

**National Affordable Housing Management Association**

Approved Budget for FY 2017  
(Approval date: Oct. 24, 2016)

	<i>Actual Year to Date 12/31/2013</i>	<i>Actual Year to Date 12/31/2014</i>	<i>Actual Year to Date 12/31/2015</i>	<i>Actual Year to Date 6/30/2016</i>	<i>FY 2016 Budget</i>	<i>Approved FY 2017 Budget</i>
<b>Revenue</b>						
<b>Membership Dues</b>						
Executive Members	\$233,450	\$232,000	\$220,400	\$207,650	\$226,200	\$224,600
Executive II Members	28,500	34,200	33,090	34,200	33,250	40,500
Executive III Members	14,950	16,100	12,650	17,250	14,750	18,375
Associate Members	42,000	40,360	46,200	42,000	46,200	50,150
Affiliate Members	72,525	73,125	76,650	72,900	73,800	90,675
Subscriber Members	184,013	172,011	162,798	113,830	176,000	176,200
<b>Total Membership Dues</b>	<b>575,438</b>	<b>567,796</b>	<b>551,788</b>	<b>487,830</b>	<b>570,200</b>	<b>600,500</b>
<b>Meetings</b>						
Winter Meeting	56,395	48,765	48,010	48,400	51,000	54,000
Summer Meeting	10,100	9,710	15,158	11,180	15,000	0
Fall Meeting	39,915	49,225	43,515	0	48,000	54,000
Meeting-Events (Summer Party)	40,000	30,000	7,500	0	0	0
Meeting Sponsorships	5,135	7,120	6,245	4,475	5,000	5,000
Travel	11,228	14,144	7,573	2,485	11,000	11,000
<b>Total Meetings &amp; Education</b>	<b>162,773</b>	<b>158,964</b>	<b>128,001</b>	<b>66,540</b>	<b>130,000</b>	<b>124,000</b>
<b>Publications</b>						
Calendar Prior Year	3,179	4,560	550	1,953	0	0
Calendar Current Year	279,924	300,460	278,438	0	291,500	280,500
Advertising & Sponsorships	76,350	91,832	86,750	70,710	70,000	75,000
Insurance & Risk Management	796	70	80	0	100	0
SHCM Study Guidebook	2,275	2,621	8,376	2,090	500	2,000
Green Housing Book	2,110	160	80	0	100	0
Other Publications - 4350.3 CD	14	0	0	0	0	0
<b>Total Publications</b>	<b>364,648</b>	<b>399,703</b>	<b>374,274</b>	<b>74,753</b>	<b>362,200</b>	<b>357,500</b>
<b>Certification &amp; Training</b>						
NAHPe - Renewal	43,440	39,850	39,578	37,790	40,000	41,600
NAHP Application	3,400	3,840	5,055	1,680	3,500	4,600
CPO-FHC Retest	375	1,100	400	650	1,000	1,000
NAHP Renewal	14,015	13,455	13,134	11,350	13,000	12,900
CPO Renewal	159,908	167,615	175,201	160,909	163,000	185,000
SHCM Program	197,181	198,639	199,773	23,454	175,000	201,200
CPO Course	83,466	61,657	55,855	35,700	65,000	65,000
504/Fair Housing Course	38,236	17,571	31,412	5,232	27,000	15,000
ACPO Course	0	25,000	9,249	3,338	5,000	6,000
ACPO Renewals	0	0	0	0	0	4,500
Maintenance Credential	10,878	5,465	5,140	8,130	4,000	9,600
COQ Applications	13,950	11,750	8,700	600	13,000	13,000
COQ Renewals	54,900	41,800	59,650	4,200	42,000	42,000
COQ Merchandise	395	20	0	0	0	0
Green Credential	26,750	31,815	29,475	24,285	25,000	25,600
Temp Classif. - Rev from Test Vouchers*	0	0	0	7,601	0	0
Vanguard Award	1,500	1,943	3,175	3,350	2,000	2,000
<b>Total Certification</b>	<b>648,394</b>	<b>621,520</b>	<b>635,797</b>	<b>328,269</b>	<b>578,500</b>	<b>629,000</b>
<b>Regulatory &amp; Legislative</b>						
Legislative Contributions	20,500	20,500	19,000	14,000	20,000	19,000
<b>Total Regulatory &amp; Legislative</b>	<b>20,500</b>	<b>20,500</b>	<b>19,000</b>	<b>14,000</b>	<b>20,000</b>	<b>19,000</b>
<b>Other Income</b>						
Interest	106	102	58	49	100	100
Dividends	6,380	3,681	2,556	994	3,000	2,900
Reimbursable Cost-Sharing FDTN	12,000	12,000	12,000	0	12,000	15,000
Reimbursable Cost-Actual Time FDTN	87	0	0	0	0	0
Wells Fargo Insurance Program	43,085	37,111	36,330	10,000	25,000	0
HD Supply Program	61,004	64,816	84,300	36,469	50,000	65,000
Other - Income (inc. Career Center)	5,194	6,581	6,289	2,730	5,000	5,000
<b>Total Other Income</b>	<b>127,856</b>	<b>124,291</b>	<b>141,533</b>	<b>50,242</b>	<b>95,100</b>	<b>88,000</b>
<b>Total Revenue</b>	<b>1,899,609</b>	<b>1,892,774</b>	<b>1,850,393</b>	<b>1,021,634</b>	<b>1,756,000</b>	<b>1,818,000</b>

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<b>Expenses</b>						
<b>Meetings</b>						
Winter Meeting	71,813	63,965	77,997	86,585	73,000	73,000
Summer Meeting	44,381	47,509	53,392	65,453	45,000	0
Fall Meeting	68,663	65,293	78,088	0	66,000	73,000
Sponsorship Expense	1,798	2,493	2,186	1,566	2,000	2,000
Strategic Planning**	0	0	0	15,000	15,000	45,000
Meeting-Events (Summer Party)	50,000	40,000	10,000	0	0	0
<b>Total Meetings &amp; Education</b>	<b>236,655</b>	<b>219,260</b>	<b>221,663</b>	<b>168,604</b>	<b>201,000</b>	<b>193,000</b>
<b>Publications</b>						
Calendar - Prmtg & Production	42,913	42,036	43,831	55	45,000	46,000
Calendar Shipping	25,372	24,795	23,568	1,318	25,000	25,000
Newsletters	100,324	109,660	82,329	32,518	75,000	76,000
Directories	1,423	1,572	1,680	1,899	1,500	2,000
Calendars Rebates & Commissions	104,751	114,228	70,635	25,944	95,000	95,000
Insurance & Risk Management	19	0	0	0	0	0
SHCM Study Guidebook	751	2,312	2,391	301	0	0
Green Housing Book	3,470	93	50	0	0	0
Other Publications	37	0	0	0	0	0
<b>Total Publications</b>	<b>279,060</b>	<b>294,696</b>	<b>224,484</b>	<b>62,035</b>	<b>241,500</b>	<b>244,000</b>
<b>Certification &amp; Training</b>						
Vanguard Awards	1,352	1,646	913	953	1,000	1,000
504/Fair Housing Course	7,517	3,941	5,196	2,257	4,000	4,000
CPO Course	18,343	10,505	12,569	5,593	10,000	10,000
ACPO Course	0	20,326	1,369	936	1,400	2,000
SHCM Program	95,679	97,666	106,780	24,562	85,000	100,000
NAHP Program Expense	7,884	12,814	15,352	11,673	10,400	12,000
Maintenance Credential	2,039	2,148	1,952	1,662	1,000	1,000
COQ Recognition Program	30,925	22,754	32,865	2,100	24,500	24,500
GCPM	14,730	16,828	16,737	13,956	12,500	12,500
Course Development and Updates	0	0	0	0	2,000	2,000
<b>Total Certification</b>	<b>178,469</b>	<b>188,628</b>	<b>193,733</b>	<b>63,692</b>	<b>151,800</b>	<b>169,000</b>
<b>Regulatory &amp; Legislative</b>						
Consultants/Legal	14,675	24,126	47,239	14,986	23,000	25,000
<b>Total Regulatory &amp; Legislative</b>	<b>14,675</b>	<b>24,126</b>	<b>47,239</b>	<b>14,986</b>	<b>23,000</b>	<b>25,000</b>
<b>Management &amp; General</b>						
Salaries	587,101	616,752	664,280	298,294	678,000	715,500
Temporary Salaries	8,258	0	0	0	0	0
Payroll Taxes	43,268	40,164	46,802	23,743	45,000	47,000
Workers Compensation	1,292	1,331	1,398	1,343	1,500	1,500
Health Insur. & Empl. Benefits	91,690	95,155	98,820	47,628	115,000	120,000
Dues & Subscriptions	9,051	13,059	13,222	8,282	10,500	11,000
Telephone & Communications	17,636	19,326	18,643	7,095	19,000	19,000
Membership Development	47	537	0	0	0	0
Business Property Taxes	2,519	2,742	1,632	0	2,700	2,700
Parking/Trans.	7,605	8,564	10,832	5,263	10,000	11,000
Travel	30,145	29,530	19,706	11,412	25,000	30,000
Entertainment & Meals	1,276	2,000	2,180	1,702	1,500	2,000
Payroll Service and Expenses	1,734	2,145	2,015	1,023	2,000	2,000
Accounting/Bookkeeping	952	979	1,072	1,266	1,500	1,300
Audit/Tax Return Prep	5,700	5,800	5,900	6,000	6,000	6,000
Legal - Operations	2,483	1,563	1,820	48	1,000	1,000
Liability Insurance	12,244	12,675	12,734	5,163	12,500	13,000
Rent - Office	57,516	59,000	60,682	31,044	64,000	65,000
Rent - Equipment	13,242	14,409	14,957	5,816	13,000	13,000
Tech Support	37,961	41,662	51,442	39,090	67,000	62,000
Web Site Maintenance	5,149	37,787	5,804	3,090	6,000	6,500
Office Supplies & Expense	10,567	18,331	17,471	8,332	12,000	13,000
Credit Card & Other Bank Charges	16,398	16,226	17,376	10,791	15,000	17,500
Depreciation	17,637	15,151	20,149	11,250	15,000	20,000
Public Relations	13,711	4,375	3,565	1,200	1,500	4,000
Shipping/Postage	8,494	8,273	4,380	1,840	5,000	4,000
Other Management & General	9,997	10,908	10,299	5,020	9,000	9,000
<b>Total Management &amp; General</b>	<b>1,013,673</b>	<b>1,078,444</b>	<b>1,107,181</b>	<b>535,735</b>	<b>1,138,700</b>	<b>1,197,000</b>
<b>Total Expenses</b>	<b>1,722,532</b>	<b>1,805,154</b>	<b>1,794,300</b>	<b>845,052</b>	<b>1,756,000</b>	<b>1,828,000</b>

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<i>Change in Net Assets from Operations</i>	177,077	87,620	56,093	176,582	0	<b>(10,000)</b>
<i>Budgeted Contribution to Reserves</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	0	0
<i>Change in Net Assets***</i>	<u><u>177,077</u></u>	<u><u>87,620</u></u>	<u><u>56,093</u></u>	<u><u>176,582</u></u>	<u>0</u>	<b><u>(10,000)</u></b>

*\*Temporary classification of online exam voucher revenue to be redistributed to CPO, FHC, ACPO at year-end*

*\*\*Strategic Planning occurs every five years, and its cost is spread over two years (the year prior to and the year of the event)*

*\*\*\*Any positive change in net assets at year-end is automatically contributed to cash investments / reserves*



# **NAHMA Approved Budget for FY 2017**

## **Executive Summary and Details/Notes**

(Approval Date: Oct. 24, 2016)

### **I. Executive Summary – FY 2017**

The NAHMA 2017 budget is based on the scenarios discussed by the NAHMA Budget and Finance (B&F) Committee and Board of Directors, at their June 2016 meetings. As noted at that time, in 2016 NAHMA projected continued higher operating expenses in all categories due to the natural rise in prices that has occurred as the economy recovered from the Great Recession. In 2017, NAHMA is also expecting continued higher operating expenses in all categories, in addition to two major budgetary impacts: a once-every-five-years strategic planning workshop, as well as discontinuation of the insurance endorsement program. As a result, and as approved as FY 2017 Budget Assumptions by the NAHMA B&F and Board in June, NAHMA is proposing membership dues and certification fee increases in 2017. For perspective on this proposal, the last time NAHMA membership dues were raised was 2007 (ten years ago), when all categories were increased by \$150. The last time certification renewal fees were raised was in 2008, when the then three programs (CPO, NAHP and NAHPe) each had a renewal fee increase of \$5.

**1. Proposed Membership Dues Increase:** A proposed increase of \$75 per Executive Council membership category is presented (i.e., Executive Level 1-3+, Associate, and Affiliate categories). As noted above, the last time NAHMA membership dues were raised was 2007 (ten years ago), when all categories were increased by \$150.

**2. Proposed Certification Fees Increase:** An increase of \$10 per certification program application and renewal fee is proposed. As noted above, the last time NAHMA certification fees were increased was in 2008 – nine years ago (from effective date of 2017).

**3. Cancellation of One-day Summer Meeting Event:** NAHMA has cancelled its one-day meeting held in conjunction with the annual NAA summer Education Conference & Exposition, effective in June 2017. After studying the meeting-related costs for the one-day event (hotel meeting room rental, food and beverage for attendees and audio visual expense), NAHMA's Board noted that the business accomplished by the association through the one-day of committee meetings could also be conducted via conference call or electronically otherwise, which would save the physical meeting cost expense incurred by NAHMA for the one-day event.

**4. Combined Effect of Cancellation of NAHMA Summer Meeting with Fee Increases:** NAHMA Executive Council members who typically attend the summer meeting will realize a savings of \$145 through the cancelled registration fee. As a result, the cancelled meeting fee savings more than offsets the dues increase of \$75, as well as the new incremental increase of \$10 for renewing up to seven NAHMA certifications (i.e.,  $\$145 - \$75 = \$70$ ).

**5. Other Income:** With the close of FY 2016, the Wells Fargo Insurance endorsement program will come to an end.

**6. Strategic Planning - Expense:** NAHMA will hold its next Board-level strategic planning workshop in January 2017. Preparatory work will be done by the strategic planning facilitator in the second half of 2016. In 2017, we will budget \$30,000 in expense for the facilitator, and \$15,000 for the hotel/event expense.

**7. Regulatory & Legislative - Expense:** It is proposed that we continue to budget at a higher than traditional amount for this account to allow for targeted lobbying assistance and/or resources as needed.

**8. Depreciation - Expense:** An increase of \$5,000 in depreciation expense over 2016 is projected as a result of capitalization of the cost of upgrading the membership database in 2016.

**9. Expense containment:** As always, NAHMA staff remains committed to holding the line on expenses to the greatest extent possible.

**10. Projected Change in Net Assets versus Cash Flow at Year-end:** The proposed budget for FY 2017 reflects a projected negative change in net assets (net loss) from operations of \$10,000. However, Depreciation expense (\$20,000) is not an actual cash expense, and as a result, NAHMA expects to generate \$10,000 in positive cash flow from operations in FY 2017.

## II. Revenue Details/Notes – FY 2017

### 1. Membership Dues

#### Chart One:

\* The estimated total number of members to be billed in January 2017, at the full dues rate, is comprised of the actual number of members at June 30, 2016, plus estimated additional new members to be recruited between July and December 2016.

\* The estimated total number of members to be billed in January 2017 is multiplied by the projected retention rate of 90 percent to find the estimated number likely to renew at the full dues rate in 2017.

#### Chart Two:

\* New members projected for recruitment in FY 2017 are noted by category. New members pay full dues if they join before June 1, and prorated (half) dues thereafter.

Membership Category	Actual at 07/15/2016	Addl est. New Jul-Dec 16	Est. Total Billed Jan 2017	At 90% at renewal	Dues Amount	Subtotal One
Executive	75	5	80	72	\$2,975	\$214,200
Executive II	19	2	21	19	\$1,975	\$37,525
Executive III+	15	1	16	14	\$1,225	\$17,150
Associate	35	1	36	32	\$1,475	\$47,200
Affiliate	98	3	101	90	\$975	\$87,750
Subscribers	n/a	n/a	1600	1600	\$110	\$176,000
Category (Est. New in FY 17)	Joining in Jan-May	Est. Full Dues Paid	Joining in June-Dec	Est. Prorated Dues Paid	Subtotal Two Est. New Dues in FY 17	Est. Total Dues Paid in FY 17
Executive	2	\$5,950	3	\$4,464	\$10,414	\$224,614
Executive II	1	\$1,975	1	\$988	\$2,963	\$40,488
Executive III+	1	\$1,225	0	\$0	\$1,225	\$18,375
Associate	1	\$1,475	2	\$1,476	\$2,951	\$50,151
Affiliate	2	\$1,950	2	\$976	\$2,926	\$90,676
Subscribers	n/a	n/a	n/a	n/a	\$0	\$176,000
<b>New members in mos.:</b>	<b>7</b>		<b>8</b>	<b>GRAND TOTAL:</b>		<b>\$600,304</b>

## 2. Meetings

Revenue projected for each meeting in FY 17 reflects anticipated registration income at current attendance levels, with our standard \$5 increase in fees across all categories.

The standard registration fee is the early bird registration fee, which is available until the hotel room block expires (which is generally four weeks prior to the meeting date). Once the hotel room block expires, each category of registration fee is set \$50 higher than the early bird rate. In addition, NAHMA will continue charging a \$75 administrative fee for registration cancellations received less than 10 business days but more than 3 days before the start date of the NAHMA meeting (unless the cancellation is for standard “force majeure” reasons which will be explained at the NAHMA website and in our promotional email). No refunds will be given for cancellations less than 3 days before the meeting (except for force majeure reasons). It is hoped that the cancellation fee will deter non-essential late registration cancellations.

2017 Fall/Winter Meeting Attendance	WINTER			FALL	
	Category	Avg. #	Reg or F/B Fee	Total	Avg. #
Executive	61	\$380	\$23,180	61	\$23,180
Associate	7	\$505	\$3,535	7	\$3,535
Affiliate	38	\$505	\$19,190	38	\$19,190
NAHMASubscriber	2	\$505	\$1,010	2	\$1,010
Guest	4	\$605	\$2,420	4	\$2,420
AHMA ED	12	\$145	\$1,740	12	\$1,740
AHMA President	12	\$145	\$1,740	12	\$1,740
Specials ( Luncheon tickets)	10	\$60	\$600	10	\$600
Late Reg after early bird closes	5	\$50	<u>\$250</u>	5	<u>\$250</u>
Walk on Reg- Late fees	5	75	375	5	375
<b>Total</b>	<b>151</b>		<b>\$54,040</b>	<b>151</b>	<b>\$54,040</b>

Meeting-Events-Summer Party will not be held due to the cancellation of the summer meeting one-day event.

Meeting sponsorships are expected to come in at comparable levels to 2016. (In 2013 NAHMA rebalanced the way it allocates sponsorship / advertising revenue. After studying IRS literature and talking to our CPA, staff began allocating more to advertising since it is the more prudent approach (vis-à-vis UBIT considerations).

Travel revenue reflects reimbursements from AHMAs for NAHMA travel (the projected travel revenue offsets NAHMA’s travel expense under Management and General).

### **3. Publications**

*Calendar Prior Year:* No longer budgeted; all sales are budgeted to occur within one fiscal year.

*Calendar Current Year:* Based on projected sales of 51,000 2018 calendars at \$5.50 each.

*Advertising & Sponsorships:* Reflects advertising and sponsorships revenue for NAHMA News, NAHMA Website, the Affordable 100, the Membership Directory, and the 2018 calendars (if possible), as a result of sales and marketing efforts by the Townsend Group.

*Insurance and Risk Management Booklet:* Based on current activity.

*SHCM Study Guide Booklet:* Based on current activity.

*Green Housing Guide Booklet:* Based on current activity.

*Other Publications:* Based on current activity.

### **4. Certification & Training**

*NAHP-e Renewal:* 268 (renewed in 2016 + 20 newly certified in 2016 and 20 late renewals) = 308 times 90% retention = 277 times \$150 = \$41,550

*NAHP Application:* NAHP -- 14 x \$110 = \$1540; NAHP-e -- 16 x \$190 = \$3040

*CPO-FHC Retest:* Current activity level.

*NAHP Renewal:* 127 (renewed in 2016 + 15 newly certified in 2016 and 5 late renewals) = 147 times 70% retention = 103 times \$125 = \$12,875

*CPO Renewal:* 2193 (renewed in 2016 + 250 newly certified in 2016 and 20 late renewals) = 2463 times 75% retention = 1847 times \$100 = \$184,700

*Specialist in Housing Credit Management (SHCM) Certification Program:* Projected at a total of \$201,200:

\*Grandfather Renewal Revenue = 237 (renewed in 2016) times 85% retention rate (201\*\$165) = \$33,165; rounded = \$33,200

\*Regular SHCM's Renewal Revenue = 675 (renewed in 2016) + 150 new in 2015 and 10 late renewals in 2015) times 85% retention rate (835\*85% = 709\*\$165) = \$117,000

\*The application fee for the SHCM will be \$160 each, with an estimated 150 new SHCM applications in 2017 = 150 times \$160 = \$24,000

\*Exam Revenue: Estimated 400 exams times \$50 = \$20,000

\*SHCM Exam Retest Fee = estimated 26 exams @\$75 = \$2,000

\*Candidacy Admin Fee: 2016 = 18 candidates \* \$250 = \$4,500

\* SHCM Company; new applications = \$300; renewals = \$300; total = \$600



*CPO Course:* Gross revenue of \$65,000 based on an anticipated 20 classes with an average of 30 students per class. Gross revenue represents \$1500 royalty fee per class (total \$30,000), plus reimbursement to NAHMA of its direct expenses for administration (estimated total of \$18,000 at \$30 per student), course materials at \$5 per student (CD, pencils) (estimated \$3,000), Testrac Online exams (\$15,000) and shipping. (Corresponding direct expense per class is shown on the expense column; actual net revenue is \$1500 per course royalty fee, or \$30,000. Additional corresponding expense occurs in Management and General Expense, including salary and overhead.)

*504/Fair Housing Course:* Gross revenue of about \$15,000 based on an anticipated 6 classes with an average of 20 students per class. Gross revenue represents \$750 royalty fee per class (total of \$4500), plus reimbursement to NAHMA of its direct expenses for administration (estimated total of \$3600 at \$30 per student), course materials at \$5 (CDs, pencils) (estimated \$600), Testrac Online exams (\$6000) and shipping. (Corresponding direct expense per class is shown on the expense column; actual net revenue is \$750 per course royalty fee, or estimated total of \$4500. Additional corresponding expense occurs in Management and General Expense, including salary and overhead.)

*Advanced Issues in Occupancy Course:* Estimated gross revenue of about \$6,000 based on an anticipated 4 classes with an average of 8 students per class. Gross revenue represents \$750 royalty fee per class (total of \$3000), plus reimbursement to NAHMA of its direct expenses for administration (estimated total of \$960 at \$30 per student), course materials at \$5 (\$160), Testrac Online exams (\$1600) and shipping. (Corresponding direct expense per class is shown on the expense column; actual net revenue is \$750 per course royalty fee, or estimated total of \$3000. Additional corresponding expense occurs in Management and General Expense, including salary and overhead.)

*Advanced Issues in Occupancy Certification Renewals:* 12 (renewed in 2016 + 50 newly certified in 2016) = 62 times 70% retention = 43 times \$105=\$4515

*NAHMS/NAHMT (Maintenance Credential):* Application fee =  $\$110 * 20 = \$2200$ ;  
Renewal fee = 81 (renewed in 2016 + 20 new certificants in 2016 + 5 late renewals) =  $106 * 70\% \text{ retention} = 74 * 100 = \$7400$ ; total = \$9600

*COQ Applications:* For 2017, we estimate 120 applications, with 46 paying NAHMA the full amount (\$150, with rebate expense shown under expense), and 74 paying NAHMA \$75, as follows:  $46 * \$150 = \$6900$ , and  $74 * \$75 = \$5550$ , for an estimated gross revenue of about \$12,450.

*COQ Renewals:* For 2017, we estimate a total renewal population of about 525 times 80 percent renewal rate, times \$100 each = \$42,000.

*COQ Merchandise:* Current experience.

*CGPM (Green credential):* Application fee = \$160\*20 applicants = \$3200 (expense for 50% split with NAA is shown under expense); renewal for 2017 = 238 \* 70% retention = 166\* \$135 = \$22410 (expense for 50% split with NAA under expense); total = \$25,600

*Vanguard Award:* Current program experience.

## ***5. Regulatory & Legislative***

Contributions from AHMAs.

## ***6. Other Income***

*Interest:* Current levels.

*Dividends:* Current levels.

*Reimbursable Cost-Sharing from the NAHMA Educational Foundation:* In 2017, the NAHMA Educational Foundation will reimburse NAHMA \$15,000 for expenses incurred on behalf of the Foundation under the cost-sharing agreement. (This represents the first payment increase since 2009, and reflects the increased resources committed by NAHMA to the Foundation in support of its programs each year.)

*Wells Fargo Insurance Program:* The program will not be continued in 2017.

*HD Supply Program:* Anticipated \$65,000 sponsorship in royalty payments per contract, based on current activity.

*Career Center:* Current levels.

# **III. Expense Details/Notes – FY 2017**

## ***1. Meetings***

***Meetings:*** Winter and Fall meeting expenses include the hotel contract (space, food and beverage, audiovisual), as well as expenses such as photography, speaker fees and/or speaker travel expenses, printing/copying, shipping, signs, etc.

***Sponsorship Expense*** represents commission and staffing resource expenses for the projected meeting sponsorship income from the Townsend Group.

***Strategic Planning:*** NAHMA will hold its next Board-level strategic planning workshop in January 2017. Preparatory work will be done by the strategic planning facilitator in the second half of 2016. In 2017, the budget includes \$30,000 in expense for the facilitator, and \$15,000 for the hotel/event expense.

## **2. Publications**

*Calendar Printing & Production:* This represents design and printing costs: \$46,000 (\$3,000 for design for promotional flyers and calendar, and \$43,000 in printing costs, including scanning posters, printing promotional flyers, imprint fees, and printing 55,000 calendars with some allowance for overage).

*Calendar Shipping:* Includes labor and packing materials cost for mailing house to package calendar orders (in special boxes to ensure safe delivery without damage), as well as postage. Current projected cost is based on current expense history. (NAHMA will begin tracking shipping and labor / materials expense per order more closely in late 2016/early 2017, to develop data for comparison on shipping costs incurred by management companies for the two main ways calendars are shipped (i.e., either all units shipped directly to the management company, and the company distributes to properties, or all units shipped directly by NAHMA to various properties on behalf of the management company).

*Newsletters:* NAHMA News and NAHP Update annual production costs (for design, printing and mailing/postage).

*Directories:* For 500 NAHMA member directories at \$2000 (design, printing, and mailing).

*Calendar Rebates & Commissions:* For AHMA calendar rebates, based on past revenue/expense data. (A variance is always possible as a result of sales bonuses due to the AHMAs, based on sales that exceed the previous year's sales.)

*Insurance and Risk Management Booklet:* Reprint not likely to be needed.

*SHCM Study Guide Booklet:* Reprint not likely to be needed.

*Green Housing Booklet:* Reprint not likely to be needed.

*Other Publications:* No expense expected to be incurred.

## **3. Certification & Training**

*Vanguard Award:* Current program experience.

*504/Fair Housing Course:* Estimated expense per class:

Assuming 6 classes and 20 students per class --

\$3600 - \$30 per student administration\*

\$500 - for shipping materials to courses

\$4000 to Testrac

(\*This portion of direct expense incurred by NAHMA is included in several accounts under Management and General.)

*CPO Course:* Estimated expense per class:

Assuming 20 classes and 30 students per class --  
\$18,000 - \$30 per student course administration\*  
\$3,000 per year in course materials (CDs, pencils, sharpeners, etc.)  
\$500 for shipping  
\$7000 – to Testrac

(\*This portion of direct expense incurred by NAHMA is included in several accounts under Management and General.)

*Advanced Issues in Occupancy Course:* Estimated expense per class:

Assuming 4 classes and 8 students per class --  
\$960 - \$30 per student course administration\*  
\$200 per year in course materials (pencils, sharpeners, etc.)  
\$200 - for shipping materials to course  
\$1500 to Testrac

(\*This portion of direct expense incurred by NAHMA is included in several accounts under Management and General.)

*Specialist in Housing Credit Management (SHCM) Certification Program:* Expenses projected at \$100,000.

Estimated Revenue Sharing with AHMA's - \$7500  
30% Renewal fee to partner one (minus grandfathers) \$35,000  
15% Renewal fee to partner two (minus grandfathers) \$17,000  
4 invoice mailings, letterhead, envelopes, cards, pins, postage- \$5,000  
Exam development/maintenance \$7,000  
Booth Marketing Pieces \$1,000  
Shipping \$1000  
Travel & Meeting Expense \$1,000  
Newsletter \$18,000  
TesTrac voucher fee \$8000

*NAHP Program Expense:* Current spending, primarily for renewal-related expenses plus stationery and pins.

*Maintenance Credential:* Limited expense anticipated.

*COQ Recognition Program:* This line now shows the rebates due to the AHMAs, as well as any estimated program expense for miscellaneous activities, including printing and shipping. Application rebates due:  $46 * \$75 = \$3,450$ ; Renewal rebates due:  $\$42,000 / 2 = \$21,000$

*Green Credential:* Expense is the 50% rebate due to NAA.

*Course Development:* For hiring third-party contractor if course updates are needed as a result of regulatory or other changes to the 4350.3 Handbook or fair housing law, based on actual expense experience since 2007. (Updates are usually handled by volunteers.)

#### ***4. Regulatory & Legislative***

***Budgeted expense of \$25,000 reflects:***

- a) Current average basic annual expense of \$7,000 for miscellaneous activities, including Congressional Directory booklet for members; and
- b) \$12,000 for enhanced legislative and regulatory tracking tool for GR staff (to replace outside lobbyists);
- c) \$3,000 for congressional contacts / coalition building / grassroots tools via Congressional Management Foundation;
- d) \$3,000 for emergency other use, such as legal fees for an Amicus filing, etc.

#### ***5. Management & General***

*Salaries:* This expense represents the salary profile for eight full-time employees, and includes a 2.5% increase over existing salaries for merit raises to be implemented in July 2017 (i.e., actual merit increase of about 3 to 5%, but budgeted at about half the amount since it's implemented at mid-year).

*Temporary Salaries:* No expense anticipated.

*Payroll Taxes:* Payroll taxes based on projected expense.

*Workers Comp:* Current expense estimated to remain essentially flat.

*Health Insurance & Employee Benefits:* The FY 2017 budget reflects benefits for eight staff members, including health and dental insurance, etc. This budget line also includes the 3 percent contribution to full-time staff member 401K accounts under the NAHMA 401K non-elective safe harbor requirement, as well as expenses related to testing/reporting for the 401K plan (as required under ERISA).

*Dues & Subscriptions:* Current spending is projected to remain flat, and includes Housing Development Reporter; Congress Daily; ASAE memberships; miscellaneous professional development courses for staff; Association Trends; Tax Credit Coalition; NLHA; NHC; and miscellaneous other housing and association publications.

*Telephone & Communications:* Includes NAHMA's Comcast Internet and automated phone service, four cell phones with email service, and conference calls.

*Membership Development:* Spending for special promotional pieces is contained within PR spending; much of our development work is conducted through electronic means and social media.

*Business Property Taxes:* Current spending.

*Parking & Transportation:* Includes staff parking in Alexandria, as well as parking for meetings in Washington, DC.

*Travel:* Travel expense is partially offset by travel income under Meetings.

*Entertainment & Meals:* Current spending is projected to remain flat.

*Payroll Services:* Includes technical support and service from QuickBooks.

*Accounting/Bookkeeping:* QuickBooks maintenance fee.

*Audit:* Current spending.

*Legal – Operations:* Contingency expense if needed.

*Liability Insurance:* Fidelity bond for 401K; directors & officers liability; commercial/general; professional liability; crime policy.

*Rent – Office:* Current rent will increase by 3% on May 1, 2017, for an annual rent of \$54,000. Also included is an estimated property tax and common area expense of \$11,000 (off-site storage space has been eliminated).

*Rent – Equipment:* Current spending.

*Tech Support:* Includes annual IT contract support for weekly updates and server/work station maintenance, and daily off-site back-up service, as well as miscellaneous desktop and server software (virus protection, back-up protection, registration fees), miscellaneous hardware, and printer maintenance and repairs that cannot be capitalized based on NAHMA's IT procurement calendar (three-year calendar). This line also includes \$16,000 for annual outsourced data entry support.

*Web Site:* Expense includes annual hosting fees of \$6,500.

*Office Supplies:* Current spending is projected to remain flat.

*Bank Charges:* Current spending levels.

*Depreciation:* Based on current and projected expense for regular IT replacements, database and website upgrades, and other anticipated capital expense.

*Public Relations:* Budget primarily reflects expense for press release listserve software.

*Shipping:* Current spending.

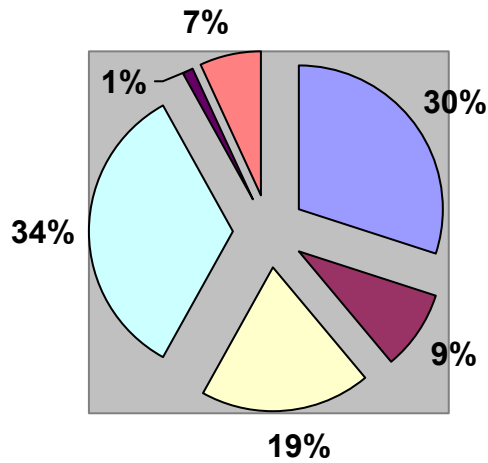
*Management & General Other:* Current spending includes various gifts and awards.

**IV. NAHMA Total Revenue Per Year Since 1997**  
**(As Reported on Year-end Audited Financial Statement)**

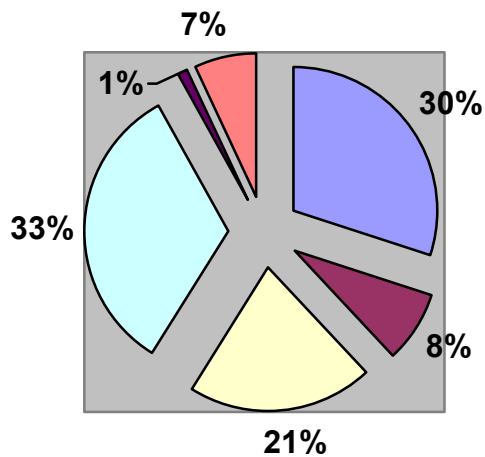
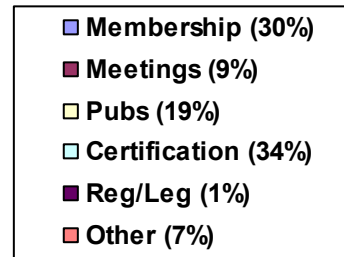
<b>Year</b>	<b>Total Revenue</b>	<b>Difference from Previous Year</b>	<b>Percent Change from Previous year</b>
1997	\$1,482,278	n/a	n/a
1998	\$1,302,463	(179,815)	- 12.1%
1999	\$1,176,626	(125,836)	- 9.6%
2000	\$1,066,892	(129,734)	- 11.0%
2001	\$1,232,065	185,173	+17.7%
2002	\$1,130,782	(101,283)	- 8.2%
2003	\$1,143,199	12,417	+1.1%
2004	\$1,267,489	124,290	+9.8%
2005	\$1,183,579	(83,910)	- 6.6%
2006	\$1,370,739	187,160	+16%
2007	\$1,393,662	22,923	+ 1.7%
2008	\$1,429,383	35,721	+ 2.5%
2009	\$1,506,400	77,017	+ 5.4%
2010	\$1,564,523	58,123	+ 3.8%
2011	\$1,677,693	113,170	+7.2%
2012	\$1,712,096	34,403	+2.0%
2013	\$1,899,609	187,513	+10.9%
2014	\$1,892,774	(6,835)	- .4%
2015	\$1,850,393*	(42,381)*	- 2.2%

\*No Summer Meeting Party sponsorship pass-through revenue in 2015.

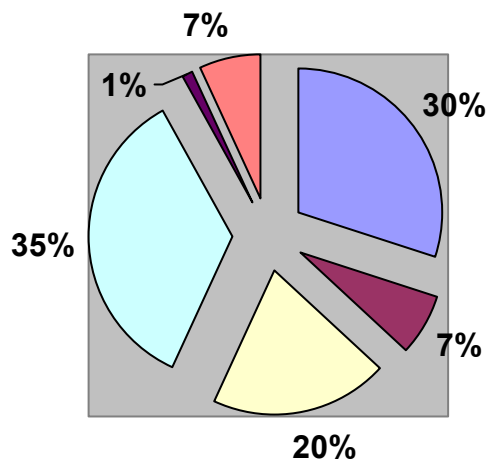
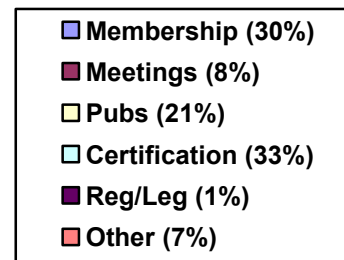
## V. Graphs: Income Percentage by Program Area (As shown on financial statement of activities)



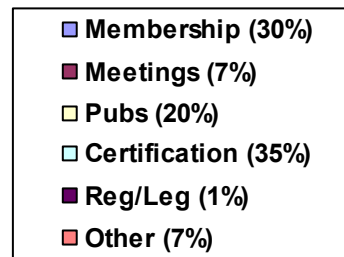
**2013 Revenue**



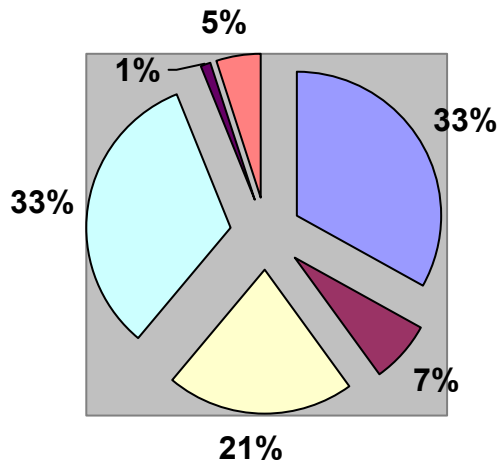
**2014 Revenue**



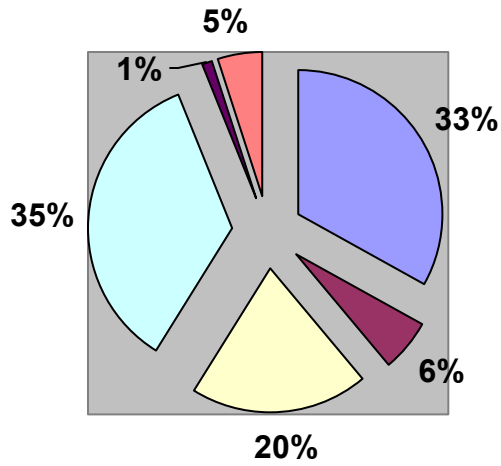
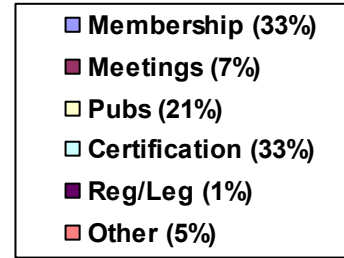
**2015 Revenue**



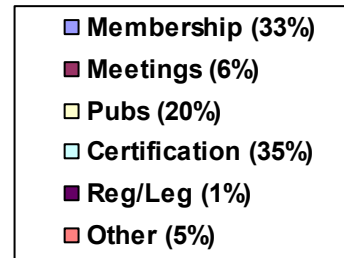




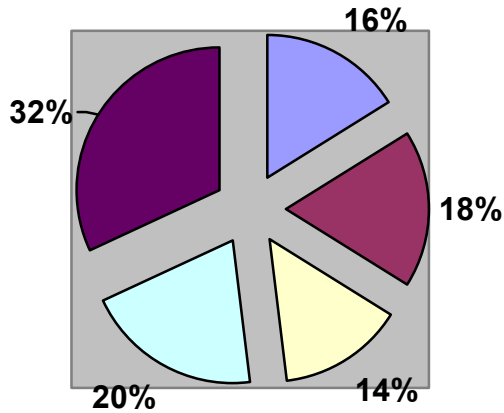
**2016 Budgeted Revenue**



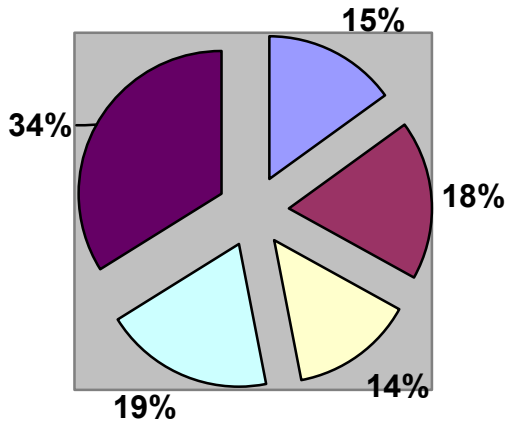
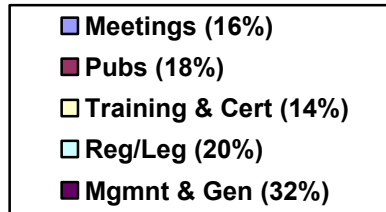
**2017 Budgeted Revenue**



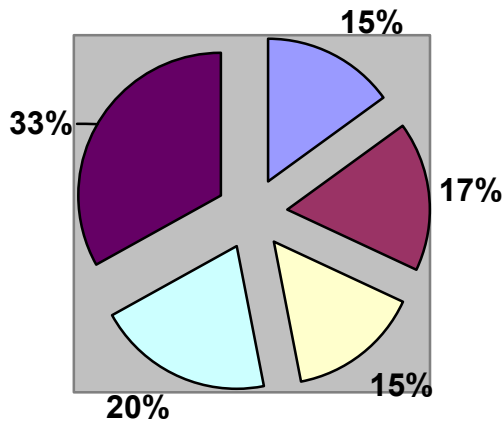
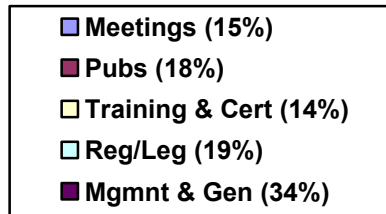
## VI. Graphs: Expense Percentage by Function (As shown on annual audit by functional expense)



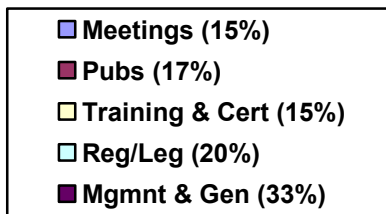
**2013 Functional Expenses**



**2014 Functional Expenses**



**2015 Functional Expenses**



Graphs are not available for 2016 and 2017 without audits for these years; however, the expense percentage by program area is expected to remain essentially the same.