

NADCA 2021 ANNUAL REPORT

202(ONE)

As the Association closed year two of pandemic-era firsts, one thing is certain: this industry is resilient and enduring. The past two years have seen the Association volunteers and staff focused with a keen eye toward **the one thing** that will bring ultimate validation for the industry and its members - science. In all of its glory and all of its (astounding) controversy, science will bring the rise of recognition, acceptance and respect for duct cleaners' place in the larger indoor air quality community. With an eye toward continued success for its members, the Association carried on with providing programs and services to train, educate, and elevate business owners and their teams.

Highlights

115%
of
budgeted
revenue

\$412,738
revenue
over budget

83%
of
budgeted
expense

90%
member
retention

\$469,449
expense
under budget

10th
year with record-
setting membership
numbers

ACR
downloaded in
100
countries

Release
of updated
ACR
The NADCA
Standard 2021
Edition



The HVAC Inspection, Cleaning
and Restoration Association

Find A Pro
Directory views
increased

130%

Blog posts views
increased

40%

New users
to website
increased

47%

Large focus
on trade and consumer
PR, resulting in nearly

300M
impressions

15.6M
viewers to
NADCA
television ad

TREASURER'S REPORT

For the period January 1 to December 31, 2021

Overview

The Association's finances have seen a ten-year positive trend continue. Operating revenues exceeded budget and operating expenses were held to **83%** of budget. NADCA closed out 2021 with revenue of **\$2,920,186** and expenses of **\$2,323,697**, and a projected net income of **\$596,490**, well ahead of the budgeted net income of (**\$285,698**). The Association ended the year with total net assets of **\$6,913,805**.

Revenues

Membership dues account for **44%** of the Association's revenues, followed by Certification & Training (**37%**) and Annual Meeting (**7%—down from 15% in 2020**). NADCA's affinity partnership with Sunbelt Rentals accounted for **6%** of the

\$412,738

revenue
over budget

\$469,449

expense
under budget

organization's revenues in 2021. Overall revenues for 2021 were **\$2,920,186** compared to 2020 audited, actual revenues of **\$2,796,934**.

Expenses

Administration is the largest expense category at **57%** of total expense and includes the following: management services, standards and specifications marketing manager, staffing, office space, committee expenses including approximately **\$225k** 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 **22% (down from 27% in 2020)** of total expense and then Certification & Training at **13%**.

Overall expenses for 2021 were **\$2,323,697** compared to 2020 audited, actual expenses of **\$2,169,631**.

FINANCIAL SUMMARY	2021		2020
OPERATING REVENUES	2021 UNAUDITED ACTUAL	2021 BUDGET	2020 AUDITED ACTUAL
Administration	1,482,371	1,223,940	1,403,856
Annual Meeting	201,605	501,550	407,972
Certification & Training	1,070,132	609,000	853,293
Other Events	76,625	75,778	40,400
Publications	89,453	97,180	91,415
TOTAL OPERATING REVENUES	\$2,920,186	\$2,507,448	\$2,796,934
OPERATING EXPENSES			
Administration	1,329,020	1,574,817	1,142,726
Annual Meeting	507,228	666,407	594,314
Certification & Training	295,844	298,419	289,994
Other Events	86,351	115,177	24,008
Publications	105,253	138,326	118,591
TOTAL OPERATING EXPENSES	\$2,323,697	\$2,793,146	\$2,169,631

Comparison to Budget

This year, the Association budgeted an unrestricted net income (loss) of **(\$285,698)**. Revenues for 2021 exceeded more aggressive budget goals, with actual results of **\$2,920,186**, compared to a budget of **\$2,507,448**. Expenses are always tightly managed alongside a calculated investment of resources to drive strategic initiatives and deliverables to support members' education. Expenses for 2021 were significantly lower than budget due to ongoing COVID restrictions which forced the Association to abandon activities such as travel to industry events (that were canceled) and exhibiting/presenting in Europe and South America. Expenses were **\$2,323,697** compared to a budget of **\$2,793,146**. Overall, the Association realized an unrestricted net income of **\$984,814**, with **39%** of that income coming from investments.

Investments

NADCA adheres to a conservative investment and surplus policy guideline and remains dedicated to diversification of its investment portfolio. In 2021, those funds yielded a total return on investment of **\$388,325**, compared to **\$654,728** in 2020.

Closing

NADCA increased its net assets by **16%** in 2021, 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.

*Increased
net assets*

16%

Annual Meeting Committee

NADCA's 32nd Annual Meeting at the Ft. Lauderdale Marriott Harbor Beach Resort & Spa welcomed **just over 250** total attendees, less than half of the expected attendance when the location was selected several years ago, prior to the pandemic. COVID safety protocols and social distancing requirements called for a significantly reduced capacity in the meeting space and throughout the hotel. The Board of Directors, after careful consideration, decided to move forward with the in-person event in order to meet the desire

Unrestricted Net Income Comparison



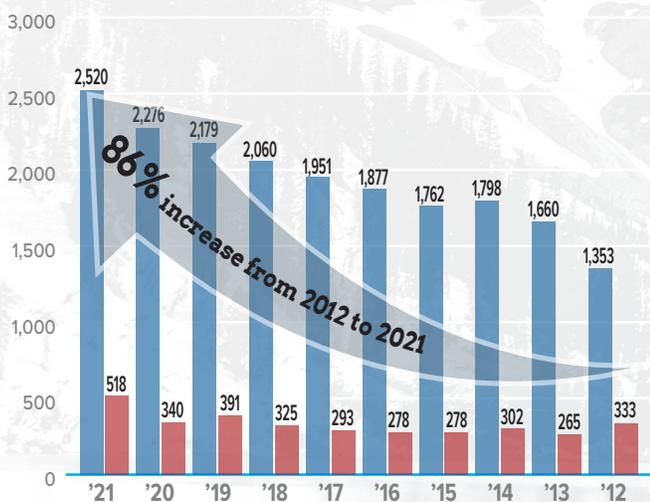
of those members who wished to travel and be together for education and networking in a safe and socially-distanced manner. Because Broward County, Florida, at the time, deemed an exhibit hall as a “social function,” the Association was forced to forego the exhibit hall. Associate members took advantage of enhanced sponsorship opportunities and as is customary, Sunbelt Rentals sponsored the NADCA Member Party. The party was held outdoors to ensure safety and was headlined by *The Voice* finalist, Ian Flannigan, as well as comedian Rocky LaPorte. NADCA’s ASCS and CVI training courses also saw significantly reduced attendance due to space constraints.

NADCA’s keynote speaker was Jason Gardner, a former US Navy Seal, combat leader and now a leadership instructor and speaker. Jason spent nearly three decades in the SEAL Teams with nine deployments across the globe. With experience operating in violent cities in both Iraq and Afghanistan, Jason shared with the attendees how those lessons forged leadership skills that he carries through to business today.

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, and in accordance with ACR, The NADCA Standard. As part of this, every five years, NADCA performs a job analysis (JA) of its certifications to ensure that the exams accurately reflect the current practices of an ASCS or CVI. NADCA is currently undergoing a JA for the ASCS exam with psychometrician partners, Schroeder Measurement Technologies (SMT) and Prometric. To start the process, a selected group of subject matter experts participated in an in-person workshop following the 2021 Fall Technical Conference in Charlotte, NC. During this workshop, they evaluated and analyzed the knowledge, skills, and essential functions of an ASCS. Additionally, a member-wide survey was distributed to continue to identify the important knowledge areas required for an ASCS to be successful in their role. The JA will continue through Q1 and Q2 of 2022, with exam item writing expected to commence in early summer, followed by the release of a new ASCS exam.

ASCS



CVI



The Certified Ventilation Inspector (CVI) exam was administered for the first time in Italian in 2018, and to date, 91 Italian members have earned their CVI. It is a goal of the Association to continue 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 to support recommendations. In addition to the Italian candidates, the association added another **32** new CVIs to the Association this year for a total of **54** new CVIs in 2021. NADCA's Board of Directors has approved additional marketing investment again in 2022 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 2021, NADCA hosted **thirteen** custom training sessions, earning more than **\$50k** in revenue. This is a significant increase directly due to partnerships with franchise members. Custom training sessions are held at the host's facility with a ten-person minimum requirement. NADCA provides the trainer and the course materials and the host provides the meeting space and meals, if so desired. This is a wonderful and cost-effective way for companies to certify a group of employees and raise their company profile.

NADCA's Energy Study Task Force continued its work with Dr. Mark Hernandez, professor and Registered Professional Engineer from the University of Colorado Boulder. In July of 2019, 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. 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. In 2020, the task force continued its work with another study, mirroring that of the one in Vermont. This study was conducted in Pearl, Mississippi and in 2021, NADCA embarked on its third and final energy study in San Antonio. Due to recurring technological challenges, the team essentially ran out of time as the seasons changed and the compressors stopped running continuously. The Task Force regrouped and is focused on completing phase three as soon as a suitable system is identified.

Another task group was formed in October to draft a technical paper on cleaning open air plenums. The paper will be available in Q2 of 2022.

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. In total, **1,834** 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. To complement the VMT Training Program and the ASCS to the ACR Standard Training Course, NADCA continues to

offer virtual reality training. While temporarily put on hold during 2020 and 2021 due to social distancing requirements and COVID-19 restrictions, expect to see the virtual reality library continue to grow and offer new content as we find our way through 2022.

Finance Committee

This standing committee was formed in 2013 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 2021 audit firm was selected and initial field work is underway. This audit is slated for completion in June, 2022.

International Affairs Committee

NADCA's international membership growth continues to hit new milestones. The Association has ended 2021 with **367** members from **28** countries. NADCA's International Affairs Committee is appointed to focus on the needs and interests of members from outside the United States. In support of its international efforts, NADCA participates in presentations and events across the globe. NADCA continues to enjoy a mutually beneficial relationship with AIIISA. In 2021, **111** 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. As regulations increase around the globe due to COVID-19, NADCA is working to stay abreast of developments and changes that affect its members.

Industry and Public Relations Committee

The Industry Relations (IR) team 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. Much like 2020, 2021 was an unusual year as companies continued to navigate and feel the effects of the pandemic. Total sales were **\$154k**, which represents a **38%** decrease over 2020 sales. This decrease mainly reflects the elimination of the exhibit hall at the 2021 annual meeting.

Annual Meeting sales for 2021 were **\$59,000**, compared to **\$170,000** in 2020, again attributed to the elimination of the exhibit hall to accommodate COVID restrictions in Broward County, FL. Prior to 2020, annual meeting sales had seen a steady **8-10%** revenue growth each year since 2012. Conversely, the 2021 Fall Technical Conference returned to an in-person format and realized **\$15,000** in exhibit and sponsor sales, a **66%** increase over 2020.

The bright spot in 2021 was Associate Member growth. The IR team has been successful in recruiting **nine** new and **eleven** lapsed Associate Members to NADCA in 2021, doubling 2020 results. Being a niche industry, finding new companies with services and products for air duct cleaners can be challenging. One may contemplate the growth in new members to be attributed to an overall awareness and explosion of the broader indoor air quality industry.

In 2021, NADCA launched digital retargeting ads, a new advertising opportunity that helped drive digital advertising revenue. Similar to Associate Membership growth, 2021 digital advertising revenue doubled compared to 2020. This includes ads on nadca.com, spotlight emails, Air Conveyance, and the new retargeting ads. Advertisers continue to seek digital advertising opportunities as they've proven to be a valuable tool for increasing brand awareness and gathering data by which to measure engagement with their customers.

Publications advertising in *DucTales* (including Buyer's Guide), has seen a 20% decrease since 2020. That being said, the spike in digital advertising sales successfully offset those losses this year. Overall, digital and publications ad sales held steady year-over-year at approximately **\$65k**.

Anti-Fraud Task Force

The Anti-Fraud Task Force remains on standby and ready to respond to consumer and member complaints about “bait and switch” and non-members claiming NADCA certification and membership. 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 in 2016, **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.

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 2014–2021, NADCA received **452** reported violations and has successfully closed **439** of those to date, for a **97%** 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.

Website

When comparing 2021 metrics to 2020, nearly all data categories of the NADCA.com website analytics saw positive results:

- Sessions **increased 38%** from 266,958 to 368,617
- New Users **increased 47%** which shows that marketing efforts are growing brand awareness and reaching new audiences.
- Pageviews **increased 24%** from 696,391 in 2020 to 862,584 in 2021.
- **Users were up across the world**, including **43%** in the US, **91%** in Canada, **106%** in the UK, **28%** in Australia, **26%** in the Philippines, **67%** in Pakistan, **147%** in China, and **168%** in Germany.
- **Blog views increased by 40%** in 2021 vs. the same time period in 2020.
- **The Find a Professional Directory saw a 130% increase in traffic** compared to 2020.

The top 10 pages with the most pageviews for 2021 are as follows:

- Homepage (**122,887** pageviews)
- 5 Signs Your Air Ducts Need Cleaning blog (**53,199** pageviews)
- Find a Professional Directory (**45,063** pageviews)—this is a **130%** increase compared to the same time in 2020!!
- Homeowners (**35,459** pageviews)
- Cost and Time Estimates (**34,166** pageviews)
- Dealing with Pet Dander blog (**21,085** pageviews)
- How to get ASCS Certified (**16,406** pageviews)
- Proper Cleaning Methods (**14,924** pageviews)
- NADCA Certifications (**14,537** pageviews)
- 4 Signs Your Air Ducts Need Cleaning (**14,387** pageviews)

New Users
to website
increased
47%

Organic Search (**65%**), Direct Traffic (**20%**), and Referrals (**7%**) were the top three channels driving traffic to the NADCA website in 2021.

Sessions driven by Social Media channels accounted for **2.9%** of the site's overall traffic, decreasing by **7%** when compared to 2020. Sessions to the website from LinkedIn and YouTube **increased** by **53%** and **18%**, respectively; and decreased from Facebook and Twitter by **11%** and **35%**, respectively.

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

- Followers: **5,214**
- Impressions (organic and paid combined): **1,469,225**
- Link Clicks: 18,688— a **104% increase** compared to links clicks in 2020!!
- Total Engagements: 28,438
 - › **5,210** Reactions
 - › **1,948** Comments
 - › **2,592** Shares

LinkedIn

- In 2020, NADCA revamped its LinkedIn corporate page for better searchability, and created a regular posting cadence. These efforts continued in 2021, driving traffic from the NADCA website to the social platform.
- Followers: **439**
- Impressions: **55,457**
- Engagements: **3,408**

Twitter (NADCA & Breathing Clean accounts combined)

Activity Overview

- Followers: **1,865**
- Total Impressions: **74,578**
- Total Engagements: **933**

The stats show that the most engagement from NADCA members and consumers occurs on the NADCA and Breathing Clean Facebook pages, followed by LinkedIn. Similarly to the previous year, Twitter engagement was not as active in 2021.

NADCA Paid Social Media Ads

In 2021, nine (9) ads, each with different creative, were run on Facebook to promote ACR, the NADCA Standard; 2021 Annual Meeting; 2022 Annual Meeting and Exhibition; 2021 Fall Technical Conference; and the benefits of NADCA membership/general brand awareness. Targeted audience size for the U.S. was 27,700,000.

- **Ad Flight** (Varies per Ad Creative): January 11 through December 22, 2021
- Total Budget: **\$4,000**
- Total Spend: **\$3,714**
- Total Reach: **421,583**
- Total Engagements/Clicks: **5,079**
- Cost/Click: **\$0.73**

NADCA Breathing Clean Paid Social Media Ads

In 2021, NADCA launched two fully integrated (includes advertising, blog, newsletter, website, social media) Breathing Clean seasonal campaigns: *Spring for Cleaner Air* and *Fall for Cleaner Air*. Each campaign included new evergreen creative assets and drove a significant increase in web traffic. Through these campaigns, NADCA collaborated with industry publications and like-minded organizations to promote the messaging of cleaner air to homeowners.

Overall Metrics

Spring for Cleaner Air

- Impressions: **802,408**
- Increase in web traffic: **90%**
- Average CPM: **\$3.73**
- Budget: **\$3,000**

Fall for Cleaner Air

- Impressions: **650,453**
- Increase in web traffic: **28%**
- Average CPM: **\$3.07**
- Budget: **\$2,000**

Articles and News Releases

In 2021 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 Precis Syndicate (NAPS) 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 **3 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 **4,500** times through NAPS. The return on investment with NAPS continues to grow each year as the Association finds new ways to maximize exposure through this partnership. NADCA invested **\$19,000** and received placements valued at more than **\$1.6M**. Included within that \$19,000 investment, NADCA released one television ad that was viewed in markets across the United States with a broadcast audience of **15,550,000** households. Three radio commercials reached an audience of almost **eight million** listeners as well. The print pieces are repurposed as blog content on the NADCA website, and the video release is 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.

Public Relations

There was a large focus on trade and consumer PR in 2021 for NADCA, resulting in nearly **300M impressions**. The marketing team developed and distributed 4 press releases and pitched 22 topics throughout the year—ranging from allergies and asthma, to scammer awareness, new homeowner tips, dryer vent safety, and more. The team continued to build relationships with trade and consumer media, responded to requests and coordinated interviews, resulting in coverage in various trade publications and high-traffic consumer sites like HGTV.com.

*PR resulted
in nearly
300M
impressions*

Commercial Activities

In 2021, NADCA optimistically allocated a portion of its Industry & Public Relations budget to participation and exhibition at several industry events. With the continued restrictions throughout the year, NADCA was able to participate in just one event in 2021, the RefriAmericas Conference. This resulted in a significant decrease to the expense budget.

Traditionally, NADCA has 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 remains focused on presentations of the General Specification in CSI 3-Part Format, and ACR, The NADCA Standard at industry events, but expect to see more information about NADCA white papers and energy study results in the coming year.

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 the Allied Industry Partners. Participants in the Allied Industry Partners include IAQA, ABRA, 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.

NADCA has also partnered with the Global Biorisk Advisory Council (GBAC) to publish a scientific paper titled, "Biological Air Quality Considerations for Non-Healthcare, As Built Environments." The paper addresses several strategies for improving indoor air quality in facilities such as schools, restaurants, convention centers, and gyms. This is a multi-authored paper which provides actionable steps to make facilities safer during and beyond the pandemic. The paper was peer-reviewed and published in the GBAC-TIPS Journal, an open access journal founded by The Infection Prevention Strategy (TIPS) to advance innovations, ideas, and processes that make a difference in global health. The journal aims to provide access to evidence-based science through both peer-reviewed and perspective articles. The paper will also be indexed into Google Scholar and ResearchGate for the global scientific community to reference and cite in future publications.

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 2021, NADCA set its tenth straight membership record with **1,386** members.

NADCA carries on with building its bank of member benefits with updated and focused educational content that spans both U.S. 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 **42%** of the membership have been members for ten years or more and **62%** have been members for five years or more. There are **105** companies with membership of **25** years or more and **88** members with **20+** years (*but less than 25*).

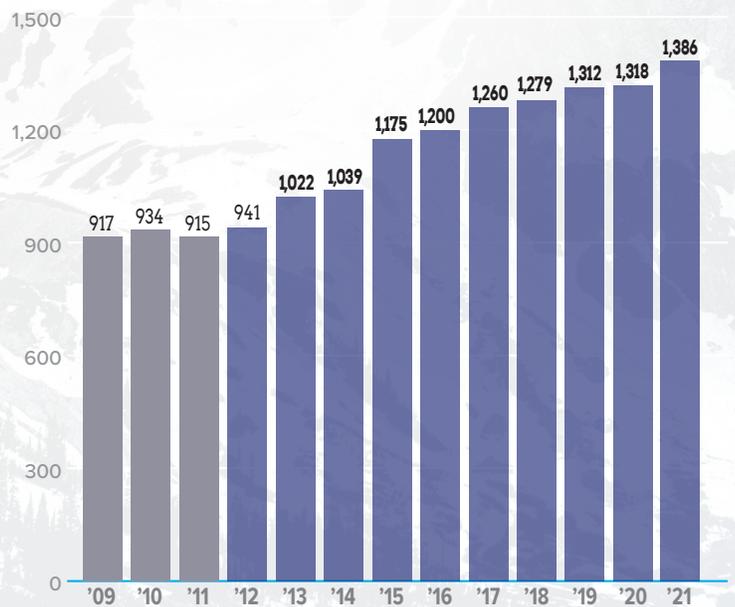
Membership History

- In 2021, **218** companies had their membership terminated for not meeting membership requirements (non-compliance with ASCS certified staff or lack of proof of insurance). It is a notable increase over 2022 terminations and research says that pandemic challenges contributed to this increase, whether health related, labor market challenges, financial, or otherwise. This compares to **121** terminations in 2020, **180** terminations in 2019, **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, 2021, there were **164** pending member companies, more than double the same time in 2020. A company's membership status will be pending until all membership requirements are met. During pending membership status, a



Membership History



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, for the tenth consecutive year, to break retention records across every trade association benchmark with another outstanding renewal rate of **90%** in 2021. Each year we talk about the sustainability of that renewal rate, even as membership numbers and termination numbers increase (to the tune of 80% from 2020 to 2021) and that just strengthens the message to the industry: NADCA members realize absolute value in their membership and now more than ever, as duct cleaning takes their seat at the ever-important indoor air quality table, NADCA membership and training remain at the foundation of this industry's success.

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. For members in non-English speaking countries, the Regional Coordinator also provides translation and cultural variance assistance. Finding mentorship from an individual who understands and navigates similar challenges is an invaluable part of the NADCA membership benefit blueprint.

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 two highly qualified candidates to fill one open Regular Director position on the 2022–2024 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.

Charles Cochrane from Cochrane Ventilation was elected to his first three-year term. Charles served previously on the NADCA Board of Directors and is a NADCA Hall of Fame Inductee. He currently serves on the Scientific Committee and his term begins in March 2022.

NADCA members can be confident they will receive exemplary levels of support and participation from the newly elected board member, 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. While the association was forced in 2020 to host a virtual conference, 2021 allowed for the return to in-person events and the Fall Tech Committee delivered a jam-packed event in Charlotte, North Carolina at the Hilton Charlotte University Place. A total of 153



attendees were permitted to attend the sold out conference, as space was extremely limited due to COVID restrictions. NADCA hosted nine exhibitors in an open format exhibit space throughout the halls of the event space which proved to work well and encouraged plenty of interaction between attendees and exhibitors. There were 63 attendees at the full-day ASCS training course and four attended the CVI training.

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 nadca.com.

To date, there have been **20,134** downloads of *ACR, The NADCA Standard*, from **100** countries, and more than **21,000** hard copies of the booklet have been sold or given away at industry educational sessions.

In 2021 alone, it was downloaded more than **4,800** times in **100** countries. Following the United States, these countries had the most downloads: Canada; Australia; UAE; India; Saudi Arabia; Italy; Mexico; Qatar; and Colombia.

The Standards Committee spent the early part of 2021 finalizing the new edition of *ACR, The NADCA Standard* for release at the annual conference. A session by Standards Committee Co-Chair, Bill Lundquist, was presented to a packed room at the meeting in Fort Lauderdale. He highlighted the changes in the 2021 edition of the Standard and answered questions about the update process.

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 four years, there were more than **3,394** 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.

ACR,
*The NADCA
Standard
2021 Edition
Completed*

ACR
Downloaded in
100
countries

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. Feedback received in response to these efforts indicates that indoor air quality professionals report that 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 2021 was one about the release of the newly updated ACR, The NADCA Standard, which received **3,844** views, **36** reactions/likes, **63** comments and **9** shares.

To date, NADCA has reached more than **26,700 individuals** 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 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. In 2021, the number of complaints was less than in prior years, with just five complaints. NADCA is proud of its ongoing investment in consumer awareness and education so the customer has informed expectations when hiring an

air duct cleaning company. 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 also 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. In 2020, NADCA had to remain nimble and pivot to address those issues most relevant to the membership, most notably, COVID-19 and its impact on the industry. In 2021, the Board of Directors held an in-person strategic planning session that included two members at large and one

non-member contributor. The group worked over the course of two days and ultimately outlined a high level strategy for the next one to three years. This includes three pillars: Validation; Transformation; and Brand. The board will continue their work on the tactical efforts needed to support these pillars

Management Review

NADCA is entering its tenth- 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! NADCA's management contract with AH was renewed for a three-year term beginning in 2021.



*The HVAC Inspection, Cleaning
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