MISSION:
Our mission is to advance professionalism and ethics, global standards, methodologies and practices through the professional development of property economics worldwide.

VISION:
The Appraisal Institute is globally recognized for property economics, professional ethics, standards, methodologies, practices and for being a leading provider of professional educational programs.
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STRATEGIC PLAN
See the current version of the Appraisal Institute’s strategic plan here:
appraisalinstitute.org/strategic-initiatives/
Dear Appraisal Institute Professional:

2019 was another tremendous year for the Appraisal Institute, thanks to you—more than 17,000 AI professionals in nearly 50 countries.

You were part of a year in which the Appraisal Institute re-affirmed its global leadership of the real estate valuation profession as AI:

- Testified before a congressional subcommittee
- Partnered with Freddie Mac and Fannie Mae on major initiatives
- Created a Women’s Initiative Committee and
- Launched a new association management system.

Congressional Testimony
As the valuation professional’s leader, the Appraisal Institute was invited to testify on Capitol Hill at a hearing of the U.S. House Financial Services Committee’s Housing, Community Development and Insurance Subcommittee. I had the opportunity to encourage Congress to act on two valuation-related bills, both of which the House later passed.

Partnerships with the GSEs
The Appraisal Institute and Freddie Mac collaborated to create an educational offering that taught appraisers how to value manufactured housing, offering the course scores of times across the country. AI and Freddie Mac also combined to offer a new rural valuation offering.

In an effort to promote appraisal careers and to foster diversity in the valuation profession, the Appraisal Institute also partnered with Fannie Mae on the Appraiser Diversity Pipeline Initiative. The initiative is intended to attract new entrants to the residential appraisal field, overcome barriers to entry (such as education, training and experience requirements) and foster diversity.

Women’s Initiative Committee
Other diversity and inclusion initiatives for the Appraisal Institute in 2019 included the AI Board of Directors’ creation of the Women’s Initiative Committee, which will provide networking, educational and other opportunities. The committee’s work will complement the efforts of AI’s Diversity Panel by specifically encouraging the development of female valuation professionals.

Association Management System
Another major accomplishment was the Appraisal Institute’s successful launch of a new association management system, which is an online membership database and customer relations management software platform. It is the foundation for almost every service and product that AI offers.

The Appraisal Institute also expanded its body of knowledge through new education and publications, demonstrated its thought leadership by speaking at industry events and through the media, provided legislative and regulatory advocacy at the federal and state levels ... and so much more.

Thank you for being part of a remarkable year.

Sincerely,

Stephen S. Wagner, MAI, SRA, AI-GRS
2019 Appraisal Institute President
AI PROFESSIONALS
The Appraisal Institute had over 17,000 professionals in almost 50 countries at the end of 2019.

DESIGNATED MEMBERS
At the end of 2019, 35 Designated Members held all four currently-offered Appraisal Institute designations. Over 1,600 Designated Members had been designated for 40 or more years.

CANDIDATES FOR DESIGNATION
The Appraisal Institute concluded 2019 with more than 2,200 Candidates for Designation.
NEW AI PROFESSIONALS

In 2019, the Appraisal Institute welcomed individuals from all 50 states, the District of Columbia and Puerto Rico. AI also admitted professionals from 6 different countries into the Appraisal Institute.

NEW AI DESIGNEES


Not all Designated Members provide date of birth.

Countries outside the U.S. where the Appraisal Institute conferred designations in 2019:

1 MAI Canada
1 SRA, 1 AI-GRS Mexico
2 MAI Colombia
1 MAI United Kingdom
1 MAI China
1 MAI Japan
The Appraisal Institute in 2019 advanced the legislative and regulatory interests of AI professionals and of the real estate valuation profession.

**NATIONAL**

At the national level, targeted activities included:

- Passage in the House of Representatives legislation requiring consumer disclosure of appraisal management company fees;
- Development of legislation that would establish a nationwide appraiser licensing system, or portal, that would provide appraisers and appraisal firms efficiencies in processing license applications, including a single background check; and
- Direct engagement with Fannie Mae, Freddie Mac and the Federal Housing Finance Agency on appraisal process modernization and the update of the Uniform Appraisal Dataset and Appraisal Report Forms.

The Appraisal Institute also joined Fannie Mae, National Urban League and Altisource in the Appraiser Diversity Pipeline Initiative, which intends to promote the real estate appraisal profession to diverse audiences.

Additionally, the Appraisal Institute actively participated in several important industry initiatives, including the MISMO Appraisal Data Working Group and the ANSI Method for Calculating Square Footage standard.
At the state level, the Appraisal Institute in 2019:

- Led efforts to change state laws and regulations to allow appraisers to provide Interagency Appraisal and Evaluation Guideline-compliant evaluations in 2019. New laws were enacted in Alabama, Louisiana, Oregon and Utah.
- Advocated for the passage of legislation to put in place limitations on the time following completion of an appraisal during which an appraiser can be sued in civil court. New laws were enacted in Arkansas, Louisiana and Oregon. Significant progress was also made in Mississippi and Texas.
- Led industry response to worker reclassification measures in California that could affect appraisers’ status as independent contractors.

States that passed appraisal-related legislation in 2019: [Map showing states in red]

States that made significant progress on appraisal legislation in 2019: [Map showing states in blue]
The Appraisal Institute provides exemplary service to AI professionals in a variety of ways. Highlights from 2019 came in areas such as:

- Admissions and Continuing Education
- Professional Resources
- Publications and
- Y.T. and Louise Lee Lum Library.

ADMISSIONS AND CONTINUING EDUCATION

This area supports the Appraisal Institute's:

- Candidate for Designation program
- Admissions and Designation Qualifications Committee
- Designated Member and Practicing Affiliate CE
- Admissions and readmissions
- Master's Degree program
- Candidate Advisor program
- Demonstration of Knowledge
- Experience Screening and
- Comprehensive Examination.

PROFESSIONAL RESOURCES

Appraisal Institute professionals in 2019 enjoyed more than 20 benefit and affinity programs, along with AI's endorsed errors and omissions program through LIA and the insurance programs available only to AI professionals through the Appraisal Institute Insurance Trust.

This area supports the missions of the:

- Appraisal Institute Education and Relief Foundation
- AI Group Program
- Chapter Leadership Program and
- Leadership Development and Advisory Council

Designated members who successfully completed their CE cycle (ending Dec. 31, 2018)

Candidate experience submissions awarded full credit in 2019

Candidates who completed comprehensive examinations in 2019

Candidate demonstration submissions awarded full credit in 2019
The Appraisal Institute Education and Relief Foundation in 2019:

- awarded $22,500 in emergency assistance
- received $88,000 in donations
- awarded nearly $32,000 to 8 chapters and 1 region to support green education offerings
- awarded 34 scholarships totaling $35,500.

AIERF recognized AI professionals for their achievements:

- Y. T. and Louise Lee Lum Award: Robert L. Moorman, MAI, SRA, AI-GRS
- George L. Schmutz Award: Mark R. Ratterman, MAI, SRA
- Dr. William N. Kinnard, Jr. Award: Leslie P. Sellers, MAI, SRA, AI-GRS
- James H. Pritchett Award: Stephen F. Fanning, MAI, AI-GRS

AIERF funded annual awards for The Appraisal Journal:

- Richard U. Ratcliff Award: Chris Yost-Bremm, Ph.D., and Thomas O. Jackson, Ph.D., MAI
- Swango Award: Michael V. Sanders, MAI, SRA
- Armstrong/Kahn Award: Dennis A. Webb, MAI
PUBLICATIONS

As the world’s largest publisher of real estate appraisal literature, the Appraisal Institute released three new books in 2019:

- Corridor Valuation: An Overview and New Alternatives
- The Valuation of Condominiums, Cooperatives, and PUDs
- Risk Management for Real Estate Appraisers and Appraisal Firms

8,766
Publications sold in 2019

29.6%
Books sold in digital format

Percentage of Book Revenue Outside AI
Y.T. AND LOUISE LEE LUM LIBRARY

Appraisal Institute professionals in 2019 enjoyed access to an extensive collection of books, journals, reference sources and online databases through the Lum Library.

Lum Library Requests
by AI membership by Category

- **Designated Members**: 79%
- **Others**: 10%
- **Practicing Affiliates**: 6%
- **Candidates**: 4%
- **Affiliates**: 1%

41,551 Catalog documents downloaded by AI professionals
27,318 Total searches of EBSCO database
36,519 Total searches of the AI online catalog
91% Successful searches of the online catalog

795 Reference Requests in 2019

Figures are for 2019.
The Appraisal Institute’s high-quality education offerings set the standard for excellence and thoroughness in 2019. AI’s nearly 200 programs are rigorously researched and largely developed by practicing appraisers using their real-world valuation experience. They are offered in classrooms, on demand online and live online.
2019 Chapter Enrollment

<table>
<thead>
<tr>
<th>Year</th>
<th>National Courses</th>
<th>National Seminars</th>
<th>Chapter-developed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>13,811</td>
<td>1,810</td>
<td>12,001</td>
</tr>
<tr>
<td>2017</td>
<td>14,291</td>
<td>1,957</td>
<td>12,334</td>
</tr>
<tr>
<td>2018</td>
<td>11,070</td>
<td>1,957</td>
<td>9,113</td>
</tr>
<tr>
<td>2019</td>
<td>9,605</td>
<td>3,491</td>
<td>6,114</td>
</tr>
</tbody>
</table>

The Appraisal Institute launched its first education social media presence in 2019 to engage professionals and create awareness of AI’s quality education programs and initiatives.

The Appraisal Institute unveiled an emailed education bulletin in 2019 that provides information specific to an individual’s AI affiliation, region, and commercial or residential interest.

**INTERNATIONAL**

The Appraisal Institute in 2019 approved a three-course certificate of completion for its fundamental international curriculum, the first international offering of its kind.

The Appraisal Institute offered general appraiser education 6 times in 5 locations throughout Mexico: Guadalajara, Hermosillo, Merida, Mexico City and Tampico.
The Appraisal Institute’s meetings in 2019 allowed AI professionals and others in the real estate industry the opportunity to network and to learn.

**ANNUAL CONFERENCE**

The Appraisal Institute hosted its 2019 Annual Conference, July 22-24, in Denver, Colorado. The event, themed “Climbing Even Higher,” attracted over 550 real estate professionals from around the world who:

- networked with their peers;
- attended exceptional educational sessions;
- earned state and AI continuing education credit;
- saw exhibits of the latest cutting-edge valuation products and services; and
- attended an offsite reception at Coors Field, an awards luncheon and the final night networking party featuring a band of AI professionals.

Entrepreneur, celebrated artist and executive coach Allison Massari spoke to Annual Conference attendees during the opening general session, showing them how to find peace, purpose and happiness in the most difficult situations. During the second day’s general session, “Cannabis and Real Estate,” a panel of valuation professionals provided insights on how legalization of cannabis has unfolded across the United States and the risk factors that could fundamentally impact the current landscape of real estate to value.

Appraisal Institute 2019 President Stephen S. Wagner (second from left) presented annual awards to (from left) Stephen D. Roach, MAI, SRA, AI-GRS (Lifetime Achievement Award); Stephanie C. Coleman, MAI, SRA, AI-GRS, AI-RRS (President’s Award); and James L. Murrett, MAI, SRA (President’s Award).
LEADERSHIP DEVELOPMENT AND ADVISORY COUNCIL

105 LDAC conference attendees from 51 AI chapters 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.

Discussion topics in 2019 were:

- Increasing thresholds, alternative products, waivers: How can AI help appraisers adapt to the new environment and position our members to be at the front of the line?
- AI education: What is the best way to deliver it? How do we capture more? What are we doing well? What can we do better?
- How do we stand apart: the appraisal and the appraiser?
- What chapters can do to maximize value to its members.

Kathleen Hendersen received the 2019 William T. Anglyn Award, presented annually to a first-year participant who exhibits exemplary leadership, integrity and outstanding contributions to the event.

The Appraisal Institute’s 2019 Leadership Development and Advisory Council operated under the direction of (from left): Erik Hanson, MAI, discussion leader; Robert Moorman, MAI, SRA, AI-GRS, discussion leader; Eric Schneider, MAI, SRA, AI-GRS, discussion leader; Jacinto Munoz, MAI, SRA, AI-GRS, AI-RRS, vice chair; Steve Henry, MAI, chair; and Lisa Meinczinger, SRA, AI-RRS, discussion leader.
CHAPTER LEADERSHIP PROGRAM

Approximately 120 incoming chapter presidents, other chapter officers and chapter executive directors from 77 chapters spent time in Denver ahead of the 2019 Appraisal Institute Annual Conference, gathering information on chapter operations, including finance, governance and association law.

Five chapters received awards:
- Alabama (Chapter Newsletter Award)
- Atlanta Area (Chapter Newsletter Award)
- North Star (Government Relations Award)
- Northern California (Hot Topic/Special Projects Award)
- West Virginia (Chapter Newsletter Award).
The Appraisal Institute enhanced the reputation, increased awareness, promoted understanding and communicated the value of AI, its professionals and the real estate profession in 2019.

MEDIA RELATIONS

Media coverage of the Appraisal Institute and its professionals in 2019 was potentially seen, read or heard nearly 3 billion times at a value of more than $5.5 million.

<table>
<thead>
<tr>
<th>Stories including AI and its professionals</th>
<th>2,749</th>
<th>3rd highest in the past 10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Media Outlets number of unique outlets</td>
<td>778</td>
<td>6th highest</td>
</tr>
<tr>
<td>Impressions number of times a story was potentially read, seen or heard</td>
<td>2,852,213,769</td>
<td>3rd highest</td>
</tr>
<tr>
<td>Publicity Value according to third-party vendor’s proprietary formula</td>
<td>$5,692,254</td>
<td>2nd highest</td>
</tr>
</tbody>
</table>

Results were 12% better than in 2018.
According to a third-party vendor’s software

SOCIAL MEDIA

The Appraisal Institute achieved all-time highs for Facebook “likes,” Twitter followers, LinkedIn followers and YouTube video views in 2019.

- 6,631 “likes” on Facebook, up 7% from 2018
- 5,083 followers on Twitter, up 5% from 2018
- 14,252 followers on LinkedIn, up 48% from 2018
- 49,547 video views on YouTube, up 31% from 2018
**SPEAKING OPPORTUNITIES**

The Appraisal Institute demonstrated its leadership of the real estate valuation profession in 2019 at a wide variety of real estate industry events.

| Number of external industry events where AI officers and others spoke in 2019 | 20 |
| Number of region, chapter and other AI events where officers spoke in 2019 | 50 |
| 11% more than in 2018 |

**NEWS PUBLICATIONS**

The Appraisal Institute produced a quarterly magazine, quarterly journal, weekly e-newsletter, monthly e-newsletter and quarterly e-newsletter in 2019 for AI professionals and other real estate professionals.
The Appraisal Institute’s brand image and reputation are among its most important assets. In 2019, AI’s marketing centered on advancing both among its key audiences of appraisers, clients and other real property stakeholders.

The core campaigns that supported AI brand values in 2019 were RAISE Your Level of Confidence and AIM Higher with Quality Education from the Appraisal Institute.

New marketing initiatives in 2019 included:

- Freddie Mac and AI partnership
- Outreach to residential and commercial lenders
- Updated invitations to Affiliate membership and
- New digital tools to better serve the valuation profession.

<table>
<thead>
<tr>
<th>130+</th>
<th>30+</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Times that AI ads appeared in trade magazines and newsletters</td>
<td>Publications in which Appraisal Institute ads appeared</td>
<td>Conferences and trade shows that AI sponsored</td>
</tr>
</tbody>
</table>

1.3 MILLION | 24,000+ |
| Visits in 2019 to the Appraisal Institute’s website | Monthly visits in 2019 to Find an Appraiser database |
The Appraisal Institute’s major areas of research in 2019 included:

- New education topics study;
- AI publications readership and social media user surveys; and
- Strategic analysis of emerging trends in the appraiser profession.

2,000
Number of survey responses from AI professionals and non-AI professionals

750
Number of responses to State of the Appraiser Survey (largest survey in 2019)

41
Number of responses to North Dakota Temporary Waiver Survey (smallest survey in 2019)

2019 State of the Appraiser Survey: Annual Incomes Comparison

In February 2019, the Appraisal Institute invited about 15,600 valuation professionals to take the State of the Appraiser survey, resulting in 750 completed surveys. The survey margin of error is about +/- 3.57% using a 95% confidence level.
The Appraisal Institute continued its work in 2019 of advancing the valuation profession and ensuring public trust.

2,600+ Inquiries from AI professionals concerning professional practice and valuation standards and ethics issues

PEER REVIEW ACTIONS TAKEN IN 2019

- **56** Peer Review Files Screened
  - 46% Closed with education
  - 36% Closed with no action
  - 18% Referred for investigation

- **75** Peer Review Files Closed
  - 40% Closed with education
  - 39% Closed with no action
  - 7% Disciplinary action
  - 7% Improper reference
  - 6% Resignation/termination
  - 1% Education alternative
## Consolidated Statement of Financial Position

Dec. 31, 2019 and 2018

### Assets

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$6,103,142</td>
<td>$4,418,308</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>104,690</td>
<td>104,690</td>
</tr>
<tr>
<td>Investments</td>
<td>13,738,005</td>
<td>13,432,583</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>302,823</td>
<td>206,060</td>
</tr>
<tr>
<td>Inventory, net</td>
<td>83,035</td>
<td>101,886</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>265,923</td>
<td>349,863</td>
</tr>
<tr>
<td>Fixed assets, net</td>
<td>2,873,171</td>
<td>2,275,322</td>
</tr>
<tr>
<td>Other assets</td>
<td>652,606</td>
<td>601,390</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$24,123,395</strong></td>
<td><strong>$21,490,102</strong></td>
</tr>
</tbody>
</table>

### Liabilities and net assets

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$1,804,948</td>
<td>$1,647,523</td>
</tr>
<tr>
<td>Deferred dues and designation fees</td>
<td>5,414,484</td>
<td>4,461,490</td>
</tr>
<tr>
<td>Deferred education</td>
<td>685,706</td>
<td>694,427</td>
</tr>
<tr>
<td>Due to chapters</td>
<td>1,907,953</td>
<td>1,310,253</td>
</tr>
<tr>
<td>Deferred rent credit</td>
<td>916,238</td>
<td>989,108</td>
</tr>
<tr>
<td>Tenant improvement allowance</td>
<td>699,824</td>
<td>802,237</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>910,442</td>
<td>847,914</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>$12,339,595</strong></td>
<td><strong>$10,752,952</strong></td>
</tr>
</tbody>
</table>

### Net assets

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without donor restriction</td>
<td>11,775,438</td>
<td>10,728,788</td>
</tr>
<tr>
<td>With donor restriction</td>
<td>8,362</td>
<td>8,362</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>11,783,800</strong></td>
<td><strong>10,737,150</strong></td>
</tr>
</tbody>
</table>

**Total liabilities and net assets**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$24,123,395</strong></td>
<td><strong>$21,490,102</strong></td>
</tr>
</tbody>
</table>
# Consolidated Statement of Activities

Dec. 31, 2019 and 2018

Changes in net assets without donor restriction

<table>
<thead>
<tr>
<th>Revenues</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dues and designation fees</td>
<td>$12,093,285</td>
<td>$12,133,815</td>
</tr>
<tr>
<td>Education</td>
<td>5,915,576</td>
<td>6,077,271</td>
</tr>
<tr>
<td>Publications</td>
<td>645,203</td>
<td>751,063</td>
</tr>
<tr>
<td>Investment income (loss), net</td>
<td>1,174,088</td>
<td>(66,916)</td>
</tr>
<tr>
<td>Other</td>
<td>640,460</td>
<td>485,629</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>20,468,612</td>
<td>19,380,862</td>
</tr>
<tr>
<td><strong>Net assets released from restrictions</strong></td>
<td>113,186</td>
<td>77,773</td>
</tr>
</tbody>
</table>

| Total revenues                              | $20,581,798   | $19,458,635   |

**Expenses**

<table>
<thead>
<tr>
<th>Programs</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>AI professional support</td>
<td>3,826,433</td>
<td>3,891,089</td>
</tr>
<tr>
<td>Education</td>
<td>5,781,936</td>
<td>5,735,395</td>
</tr>
<tr>
<td>Communications and external relations</td>
<td>2,150,148</td>
<td>2,272,205</td>
</tr>
<tr>
<td>Publications</td>
<td>1,067,619</td>
<td>1,061,074</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supporting Services</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management and administrative</td>
<td>4,526,561</td>
<td>4,516,191</td>
</tr>
<tr>
<td>Governance</td>
<td>1,417,609</td>
<td>1,475,403</td>
</tr>
<tr>
<td>Marketing</td>
<td>764,842</td>
<td>768,906</td>
</tr>
</tbody>
</table>

| Total expenses                              | $19,535,148   | $19,720,263   |

Increase (Decrease) in net assets without donor restriction  
1,046,650  
(261,628)

Changes in net assets with donor restriction

<table>
<thead>
<tr>
<th>Contributions</th>
<th>113,186</th>
<th>$77,773</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets released from restrictions</td>
<td>(113,186)</td>
<td>(77,773)</td>
</tr>
</tbody>
</table>

| Changes in net assets with donor restriction | -             | -             |

Increase (decrease) in net assets  
1,046,650  
(261,628)

Net assets at beginning of the year  
10,737,150  
10,998,778

Net assets at the end of the year  
$11,783,800  
$10,737,150
Chief Executive Officer
Jim Amorin, CAE, MAI, SRA, AI-GRS

Communications
Ken Chitester, APR

Education Resources
Suzanne Siradas

Finance & Administration
Beata E. Swacha, CAE, CPA

General Counsel & Professional Practice
Jeffrey E. Liskar

Government Relations & External Affairs
William Garber

Marketing & International Development
Roberta Borst, MBA

Meeting Services
Jasmina Nuhbegovic

Professional Services & Resources
Evan Williams, CAE, IOM

Research
Jonathan Thatcher, CAE