

Forward Progress on the CAI Journey

THOMAS M. SKIBA, CAE
CHIEF EXECUTIVE OFFICER



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WE ARE WITNESSING a pivotal moment in CAI history. While both imminent and long-term changes in technology, the environment, and the economy reshape community associations and impact the way we live our daily lives, it's fascinating to imagine what the future will bring. We believe such changes open endless doors for CAI while serving as an essential reminder of the challenges facing our members—homeowner leaders, community managers, and business partners.

For the past year, our approach to change has allowed us to minimize uncertainty and elevate our collective ability to manage the future. As we celebrate our 45th anniversary, I'm confident CAI will continue to improve community association living today and tomorrow.

In the 2017 Annual Report, we'd like to present the strategy that leadership has built to help us achieve our mission of making CAI the international leader in community association information, education, and resources. To achieve our vision and leverage the diverse opportunities of our complex world, we've developed long-term objectives that reflect our purpose and enable us to better understand evolving industry trends and the competitive landscape.

This strategy has given us the ability to offer a fresh approach at CAI's premier education events, introduce the newly launched homeowner leader membership structure, and make progress on public policy initiatives in the communities you serve. In addition, we've been able to unveil new signature publications and

digital tools that allow us to deliver powerful results and improve our overall member service capabilities.

As we reflect on the past year, we're proud of CAI's prominence on the global stage, and we look forward to serving as the trusted resource for what's happening in the community association industry with integrity, professionalism, and knowledge. We know the road to a prosperous and strong community lies with each of you, and as we set our compass forward, the 2017 Annual Report provides important moments and milestones to lead us on the CAI journey.

MEMBERSHIP MILESTONES

Keeping pace with membership trends continues to be a top priority for CAI. By aligning our organizational strategy to what matters most to members, CAI can fully engage and exceed member expectations.

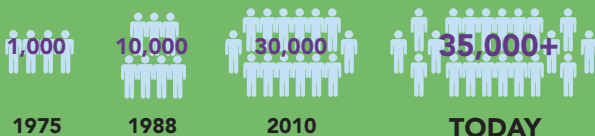
We're proud to report, again this year, that CAI reached a monumental milestone with a total membership of more than 35,000, and a monthly retention rate of 89.9 percent. Since January 2017, more than 974 new members became part of our community through CAI's popular Recruiter Club.

Also in October, CAI announced a new dues structure for homeowner leaders. We know the best community associations have the best boards—they're educated, knowledgeable, and prepared to lead their communities successfully. And, we now make it easier for your entire board to join CAI at the lowest cost. Under the new dues structure, your association can join up to 15 board members for only \$250. The program is off to a great start, with 389 new homeowner leaders joining during the first month of the initiative. Efforts to encourage volunteer homeowner leader membership and improve CAI's overall member satisfaction will continue to be a focus in 2018.

To better understand the characteristics and opinions of CAI's current and former membership, we commissioned the 2017 *Member Needs Assessment Survey*. Results from the comprehensive study were positive—with 84 percent of CAI members reporting they're very likely to renew their CAI membership, and 92 percent of respondents agreeing that CAI advocates effectively on behalf of community association interests. This invaluable insight on topics and trends facing community associations will guide us in the coming year.

STRENGTH in NUMBERS

CAI membership is
RISING & FLOURISHING



Engagement is at the core of CAI's membership. Since the launch of the Exchange in Spring 2016, CAI's private, online community forum has been a clearinghouse for members to share their community association experiences, industry knowledge, and resources. Today, more than 11,000 members have posted nearly 8,000 conversations and answered questions on topics from reserve studies and handling difficult situations to legislative issues.



As we witness the phenomenal growth of common-interest communities worldwide, we're expanding with them by introducing new chapters so we can better serve residents living in all community associations. In the past year, CAI has introduced three new chapters: Canada, Central Oregon Regional, and Middle East.

In November, CAI and our eight Florida chapters hosted a new, one-day event designed for community managers, association board members, and other homeowners in the state. More than 200 attendees participated in five education sessions and a trade show with more than 60 exhibitors.

By 2030, approximately one-third of all homeowners will reside in a community association. And over the next decade, common-interest communities increasingly will serve multiple generations and ethnicities. By strengthening our chapter bond, CAI remains focused on making community associations preferred places to call home.

INTERNATIONAL EDUCATION LEADER

Community association managers who have achieved certifications and designations have more earning power than those who have not, according to the *2017 Community Association Manager Compensation and Salary Survey*, released in November by the Foundation for Community Association Research (FCAR).

CAI's Professional Management Development Program (PMDP) represents an investment of time, effort, and resources that is increasingly recognized in the employment market. Whether it is a PMDP course, annual conference, board leadership development workshop, or a one-hour webinar, the ability to provide credible, valuable, and cost-effective professional development is a key element of our value proposition with every member.

Education programs performed well throughout fiscal year 2017. PMDP registrations continue to be strong in both the classroom and online. Between July 1, 2016, and June 30, 2017, more than 2,700 students participated in classroom-based PMDP courses across the U.S. Add to this more than 750 additional students who attended in-house or distance learning courses, as well as 2,500 students in our online programs, and our total student count was 5,953 in the U.S. Internationally, the Dubai Real Estate Institute (DREI) has delivered 13 classes to a total of 231 students, and our South Africa Chapter presented one program to 10 students. In total, more than 10,000 students have taken advantage of CAI's programs for homeowner leaders, managers, and business partners.

In August, CAI announced a strategic partnership with the newly inaugurated Saudi Real Estate Institute (SREI). Under the memorandum of understanding, CAI will bring our PMDP curriculum to the Saudi real estate and housing workforce.

A critical role of CAI is the development and dissemination of training on community association management, governance, and specialized industry topics. Our ability to increase our members' success, regardless of membership category, is a critical achievement factor for the organization.

In addition to raising individual skill levels, training enables us to raise the overall competency of our industry and to develop standards and best practices more effectively to further our profession.

Designation programs continue to perform strongly for both new and renewing designees.

SIGNATURE EVENTS

Memorable events and conferences are a CAI specialty and unmatched in the community associations industry. Through CAI education and networking, our events inspire and connect individuals and businesses serving communities around the globe. The 2017 CAI Annual Conference and Exposition in Las Vegas exceeded our expectations with more than 2,000 attendees and sponsors.

The popular Community Association Law Seminar in Las Vegas attracted nearly 600 registered attendees, and the CEO-MC Retreat in San Diego for management company executives had more than 300 attendees. The Large-Scale Managers Workshop, an event designed exclusively for community managers specializ-

2017 Education Snapshot

6,188

PMDP students

2,105

Webinars

1,477

Board Leadership Development Workshop participants (online and chapter)

171

Business Partner Essentials participants

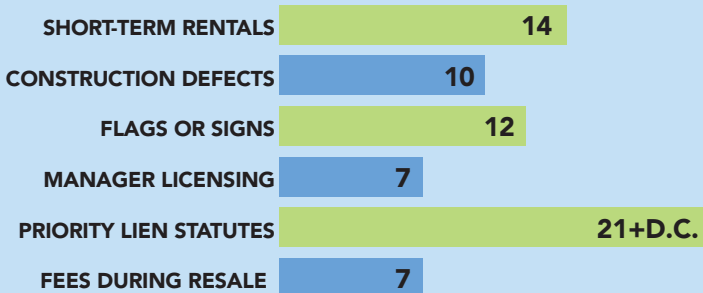
NEW DESIGNEES IN 2017

17 AAMC 423 AMS 11 CCAL 4 CIRMS 4 LSM 111 PCAM 21 RS

ing in large-scale communities, was canceled in September due to Hurricane Harvey and the storm's devastating impact on Sienna Plantation and First Colony, the host communities, and the Houston area. We are proud to report that these communities have already committed to hosting the event in 2019.

Legislation across the U.S.

1,000 bills were addressed by CAI's Government & Public Affairs team and **37** legislative action committees. The number of states who introduced legislation on the following topics include:



PUBLIC POLICY AGENDA

Last year marked a significant change to our political culture. President Donald J. Trump, an outside-the-Beltway, non-establishment Republican, took office and promised to roll back regulations. With Republicans also controlling the U.S. House of Representatives and Senate—in keeping with the norms of their governing philosophy—the federal government began to push down laws and decision-making to the state and local level. For people living and working in community associations, this is particularly impactful as community associations are usually creators of state laws. Our legislative activity at the state level has been full of many priorities.

Interestingly, as the approval rating of lawmakers continues to decline, they are doing whatever they can to earn the vote of their constituents. This means grassroots advocacy is significantly effective for an organization like ours. With 68 million people living in community associations in the U.S., our voice is meaningful. As we move forward, we invite you to engage in CAI's advocacy efforts. Visit www.caionline.org/advocacy to become an advocate today.

BUILDING BRAND AWARENESS

Over the past 45 years, the community association industry has grown dramatically. While the growth is tremendous, it also means community associations are getting more attention in the media and are under increased scrutiny by state and federal lawmakers. While our research proves the vast majority of association residents are satisfied, the select few unhappy residents and bad actors in community governance and management occasionally give the industry a negative image.

CAI must ensure that common-interest communities in general—and our individual members—are fairly and favorably perceived. In 2017, CAI's marketing department created a national

public service announcement to elevate the widespread knowledge, understanding, and appreciation of homeowners, community managers, and the business partners supporting community associations. Since January, the advertisement has aired 28,033 times on more than 300 radio stations throughout the U.S.

Social media also continues to be a significant opportunity to expand awareness. This year, CAI partnered with GagggleAMP, a social media sharing platform to engage members and stakeholders, ultimately strengthening our reach. Through GagggleAMP, CAI's social media posts now have reached 5 million users and led to more than 2,000 tracked clicks.

The #CAIPets campaign was one of our most successful marketing initiatives. Launched in January, the campaign incorporated a membership survey, a pet cover photo contest for *Common Ground* magazine, digital advertising, and information and resources to address pet issues in community associations. The campaign concluded at the 2017 CAI Annual Conference in Las Vegas, where CAI sponsored a service project in partnership with PAL Humane Society. During the two-day event, conference attendees bagged more than 10,000 pounds of food for pets in need in the Las Vegas area.

CAI PRESS AND PUBLICATIONS

CAI Press, the publishing division of CAI, is dedicated to publishing the very best resources for community associations. Today, it offers the largest collection—more than 100 titles—on association governance, management, and operations. We're excited to announce that in 2018, CAI Press will begin offering select titles on a digital platform.

Once again, CAI was honored during Association Media & Publishing's EXCEL Awards, an annual event to recognize excellence and leadership in nonprofit association media, publishing, and communications. CAI's 2017 education catalog received a silver award for promotional content. CAI's *Community Next: 2020 and Beyond* report, the results of an initiative launched in 2015 to define the future of the community association housing model, received a bronze in the special report category. CAI's widely popular bimonthly *Community Manager* newsletter accepted two awards, including a silver in newsletter design and a bronze in newsletter general excellence.



MEMBER RECOGNITION

Community association board members perform roughly 80 million hours of volunteer service annually. These volunteers are the men and women who work tirelessly to support their communities. This year, we recognized six volunteers—Peter Derrenbacher, John Everitt, John Geyerman, Betsy Koehler, John Spillane, and Andrew Stack—as part of CAI's Outstanding Board Member Leadership Award.



“These volunteers have set the bar very high for those who follow them, but they have paved the way for all who do to continue to accomplish great things.”

—Thomas M. Skiba, CAE

We also honored the hard-working volunteers who have demonstrated exceptional leadership and dedication to support and advance community association living.

J. David Ramsey, ESQ., received the Distinguished Service Award, CAI’s most prestigious recognition, during CAI’s annual awards gala in May. An attorney with Becker & Poliakoff, Ramsey has been a CAI member for more than three decades. A past president of CAI and of the New Jersey Chapter, Ramsey continues to be actively involved in CAI’s Government and Public Affairs Committee and the New Jersey Legislative Action Committee.

Also at this year’s ceremony—and for the second time in five years—Marilyn G. Brainard was presented with CAI’s esteemed President’s Award, which is given at the sole discretion of the immediate past president to a member or members who have been influential in helping the president achieve CAI’s highest goals. A longtime homeowner member of CAI’s Nevada Chapter and a quintessential volunteer—past president of her community association board, past chair of CAI’s Community Association Volunteers Committee, and currently a member of the Government and Public Affairs Committee—Brainard also represents homeowners on Nevada’s State Commission for Common-Interest Communities and Condominium Hotels.

Clifford J. Treese, CIRMS, another CAI past president and longtime CAI volunteer, also received the President’s Award. President of Association Data in Pleasanton, Calif., Treese is an insurance, risk management, and underwriting expert. Also a past president of the Foundation for Community Association Research, Treese is the author of CAI’s recent *Community Association Fact Book*, an unparalleled compilation of data about common-interest communities, among other indispensable CAI documents. **CG**

Fiscal Year 2017: FINANCIAL PERFORMANCE EXCEEDS BUDGET

CAI’s financial performance exceeded budget once again with a net operating income of \$236,789 and total net income of \$672,739. Throughout its 45-year history, CAI has never been in a more secure and successful financial position. This continued trend of financial success in 2017 has resulted in net asset reserves of \$3.7 million. Total revenue of \$13,537,486 is the highest since CAI’s founding in 1973 with expenses of \$13,300,697.

The fiscal year 2017 audited financial statements received an unmodified (“clean”) opinion by CAI’s independent auditors. To view the full financial and audit report, visit www.caionline.org/financials.



Built to Last

CAI MEMBERS—board members, managers, and business partners—know successful community associations

begin with training, education, and research. These are the building blocks that lead to happy homeowners, and they’re areas in which CAI has excelled year in and year out. CAI’s many accomplishments in the past 12 months prove that 2017 is no exception to the rule.

This year, we introduced new chapters in Central Oregon, Canada, and the Middle East. We launched a new course at Montclair State University in New Jersey and announced a strategic partnership with the Saudi Real Estate Institute to train tomorrow’s leaders in community association management. We conducted research in construction defects and advocated for reform to federal disaster relief policies, especially important in light of hurricanes Harvey and Irma and wildfires in California.

We even did some good in the wider community—bagging 10,000 pounds of food for an animal shelter in Nevada during CAI’s Annual Conference and Exposition—and had some fun distributing solar eclipse viewing glasses to hundreds of community association homeowners.

All these achievements wouldn’t be possible without CAI staff at headquarters and at each chapter and the thousands of volunteers who contribute to CAI daily. These staff and volunteers work tirelessly to make CAI’s mission of inspiring professionalism, effective leadership, and responsible citizenship come true.

Such efforts show how—year after year—members can benefit from transformative “CAI Moments.” The education, networking, and leadership offered through CAI has a direct impact in our communities, businesses, and careers. I encourage you to seek out these “moments” and to inspire others to do the same.

Serving as CAI President has been a great honor. I’m incredibly grateful for all the terrific leaders who came before me and set the foundation for CAI’s success. Yet our work isn’t done, and I’m excited to see the next generation of leaders continue—and improve upon—CAI’s tradition of excellence.

If you enjoy the deep personal rewards that come with engaging your peers and bettering community associations, please offer your time, support, and expertise to 2018 President John Hammersmith and President-Elect Cat Carmichael in the never-ending quest to make community associations preferred places to call home.

GREGORY G. SMITH, CMCA, AMS, PCAM
2017 PRESIDENT