

BECOMING **BIGGER** AND **BETTER**

National Board of Certification
for Community Association Managers

2009 Annual Report



LETTER FROM THE CHAIR



OVER THE PAST SEVEN YEARS, I've had the privilege and honor to serve as a NBC-CAM Commissioner. Every moment and meeting has been both enjoyable and challenging. I've had the opportunity to work with fellow Commissioners who represent the best professional leadership in the community association industry. Our Board of Commissioners has always recognized and applauds the phenomenal guidance and support we receive from Dawn M. Bauman, CAE, executive director and her staff. And, 2009 has been no different.

Since its inception in 1995, NBC-CAM has steadily progressed through quality volunteer leadership, building its financial strength and the benefits of staff guidance. Now industry professionals, from current community managers to those just entering the field, recognize that the CMCA certification is a requirement for professional advancement.

While our nation, communities and individuals continue to deal with stiff economic challenges, a record number of community managers have realized that professional education is an essential building block for a successful career. As a result, 2009 now holds the record for awarding the most CMCA certifications since our inaugural year. Congratulations to all of our new CMCA certified managers and to those of you who have continued to recertify. I am sure each of you are proud of your national certification and your pledge to high ethical standards. As you network with your peers, meet with your community residents and speak with other professionals, you should make them aware of your CMCA certification and what it means to you and to the industry. Use it as a marketing tool to advance your career and encourage participation in certification and self-regulation. More than a dozen states are recognizing the importance of quality community management. Continued national marketing by NBC-CAM, grassroots efforts, voter pressure and word-of-mouth are forcing state legislatures to rely on the trusted CMCA program in their quest for a regulatory program for professional community management.

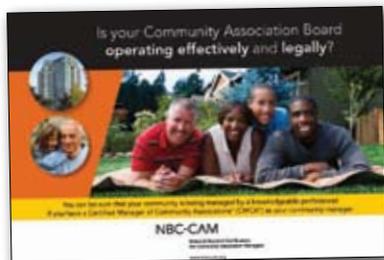
Thank you for the trust that you placed in me during my tenure as chairman. It is with a great sense of fulfillment and pride that I retire from the board. I wish the very best to the NBC-CAM commissioners and staff and know that you will continue to set the benchmark of excellence in the industry.

Sincerely,

A handwritten signature in black ink that reads "Pat Wasson". The signature is written in a cursive, flowing style.

Patricia Wasson, CMCA, PCAM

CREATING POSITIVE CHANGES



EXCITING THINGS are happening in the community association management profession. The number of professionals certified by the National Board of Certification for Community Association Managers (NBC-CAM) continues to grow. Increasingly, state regulatory proposals recognize the value of the Certified Managers of Community Associations® (CMCA) program. Below are some of the positive changes that are reshaping the organization.

NBC-CAM updated its look with a crisp new logo treatment and updated color schemes to represent the current nature of the profession and the relevance of the CMCA.

NBC-CAM released a new study guide to help candidates prepare for the examination; the guide includes detailed information on the eight specific knowledge areas that make up the examination and 50 sample questions to assess knowledge recall and application. The study guide has been downloaded and used regularly by candidates and the feedback indicates they are very satisfied with it.

NBC-CAM successfully promoted the CMCA credential to tens of thousands of residents in community associations through a national postcard marketing

campaign. Each of the four postcards in this campaign emphasized the importance of hiring a community manager with the CMCA credential. The topics of the four postcards included: is your community association board operating effectively and legally; are you and your community associations board of directors achieving maximum impact; is your community association board providing the fiscal responsibility your community expects and deserves; and, are you still waiting to hire a Certified Manager of Community Associations (CMCA).

Continuing education and professional development is a critical component of the CMCA recertification process. As part of this emphasis, a newly established committee reviews applications from companies and organizations offering continuing education coursework to certified managers. The process creates a structure that requires senior level community association managers to review proposed continuing education courses to ensure that the coursework offers the appropriate content and level of difficulty for a professional who has earned the CMCA. For a full list of approved courses for continuing education, visit www.nbccam.org/education/index.cfm.

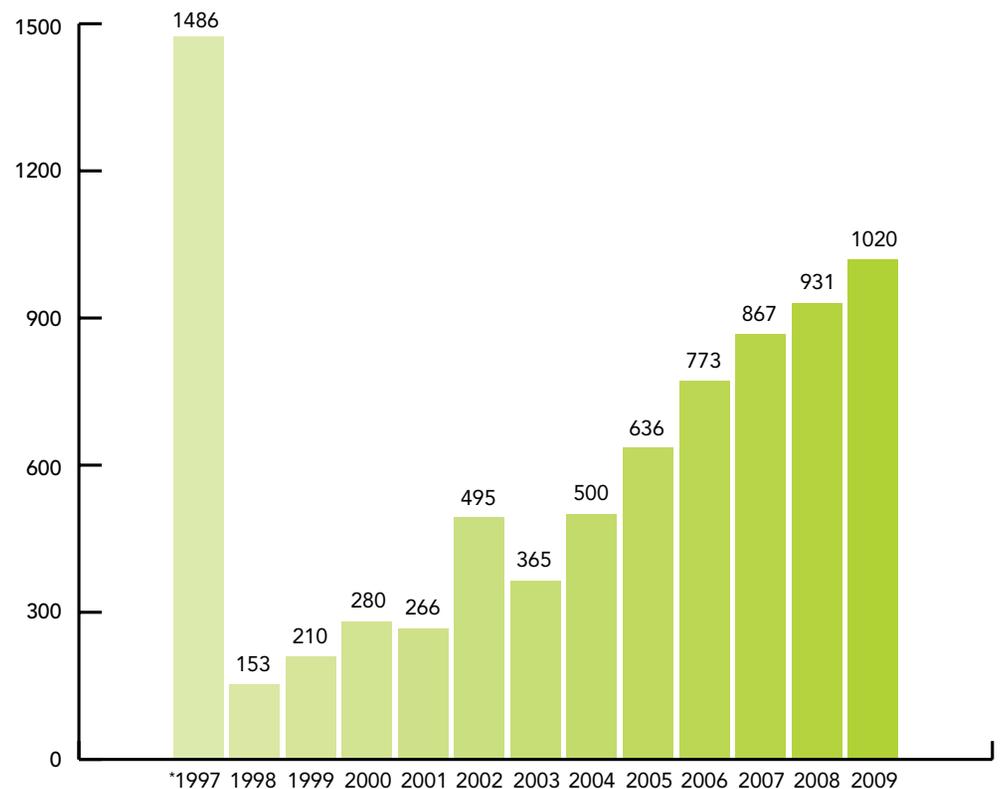


WELCOMING MORE CERTIFIED PROFESSIONALS

The success of the CMCA program, reflected in the high growth and retention rates, is due to the strength of the CMCA testing, the increasing state and public recognition and the insistence of high ethical standards.

THE NUMBER OF NEW CMCA certificants grew by nine percent during 2009. This marked an increase over the impressive seven percent growth experienced in 2008. While the annual retention rate remained steady at 84 percent, representing strength and sustainability within the credential. The success of the CMCA program, reflected in the high growth and retention rates, is due to the strength of the CMCA testing, the increasing state and public recognition and the insistence of high ethical standards.

CMCA CERTIFICATIONS AWARDED BY YEAR



*inception of the program which included grandfathering of qualified professionals.

STRENGTHENING CMCA TESTING

Only through extensive job analysis studies can NBC-CAM determine this crucial body of knowledge.



WHAT SHOULD A community association manager know and be able to apply to be considered a competent community association manager? Only through extensive job analysis studies can NBC-CAM determine this crucial body of knowledge. The CMCA body of knowledge, which has been revised twice since its establishment in 1995, serves as the basis of the examination.

Job analyses, which assess the most current community association manager practices, have been conducted every five years. NBC-CAM conducted these analyses studies in 2000 and 2005, and the next round is set for 2010.

By gathering information about contemporary practice patterns of the community association management profession, these analyses provide comprehensive descriptions of the functional areas, responsibilities performed and the knowledge required by those working as a community association manager. Each study closely follows the National Commission for Certifying Agencies' (NCCA) Standards for Educational and Psychological Testing, including:

- Use of multiple data sources
- Formation of a job analysis task force of subject-matter experts to lead the study
- Use of critical incident interviews and focus panels as additional resources
- Wide dissemination of extensive surveys to community association manager professionals

The use of process and content based approaches delineates the functional areas of responsibility and the specific task performed by community association management practitioners, as well as the associated knowledge base.

To validate the identified knowledge areas, survey participants assign quantitative ratings on elements of the delineation, including:

- Percent of work time and importance ratings for the functional areas
- Frequency, importance and "performed by" ratings for the responsibilities

Survey participants also answer open-ended questions about the changes they think will occur in the practice in the next three to five years, areas of responsibility and knowledge that may have been omitted from the survey.

A task force reviews the survey results, including the descriptive statistics for the knowledge areas, responsibilities and knowledge statements. Finally, two sets of hypothetical test specifications are presented and, based on discussion and review, the task force recommends test specifications for the examination. The NBC-CAM Board of Commissioners then decides whether to approve or deny the recommendations.

In between major practice analysis studies, test specifications are updated as needed as a result of environmental



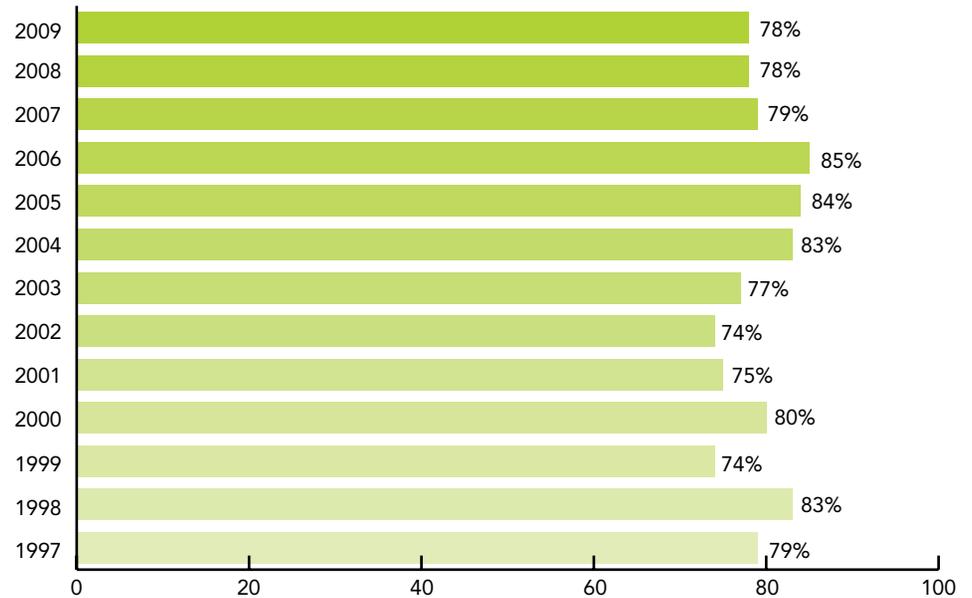


Rather than being tested against each other, candidates are tested on their practical knowledge of the community association management subject matter.

scans. Because the community association management field constantly changes, NBC-CAM continually updates test specifications to reflect the actual workday of a community association manager. At least once annually, a team of subject-matter experts reviews the examination questions in the databank to ensure the validity of the content and the appropriate difficulty level of each examination question. Every candidate has an equal opportunity

to pass the examination. The passing rate of the examination is determined by how the individual performs on each question. Every question has a difficulty rating and a validity rating. Since each examination is composed of different questions, there are different passing rates for each examination. Rather than being tested against each other, candidates are tested on their practical knowledge of the community association management subject matter.

CMCA EXAMINATION PASSING RATE



GAINING STATE RECOGNITION

Often, the legislators feel pressured to take action as a result of media coverage of community association management embezzlement, mismanagement, underinsurance and fraud charges.

STATE LEGISLATORS have been hearing from their constituents regarding the importance of competency in the community management profession. Often, the legislators feel pressured to take action as a result of media coverage of community association management embezzlement, mismanagement, underinsurance and fraud charges.

Illinois: The Illinois Legislature passed the Community Association Manager Licensing and Discipline Act, which regulates the profession in the state. The CMCA examination is the only one in the country that fulfills the requirements of the Licensing and Discipline Act. NBC-CAM is collaborating with the Community Associations Institute (CAI) to encourage the Illinois Department of Financial and Professional Regulations to recognize the CMCA examination as the standard for the Illinois Community Association Manager License.

Virginia: The Commonwealth's Common Interest Community Association Manager License is for companies performing community management services. The CMCA credential is recognized as fulfilling a requirement for community association managers working for a management firm in the Commonwealth.

Florida: NBC-CAM regularly monitors the regulatory activity of the Regulatory Council of Community Association Manag-

ers (RCCAM) and encourages the recognition of the CMCA examination.

While unsuccessful in 2009, legislation also was introduced in Kentucky, Maryland, North Carolina and South Carolina. All of these states except Kentucky proposed licensing of individual community association managers and recognize the CMCA examination and credential as the standard for the regulatory program.

Serious discussions on state regulatory manager licensing legislation continued in seven additional states—Alabama, Arizona, Colorado, Michigan, New Jersey, Washington and Wisconsin. In each of these states, active groups organized to discuss state licensing of the profession began at the grassroots level. Some of these groups were formed to address problems brought to legislators by their constituents, others emerged in response to negative media stories and still others resulted from a proactive approach to ensure the presence of an appropriate regulatory program when it is deemed necessary. In the discussions, all of these states recognize the CMCA examination and credential as the standard for the regulatory program.

NBC-CAM supports self-regulation of the community manage profession. However, when a regulatory program is in discussion, NBC-CAM gets actively involved.





INSISTING ON HIGH ETHICAL STANDARDS

Insisting on high ethical standards for community association managers not only strengthens the CMCA program, but helps to protect consumers and associations that hire community association managers.

DUE TO THE IMPORTANCE of community association managers' professional responsibilities, NBC-CAM requires CMCA certificants to adhere to a high standard of ethical conduct. CMCA certificants must comply with the CMCA Standards of Professional Conduct, which govern their professional activities. Insisting on high ethical standards for community association managers not only strengthens the CMCA program, but helps to protect consumers and associations that hire community association managers. In addition to protecting consumers and governing managers, the CMCA Standards of Professional Conduct represent a commitment to responsible practices and self-regulation.

CMCA STANDARDS OF PROFESSIONAL CONDUCT*

A Certified Manager of Community Associations (CMCA) shall:

1. Be knowledgeable, act, and encourage clients to act in accordance with any and all federal, state, and local laws applicable to community association management and operations.
2. Be knowledgeable, comply and encourage clients to comply with the applicable governing documents, policies and procedures of the Client Association(s) to the extent permitted by that Client.
3. Not knowingly misrepresent material facts, make inaccurate statements or act in any fraudulent manner while representing Client Association(s) or acting as a CMCA.
4. Not provide legal advice to Client Association(s) or any of its members, or otherwise engage in the unlicensed practice of law.
5. Promptly disclose to Client Association(s) any actual or potential conflicts of interest that may involve the manager.
6. Refuse to accept any form of gratuity or other remuneration from individuals or companies that could be viewed as an improper inducement to influence the manager.
7. Participate in continuing professional education and satisfy all requirements to maintain the CMCA.
8. Act in a manner consistent with his/her fiduciary duty.
9. Conduct themselves in a professional manner at all times when acting in the scope of their employment in accordance with the terms and conditions of their contractual agreement and in accordance with local, state and federal laws.
10. Recognize the original records, files and books held by the manager are the property of the Client Associations to be returned to the Client at the end of the manager's engagement and maintain the duty of confidentiality to all current and former clients.

To maintain and enhance the credibility of the CMCA certification program, the Board has adopted procedures to allow consumers and others to bring complaints concerning a certified professional to the Board.

A violation of any of these Standards of Professional Conduct may be grounds for administrative action and possible revocation of the CMCA certification by NBC-CAM.

To maintain and enhance the credibility of the CMCA certification program, the Board has adopted procedures to allow consumers and others to bring complaints concerning a certified professional to the Board. In the event of a violation of the CMCA Standards of Professional Conduct, or of other substantive requirements of the certification process by a certified professional, the Board may impose sanctions against the CMCA certified manager. The grounds for sanctions under these procedures are as follows:

1. Conviction of a felony or other crime of moral turpitude under federal or state law in a manner related to the practice of, or qualifications for, professional activity;
2. Gross negligence or willful misconduct in the performance of professional services, or other unethical or unprofessional conduct based on demonstrable violations of the NBC-CAM Standards of Professional Conduct;
3. Fraud or misrepresentation in the application for or the maintenance of any professional membership, professional accreditation, or other professional recognition or credential; or
4. Loss of a state license required to practice community association management.

ETHICS

CMCA Standards of Professional Conduct Complaint History													
Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Complaints	1	2	5	4	2	2	3	0	7	14	12	5	14
Hearings	0	0	1	0	0	1	2	0	0	1	1	0	4
Sanctions	0	0	1	0	0	0	0	0	0	0	1	0	3
Resignation	0	0	0	0	0	0	0	0	0	1	0	0	0





FINANCIAL STATEMENTS

Statement of Financial Position

Year Ending June 30, 2009 2008

Assets

Cash	\$17,444	\$21,009
Investments	1,044,949	1,041,598
Accounts receivable	1,125	1,146
Prepaid expenses and other assets	2,058	2,040
Property and equipment	6,489	8,714

Total Assets	\$1,072,065	\$1,074,507
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Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	\$34,794	\$23,696
Deferred revenue	440,110	404,896

Total Liabilities	\$474,904	\$428,592
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Net assets—unrestricted	597,161	645,915
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Total liabilities and net assets	\$1,072,065	\$1,074,507
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Statement of Activities

Year Ending June 30, 2009 2008

Revenue

Certification fees	\$323,920	\$281,388
Re-certification fees	308,011	285,191
Other income	29,532	25,881
Investment income	30,650	69,189

Total revenue	\$692,113	\$661,649
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Expenses

Program services

Exam administration	\$262,342	\$223,035
Legislative education	75,264	41,202
Marketing	50,793	13,688
Newsletter	31,928	40,901

Total program services	\$420,327	\$318,826
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General and administrative	143,240	151,694
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Total expense	\$563,567	\$470,520
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Change in net assets before net

loss on investments	\$128,546	\$191,129
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Net loss on investments	(177,300)	(102,714)
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Change in net assets	\$(48,754)	\$88,415
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Net assets, beginning of year	645,915	557,500
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Net assets, end of year	\$597,161	\$645,915
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LEADERSHIP

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NBC-CAM

National Board of Certification
for Community Association Managers

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Setting the standard for community association managers nationwide