

NADCA

✻ 2019 ✻

ANNUAL REPORT



TREASURER'S REPORT

For the period January 1 to December 31, 2019

Overview

The Association's finances have seen an eight-year positive trend continue. In 2018, the investments were hit hard, but quickly rebounded in 2019, resulting in record investment income for the Association. Operating revenues exceeded budget and operating expenses were held to **91%** of budget. NADCA closed out 2019 with revenue of **\$2,855,503** and expenses of **\$2,386,773**, and a projected net income of **\$468,730**, well ahead of the budgeted net income of **(\$40,443)**. The Association ended the year with total net assets of **\$4,677,970**.

Revenues

Membership dues account for **41%** of the Association's revenues, followed by Certification & Training (**30%**) and Annual Meeting (**18%**). NADCA's affinity partnership with Sunbelt Rentals accounted for **5%** of the organization's revenues in 2019. Overall revenues for 2019 were **\$2,855,503** compared to 2018 audited, actual revenues of **\$2,608,248**.

\$274,674
revenue
over budget

\$234,499
expense under
budget

Expenses

Administration is the largest expense category at **54%** of total expense and includes the following: management services, standards and specifications marketing manager, staffing, office space, committee expenses including approximately **\$200k** in marketing initiatives and campaigns, certification job analysis projects and exam development, ANSI fees, public relations, legal fees, trademark enforcement legal fees, sales commission expense, credit card processing fees, insurance, postage, general design and printing, storage fees, taxes and filing fees, telephone, database maintenance and licensing, website maintenance and hosting, and staff travel.

Annual Meeting follows at **24%** of total expense and then Certification & Training at **12%**.

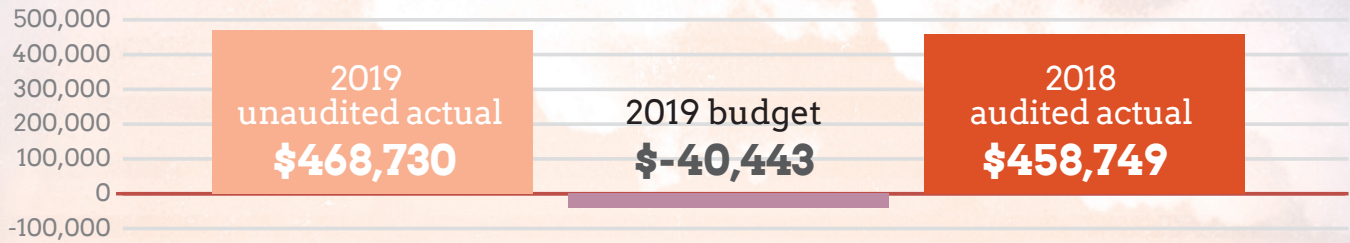
Overall expenses for 2019 were **\$2,386,773** compared to 2018 audited, actual expenses of **\$2,149,499**.

Comparison to Budget

This year, the Association budgeted an unrestricted net income (loss) of **(\$70,443)**. Revenues for 2019 exceeded more aggressive budget goals, with actual results of **\$2,855,503**, compared to a budget of **\$2,580,829**. Expenses are always tightly managed alongside a calculated investment of resources to drive strategic initiatives and deliverables to support members' education. Expenses for 2019 were **\$2,386,773** compared to

FINANCIAL SUMMARY	2019		2018
OPERATING REVENUES	2019 UNAUDITED ACTUAL	2019 BUDGET	2018 AUDITED ACTUAL
Administration	1,303,052	1,319,300	1,267,540
Annual Meeting	516,322	453,876	395,835
Certification & Training	842,605	648,805	756,567
Other Events	89,486	62,023	76,387
Publications	104,038	96,825	111,920
TOTAL OPERATING REVENUES	\$2,855,503	\$2,580,829	\$2,608,248
OPERATING EXPENSES			
Administration	1,293,205	1,433,236	1,152,615
Annual Meeting	567,698	650,835	528,031
Certification & Training	285,869	293,000	263,933
Other Events	118,224	116,951	81,842
Publications	121,778	127,250	123,078
TOTAL OPERATING EXPENSES	\$2,386,773	\$2,621,272	\$2,149,499

Unrestricted Net Income Comparison



a budget of **\$2,621,272**. Overall, the Association realized an unrestricted net income of **\$1,070,373**, due largely in part to more than **\$600,000 (56%)** of investment income.

Investments

NADCA adheres to a conservative investment and surplus policy guideline and remains dedicated to diversification of its investment portfolio. In 2019, those funds yielded a total return on investment of **\$601,643**, compared to significant losses of **(\$261,374)** in 2018.

Closing

NADCA increased its net assets by **30%** in 2019, remains financially strong and continues to recognize certification, Breathing Clean initiatives and the Standards and Specifications marketing efforts as the key value drivers for stakeholders. The Association has the funds necessary to execute its operational and strategic initiatives, initiate additionally identified directives, and deliver a high level of support to the members. NADCA holds **22** months operating reserves and is a fiscally healthy Association.

Annual Meeting Committee

A record-breaking **607** attendees were present at NADCA's 30th Annual Meeting at the Music City Center in Nashville, TN. **142** of those **600** reported being first-time attendees (**23%**). The **607** attendees came from **328** member companies, **47** of those companies being new members (**14%**). The exhibit hall offered **39** exhibitors in **59** booths, showcasing their equipment and services including six outdoor exhibits with vehicles and large-scale equipment.

NADCA's ASCS Training Course held **95** attendees, while **87** of those opted to sit for the exam on-site, with a pass rate of **82%**. The CVI training course hosted **28** attendees and **30** opted to sit for the CVI exam on-site as well, with a **77%** pass rate.

NADCA's keynote address this year was presented by *New York Times* Best Selling Author, trainer and consultant, Steve McClatchy. Steve inspired the crowd to work smarter, reduce stress and lead by example.

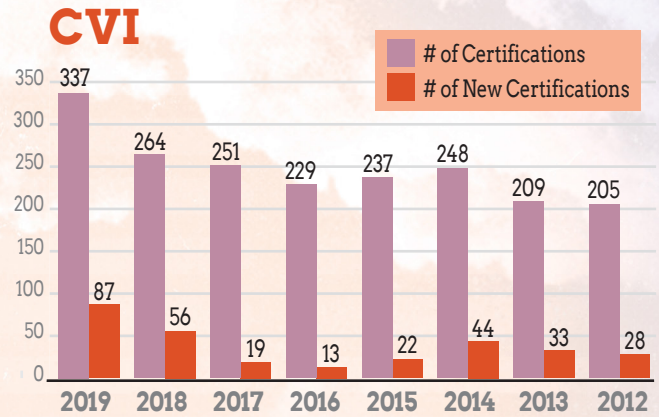
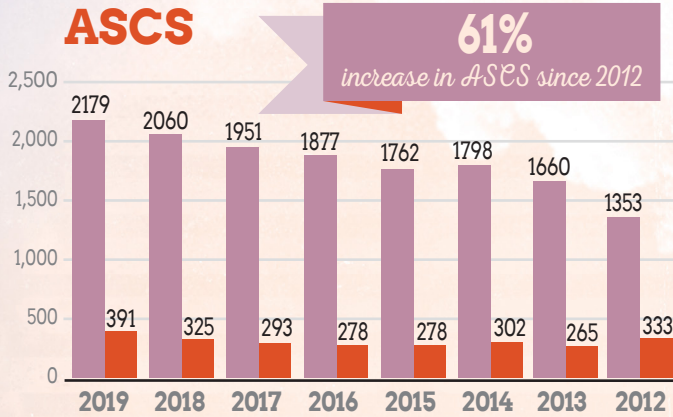
607
Attendees in
Nashville at 30th
Annual Conference

Certification Committee

The Certification Committee is tasked with developing and maintaining NADCA's industry-leading certification programs to ensure that members are performing air duct cleaning to the highest standards, using the latest technology, and in accordance with ACR, The NADCA Standard.

The Certified Ventilation Inspector (CVI) exam was administered for the first time in Italian in 2018, when **39** individuals earned the designation. In 2019, **18** more Italian members achieved the certification. The CVI Marketing Task Force continues efforts to build awareness of the CVI certification and the value it presents to both the certificant and the customer. This advanced certification demonstrates knowledge of HVAC systems & components and how they impact indoor air quality. It also demonstrates proficiency in HVAC system inspection and helps provide customers with a high level of confidence that a CVI certified individual has the knowledge necessary

ACR Downloaded in
62
countries



to support recommendations. In addition to the Italian candidates, the association added another **69** new CVIs to the Association this year for a total of **87**. NADCA's Board of Directors has approved additional marketing investment in 2020 to support the CVI and the efforts of the committee.

Education and Safety Committee

Along with certification, education remains the core of NADCA's mission, and the Education & Safety Committee strives to maintain, update and develop new training programs that will keep our technicians and industry experts on top of new advancements in technology, products and practice.

In early 2019, the Education Committee launched the virtual reality (VR) training initiative, designed to provide interactive training to air duct cleaning technicians before they're faced with their first time going "in the field" for a job. Introducing VR as a method of training was a way to offer education in a new way, understanding that not everyone retains information the same.

Virtual Reality VR Training

The first VR module was unveiled during the 30th Annual Meeting & Exposition in Nashville, TN in March. Once the headset was put on, participants of the VR challenge were immediately immersed into a job site, faced with identifying the components and proper cleaning methods of a commercial HVAC system.

Attendees of the Fall Technical Conference in Grapevine, TX, were also able to experience the second module, which launched at the conference in September 2019. The second VR module challenges learners to go through the process of cleaning an HVAC split system, from start to finish.

Record # of new ASCS with
391

Record # of new CVI with
87

In addition to featuring VR at the Annual Meeting & Exposition and Fall Technical Conference, NADCA is offering the innovative training tool as part of the custom training experience for companies interested in hosting ASCS training courses at their facility.

In March 2016, NADCA released the white paper, "**Restoring Energy Efficiency Through HVAC Air Distribution System Cleaning**," which demonstrated how to measure improvements in HVAC energy performance after HVAC cleaning. A task force of NADCA members was then formed to take measurements in the field before and after HVAC cleaning jobs to determine the effect cleaning has on energy performance. These were done measuring temperature, and in many cases humidity, before and after the evaporator (cooling) coil. Airflow, measured as cubic feet per minute (CFM) moving through the system, was also tested. A summary of the field trial findings is posted on the NADCA website.

Annual Report

As of Fall 2019, the task force, led by Dan Stradford of Action Duct Cleaning in California, completed the second phase of extensive research into the savings study, which focused on measuring kilowatt readings taken from commercial systems two weeks prior to cleaning and two weeks post-cleaning to determine energy savings.

To prepare for this, the task force worked on a variety of ways to measure kilowatt usage, culminating in a joint effort to undertake a full scientific study with Mark Hernandez, Ph.D., of the University of Colorado. In July, the task force began a formal study of an HVAC system in Johnson, Vermont, monitoring all aspects of the system studied, including temperature, humidity, CFM, particle counts and static pressure. Led onsite by NADCA volunteer Tyler Batchelder from Chuck's Heating and Air Conditioning with oversight from NADCA Board member, Rick MacDonald of Armstrong, Duct, Vent, Hearth and Home in New Hampshire, the study monitored—in real time—energy and performance improvements in a commercial system as various components were cleaned according to ACR, The NADCA Standard. Final results are being calculated and are expected to be published in early 2020.

Ventilation Maintenance Technician (VMT) Training Program

The Ventilation Maintenance Technician (VMT) Online Training program remains the optimum way to train entry-level technicians in a cost-effective manner. More than **1,332** technicians have registered for this course since it was launched in 2011, learning about basic safety, access openings, containment, tools and equipment, and how to clean HVAC systems in accordance with ACR, The NADCA Standard.

The Education Committee, in partnership with the Fall Technical Conference Committee, continues to provide hands-on training at the Fall Technical Conference each year, allowing attendees to apply those skills taught by the VMT Training Program as they work through the course instruction. Attendees step into a training area that replicates the HVAC system and related components, touch and feel the tools and equipment needed to perform the work, and test out the techniques taught in the VMT

sessions. As the attendee completes each hands-on task, the instructor signs off on their validation form which can be taken back to the owner to show proficiency in the specified areas.

Finance Committee

This standing committee was formed seven years ago to provide financial oversight for the organization. The Finance Committee is chaired by the most recent outgoing Board Treasurer and consists of the current Board President, current Board Treasurer, and three NADCA members at-large.

In addition to reviewing and approving the annual budget presentation to the Board of Directors, the committee also reviews the pricing structure throughout the organization, making recommendations and changes in support of the budget and strategic goals of the Association. They approve the audit firm and subsequent audit documents, set long term financial goals and surplus spending guidelines, and review quarterly financial statements.

The 2019 audit firm has been selected and initial field work is underway. This audit is slated for completion in June, 2020.

International Affairs Committee

NADCA's international membership growth continues to hit new milestones. The Association has ended 2019 with **325** members from **30** countries, up from **282** in **30** countries in **2016**. This represents an increase of **13%** over three years. NADCA's International Affairs Committee is appointed to focus on the needs and interests of members from outside the United States. In support of our international efforts, NADCA participates in presentations and events across the globe. NADCA continues to enjoy a mutually beneficial relationship with AIISA. In 2019, **90** NADCA members came from our partnership with the organization.

The Board of Directors is dedicated to international growth and the development of guidelines and training that more closely align with the HVAC

components and ductwork found in different regions across the globe. This will help NADCA's international members not only clean to ACR, The NADCA Standard, but have access to additional and specific information that will help them achieve a visibly clean environment in the most efficient manner. The committee has added several new international members to ensure the content of NADCA's standards, guidelines and training materials evolves to meet the needs of the international industry at large.

Industry and Public Relations Committee

The Industry and Public Relations Committee undertakes a wide array of initiatives each year for the purpose of generating business opportunities for NADCA members, growing the Association, and building awareness and recognition for the air duct cleaning industry. NADCA dedicated **18%** of its expense budget to marketing efforts in 2019. This includes the full-time Standards and Specifications Marketing Manager; social media graphics and outreach; video production; industry and consumer blogs; member engagement tools and educational sessions; webinar creation and delivery; media relations; Fall Technical Conference and Annual Meeting marketing, including graphic design; video production; and the still successful Breathing Clean marketing campaign.

All campaigns continue to have defined metrics, and results are measured at the conclusion in order to inform next steps and additional opportunities.

The Industry Relations (IR) team continues to grow relationships within the industry on behalf of NADCA. Conveying to these valued partners the value proposition to become Associate Members, to exhibit, sponsor and advertise requires development of relationships, often among the new verticals within our industry. These verticals are reflective of the changes within our industry and they help to grow our scope of partnerships. The value of the IR team is reflected in the growth of new Associate Members, exhibitors, sponsors and advertising sales.

The results for 2019, reflected as a 3-year trend, are as follows.

- Total sales for NADCA in 2019 were **\$275,000**, which is a **20%** growth over 2016.
- Annual Meeting sales for 2019 were at **\$160,355**, a **21%** increase since 2016. NADCA is now seeing a steady **8–10%** rate of revenue growth each year.
- Fall Tech Conference in 2019 totaled **\$16,500** which is a **\$1,400** decline from 2018 but NADCA still saw an **18%** increase from 2017.
- Advertising revenue through the NADCA.com website, *Air Conveyance* and *DucTales* (including *Buyer's Guide*) has seen a **43%** overall increase since 2016 with a total of **\$94,400** in advertising in 2019.

The IR team at AH works to nurture and build upon relationships with exhibitors and sponsors, to expand the opportunities for our existing Associate Members and to network and find new products and services of value to the NADCA member.

Anti-Fraud Task Force

The Anti-Fraud Task Force remains active in continued response to consumer and member complaints about "bait and switch" and non-members claiming NADCA certification and membership. The task force continues the multi-faceted approach to tackling these fraudsters.

The task force was formed in 2016 to provide consumer education and information tactics to key stakeholders such as the Division of Consumer Affairs, the BBB, and the State Attorneys General. In addition to the Breathing Clean consumer marketing campaign that was launched three years ago, **BreathingClean.com** is the go-to resource for consumers and members looking for information to support and promote their certification and membership to the customer. Brand awareness and recognition continue to be the goal, driving consumer business to NADCA members.

In 2019, NADCA continued developing content to drive Search Engine Optimization (SEO) and put NADCA's members at the forefront of consumer searches for air duct cleaning. Recalling the

Annual Report

Google algorithm change in 2018, NADCA continued to pivot and build SEO results in the ever-changing landscape in 2019 by again building upon designated topic clusters, causing Google to recognize the scope of the content and thereby driving more traffic to the nadca.com site. Below are some key results from NADCA's 2019 marketing efforts:

When comparing 2019 metrics to 2018, nearly all data categories of the NADCA.com website analytics saw positive results:

- **Sessions increased 12%** from 187,680 to 209,944 with nearly 17,500 sessions per month.
- **New Users increased 8%** - new users account for 81% of website sessions.
- **Returning Visitors increased 20%** and garnered an **average session duration of 4:13 minutes** in 2019. Returning visitors tend to have higher engagement (they bounce less, view more pages and have higher session duration). They also tend to have higher conversion rates.

Bounce Rate decreased 19% from 39.87% in 2018 to 32.53% in 2019. This is a great indicator the website is meeting user needs and providing the content they are looking for. As a rule of thumb, *a bounce rate in the range of 26 to 40 percent is excellent.*

Organic Search traffic saw a 14% increase when compared to 2018. This increase can be directly attributed to:

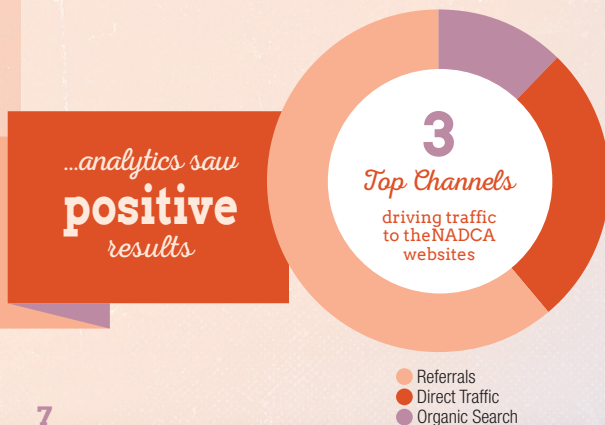
- SEO efforts (keyword research and implementation)
- Breathing Clean (continuous content distribution and link building)

Social Media sessions, while only accounting for 5% of the site's overall traffic, **increased 70%** when compared to 2018 (9,120 sessions in 2019 vs. 5,379 sessions in 2018)

NADCA staff works with the Ethics Committee and Anti-Fraud Task Force on trademark infringement issues. Members' investment in NADCA must be protected and the Association goes to great lengths to ensure that all logo use or claims of membership or certification by non-member companies or non-certified individuals are addressed swiftly and aggressively. From 2014–2019, NADCA received **379** reported violations and has successfully closed **353** of those to date, for a 93% close rate. *Closed* indicates that the violator has ceased use of the logo or false claim, or has acknowledged use under assumption of membership and has either renewed their membership or completed the join process.

NADCA continues a partnership with Yoshki and their logo protection software, and the Yoshki Radar service that crawls the internet searching for NADCA's trademarks. Once the team receives information about a violator, either from the Radar report or from a complaint sent in by a consumer or a member, they take the appropriate steps to have the logo removed from the violator's website or printed materials. Yoshki Radar works in parallel to the original software tool that allows members to place the Yoshki logo on their website indicating NADCA membership. A customer can then click that logo and receive instant confirmation of NADCA membership. If the company is not a member, the verification will fail and the customer will be alerted. It provides a competitive advantage for NADCA members and supports the Association's effort to enforce trademark infringement.

NADCA is *proactively searching* for trademark violators in addition to *reacting* to complaints received. This is representative of the commitment to resources that NADCA's Board of Directors is willing to give to protect members and the industry.



Social Media

NADCA & Breathing Clean

NADCA continues to dedicate marketing efforts where it finds its members and consumers/homeowners—on social media. The statistics below provide an overview of data and analytics for the NADCA and Breathing Clean Twitter and Facebook social media accounts.

Facebook (NADCA & Breathing Clean accounts combined)

Activity Overview

- Fans: 4,816 This is a **126% increase** due to the very successful Breathing Clean "Likes" campaign.
- Impressions (organic and paid combined): 1,807,207 (**3.2% increase**)
- Link Clicks: 11,767 (**135% increase**)
- Total Engagements: 73,139 (**30% increase**)
 - › 7,658 Reactions (**14% increase**)
 - › 2,065 Comments (**140% increase**)
 - › 3,579 Shares (**29% increase**)

Twitter (NADCA & Breathing Clean accounts combined)

Activity Overview

- Followers: **1,742 (7% increase)**
- Total Impressions: **135,621 (11% increase)**
- Link Clicks: **163**
- Total Engagements: **1,717**
 - › **191 Likes**
 - › **165 Retweets**
 - › **86 Retweets with Comments**

NADCA Paid Social Media Ads

Throughout 2019, NADCA launched 12 paid ads on Facebook, up from eight in 2018. Those ads included promotional messaging for 2019 Annual Meeting, 2020 Annual Meeting, 2019 Fall Technical Conference, and CVI certification. A variety of ad formats were tested this year, including videos, carousel graphics, boosted event pages, and an offer ad format. Below is a snapshot for all ads combined.

Paid Ad Stats

- Impressions: **503,220**
- Reach: **194,972**
- Engagement:
 - › Link Clicks: **4,832**
 - › Landing Page Views: **1,998**
 - › Reactions: **629**
 - › Shares: **54**
 - › Comments: **41**
 - › Post Saves: **29**

Breathing Clean – Paid Social Media Ads

The Breathing Clean initiative has been gaining ground ever since its launch in 2017. In 2019, Breathing Clean launched 5 paid ads on Facebook targeting the homeowners and parents. Combined, these ads garnered **704,640 impressions** and a **reach of 472,013**. Impression and reach rates are slightly lower than what was garnered in 2018, but what's impressive is the heightened engagement rates. Increased engagement proves the audience is valuing the content being shared and are actively interacting with the post by reacting to it, clicking to learn more, or sharing it with their personal Facebook friends.

When compared to 2018, **link clicks increased 697%** and **reactions increased 483%**.

330%
Increase in Breathing Clean Facebook Fans

NADCA television ads reach
189 million households

167%
Increase in traffic to the "Why Hire a NADCA Member" page

Breathing Clean Fan Growth

PLATFORM	JANUARY 2018	JANUARY 2019	JANUARY 2020	PERCENTAGE INCREASE (2019 VS. 2020)
Facebook	520	731	3,143	330%
Instagram	69	108	124	15%
Twitter	127	197	219	11%

Below is a statistics snapshot for all ads combined.

Paid Ad Stats

- Impressions: **704,640**
- Reach: **472,013**
- Engagement:
 - › Link Clicks: **5,630 (697% increase)**
 - › Reactions: **763 (483% increase)**
 - › Shares: **280 (2,054% increase)**
 - › Post Saves: **73**
 - › Comments: **36**

Understanding that the Breathing Clean audience is very active and engaged on Facebook, a paid Facebook "**Likes**" campaign was launched to increase page likes/followers. Before the campaign launched, the Breathing Clean Facebook page had **840** likes. At the end of the campaign, the page had **3,153** likes which means the campaign generated a total of **2,313** page likes—a **275%** increase. When users like a page, they automatically follow it which means they will see any updates and posts from the Breathing Clean page promoting the importance of air duct cleaning and why they should hire a NADCA professional for the job.

Below is a snapshot of the campaign results. The engagement stats are impressive – especially the **Reactions, Saves** and **Shares**.

Campaign Performance:

Run Dates: August 15 – November 15, 2019

- Ad spend: **\$1,000**
- Impressions: **84,533**
- Reach: **50,163**
- NEW Page Likes: **2,313**
- Cost per Page Like: **\$0.43**

Breathing Clean Website Traffic

When looking at website traffic generated from the Breathing Clean initiative (including organic and paid social media posts, link building, and blogs), traffic to the *Why Hire a NADCA Member* page **increased 167%**, traffic to the *Proper Cleaning Methods* page **increased 88%**, traffic to the *Avoid the Scams* page **increased 22%**, and traffic to the *Why Clean Air Ducts* page **increased 12%**.

Articles and News Releases

In 2019, NADCA continued to utilize several public relations initiatives in order to promote the activities of the Association and the advancement of the industry. Strategic partnerships with North American Precip Syndicate (NAPS) and Red Chair Communications again resulted in a range of releases, article topics, and radio and television PSAs. This includes coverage in top industry and consumer-facing publications. NADCA reached consumer readership of more than **56 million** from just three article placements that were picked up ("picked up" indicates that the article was printed in a newspaper, magazine, etc.) more than **13,000** times through NAPS. A **Spanish language** article was released and viewed by more than **18.5 million** readers from more than **3,000** pick-ups. This is an entirely new, Spanish-speaking audience targeted in the United States who are now exposed to the air duct cleaning industry and the need to hire NADCA members.

Release of first Spanish-language article reaches

18.5 million
readers

The return on investment with NAPS continues to grow each year as the association finds new ways to maximize their exposure through this partnership. NADCA invested **\$19,500** and received placements valued at more than **\$3.1M**. Included within that \$19,500 investment, NADCA released two television ads that were viewed in markets across the United States with a broadcast audience of **189,000,000** households. Two radio commercials reached an audience of 150,000,000 listeners as well. The print pieces are repurposed as blog content on the NADCA website, and the video releases are hosted on the NADCA site and its YouTube page. This collective effort to aggregate results with print, radio, television and social media continues to be the driving force behind NADCA's worldwide recognition and growth.

Commercial Activities

NADCA allocates a portion of its Industry & Public Relations budget to participation and exhibition at several industry events. With booths at events like ASHRAE's Air-Conditioning, Heating & Refrigeration (AHR) Expo and IAQA, and presentations at like-minded events, NADCA harnesses opportunities to reach target individuals and companies across the industry, including mechanical engineers, specifiers, facility managers, air conditioning contractors, indoor air quality specialists and other key industry segments. NADCA continues with a focus on presentations of the newly updated General Specification in **CSI 3-Part Format**, and ACR, The NADCA Standard at industry events. Collaboration with industry affiliates helps to boost NADCA's brand recognition as the go-to experts in the field of duct cleaning. It continues to ensure that NADCA has volunteers seated on industry standard setting committees to provide a voice for the industry served by the members.

NADCA also works to support its affiliate partnerships and maintains its Memorandum of Understanding (MoU) with IAQA and AHR Expo, as well as a newly-formed MoU with several industry organizations collectively known as the Allied Industry Partners. Participants include IAQA, ABRA, RIA, EIA, AIHA, ACGIH, NAFA, ASTM, and LEHA. The purpose of the MoU is to identify and recognize the current standards and credentials

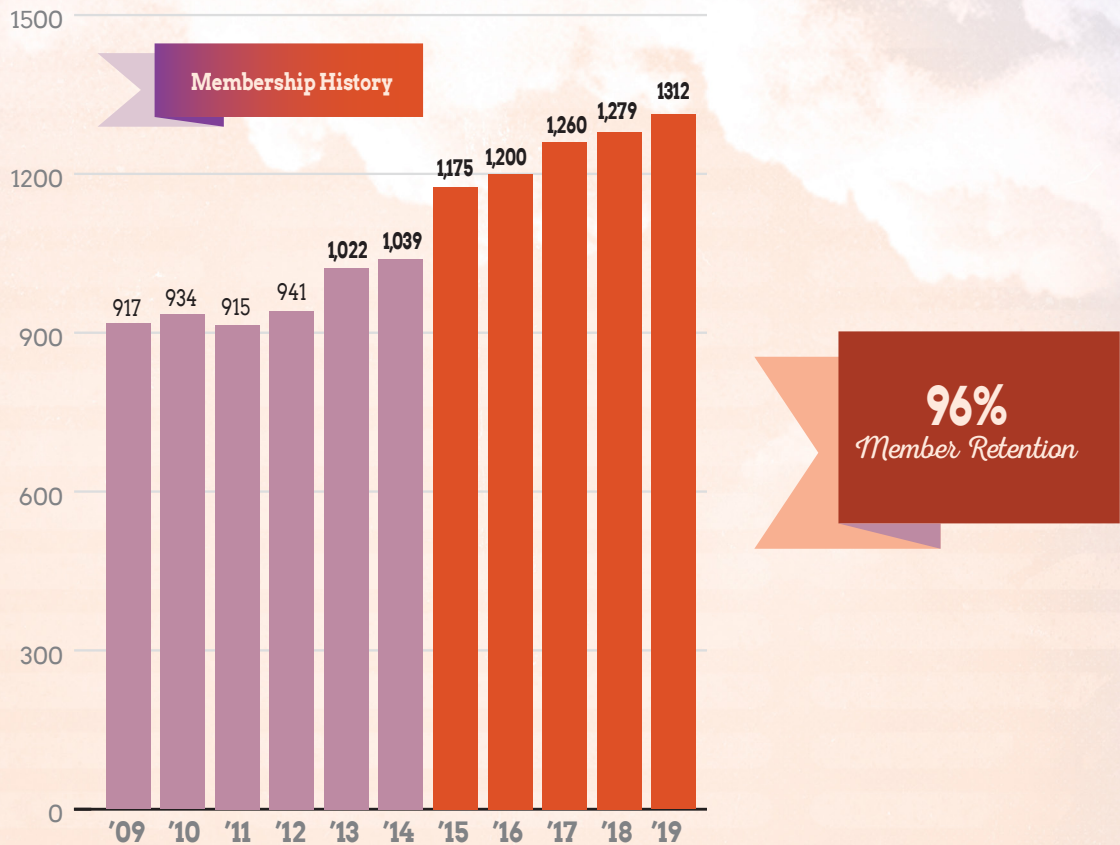
developed and administered by the Allied Industry Partner organizations. The Allied Industry Partners are like minded industry associations who recognize the need for a combined list of acceptable standards and credentials. NADCA's standards and certifications are collectively and individually recognized and promoted by the participating associations. This broadens NADCA's reach and builds bridges with ancillary industries, from biorecovery to healthcare to standard setting.

Membership Committee

The Membership Committee is tasked with enhancing member benefits and promoting those benefits to current and prospective members in order to increase and retain membership. The Committee also oversees NADCA's growth strategy and member surveys. NADCA continues to set growth and retention records. In 2019, NADCA set its eighth straight membership record with **1,312** members.

NADCA continues to build its bank of member benefits with updated and focused educational content that spans both US and international markets to advance the industry and the Association, driving toward NADCA's strategic growth targets.





Analysis of NADCA's data tells us that **40%** of the membership have been members for ten years or more and **60%** have been members for five years or more. There are **85** companies with membership of **25** years or more and **78** members with **20+** years (*but less than 25*).

Membership History

- In 2019, **180** companies had their membership terminated for not meeting membership requirements (non-compliance with ASCS certified staff or lack of proof of insurance). This compares to **174** terminations in 2018, **146** terminations in 2017, **154** terminations in 2016, **138** terminations in 2015, **55** terminations in 2014, **44** terminations in 2013, **118** terminations in 2012, **41** terminations in 2011 and **27** companies terminated in 2010.

As of December 31, 2019, there were **52** pending member companies. A company's membership status will be pending until all membership

requirements are met. During pending membership status, a company is not a NADCA member, cannot claim NADCA membership and is not eligible for NADCA benefits, including use of the NADCA logo. A company is not a NADCA member until it has been issued an official NADCA Membership Certificate. Pending companies can remain in pending status for a maximum of six months. Within this six-month timeframe, they are required to provide proof of insurance and have at least one individual pass the ASCS examination. At the conclusion of the six-month period, all pending companies who have not complied with the qualifications of membership are terminated. Should they wish to pursue membership again in the future, they must initiate the application process from the beginning.

NADCA continues to break retention records across every trade association benchmark, with another outstanding renewal rate of 96% in 2019. Each year we talk about the sustainability of that renewal rate, even as membership numbers and termination numbers increase

and that just strengthens the message to the industry: NADCA members realize absolute value in their membership. They are the leaders whose businesses are thriving and who continue to evolve with the association as the industry continues gaining traction and legitimacy.

NADCA Regional Coordinators

NADCA's Regional Coordinators provide support and mentoring to new and existing members within their region to ensure that members receive access to a network of support. The Regional Coordinator program is important because NADCA members face various challenges in their day-to-day work that can be very specific to things like climate, licensing and local regulation. Finding mentorship from an individual who understands and navigates similar challenges is an invaluable part of the NADCA membership benefit blueprint. For members in non-English speaking countries, the Regional Coordinator also provides translation and cultural variance assistance.

Leadership Development Committee

The Leadership Development Committee is charged with identifying qualified candidates who are interested in serving on NADCA's Board of Directors.

This committee identified a slate of five highly qualified candidates to fill four open Regular Director positions on the 2020-2022 Board of Directors. NADCA utilizes technology that brings efficiency and security to the election process. Ballots were sent to each regular NADCA voting member's email address through third party ballot voting software company, Big Pulse. Electronic ballots maintain a higher level of accuracy and protect the integrity of the process.

Mark Zarzeczny from Advanced Clean Air Specialists, LLC was re-elected to his third consecutive term; **Mike Dexter** from Air Quality Control Environmental was re-elected to his second consecutive term; **Paul Keller, Jr.** from Service-Tech Corp. was elected to his first three-year term;

and **Hugo Hernandez** from A Plus Enviro Services Inc. was elected to serve his first three-year term. All terms begin in March 2020.

NADCA members can be confident they will receive exemplary levels of support and participation from the newly elected board members, as well as those returning to continue their service. Their willingness to share their time and expertise with others serves to prove they are committed to their service as a NADCA director and the industry at large.

Fall Technical Conference

NADCA's Fall Technical Conference Committee supports NADCA members through regional training conferences and direct technical assistance. The Fall Technical Conference is designed to help industry members become the best they can be by offering certification, training and hands-on application to all levels of technicians.



Annual Report

In 2019, NADCA held this conference at the Embassy Suites by Hillton Dallas DFW Airport North in Grapevine, TX with record attendance. **215** technicians and owners attended, representing an increase of **147%** since 2012. This event continues to grow in attendance and exhibit participation, as well as in technical expertise and value as it finds new and innovative ways to deliver quality training and hands-on instruction from speakers and the volunteer committee members. Fall Technical Conference is prime training ground for new technicians to get their hands dirty and learn in both a classroom and technical, hands-on environment. This year, NADCA rolled out its new Virtual Reality (VR) training to all ASCS pre-conference attendees. Individuals were given the opportunity to put on the VR headset, immerse themselves in a mechanical room and see first-hand the components and environment in which they'll be working in the field. In 2019, **84** technicians attended the full-day ASCS training course, with **82** of those taking the ASCS exam at the conference. NADCA also hosted the CVI training class and exam, with **20** taking the class and **17** sitting for the exam in Grapevine. NADCA will continue to focus efforts on increasing awareness about the benefits of the CVI certification as it is a strategic focus of the organization.

Standards Committee

The Standards Committee is tasked with developing NADCA's standards and specifications—primarily, *ACR*, *The NADCA Standard for Assessment, Cleaning & Restoration of HVAC Systems*, *DEDP*, *The Dryer Exhaust Duct Performance Standard*, and *NADCA's General Specification for the Cleaning of Commercial Heating, Ventilating and Air Conditioning Systems*. Both standards and the General Specification document are available for free at www.nadca.com.

To date, there have been more than **13,200** downloads of *ACR*, *The NADCA Standard*, from more than **95** countries, and more than **10,000** hard copies of the booklet have been sold or given away at industry educational sessions.

In 2019 alone, it was downloaded more than **1,700** times in **62** countries. Following the United States, these countries had the most downloads: Canada; Australia; UAE; India; Saudi Arabia; and Italy.

The NADCA General Specification document outlines what proper HVAC system cleaning entails and promotes the use of NADCA members and certified ASCSs for commercial cleaning projects. In 2017, NADCA worked with the Construction Specification Institute to reformat the existing *NADCA General Specification* into CSI 3-Part Format. The purpose of doing so was to ensure this document can be easily used and adopted by mechanical engineers, architects and specifiers when developing their specifications for commercial HVAC cleaning projects. The document now includes the 3-Part sections including Part 1: General; Part 2: Products; and Part 3: Execution, and has been well-received by the target communities. During the past two years, there were more than **2,450** downloads of the *General Specification* in the new CSI 3-Part Format.

Increasing the frequency with which the NADCA certification is cited in specifications is the key focus of this initiative. This ties directly to NADCA's overarching efforts to drive business to the members.

NADCA continues a heavy focus with significant resources to push this specification, saturating ancillary and relevant markets (architect, engineer, facility manager) in an effort to build that awareness and ultimately, a requirement in all specifications for a NADCA-certified ASCS to have oversight of the project. Members are encouraged to download *The General Specification* and share it with bid writers. NADCA's Standards and Specification Marketing Manager continues to lead this initiative and build momentum for the members working in the commercial sector. In fact, the feedback received in response to these efforts includes that of indoor air quality professionals who report that their best practices include hiring the NADCA member company with the most certified individuals on staff to perform their duct cleaning services. This reinforces the notion that it pays to invest in your staff.

NADCA's best-performing LinkedIn post to support these efforts in 2019 was one about *Mold in Schools*. This post received **7,167** views, **82** reactions/likes, and **44** comments. The *NADCA General Specification* was requested by **21** individuals from just that post alone.

To date, NADCA has reached more than **16,900** in those sectors noted above.

Bylaws Committee

The bylaws document specifies how the Association is to be governed. A copy can be found in the Members Only section at www.nadca.com.

Ethics Committee

The Ethics Committee was originally appointed for the primary purpose of evaluating the Association's logo use policies, as well as other policies related to the use of NADCA's intellectual property. The committee is also actively engaged in reviewing allegations of unethical conduct by NADCA members. Early 2019 saw a continued influx of ethics complaints tied to licensing issues. Members should note that any ethics complaints filed with NADCA should be preceded by a formal complaint to the licensing board in the respective state, and then a copy of said complaint should be included with the ethics complaint submission provided to NADCA. The committee activates when a complaint is received in order to review and take action according to the NADCA Policies and Procedures when deemed necessary.

The committee works with the Anti-Fraud Task Force and the NADCA attorney, if warranted, to police and protect NADCA's trademarks. These efforts continue on behalf of NADCA members in order to monitor and prevent misuse of the NADCA logo for competitive advantage.

Strategic Planning

NADCA's strategic plan sets the direction and establishes priorities for the Association. It defines the Association's view of success and prioritizes the activities that will make this view a reality. The strategic plan helps to guide committees, board members and executive management toward fulfilling the initiatives outlined in the plan, thereby achieving the short and long term goals of the Association. NADCA staff maintains a focus on the directives of the plan and delivers measurable results that can be tied directly to the strategic mission of the organization.

In 2014, NADCA developed a strategic plan with five pillars of engagement. They were: Market Research; Membership Recruitment; International Recruitment; New Member Retention; and Membership Retention/Renewals. In 2017, the Board of Directors met to do a deep dive into those five pillars and re-set the focus of the organization for the next three years. In 2018, the NADCA team, both Board and staff, continued on this path and stayed the course, committing to achieving those pre-defined pillars. In 2019, the Board of Directors conducted a review of progress to date, set objectives for the next 12 months and assigned tasks to drive the strategy and tactics.

Management Review

NADCA is entering its eighth year of partnership with AH, a leader in the Association Management community. They were the first licensee of the American Society of Association Executives (ASAE) Certificate in Association Management Program, they are charter-accredited by the AMC Institute (to an American National Standards [ANSI] standard) and employ the highest number of credentialed staff members of any association management company (AMC) worldwide. AH is also the first and only AMC to be Platinum Certified by the Customer Service Institute of America.

NADCA's scope of work is the driving document behind the management agreement. The Board of Directors reviews the scope of work against the strategic objectives for the year and makes approvals based upon those established directives. The Board of Directors participates in an annual review of the management partner, including all direct and support staff services. In addition, there is an ongoing and open line of communication between the Board of Directors, the Chief Executive Officer and the Partner and Chief Executive Relationship Officer at AH. This allows for immediate resolution to any real or perceived issues. The partnership with AH has been one of mutual respect, professionalism, transparency, accountability and success!

Board of Directors



Richard Lantz, ASCS, CVI ('21)
President & Chairman of the Board



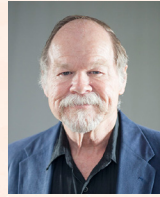
Mark Zarzeczny, ASCS, CVI ('20)
2nd Vice President



April Yungen, ASCS, CVI ('21)
Treasurer



Mike White, ASCS, CVI ('20)
Secretary



Dan Stradford, ASCS ('21)
Director



Jim Castellano, ASCS, CVI ('21)
Director



Mike Dexter ASCS, CVI ('20)
Director



Rick MacDonald, ASCS, CVI ('20)
Director



Rich Spano, ASCS, CVI ('22)
Director



Ken Rothmel ('22)
Associate Director



Andrea Casa, ASCS, CVI ('22)
International Director



Michael Vinick, ASCS, CVI
Immediate Past President



1120 Route 73
Suite 200, Mt. Laurel, NJ 08054
856-380-6810
info@nadca.com
www.nadca.com

2021

NADCA

32nd ANNUAL MEETING & EXPOSITION

FORT LAUDERDALE MARRIOTT HARBOR BEACH RESORT & SPA

Fort Lauderdale, Florida

Save *the*
Date

MARCH 8-10, 2021



www.nadca.com