

Appraisal
Institute®

*Professionals Providing
Real Estate Solutions*



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2013 PRESIDENT'S MESSAGE



Dear Appraisal Institute Professional:

The Appraisal Institute continued to enhance its position as the valuation profession's leader in 2013. AI announced three major strategic initiatives that have the potential to fundamentally reshape the global valuation profession.

The Appraisal Institute will:

- Issue proposed standards of valuation practice that could serve as an alternative for valuation professionals where national or other standards are not required;
- Expand delivery of Appraisal Institute education, becoming more proactive in identifying and pursuing appraisal educational opportunities; and
- Create a new certification organization to establish a future generation of cross-disciplinary valuation professionals and to enhance their marketability in a competitive job environment.

The Appraisal Institute also announced a review designation program, creating the organization's first new designations in more than 20 years: AI-GRS (Appraisal Institute – General Review Specialist) and AI-RRS (Appraisal Institute – Residential Review Specialist).

Another key achievement in 2013 was the expansion of AI's body of knowledge through publication of the 14th edition of "The Appraisal of Real Estate," the world's mostly widely recognized real estate valuation textbook. Previous editions of "The Appraisal of Real Estate" have been translated into 10 languages and have been taught in courses at eight colleges and universities.

The Appraisal Institute also prepared to launch a new website to provide visitors with a host of changes designed to improve the overall user experience, including a comprehensive facelift, navigation enhancements and smoother functionality.

On behalf of its nearly 22,000 professionals in almost 60 countries, the Appraisal Institute continued in 2013 to enhance its advocacy efforts in Washington, D.C., and in state capitals around the country. AI also expanded its education and publication offerings and added new benefits for its individuals while promoting the organization and its professionals through extensive marketing and communications efforts.

The 2013 AI leadership team of President-Elect Ken P. Wilson, MAI, SRA; Vice President M. Lance Coyle, MAI, SRA; Immediate Past President Sara W. Stephens, MAI; Chief Executive Officer Frederick H. Grubbe, CAE; and the AI Board of Directors all deserve the utmost appreciation for their forward-thinking vision and excellent work ... none of which would have been possible without outstanding volunteer and staff support across the organization.

For more than 80 years, the Appraisal Institute and its predecessor organizations have led the real estate valuation profession while serving their professionals and the general public. AI continues to demonstrate that commitment through its thought leadership, its body of knowledge and its focus on the future – with high expectations for the next 80 years!

Sincerely,

A handwritten signature in black ink that reads "Rich". The signature is written in a cursive, slightly stylized font.

Richard L. Borges II, MAI, SRA
2013 President
Appraisal Institute

CORE VALUES & STRATEGIES

On Jan. 1, 2013, the Appraisal Institute introduced the Candidate for Designation program, which kicked off with 4,451 enrollees.



New Strategic Initiatives

In 2013, the Appraisal Institute announced three major strategic initiatives that have the potential to reshape fundamentally the global valuation profession. These well-conceived and planned strategies are part of a coordinated effort to address global market need and demand, to strengthen the valuation profession and to reinforce the Appraisal Institute's leadership of the valuation profession. The initiatives approved by the Appraisal Institute's Board of Directors include:

- Issuing new Standards of Valuation Practice that could serve as an alternative for valuation professionals where national or other standards are not required.
 - Valuation professionals could use these standards when Uniform Standards of Professional Appraisal Practice, International Valuation Standards or other standards are not required and the use of Appraisal Institute standards would be appropriate. AI's new standards would not supplant USPAP or other national standards.
- Expanding delivery of Appraisal Institute education, becoming more proactive in identifying and pursuing appraisal educational opportunities.
 - The Appraisal Institute will expand its delivery of Appraisal Institute education through a wider number and scope of providers. By expanding its education delivery, the Appraisal Institute will be able to strengthen its well-established position as the leader in appraiser education.
- Creating a new certification organization, which will establish a future generation of cross-disciplinary valuation professionals. The new organization will:
 - demonstrate leadership in cross-disciplinary valuation principles, standards, methods and ethics;
 - establish a cross-disciplinary valuation body of knowledge that would become the focal point for a newly composed valuation profession;
 - provide professional certifications to individuals who meet select criteria, taking advantage of current market opportunities; and
 - strive to become the foremost organization for cross-disciplinary valuation professionals in the U.S. and eventually in the world.

As of Dec. 31, 2013, total AI professionals stood at 21,707. The Appraisal Institute continued to confer a high number of new designations by adding 490 new designees (100 SRA and 390 MAI) in 2013.

Candidate for Designation Program

On Jan. 1, 2013, the Appraisal Institute introduced the Candidate for Designation program, which kicked off with 4,451 enrollees. As of Dec. 31, 2013, total Candidate program enrollment stood at 4,241 after AI conferred 390 MAI and 100 SRA designations in 2013.

AI Review Designations

The Appraisal Institute launched its first new designations in more than 20 years when it announced the AI-GRS (Appraisal Institute – General Review Specialist) and AI-RRS (Appraisal Institute – Residential Review Specialist) designations in November 2013. The Appraisal Institute Board of Directors adopted the review designation program after years of research, responding in part to the growing and important role that appraisal review plays in risk management and mitigation for many clients and users of appraisal services.

Beginning in 2014, the Appraisal Institute will offer four new courses to address appraisal review: *Review Theory – Residential*, *Review Theory – General*, *Review Case Studies – Residential* and *Review Case Studies – General*.

CORE VALUES

The Appraisal Institute is committed to the professional development and success of its Designated members, Candidates for Designation, Practicing Affiliates and Affiliates through benefits, education, advocacy and innovative products and services. The core values governing the Appraisal Institute's continued growth and development include:

LEADERSHIP

Promoting the integrity and excellence of AI professionals in the real estate valuation profession.

INNOVATION

Developing AI benefits, education programs and information resources that set the standard for the profession.

ADVANCEMENT

Advancing the future growth of Appraisal Institute professionals in the real estate valuation profession through training and new business opportunities and endorsements.

ACCOUNTABILITY

Continuously working toward, and on behalf of, the best interests of AI's Designated members, Candidates for Designation, Practicing Affiliates, Affiliates and the profession.

SERVICE

Responding to AI professionals' needs in a timely, courteous, efficient and accurate manner.

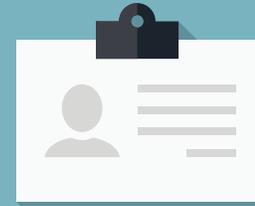
PROFESSIONAL RESPONSIBILITY

Encouraging and supporting the highest level of ethical and professional behavior of AI's Designated members, Candidates for Designation, Practicing Affiliates and Affiliates.

ADVOCACY

Representing the collective voice of real estate valuation professionals and positioning AI's Designated members as the highest caliber professionals integral to the real estate valuation profession.

AI PROFESSIONALS



The total number of AI professionals in 2013 decreased from 2012. The Appraisal Institute added 1,245 individuals during the year, but 2,553 individuals left AI during 2013, mostly due to retirement and economic conditions. This resulted in a 5.7 percent decrease in AI professionals over year-end 2012. As of Dec. 31, 2013, total AI professionals stood at 21,707, including active Designated members, Candidates for Designation, Practicing Affiliates and Affiliates, as well as Retired Designated members and Life Designated members. The Appraisal Institute continued to confer a high number of new designations by adding 490 new designees (100 SRA and 390 MAI) in 2013, a 4.9 percent decrease from 2012, when AI conferred more designations than any year since 1994.



NEW

AI professionals:
1,245

TOTAL

AI professionals:
21,707

Total Designated: 490

Of the 2013 total, AI conferred 47 designations to international members.

New Admits

General Candidate	240
Residential Candidate	123
Practicing Affiliate	637
Affiliate	245
Total Admits	1,245

Designations Awarded

MAI	390
SRA	100
Total	490

EDUCATION



The Appraisal Institute provides real and meaningful value to its professionals by helping them to achieve the highest standards of excellence in the valuation profession and meet the challenges in a rapidly changing world. The Appraisal Institute is dedicated to developing and delivering high quality programs to serve not only its professionals but also a wide array of other customers.

In addition to premiering several new seminars in 2013, the Appraisal Institute premiered a new delivery option – live online (or synchronous) education, providing students another choice for education delivery. Beginning with two of AI's four Advanced Education courses – *Advanced Income Capitalization* and *Advanced Market Analysis & Highest and Best Use* – students now are able to remain at home or work instead of taking weeks off to meet their education requirements. The current programs run for two weeks. Sessions run four days a week, for four hours per day. Students complete the exams at a local testing center. In 2014, the remaining Advanced Education courses will be run through the synchronous program, as well as a few Continuing Education programs.

The General Demonstration Report Alternative Capstone Program's success continued in 2013 with eight sold-out offerings held throughout the United States. The feedback on this extremely challenging program continued to be very positive. In 2013, the Appraisal Institute was able to bestow more than 200 MAI designations as a result of the Capstone program.

Finally, in late 2013, the first two of four courses that are required for AI's new review designations premiered in Chicago. The *Review Theory – Residential* and *Review Theory – General* courses were presented to sold-out audiences. The *Review Case Studies – Residential* and *Review Case Studies – General* will premiere in 2014.

In 2013, the Appraisal Institute was able to bestow more than 200 MAI designations as a result of the Capstone program.



AI SERVICES

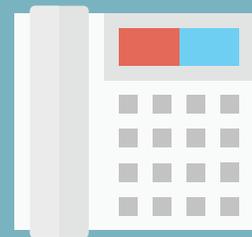


The Appraisal Institute continued to provide numerous benefits to AI professionals throughout 2013, including discounts on AI education, insurance options, an ethics and counseling hotline, appraisal news periodicals, legislative advocacy, marketing and public relations tools, and networking opportunities. AI offered extensive discount programs with companies such as Reis Reports, Site-To-Do-Business, Narrative1, Real Estate Research Corp., ExactBid, IREM, National Collateral Database and Expert Witness Profiler. AI also focused on expanding discount business services, including Hewlett-Packard products, OfficeMax supplies and FedEx shipping.

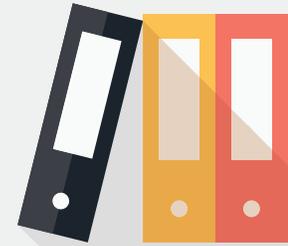
The Find an Appraiser Directory continued to be a favorite AI benefit with search options that included zip code, state, designation or specialty. And the Y.T. and Louise Lee Lum Library was a prominent resource utilized by AI professionals throughout 2013 with 48,819 online catalog searches and 1,780 reference requests. In 2013, the AI Service Center received an average of 587 calls weekly, up from an average of 560 per week in 2012. Overall, the Service Center handled more than 30,000 calls in 2013, up by 1,000 calls from 2012.

AI Service Center representatives received extensive training in 2013 regarding customer service, AI designations, education, chapter services and website navigation. And they continue to elevate the level of service provided to AI professionals. The representatives also answered questions on a variety of topics including website/log-in, publication orders, advocacy updates, dues/fees, AI benefits/business tools and the Candidate for Designation program.

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PUBLICATIONS



The Appraisal Institute published *The Appraisal of Real Estate*, 14th edition, in September 2013 after an 18-month development period. The content of the textbook was reorganized to follow the steps in the valuation process. The new book has a four-color internal design and includes more extensive coverage of topics such as valuation for financial reporting, appraisal review and the valuation of intangible assets.

The content of *The Student Handbook to The Appraisal of Real Estate* also was reorganized, updated and expanded to reflect the new edition. The Appraisal Institute also developed instructor materials (i.e., a course outline, PowerPoint slides and exam questions) for use with the new edition.

Another learning tool for appraisers, *Practice Examination Questions for Real Estate Appraisers*, was released mid-year. This comprehensive workbook, available in print and online, contains more than 1,000 questions and answers to help appraisers prepare for state certification and licensing exams.

The Appraisal Institute released 16 new digital publications in 2013 in PDF, e-pub and Kindle formats. A searchable PDF of the 14th edition proved to be especially popular with appraisers, allowing them to search the textbook for content relevant to the preparation of their appraisal reports and other business documents.

The Appraisal Institute's revenue from publication sales totaled \$833,104 for the 14,312 print publications sold in 2013, a 5.5 percent increase over the \$789,543 earned in 2012. Approximately 55 percent of sales were attributable to AI individuals.

The Appraisal Institute began selling digital publications directly to customers in 2013, generating revenues of \$102,400 from the sale of 1,402 digital publications in 2013, compared to revenues of \$4,511 for the 522 digital publications sold through outside vendors in 2012.

Books scheduled for release in 2014 include: *The Student Handbook to The Appraisal of Real Estate*, 14th edition; *Residential Green Valuation Tools*; *Market Analysis for Real Estate*, second edition; and *Valuing Contaminated Properties*, Vol. II. All of these new titles will be released as both printed texts and as digital publications.

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ADMISSIONS



In 2013, the Appraisal Institute continued to address questions and serve a wide range of needs among Designated members, Candidates, Practicing Affiliates and Affiliates in the areas of standards and ethics, AI continuing education cycles, admission requirements, minimum progress and designation timelines.

Candidate for Designation Program

In 2013, the Appraisal Institute launched the Candidate for Designation program. As of Dec. 31, 4,241 Candidates were enrolled in the program. The Appraisal Institute implemented numerous policies and procedures relating to the program, such as college degree alternatives and chapter meeting attendance, and communicated regularly with Candidates throughout the year. A notable component of the Candidate for Designation program is the Advisor program, in which Candidates are paired with Designated members who serve as Advisors. The Advisor program helps Candidates to benefit from Designated members' knowledge of the Appraisal Institute and the appraisal profession. AI also created internal and website programming to address the many components of the Candidate for Designation program, including Candidate status reports, minimum progress, chapter meeting attendance and the Advisor program.

Continuing Education

In 2013, the Appraisal Institute implemented a points system for its continuing education program, transitioning from an hours-based system. New policies, procedures and communications were required, along with new internal and website programming. The points system features a tiered structure that allocates higher point values to courses and seminars defined as advanced education. In taking the most advanced, meaningful and relevant education, Designated members, Candidates and Practicing Affiliates will be rewarded for their demonstration of knowledge and proficiency. The new system also rewards individuals who take and pass exams. Although AI still tracks hours for its Designated members, Candidates and Practicing Affiliates, all education is now measured based on point values for purposes of fulfilling continuing education requirements.

In 2013, the Appraisal Institute implemented a points system for its continuing education program, transitioning from an hours-based system.



PROFESSIONAL PRACTICE



For more than 80 years, the Appraisal Institute has been recognized as the source for professional practice information for real property valuation. AI's commitment to professionalism serves to promote and maintain a high level of public trust and confidence.

In keeping with its historic role as the leader in the valuation profession, AI began development of its proposed Standards of Valuation Practice in 2013. The goal of the SVP is to provide high quality, straightforward, principle-based standards that can be used when existing standards are not already required or do not apply. The proposed SVP also is intended to help clients understand appraisal standards and to facilitate meeting clients' evolving needs. An exposure draft of the SVP (as well as proposed revisions to the Preamble to the Standards of Professional Appraisal Practice and the Code of Professional Ethics) was released in December 2013.

The Appraisal Institute published two Guide Notes to the Standards of Professional Appraisal Practice in 2013:

- Guide Note 14: Concept of Exposure Time
- Guide Note 6: Consideration of Hazardous Substances in the Appraisal Process (updated)

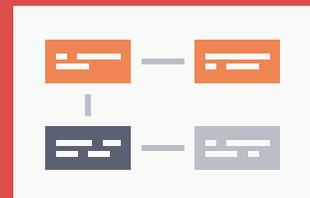
The Appraisal Institute was active in providing input to other organizations on professional practice matters relevant to real property valuation. At the request of the Appraisal Standards Board of The Appraisal Foundation, AI submitted a comment letter and participated in a discussion panel on the development of the 2016-2017 Uniform Standards of Professional Appraisal Practice. AI also submitted comments to the Appraisal Practices Board and the International Valuation Standards Council.

Standards and ethics counseling continues to be an important resource for AI Designated members, Candidates, Practicing Affiliates and Affiliates. AI received 2,240 professional practice inquiries in 2013, covering a broad range of topics.

In the area of peer review, 109 new cases were opened in 2013. This continues an eight-year trend of decreasing professional practice referrals.

Of the cases that were closed in 2013, the outcomes included educational guidance (28 cases), an educational alternative completed (six cases), notice of improper reference to membership or status (21 cases), closed due to resignation/dues nonpayment/SPP/CE (nine cases), closed with no action (54 cases). Additionally, seven non-published disciplinary actions and one publishable disciplinary action were imposed.

In keeping with its historic role as the leader in the valuation profession, AI began development of its proposed Standards of Valuation Practice in 2013.



PROFESSIONAL PRACTICE



Appraisal Institute Peer Review Statistics

Professional Practice Inquiries

Professional practice, standards and ethics questions from AI professionals, users of appraisal services and the public:

2013	2012	2011	2010	2007-2009	
				Average per year	Total for 3-Year Period
2,240	2,562	2,762	2,573	2,169 per year	6,507 total

New Peer Review Files Opened

2013	2012	2011	2010	2005-2009	
				Average per year	Total for 5-Year Period
109	133	145	150	207 per year	1033 total

Closed Peer Review Files

Outcome	2013	2012	2011	2010	2005-2009	
					Average per year	Total for 5-Year Period
Closed with no action	54	61	50	47	40 per year	200 total
Educational Guidance	28	47	68	51	82 per year	411 total
Notice of Improper References to Membership or Status	21	25	27	15	21 per year	107 total
Educational Alternative Completed	6	6	5	3	4 per year	18 total
Resignation/Failure to Pay Dues/SPP/CE/Other – Publishable Action	9	18	15	20	21 per year	107 total
Non-published Disciplinary Actions	7	8	5	6	6 per year	30 total
Resignation/Failure to Pay Dues/SPP/CE/Other – Publishable Action	0	2	1	0	1 per year	6 total
Publishable Disciplinary Actions	1	1	2	4	3 per year	16 total
TOTAL	126	168	173	146	179 per year	895 total

COMMUNICATIONS



2013 was a record year for media coverage of the Appraisal Institute and its professionals, reaching an all-time high for media impressions and publicity value – nearly 2.9 billion impressions valued at more than \$8.8 million.

Highlights of AI's 2013 media coverage included:

- Media impressions (times a story potentially was read, seen or heard) for 2013 totaled 2,890,376,262 (compared to 2,450,717,203 in 2012, an 18 percent increase and an all-time high).
- \$8,800,794 publicity value for 2013, according to vendor's proprietary formula (compared to \$2,685,891 in 2012, a 228 percent increase and an all-time high).

AI's quarterly *Valuation* magazine and *The Appraisal Journal* were honored in November in the MarCom Awards, sponsored by the Association of Marketing and Communications Professionals. *Valuation* won a Platinum Award in the Magazine/Association category, and the *Journal* won a Gold Award in the Magazine/Consumer category.

AI's Candidate for Designation videos were honored in September with a Silver Award in the Content Marketing Awards, sponsored by the Content Marketing Institute and McMurry/TMG. AI won in the category of Best Use of YouTube in a Content Marketing Program.

In less than three years, the Appraisal Institute has won 20 awards in 12 contests for six different AI products (*Opinions of Value* blog, YouTube videos, *Appraiser News Online* weekly e-newsletter, *Residential Update* monthly e-newsletter, *Valuation* magazine and *The Appraisal Journal*).

AI increased social media activity and achieved record highs as of Dec. 31, 2013:

- 3,570 "likes" on Facebook (75 percent increase from 2012).
- 2,551 followers on Twitter (59 percent increase from 2012).
- 3,024 followers on LinkedIn (147 percent increase from 2012).
- 399 blog subscribers (51 percent increase from 2012).
- 20,844 YouTube channel video views (213 percent increase from 2012).

During 2013, the Appraisal Institute also communicated its messages directly to targeted audiences, typically appraisers' clients. The organization's officers and other leaders represented AI by attending more than 70 national and international events. AI representatives spoke on a variety of relevant topics at conferences hosted by a wide range of groups, including the National Association of Realtors, National Association of Home Builders, American Bar Association and many others.

In less than three years, the Appraisal Institute has won 20 awards in 12 contests for six different AI products (Opinions of Value blog, YouTube videos, Appraiser News Online weekly e-newsletter, Residential Update monthly e-newsletter, Valuation magazine and The Appraisal Journal).



MARKETING



As part of its ongoing recruitment, retention, visibility and branding campaigns, the Appraisal Institute in 2013 participated at 22 trade shows and advertised in 33 banking, law, accounting and real estate publications.

The Appraisal Institute's marketing efforts also helped achieve other important results:

- AI advertised its education in its own publications and in other valuation profession outlets and sent emails to more than 40,000 targeted appraisers and others.
- AI sent more than 2 million emails to promote AI's national educational offerings. These efforts helped attract more than 4,500 participants for AI national offerings.
- The Appraisal Institute sent nearly 920,000 emails that advertised new books, e-books and special sales, helping AI sell more than 14,700 books and e-books.
- AI sent more than 850,000 emails to promote Appraisal Institute chapters' educational offerings.
 - A total of 50 chapters used AI's email service to promote more than 80 different educational offerings.
- Sales of sponsorships and exhibits supported the AI Annual Meeting. More than 30 companies that sell appraisal products and services exhibited at the Annual Meeting's trade show. Marketing efforts also drove attendance at the event.

The AI website attracted 617,492 visitors in 2013 for a total of 1,603,489 visits; more than one-third were new visitors to the site. The education section of the AI website accounted for nearly 30 percent of all page views, with just over 15 percent of those by visitors accessing the course descriptions and nearly 14 percent searching AI's educational offerings. Just over half of the more than 150,000 visitors who came to the AI website through a mobile device were new visitors.

The AI website attracted 617,492 visitors in 2013 for a total of 1,603,489 visits; more than one-third were new visitors to the site.



GOVERNMENT RELATIONS



The Appraisal Institute in 2013 remained the strongest advocate for real estate valuation professionals in Washington, D.C., and in state capitals.

Federal Relations

After the SBA abruptly reversed its “going concern” policy (which had gone into effect in 2011), the Appraisal Institute led an effort to reinstate the ability of qualified real estate appraisers to perform “going concern appraisals” as part of the agency’s business valuation requirements.

The Appraisal Institute also was instrumental in the Consumer Financial Protection Bureau’s decision not to alter the definition of “valuation,” as well as exempting any loans that involve “new risk” or “new money,” from the higher-priced mortgage loan appraisal requirements for new manufactured homes. Also, the Appraisal Institute urged six federal bank regulatory agencies to modify a credit risk retention proposal to better address shortcomings in the way in which appraisals are addressed.

During the annual AI Leadership Development and Advisory Council event in Washington, D.C., more than 100 Appraisal Institute professionals met with members of Congress to discuss issues important to the valuation profession. Issues discussed included a Senate bill that would prohibit any reappraisal of a performing loan even if examiners identified safety and soundness concerns, and also an issue involving conservation easements – asking Congress to preserve a tax incentive that requires a qualified appraisal.

AI began work to enact state laws to allow appraisers doing valuation work for non-federally-related transactions to comply with alternate valuation standards.



GOVERNMENT RELATIONS



State Relations

The Appraisal Institute's work on state appraisal management company laws shifted in 2013 to updating those laws that are already in place, including working for the enactment of appraiser recovery funds, state reasonable and customary fee requirements, and ensuring that appraisal firms (both residential and commercial) are not captured by state AMC registration requirements.

In 2013, AI also worked closely with chapters in two states to defeat (or significantly delay) legislation to expand the ability of real estate sales professionals to perform broker price opinions and comparative market analyses. One governor vetoed a BPO bill not once, but twice.

AI also has provided input on numerous legislative and regulatory proposals to update states' appraiser licensing and certification laws, including reciprocity issues and background check requirements. And late in 2013, AI began work to enact state laws to allow appraisers doing valuation work for non federally-related transactions to comply with alternate valuation standards.

Industry Relations

Work also continues within the accounting standards-setting bodies on efforts to require the use of fair value measurements for the reporting of the value of real estate assets on financial statements. AI submitted comments and testimony several times to the financial, international and governmental accounting standards boards.

The Appraisal Institute hosted two Stakeholder Forums in 2013, covering the issues of residential mortgage valuation issues and conservation valuation. Additionally, the Appraisal Institute hosted several meetings and forums relating to the valuation of "high performance" properties.

FINANCIALS



2013 Revenue

Membership	55%	\$11,151,663
Education	32%	6,513,727
Publications	5%	1,073,030
Member Services	5%	927,621
Meetings and Conferences	2%	319,650
Communications	1%	167,962
Investments	0%	(5,112)
Other	0%	83,393
		\$20,231,934

Membership

Revenue earned from membership dues, as well as Candidate, Practicing Affiliate and Affiliate fees.

Education

Revenue earned from educational offerings held in classroom, online and synchronous venues.

Publications

Revenue earned from sale of textbooks, guidebooks and other formats.

Member Services

Revenue earned from fees for admissions processing and from member benefit royalties.

Meetings and Conferences

Revenue earned from the Appraisal Institute Annual Meeting and Leadership Development and Advisory Council.

Communications

Subscription and advertising revenue from AI's periodicals.

Investments

Return earned from reserve fund investments.

Other

Revenue earned from advertising and other miscellaneous programs.

FINANCIALS



2013 Expense

Education	26%	\$4,937,650
Publications	4%	744,836
Member Services	12%	2,180,983
Professional Resources	9%	1,788,919
Communications	5%	924,997
Meetings and Conferences	2%	375,847
International	1%	200,972
External Relations	5%	902,923
Governance	7%	1,301,188
Management & General	29%	5,415,722
		\$18,774,037

Education

Costs incurred for development, delivery and promotion of educational offerings.

Publications

Costs incurred for development and sale of publications.

Member Services

Costs incurred to recruit, retain, promote and support Designated members and Candidates for Designation.

Professional Resources

Costs incurred to administer the Ethics and Standards program and for administration of admissions programs.

Communications

Costs incurred to publish AI's periodicals and communicate to various audiences.

Meeting and Conferences

Costs related to hosting the Appraisal Institute Annual Meeting and Leadership Development and Advisory Council conference.

International

Costs related to maintain and expand AI's presence and influence internationally.

External Relations

Costs incurred to assist chapters, Designated members, Candidates for Designation, Practicing Affiliates and Affiliates with legislative, regulatory and industry advocacy.

FINANCIALS



Consolidated Statements of Financial Position

Dec. 31, 2013 and 2012

Assets	2013	2012
Cash	\$5,264,807	\$5,170,693
Restricted cash	1,000,000	1,000,000
Reserve fund investments	8,746,022	6,959,648
Accounts receivable, net	124,028	71,203
Inventory, net	106,042	117,435
Prepaid expenses	428,883	342,862
Fixed assets, net	2,157,835	2,315,592
Other assets	543,508	486,512
Total assets	\$18,371,125	\$16,463,945
Liabilities and net assets		
Accounts payable and accrued expenses	\$1,670,009	\$1,373,975
Deferred membership dues and fees	3,685,873	4,022,781
Unearned registrations and subscriptions	1,048,239	800,649
Due to chapters	880,404	855,133
Deferred rent credit	1,084,717	761,754
Tenant improvement allowance	1,314,304	1,416,718
Other liabilities	845,489	922,616
Total liabilities	\$10,529,035	\$10,153,626
Net assets		
Unrestricted	\$7,813,154	\$6,282,257
Temporarily restricted	28,936	28,062
Total net assets	7,842,090	6,310,319
Total liabilities and net assets	\$18,371,125	\$16,463,945

2013 BOARD OF DIRECTORS



PRESIDENT
Richard L. Borges II, MAI, SRA



PRESIDENT ELECT
Ken P. Wilson, MAI, SRA



VICE PRESIDENT
M. Lance Coyle, MAI, SRA



IMMEDIATE PAST PRESIDENT
Sara W. Stephens, MAI



CEO, NON-VOTING MEMBER
Frederick H. Grubbe, CAE



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REGION I VICE CHAIR
Jeffrey S. Enright, MAI



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Gail G. Hunyar, SRA



REGION II VICE CHAIR
Kerry M. Jorgensen, MAI



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Kern G. Slueter, MAI, SRA



REGION III VICE CHAIR
Jason L. Messner, MAI



REGION IV CHAIR
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Anthony M. Marmorale, SRA



REGION V CHAIR
Roscoe W. Shiplett, MAI



REGION V VICE CHAIR
Charles R. Mills, Jr., MAI, SRA



REGION VI CHAIR
Thomas C. Reynolds, III, SRPA



REGION VI VICE CHAIR
Robert J. Robidoux, MAI, SRA



REGION VII CHAIR
James L. Henderson, SRA



REGION VII VICE CHAIR
Kerry Leiman, SRA



REGION VIII CHAIR
Jim Amorin, MAI, SRA



REGION VIII VICE CHAIR
Misty K. Ray, MAI



REGION IX CHAIR
Sandra M. Winter, MAI



REGION IX VICE CHAIR
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