

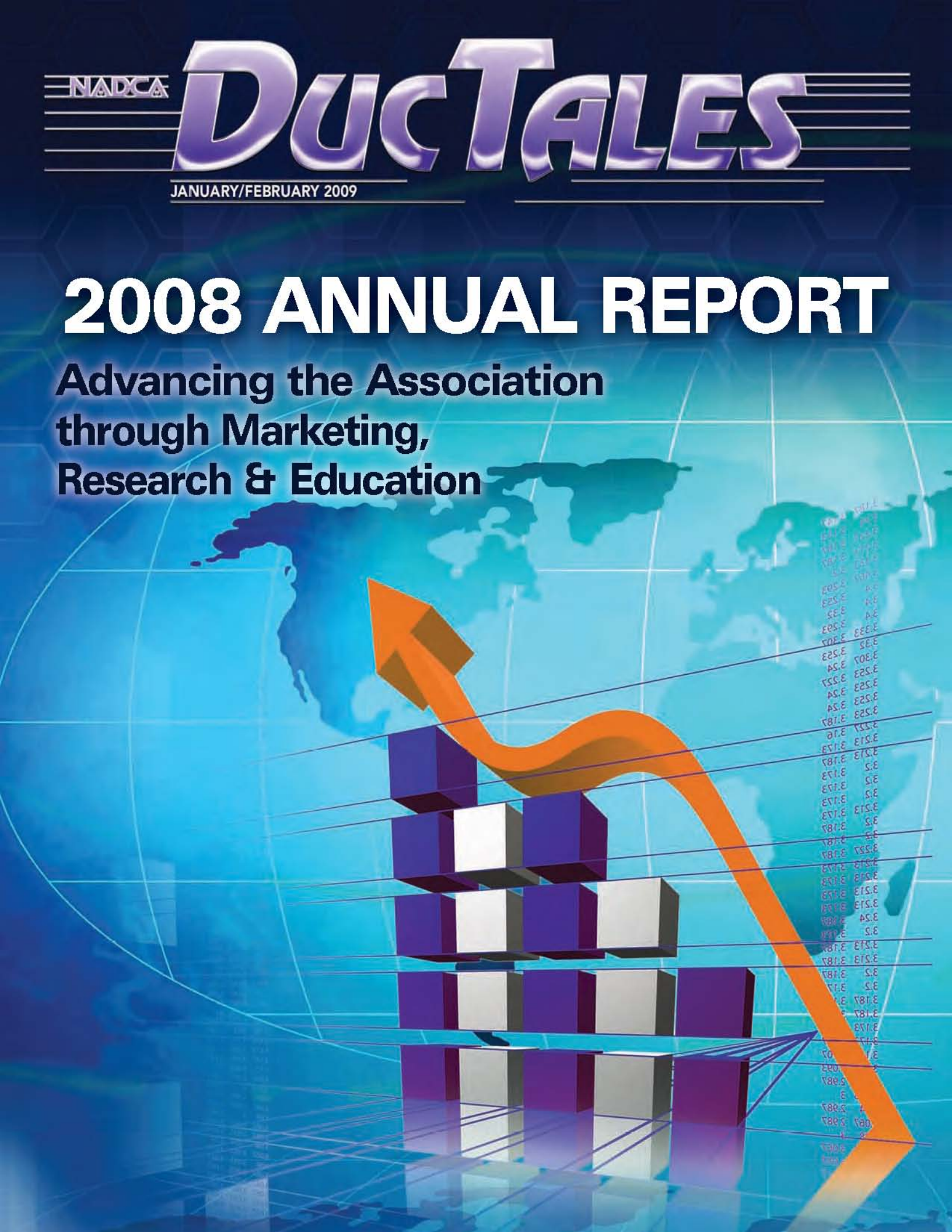
NADCA

DucTALES

JANUARY/FEBRUARY 2009

2008 ANNUAL REPORT

Advancing the Association
through Marketing,
Research & Education





Annual Report 2008

TREASURER'S REPORT *for the period Jan. 1 – Dec. 31, 2008*

Overview

NADCA realized strong financial performance in 2008 and remains financially sound. The Association generated total revenues of \$1,841,245 and total expenses of \$1,725,375 for net revenues of \$115,870. As of December 31, 2008, the Association had a fund balance of \$1,016,7789 and a six month operating reserve. The Association is well positioned to continue to fulfill its mission despite weakness in the global economy.

Revenues

Membership dues remain the largest category of revenues for the Association in 2008, followed by certification. Overall, despite a slight drop (1%) from the previous year, 2008 revenues remained relatively stable.

Expenses

Administration accounted for NADCA's largest category of expenses in 2008, including staffing, office space, equipment, general printing, postage, telephone and other operating costs. NADCA increased funding for committee initiatives in 2008, including marketing, standards and certification. Overall, NADCA continued to find cost-

effective ways to develop the high quality programs and services members have come to rely upon while implementing the new 2008 Strategic Plan.

Comparison to Budget

In 2008 NADCA realized total revenues of \$1,841,245, compared to a budget of \$1,881,250. Membership and certification remained stronger than anticipated, which helped offset lower than expected revenues for the Annual Meeting and Regional Technical seminars.

Actual expenditures were \$1,725,375 compared to a budget of \$2,022,185. The majority of costs were held in check, with most of the reduced spending coming from lower than expected committee expenses.

Net results

NADCA realized a net surplus of \$115,870 in 2008, compared to a budget deficit of (\$140,935). These solid results enabled NADCA to boost its financial reserves, which will be drawn upon in 2009 to maintain the aggressive level of activity slated for implementation of the new Strategic Plan. Overall, NADCA remains financially sound.

FINANCIAL SUMMARY REPORT *for the period Jan. 1 – Dec. 31, 2008*

REVENUES:	% OF TOTAL	2008 ACTUAL	2008 BUDGET
Membership Dues	45%	\$ 822,350	\$ 805,000
Certification	19%	\$ 345,328	\$ 341,000
Annual Meeting & Expo	14%	\$ 260,644	\$ 290,000
Training	9%	\$ 165,155	\$ 177,500
Publications & Advertising	6%	\$ 110,009	\$ 112,000
Regional & International Events	4%	\$ 70,560	\$ 120,250
Other	4%	\$ 67,199	\$ 35,500
Total Revenue		\$1,841,245	\$1,881,250
EXPENSES:			
Administration & Management	53%	\$ 911,977	\$ 937,627
Annual Meeting & Expo	14%	\$ 243,410	\$ 245,000
Board & Committees	15%	\$ 257,380	\$ 504,708
Publications & Products	6%	\$ 104,699	\$ 126,000
Regional & International Events	5%	\$ 90,869	\$ 113,350
Training	4%	\$ 62,183	\$ 62,500
Certification	2%	\$ 31,845	\$ 7,500
Other	1%	\$ 23,011	\$ 25,500
TOTAL EXPENSES	100%	\$1,725,375	\$2,022,185
NET		\$ 115,870	-\$140,935

ADVANCING THE ASSOCIATION

Through Marketing, Research & Education

ANNUAL MEETING COMMITTEE

The 19th Annual Meeting & Exposition was held at the Town and Country Resort & Convention Center in San Diego, California. The keynote presentation by award-winning author and television personality Larry Winget was definitely a highlight for many attendees. Those who attended the General Business Meeting had an opportunity to hear first-hand about the Association's new brand, as NADCA became known as the "HVAC Inspection, Maintenance & Restoration Association." Overall, history will record the 19th Annual Meeting as a pivotal moment in the Association's dynamic history.

CERTIFICATION COMMITTEE

ASCS Certification grew more in 2008 than in any of the past four years. This indicates a growing recognition of the value of ASCS certification by HVAC cleaning professionals and their customers.

The Committee took steps to expand the certification opportunities available to members in 2008 by initiating development of the Ventilation Maintenance Professional (VMP) credential, a new program scheduled for release at the 2010 Annual Meeting in Tucson, Arizona. This program is geared toward experienced professionals who have expertise in HVAC Inspection, Maintenance and Restoration.

Certification Update

NADCA CERTIFIED INDIVIDUALS	AS OF DEC. 31, 2008	NEW IN 2008
ASCS	1,424	325
VSMR	244	29
CVI	220	39

ASCS Certification

2004	2005	2006	2007	2008
1,181	1,177	1,179	1,280	1,424

EDUCATION & SAFETY COMMITTEE

The Education & Safety Committee oversaw two new learning initiatives in 2008. The Committee took a big step forward in making NADCA's training more accessible with the release of the ASCS Online Course, enabling contractors and technicians to receive training from anywhere in the world via the Web, 24 hours a day, 7 days a week.

The Committee also began work on the Ventilation Maintenance Technician (VMT) program, which is intended as a low-cost program for new technicians. Scheduled for release in 2010, the program will include self-paced, Web-based training on the basics of cleaning HVAC

2008 REVENUES



2008 EXPENSES



systems. Modeled after the apprenticeship approach to training, the curriculum will also include a list of hands-on learning assignments to be taught by the employer.

Safety Awards

The Education & Safety Committee once again oversaw NADCA's Safety Awards Program. This program recognized 54 companies that sustained superior employee safety and health performance in 2008.

INTERNATIONAL AFFAIRS COMMITTEE

The International Affairs Committee had a very active year in 2008, as NADCA sponsored the 2008 Quebec Summit and participated in SHADCA's inaugural conference, as well as the 2008 Annual Meeting and Exposition for AIISA.

Region 9.5 Quebec

The 2008 Quebec Summit was held in Quebec City in November 2008. The event was well attended, and included three exhibitors. During the Quebec Summit, the CVI course was presented in French through a translator, and the CVI exam was administered in French for the first time.

Region 12: Italy

NADCA President Brad Kuhlmann participated in the inaugural AIISA Conference & Exposition held in Rome, Italy in October 2008. During the meeting, the ASCS exam was administered in Italian and attendees participated in continuing education. AIISA is a NADCA partner organization located in Rome, Italy.

Region 15: China

NADCA participated in the 2008 Shanghai International Air Duct Cleaning Conference & Exposition in Shanghai, China. The event had approximately 75 registrants and a dozen exhibitors. NADCA delegates attended a full day of presentations by industry experts and had a unique opportunity to build relationships with SHADCA leaders. This event also provided NADCA with an opportunity to host a dinner for the leaders of the Japan Air Duct Cleaners Association, in recognition of JADCA's 20th anniversary.

MARKETING COMMITTEE

The Marketing Committee ramped up its activities in 2008 by securing a hefty budget increase to fund its public relations and customer outreach initiatives. This funding was deemed

critical in enabling the Association to generate awareness of the full scope of NADCA members' inspection, maintenance and restoration services.

New Public Relations Firm

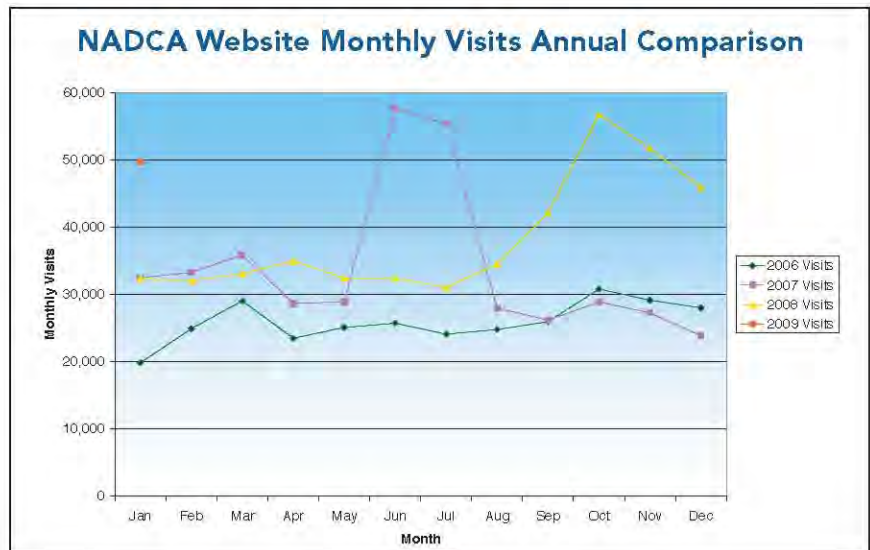
NADCA members will benefit from a public relations firm that was hired in 2008 to help strengthen the Association's position at the forefront of the industry. Starrconstand Business Communications, a public relations firm located in Detroit, Michigan, has been promoting NADCA to consumers and educating the public about the need for HVAC inspection, maintenance and restoration services. This effort was already starting to show benefits by the end of 2008, with major increases in the number of visitors to NADCA's Web site.

New NADCA Web Site

Another big initiative of the Marketing Committee's efforts in 2008 was the launch of NADCA's re-designed Web site. An enhanced lead-generator was added to enable consumers to submit their contact information to NADCA members via e-mail. The site also allows consumers to retrieve a list of members for direct contact.

NADCA's Web site receives more than 1,000 visits per day, with an average of 32,551 per month. The Member Search pages – where consumers visit when deciding on the company they will hire – accounted for more than 79,000 page views during a four-month period in 2008. This means the Member Search feature is successfully driving business to NADCA members.

The newly re-designed site also features a more robust Members Area, providing NADCA members with access to a variety of marketing tools, NADCA logo files, and a



NADCA Web Site Stats, 2006-2008

Monthly Totals



Month	Page Views	Visits	Hits	Bandwidth (KB)
January, 2006	64,324	19,857	684,179	4,336,964
February, 2006	76,425	24,910	803,423	5,165,955
March, 2006	94,334	29,038	937,338	6,367,383
April, 2006	83,076	23,485	748,758	5,419,679
May, 2006	87,996	25,070	806,714	6,060,636
June, 2006	81,867	25,722	800,967	5,746,726
July, 2006	71,974	24,089	713,668	5,475,977
August, 2006	74,739	24,788	723,422	5,763,972
September, 2006	74,059	25,956	756,435	5,949,355
October, 2006	100,233	30,793	926,682	7,415,292
November, 2006	78,869	29,147	823,992	6,556,602
December, 2006	70,458	27,991	661,536	5,611,532
January, 2007	84,862	32,463	935,312	7,348,009
February, 2007	98,555	33,264	1,015,463	7,841,681
March, 2007	109,184	35,862	1,133,785	8,290,437
April, 2007	79,427	28,625	787,822	6,074,453
May, 2007	75,783	28,924	765,057	5,790,339
June, 2007	134,912	57,672	1,271,315	8,312,976
July, 2007	137,181	55,318	1,324,647	7,598,898
August, 2007	75,481	27,956	775,828	4,675,214
September, 2007	77,987	26,174	853,213	5,666,575
October, 2007	86,802	28,878	1,009,524	17,362,340
November, 2007	76,072	27,243	875,307	18,153,458
December, 2007	62,928	23,872	792,173	23,905,692
January, 2008	82,298	32,298	1,012,918	41,534,047
February, 2008	83,675	31,981	952,690	38,030,351
March, 2008	90,183	33,049	985,435	41,632,095
April, 2008	88,102	34,924	895,901	37,227,179
May, 2008	83,838	32,453	825,948	36,353,753
June, 2008	120,872	32,395	1,012,723	34,582,742
July, 2008	92,718	31,014	944,768	21,475,815
August, 2008	262,995	34,476	1,119,675	16,467,904
September, 2008	149,562	42,098	1,045,290	16,939,673
October, 2008	181,468	56,692	1,351,950	20,061,583
November, 2008	221,501	51,654	1,110,914	16,235,228
December, 2008	165,467	45,889	929,541	13,399,348
Total(s)	3,680,207	1,176,020	33,114,313	542,829,865
Average(s)	102,228	32,667	919,842	14,578,607

digital archive of DuCales magazine. Development of this invaluable member resource is scheduled to continue into 2009.

Energy Star Program

NADCA was accepted as a partner of the Energy Star Program in 2008. Participation in this program helps generate awareness of the well-established link between HVAC cleaning and sustained energy performance. NADCA members who have not yet joined are encouraged to apply for Energy Star Service Provider status and help spread the word – coil cleaning is an essential maintenance activity that enables HVAC systems to perform as designed.

Industry Outreach

Longtime NADCA member Tom Keys gave a presentation to the American Society of Home Inspectors' (ASHI) Northern Virginia Chapter in October 2008. Topics discussed during this presentation included the types of services offered by NADCA members and accepted methods for HVAC cleaning.

The presentation provided a brief overview of NADCA's history, while also touching on current initiatives and goals for the future of the Association. Attendees at the ASHI session inquired about the proper procedures for cleaning coils, blowers and other HVAC components. The vice president of the ASHI chapter said its members are often asked to recommend HVAC cleaning and restoration contractors, and now they will feel confident recommending a NADCA member in those instances.

Press Release Campaign

One of NADCA's main goals is to spread the word about the benefits of HVAC cleaning, as this helps generate business for members. NADCA's continued its distribution of articles and news releases in 2008 to help drive traffic to NADCA's Web site.

Exhibiting Activities

NADCA exhibited at several trade shows in 2008, including the Air-Conditioning, Heating and Refrigeration Expo (AHR), American Society of Home Inspectors (ASHI), and the Indoor Air Quality Association (IAQA) Exposition. These events enable NADCA staff to meet with potential customers and distribute printed standards and guidelines that generate business for members.

MEMBERSHIP COMMITTEE

NADCA's Membership Committee focused on making 2008 a successful year of retention and recruiting, while also exploring new opportunities for expanding the benefits of membership.

2008 Membership Report

MEMBERS	2008	NEW SINCE JAN 2008
Regular Certified	784	124
Associate Members	46	6
International	61	11
Supplemental	46	11
International Supplemental	9	1
Affiliate	22	4
TOTAL	968	157

Membership Results

Membership renewal was solid in 2008 as members relied on the Association to help sustain business. The market's acceptance of the ASCS certification, as evidenced by the increasing frequency where this is a bid requirement, is a major boost to the value of membership. There were also 207 membership applications generated in 2008, making it one of the most successful recruitment years ever.

Enforcement of Membership Requirements

NADCA stepped up enforcement of its membership policies in 2008 by requiring compliance with all criteria no later than November 1st. Membership was terminated for 90 companies that were out of compliance, ensuring that all members were held to the same requirements.

NADCA E-News

NADCA E-News was published at least once a month in order to help members stay aware of industry and Association news.

NOMINATING COMMITTEE

The Nominating Committee identified a slate of highly-qualified candidates to fill four positions on NADCA's Board of Directors. Bill Benito, Rick MacDonald, Matt Mongiello, and Robert "Buck" Sheppard were elected to serve on the Board of Directors starting in March 2009. In addition, the Board appointed Aaron Marshbanks in 2008 to serve out the remaining term of Director Doug Groen, who resigned his position after a lengthy and successful tenure on the Board.

NADCA continues to benefit from a high level of participation among experienced and knowledgeable HVAC cleaning and restoration contractors. The committee

volunteers and Board of Directors candidates are to be commended for their strong support and continued enthusiasm for the Association.

REGIONAL COORDINATORS COMMITTEE

The Regional Coordinators Committee coordinated three technical seminars in 2008, providing new technicians with an opportunity to get hands-on experience in creating service openings, pulling blowers, using robotic equipment, and more. The Committee is planning to redesign the program in 2009 and add a seminar in Las Vegas.

Attendance Numbers for 2008 Technical Seminars

LOCATION	DATES	ATTENDANCE
Chicago, IL	August 14-16	Technical Seminar – 38 ASCS Class – 24
Baltimore, MD	September 11-13	Technical Seminar – 63 ASCS Class – 40
Jacksonville, FL	October 2-4	Technical Seminar – 36 ASCS Class - 26

2009 Technical Seminars

<i>The dates and locations for the 2009 Technical Seminars are as follows:</i>	
Nashville, Tennessee	August 20-22
Baltimore, Maryland	September 10-12
Las Vegas, Nevada	October 8-10

The Committee also continued the popular Mentor program, providing high-level technical support to other members. This program remains popular among new NADCA members who want to build their network of industry contacts.

ENERGY STUDY TASK FORCE

In February 2008, NADCA entered into an agreement with Colorado University for a quarter-million dollar research project that will provide members with a tool for estimating the energy savings associated with HVAC cleaning and restoration projects. The researchers were also commissioned to develop a field-testing protocol for NADCA members that will facilitate collection of data to provide broader support for linking HVAC cleaning and restoration to energy savings.

STANDARDS COMMITTEE

NADCA's Standards Committee convened in 2008 to initiate development of the next edition of the ACR Standard. This project will continue in 2009, with an initial draft being released for public review in the spring.

SPECIFICATIONS TASK FORCE REPORT

Giving a boost to commercial HVAC cleaning and restoration companies, NADCA membership and ASCS certification were specified in the "HVAC Air Duct Cleaning" specification published by SpecLink, a firm specializing in development and distribution of commercial construction industry specifications.

NEW POSITIONS

In November 2008, NADCA's Board of Directors established new positions on two major issues facing the industry. The Association no longer considers licensing as a requirement for NADCA membership. This change in policy was adopted in recognition of the lack of consistency among confusing state licensing laws.

The Board of Directors also clarified NADCA's position regarding the use of certain antimicrobial chemicals. The official position is as follows: "At this point in time, until the United States Environmental Protection Agency clarifies its position, NADCA does not recommend the use of any sanitizer or disinfectant products in air ducts." This position was adopted in recognition of the confusion faced by the industry over the way antimicrobial chemicals are regulated.

2008 STRATEGIC PLAN

The Board unveiled the new Strategic Plan in March 2008, designed to establish NADCA as the "HVAC Inspection, Maintenance (cleaning) & Restoration Association." This move was taken in recognition of the broader scope of services long provided by members who have for many years expanded beyond the limits of simple air duct cleaning. This Plan will drive NADCA's standards, training and certification initiatives over the next three to five years, providing members with enhanced business opportunities. ●