

NADCA

Duct Tales

JANUARY/FEBRUARY 2011

2010 Annual Report

Improving the HVAC Inspection,
Maintenance & Restoration Industry
Through Training and Certification

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Annual Report **2010**

TREASURER'S REPORT *For the period Jan. 1 – Dec. 31, 2010*

OVERVIEW

NADCA revenues held firm in 2010 as the industry and the economy began to show glimpses of recovery. The Association's revenues held firm and expenses were well-managed and under budget. Overall NADCA generated revenues of \$1,655,137 and expenses of \$1,578,111, for a net surplus of \$77,026. NADCA ended 2010 with a fund balance of \$1,071,471, increasing its operating reserve to seven months.

REVENUES

Membership accounts for 50% of NADCA's revenues, followed by certification, the Annual Meeting & Exposition, and training. Total revenues were up slightly compared to 2009 as a result of substantial gains in membership, certification and regional/international events. The strength of these areas offset lower performance in training revenues, reduced participation in the Annual Meeting and miscellaneous other revenues.

EXPENSES

Administration is NADCA's largest category of expenses, followed by Board & Committees and the Annual Meeting & Exposition. Administrative expenses were up by 2.6% in 2010, primarily due to increased costs for the annual financial audit, postage and credit card processing fees. Overall, expenses were down by \$98,804 (5.9% percent) in 2010, compared to 2009.

COMPARISON TO BUDGET

The Board of Directors authorized an aggressive budget in 2010, providing funding for a wide range of committee initiatives. Overall, NADCA budgeted for revenues of \$1,656,351 and expenses of \$1,927,803 for a net loss of (\$271,452). In actuality, NADCA realized revenues of \$1,655,137 and expenses of \$1,578,111 for a net surplus of \$77,026.

CLOSING

NADCA remains financially strong. The Board remains committed to investment in programs that will strengthen the industry and help members grow their businesses moving into the future. Most importantly, the Association is well-positioned to continue providing the types of support members value.

FINANCIAL SUMMARY REPORT *for the period Jan. 1 – Dec. 31, 2010*

REVENUES:	% OF TOTAL	2010 ACTUAL	2010 BUDGET
Membership Dues	50%	\$ 819,646	\$ 776,606
Certification	23%	\$ 376,475	\$ 326,000
Annual Meeting & Expo	11%	\$ 189,340	\$ 230,370
Training	7%	\$ 121,845	\$ 121,000
Publications & Advertising	4%	\$ 61,785	\$ 62,500
Regional & International Events	4%	\$ 66,480	\$ 72,375
Other	1%	\$ 19,567	\$ 67,500
Total Revenue		\$1,655,137	\$1,656,351
EXPENSES:			
Administration & Management	51%	\$ 812,096	\$ 823,541
Annual Meeting & Expo	16%	\$ 248,560	\$ 279,362
Board & Committees	20%	\$ 308,031	\$ 519,200
Publications & Products	4%	\$ 57,303	\$ 83,800
Regional & International Events	4%	\$ 68,916	\$ 75,900
Training	2%	\$ 33,508	\$ 57,000
Certification	0%	\$ 6,040	\$ 20,000
Other	3%	\$ 43,659	\$ 69,000
TOTAL EXPENSES	100%	\$1,578,111	\$1,927,803
NET		\$77,026	-\$271,452

ANNUAL MEETING COMMITTEE

More than 450 NADCA members and industry leaders attended the 2010 Annual Meeting & Exposition, which took place March 27-30 at the Westin La Paloma in Tucson, Arizona. The show attracted more than 25 exhibitors that represented the HVAC Inspection, Maintenance & Restoration Industry's most cutting-edge products and tools. A membership survey conducted after the 2010 Annual Meeting & Exposition showed that attendees enjoyed the event, rating most aspects of the event as a four on a scale from one to five, with five being the highest.

Each year, NADCA's Annual Meeting is the only event dedicated solely to our industry, making it the perfect opportunity to connect with colleagues and learn ways to advance your business. The Annual Meeting Committee worked diligently all throughout 2010 to provide the educational sessions and entertainment that kept NADCA members engaged throughout the conference.

The 2011 Annual Meeting & Exposition will take place at the Hard Rock Hotel & Casino in Las Vegas, Nevada, from March 21-24.

CERTIFICATION COMMITTEE

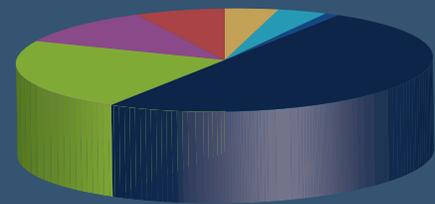
NADCA's Certification Committee focuses on developing and improving certification opportunities for members and industry partners. The responsibilities of this Committee include, but are not limited to, overseeing the translation of NADCA's certification tests, developing test questions and establishing pass rates for NADCA's certification exams, and developing new certification exams.

Certified Ventilation Consultant (CVC) Program

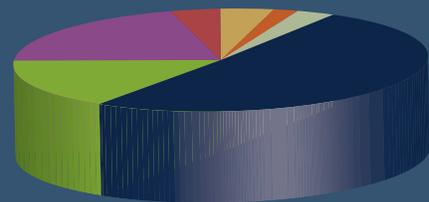
Throughout 2010, NADCA's Certification Committee worked on developing a new certification, the Certified Ventilation Consultant (CVC) (formerly known as the Ventilation Maintenance and Restoration Technician), which will offer a higher level of recognition to our industry's most experienced members.

The Certified Ventilation Consultant (CVC) is an advanced, comprehensive certification targeted to highly qualified experts in the field of HVAC inspection, cleaning and restoration. This credential covers the knowledge, skills and abilities required to inspect, clean and remediate HVAC systems, combined with five years of industry field experience which include residential, commercial and institutional markets. This certification requires a working knowledge of HVAC systems, including basic operations and troubleshooting.

2010 REVENUES



2010 EXPENSES





The Certification Committee also started the process of updating the ASCS Certification Program – including merging in the VSMR certification. The ASCS exam, which was first released in 1995, is past due for an update. Mold contamination has become a much bigger issue since the release of the ASCS program, to the point that it now makes sense to address microbial contamination as a major aspect of cleaning HVAC systems. This project, which will continue through 2011, represents a major initiative designed to strengthen the ASCS certification.

2010 CERTIFICATION SUMMARY		
Program	# of Certificants	New in 2010
ASCS	1436	262
VSMR	264	35
CVI	244	29
TOTALS	1944	326

EDUCATION & SAFETY COMMITTEE

The Education & Safety Committee oversees NADCA's learning opportunities, identifying when programs need to be updated or improved. Throughout 2009 and 2010, the focus of the Education & Safety Committee was developing the Ventilation Maintenance Technician (VMT) program, designed for technicians just starting out in the HVAC cleaning and restoration industry.

Ventilation Maintenance Technician (VMT) Training Program

The VMT Online Training Program is a job skill training program for entry-level field technicians. The VMT Course is specifically designed to help new HVAC cleaning technicians develop the knowledge and skills needed to provide the high quality of service for which NADCA members are known. The VMT course consists of a series of five modules covering the following topics: Basic Safety; Containment – Level 1; HVAC Ductwork and Access Openings; Cleaning Methods; and Equipment.

The VMT is delivered online for the ultimate in convenience. By eliminating the need for travel, VMT training is also highly cost-effective. Upon successful completion of all five modules, technicians receive a VMT Certificate of Completion. NADCA was excited for members to make the VMT program part of the career path for their company's technicians.

INTERNATIONAL AFFAIRS COMMITTEE

The International Affairs Committee has its finger on the global pulse, and its volunteers concentrate on growth opportunities for NADCA throughout the world. The Committee works with NADCA's international partners to develop programs of interest to members outside of the United States.

Regional Restructuring – Canada

In 2010, the regions for Canada were re-structured as follows:

Region A – Pacific Region: British Columbia, Alberta and Saskatchewan.

Region B – Manitoba and Ontario.

Region C – Quebec.

Region D – Maritime Provinces: New Brunswick, Nova Scotia, Prince Edward Island, and New Foundland.

AIISA/NADCA Annual Meeting

The 2nd ANAM (AIISA/NADCA Annual Meeting) was held in Bologna, Italy from Feb. 17-20, 2010. This event featured a robust program of scientific presentations related to HVAC maintenance and the implications for indoor air quality, microbial contamination and worker safety, and chemical product evaluation, and other topics of interest. Attendees were able to sit for the ASCS certification examination, and met with the industry's suppliers during the exposition.

This event supports the continued development of AIISA by bringing together HVAC professionals, academia and public officials who have a stake in the performance of the industry. NADCA remains committed to its partnership with AIISA and welcomes future collaboration as a means of strengthening the global industry.

Quebec Summit 2010

NADCA's 2010 Quebec Summit took place October 13-15 at the Hilton Bonaventure in Montreal. The 2010 Quebec Summit was the first opportunity for the French-speaking members of NADCA's Region C to take the Ventilation System Mold Remediator (VSMR) course and

exam in their native language. NADCA's translation of the VSMR program into French was intended to support the growth of Quebec's HVAC inspection, maintenance and restoration industry – particularly as it relates to issues surrounding microbial contaminants in HVAC systems.

MARKETING COMMITTEE

The Marketing Committee provides public relations and customer outreach for NADCA members, and seeks to educate residential and commercial consumers about the HVAC cleaning industry. The Committee works with staff to develop and implement a variety of initiatives to generate better business opportunities for NADCA members – a top priority for the Association.

Lunch n Learn Presentations

In July 2010, NADCA's Marketing Committee released a "Lunch n Learn" series of PowerPoint presentations designed for members to use in educating their customers about the benefits for HVAC inspection, cleaning and restoration. These informational presentations promote the need for our industry's services and emphasize the benefits of working with NADCA members. The series includes a variety of presentations that are geared to specific audience groups, including mechanical contractors and building owners. NADCA members can download these presentations from the Members Area of the Web site.

Consumer Marketing Videos

During 2010, NADCA released four consumer videos, which were placed on the Association's homepage and also mailed to members on a disc. This video series was created to establish NADCA and its members as trusted authorities and reliable resources for HVAC inspection, maintenance and restoration services. The titles of the four videos are: *Guide to Proper Air Duct Cleaning*; *How Your Heating and Cooling System Got Dirty*; *Indoor Air Quality and Your Home's Heating and Cooling System*; and *Energy Savings and Your Home's Heating and Cooling System*. Like most programs developed by NADCA, members are authorized to use these videos on their company's web site.

Articles and News Releases

NADCA released a variety of articles and news releases in 2010 to generate awareness of the need for proper cleaning of heating and cooling systems. This content was sent to media outlets throughout the United States, with press releases reiterating the points made in each segment.

NADCA released an article in early February entitled: *Make sure your indoor air is healthy this spring*. This article included a copy of the IAQ consumer video, along with the accompanying press release. The article was published periodically through June 2010. The next article was released in mid-March and entitled: *The Spring Cleaning Task That Can Really Clear the Air in Your Home*. For this installment, NADCA's *Got Dirty* consumer video was included. The August article released was entitled: *Considering Air Duct Cleaning? Know What Lies Beneath the Big Hose*, which was accompanied by the *Guide to Proper Cleaning* consumer video. The final article and video combination was released in September, and was entitled *Save Energy and Keep the Air Inside Your Home Cleaner this Winter*, which complimented the *Energy Savings* segment.

Social Marketing

The Marketing Committee placed increasing emphasis on social marketing during 2010, developing a presence on Facebook, Twitter, YouTube and LinkedIn. NADCA staff posted updates and kept in contact with members and customers using these websites, and plans to continue this social marketing in future years.

MEMBERSHIP COMMITTEE

The mission of the Membership Committee is to promote the benefits of NADCA to current and prospective members in order to increase and retain membership. The Membership Committee works with NADCA staff to recruit and retain members.

NADCA members were very responsive to the electronic surveys distributed by the Membership Committee in 2010. About 20 percent of NADCA members responded to a survey that was sent to gauge satisfaction among members of the Association. Among members who completed the survey, key findings included:



- 74 percent of respondents said they visited NADCA's website either quarterly or monthly.
- 58 percent of respondents reported receiving at least one sales lead from NADCA within the previous 12-month period.
- On average, NADCA's 2010 Annual Meeting & Exposition was rated 4.2 by members, on a scale of 1 to 5, with 5 being the highest. NADCA's headquarters hotel facility was rated 4.53.

Despite weakness in the economy, 86% of members had renewed by November 2010 – further evidence of the high level of satisfaction among members. The Association also continued to attract new members in 2010, as well as many former members seeking to re-affiliate. With 193 new applicants, membership recruitment was up by 10% compared to the previous year.

2010 NADCA MEMBERSHIP SUMMARY	
Member Type	# of Members
Regular Certified	765
Associate	33
International	70
Supplemental	51
International Supplemental	5
Affiliate	10
Pending Applicants	91
TOTAL MEMBERS	934

MEMBERSHIP HISTORY						
	2005	2006	2007	2008	2009	2010
# of Members	892	905	918	878	917	934

In 2010, 27 companies had their membership terminated for not meeting membership requirements.

In 2009, 40 companies were terminated for the same reason.

In 2008, 90 companies were terminated for the same reason.

	2007	2008	2009	2010
# of New Applications	183	207	175	193
# of New Members	126	157	132	121

NOMINATING COMMITTEE

The Nominating Committee is tasked with finding qualified applicants for open slots on the NADCA Board of Directors. The Committee works closely with the Board of Directors to approve a slate of candidates each year.

The Nominating Committee identified a slate of well-qualified candidates to fill four open positions on the 2011-2014 Board of Directors. The approved slate of candidates included Tim Hoysradt, of Twins Air Duct Cleaning in Waynesboro, Va.; Ron Kratz, of DynaKleen Services in Omaha, Neb.; Richard Lantz, of Air Duct Cleaners of Virginia in Chesapeake, Va.; Vito Moscato, of Air Ducts Done Right in Darien, Ill.; Dan Stradford, of Action Duct Cleaning in Altadena, Calif.; Travis Tasse, of ADE Environmental Inc. in Canyon Country, Calif.; Michael Vinick, of Duct & Vent Cleaners of America in Springfield, Mass.; and Michael White, of Clean Air Systems of LA, in Shreveport, La.

The following directors were elected to serve three-year terms starting in March 2011:

Tim Hoysradt, of Twins Air Duct Cleaning in Waynesboro, VA.

Ron Kratz, of Dyna-Kleen Services in Omaha, NB.

Michael Vinick, of Duct & Vent Cleaning of America in Springfield, MA.

Michael White, of Clean Air Systems of Shreveport, LA.

This election cycle was the first to use electronic ballots for voting, which were sent to the e-mail address on file for each Regular NADCA member. Those without a working e-mail address were sent copies of the ballot via U.S. Mail.

The Board of Directors candidates are to be commended for their strong support and willingness to voluntarily serve the Association and its members.

REGIONAL COORDINATORS COMMITTEE

The Regional Coordinators Committee is responsible for providing technical assistance to NADCA members. This Committee administers NADCA's Mentor Program, helping to orient new members to the Association. The Regional Coordinators Committee also provides immeasurable support for the Technical Conference and other NADCA educational initiatives.

Technical Conference

NADCA's inaugural Fall Technical Conference took place from September 30 to October 2, 2010 at the Sheraton City Center in Baltimore, MD. The event had more than 100 attendees, and also offered the ASCS and CVI courses and tests prior to the Conference.

The NADCA Fall Technical Conference featured two learning tracks to accommodate both newer technicians and more experienced professionals. Attendees were able to choose from the Technician track – for individuals with two years of experience or less – or the Advanced track, which was designed for highly skilled personnel.

The Fall Technical Conference schedule also included a Hands-On Training portion, offering attendees were given a chance to learn more about how to clean various HVAC system components. Attendees also had an opportunity to learn about various restoration techniques for HVAC systems, with the goal being to enable members to add these services to better serve customers and grow the business.

ENERGY STUDY TASK FORCE

The initial findings of NADCA's energy research project were presented to members during the 2010 Annual Meeting. These findings – based on computer modeling, laboratory simulation and limited field trials – demonstrated energy savings potential of up to 45% for HVAC maintenance, cleaning and restoration. The final report was put on hold pending collection of more field data, which is expected to show increased savings potential above and beyond the 45% figure identified thus far.

STANDARDS COMMITTEE

The Standards Committee presented an overview of the next edition of the ACR Standard during NADCA's Annual Meeting, providing members with a preview of this new approach to the industry's standards. The ACR Standard, Guideline and Guide Forms were developed throughout 2010, and the revised draft is slated for review by March 2011.

TRADEMARK PROTECTION

The NADCA staff continued to work with legal counsel to aggressively pursue companies and individual owners for unauthorized use of the Association's logos, videos and other intellectual property, as well as false claims of membership and certification. Over the past few years the Association has pursued more than 150 cases involving NADCA's intellectual property.

MANAGEMENT REVIEW

The NADCA Board of Directors issued a Request for Proposal to association management companies, as part of a due diligence effort designed to ensure the Association receives the best combination of service and pricing. The Association is currently managed by Sufka & Associates, located in Washington, D.C. The company provides daily management of the Association, which includes providing customer service for members, promoting new membership, planning all meetings, developing the Association's publications, and other services as needed. The results of this initiative will be released during NADCA's 2011 General Business Meeting.