

National Affordable Housing Management Association

Approved Budget for FY 2021
(Approval Date: Oct. 22, 2020)

	Actual Year to Date 12/31/2019	Actual Year to Date 6/30/2020	Approved FY 2020 Budget	Projected Year-end 12/31/2020	Projected Variance to Budget at Year-end 12/31/2020	Projected Percent Variance at Year- End	Approved FY 2021 Budget	Projected Worst Case Scenario, with no economic recovery in 2021
Revenue								
Membership Dues								
Executive Members	\$222,138	\$196,350	\$223,000	\$214,200	(\$8,800)		\$220,000	\$214,200
Executive II Members	37,525	27,650	40,500	33,575	(6,925)		40,000	33,575
Executive III Members	20,184	17,150	20,000	20,000	0		24,000	20,000
Associate Members	38,960	25,075	40,500	33,925	(6,575)		38,000	33,925
Affiliate Members	70,218	63,375	72,000	68,200	(3,800)		72,000	68,200
Subscriber Members	171,920	113,390	184,000	147,000	(37,000)		160,000	147,000
Total Membership Dues	560,945	442,990	580,000	516,900	(63,100)	-11%	554,000	516,900
Meetings								
Winter Meeting (March)	54,355	53,485	65,000	53,485	(11,515)		24,000	24,000
Fall Meeting (October)	59,220	0	70,000	24,000	(46,000)		72,000	24,000
Meeting Sponsorships	8,400	4,995	5,000	4,995	(5)		5,000	5,000
Travel	10,455	0	10,000	0	(10,000)		5,000	0
Total Meetings & Education	132,430	58,480	150,000	82,480	(67,520)	-45%	106,000	53,000
Publications								
Calendar Prior Year	957	88	0	88	88		0	0
Calendar Current Year	326,255	0	297,000	208,000	(89,000)	-30%	297,000	208,000
Advertising & Sponsorships	101,090	108,990	105,000	108,990	3,990		105,000	105,000
Insurance & Risk Management	45	180	0	180	180		50	50
SHCM Study Guidebook	4,840	1,290	2,000	2,000	0		2,000	2,000
Green Housing Book	(35)	120	0	120	120		50	50
Shipping Charges-Calendars	24,376	173	0	17,500	17,500		25,000	17,500
Total Publications	457,528	110,841	404,000	336,878	(67,122)	-17%	429,100	332,600
Certification & Training								
NAHPe - Renewal	39,610	35,300	41,000	36,000	(5,000)		39,000	36,000
NAHP Application	5,100	1,990	3,500	2,000	(1,500)		3,500	2,000
CPO-FHC Retest	3,015	515	4,000	700	(3,300)		4,000	700
NAHP Renewal	13,500	12,501	14,000	13,000	(1,000)		14,000	13,000
CPO Renewal	179,544	160,001	172,000	163,000	(9,000)		180,000	163,000
SHCM Program	200,171	25,200	215,000	192,000	(23,000)		205,000	192,000
CPO Courses (2-1/2 day & 1 day)	75,575	10,020	70,000	18,000	(52,000)		40,000	18,000
504/Fair Housing Course	22,740	4,110	22,000	10,000	(12,000)		16,000	10,000
BCD (form ACPO) Course	555	0	2,000	0	(2,000)		2,000	0
BCD (form ACPO) Renewals	8,298	7,275	7,500	7,300	(200)		7,500	7,300
Maintenance Credential	8,810	6,620	9,000	6,700	(2,300)		9,000	6,700
COQ Applications	3,750	75	6,000	500	(5,500)		4,000	500
COQ Renewals	58,595	3,900	46,000	40,000	(6,000)		50,000	40,000
COQ Awards Sponsorships	0	7,000	0	7,000	7,000		10,000	10,000
National Webinar/NELLS	12,500	0	0	10,000	10,000		10,000	10,000
Green Credential	25,125	17,545	26,000	18,000	(8,000)		25,000	18,000
Temp - Rev from Test Vouchers*	0	9,936	0	0	0		0	0
Xprize Literacy Campaign	20,833	0	0	0	0		0	0
Vanguard Award	2,100	0	2,000	0	(2,000)		2,000	1,000
Total Certification	679,821	301,988	640,000	524,200	(115,800)	-18%	621,000	528,200
Regulatory & Legislative								
Legislative Contributions	8,200	5,500	10,000	6,000	(4,000)		8,000	6,000
Total Regulatory & Legislative	8,200	5,500	10,000	6,000	(4,000)	-40%	8,000	6,000
Other Income								
Interest	14,069	10,764	10,000	11,000	1,000		10,000	10,000
Dividends	6,456	849	3,000	1,000	(2,000)		3,000	1,000
Reimbursable Cost-Sharing FDTN	15,000	0	15,000	15,000	0		15,000	15,000
Buyers Access Program	5,000	0	17,000	17,000	0		17,000	17,000
Insurance Program	15,000	15,000	15,000	15,000	0		15,000	15,000
HD Supply Program	17,000	17,000	17,000	17,000	0		17,000	17,000
Other - Income (inc. Career Center)	9,695	2,765	5,000	4,000	(1,000)		5,000	5,000
Total Other Income	82,220	46,378	82,000	80,000	(2,000)	-2%	82,000	80,000
Total Revenue	1,921,144	966,177	1,866,000	1,546,458	(319,542)	-17%	1,800,100	1,516,700

National Affordable Housing Management Association

Approved Budget for FY 2021
(Approval Date: Oct. 22, 2020)

	Actual Year to Date 12/31/2019	Actual Year to Date 6/30/2020	Approved FY 2020 Budget	Projected Year-end 12/31/2020	Projected Variance to Budget at Year-end 12/31/2020	Projected Percent Variance at Year- End	Approved FY 2021 Budget	Projected Worst Case Scenario, with no economic recovery in 2021
Expenses								
Meetings								
Winter Meeting (March)	80,030	80,023	76,000	80,023	4,023		30,000	30,000
Fall Meeting (October)	81,606	0	76,000	24,000	(52,000)		82,000	30,000
Sponsorship Expense	2,240	1,748	2,000	1,748	(252)		2,000	2,000
Strategic Planning**	0	0	0	0	0		0	0
Meeting-AHMA Convocation	0	0	2,000	0	(2,000)		2,000	0
Total Meetings & Education	163,876	81,771	156,000	105,771	(50,229)	-32%	116,000	62,000
Publications								
Calendar - Prntg & Production	40,320	0	30,000	30,000	0		30,000	30,000
Calendar Shipping	29,045	319	25,000	25,000	0		25,000	25,000
Newsletters	75,198	32,209	62,000	62,000	0		63,000	63,000
Directories	1,908	1,440	2,000	1,440	(560)		2,000	2,000
Calendars Rebates & Commissions	124,865	39,340	110,000	110,000	0		110,000	110,000
Insurance & Risk Management	0	0	0	0	0		0	0
SHCM Study Guidebook	2,056	276	1,000	500	(500)		1,000	1,000
Green Housing Book	0	64	0	64	64		0	0
Other Publications	0	0	0	0	0		0	0
Total Publications	273,392	73,648	230,000	229,004	(996)	0%	231,000	231,000
Certification & Training								
Vanguard Awards	1,254	300	1,000	300	(700)		1,000	1,000
504/Fair Housing Course	4,507	620	5,000	1,000	(4,000)		5,000	1,000
CPO Course	14,942	4,888	14,000	6,000	(8,000)		16,000	6,000
BCD (form ACPO) Course	1,535	148	1,500	200	(1,300)		1,500	200
SHCM Program	91,432	20,377	95,000	95,000	0		95,000	95,000
NAHP Program Expense	12,340	3,985	13,000	6,000	(7,000)		13,000	6,000
Maintenance Credential	800	212	1,500	500	(1,000)		1,500	500
COQ Recognition Program	34,511	4,358	28,000	20,500	(7,500)		28,000	20,500
COQ Awards Program	0	6,456	0	7,000	7,000		10,000	7,000
GCPM	14,025	9,266	13,000	10,000	(3,000)		13,000	10,000
Xprize Literacy Campaign	1,000	0	0	0	0		0	0
Course Devel / NELLIS	12,000	0	1,000	9,600	8,600		9,600	9,600
Total Certification	188,346	50,610	173,000	156,100	(16,900)	-10%	193,600	156,800
Regulatory & Legislative								
Consultants/Legal	17,144	9,796	16,000	17,000	1,000		13,000	13,000
Total Regulatory & Legislative	17,144	9,796	16,000	17,000	1,000	6%	13,000	13,000
Management & General								
Salaries	772,257	370,605	796,000	796,000	0		796,000	796,000
Payroll Taxes	52,825	29,029	50,000	50,000	0		51,000	51,000
Workers Compensation	1,642	1,560	1,500	1,560	60		1,500	1,500
Health Insur. & Empl. Benefits	111,840	55,643	119,000	119,000	0		123,000	123,000
Dues & Subscriptions	9,533	8,235	10,000	10,000	0		10,000	10,000
Telephone & Communications	11,028	5,476	11,500	11,500	0		11,500	11,500
Membership Development	1,432	711	1,000	1,000	0		1,000	1,000
Business Property Taxes	2,674	0	2,500	2,500	0		2,500	2,500
Parking/Trans.	11,663	6,921	15,000	15,000	0		13,800	13,800
Travel	29,377	240	20,000	500	(19,500)		10,000	1,000
Entertainment & Meals	1,807	344	2,000	500	(1,500)		500	500
Payroll Service and Expenses	2,264	1,180	2,000	2,000	0		2,500	2,500
Accounting/Bookkeeping	2,155	2,263	2,000	2,300	300		2,300	2,300
Audit/Tax Return Prep	6,300	6,500	6,500	6,500	0		6,500	6,500
Legal - Operations	1,626	2,750	1,000	2,750	1,750		1,000	1,000
Liability Insurance	14,632	6,875	15,000	15,000	0		16,000	16,000
Rent - Office	70,687	36,134	73,500	73,500	0		66,500	66,500
Rent - Equipment	13,325	5,597	12,500	12,500	0		12,500	12,500
Tech Support	63,105	31,810	62,000	62,000	0		63,000	63,000
Web Site Maintenance	13,220	6,300	20,000	20,000	0		15,000	15,000
Office Supplies & Expense	10,947	4,140	12,000	10,000	(2,000)		12,000	12,000
Credit Card & Other Bank Charges	29,552	22,411	20,000	26,000	6,000		30,000	30,000
Depreciation	16,765	9,996	20,000	20,000	0		20,000	20,000
Public Relations	1,609	999	2,000	1,000	(1,000)		2,000	2,000
Shipping/Postage	5,715	2,404	5,000	5,000	0		5,000	5,000
Other Management & General	11,211	4,272	9,000	9,000	0		9,000	9,000
Total Management & General	1,269,191	622,395	1,291,000	1,275,110	(15,890)	-1%	1,284,100	1,275,100

National Affordable Housing Management Association

Approved Budget for FY 2021
(Approval Date: Oct. 22, 2020)

	<i>Actual Year to Date 12/31/2019</i>	<i>Actual Year to Date 6/30/2020</i>	<i>Approved FY 2020 Budget</i>	<i>Projected Year-end 12/31/2020</i>	<i>Projected Variance to Budget at Year-end 12/31/2020</i>	<i>Projected Percent Variance at Year- End</i>	<i>Approved FY 2021 Budget</i>	<i>Projected Worst Case Scenario, with no economic recovery in 2021</i>
Total Expenses	1,911,949	838,220	1,866,000	1,782,985	(83,015)	-5%	1,837,700	1,737,900
Change in Net Assets from Operations	9,195	127,957	0	(236,527)	(236,527)		(37,600)	(221,200)
Budgeted Contribution to Reserves	0	0	0	0	0		0	0
Change in Net Assets***	9,195	127,957	0	(236,527)	(236,527)		(37,600)	(221,200)

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

**Strategic Planning occurs every five years, and cost is spread over two years (the year prior to and the year of the event); next cycle 2021-2022

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



NAHMA Approved Budget for FY 2021

Executive Summary and Details/Notes

(Approval Date: Oct. 22, 2020)

I. Executive Summary – FY 2021

Like many organizations and businesses, NAHMA has been significantly impacted by the pandemic in many ways, including financially. At the end of June 2020, Change in Net Assets from Operations (Net Income) was down by 44 percent compared to year-to-date 2019, and we are projecting cashing out about 25 percent of investment reserves by year end 2020 (based on having about \$930,000 in investments at year-end 2019). Next year is difficult to predict, since a turn for the better economically seems to depend on the availability of an effective vaccine, and when that might be broadly delivered across the U.S. population. Even with early success in a vaccine, it may take years for the U.S. economy to recover from the effects of the pandemic.

Due to these unique circumstances, the NAHMA Proposed FY 2021 budget differs from previous years. It focuses less on historical trends, since they are mostly moot at this point, and instead, presents projected budget results for year-end 2020, including projected variances in both numerical format and percentage (see pink columns on the data spreadsheet).

In addition to the Proposed FY 2021 budget column on the data spreadsheet (in yellow), the document also includes a final column (in blue) that presents, as informational background, what a potential worst-case scenario might look like from a financial perspective, if there is no real recovery in business and economic activity in 2021, as a result of either an early vaccine not being effective or there being significant distribution problems or delays.

Other Assumptions in the Proposed FY 2021 Budget:

No increases in any fees or dues are requested.

Strategic planning, which under our normal schedule would begin in Fall 2021, is recommended to be delayed by a year, so as to not add to the projected deficit.

Meetings budgets reflect the hope that the Fairmont will again work with NAHMA on any necessary changes to our existing hotel contracts, as they did for October 2020. If the

Fairmont chooses to not work with us in a positive way, it could have serious negative impact on our projected deficit – increasing it by \$150,000 to \$300,000.

Rent for NAHMA's headquarters office at 400 N. Columbus Street in Old Town Alexandria reflects a new lower rate for the next two years, as recently negotiated with the building's owner.

As always, NAHMA staff remains committed to holding the line on expenses to the greatest extent possible.

II. Revenue Details/Notes – FY 2021

1. Membership Dues

Chart One:

* The estimated total number of members to be billed in January 2021, at the full dues rate, is comprised of the actual number of members at June 30, 2020, plus estimated additional new members to be recruited between July and December 2020.

* The estimated total number of members to be billed in January 2021 is multiplied by the projected retention rate of 90 percent to find the estimated number likely to renew at the full dues rate in 2021.

Chart Two:

* New members projected for recruitment in FY 2021 are noted by category. New members pay full dues if they join before June 1, and prorated (half) dues thereafter.

Membership Category 2021	Actual 07/12/2020	Addl New Jul-Dec 20	Est. Total Billed Jan 2021	At 90% at renewal	Dues Amount	Subtotal One
Executive	74	3	77	69	\$2,975	\$205,275
Executive II	22	1	23	19	\$1,975	\$37,525
Executive III+	18	2	20	18	\$1,225	\$22,050
Associate	25	2	27	24	\$1,475	\$35,400
Affiliate	73	5	78	70	\$975	\$68,250
Subscribers	n/a	n/a	1375	1375	\$115	\$158,125
Category (Est. New in FY21)	Joining in Jan-May	Est. Full Dues Paid	Joining in June-Dec	Est. Prorated Dues Paid	Subtotal Two Est. New Dues in FY 21	Est. Total Dues Paid in FY 21
Executive	3	\$8,925	4	\$5,952	\$14,877	\$220,152
Executive II	1	\$1,975	1	\$988	\$2,963	\$40,488
Executive III+	1	\$1,225	2	\$1,226	\$2,451	\$24,501
Associate	1	\$1,475	1	\$738	\$2,213	\$37,613
Affiliate	3	\$2,925	3	\$1,464	\$4,389	\$72,639
Subscribers	n/a	n/a	n/a	n/a	\$0	\$158,125
New members in mos.:	9		11	GRAND TOTAL:		\$553,518
New members in 2021		20				

2. Meetings

Current year projection: Revenue projected for the Fall (October) 2020 meeting is based on a completely virtual meeting, with 125 attendees paying a \$190 registration fee.

Proposed Budget FY 21: Revenue projected for the Winter (March) 2021 meeting is based on a completely virtual meeting, with 125 attendees paying a \$190 registration fee. Revenue for the October meeting in 2021 is based on a typical in-person meeting, per the chart below. The budget assumption is that the Fairmont either negotiates with NAHMA to move the March 2021 meeting contract to a later year at no penalty, or we are able to exit the contract due to the Force Majeure clause; if neither of these outcomes are possible, NAHMA will face a (not-budgeted) financial penalty of some \$125,000 to \$150,000 to not hold an in-person meeting at the Fairmont in March 2021.

Worst-case Scenario Column: In this scenario, revenue for both the Winter and October 2021 meetings is based on a completely virtual meeting, with 125 attendees paying a \$190 registration fee. The scenario assumption is that the Fairmont either negotiates with NAHMA to move the March and October 2021 meeting contracts to a later year at no penalty, or we are able to exit the contracts due to the Force Majeure clauses in both of the contracts; if these outcomes are not possible, NAHMA will face a (not-budgeted) financial penalty of some \$125,000 to \$150,000 **per each meeting** to go virtual rather than meet in-person.

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.

FALL 2021 - Scenario 1			
Category	Avg. #	Reg or F/B Fee	Total
Executive	64	\$430	\$27,520
Associate	7	\$555	\$3,885
New Associate Next Gen Registration	4	\$200	\$800
Affiliate	48	\$555	\$26,640
NAHMA Subscriber	3	\$555	\$1,665
Guest	8	\$655	\$5,240
AHMA ED	12	\$195	\$2,340
AHMA President	12	\$195	\$2,340
Specials (Luncheon tickets)	10	\$65	\$650
Late Reg after early bird closes	6	\$50	\$300
Walk on Reg- Late fees	2	\$75	\$150
Total	160		\$71,530

Meeting sponsorships are expected to come in at comparable levels to 2021. (In 2013 NAHMA rebalanced the way it allocates sponsorship / advertising revenue, by 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). In the proposed budget, travel to AHMAs would resume in the summer of 2021.

3. Publications

Calendar Prior Year: All sales are budgeted to occur within one fiscal year.

Calendar Current Year: Projected calendar sales would return to normal, historical trend levels, at projected sales of 54,000 2022 calendars at \$5.50 each.

Advertising & Sponsorships: Advertising and sponsorships revenue for NAHMA News, NAHMA Website, the Affordable 100, the Membership Directory, the NAHMA Leaders Talk Trends e-newsletter, etc., 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.

Shipping Charges-Calendars: Based on estimated calendar sales.

4. Certification & Training

NAHP-e Renewal: (265 renewed in 2020 + est. 20 newly certified in late 2019 and est. 5 late renewals) = 290 times 90% retention = 261 times \$150 = \$39,150

NAHP Application: NAHP -- 10 x \$110 = \$1100; NAHP-e -- 12 x \$190 = \$2280

CPO-FHC Retest: Current activity level.

NAHP Renewal: (130 renewed in 2020 + est. 10 newly certified in late 2019 and est. 5 late renewals) = 145 times 75% retention = 109 times \$125 = \$13,625

CPO Renewal: (1750 renewed in 2020 + est. 400 newly certified in late 2019-20 and est. 60 late renewals) = 2210 times 81% retention = 1790 times \$100 = est \$180,000

Specialist in Housing Credit Management (SHCM) Certification Program: Projected at a total of \$205,000:

*Grandfather SHCM Renewal Revenue= 200 (est renewed in fall 2020 + 5 new applicants + 20 late renewals)*85% retention = $191 * \$165 = \$31,515$
 *Grandfather SHCM Application Revenue: The application fee for the SHCM grandfather is \$160 each with an estimated 5 new SHCM grandfather applications in 2021=\$800
 *Regular SHCM's Renewal Revenue= (822 est renewed in fall 2020) +120 New SHCM's in 2020 and 5 late 2019 renewals)*85% retention rate= $805 * 165 = \$132,825$
 *Standard SHCM Application Revenue: The application fee for the SHCM is \$160 each, with an estimated 120 new SHCM applications in 2021— $160 * 120 = \$19,200$
 *SHCM Exam Revenue: Estimated 350 exams times \$50 = \$17,500
 *SHCM Exam Retest: Estimated 25 exams times \$85=\$2,125
 *SHCM Candidacy Admin Fee: $260 * 10 = 2,600$
 *SHCM Company- Application fee $\$160 * 2 = \320
 *SHCM Company Renewals for current SHCM companies- $4 * \$95 = \380

CPO Courses - Two-and-a-half-day course: Total = \$19,500

Two-and-a-half-day course: Anticipate 5 classes (average class size is 30 students):

Royalty fee \$1500 for 5 classes = \$7,500

Course Admin fee for 5 classes @ \$30.00 per student (based on 30 students)

$\$30.00 * 30 = \$900 * 5 \text{ classes} = \$4,500$

Testrac Online Exams for 5 classes @ \$50.00 per student (based on 30 students)

$\$50.00 * 30 = 1500 * 5 = \$7,500$

(Corresponding direct expense per class is shown in the expense column; actual net revenue is \$1500 per course royalty fee, or \$7,500 total.)

CPO Courses - One-day course: Total = \$22,000.00

One-day course: Anticipate 7 classes (average class size is 30 students):

Royalty fee \$750 for 7 classes = \$5250

Course Admin fee for 7 classes @ \$30.00 per student (based on 30 students)

$\$30.00 * 30 = \$900 * 7 \text{ classes} = \6300

Testrac Online Exams for 7 classes @ \$50.00 per student (based on 30 students)

$\$50.00 * 30 = 1500 * 7 = \$10,500$

(Corresponding direct expense per class is shown in the expense column; actual net revenue is \$750 per course royalty fee, or \$5250 total.)

504/Fair Housing Course: Total = \$16,450

Anticipate 7 classes (average class size is 20 students):

Royalty fee \$750 for 7 classes = \$5250

Course Admin fee for 7 classes @ \$30.00 per student (based on 20 students)

$\$30.00 * 20 = \$600 * 7 = \$4200$

Testrac Online Exams for 7 classes @\$50.00 per student (based on 20 students)

$\$50.00 * 20 = 1000 * 7 = \$7,000$

(Corresponding direct expense per class is shown in the expense column; actual net revenue is \$750 per course royalty fee, or \$5250.)

Blended Compliance Designation (form. ACPO) Course: Anticipate 1 class with an average of 10 students per class:

Royalty fee \$750 for 1 class = \$750

Course Admin fee for 1 class @ \$30.00 per student (based on 10 students)

$\$30.00 \times 10 = \300

Testrac Online Exams for 1 classes @ \$50.00 per student (based on 10 students)

$\$50.00 \times 10 = 500$

Total = \$1,600

(Corresponding direct expense per class is shown on the expense column; actual net revenue is \$750 per course royalty fee, or estimated total of \$750.)

Blended Compliance Designation (form. ACPO) Renewals: (71 renewed in 2020 + 0 newly certified in late 2019) = $71 \times \$105 = \$7,455$

NAHMS/NAHMT (Maintenance Credential): Application fee = $\$110 \times 10 = \$1,100$;

Renewal fee \$100 -- (100 renewed + 10 new certificants + 5 anticipated new certificants that will come in late 2020 = with a 70% retention rate) = $80 \times 100 = \$8,000$

COQ Applications: For 2021, we estimate 40 applications, with 15 paying NAHMA the full amount (\$150, with rebate expense shown under expense), and 25 paying NAHMA \$75, as follows: $15 \times \$150 = \$2,250$, and $25 \times \$75 = \$1,875$, for an estimated gross revenue of about \$4,000.

COQ Renewals: For 2021, we estimate a total renewal population of about 550 times 85 percent renewal rate, times \$100 each = \$46,700.

COQ Awards Program: This budget account has been moved to the NAHMA ledger from the NAHMA Educational Foundation, and represents two sponsorships at \$5,000 each. The COQ Awards Program is break-even, so projected revenue of \$10,000 balances with a projected expense of \$10,000. (In 2020, the revenue is \$7,000, since the move to NAHMA's books occurred at the end of the program year, which was March 2020.)

National Webinar/NELLS (NAHMA Emerging Leaders Learning Series): The national webinar program is not currently scheduled to be offered in 2021. The NELLS course is break-even, projected revenue of \$10,000 balances with a projected expense of \$10,000.

CGPM (Green credential): Application fee = $\$160 \times 50$ applicants = \$8,000 (expense for 50% split with NAA is shown under expense); renewal for 2021 = 158 (158 renewed + 17 new certificants + 15 anticipated new certificants = with a 70% retention rate) $133 \times \$135 = \$17,955$

Vanguard Award: Current program experience.

5. Regulatory & Legislative

Again in 2021, when we bill for NAHMA membership dues in January, we will include a voluntary contribution request of \$50 for the Reg-Leg Fund. This budget line also includes contributions from AHMAs.

6. Other Income

Interest: Current year-end levels are expected to maintain.

Dividends: Current year-end levels are expected to maintain.

Reimbursable Cost-Sharing from the NAHMA Educational Foundation: In 2021, the NAHMA Educational Foundation will reimburse NAHMA \$15,000 for expenses incurred on behalf of the Foundation under the cost-sharing agreement.

Buyers Access Program: Anticipated revenue based on contract (Platinum sponsorship).

USI (form. Wells Fargo) Insurance Program: Anticipated revenue based on contract (Platinum sponsorship).

HD Supply Program: Anticipated revenue (Platinum sponsorship).

Career Center: Current levels.

III. Expense Details/Notes – FY 2021

1. Meetings

Meetings: In general, 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.

Meetings - Current year projection: Expense projected for the Fall (October) 2020 meeting is based on a completely virtual meeting, with licensing for a software platform and engineer to assist with technical aspects of hosting the meeting.

Meetings - Proposed Budget FY 21: Expense projected for the Winter (March) 2021 meeting is based on a completely virtual meeting, with licensing for a software platform and engineer to assist with technical aspects of hosting the meeting. Expense for the October meeting in 2021 is based on a typical in-person meeting at the Fairmont. The scenario assumption is that the Fairmont either negotiates with NAHMA to move the March 2021 meeting contract to a later year at no penalty, or we are able to exit the contract due to the Force Majeure clause; if neither of these outcomes are possible,

NAHMA will face a (not-budgeted) financial penalty of some \$125,000 to \$150,000 to not hold an in-person meeting at the Fairmont in March 2021.

Meetings – Worst-Case Scenario projection: Expense for both the Winter and October 2021 meetings is based on a completely virtual meeting, with licensing for a software platform and engineer to assist with technical aspects of hosting the meeting. The scenario assumption is that the Fairmont either negotiates with NAHMA to move the March and October 2021 meeting contracts to a later year at no penalty, or we are able to exit the contracts due to the Force Majeure clauses in both of the contracts; if these outcomes are not possible, NAHMA will face a (not-budgeted) financial penalty of some \$125,000 to \$150,000 **per each meeting** to go virtual rather than meet in-person.

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

Strategic Planning: Implementation will continue for the NAHMA 2017-2021 Strategic Plan, with budgeting impacts included within pertinent existing expense accounts. Meanwhile, the next phase of Strategic planning, for 2022-2026 would normally begin in Fall 2021, with the expense (typically \$20,000) of retaining an outside facilitator and that person beginning their review and analysis of NAHMA and the industry. It is recommended that work on the next Strategic plan be delayed by a year, so as to not add to the projected deficit.

Meeting – AHMA Convocation: Expense for annual NAHMA-AHMA convocation, held annually in conjunction with a NAHMA meeting, for audiovisual and room set-up. If the NAHMA meeting is held virtually, so too will the convocation.

2. Publications

Calendar Printing & Production: This represents design and printing costs: \$30,000 (for design costs for promotional flyers and calendar, and production and printing costs for promotional flyers and calendars, including scanning posters, imprint fees, and printing 60,000 calendars with some allowance for overage).

Calendar Shipping: Includes labor and packing materials cost for our 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.

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

Directories: For 300 NAHMA member directories at \$2000 (design, printing, 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 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 – Scenario 1: Estimated expense per class:

Assuming 7 classes and 20 students per class --

\$4200 - \$30 per student administration*

\$500 - for shipping materials to courses

\$5000 to Testrac

(*This direct expense is included in several accounts under Management and General.)

CPO Course – Scenario 1: Combined expense for both course formats (2-1/2-day and one-day):

Assuming total 12 classes and 30 students per class --

\$10,800 - \$30 per student course administration*

\$500 for shipping

\$16000 – to Testrac

(*This direct expense is included in several accounts under Management and General.)

Blended Compliance Designation (form. ACPO) Course – Scenario 1: Estimated expense per class:

Assuming 1 class and 10 students per class --

\$300 - \$30 per student course administration*

\$150 per year in course materials (pencils, sharpeners, etc.)

\$50 - for shipping materials to course

\$1500 to Testrac

(*This direct expense is included in several accounts under Management and General.)

Specialist in Housing Credit Management (SHCM) Certification Program – Scenario 1: Expenses projected at \$95,000.

Estimated Revenue Sharing with AHMA's: \$10,000

30% Renewal fee to partner one (minus grandfathers): \$44,000

4 invoice mailings, letterhead, envelopes, cards, pins, postage: \$2,000

Exam development/maintenance: \$8,000

Booth Marketing Pieces: \$1000; Shipping: \$1000; Travel & Meeting Expense: \$2,000

Newsletter: \$18,000

TesTrac voucher fee: \$7000

Workshop for SMEs: \$2000

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

Maintenance Credential: Average current expense.

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.

COQ Awards Program: This budget account has been moved to the NAHMA ledger from the NAHMA Educational Foundation. The COQ Awards Program is break-even, so projected revenue of \$10,000 balances with a projected expense of \$10,000. (In 2020, the revenue is \$7,000, since the move to NAHMA's books occurred at the end of the program year, which was March 2020.)

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

Course Development and National Webinar/NELLS: Course development is not budgeted for 2021; typically NAHMA SMEs provide assistance in course maintenance activities. The national webinar program is not currently scheduled to be offered in 2021. The NELLS course is break-even, projected revenue of \$10,000 balances with a projected expense of \$9,600.

4. Regulatory & Legislative

Budgeted expense of \$13,000 reflects:

- a) Current average basic annual expense of \$2,000 for miscellaneous activities, including Congressional Directory booklet for members;
- b) \$8,500 for enhanced legislative and regulatory tracking tool for GR staff; and
- d) \$2,000 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, with no increases planned over existing 2020 salaries.

Payroll Taxes: Payroll taxes based on projected expense.

Workers Comp: Current expense estimated to remain essentially flat.

Health Insurance & Employee Benefits: The FY 2021 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 RingCentral phone service, four cell phones with email service, and conference calls.

Membership Development: Spending for mailing recruitment kits.

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. It is projected that travel to AHMAs would resume in the summer of 2021.

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; cyber security.

Rent – Office: NAHMA's ten-year office lease expires on April 30, 2021. The budgeted rent for FY 2021 reflects a new lower rate for the next two years, as recently negotiated with the building's owner.

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 \$12,000 for annual outsourced data entry support.

Web Site: Expense includes annual hosting fees and monthly contract service for maintenance and secure page management.

Office Supplies: Current spending is projected to remain flat.

Bank Charges: Current spending levels (more members are purchasing and paying by credit card, which increases the fees charged by bank merchants).

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.

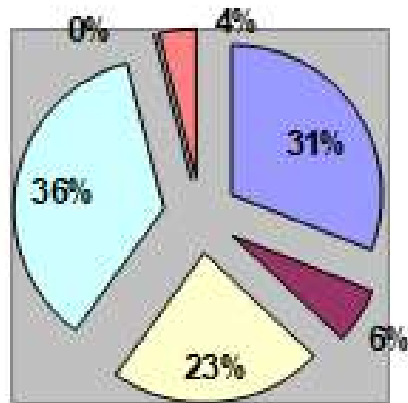
Management & General Other: Current spending includes various gifts and awards.

IV. NAHMA Total Revenue Per Year Since 1997

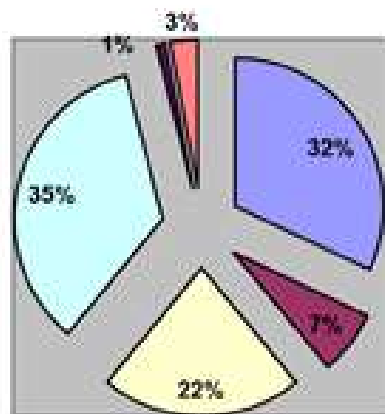
(As Reported on Year-end Audited Financial Statement)

Year	Total Revenue	Difference from Previous Year	Percent Change from Previous year
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%
2016	\$1,858,208	\$7,815	+ .4%
2017	\$1,888,243	\$30,035	+1.6%
2018	\$1,851,297	(\$36,946)	- 1.9%
2019	\$1,921,144	\$69,847	+3.8%

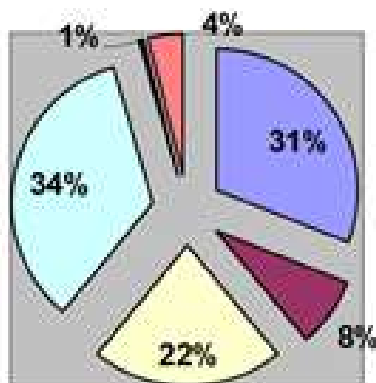
V. Graphs: Income Percentage by Program Area (As shown on financial statement of activities)



2018 Revenue



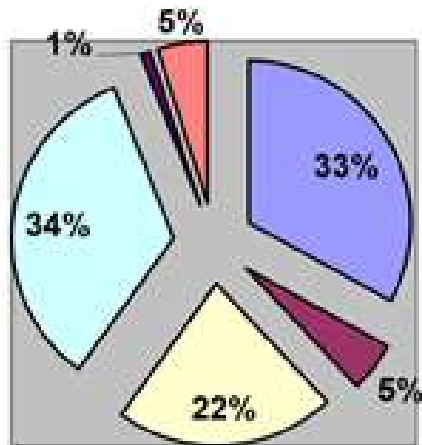
2019 Revenue



2020 Budgeted Revenue

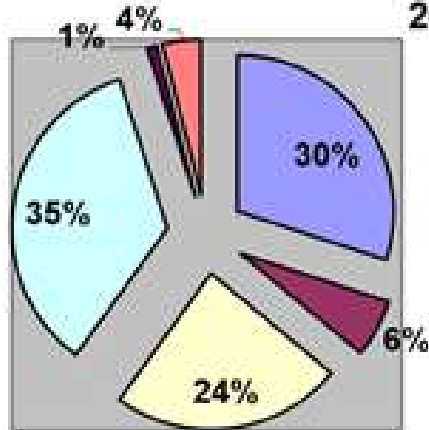


2020 Projected Revenue



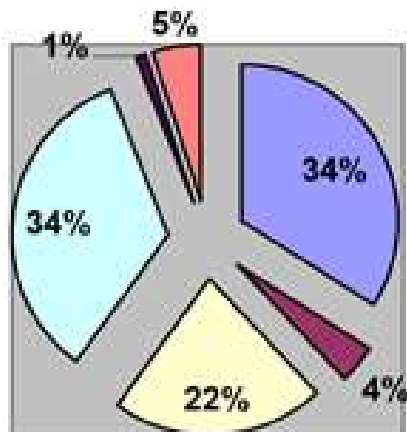
- Membership (33%)
- Meetings (5%)
- Pubs (22%)
- Certification (34%)
- Reg/Leg (1%)
- Other (5%)

2021 Scenario 1 Budgeted Revenue



- Membership (30%)
- Meetings (6%)
- Pubs (24%)
- Certification (35%)
- Reg/Leg (1%)
- Other (4%)

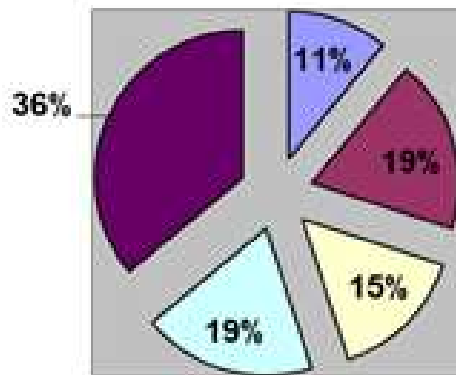
2021 Scenario 2 Budgeted Revenue



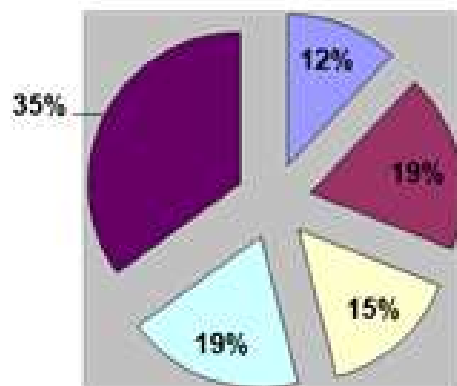
- Membership (34%)
- Meetings (4%)
- Pubs (22%)
- Certification (34%)
- Reg/Leg (1%)
- Other (5%)

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

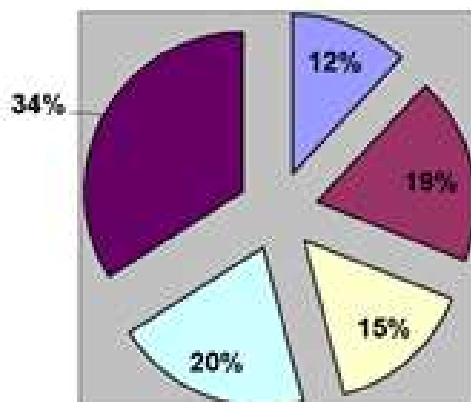
2017 Functional Expenses



2018 Functional Expenses



2019 Functional Expenses



Graphs are not available for 2020 and 2021 without audits for these years; however, the expense percentage by program area is expected to remain essentially the same.