



Building a Foundation for the Future

I'M PLEASED TO REPORT that CAI enjoyed a highly successful 2014—even as we turned our sights on what's next for community associations. We increased our membership to 33,000, improved our education programs and expanded our legislative and regulatory advocacy. We also worked to ensure that all stakeholders recognize the importance of community associations and the dedication of the countless volunteers and professionals who make them thrive.

The numerous challenges of governing and managing associations—now more than 330,000 nationwide—make our education programs more essential than ever. In addition to updating and improving multiple Professional Management Development Program (PMDP) courses in 2014, we introduced an online Ethics course. We now are proud to offer 17 PMDP courses to community managers. Plus, we are excited to unveil a new and improved homeowner education program in early 2015.

“a successful past and promising future”

CAI's legislative advocacy program was extremely active in 2014. Our 36 state legislative action committees monitored and managed thousands of proposals ranging from manager licensing and assessment restrictions to priority liens and foreclosure mediation. At the federal level, we worked closely with the Federal Housing Administration on critical condominium certification issues. And we continued to urge the Federal Emergency Management Agency to change its policy and provide disaster recovery assistance to community associations.

Looking forward, we kicked off Community Next: 2020 and Beyond, an ambitious project that will analyze future community association challenges from four perspectives: the association model; community management; public policy; and external influences. The initiative will culminate in mid-2015 with detailed reports developed by four panels of distinguished members and external stakeholders.

On a personal note, I thoroughly enjoyed meeting so many talented and committed CAI members at chapter and national events. Thank you for giving me the opportunity and honor to serve as president of an organization with such a successful past and promising future.

Julie M. Howard

JULIE MCGHEE HOWARD, ESQ.
2014 PRESIDENT

2014 and What's Next



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“The future depends on what you do today.”

—MAHATMA GANDHI

THAT REALITY APPLIES to almost every CAI activity. While providing immediate benefits to our members, our 2014 services and achievements were stepping stones to the future of our communities, careers, professions and businesses. Like all recent years, CAI enjoyed a successful 2014, but what matters most may be how our programs and initiatives better prepare all of us for the future.

For more than 40 years, CAI has informed, educated and advocated on behalf of all community association stakeholders. We continue to work with legislators and regulators, convey critical information, develop best practices, and extol the value and benefits of the community association experience. Perhaps most importantly, we strive to improve that experience for the almost 70 million Americans who make their homes in associations.

But what does the future hold for these Americans and for the nearly 2 million homeowner leaders who lead our communities and the tens of thousands of managers and other professionals who help sustain them?

COMMUNITY NEXT

Understanding the key to future success is knowledge, we launched Community Next: 2020 and Beyond, an initiative to envision the nature of community association living, governance and management in the years ahead. More than 50 CAI members and external stakeholders on four distinguished panels have begun to consider these questions and will issue comprehensive reports later this year.

Here are just a few of the topics they are tackling:

- How will community associations evolve?
- How are best practices in governance and management likely to change over time?
- What do the inevitable changes to come mean for the association management profession?
- How will decisions by legislatures, regulators and the courts affect the way associations function?
- How will external trends and opinion leaders influence the future of community associations?

The answers to these questions will help all community association stakeholders plan and prepare for the future.

EDUCATION AND TRAINING

While the benefits of our training and education are immediate, everything we do reflects our commitment to the future—for associations, homeowner leaders, community managers and other professionals who provide services and expertise to associations.

One obvious example of this commitment is our continuing focus on professional education. CAI provides the world's best and most rewarding professional education for community managers. More than 5,000 managers took advantage of 206 classroom and online courses in 2014, building their knowledge and expertise, accelerating their careers and expanding their professional horizons.

Our professional education was augmented in 2014 with a 17th professional development course—Ethics and the Community Manager, an interactive, online learning opportunity that is helping community professionals navigate the sometimes perilous waters of ethical decision-making.

To give members even more convenient options, our popular course Community Governance was made available as an online course, bringing to seven the number of professional development courses that can be accessed at home or work.

THE WORLD'S GOLD STANDARD

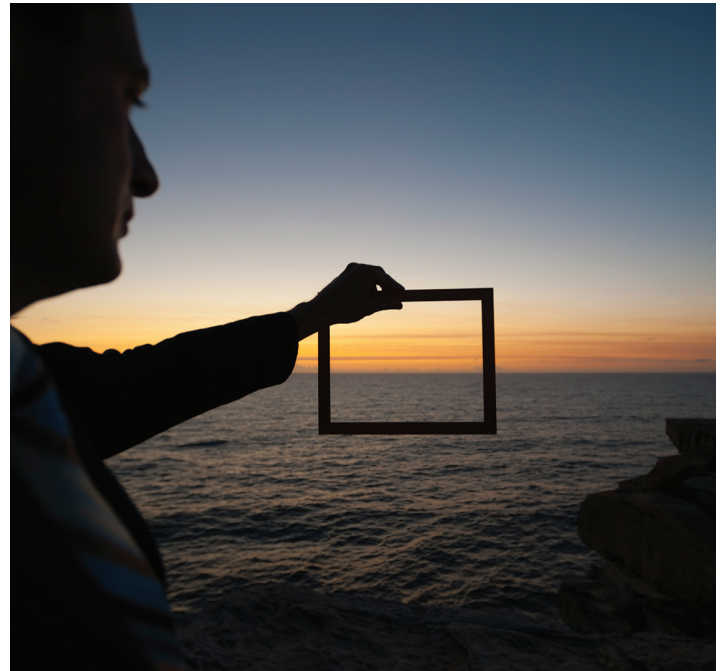
While we remain focused on providing professional training to domestic members, CAI continues to gain respect and recognition around the world. Today we count nearly 150 international members from nine countries, including Australia, Canada, South Africa and the United Arab Emirates. Our first international chapter, in South Africa, has grown to almost 100 members.

Community managers overseas are drawn to CAI by our unparalleled professional development program. CAI has agreed to allow Strata Communities Australia to adapt our courses for community managers in Australia and New Zealand. Our professional development courses and materials are increasingly recognized as the gold standard around the world.

PUBLIC POLICY ISSUES

Community associations are faced with a constant barrage of state legislative proposals that, if passed into law, can alter the way they are governed and managed. With 48 state legislatures in session during 2014, there was plenty of work for our 36 state legislative action committees (LACs).

Of several thousand bills that were tracked by CAI in 2014, CAI advocated for laws to help communities recover delinquent assessments and enforce association rules, provide transparency in neighborhood governance and ensure competency in community management. Our LAC volunteers worked tirelessly to advocate for public policies that uphold the right of community associations to self-govern as well as protect association management from counterproductive policies that would restrict or burden the services they provide to their association clients.



On the federal level, we worked on a number of critical issues, including mortgage finance reform, FHA certification for condominium associations, disaster recovery assistance from the Federal Emergency Management Agency and the private contract debate related to Ham radio antennas and towers and community association rules.

Courts across the country also are passing judgment on a wide variety of association-related issues. CAI filed 15 foreclosure (priority lien) friend-of-the-court briefs on issues ranging from rental caps and construction defects to governing documents and breach of fiduciary responsibility. In a landmark case decided in 2014, the Nevada Supreme Court affirmed that a community association's foreclosure has true priority as established in 22 states and the District of Columbia. In another 2014 decision, the Illinois Supreme Court ruled that a condominium owner should not have stopped paying assessments because she was unhappy with the association's response to damages to her unit. CAI filed briefs in both cases, and both rulings supported CAI's position.

“Your work on FEMA—making HOAs and condos eligible for FEMA disaster relief—is just what I need to show my colleagues the value of CAI membership.”

“My experience (at the 2014 Annual Conference) was tremendously beneficial.”

“CAI's curriculum and teachers are second to none (and) ... invaluable for me and my employees.”

LEARNING, SHARING

A big part of the CAI experience is bringing members together—to learn from each other, share ideas and experiences, and build networks of invaluable contacts. In addition to many hundreds of chapter events, CAI holds several national events every year.

Our 2014 Annual Conference and Exposition in Orlando, the largest international conference of its kind, was considered one of the best CAI has ever held. We also held events for members representing important segments of the community association business—the popular Community Association Law Seminar in Las Vegas, the CEO-MC Retreat in San Diego for management company executives and the Large-Scale Managers Workshop in Hilton Head, S.C.

Combined, these events drew more than 2,500 participants to experience unparalleled education and networking opportunities.

PROFESSIONAL VALUE

Community managers across the country and overseas continue to recognize both the value of our professional education and the career-enhancing benefits of credentials that signal their training, expertise and experience. More than 500 managers earned CAI designations in 2014, when we awarded 329 Association Management Specialist (AMS) credentials and 161 Professional Community Association Manager (PCAM) designations—the most respected and widely recognized credential that can be earned by community managers. In addition, 20 firms earned CAI's Accredited Association Management Company (AAMC) credential.

RECOGNITION EARNED

Successful associations require not only strong community association management, but also committed board members. With that in mind, we recognized 80 association board members in 2014 as part of our first-ever Community Association Leader Appreciation Month. Coinciding with National Volunteer Month in April, this initiative was created to bring positive recognition to the estimated 1.7 million homeowner volunteers who serve on association boards across the country.

CONTENT THAT COUNTS

The information and education we provide is not limited to the classroom and online professional development courses. We were especially pleased to learn in 2014 that our leading periodicals, *Common Ground* and *Community Manager*, earned top awards in a national awards competition. *Common Ground* earned awards for the May/June 2013 money issue and a design award. *Community Manager*, our bimonthly newsletter for association management professionals, earned recognition for general excellence and newsletter writing.

Recognition is great, but what's most important is the content in our publications—information and perspective that is central to our mission of helping our members succeed.

FY 2014: Another Strong Year

CAI continued the trend of recent financially successful years, ending FY 2014 with an operating surplus of \$502,450 and a total net surplus of \$822,358, including \$319,908 of realized and unrealized gains on investments. Both surpluses were among the highest in CAI's 40-year history and mark the fifth consecutive year of positive results.

Total revenue of \$12,362,366 was almost one million dollars higher than the prior year and the highest since CAI's founding in 1973. Expenses of \$11,859,916 increased by 5.6 percent from FY 2013, as variable costs generally conformed to revenue, and staff continued efforts to hold operating costs in check. Based on these financial results, we have increased our net assets from a negative position five years ago to over \$2.3 million.

CAI's FY 2014 audited financial statements received an unqualified ("clean") opinion by CAI's independent auditors. Visit www.caionline.org/financials.

BOOKS MADE TO ORDER

Our publishing division, CAI Press, re-released the full set of the popular Guides for Association Practitioners, also known as GAPs. The new CD contains the most up-to-date versions of all 26 GAPs, which cover virtually every aspect of community association governance and management—from assessments, elections and maintenance to rules, insurance and design review. With a library of publications now exceeding 100 titles, it's no surprise that we shipped more than 30,000 books and brochures in 2014.

FACTS TRUMP HYPERBOLE

We know that overwhelming majorities of association boards and community managers are committed and dedicated to the communities they serve, but our critics remain quick to use sensational anecdotes to convey a different message to anyone who will listen. Fighting hyperbole with facts, we used data from a 2014 national survey sponsored by the Foundation for Community Association Research to set the record straight with the media, lawmakers and other stakeholders.

Contrary to the views of our critics, Americans who make their homes in associations are overwhelmingly satisfied with their community experience.

- 90 percent of association residents rate their overall experience as positive (64 percent) or neutral (26 percent).
- 90 percent of residents say association board members serve the best interests of their communities.
- 83 percent say their community managers provide value and support to residents and their associations.

“CAI provides useful and helpful information that helps our HOA make good and proper decisions.”

“Great class! I'm new to the business and left feeling motivated and better equipped for my position.”