



The HVAC Inspection, Cleaning
and Restoration Association

HIGHLIGHTS

ANNUAL REPORT

2023

ACR
DOWNLOADED
IN **81**
COUNTRIES

3,493

ARCHITECTS, ENGINEERS AND FACILITY
MANAGERS CONTACTED AND SENT THE
GENERAL SPECIFICATION DOCUMENT

**AMERICAN
LUNG ASSOCIATION**
PARTNERSHIP

12TH YEAR
WITH RECORD-SETTING
MEMBERSHIP NUMBERS

94%
MEMBER
RETENTION

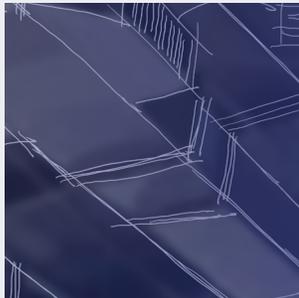
NADCA.com



CHARTING ACHIEVEMENTS:

NADCA's Remarkable Journey Through the Year

As we look back on our 2023 year in review, we see that the state of the economy for air duct cleaners and HVAC technicians reflected a dynamic and evolving landscape. The year has been marked by a confluence of factors influencing the demand for HVAC cleaning and maintenance services, presenting both challenges and opportunities for professionals in this field. The growing emphasis on sustainability, coupled with advancements in smart technologies, has begun to reshape the industry and the association. The ongoing global focus on energy efficiency and environmental considerations has positioned NADCA members at the forefront of crucial developments. Against the backdrop of these trends, the demand for skilled technicians has seen shifts in response to market forces, regulations, and the ever-changing needs of residential, commercial, and industrial sectors. As NADCA enters 2024 and continues its strategic plan execution, the Association will be attentive to the nuances of this specialized sector, and ensure the organization continues on its path of validation through science.



TREASURER'S REPORT

\$350,893
EXPENSE UNDER BUDGET

For the period January 1 to December 31, 2023

Overview

The Association's reserves recovered about **50%** of its 2022 investment losses, ending the year with **\$737,309** in net income. Operating revenues missed budget by **2%**, attributed largely to annual meeting revenues finishing out 2023 at just **82%** of budget goal. Operating expenses were held to **89%** of budget, helping the Association realize a net operating income of **\$460,913**, or **239%** of budget. NADCA ended 2023 with revenue of **\$3,402,668**, expenses of **\$2,941,755**, and total net assets of **\$7,601,796**.

Revenues

Membership dues account for **41%** of the Association's revenues, followed by Certification & Training (**34%**) and Annual Meeting (**18%**—up from **14%** in 2022). NADCA's affinity partnership with Sunbelt Rentals is projected to contribute **6%** of the organization's revenues in 2023. Overall revenues for 2023 were **\$3,402,668** compared to 2022 audited, actual revenues of **\$3,533,134**.

Expenses

Administration is the largest expense category at **55%** of total expense and includes the following: management services,

standards and specifications marketing manager, staffing, office space, committee expenses including approximately **\$282k** in marketing initiatives and campaigns, certification item writing 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, staff travel, energy study expenses for both the US and Italy sites, and a new NADCA website that launched in March of 2023. Annual Meeting follows at **24%** of total expense and then Certification & Training at **12%**. Overall expenses for 2023 were **\$2,941,755** compared to 2022 audited, actual expenses of **\$2,800,184**.

Comparison to Budget

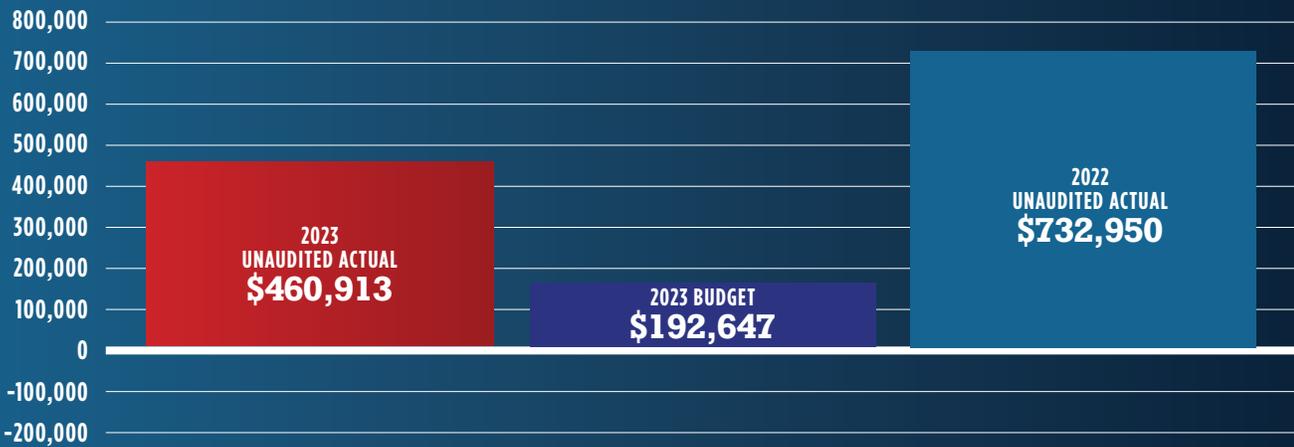
This year, the Association budgeted an unrestricted net income (loss) of **\$192,647**. Revenues for 2023 missed budget goals, with actual results of **\$3,402,668**, compared to a budget of **\$3,485,295**. Expenses have historically been under budget at year end and in 2023 it was more of the same. The Association continued its very important work of validating our members' work through science, investing in the industry and its future. NADCA's ongoing work with Dr. Mark Hernandez, PhD, at the University of Colorado and

REVENUE COMPARISON	2023	2023	2022
OPERATING REVENUES	UNAUDITED ACTUAL	BUDGET	AUDITED ACTUAL
Administration	1,417,376	1,478,870	1,664,350
Annual Meeting	589,128	719,575	483,530
Certification & Training	1,156,215	1,094,775	1,172,349
Fall Technical Conference	150,700	105,225	115,206
Publications	89,250	86,850	97,700
TOTAL OPERATING REVENUES	3,402,668	3,485,295	3,533,134
OPERATING EXPENSES			
Administration	1,626,473	1,819,367	1,227,113
Annual Meeting	695,842	799,966	749,843
Certification & Training	357,365	388,450	338,539
Fall Technical Conference	147,798	154,201	237,531
Publications	114,277	130,666	247,159
TOTAL OPERATING EXPENSES	2,941,755	3,292,648	2,800,184

98%
OF BUDGETED
REVENUE

89%
OF BUDGETED
EXPENSE

Unrestricted Net Income Comparison



Dr. Tullio Facchinetti at the University of Pavia continues, as well as spending on consumer-facing marketing efforts to create awareness of the industry and the need to hire a NADCA member help to round out the most purposeful spending in support of NADCA's strategic plan. NADCA finished 2023 at just **89%** of expense budget. Expenses were **\$2,941,755** compared to a budget of **\$3,292,648**. Overall, the Association realized an unrestricted net income of **\$1,198,221** with **62%** of that coming from unrealized investment income.

Investments

The objectives of the Investment Policy are to maximize interest and dividend returns on accumulated cash reserves while at the same time, maintaining a proper and responsible balance among the factors of safety, liquidity, yield, and growth. NADCA seeks limited portfolio volatility and a relatively high and secure level of current income. To that end, NADCA adheres to a conservative investment and surplus policy. In 2023, NADCA's portfolio yielded net income of **\$737,309**, compared to a loss of **(\$1,370,552)** in 2022.

Closing

NADCA's net assets increased **18%** in 2023, compared to a **10%** decrease in 2022. The Association remains financially sound and continues to recognize certification, consumer marketing, standards and specifications marketing efforts, and validation through science as the key value drivers for members. The Association steadfastly maintains adequate reserves to support the operations of the Association for a term of **31** months, if needed. Operationally, NADCA has adequate cash flow to execute both its operational and strategic initiatives, to fund additional resource allocation

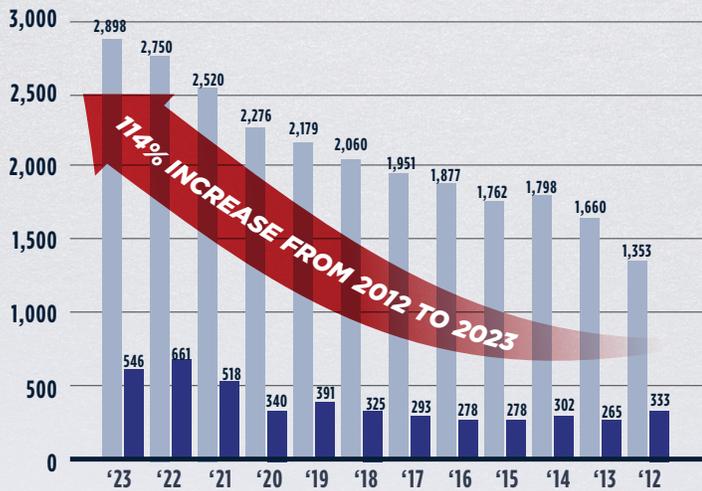
in support of those initiatives, and to continue to invest in partnerships and research to validate our members' role in improving indoor air quality.

Annual Meeting Committee

NADCA's **34th** Annual Meeting set the stage for business owners and technicians at the Hilton New Orleans Riverside to learn and network together! **526** movers and shakers, including **147** fresh faces who made their inaugural trip to the annual conference experienced the bustling exhibit floor featuring **36** exhibiting companies occupying **48** booths and three truck spaces. Sunbelt Rentals lit up the NADCA Member Party at the unforgettable Republic Nola, reminiscent of the epic **2013** shindig at the same spot. The location may have remained unchanged, but the energy was off the charts and space was very limited, proving the unstoppable growth of this sensational yearly affair. NADCA's ASCS and CVI courses remained a highlight of the event, with **106** attendees participating in the ASCS training course and exam, and **31** individuals working toward their advanced certification, sitting for the CVI course and exam.

Eric Chester presented the keynote session. He's an acclaimed workforce researcher, thought leader, and employee engagement expert, as well as an author on management and employability. Eric's presentation hit home the importance of understanding and employing best practices for attracting, developing, and retaining employees at all levels within your companies.

ASCS



CVI



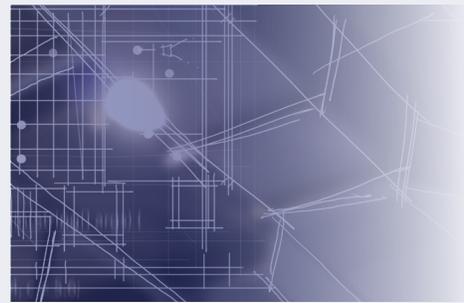
Certification Committee

The Certification Committee's charter is to develop and maintain 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. In 2023, a task force from this committee took part in the item writing portion of the psychometric process by which NADCA ensures third-party verification of its certifications. NADCA must work to ensure that the exams accurately reflect the current practices of an ASCS or CVI. Third-party verification of certification testing is crucial as it adds an extra layer of objectivity and credibility to the testing process. It ensures that the results are unbiased and trustworthy, promoting confidence among stakeholders, clients, and the general public. This independent scrutiny safeguards the integrity of certifications, validating that individuals have met the required standards, ultimately enhancing transparency and accountability in the air duct cleaning industry. This process allows the Association to maintain an exam process that is legally defensible and relevant.

In addition to employing a third-party psychometrician, NADCA has taken the additional step of seeking accreditation of its Air Systems Cleaning Specialist (ASCS) certification. The ANSI National Accreditation Board (ANAB) is the largest multi-disciplinary accreditation body in the western hemisphere, with more than **2,500** organizations accredited in approximately **80** countries. ANAB provides accreditation and training and serves as architects for the conformity assessment structure of industry-specific programs like NADCA's ASCS certification. ANAB provides reliable,

independent evaluations of conformity assessment bodies (NADCA) against recognized international, national, and technical standards (ACR, The NADCA Standard). ANAB facilitates the issuance of trusted, scientific results by assessed and accredited conformity assessment bodies and confidence in the quality of the services provided by those earning the certification. As federal legislation begins to identify required licensing or certification in order to meet federal standards, this accreditation will allow for the government to specify a NADCA ASCS in lieu of a licensing requirement. This means more work for NADCA-certified individuals when that requirement is specified.

Growth of NADCA's certification programs is paramount and to that end, the Association has been tracking international growth across several metrics, including those from AIISA, NADCA's Italian partner, who have completed the Certified Ventilation Inspector (CVI) exam. It was administered for the first time in Italian in **2018**, and to date, **121** Italian members have earned their CVI. The CVI is an advanced certification that 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 **61** new CVIs to the Association this year for a total of **74** new CVIs in 2023. The Association will continue to invest in marketing efforts to build awareness and market demand for the CVI.



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. They are charged to identify opportunities that will raise the educational level of the members; to develop educational programs in formats that will provide the members with the tools to educate themselves and their employees to industry best practices; to deliver an organization of members who attain "Quality through Knowledge;" and to develop educational programs that will provide initial training and development and continuing education credits (CECs) for members and non-members alike to maintain their certifications.

In 2023, NADCA hosted sixteen custom training sessions, earning more than **\$80k** in revenue with an additional **\$15k** in recurring annual renewal revenue. This has become a sustained source of growth, both in terms of certification numbers, revenue, and resource allocation. 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. This is a wonderful and cost-effective way for companies to certify a group of employees and raise their company profile.

Online education continues to also be a source of revenue for the Association. In 2023, there were more than **200** webinars purchased, resulting in over **\$29k** in revenue.

Scientific Committee

The Scientific Committee was established to assist the NADCA Board of Directors in ensuring that the research conducted and gathered by the association is optimized to support the strategic goals of NADCA, specifically to establish an evidence-based narrative for the value and benefits of air duct cleaning that is built on science and related studies. To accomplish this purpose, the Scientific Committee reviews, monitors, and initiates the science, processes and procedures, and infrastructure underlying NADCA's mission.

NADCA's Energy Study Task Force continued its work with Dr. Mark Hernandez and at press time, the culmination of this four-year effort is showing promising results. The data analytics are complete and the soon-to-be-published, peer-reviewed paper is in development. As a reminder, here is the timeline of this energy study project: 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 in 2022, Dr. Hernandez, together with Scientific Committee Chair, Michael McDavid, and Tyler Batchelder, worked to secure a site directly at

the University of Colorado at Boulder. This study was successfully completed, and data analysis began in late 2022. Concurrently, NADCA began a parallel study at the University of Pavia in Italy with Dr. Tullio Facchinetti. The Italian study not only mirrored the energy study phases and captured that data for comparison in another geographic location, but is currently measuring re-soiling of the duct work over time, with the goal being science-backed and data driven decisions around maintenance schedules, indoor air quality sustainability after cleaning, and other theories which will be fleshed out at the conclusion this multi-year study.

As the Scientific Committee waits for publication of the energy study results, they've turned their attention to occupancy data and proving that HVAC system cleaning can demonstrate improved indoor air quality. In conjunction with Dr. Hernandez and his Denver public schools project, NADCA seeks to prove the hypothesis that cleaning the HVAC system, including the air ducts, significantly and immediately reduces exposure in occupied space. This project is set to launch in 2024. An additional effort by this committee may seek to identify and quantify particle profiles in various climate regions, although that project is in the germination stage at this point, with the hypothesis pending.

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, **2,268** technicians have registered for this (full) course since it 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. Hundreds more have taken one or multiple modules but have not yet completed the entire coursework.

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 see training stations that mimic in-the-field scenarios and have an opportunity to use the tools and technology to learn how to master each task. The training area is meant to replicate the HVAC system and related components and allow attendees to test the techniques taught in the VMT classroom or online sessions.

Finance Committee

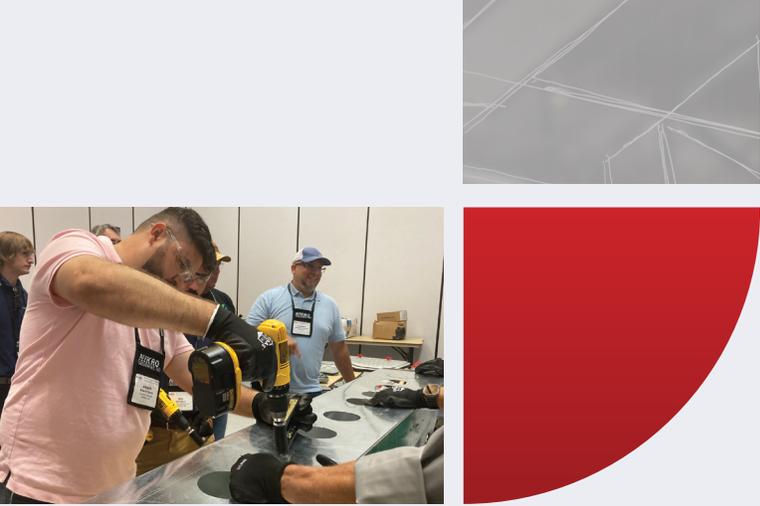
This standing committee was formed in 2013 to provide financial oversight for the organization. The Finance Committee is chaired by the most recent outgoing Board Treasurer and consists of the current Board President, current Board Treasurer, and three NADCA members-at-large. In addition to reviewing 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. The 2023 audit firm is selected, and initial field work will begin in February 2024. This audit is slated for completion in June 2024.

International Affairs Committee

NADCA's international membership growth continues to hit new milestones. The Association ended 2023 with **377** 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 AIISA. In 2023, **111** NADCA members came from our partnership with the organization, a slight decrease over 2022 numbers. In 2023, new relationships were forged in Saudi Arabia and the European Union, specifically with EVHA, the European Ventilation Hygiene Association. NADCA seeks to build a mutually beneficial partnership with EVHA to ensure NADCA best-practices are employed across Europe and where needed, that NADCA's best practices are evaluated with consideration of HVAC system differences and legal requirements in European countries.

Industry Relations

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. Additionally, the IR team is charged with increasing sponsorship, advertising, and exhibit sales for the Association by building brand awareness and value for all stakeholders.



Anti-Fraud Task Force

The Anti-Fraud 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. The Anti-Fraud Task Force has been broadly inactive in terms of responding to fraud, as they've built and maintain positive relationships with the **50** States Attorneys General and staff continues to manage reported violations. Consumer and member complaints about “bait and switch” tactics, and non-members claiming NADCA certification and membership are the two most frequent reports received each year.

NADCA staff also works with the Ethics Committee and Anti-Fraud Task Force on trademark infringement issues. 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, in an ongoing effort to protect members' investment in NADCA and the industry. From 2014–2023, NADCA received **521** reported violations and has successfully closed **487** 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. Historically, trademark reports pertained to logos and certification claims featured on non-member websites. Although the removal of infringements on websites poses its challenges, it proves comparatively more feasible than addressing infringements on social media platforms—an avenue that has garnered a rising number of complaints in recent years.

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. 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. This 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.

In 2023, total sales were **\$311,664**, which represents an **84%** increase over 2022 sales of **\$261,400**. Specifically, annual meeting sales were **\$185,600**, compared to **\$156,265** in 2022. While this is a **19%** increase year-over-year, sales are still below pre-pandemic numbers. Fall Technical Conference had another record-breaking year, selling out the exhibit space and increasing sponsorship revenue.

NADCA digital advertising sales generated **\$27,700** in 2023, slightly less than 2022 (**\$32,000**). This decline can be attributed to changes in budget strategy for digital advertising in the marketplace. Similarly, advertising in DucTales was flat when compared to 2022, with revenue of **\$27,733** and the Buyers Guide saw a **54%** decline in revenue with just **\$7,215** in upgrades sold.

The decline of print media and static digital advertising can be attributed to the rise of digital platforms, where advertisers can target specific demographics with greater precision and track real-time performance. As consumers increasingly turn to online sources for information, print publications have faced declining readership, making them less attractive to advertisers seeking broad visibility. Additionally, the cost-effectiveness and versatility of digital advertising, coupled with its dynamic and interactive nature, have further accelerated the shift away from traditional print media advertising.

Industry & Public Relations Committee

The Industry & Public Relations Committee's purpose is to promote NADCA, its member companies, and its standards and specifications to end-users in the residential, public, and commercial marketplaces. To that end, NADCA invests in significant consumer and trade marketing to ensure awareness and education for all end-users of the Association members' services.

Website

In 2023, NADCA.com experienced significant changes that impacted the accuracy of year-over-year reporting. Introducing a new website in Q1 2023 inherently skewed the comparative analysis as it marked a shift in user behavior and engagement patterns. In March, NADCA migrated its analytics infrastructure from Google Analytics UA to GA4. This transition introduced variations in data tracking and measurement methodologies, making direct comparisons between the two periods challenging. Additionally, it is important to note that a disruption in Google Analytics occurred from May 25 to June 13, 2023. As a result, the data collected during this timeframe is estimated, and the figures provided should be interpreted with the awareness of this limitation.

Key Insights and Metrics

When analyzing metrics for the period of January to December 2023 in comparison to the corresponding period in 2022, the observed results are as follows:

The top three channels that drove most website visits:

1. Organic Search (60%)
2. Direct Traffic (20%)
3. Organic Social (11%)

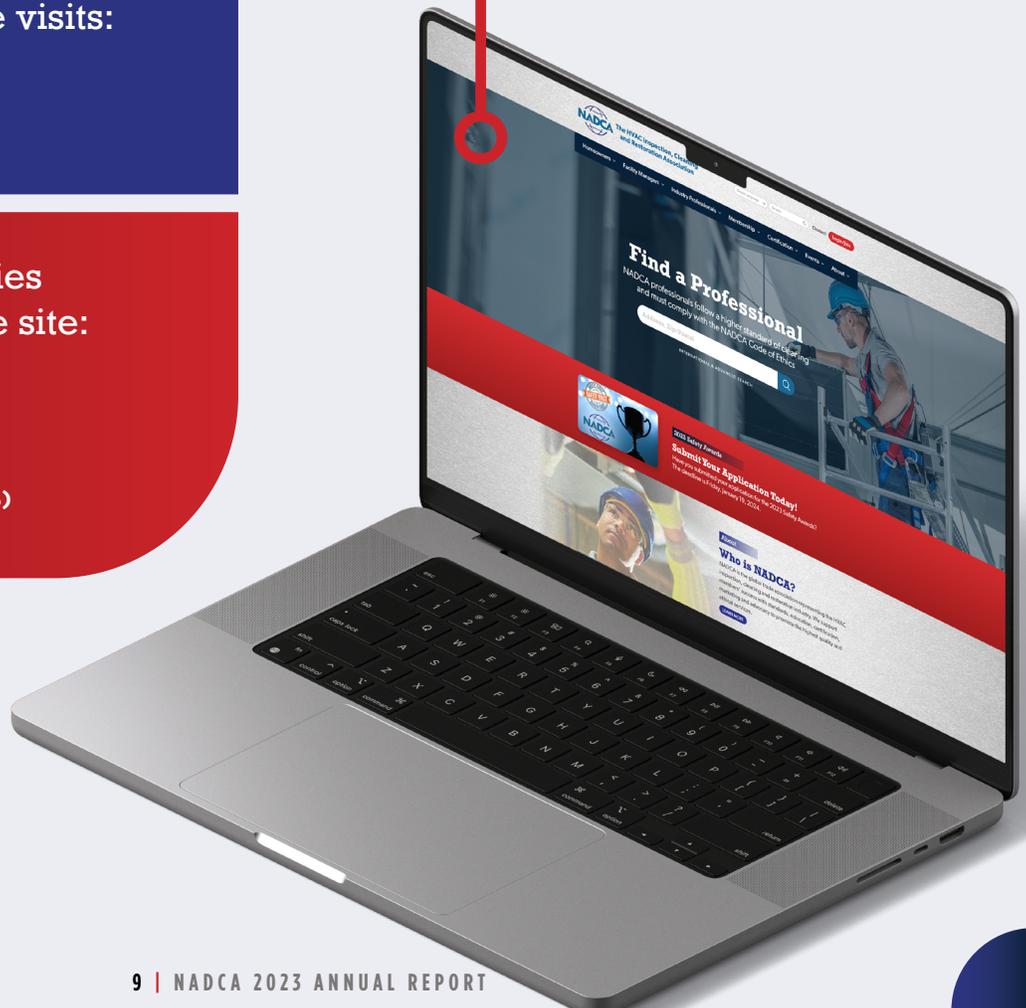
The top five countries driving traffic to the site:

1. U.S. (79%)
2. Canada (11%)
3. India (2%)
4. Australia (2%)
5. United Arab Emirates (1%)

Top 10 Pages Visited:

1. Find a Professional
2. NADCA Homepage
3. ASCS Renewal Quiz: 6 CECs, 2023 (English)
4. Don't be a Victim of Air Duct Cleaning Scams on Facebook!
5. Make 2022 the Year for Cleaner Air – But Don't be a Victim of Air Duct Cleaning Scams on Facebook!
6. Is YOUR FAMILY Breathing Clean Indoor Air?
7. HVAC Certification, Education & Training
8. Cost and Time Estimates
9. How to Get ASCS Certified
10. Air Systems Cleaning Specialist (ASCS)

SOCIAL MEDIA (PAID AND ORGANIC) ACCOUNTED FOR
12% (UP FROM 3.8% IN 2022)
OF WEBSITE TRAFFIC.



Social Media

NADCA.com experienced a **12%** surge in traffic attributed to the strategic utilization of social media channels. This increase was primarily driven by a comprehensive approach, encompassing both organic posts and targeted paid advertisements. The synergistic effect of these efforts underscores the impactful role of social media engagement in enhancing website visibility and attracting new users.

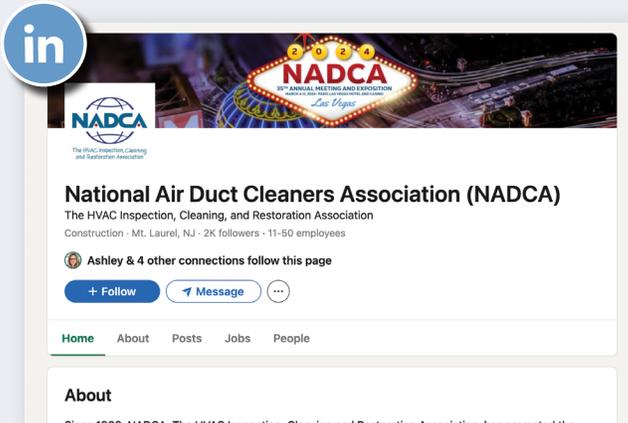
NADCA Trade Social Media Channels



Facebook:

<https://www.facebook.com/NADCAHQ>

- Followers:** 3,160 (up 48% YoY)
- Page Likes:** 2,600 (down 16% YoY)
- Reach:** 218,800 (down 41% YoY)
- Engagement:** 4,100 (up 160% YoY)
- URL Clicks:** 5,100 (up 49% YoY)
- Visits:** 9,981 (up 252% YoY)



LinkedIn:

<https://www.linkedin.com/company/nadca>

- Followers:** 2,136 (up 17% YoY)
- Impressions:** 39,713 (down 20% YoY)
- URL Clicks:** 1,250 (down 37% YoY)
- Engagement:** 1,621 (down 56% YoY)

NADCA Breathing Clean Social Media Channels



Facebook:

<https://www.facebook.com/BreathingCleanNADCA>

- Followers:** 3,416 (up 2% YoY)
- Page Likes:** 3,269 (flat YoY)
- Reach:** 653,873 (up 187% YoY)
- Engagement:** 3,000 (up 15% YoY)
- URL Clicks:** 9,939 (up 290% YoY)
- Visits:** 5,165 (up 145% YoY)

NADCA Trade - Paid Social Media Overview

In 2023, NADCA strategically deployed four paid Facebook ads to promote various programs and events, notably the 2023 Annual Meeting & Exposition, the 2024 Annual Meeting & Exposition, and the 2023 Fall Technical Conference. The performance of these campaigns is notable for two key aspects – increased engagement and adherence to budget constraints.

The increased engagement, measured through metrics such as likes, shares, comments, and other relevant interactions, indicates a positive response from the audience. This heightened engagement suggests that the content resonated well with the target audience, generating interest and participation in the promoted programs and events.



Paid Ad Results

- Reach:** 250,491
- Link Clicks:** 4,413
- Budget:** \$1,900

NADCA Breathing Clean – Paid Social Media Overview

In 2023, NADCA initiated a strategic digital advertising campaign on Facebook, consisting of **14** paid ads to promote consumer awareness for the Breathing Clean initiative. The focus of the campaign was on two key seasonal themes, ‘Spring for Cleaner Air’ and ‘Fall for Cleaner Air,’ emphasizing the importance of indoor air quality during these periods. By analyzing these metrics, we observed a significant level of engagement, indicating that the target audience found the messaging compelling and relevant. This positive trend may be attributed to a combination of factors, including optimized ad targeting, compelling creatives, and a growing awareness of the Breathing Clean initiative.

Paid Ad Results

Reach: 705,423
Link Clicks: 13,428
Budget: \$4,500

Advertising

In 2023, significant strategic changes were implemented in the advertising budget and campaign tactics, contributing to a dynamic and diversified promotional approach. Here are the key highlights:

Expansion of Advertising Channels:

- Introduced ‘always-on’ paid Facebook ads for Breathing Clean, providing a continuous and sustained presence.
- Introduced video ads for paid Facebook, enhancing the visual and interactive elements of the advertising strategy.
- Launched a first-time paid podcast with The ACHR News, expanding into the podcasting domain.

- Executed a paid email blast to non-NADCA member duct cleaning businesses, tapping into a new audience segment.

Dynamic Campaign Approaches for Events:

2023 Annual Meeting & Exposition:

- Initiated a first-time paid podcast with The ACHR News as part of the advertising strategy.
- Advertised with Cleaning & Restoration (C&R) for the first time.
- Included **15** free value-add ads.

2023 Fall Technical Conference:

- Executed a paid email blast to non-NADCA member duct cleaning businesses.
- Included six free value-add ads (Restoration & Remediation).

2024 Annual Meeting & Exposition:

- Introduced video ads for paid Facebook campaigns.

Breathing Clean Spring Campaign:

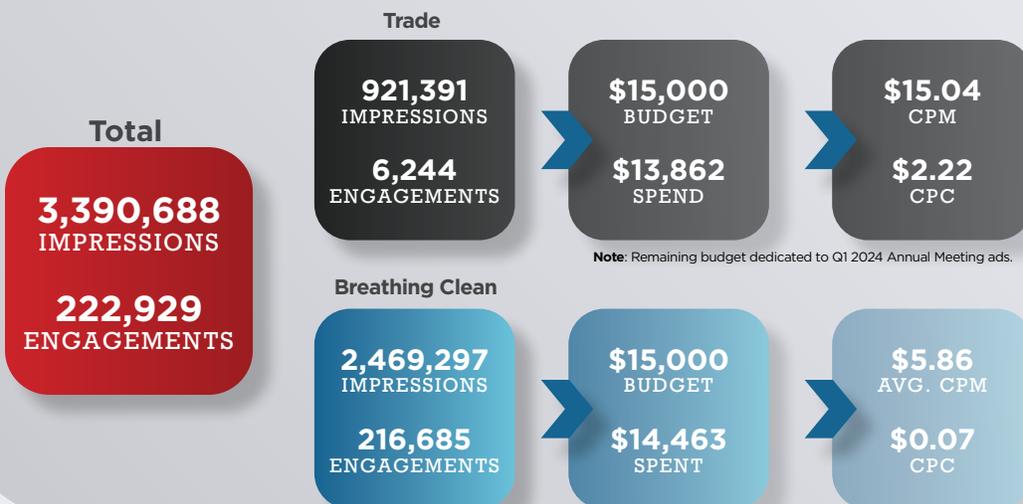
- Utilized paid Facebook, including two video ads, along with paid Pinterest.
- Introduced Breathing Clean ‘always-on’ paid Facebook ads focusing on scams and IAQ/proper duct cleaning.

Breathing Clean Fall Campaign:

- Utilized paid Facebook, including three video ads, along with paid Pinterest, In-stream Video ads, and Digital Display ads.

These strategic changes and introductions reflect a comprehensive and adaptive approach to advertising, ensuring a well-rounded and impactful promotional strategy for the Breathing Clean initiative throughout 2023.

2023 Advertising Results



2023 HIGHLIGHTS

TOTAL IMPRESSIONS
800,026,645

16,500,767
TRADE
IMPRESSIONS

783,525,878
CONSUMER
IMPRESSIONS

Compared to 2022:

Total Impressions: 8,674,080

Consumer Impressions: 252,012,483

Total Impressions: 260,686,563

TOTAL IMPRESSIONS
UP 207%
OVER 2022!

Media/ PR

Consumer focus:

In 2023, the Public Relations and Media Outreach efforts showcased a proactive and comprehensive approach:

1. Crisis Management:

- Developed and executed a crisis plan for a Boston news segment.

2. National Campaigns:

- Launched a national Facebook campaign, leveraging an existing scam-focused campaign to reach a wide audience.
- Developed member toolkits, providing reminders about availability via Air Conveyance.

3. Breathing Clean Awareness and Education:

- Pitched realtor-focused media and regional realtor offices with content such as the 'Homeowners Guide to Air Duct Cleaning' and Breathing Clean infographic.
- Pitched various topics supporting the Breathing Clean Spring and Fall Campaigns, covering allergies, asthma, indoor air quality, proper air duct cleaning, scam prevention, and general homeowner education.

4. Response to Current Events:

- Responded to news of wildfires by pitching air duct cleaning and indoor air quality topics, showcasing adaptability to current events.

5. Media Relations and Articles:

- Coordinated with NADCA leadership for a scam-focused article in Greenfield Reporter, providing talking points and quotable content.

- Engaged in media relations with editors for stories in Global News Canada and House Digest, contributing educational content to enhance the narrative.
- #### 6. News Release Distribution:
- Conducted pitching, outreach, and distribution of the 'National Air Duct Cleaners Association Warns of Scams Targeting Homeowners' news release, amplifying the association's voice on scam awareness.
 - Overall, the consumer-focused PR and media outreach efforts demonstrated a proactive stance, leveraging various channels and strategies to enhance awareness, education, and response aligned with NADCA's Breathing Clean goals and mission.

Trade Focus:

The media and PR outreach efforts in 2023 were extensive and focused on diverse strategies to enhance visibility and engagement:

- Podcast Promotion at AHR Expo
- White Paper and Leadership Announcements
- Event Promotion and Media Coordination
- Air Duct Cleaning Advocacy
- Fall Technical Conference Outreach
- Scholarship Promotion and Industry Insights
- Industry Collaboration and Networking
- Media Monitoring and Reporting

Overall, these efforts reflect a strategic and proactive approach to media and PR outreach, covering various topics and collaborations to enhance NADCA's visibility and influence in the industry.

Commercial Activities

In 2023, the Industry & Public Relations Committee carefully curated a list of significant industry events, allocating funds to facilitate NADCA's active participation and exhibition at these events. NADCA seizes opportunities to connect with targeted individuals and companies within the industry, including mechanical engineers, specifiers, facility managers, air conditioning contractors, indoor air quality specialists, and other key segments. While maintaining a focus on presenting the General Specification in CSI 3-Part Format and ACR, The NADCA Standard at these events, the Association anticipates sharing more information about its white papers and energy study results in the upcoming year. Collaboration with industry affiliates helps to boost NADCA's brand recognition as the go-to experts in the field of duct cleaning. This also helps NADCA's reach extend beyond the niche air duct cleaning industry and into the larger indoor air quality conversation. Collaboration efforts continue 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 AHR Expo, AHIA and IBEC in the Commit to Care program, and also the Allied Industry Partners. Participants in the Allied Industry Partners (AIP) include IAQA, ABRA, EIA, AIHA, ACGIH, and BHA. The purpose of the AIP MoU is to identify and recognize the current standards and credentials developed and administered by the Allied Industry Partner organizations and to create a stronger voice in legislative issues that may affect the industry. 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 solidified a path forward with the American Institute of Architects (AIA) in 2023 and is on the path to become an accredited continuing education provider for the members of AIA. As our standards and specifications marketing manager met with their members at the AIA annual conference, the feedback from the attendees was that in order to be heard by the AIA members, NADCA has to provide value in the way of CE credits. The Board of Directors considered this and approved moving forward with the application process at their December 2023 board meeting.

Another new and exciting development in late 2023 is a partnership with the American Lung Association in Texas. This consumer-facing effort will serve to reach hundreds of thousands of consumers in Texas and across the United States. There will be much to report on this partnership outcome in 2024.



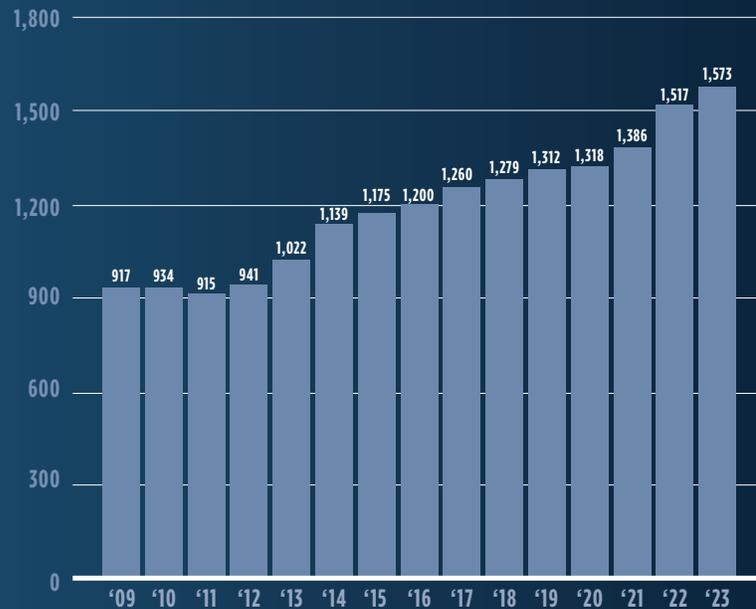
Membership Committee

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 and makes recommendations to the Board of Directors regarding membership requirements and policy. In 2023, NADCA set its twelfth straight membership record with **1,573** members.

NADCA continues to tout its existing repository 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 here in the United States and overseas. New in 2023, NADCA has partnered with the American Industrial Hygiene Association (AIHA) and The Integrated Bioscience and Built Environment Consortium (IBEC) to offer an exclusive opportunity only for NADCA members to advertise on www.Commit2CARE.org. NADCA members can promote their product or service to help small businesses improve the quality of their working conditions, protect their workers, suppliers, and clients from the health hazards attributed to airborne transmitted disease. Again, this is a NADCA member-exclusive opportunity.

Analysis of NADCA's data tells us that **38%** of the membership have been members for ten years or more and **63%** have been members for five years or more. There are **141** companies with membership of **25** years or more and **233** members with **20+** years (but less than **25**). There remain five member companies who joined the association in **1989** and have maintained their membership every year since.

Membership History



Membership History

- In 2023, **262** 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 **264** terminations in 2022, **218** terminations in 2021, **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, 2023, there were **69** 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 that have not complied with the qualifications of membership are terminated. Should they wish to pursue membership again in the future, they must reinitiate the application process from the beginning.

NADCA continues, for the eleventh consecutive year, to break retention records across every trade association benchmark with another outstanding renewal rate of **94%** in 2023. The Board of Directors and Executive staff consistently evaluate the sustainability of membership renewal rates, reinforcing the Association's message of value as membership grows. With the increasing prevalence of duct cleaning in job specifications and heightened consumer awareness of indoor air quality, NADCA membership and training continue to underpin the industry's success.

NADCA Regional Coordinators

NADCA's Regional Coordinators provide support and mentoring to new and existing members within their regions 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 six highly qualified candidates to fill four open Regular Director positions on the 2024-2026 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. **Matt Mountain** from Mountain Duct Cleaning was elected to his first three-year term on the Board of Directors. Incumbents **Jim Castellano** from Better Air Quality was elected to his third three-year term, **Clint Orr** from Full Throttle Furnace & Duct Cleaning Inc. and **Michael McDavid** from Professional Abatement & Remediation Technologies/PART-LLC were both elected to their second three-year term on the Board of Directors.

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. The 2023 meeting was held at the Embassy Suites by Hilton Grapevine DFW Airport North, in Grapevine, Texas. A total of **246** individuals attended. Of the 246 registered, 145 were first-time attendees. NADCA hosted 18 exhibitors who shared knowledge about new products and services with a tight-knit group of technicians and owners during extended exhibitor hours. There were 82 attendees at the full-day ASCS training course and 13 attended the CVI training.



Standards Committee

The Standards Committee has the responsibility of formulating NADCA's standards and specifications, focusing primarily on 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. These standards and the General Specification document are accessible for free at nadca.com.

To date, there have been **27,804** downloads of ACR, The NADCA Standard, from **more than 100** countries, and more than **26,000** hard copies of the booklet have been sold or given away at industry educational sessions and events. In 2023 alone, it was downloaded more than **3,200** times in **68** countries. Following the United States, these countries had the most downloads: Canada; UAE; India; Qatar; Saudi Arabia; Australia; Mexico; 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. The document now includes 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 six years, there were more than **5,000** downloads of the General Specification in the new CSI 3-Part Format.

NADCA's Standards and Specification Marketing Manager continues to work the ancillary industries, extending NADCA's commercial reach into the facility manager, architect and engineer environments. The LinkedIn account used for this purpose is quite active and allows NADCA to engage on a broad level with key stakeholders, all in an effort to drive business to the Association's members. Curating existing content and developing new, relevant messaging is top of mind. NADCA finds that posts incorporating polls consistently exhibit strong performance on LinkedIn. Each instance presents both an opportunity to impart knowledge to a wide audience and serves as a valuable source of prospective leads. In 2023, there were almost **3,500** individual contacts made, leading to hundreds of downloads of both ACR, The NADCA Standard, and the General Specification document. Since the creation of this position in 2016, NADCA has connected with almost **40,000** individuals in these industries, putting NADCA and the air duct cleaning industry front and center for bid specifiers, facility managers, architects, and engineers, increasing the frequency with which the NADCA certification is cited in specifications, which is the key focus of this initiative. This ties directly to NADCA's overarching efforts to drive business to the members.

Members are encouraged to download The General Specification and share it with bid writers. 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.

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 2023, the Association received eight ethics complaint submissions, four of which were resolved satisfactorily. 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.

In December 2023, the NADCA Board of Directors reviewed the NADCA Logo Use Policy and issued a revision to ensure that the Association continues to raise the level of professionalism and legitimacy for its members in the industry.



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Strategic Planning

NADCA's strategic plan directs and prioritizes activities to achieve the Association's vision for success. It guides committees, board members, and executive management in fulfilling initiatives for both short and long-term goals. NADCA staff focuses on delivering measurable results aligned with the strategic mission set in motion by the Board of Directors.

Each year since 2014 and until 2021, the Board of Directors reviewed the strategic initiatives and reset goals where appropriate. In 2021, the Board of Directors reset the strategic direction to include three pillars: Validation; Transformation; and Brand. In 2023, the Board and its Committees further concentrated their efforts primarily on advancing science, striving to develop and provide science-backed data to support the endeavors of both members and the industry.

Management Review

NADCA is entering its twelfth 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 drives the management agreement, with the Board of Directors reviewing it against yearly strategic objectives for approvals. An annual review of the management partner, including all staff services, involves the Board. Continuous communication between the Board, CEO, and the Partner and Chief Executive Relationship Officer at AH ensures a strong alliance and open lines of communication. The partnership with AH thrives on mutual respect, professionalism, transparency, accountability, and success! NADCA's management contract with AH was renewed for a three-year term beginning in 2024.

