutions that tangibly improve business outcomes through an academically-based, disciplined approach.

OUR VISION

CII envisions an efficient capital projects industry that builds predictable value for member organizations, society and stakeholders. Leveraging new ideas, unique forms of collaboration, and knowledge across the capital project and facility lifecycle, CII provides unmatched advocacy for the built environment.

IN THIS REPORT

DEAR CII MEMBERS

The rationale for participating in CII has never been more compelling. I say that not because of the extensive progress we've made reimagining and retooling your Institute for what's next, but because the value of **making connections and collaborating with other people and other companies has never been more necessary than it is now.**

In following many of our members, I recently read with interest how General Motors was leading a working group of companies including Ford, BMW, Honda, Renault, Bosch, IBM and others to share data gathered from automated driving. The reason? The automakers concluded that it would take between 10 and 20 years to each obtain enough experience to make the automated car commercially viable – but it might only take five years if they shared their experiences and data (in a secure, blockchain-enabled way) with each other. The parallel to CII is unmistakable – working together, our members can realize their desired business outcomes much faster and at a heightened level relative to what they could accomplish on their own.

Throughout 2018, CII focused on reshaping our operations to provide consistency and an improved focus on what's needed to facilitate our members' success in the future. In fact, our Funded Studies Committee took the initiative through the year to engage "futurists" at the University of Houston to help them envision what the Institute needs to be researching today to meet our companies' needs in the years ahead. More than just the new research programs that emerged (i.e., AI for AWP, Workforce 2030, and Collaborative Delivery), a desire for CII to intensify its focus on a core set of strategic initiatives was gained (think eight, not 80, initiatives being worked on by CII's 11 committees). That focus has now generated a renewed interest amongst our membership to make connections with peers and collaborate with competitors in new and exciting ways.

Moving forward, your Institute is charting a technology path to the future that includes digital project delivery.

CII is creating a new "data lake" to better understand industry metrics and new products to synthesize the past and current research so that it can be deployed by our members and the industry. And, CII is focused on reaching even more companies and engaging their executives in these pursuits. If we're going to elevate our members' business results, we must involve our companies' business leaders, too.

Steve Jobs once said that "You can't ask customers what they want and then give it to them. By the time you get it built, they'll want something new." As a result, CII has to think in both the short- and long-term. We must provide innovations for projects under way and also the capability and resolve to succeed in an uncertain future. Resolve of this type requires research which needs financial and human resources. In this regard, 2018 paved the way to make long-term success possible. Some examples:

The staff and leadership of CII successfully reduced our annually recurring expenses by renegotiating our supporting cost structure with The University of Texas.

In partnership with CURT, CII articulated the research needed to create a new commercial model and business ecosystem known as Operating System 2.0 (OS2). This activity generated significant non-dues research dollars, plus brought new companies into CII.

Through RAPID, part of the Department of Energy and Manufacturing USA, CII received funding to research the next generation of modularization (think miniaturized, self-contained plants).

The work we completed with you in 2018 has made CII more relevant than ever. Because of these efforts, I expect that the amount of money dedicated to program funding will triple in 2019 compared with the amount available just five years ago. I also anticipate that the benefits will be exponential in terms of member impact and our global and industry sector reach. Importantly, I am confident that improved business opportunities and increased financial success lie "just ahead" for our membership.

Some years ago, *Forbes* magazine cited that most successful companies were passionate about making connections with colleagues, both internal and external. Hallmarks of these companies included being genuine, providing massive help, paying ridiculous attention, cultivating persistence, and remaining unforgettable. Certainly, these are hallmarks that we strive for at CII; in our committees, research teams, communities, and on our staff. I am excited about the progress that CII made in 2018 and I'm bullish about the future of our industry. Please continually let us know what we can do to enable your success – after all, that's why CII exists! Know that I truly appreciate your involvement in the Institute and your enthusiasm for what's next.

Sincerely,

Stephen P. Mulva, Ph.D.
DIRECTOR

CONNECTING WITH PEERS

EACH YEAR, CII MEMBERS COME TOGETHER TO SHARE BREAKTHROUGH IDEAS, TAKE PART IN RESEARCH-BASED LEARNING, HONOR PEERS AND NETWORK. NEARLY 600 INDUSTRY LEADERS GATHERED AT THE 2018 CII ANNUAL CONFERENCE IN INDIANAPOLIS.

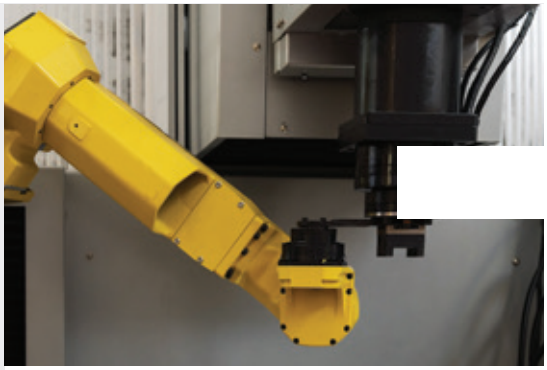
Top photo: CII Annual Conference attendees experience the latest technologies at the conference's Innovation Showcase; Bottom photo: craft workers discuss the need for developing the workforce.

ENABLING TANGIBLE BUSINESS OUTCOMES

CII CONTINUED ITS DYNAMIC EVOLUTION IN 2018. Sector committee ideas became research results. Overarching research tackled industry-wide topics. Fiatech officially merged with CII to expand the use of technology, and CII seized the opportunity to continuously improve how it delivers value to its members.

LAST FALL, CII RESHAPED ITS STANDING COMMITTEES TO INCLUDE:

They are designed to support all sector committees and promote collaboration more efficiently by sharing information, ideas and capabilities. Together, the committees enable innovative research while taking advantage of advanced technologies and resources to turn that research into tools businesses can use.



Funded Studies

CII's Funded Studies Committee (FSC) oversees all CII research and provides administrative consistency. It closely coordinates with sector committees and the Technology Committee, which have their own research budgets and select their research topics. The FSC also serves as the clearinghouse for research initiatives across all the sectors. The goal of the clearinghouse function is to identify areas of synergy, consider future scenarios, and ensure research is intentional, integrated and as effective as possible.

In October and November, the committee held workshops with the University of Houston's Foresight program to brainstorm factors that are or have the potential to shape the future of the construction industry. Topics included artificial intelligence and robotics, workforce trends, and more integrated and collaborative delivery of projects. The results of the workshops are informing the definition of CII overarching research programs. These research programs are a new way to organize CII research, drive innovation, and prepare the industry for the next five to 10 years.

As part of a pilot for the concept of research programs, CII kicked off, in January 2019, three new research teams around Advanced Work Packaging (AWP). One team is funded by a sector committee and two teams are funded by the FSC. Together, they are the first step toward the long-term goal of creating a platform that uses artificial intelligence to optimize projects through AWP. The committee also launched another team around collaborative scheduling.

For overarching research initiatives, the Funded Studies Committee advertises for and selects the most appropriate academic researchers from participating universities, taps motivated CII industry members who volunteer, launches the team, and monitors its progress.

Deployment

CII research creates new knowledge, but that knowledge needs to be transformed into tools or other products that companies can use in order to realize its potential value. At the end of 2018, CII streamlined this effort by creating the Deployment Committee and sunsetting the Implementation, Performance Assessment and Professional Development Committees.

The Deployment Committee's role is to define the scope and manage the conversion of CII research into useable products related to people, processes, and data, and identify additional resources to help companies adopt those products and principles into their work.

The committee's priorities for 2019 include developing a Next-Generation Benchmarking Platform to replace our existing obsolete systems and a second product that will help businesses implement CII research to improve their operations.

Deployment manages the CII Registered Provider program, which consists of CII companies who can provide professional education or consulting services to interested members.

The committee also draws on the expertise in the **Communities for Business Advancement** in order to unlock the value in CII knowledge. Led by subject matter experts, these groups use their expertise to improve project delivery and company business performance through sharing knowledge and techniques, and supporting CII's Research and Deployment efforts in specific practice areas:

- **ADVANCED WORK PACKAGING**
- **INFORMATION MANAGEMENT**
- **MODULARIZATION**
- **PROJECT CONTROLS**
- **QUALITY MANAGEMENT**
- **RISK MANAGEMENT**
- **SAFETY**
- **SUPPLY CHAIN MANAGEMENT**

Technology

When CII moved technology from a sector to a standing committee in 2018, it elevated technology's role in advancing the effectiveness and efficiency of the industry. The Technology Committee identifies, evaluates and promotes current and emerging innovations and technologies — including how they may be used to radically change and improve how things are done rather than simply automating the way work is done now. The committee works to integrate technology into research initiatives as well as imagining where and how technology could be used in the future.

Its Horizons 360 subcommittee looks for and tracks the development of new technologies from other fields that could be applied to capital projects. From digital integration to artificial intelligence to drones, the committee is considering a range of technologies as it solicits and assesses ideas for research or industry release. The Technology Committee also is developing a Digitally Structured Project Delivery system that incorporates the latest technologies and delivery trends from planning through operations and maintenance that would increase a project's return on investment.

30-45%

ADOPTION OF PROVEN TECHNOLOGY CAN IMPROVE CONSTRUCTION INDUSTRY PRODUCTIVITY BY 30-45%, AS WELL AS IMPROVE MATERIAL PREDICTABILITY AND RELIABILITY.

BUSINESS-DRIVEN RESEARCH

CII HAS FIVE SECTOR COMMITTEES to meet the varying needs of members across the capital projects industry. Driven by key business imperatives for its sector, each committee oversees one or two research initiatives designed to be completed within 6-12 months.

Examples of tangible results from this work include the Construction Readiness Assessment tool for the Downstream and Chemicals sector, a scope definition tool developed for the Manufacturing and Life Sciences sector, and tools being developed to improve predictability, agility and cost-effectiveness of a design standardization strategy in the Upstream, Midstream and Mining sector.

THE DOWNSTREAM AND CHEMICAL SECTOR DEVELOPED A DECISION-SUPPORT TOOL TO ASSESS A PROJECT'S CONSTRUCTION READINESS THAT DEMONSTRATED A:

20%	29%	22%
COST SAVINGS	**GAIN IN PRODUCTIVITY**	**SCHEDULE REDUCTION***

* COMPARED TO PROJECTS NOT CONSTRUCTION READY

CII SECTOR COMMITTEES, THEIR COMPOSITION AND FOCUS:

UPSTREAM, MIDSTREAM + MINING

Includes onshore and offshore facilities and terminals, mining, pipelines, and oil and gas production

FOCUS Determining how higher levels of facility design standardization can be achieved

FACILITIES + HEALTHCARE

Includes government buildings, healthcare facilities, higher education institutions, hospitality, and commercial buildings

FOCUS Creating and testing a methodology and tool for predicting lifecycle business returns

POWER, UTILITIES + INFRASTRUCTURE

Includes power (generation and transmission), utilities (electric, gas, water, wastewater, steam, recycling, waste processing, and telecommunications), and infrastructure (rail and subway, ports and terminals, airports, roads, bridges, and tunnels)

FOCUS Assessing and defining existing methodologies used to proactively identify, anticipate, and respond to pre-existing and ever-evolving regulatory requirements

MANUFACTURING + LIFE SCIENCES

Includes industrial facilities related to pharmaceuticals, automobile and high-tech manufacturing, food/beverage, agriculture, pulp/paper, consumer products, and companies whose primary purpose is to engineer, design, and build or revamp facilities that include a manufacturing process

FOCUS Developing a methodology for generalizing a long-lead flexible facility with an undefined manufacturing process

DOWNSTREAM + CHEMICALS

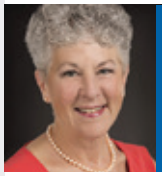
Includes industrial facilities related to refining, petrochemical, specialty chemical, and industrial chemicals production

FOCUS Establishing a road map for research on how to double productivity

CELEBRATING EXCELLENCE, LEADERSHIP + SERVICE

CARROLL H. DUNN AWARD OF EXCELLENCE

As one of our industry's most prestigious recognitions, this award was named in honor of Carroll H. Dunn, Project Director of the Construction Industry Cost Effectiveness Project, which formed the foundation of CII, to honor an individual for significant achievements in improving the engineering and construction industry.



2018 RECIPIENT

MELISSA HERKT

Throughout her career, Melissa Herkt has successfully led major capital projects around the world while improving the engineering and construction industry, and mentoring rising leaders. Her career and countless years of service to CII and the industry have earned her this well-deserved honor.

Herkt began at Exxon Research and Engineering Company before serving as Vice President of Global Project Management for GlaxoSmithKline. She went on to Emerson Process Management, where she retired in 2012 as president and chief operating officer of the Systems and Solutions group. Her numerous accolades include the 2012 Richard L. Tucker Leadership and Service Award, and CII's 2004 Outstanding Implementer Award. She has been a frequent speaker in CII's Executive Leadership Program, a member of CII's BOA and Executive Committee, a Research Committee Chair, a Benchmarking Associate and a Data Liaisons Committee member.

Herkt is a mentor to the Auburn Engineers Without Borders. She was inducted into the Alabama Engineering Hall of Fame in 2008 and the National Academy of Construction in 2009, and received the 2015 Auburn Alumni Association Lifetime Achievement Award.

RICHARD L. TUCKER LEADERSHIP AND SERVICE AWARD

Named for Dr. Richard L. Tucker, who led the founding of CII in 1983, this award recognizes individuals who have made a significant contribution to CII's mission and success.

2018 RECIPIENT

WILLIAM J. O'BRIEN

For more than 13 years, Dr. Bill O'Brien has been an outstanding role model, mentor, active volunteer and champion of CII, making him a natural to receive this award. He has been instrumental in leading and supporting change, holding leadership roles in the formation of CII sector groups and not only serving as the interim Director of Fiatech, but also overseeing its successful integration into CII.

Throughout his career, Dr. O'Brien has led, taught and served others as a civil engineer, a start-up innovator during the early years of the Internet, a researcher, and an expert on construction supply-chain management and electronic collaboration. His research has been supported by the National Science Foundation, National Institute of Standards and Technology, CII, the Transportation Research Board, and the Texas Department of Transportation. In 2012, Dr. O'Brien received CII's Outstanding Researcher Award, and his work on Advanced Work Packaging was designated a Best Practice by CII. Dr. O'Brien currently teaches at The University of Texas.

JAMES B. PORTER, JR. AWARD FOR TECHNOLOGY LEADERSHIP

Established in 2007, this award is a tribute to Jim Porter, who was instrumental in establishing Fiatech and whose vision, leadership, technical acumen, commitment to people, and tireless efforts have advanced the capital projects industry.

2018 RECIPIENT

JOHN FISH

For more than 50 years, John Fish's relentless pursuit of "a better way" has led to decades of technological improvement in the capital projects industry.

Since 1994, he has represented S & B Engineers and Constructors, Ltd. and Ford, Bacon & Davis at CII, where he was part of the research team that developed the first PDRI and alignment tools. He continued on several CII teams to improve front-end planning and served as a guest lecturer for the CII Best Practices course at The University of Texas. In 2005, Fish joined Fiatech to initiate a program to fully digitize the manufacturer and supplier data, and remains active in the global development and adoption of innovative practices and technologies to realize the highest business value throughout the life cycle of capital assets.

Fish also spent 22 years in the Army Reserves, where he developed a data-centric training system and another that grew into the fully integrated Project Information Management System supporting engineering, procurement, materials, and construction. At Ford, Bacon & Davis, he helped make it possible to use 3D design on small projects and use conceptual models for front-end planning. He assisted in the implementation of laser scanning, clash detection, the use of tablets, touchscreens, and 3D plastic printed models for conceptual visualization and operator training.

RESOURCES TO DRIVE RESULTS

Stephen P. Mulva
Director

Kim Allen
Director of Operations

John Palmer
Associate Director for Technology

Jennifer Bien
Associate Director for Membership and Communications

Michael Pappas
Associate Director for Deployment

Terri Buvia
Executive Assistant

Pam Wooten
Manager of Shared Services

Deborah DeGezelle
Manager of Information Services

Hong Zhao
Manager of Financial Services

Daniel Oliveira
Associate Director for Funded Studies

Ila Awasthi
Nuria Ayala
Michael Burns
Erika Corbell
Kristi Delaney
Eva Keidel
Kelly Lenig
Susan Quaglino
Pipper Ramsey
Donna Rinehart
Bernie Rosenblatt
Debbie Samilpa
Bob Wible

RESEARCH ASSISTANTS

Ebenezer Adewumi
Amelia Celoza
Zhe Yin

DRIVING VALUE

As the premier research and development platform for the engineering and construction industry, CII and its members are creating and driving innovative solutions that tangibly improve business outcomes and advance our industry.

CONSTRUCTION INDUSTRY INSTITUTE MEMBER LIST AS OF 12.31.18

OWNERS

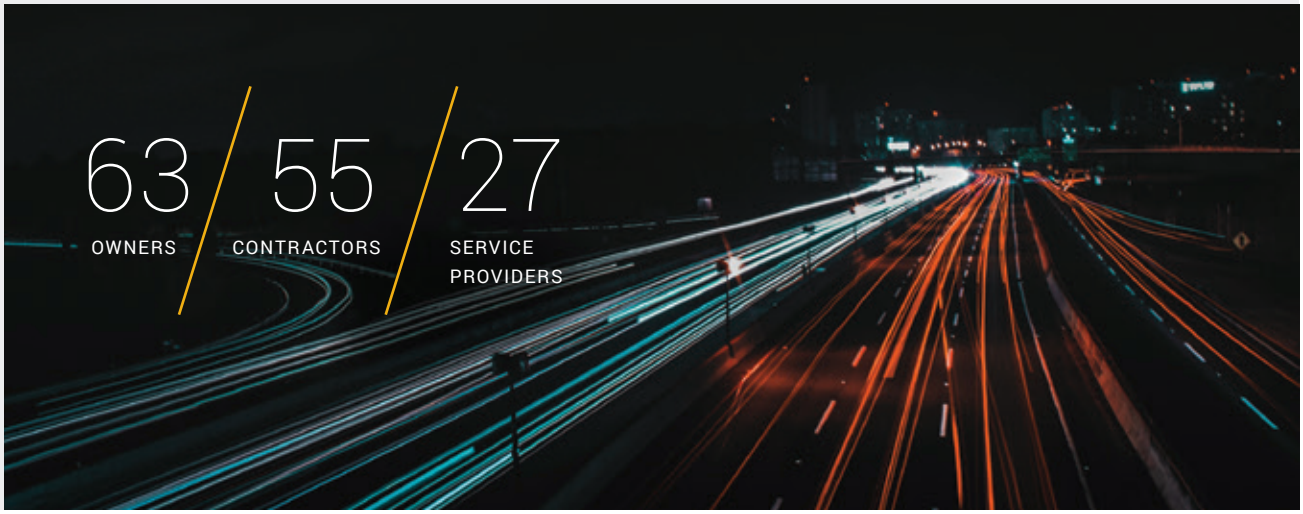
Abbott
Adventist Health
Ameren Corporation
American Transmission Company LLC
Anadarko Petroleum Corporation
Anheuser-Busch InBev
Aramco Services Company
Architect of the Capitol
Ascend Performance Materials
AstraZeneca
BP America, Inc.
Bruce Power
Cargill, Inc.
Chevron
ConocoPhillips
Consolidated Edison Company of New York
Covestro LLC
DTE Energy
Eastman Chemical Company
Eli Lilly and Company
EnLink Midstream
ExxonMobil Corporation
General Electric Company
General Motors Company
GlaxoSmithKline
Global Infrastructure Partners
Honeywell International Inc.
Huntsman Corporation
Irving Oil Limited
Johnson & Johnson
Kaiser Permanente
Koch Industries, Inc.
Linde North America
LyondellBasell
Marathon Petroleum Corporation
Motiva Enterprises, LLC
National Aeronautics & Space Administration
NOVA Chemicals Corporation
Nutrien
Occidental Petroleum Corporation
ONEOK, Inc.
Ontario Power Generation
Petroleo Brasileiro S/A - Petrobras
Petronas
Phillips 66
Pioneer Natural Resources
Public Service Electric & Gas Company
Reliance Industries Limited (RIL)
SABIC - Saudi Basic Industries Corporation
Shell Global Solutions US Inc.
Smithsonian Institution
Southern Company
Tennessee Valley Authority
The Dow Chemical Company
The Procter & Gamble Company
The Williams Companies, Inc.
TransCanada Corporation
U.S. Army Corps of Engineers
U.S. Department of Commerce/ NIST/EL
U.S. Department of Energy
U.S. Department of State
U.S. Department of Veterans Affairs
U.S. General Services Administration

CONTRACTORS

AECOM
Alfred Miller Contracting
APTIM
AZCO INC.
Baker Concrete Construction Inc.
Barton Malow Company
Bechtel Group, Inc.
Black & Veatch
Burns & McDonnell
CDI Corporation
Consolidated Contractors Company
Construtora Norberto Odebrecht S.A.
CRB
CSA Central
Day & Zimmermann
Eichleay, Inc.
Emerson
Fluor Corporation
Hargrove Engineers + Constructors
Haskell
Hatch
Hitachi Document Solutions Co., Ltd.
Jacobs
KBR
Kiewit Corporation
M&H Enterprises (Energy Services)
Matrix Service Company
McCarthy Building Companies, Inc.
McDermott International, Inc.
Midwest Steel, Inc.
NPCC
Oracle USA, Inc.
PCL Constructors, Inc.
Quality Execution Inc
Richard Industrial Group
S & B Engineers and Constructors, Ltd.
Saipem SpA
Samsung Engineering America
Saulsbury Industries
SBM Offshore
Sinopec Engineering (Group) Co., Ltd. - SEG
Skanska USA
SNC-Lavalin Constructors Inc.
TechnipFMC plc.
The Beck Group
thyssenkrupp Industrial Solutions (USA), Inc.
Turner Industries Group LLC
Victaulic
Wanzek Construction, Inc.
Wilhelm Construction, Inc.
Wison Engineering Ltd.
Wood
WorleyParsons
Zachry Group
Zurich

SERVICE PROVIDERS

Atlas RFID Solutions
Autodesk, Inc.
AVEVA Solutions Ltd.
Bentley Systems Inc.
Blue Cats
Construct-X, LLC
Continuum Advisory Group
Dassault Systèmes SE
Deloitte
Design + Construction Strategies
Enstoa, Inc.
ePM
FMI Corporation
Group ASI
Hexagon Process Power & Marine
Hilti Corporation
I.M.P.A.C.T.
iConstruct
Insight-AWP Inc.
JMJ Associates LLC
McKinsey & Company, Inc.
O3 Solutions
On Track
Pathfinder, LLC
Pillsbury Winthrop Shaw Pittman LLP
PTAG, Inc.
Valency Inc.



VALUABLE COLLABORATION

For more than two decades, PIP has been developing and implementing common industry practices for facility design, procurement, construction, operations and maintenance that help reduce a facility's total cost of ownership.

Process Industry Practices (PIP) is a self-funded consortium of process industry owners and engineering construction contractors organized under the Institute inside the Cockrell School of Engineering at The University of Texas at Austin.

Michael Poehl
Director of Process Industry Practices

PROCESS INDUSTRY PRACTICES

Members share their collective wisdom by collaborating across more than a dozen engineering disciplines. They draw on their combined experiences to define and document practices for all members to use while staying on top of emerging trends. Members are currently exploring opportunities in areas such as metadata as part of a long-term goal to digitally deliver PIP practices. Practices include the following disciplines:

Process | Mechanical | Piping | CSA | I/E

PROCESS INDUSTRY PRACTICES MEMBER LIST AS OF 12.31.18

OWNERS

3M Company
AdvanSix
Aera Energy
Arkema
Ascend Performance Materials
BASF Corp.
Bayer Group
BP
Cargill
Celanese
Centrica
Chevron
CITGO
DuPont
Eastman
Evonik
ExxonMobil
Firestone Polymers
Flint Hills Resources
FMC Corporation
FutureFuel Chemical Co.
Grupo Petrotemex (GPT)
Hargrove & Assoc.
Hess Corporation
Hexion
Honeywell
Honeywell UOP
Huntsman
INEOS Olefins & Polymers
INEOS Styrolution
Invista
Koch Industries, Inc.
LANXESS Corporation
Livent
LSB Industries
The Lubrizol Corp.
LyondellBasell
Methanex
Mosaic Fertilizer
Motiva Enterprises LLC
Nuclear Fuel Services
Nutrien
Occidental Oil & Gas
OLIN Corp.
OMNOVA Solutions
Pembina Pipeline
Pasadena Refining
Phillips 66
Pioneer Natural Resources
PVS Chemicals
REXtac, LLC
SASOL
Saudi Basic Industries Corporation - SABIC
Sekisui Specialty Chemicals
Westlake Chemical
WestRock
Williams Companies
Zeon Chemicals L.P.

CONTRACTORS

AECOM
Ambitech
Audubon
Babcock & Wilcox
Bechtel
Benham
Burns & McDonnell
Burrow Global
CDI Corporation
Chart Energy
Chiyoda Corporation
Fluor
GIS Engineering
IHI E&C International Corporation
Jacobs
JGC America
Job Industrial
KBR
Keystone Engineering
Kiewit Engineering & Design
McDermott (was CB&I)
Merrick & Company
NORAM E&C
OnQuest
Parsons
Preferred Engineering
Rayong Engineering & Plant Services Co. (REPCO)
Ref-Chem
S & B Engineers and Constructors
Samsung
SNC-Lavalin
TechnipFMC
WorleyParsons
Zachry

FINANCIALS

Construction Industry Institute, The University of Texas at Austin
2018 Financial Report | December 31, 2018

DOES NOT INCLUDE FINANCIAL INFORMATION FOR PIP

	YTD (12/31/2018)
REVENUES	
Contract & Grants	$ 960,514
Gifts & Contributions	50,792
Member Dues	4,776,265
Events / Meetings	1,161,358
Education / Training	501,367
Licensing and Commercialization	236,025
Administrative Services (Subsidiaries)	143,207
TOTAL REVENUES	7,829,529
EXPENSES	
Research at UT	338,814
Research External	1,374,277
Development at UT	-
Development External	338,948
Marketing	21,591
Events / Meetings	1,124,166
Education / Training	299,989
Administrative Services	205,436
Staff Salary and Fringe Benefit	3,397,381
Travel	267,104
Overhead - UT	308,200
Overhead - Research Project	222,597
Director's Discretionary	27,470
TOTAL EXPENSES	7,925,973
CHANGE IN AVAILABLE FUNDS BALANCE	(96,444)
BEGINNING AVAILABLE FUNDS BALANCE	1,788,465
ENDING AVAILABLE FUNDS BALANCE	$ 1,692,020
COMPOSITION OF AVAILABLE FUNDS	
Required reserves	$ 1,375,000
Director's discretionary	72,530
CCIS	86,524
Other available funds	157,966
ENDING AVAILABLE FUNDS BALANCE	$ 1,692,020

Independent Accountants' Report

Dunagan★Jack LLP
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
DECEMBER 31, 2018

To the Management and Board of Advisors
Construction Industry Institute
Cockrell School of Engineering
The University of Texas at Austin

We have performed the procedures enumerated below, which were agreed to by Construction Industry Institute (Institute) management, on Member Dues and Available Funds reported in the Institute's 2018 financial report to be included in its annual report. The Institute's management is responsible for Member Dues and Available Funds reported in the 2018 financial report. The sufficiency of these procedures is solely the responsibility of the Institute's management. 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.

Our procedures and associated findings are as follows:

- We obtained from management the 2018 financial report to be included in the annual report.
- We obtained from management certain financial reports from *DEFINE, The University of Texas at Austin's software that accounts for the Institute's financial transactions.
- We obtained from management the QuickBooks company file that the Institute uses to supplement *DEFINE for financial reporting purposes.
- We have provided below a reconciliation of the Institute's "member dues" revenues from membership payments reported in *DEFINE to the 2018 financial report.
- We have provided below a reconciliation of the Institute's ending "available funds" balances from *DEFINE to the 2018 financial report.

Reconciliation of Member Dues per *DEFINE to the 2018 financial report:

Membership payments received per *DEFINE:	$	4,550,069
Reconciling items:		
Add: 2018 member dues accrued (receivable)		426,000
Add: 2018 member dues received (deferred) in prior year		435,600
Less: 2017 member dues accrued in prior year		(415,800)
Less: 2019 member dues deferred		(198,000)
Less: Miscellaneous reconciling items		(21,604)
Member dues reported in Annual Report	$	4,776,265

3724 Jefferson Street ★ Suite 307 ★ Austin, Texas 78731 ★ (512) 420-8997 Main ★ (512) 420-2399 Fax
www.dunaganjack.com

Reconciliation of Available Funds per *DEFINE to the 2018 financial statement:

Free Balances per *DEFINE:	$	(418,435)
Add: Encumbered funds (not yet spent)		2,216,732
Adjusted Free Balances per *DEFINE:		1,798,297
Reconciling items:		
Add: 2018 member dues accrued (receivable)		426,000
Add: PIP O/H accrued (receivable)		104,517
Add: Other accounts receivable		137,126
Less: 2019 member dues deferred		(198,000)
Less: 2019 Executive Leadership Program revenues deferred		(306,440)
Less: Accounts payable and accrued expenses		(182,956)
Less: CCIS Funds		(86,524)
Less: Miscellaneous reconciling items		–
Ending Available Funds Balance per Annual Report	$	1,692,020

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on Member Dues and Available Funds reported in the Institute's 2018 financial report. 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 Management and the Board of Advisors of the Institute and is not intended to be and should not be used by anyone other than these specified parties.

Dunaganjack LLP

Austin, Texas
February 14, 2019

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