

A YEAR OF SOLID GROWTH



2007 ANNUAL REPORT

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DEAR COLLEAGUES,

This year has been tremendously rewarding as I've served as Chair of the NBC-CAM Board of Commissioners.

In the mid-1990s, I was asked to be part of the Blue Ribbon Task Force to explore the idea of creating a certification program for professional community managers. The creation of NBC-CAM and the CMCA certification in 1995 was the result of that Blue Ribbon Task Force. Nearly 8,000 certificants later, I find myself working in a different profession. When I am asked what I do for a living, my response, "I am a community manager," is understood—and respected—by more people. I get fewer blank stares and more interest in my profession. This kind of progress is rewarding, personally and professionally.

As a volunteer leader of NBC-CAM, I have seen direct return on our collective investment this year. In January, we significantly increased the opportunity for individuals to earn their CMCA by adding examination alternatives. This year, we certified more than 850 individuals—the highest number of new CMCA's in any single year. This is measurable progress.

I hear my colleagues throughout the country talking about the idea of further elevating the profession by working with their state legislatures to incorporate credentialing and licensing programs that would utilize the CMCA program as a measurement of assurance that community managers are qualified and capable in all major knowledge areas of community management. This bodes very well for the future of our profession.

I have had the opportunity this year to work with tremendous volunteers and staff who contribute their time and talents to develop the CMCA program and have an impact on the positive evolution of our profession. Without the dedication and hard work from both volunteers and staff, we would not be where we are today—and we would not be envisioning such a positive future.

I extend my sincere appreciation to all of those who play a role in this important endeavor. It is an honor to work with dedicated individuals and helps to make this work tremendously rewarding.

Here's looking forward to additional progress in 2008 and beyond.



MESSAGE TO STAKEHOLDERS

FROM PAT WASSON, CMCA, PCAM
CHAIR

A handwritten signature in green ink that reads "Pat Wasson". The signature is fluid and cursive.

RECESSION, RECESSION, RECESSION...

During 2007, we heard a lot about the decline in new home sales, the increase in oil prices, foreclosures in many neighborhoods, layoffs in the mortgage and home-building industries, and a trickle-down effect on many other industries and professions. Many confuse community management with the real estate industry; however, the agonizing discussion of recession only clarifies the distinction.

The community management profession differs greatly from professions involving home sales, home building, mortgage management, and even commercial property management.

THE YEAR IN REVIEW

COMMUNITY MANAGEMENT IS RECESSION-PROOF. UNLIKE HOME BUILDING AND REAL ESTATE SALES, COMMUNITY MANAGERS WILL NOT LOSE THEIR JOB TO A RECESSION.

Indeed, many community management firms throughout the country now look to recruit their friends working for developers and homebuilders. Consequently, community management is growing in numbers and sophistication.

This year, National Board of Certification for Community Association Managers (NBC-CAM) dramatically increased the opportunities for a community manager to obtain a Certified Manager of Community Associations (CMCA®). Prior to 2007, an applicant could sit for the CMCA examination quarterly. Beginning January 1, 2007, a professional could test for a CMCA every month except for June and December. As a result, NBC-CAM welcomed a record number of 864 new CMCA's in 2007.

NBC-CAM has certified more than 7,800 community managers. These numbers prove that community management is a growing profession and that the individuals within the profession hold themselves to higher standards than ever before.

This growth spurt presents a great opportunity for professional community managers to advance their profession. By promoting the value of credentialed professionals, NBC-CAM promotes professionalism itself. By conveying these positive messages to our stakeholders—homeowner board members, the media, public policy officials and others—NBC-CAM elevates your stature and increases your opportunities in the expanding community association marketplace. The introduction of every new CMCA calls more attention to a credential that signifies expertise, knowledge and a commitment to professionalism. With each new CMCA, we call more attention to you!



Upward Directions is NBC-CAM's bimonthly electronic newsletter. If you do not receive a copy of the newsletter, we may not have your current e-mail address. To verify, add, or change your e-mail address, please contact us at info@nbccam.org or 703-836-6902. *Upward Directions* is conveniently archived so that you may visit the web site throughout the year and find a specific article at the time you need it. Visit <http://newsmanager.commpartners.com/caiupdir/issues/>.



UPWARD DIRECTIONS INDEX

2007 Issues	Topic
January/February	Policy Governance: The Benefits from a Manager's Perspective
	Good Question: Do Architectural Violations Matter if Nobody Complains?
	AARP Issues Bill of Rights for Homeowners in Associations Taming the Paper Monster
March/April	Active Adult Communities Offer Special Opportunities
	Good Question: Should Open Meetings Bother Boards?
	Creating Efficiency: Consider the FISH! Philosophy
	OSHA Offers Tips for Working in Hot Weather
Summer	Controlling Vicious Dogs—and Their Owners
	Creating Efficiencies: Take a Real Vacation
	Prepare for Disaster Before it Strikes
	Don't Pay for Posters the Government Offers at No Charge
	CEO of Small Business of the Year Reveals Secrets of Success
July/August	Policy Governance: How to Implement in Your Community
	In the Zone: Wal-Mart Wars
	Good Question: What's the Right Way to Run an Association Election?
	Eyes on Ethics: Work-Life Balance & Management Acts
	Creating Efficiency: Curb Energy Use in the Office
Winter	Proudly Promote Your CMCA
	CAI Launches Resource for Job Seekers and Employers
	Nine Tips for Office Celebrations
	Work and Humor Do Mix
	Eye on Ethics: A Historical Overview Immigrant Work Eligibility Verification Form Revised

WELCOME! WE HAD A RECORD YEAR WITH 864 NEW CMCAS, BRINGING OUR TOTAL TO MORE THAN 7,800 COMMUNITY MANAGERS.

Community association managers, who become CMCA's as designated by NBC-CAM, provide assurance of competency in their knowledge of critical aspects of community association management. This certification protects consumers against incompetent management and elevates the profession. Understanding the importance of competent professional community association management, a number of states have taken steps to regulate the profession, including:

ALASKA | Under Chapter 88 of the Alaska Real Estate Commission's regulation entitled "Real Estate Statutes and Regulations' Real Estate Brokers and Other Licensees," a person may not collect fees for community association management or practice or negotiate for a contract to practice community association management unless licensed as a real estate broker, association real estate broker, or real estate salesperson in this state. View the 48-page document at www.dced.state.ak.us/occ/pub/RECregulations.pdf.

ADVANCING THE PROFESSION STATE BY STATE

CONNECTICUT | The state's Department Of Consumer Protection, Real Estate & Professional Trades Division (www.state.ct.us/dcp/cwp) regulates the registration of community association managers.

CALIFORNIA | The Manager Certification Titling Act regulates when community association managers may call themselves "certified." The law requires that community association managers who hold themselves out as "certified" must first comply with statutory requirements. The law does not require community association managers to be certified nor is the process regulated by the state. Visit www.nbccam.org/cmca/state.cfm.

DISTRICT OF COLUMBIA | The Real Estate Board of the District of Columbia Department of Consumer and Regulatory Affairs regulates community association managers as commercial "property managers." The examination utilized for licensure of "property managers" does not measure the core competencies of community association managers.

FLORIDA | The Florida Department of Business and Professional Regulation regulates the licensure of community association managers in the state. Under most circumstances, community association managers in Florida are required to be licensed in order to carry out their duties as a manager. For more information on the specific requirements, visit www.state.fl.us/dbpr/pro/cam/cam_codes.shtml.

GEORGIA | Community association managers must be licensed under the Georgia Real Estate Commission in order to function as a community association manager in the state (www.grec.state.ga.us; grecmail@grec.state.ga.us). NBC-CAM supports the regulation of community association managers but advocates that managers be tested and regulated on the core functions associated with managing community associations, and not as property managers, brokers, or real estate licensees.

NEVADA | The Nevada Real Estate Division (www.red.state.nv.us/CIC/cam_certificate.htm) regulates the certification of community association managers in this state. Title 10 Property Rights and Trans-actions, Chapter 116.700, prohibits a person from acting as a community manager without a permit or certificate.

Note: Given the changes that states may make in this area, contact NBC-CAM or individual state regulators for the most current licensing or registration requirements.

STATE REGULATIONS ON THE HORIZON

NBC-CAM has worked actively with Community Associations Institute (CAI) to encourage states to recognize the CMCA program as a way to support the profession of community association management. Currently, the following states are working toward state certification programs that incorporate recognition of the CMCA program.

COLORADO | A group has been actively building consensus and developing a plan to introduce manager credentialing legislation during the 2008 legislative session.

FLORIDA | The Florida CAM (Community Association Manager) Licensure Program has been seriously threatened with deregulation several times over the past five years. The Florida CAM Program is governed by a governor-elected group of individuals who serve on the CAM Council. The CAM Council works with the Department of Business and Professional Regulation to oversee the Florida CAM Licensure Program. Several professional groups in Florida have either privatized parts or all of a licensure program or requested privatization. Privatization is a process by which the state's licensure program is privately administered by a non-profit Florida corporation in an effort to maintain the program (avoid deregulation) and improve the program by creating efficiencies and maximizing the power of the CAM Council.

A number of procedures must be followed before a board or council may request privatization by the governor. The CAM Council requested a business case study be conducted by a neutral third party to explore the feasibility of privately administering the CAM Council. The CAM Council reviewed and approved the business case study. In August 2006, the CAM Council voted unanimously to submit a request to the governor to move in the direction of private administration. The CAM Council continues to work with the state of Florida and the governor's office to move forward the act of privatization. NBC-CAM continues to support the CAM Licensure program and will work with the CAM Council to ensure community associations in Florida are served well by the proper certification of community association managers.

ILLINOIS | A group of leaders in Illinois has worked very hard in drafting legislation to move forward with community association manager regulation that recognizes the CMCA program. A bill introduced in 2007 was successful in setting standards for professional conduct of community association managers. Furthermore, the group bridged a gap with the realtors to build a foundation for moving forward with more detailed legislation in 2008.

NORTH CAROLINA | At the urging of a group of leaders in the state, the North Carolina Real Estate Commission continues to evaluate the idea of community manager regulation. A bill introduced in 2007 did not pass out of committee. The group will reintroduce the bill in 2008.

VIRGINIA | Diligent work by a group of leaders in Virginia has been directed at building consensus and customizing the manager licensing model bill planned for introduction in the commonwealth's legislature in 2008.



WORK IN PROGRESS

NBC-CAM HAS WORKED ACTIVELY WITH COMMUNITY ASSOCIATIONS INSTITUTE (CAI) TO ENCOURAGE STATES TO RECOGNIZE THE CMCA PROGRAM AS A WAY TO SUPPORT THE PROFESSION OF COMMUNITY ASSOCIATION MANAGEMENT.

COMPETENCY ASSURANCE

Organizations grant credentials to accomplish the broad goal of improving the level of *competence* within a profession or industry. Additionally, promoting *competent* professionals to the public provides assurance that the credentialed professionals have the fundamental knowledge and skill necessary to perform their responsibilities.

IMPROVING COMMUNITY ASSOCIATION LIVING

THE STANDARDS OF EXCELLENCE FOR CREDENTIALING PROGRAMS PROMOTED BY THE NATIONAL ORGANIZATION FOR COMPETENCY ASSURANCE (NOCA) AND OTHER COMPETENCY ASSURANCE ORGANIZATIONS HAVE SEVERAL KEY FEATURES IN COMMON.

They include the required elements of a sound credentialing program: fundamental knowledge/education, examination of competency, reasonable cost, continuing education, and standards of practice. NBC-CAM subscribes to the standards and guidelines set forth by NOCA. The CMCA program is the largest and only national program offering the integrity and reliability that adequately measures the fundamental knowledge of a community manager.



“IN MY EXPERIENCE, A COMMUNITY MANAGED BY A CERTIFIED MANAGER (CMCA) IS A SMOOTHLY RUN BUSINESS OPERATION WITH A GREATER SENSE OF COMMUNITY. I AM PROUD TO LIVE IN MY COMMUNITY.”

JACK MCGRATH, *The Grande at Colts Neck Condominium Association* | Colts Neck, NJ

STANDARDS OF PROFESSIONAL CONDUCT

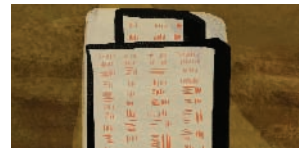
Because professional managers have such critical responsibilities, NBC-CAM requires CMCA certificants to adhere to a high standard of ethical conduct. CMCA certificants must comply with the Standards of Professional Conduct, which govern their professional activities. If a CMCA is suspected of being in violation of these standards, NBC-CAM has a thorough complaint and investigation process in place to address the issue.

According to NBC-CAM's Standards of Professional Conduct, a CMCA shall:

- › Act in accordance with federal, state, and local laws applicable to community association management and operations.
- › Comply with the applicable governing documents, policies and procedures of the Client Association(s) to the extent permitted by that Client.
- › Not knowingly misrepresent facts, make inaccurate statements or act in any fraudulent manner while representing Client Association(s) or acting as a CMCA.
- › Not engage in the unlicensed practice of law.
- › Disclose to Client Association(s) any actual or potential conflicts of interest the manager may have in dealings with any other party.
- › 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.
- › Participate in continuing professional education.

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

- › 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;
- › 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;
- › Fraud or misrepresentation in the application for or the maintenance of any professional membership, professional accreditation, or other professional recognition or credential; or
- › Loss of a state license required to practice community association management.



2007 ACTIVITY

COMPLAINTS	14
HEARING	1
GUILTY CHARGES	0
VOLUNTARY RESIGNATION	1
CASES PENDING	3



FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

Year Ending June 30,	2007	2006
Assets		
Cash and cash equivalents	\$ 38,349	\$ 72,978
Investments	885,123	633,619
Accounts receivable	—	605
Prepaid expenses and other assets	2,040	2,381
Due from affiliate	41	5,677
Property and equipment	13,096	1,972
Accumulated depreciation	(2,157)	(1,972)
Total assets	\$ 936,492	\$ 715,260
Liabilities and Net Assets		
Due to affiliate	\$ 4,861	\$ 3,434
Accounts payable	20,051	19,654
Deferred certification fees	255,092	221,813
Deferred recertification fees	98,988	109,897
Total liabilities	378,992	354,798
Net assets—unrestricted	557,500	360,462
Total liabilities and net assets	\$ 936,492	\$ 715,260

STATEMENT OF ACTIVITIES

Year Ending June 30,	2007	2006
Revenue		
Certification fees	\$ 237,766	\$ 211,882
Re-certification fees	297,319	185,646
Investment income	76,504	25,080
Other income	17,993	16,574
Total revenue	629,582	439,182
Expense		
Program services		
Exam administration	71,302	87,040
Legislative education	21,262	18,000
Marketing	18,157	11,829
Newsletter	11,883	4,216
Total program services	122,604	121,085
General and administrative	309,940	278,947
Total expense	432,544	400,032
Change in net assets	197,038	39,150
Net assets, beginning of year	360,462	321,312
Net assets, end of year	\$ 557,500	\$ 360,462

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Celebration Town Hall
Celebration, Florida

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SETTING THE STANDARDS

FOR COMMUNITY ASSOCIATION MANAGERS NATIONWIDE

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