Dear Appraisal Institute Professional:

The Appraisal Institute made great strides in 2015 to expand its role as the valuation profession’s leader, both in the U.S. and abroad. AI significantly enhanced its body of knowledge, continued its advocacy on behalf of appraisers, promoted its new Standards of Valuation Practice, furthered its international relations efforts and built on its more than 80-year history as the real property valuation profession’s leader.


On the international front, the Appraisal Institute went to Kuwait to teach its Basic Appraisal Principles and Basic Appraisal Procedures courses. Additionally, the Saudi Authority for Accredited Valuers signed a licensing agreement with AI to present those two offerings. AI’s leaders also were invited to present at key events in countries such as Germany, Romania, Mexico, Dominican Republic, Singapore, Japan and China, among others.

In Washington, D.C., and in state capitals, the Appraisal Institute advocated for its individuals and the profession on key issues, including: a new definition of “fiduciary,” a formalized grace period for the enforcement of the TILA-RESPA Integrated Disclosure requirements, the National Credit Union Administration’s proposed rule to expand credit union business lending, and HUD’s proposed rule on the disposition of HUD-acquired single-family properties.

The Appraisal Institute in 2015 continued to create opportunities to enhance its thought leadership relative to green and energy-efficient valuation. The organization released its Commercial Green and Energy-Efficient Addendum. AI also successfully enhanced its collaboration with other entities, extended its partnership with Build It Green and worked with the U.S. Department of Energy, Building Codes Assistance Project, Institute for Market Transformation and the District of Columbia’s Department of Energy and Environment.

It’s also important to acknowledge the 2015 AI leadership team of President-Elect Scott Robinson, MAI, SRA, AI-GRS; Vice President Jim Amorin, MAI, SRA, AI-GRS; Immediate Past President Ken P. Wilson, MAI, SRA; Chief Executive Officer Frederick H. Grubbe, MBA, CAE; and the AI Board of Directors for their unwavering dedication to the organization’s success, as well as AI’s terrific volunteers and staff.

For nearly 85 years, the Appraisal Institute and its predecessor organizations have served as the valuation profession’s thought leaders. AI is uniquely positioned to address today’s challenges and to continue driving the profession toward a bright tomorrow.

Sincerely,

M. Lance Coyle, MAI, SRA
2015 President
Appraisal Institute
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.

**Service**
Responding to AI professionals’ needs in a timely, courteous, efficient and accurate manner.

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

**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.

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

**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.
The Appraisal Institute conferred 562 new MAI and SRA designations in 2015 (415 MAI and 147 SRA designees). Total designations, including AI-GRS and AI-RRS, totaled 831.

As of December 31, 2015, total AI Professionals stood at 19,551, including active Designated members, Candidates for Designation, Practicing Affiliates and Affiliates, as well as Retired Designated members and Life Designated members. The total number of AI professionals decreased by 5.5 percent compared to 2014 figures.

**New AI Professionals: 931**

**Total AI Professionals: 19,551**

### New Admits

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Candidates:</td>
<td>246</td>
</tr>
<tr>
<td>Residential Candidate:</td>
<td>67</td>
</tr>
<tr>
<td>Practicing Affiliates:</td>
<td>428</td>
</tr>
<tr>
<td>AI-GRS Candidates:</td>
<td>35</td>
</tr>
<tr>
<td>AI-RRS Candidates:</td>
<td>15</td>
</tr>
<tr>
<td>Affiliates:</td>
<td>140</td>
</tr>
<tr>
<td><strong>Total Admits:</strong></td>
<td><strong>931</strong></td>
</tr>
</tbody>
</table>

(Of the 931 new AI professionals in 2015, 23 were international members: 11 General Candidates, 5 Residential Candidates and 7 Practicing Affiliates.)

### Designations Awarded

<table>
<thead>
<tr>
<th>Designation</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAI:</td>
<td>415</td>
</tr>
<tr>
<td>SRA:</td>
<td>147</td>
</tr>
<tr>
<td>AI-GRS:</td>
<td>201</td>
</tr>
<tr>
<td>AI-RRS:</td>
<td>68</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>831</strong></td>
</tr>
</tbody>
</table>

(Of the 2015 total, AI conferred 11 designations to international members.)
EDUCATION

For more than 80 years, the Appraisal Institute has provided real and meaningful value to its professionals by helping them to achieve the highest standards of excellence in the real estate valuation profession and to be prepared to meet everyday challenges in a rapidly changing world. The Appraisal Institute is dedicated to developing and delivering high-quality programs to serve not only its professionals and the appraisal community, but also a wide array of users of appraisal services.

Through its education and publishing endeavors, the Appraisal Institute maintains its leadership position within the real estate industry and continues to be a major contributor in the U.S. – and now the global – valuation profession.

The General Demonstration Report Alternative Capstone Program continued to be successful with 10 sold-out classroom offerings held throughout the United States, and one sold-out synchronous offering.

In 2015, synchronous education delivery (live online education) continued to be a top choice for those students whose preferred choice was to be educated right in their home or office. The final program in the complete MAI advanced education curriculum was released for synchronous delivery in 2015.

To help trainees and their supervisors meet the Appraiser Qualifications Board’s 2015 Real Property Appraiser Qualifications Criteria, the Appraisal Institute premiered the supervisory/trainee course. On the continuing education front, the Contract or Effective Rent: Finding the Real Rent seminar and the FHA Appraising for Valuation Professionals: FHA Single Family Housing Appraisal Requirements seminar made their debuts in 2015.

Finally, the General Demonstration Report Alternative Capstone Program continued to be successful with 10 sold-out classroom offerings held throughout the United States, and one sold-out synchronous offering. In 2015, the Appraisal Institute was able to bestow more than 320 MAI designations as a result of the Capstone program.
The Appraisal Institute’s Professional Services and Resources Department provides services to AI professionals through the Service Center, assists AI’s chapters and manages benefits and services available to all AI professionals.

AI’s Service Center representatives assisted AI professionals with 19,695 phone calls – an average of 380 calls per week. They also effectively responded to 3,649 emails and processed 893 publications orders, a 4 percent increase in orders processed during 2014.

One of the most-used Appraisal Institute benefits in 2015 was the Y.T. and Louise Lee Lum Library. The Library received requests from 3,573 individual Designated members and AI professionals, which generated 840 requests to the Library and 42,379 document downloads from the online catalog. The Information Files section of the Library online catalog continues to expand. Resources beyond the online catalog now include web sources, excerpts for download and print bibliographies.

### 2015 Information Requests to the Lum Library

| Requests by Type of User |  
|-------------------------|---|
| Designated members      | 64% |
| Candidates for Designation | 18% |
| Practicing Affiliates   | 9% |
| Affiliates              | 3% |
| Others                  | 6% |

The Appraisal Institute provides for its professionals more than 20 benefit and affinity programs. Areas of emphasis in 2015 included: an enriched web-based application, STDB Platinum, offered by Site To Do Business; the Real Estate Group Insurance Trust’s (REAGIT) Group Dental Insurance Program and Professional Overhead Expense Insurance offering; and MiniCo Publishing’s 2015 Self-Storage Almanac and the Self-Storage Expense Guidebook. Discount programs remain for office products, electronics, shipping services, valuation software, data analytics/reports and car rental services.

Enhancements to the online Find an Appraiser Directory included focuses on areas of practice, designation searches, going concern listings and mapping by geographical location.

New in 2015 for chapters was the launch of quarterly chapter executive director webinar meetings. Among the topics discussed were: navigating the Communities of Practice, best practices, utilizing social media and marketing chapter education. The Appraisal Institute also developed and launched a new chapter website template, which includes enhanced features such as responsive design and easy navigation options.
The Appraisal Institute released two monographs and a new edition of a major textbook in 2015:

- *Review Theory and Procedures*;
- *A Guide to Appraising Automobile Dealerships*; and

All three texts were released in print and PDF formats. The Appraisal Institute currently sells 44 books in PDF form.

*Review Theory and Procedures*, released in Spring 2015, describes the importance of reviews and the requirements for their completion. The book complements the Appraisal Institute’s review courses and new review designations and reinforces the organization’s commitment to competent, ethical practice.

The excellence of the Appraisal Institute’s educational programs and publications is known throughout the world, and 49.3 percent of book sales revenue in 2015 came from non-AI professionals.

*A Guide to Appraising Automobile Dealerships*, released in Summer 2015, examines the business structure and market for automobile dealerships and explores the factors influencing their value.

*The Dictionary of Real Estate Appraisal*, sixth edition, released in Fall 2015, is an essential reference work with more than 5,000 entries, including 450 new terms and more than 1,250 revised definitions. This new edition has proved to be very popular, with strong sales of the print book, the PDF, and a package containing both formats. More than 1,100 copies of the textbook were sold in the first three months after its release.

Revenues from book sales totaled $746,134 on sales of 12,658 publications. The excellence of the Appraisal Institute’s educational programs and publications is known throughout the world, and 49.3 percent of book sales revenue in 2015 came from non-AI professionals.

In 2015, the Appraisal Institute continued to maintain its high standards of customer service by assisting and attending to a wide range of needs among Designated members, Candidates for Designation, Practicing Affiliates and Affiliates.

The Admissions team continued to advise Candidates on their requirements related to Annual Minimum Progress and Timeline to Designation via an outreach of letters and e-mails to guide them on completing required progress. The Admissions staff’s outreach primarily focused on the differences in Annual Minimum Progress and Timeline to Designation requirements and how to ensure both sets of timelines would be achieved by Candidates.

The Appraisal Institute awarded credit for 1,020 experience and 443 demonstration of knowledge submissions and approved applications for 769 Candidates to take the comprehensive exam.

The Admissions team also guided Candidates on how they best could achieve designation by counseling them on available methods to complete designation requirements and recommending that each candidate devise a plan of action for doing so. As a result, the Appraisal Institute awarded credit for 1,020 experience and 443 demonstration of knowledge submissions and approved applications for 769 Candidates to take the comprehensive exam.

Continuing Education
In 2015, the Continuing Education team once again implemented its year-long communications campaign, counseling Designated members and Practicing Affiliates on AI CE requirements.

A record number of Designated members completed their AI CE requirements before their AI CE cycle end date of Dec. 31, 2015, and for the second consecutive year, no domestic Designated memberships were terminated for failure to complete AI CE requirements.
In keeping with the Appraisal Institute’s historic role as the leader of the valuation profession, and in recognition of the limitations of many valuation standards in the marketplace today, the AI adopted the Standards of Valuation Practice (SVP) and the Valuers Code of Professional Ethics (VCPE).

The SVP is a set of high-quality, straightforward, enforceable and principles-based valuation standards that valuers may use when a national or international standard does not apply or is not required. The SVP establishes a high level of professional practice, engenders public trust, enables valuers and the public to better understand the valuation practice, helps valuers better meet the evolving needs of clients, and facilitates the variety of work that clients desire and that valuers now perform.

The VCPE is a set of high-quality, straightforward, enforceable, and principles-based canons and rules of ethical conduct that valuers may use when a national or international ethical code does not apply or is not required. To develop the VCPE, the Appraisal Institute started with the AI Code of Professional Ethics, removed obligations and terminology unique to AI professionals, and adjusted the remaining language to ensure universality.

In keeping with its historic role as the leader in valuation profession, the Appraisal Institute adopted the Standards of Valuation Practice and the Valuers Code of Professional Ethics in 2015.

The Appraisal Institute also was active in providing input to other organizations on professional practice matters, including filing comment letters with and attending meetings of the Appraisal Standards Board of The Appraisal Foundation and the International Valuation Standards Council.

AI Designated members, Candidates for Designation, Practicing Affiliates and Affiliates made more than 2,400 inquiries to the Professional Practice staff concerning a broad range of professional practice and valuation standards and ethics issues. The Professional Practice staff also reviewed numerous AI publications, textbooks, and courses for valuation standards and ethics-related issues.

In the area of peer review, the Appraisal Institute opened 79 new files. Peer review actions taken in 2015 included educational guidance, educational alternatives, notices of improper references to membership or status, and disciplinary actions.
2015 was a highly successful year for media coverage of the Appraisal Institute and its professionals, who appeared in more than 2,000 stories that ran in more than 900 different media outlets and were potentially read, seen or heard nearly 2 billion times ... with a value of more than $1.5 million (according to a vendor’s proprietary formula).

Highlights of the Appraisal Institute’s 2015 media coverage included:

- 2,019 stories including AI and its professionals (compared to 1,760 stories in 2014, a 14.7 percent increase) and
- 953 unique media outlets featuring those stories (compared to 735 unique media outlets in 2014, a 29.7 percent increase).

During 2015, the Appraisal Institute also communicated its messages directly to key targeted audiences, including lenders, homebuilders, energy raters and a variety of valuation professionals. The organization’s officers and other leaders represented AI by attending nearly 70 national and international meetings and events. AI representatives spoke on a variety of cutting-edge topics at conferences hosted by a wide array of groups, including the National Association of Home Builders, Japanese Association of Real Estate Appraisers, Residential Energy Services Network and many others.

Since 2011, the Appraisal Institute has won 27 awards in 17 contests for six different AI communications tools.

Also in 2015, AI increased social media activity and achieved record highs as of Dec. 31, 2015:

- 4,969 “likes” on Facebook (8 percent increase from 2014).
- 3,942 followers on Twitter (18.9 percent increase from 2014).
- 5,859 followers on LinkedIn (31 percent increase from 2014).
- 52,778 YouTube channel video views (38.8 percent increase from 2014).

The Appraisal Institute’s “Opinions of Value” blog and its video on how data impacts appraisals both received the AVA Digital Award honoring excellence in digital communication. The blog received a Platinum award in the Web Element/Blog category, while the video received a Gold Award in the Informational Video category from the Association of Marketing & Communication Professionals. AI also received an Award of Distinction in the Association of Marketing and Communication Professionals’ Videographer Awards for AI’s video, “What Should Appraisers Know about Right-of-Way Valuation Assignments?”

Since 2011, the Appraisal Institute has won 27 awards in 17 contests for six different AI communications tools (Opinions of Value blog, YouTube videos, Appraiser News Online weekly e-newsletter, Residential Update monthly e-newsletter, Valuation magazine and The Appraisal Journal).
In 2015, the Appraisal Institute demonstrated its strong commitment to both enhancing brand equity among valuation professionals and in the public domain.

**The Appraisal Institute in 2015 participated in 22 trade shows, and the Appraisal Institute advertised in 32 banking, law, accounting and real estate publications.**


AI consistently communicated with more than 40,000 valuation professionals, providing industry news and information regarding AI events, publications and educational offerings. Specifically:

- In 2015, the Appraisal Institute sent 7.6 million emails.
  - More than 3 million of these emails promoted AI’s national educational offerings.
  - National educational offerings also were advertised in print and online publications and at trade shows.
- A total of 56 chapters used AI’s broadcast email services, and more than 200 broadcast emails were created in 2015.

Sales of sponsorships and exhibits supported the AI Annual Meeting. Sales made to 25 companies that sell products and services exceeded $100,000 in revenue to the Appraisal Institute.

Additionally, in 2015 the Marketing team created new materials for distribution at trade shows focusing on the important “Find an Appraiser” functionality on the AI website, as well as promotional material for *The Dictionary of Real Estate Appraisal*, sixth edition.

The Appraisal Institute’s website, which was launched in February 2014, continues to attract information seekers. It enjoyed 486,181 visitors for a total of 1,071,896 sessions in 2015.
The Appraisal Institute continued to advocate for AI professionals at the federal and state levels in 2015, promoting opportunities for highly-qualified real estate valuation professionals.

**Federal Issues**

In May, the U.S. Small Business Administration issued revised appraisal policies for change-in-ownership transactions involving special-purpose properties. The SBA removed requirements for business valuation credentials and repositioned such scenarios as real property-centric valuation scenarios. Specifically, the going-concern appraisal experience requirement stipulates that a real estate appraiser must have completed within the last 36 months at least four going-concern appraisals of special-use property equivalent to the property being appraised.

The policy changes respond to several concerns expressed by Congressional oversight committees, the Appraisal Institute and banking and real estate trade organizations regarding a 2014 policy change that complicated financing for special-purpose properties. The revised policy is a significant improvement over the previous version.

AI continued to oppose a proposed rule issued by the Department of Labor that would treat appraisers preparing certain appraisal assignments for pension fund investments as “fiduciaries,” increasing costs and liabilities on appraisers performing such services. While the proposed rule was narrowed slightly to exempt situations where the appraisals are prepared for ongoing financial reporting purposes, the current proposal still does not provide adequate definitions for appraisal services for buy-and-sell decisions made by investment managers and the clarification of differences between appraisals and fairness opinions. The DOL is expected to issue a final rule in 2016, and the Appraisal Institute is reviewing legislation in the U.S. Congress that would provide a legislative fix to the situation should one be necessary.

**State and Local Issues**

At the state level, the Appraisal Institute continued to lead efforts to implement AMC registration requirements, while also addressing pressing issues facing appraisal practitioners such as nonpayment of fees and obligations of AMCs to appraisers. Registration requirements largely continue to follow a model bill written by the Appraisal Institute several years ago, while now adhering to the AMC minimum requirements established by the federal bank regulatory agencies.

Lastly, the Washington office provided support to Appraisal Institute chapters and AI chapter-sponsored coalitions on a range of state and local issues, fighting back on efforts to impose ethics violations on appraisers on business and contractual matters such as missed deadlines and navigating issues relating to customary and reasonable fees to appraisers.
MEETINGS

The Appraisal Institute plans and executes a variety of meetings throughout the year, allowing AI professionals and others in the real estate industry the opportunity to network and to learn. AI’s most prominent events for 2015 were:

Leadership Development Advisory Council
More than 100 LDAC attendees spent two-and-a-half days in Washington, D.C., developing leadership strategies and lobbying on Capitol Hill for various issues of concern to the appraisal profession. Held at the Renaissance Washington DuPont Circle hotel in May 2015, this annual event helps to identify and encourage the Appraisal Institute’s future leaders.

AI Annual Meeting
The Appraisal Institute Annual Meeting drew nearly 450 attendees and 25 exhibitors and sponsors to the downtown Sheraton in Dallas, Texas, in July 2015. The event attracted valuation and other real estate professionals from around the world who:

- networked with their peers;
- attended dozens of educational sessions;
- earned state and AI continuing education credit;
- saw exhibits of the latest cutting-edge valuation products and services;
- attended the annual Appraisal Institute awards dinner; and
- danced to the music of the Wonderfuls, a high-energy, five-piece Dallas cover band.

In the opening general session, award-winning National Geographic magazine photographer and Academy Award-nominated motion picture director Dewitt Jones served as keynote speaker, telling attendees to train their technique and put themselves in the place with the most potential. Closing general session speakers were Edward J. Pinto, American Enterprise Institute resident and co-director of AEI’s International Center on Housing Risk, who addressed “Appraisal Theory: Back to Fundamentals;” and Susan G. Talley, an attorney at Stone Pigman Walther Wittmann L.L.C. in New Orleans and co-chair of the American Bar Association’s Section of Real Property, Trust and Estate Law, who discussed “Valuing Lawyers: How a Client’s Legal Team Can Improve the Valuation Process.”

During the annual awards dinner, John P. Fredrickson, MAI, SRA, of Walla Walla, Washington; Jerome Haims, MAI, SRA, of New York; and Richard A. Stephens, MAI, SRA, AI-GRS, of Little Rock, Arkansas, were honored with the Lifetime Achievement Award, and Michael V. Tankersley, MAI, SRA, AI-RRS, of Lewisburg, Tennessee, was named the recipient of the Outstanding Service Award. President’s Award recipients were Kerry M. Jorgensen, MAI, of Sandy, Utah; Ruth A. Kelton of Dallas; R. Wayne Pugh, MAI, of Baton Rouge, Louisiana; and Ken P. Wilson, MAI, SRA, of Plano, Texas.

After being held in Las Vegas, San Diego, Indianapolis, Austin and Dallas, the 2016 event will take place in Charlotte, North Carolina, July 25-27.

Chapter Leadership Program
About 120 incoming chapter presidents, other chapter officers and chapter executive directors spent a day and a half in Chicago in September gaining information on chapter operations, including finance, governance and reporting. The annual event provides important training for chapter officers and staff.
2015 Revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>%</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership</td>
<td>57%</td>
<td>$11,404,367</td>
</tr>
<tr>
<td>Education</td>
<td>29%</td>
<td>5,829,269</td>
</tr>
<tr>
<td>Publications</td>
<td>4%</td>
<td>845,706</td>
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<tr>
<td>Professional Resources</td>
<td>6%</td>
<td>1,123,869</td>
</tr>
<tr>
<td>Meetings and Conferences</td>
<td>2%</td>
<td>348,229</td>
</tr>
<tr>
<td>Communications</td>
<td>0%</td>
<td>103,083</td>
</tr>
<tr>
<td>Investments</td>
<td>0%</td>
<td>(92,157)</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>467,537</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>100%</td>
<td><strong>$20,029,903</strong></td>
</tr>
</tbody>
</table>

**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.

**Professional Resources**
Revenue earned from fees for admissions process and from professional benefit royalties.

**Meetings and Conferences**
Revenue earned from the Appraisal Institute Annual Meeting and Leadership Development and Advisory Council conference.

**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.
## 2015 Expense

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>25%</td>
<td>$4,860,899</td>
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<tr>
<td>Publications</td>
<td>4%</td>
<td>713,389</td>
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<tr>
<td>Professional Resources</td>
<td>14%</td>
<td>2,788,686</td>
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<tr>
<td>Marketing</td>
<td>5%</td>
<td>925,202</td>
</tr>
<tr>
<td>Professional Practice</td>
<td>3%</td>
<td>496,471</td>
</tr>
<tr>
<td>Meetings and Conferences</td>
<td>2%</td>
<td>413,922</td>
</tr>
<tr>
<td>Communications</td>
<td>5%</td>
<td>887,454</td>
</tr>
<tr>
<td>Government and Industry Relations</td>
<td>6%</td>
<td>1,087,547</td>
</tr>
<tr>
<td>International</td>
<td>1%</td>
<td>258,409</td>
</tr>
<tr>
<td>Governance</td>
<td>7%</td>
<td>1,422,875</td>
</tr>
<tr>
<td>Management and General</td>
<td>28%</td>
<td>5,444,334</td>
</tr>
<tr>
<td><strong>Total expense</strong></td>
<td><strong>100%</strong></td>
<td><strong>$19,299,188</strong></td>
</tr>
</tbody>
</table>

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

### Publications
Costs incurred for development and sale of publications.

### Professional Resources
Costs incurred to support Designated members and Candidates for Designation.

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

### Professional Practice
Costs incurred to administer the Ethics and Standards program.

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

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

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

### International
Costs related to maintain and expand AI's presence and influence internationally.
## Consolidated Statements of Financial Position
Dec. 31, 2015, and 2014

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$5,725,925</td>
<td>$3,944,568</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>600,000</td>
<td>800,000</td>
</tr>
<tr>
<td>Reserve fund investments</td>
<td>$11,357,988</td>
<td>$10,600,444</td>
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<tr>
<td>Accounts receivable, net</td>
<td>89,229</td>
<td>112,502</td>
</tr>
<tr>
<td>Inventory, net</td>
<td>127,913</td>
<td>169,371</td>
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<tr>
<td>Prepaid expenses</td>
<td>377,757</td>
<td>401,999</td>
</tr>
<tr>
<td>Fixed assets, net</td>
<td>1,660,833</td>
<td>1,913,198</td>
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<tr>
<td>Other assets</td>
<td>524,525</td>
<td>503,683</td>
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<tr>
<td><strong>Total assets</strong></td>
<td><strong>$20,464,170</strong></td>
<td><strong>$18,445,765</strong></td>
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<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities and net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$1,572,877</td>
<td>$1,399,318</td>
</tr>
<tr>
<td>Deferred membership dues and fees</td>
<td>4,349,042</td>
<td>3,455,740</td>
</tr>
<tr>
<td>Unearned registrations and subscriptions</td>
<td>1,088,208</td>
<td>956,764</td>
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<tr>
<td>Due to chapters</td>
<td>996,680</td>
<td>836,575</td>
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<tr>
<td>Deferred rent credit</td>
<td>1,100,604</td>
<td>1,072,938</td>
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<tr>
<td>Tenant improvement allowance</td>
<td>1,109,478</td>
<td>1,211,891</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>689,922</td>
<td>766,555</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>$10,906,811</strong></td>
<td><strong>$9,699,781</strong></td>
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<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$9,548,997</td>
<td>$8,734,922</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>8,362</td>
<td>11,062</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>9,557,359</strong></td>
<td><strong>8,745,984</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$20,464,170</strong></td>
<td><strong>$18,445,765</strong></td>
</tr>
</tbody>
</table>
2015 BOARD OF DIRECTORS

PRESIDENT
M. Lance Coyle, MAI, SRA

PRESIDENT ELECT
J. Scott Robinson, MAI, SRA, AI-GRS

VICE PRESIDENT
Jim Averis, MAI, SRA, AI-GRS

IMMEDIATE PAST PRESIDENT
Ken P. Wilson, MAI, SRA

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

REGION I CHAIR
Charles W. LaFlamme, MAI

REGION I VICE CHAIR
Jeffrey S. Enright, MAI

REGION II CHAIR
Kerry M. Jorgensen, MAI

REGION II VICE CHAIR
Craig Shriver, SRA, AI-RGS

REGION III CHAIR
Jason L. Messner, MAI

REGION III VICE CHAIR
Kevin D. Williams, MAI

REGION IV CHAIR
Anthony M. Marrese, SRA, AI-RRS

REGION IV VICE CHAIR
Robert B. Lynch, SRA

REGION V CHAIR
Charles R. Mills, Jr., MAI, SRA, AI-GRS

REGION V VICE CHAIR
Stephen S. Wagner, MAI, SRA, AI-GRS

REGION VI CHAIR
Robert J. Robidoux, MAI, SRA

REGION VI VICE CHAIR
Ryan M. Hlubb, MAI, SRA

REGION VII CHAIR
Kerry Leiman, SRA

REGION VII VICE CHAIR
Roger R. Bush, MAI, SRA

REGION VIII CHAIR
Eric R. Schwartz, MAI, SRA

REGION VIII VICE CHAIR
Robert A. Maloy, MAI, SRA

REGION IX CHAIR
Misty K. Ray, MAI

REGION IX VICE CHAIR
Roger P. Bush, MAI, SRA

REGION X CHAIR
Charles T. Cowart, MAI

REGION X VICE CHAIR
Val K. Chiasson, MAI, SRA

INTERNSATIONAL BOARD MEMBER
Gusti Celon, MAI

AUDIT COMMITTEE MEMBER
Sandra M. Winter, MAI, AI-GRS

AUDIT COMMITTEE MEMBER
James L. Henderson, SRA
Chief Executive Officer
Frederick H. Grubbe, MBA, CAE

Communications
Ken Chitester, APR

Education Resources
Sue Siradas

Finance
Beata E. Swacha, CPA

General Counsel & Professional Practice
Jeffrey E. Liskar, Esquire

Governance
Darlene Grass

Government Relations & External Affairs
William Garber

Human Resources
Sheila Barnes

Marketing and International Development
Roberta Borst, MBA

Meeting Services
Jasmina Nuhbegovic

Professional Services & Resources
Evan Williams, CAE, IOM

Strategic Planning & Research
Bill Godden, MBA, PRC