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Membership Growth

209  
New 2015 and 2016 Memberships processed FY16  (July 1, 2015 – June 30, 2016)

1,551  
Total 2015 and 2016 Membership processed in FY16

1,342  
Sites that paid dues in FY15 and renewed in FY 16

47.2%*  
Retention Rate for FY15

Membership Breakdown by Category

Full Member: 932  
Government/Agency: 32
Affiliates: 484  
Non-Profit: 8
Associate: 651  
International: 2
Corporate: 68  
Union: 5

TOTAL: 1,551*

*Based on the VPPPA National Board of Director’s approval, past members of the association who had not renewed since 2011 were granted a complimentary online-only membership to garner future interest in FY15. This yielded a total membership of 2,846 in FY15. Retention is based on FY15 total membership of 2,846. The drop is is partially due non-renewals of this temporary, free membership.

Per information from previous annual reports, the totals for the respective fiscal years are below:

FY13 Membership  1,947
FY14 Membership  1,791
FY15 Membership  2,846
Member Benefits
Members continued to receive their valuable benefits over the course of the year including discounted registration rates to the national conference and regional conferences as well as access to a wealth of information contained in the VPPPA website. Additional benefits that members took advantage of are listed below:

New Website
With the development and implementation of the new Ungerboeck System that deployed in Nov. 2015, the VPPPA website is now able to offer our members features that it previously was not capable of performing. Some of those new features include:

- **Job Board** – Companies can post job openings and opportunities and employment seekers can market themselves by posting their credentials and resumes alike.
- **Discussion Board** – Safety and health professionals can have an open online discussion on a wide variety of topics in the field as they pertain to themselves and their sites.
- **Product Search** – Members will have the ability to search for products and services that relate to their field from a pool of VPPPA Affiliate Members.
- **Member Search** – Members can search for colleagues by last name or company to obtain limited contact information in order to pursue networking opportunities.
- **Presentation Sharing** – Presentations from both regional conferences and the national conference can be available via a search function for members to access as a valuable resource.
- **Best Practices Directory** – Members will have the ability to upload and/or search for submitted best practices in the safety and health field to share successful industrial accomplishments and expertise.
- **New Blog** - The newly launched blog, as of June 2016, features short pieces written by leading safety and health professionals and partner organizations.

Publications
Members continue to enjoy the benefits of VPPPA’s quarterly magazine, *The Leader*, the monthly newsletter, “On the Level!” and the newly launched blog published every two weeks.

*The Leader*
VPPPA’s trade publication, *The Leader*, continued to be a success in FY16. In addition to the magazine’s standard columns, the following topics covered were:

Summer 2015 - Best Practices Issue
- Objects at Heights - State of the Risk (Focused on dropped objects rather than people falling)
- Five Ways to Beat Back Pain
- Earning VPP Star Status in a Dangerous Profession (Roofing)
- Safety Tips from the World’s Highest Mountain (Written by Jim Davidson, the 31st Annual National Conference Keynote Speaker)
Membership Report

- OSHA’s 2015 Proposed Rule for Walking and Working Surfaces
- Pregnant Workers - The New Safety Managers
- 2015 Illustrated Journey Winner - NIBCO, Inc.

Autumn 2015 - Environmental Safety
- Interactive Hazard Training Boosts Project Safety
- Fatality and Catastrophic Event Prevention
- Tool Significantly Reduces Radiation Exposure
- Operational Mismatch and Incident Prevention
- OSHA’s Top 10 Violations

Winter 2016 - Health
- What will Legal Marijuana Cost Employers?
- Remaining Drug-Free in Colorado - How a VPP Site is Handling Marijuana Legalization
- How can a Mediator Affect your Site
- Diabetes in the Workplace
- Maintaining Health and Wellness at Big Cajun II
- Chemical Hazards at the Workplace

Spring 2016 - Security in the Workplace
- Blueprints, Bullets and Bushes - A New Approach to Crime Prevention and Facility Design
- Workplace Violence and Security
- Workplace Security - It Can Happen Here
- The Grim Reaper of Complacency
- Access Control: The Standard Helping to Security the Workplace
- Voluntary Protection Plan - Hoosier Style: The Indiana Model

On the Level
The monthly newsletter is now available to download online. All issues of the newsletter are up on a member benefit page allowing members to check back issues of the publication.

Blog
A newly launched safety and health blog is available every other Thursday. This is open to both members and nonmembers. There is a discussion forum under each article that will allow debate and comment about each blog entry. The blog also provides a good opportunity for members to share their ideas, write articles and receive analysis and regulation updates more quickly from our industry partners and experts.
Mentoring
Members and potential members continued to enjoy the benefits of mentorship with new matches being made across the country. Mentors are matched with companies interested in improving safety and health at their facilities and the mentor guides the new company through the process of VPP and shares best practices.

Webinars
- Annual Self Evaluations
- OSHA Recordkeeping
- VPP 1-0-Wait What? – Presented Twice
- Become an OSHA Whisperer
- Speak the Language of Regulators

Scholarships and Awards
The association continues to offer scholarships for future safety and health leaders. Scholarships are for employees or the children and grandchildren of employees at VPPPA companies who are pursuing a career in the safety and health field. The scholarships are geared towards enrolled or enrolling college/university students and enrolled or enrolling vocational or trade school students. There were 70 applications for scholarships in 2016. Winners will be recognized at the 32nd annual conference.

VPPPA continues to recognize outstanding individuals and companies through the association’s awards program. Multiple applications were received for the awards programs and winners will be recognized at the 32nd annual conference. The 2015 award winners were recognized during the 31st annual conference.
Sponsorship

The 31st Annual National VPPPA Conference had a total of 35 sponsors and contributors. Cash contributions totaled $221,000.

<table>
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<tr>
<th>Year</th>
<th>Contributions</th>
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<tbody>
<tr>
<td>2013 VPPPA National Conference</td>
<td>$193,442.50</td>
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<tr>
<td>2014 VPPPA National Conference</td>
<td>$188,920.00</td>
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<td>2015 VPPPA National Conference</td>
<td>$240,652.25</td>
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Thank You to our 31st Annual National VPPPA SPONSORS and CONTRIBUTORS For Your OUTSTANDING SUPPORT!

PREMIERE LEVEL SPONSORS
($20,000 AND ABOVE)
• Always in Mind (A.I.M.)
• JLG Industries
• Nucor Corporation
• PICS Auditing
• SafeStart

DIAMOND LEVEL SPONSORS
($10,000 AND ABOVE)
• ExxonMobil Beaumont Complex
• Marathon Petroleum Corporation
• Motiva Enterprises – Port Arthur, TX
• NuStar Energy, LP
• SafeStart, A Division of Electrolab, Ltd.
• Valero Energy Corporation

PLATINUM LEVEL SPONSORS
($7,500 - $9,999)
• Chevron Phillips Chemical Company LP
• Monsanto Company

GOLD LEVEL SPONSORS
($5000 - $7,499)
• Hunter Douglas, Inc.
• Phillip 66
• Raytheon
• S&B Engineers and Constructors, Ltd.

SILVER LEVEL SPONSORS
($2,500 - $4,999)
• Georgia Pacific
• Morton Salt
• Red Wing Brands of America, Inc.
• Texas Rope Rescue
• United Airlines

BRONZE LEVEL SPONSORS
($1,000 - $2,499)
• Accuform Signs
• American Heart Association
• Brandenburg Industrial Service Company
• CH2M Hill – WG Idaho, LLC (CWI)
• Clearwater Paper
• COSS
• Covanta
• Frito-Lay
• Gateway Safety
• General Electric
• Glove Guard
• Haws Corporation
• Mary Kay
• Richard N. Knowles & Associates, Inc.
• Roco Rescue
• Rugged Cycles
• Sam Carbis Solutions Group
• Shermco Industries, Inc.
• Southwire
Scholarship Fund Donors and Winners

Thank You to the VPPPA Scholarship Fund Donors!

In an ongoing effort to advance the field of occupational safety and health, VPPPA established a scholarship program for VPPPA members and their families. Scholarship donations are used as seed money to accrue interest that will finance the scholarships annually. In FY16, VPPPA received a total of $8,319 in scholarship donations. Two companies donated to the scholarship fund: GE United Way and Marathon Findlay.

VPPPA would also like to thank all the individuals who made contributions towards the scholarship program by purchasing a raffle ticket during the 31st Annual National VPPPA Safety & Health Conference. A total of $7,689 worth of raffle sales were accrued during the conference.

Scholarship Winners
Three students were recognized at the 31st Annual National VPPPA Safety & Health Conference in Grapevine, TX.

VPPPA June Brothers Scholarship
The VPPPA June Brothers Scholarship was established in 2005 and is intended for students pursuing either an undergraduate or graduate degree in the safety/health/environmental field. This scholarship is open to students enrolled in or enrolling in a college or university. This annual scholarship is granted to one student who is either employed at a VPPPA Full member site or to the child/grandchild of a member. The winner of the 2015 June Brothers Scholarship was Debra Henze, Ammon, Idaho.

The Stephen Brown Scholarship
The VPPPA Stephen Brown Scholarship was established in 2005 and is intended for students pursuing a degree in the trades. This scholarship is open to students enrolled in or enrolling in a vocational school, college or university. This annual scholarship is granted to one student who is either employed at a VPPPA Full member site or to the child/grandchild of a member. The winner of the 2015 Stephen Brown Scholarship was Garret Hamby, Kennewick, Washington.

William “Sully” Sullivan Scholarship
During the February 2007 VPPPA National Board of Directors meeting, the board established the VPPPA William “Sully” Sullivan Scholarship. This scholarship is intended to recognize an employee at a VPPPA Full member site who has made significant contributions to VPP at his/her site. This scholarship is open to employees enrolled in or enrolling in a vocational school, college or university. The 2015 William “Sully” Sullivan Scholarship was awarded to Tyler J. Dean, Richland, Washington.
The VPPPA Annual Awards consist of three categories: VPP Outreach, VPP Innovation and Safety and Health Outreach.

**VPPPA Outreach Award**
The purpose of the VPP Outreach Award is to provide recognition for “VPP Ambassadors.” This award recognizes those who achieve an outstanding level of outreach activity and encourage others to share their knowledge. Reaching out to communicate and persuade others of the benefits of pursuing OSHA or DOE VPP approval is an important part of the mission of the VPPPA. Another part of the mission is to persuade other government regulatory agencies to adopt similar programs. The VPP Outreach Award is for an individual, company or worksite that has done an extraordinary amount of work in these areas. The 2015 VPP Outreach Award recipient was Tropicana Products, Inc., Jersey City, New Jersey.

**VPP Innovation Award**
The purpose of the VPP Innovation Award is to provide recognition for an individual, company or worksite that has developed and successfully implemented an innovation, encouraged others to try new approaches and emphasized the value of creativity and flexibility in the resolution of worker safety and health problems. The innovation may be program-related or of a technical nature.

The 2015 VPP Innovation Award recipients were Washington River Protection Solutions, Richland, Washington and Raytheon-Intelligence, Information and Services (IIS) Indianapolis Site, Indianapolis, Indiana.

**Safety & Health Outreach Award**
The purpose of the Safety and Health Outreach Award is to provide recognition to “VPP Models,” who reach out to share the safety, health, technical and management expertise developed at their sites. The award is for an individual, company or worksite that has achieved an outstanding level of outreach in the safety and health arena, not directly encompassing the VPP. The 2015 VPPPA Safety and Health Outreach Award was awarded to CH2M Hill Plateau Remediation Company, Richland, Washington and Marathon Petroleum Company LP, Robinson, Illinois.
2015 VPPPA Safety & Health Achievement Program

Whether it is at the worksite or in the community, the VPPPA Safety & Health Achievement Program provides special acknowledgment to non-managerial employees at VPPPA member sites who have taken the initiative to learn and apply safety and health best practices. Candidates are expected to fulfill the program criteria and complete a workbook containing questions on the major elements of workplace safety and health.

The program is geared toward hourly, non-safety and health workers at VPPPA member sites. Those certified in safety and health professional fields are not eligible to apply (i.e. Certified Industrial Hygienists (CIH), Professional Engineers (PE) and Certified Safety Professionals (CSP).

In 2015, five individuals were honored with the VPPPA Safety & Health Achievement Award at the 31st Annual National VPPPA Safety & Health Conference in Grapevine, Texas:

- Colleen Schmidt, GE Healthcare-ISS, Milwaukee, Wisconsin
- Kevin M. Schoonover, Mission Support Alliance LLC, Richland, Washington
- Michael Kinder, Newport News Shipbuilding, Newport News, Virginia
- Robert Hill, Savannah River Nuclear Solutions, Aiken, South Carolina
- Sharon Kidd, Savannah River Remediation, LLC, Aiken, South Carolina
2015 Regional Mentors of the Year

The Regional Mentor of the Year award was established by the VPPPA Mentoring Committee on behalf of the VPPPA Chapter Board of Directors. This award is designed to recognize an individual or site from each region that epitomizes mentoring and exhibits support, time, effort and action in VPP, setting him/herself apart from other mentors.

**Region I:** Hasbro, Inc., Team East Longmeadow, MA

**Region II:** Alan Kerstner, Pentair Corporation, Saddlebrook, NJ

**Region III:** Drew Holland, Voluntary Protection Program (VPP) Program Manager, Norfolk Naval Shipyard, Portsmouth, Virginia.

**Region IV:** North Alabama VPP Committee Core Team (Tiffany Beddoe, Michael Perry, Arthur Gray)

**Region V:** DSM Coatings and Resins, Frankfort, Indiana

**Region VI:** Rickey Meyers, Zachry, Houston, TX

**Region VII:** Bill Turner, NuStar Energy Wichita, KS
31st Annual National VPPPA Safety & Health Conference - Grapevine, Texas 2015

Over 2,500 safety & health professionals gathered in Grapevine, TX for the 31st Annual National VPPPA Safety & Health Conference. Attendees from seven countries, 49 states, Washington D.C. and Puerto Rico all gathered at the Gaylord Texan Convention Center from August 24-27, 2015 for workshops, general session and the exhibit hall to further their knowledge on safety & health practices. The VPPPA Conference was also honored to host over 140 Department of Defense employees from all branches of the military.

Before the conference started, attendees took part in five pre-conference workshops and OSHA’s SGE Training. Monday began with the Labor & Management Open Forum and the First-Timer’s Workshop. The official kickoff began with the Annual Meeting of the Membership where reports were given on the status of the association, the financials of the previous year and a membership update. The winners of VPPPA’s Illustrated Journey and VPPPA’s Got Talent contests were announced and nominations took place for the following term.

The Opening General Session featured speakers including Congressman Gene Green from the 29th District of Texas; Jordan Barab, Deputy Assistant Secretary of Labor for OSHA; and Peter Cella, President and CEO of Chevron Phillips Chemical Company LP. The second part of the Opening General Session featured the motivating story of Jim Davidson, who fell down an 80 foot crevasse and had to climb his way out by himself. His story was featured on “I Shouldn’t Be Alive” and he shared it with the conference attendees during the general session and again at a private screening of the episode followed by a Q&A.

The record-breaking exhibit hall featured over 250 exhibiting companies and eight product theater workshops. Exhibitors showcased their products to the attendees through displays, demonstrations and speakers. Both the Grand Opening of the Exhibit Hall Reception and the exhibit hall breaks were packed with customers wanting to see the latest and greatest products designed for workplace safety & health.

An extra day of workshops was added to the schedule this year, which allowed for more educational opportunities for attendees to learn about best practices, management commitment and employee involvement, among other tracks. Based on attendee feedback from the 30th conference, several popular workshops were repeated to give attendees more opportunities to attend workshops they might have otherwise missed, like “Humor in Safety” and “Is Your Back to the Future?” Speakers ranged from motivational speakers to workers at VPP sites and each had a story to share with the attendees that motivated them when they returned to their sites.
New this year was the Casino Night held on Tuesday that offered attendees an opportunity to test out their gambling skills. Poker, blackjack, craps and roulette were the games of the night and attendees could try their luck to win tickets that could be turned in for raffle drawings for nine prizes. On Wednesday night, our Closing Reception featured a wide variety of activities including henna artists, caricature drawings, airbrush tattoos, a roving magician, a mechanical bull, a DJ, Wild West photos and a live steer. The Texan theme was completed with smoked barbeque that provided a great last night for the conference.

The Closing General Session featured Daryl “Moose” Johnston, former Dallas Cowboy and current studio analyst for the NFL on Fox booth. Daryl spoke about safety in football and his experience in being part of a team. He took questions at the end and even graciously stayed after to sign autographs and take pictures. It was a great ending to a very successful conference!

**Webinars**

There were five webinars in FY16 covering a range of topics including:

- Annual Self Evaluations
- OSHA Recordkeeping
- VPP 1-0-Wait What? – Presented Twice
- Become an OSHA Whisperer
- Speak the Language of Regulators
VPPPA Expo 2015
Exhibitors

- 3M Company
- ABUS USA
- Accelerated Development Systems, Inc.
- Accuform Signs, Inc.
- Adco/Safety Award Store
- Air Systems Intl., Inc
- Airfeet Insoles
- ALERT Safety Products
- Always In Mind, Inc
- American Heart Association
- American Trainco
- AMPCO Safety Tools
- Argus-Hazco
- Aware360
- Blackline Safety
- Bulwark Protective Apparel
- Business Health Resources, LLC
- BW Technologies by Honeywell
- C3 Softworks
- Capital Safety (DBI-SALA & Protecta)
- Capital Safety Training
- Certags LLC
- CertifiedSafety, Inc.
- Chilworth Technology, Inc. - a DEKRA Company
- Columbia Southern University
- Concept Seating, a Division of Laacke & Joys
- COSS & Alliance Safety Council
- Cottermann Company
- DAP Safety
- Deb USA Inc.
- DEVTRA Inc - The “Checker”
- DragonWear by True North
- DRIFIRE
- Dupont Personal Protection
- DXP Enterprises
- Eagle Safety Eyewear
- eCompliance
- EHS Excellence Consulting LLC
- Elvex Corporation
- Emerson Process Management/TopWorx
- Encon Safety Products, Inc.
- Energy Solutions of Texas
- EnerSafe, Inc.
- ERB Safety
- Ergo Advantage
- ESC Services - A Rockwell Automation Business
- Essilor Prescription Safety Eyewear
- FabEnCo
- Fall Protection Systems
- Flexible Lifeline Systems, Inc.
- Gas Clip Technologies
- Gateway Consulting Group, Inc.
- Gateway Safety
- Gensuite LLC
- Georgia-Pacific LLC
- Geroline Inc.
- Gerson
- GlenGuard
- Global Glove
- Glove Guard, LP
- Grainger
- Grits Gang powered by Proforma
- Guardian Equipment
- Hagemeyer Technical Service
- IDG (Industrial Distribution Group)
- Hammerhead Industries, Inc.
- HazTek, Inc.
- HearSafe Group
- HeartSafe America, Inc.
- Hemco Industries, Inc.
- HexArmor
- Honeywell Analytics
- Honeywell Safety Products
- Houston Area Safety Council
- Hunter Buildings, LLC
- Hy-Safe Technology
- HYTEST Safety Footwear Network
- IEA regAction
- I-Gard Corporation
- Industrial Psychologists, Inc.
- Industrial Safety & Hygiene News
- Industrial Scientific
- Industrial Strength Sunscreen
- inoLECT
- Interactive Safety Products, Inc.
- International Envirosafetyguard, Inc.
- Intrepid Industries, Inc.
- ISN
- ITAC Fall Protection Services
- Jack Nadel International
- JCL Safety Services
- JLG Industries
- Jokater
- Kappler Inc.
- KeepSafe, Inc.
- Kermel
- Keytroller LLC
- Klever Innovations
- Koolin’ Klothz Etc.
- Liberty Glove & Safety
- Little Giant Ladder Systems
- Madgrip Performance Hand Protection
- Magid Glove & Safety Mfg
- Majestic Fire Apparel, Inc.
- Majestic Glove
- Master Lock Company
- McCord Communications
- MCR Safety
- MegaComfort Inc.
- Meltric Corporation
- Miller Fall Protection / Honeywell
- Mission Athletecare
- Moldex-Metric, Inc.
- Motion Industries
- Mount Vernon Mills
- Mr. Chain
- MSDSonline
VPPPA Expo 2015 Exhibitors (cont.)

- NASCO Industries
- National Fire Protection Association
- National Marker Company
- National Safety Council
- Newsong Gale Inc
- Nextteq, LLC
- Nightstick by Bayco Products, Inc.
- OcCfit Solutions
- OccuNomix International LLC
- Occupational Health & Safety
- OHD, Inc.
- Operational Sustainability
- Phonak LLC
- PICS Auditing, LLC
- Plane Sights (REDFAB Inc)
- Plasteco, Inc.
- Polartec, LLC
- PrecyseTech
- Predictive Solutions
- Process Wise
- ProtectEar USA
- Protective Industrial Products
- PS Doors
- PSRG
- Radians Inc
- RAE Systems by Honeywell
- Rasco FR
- RCI Safety/ DEKRA
- Red Wing Brands of America
- RedGuard
- reGuarding Solutions
- Rite-Hite
- Roco Rescue
- RPS Solutions
- Rugged Cycles
- Safe Solutions
- Safeline FP
- SafeRack, LLC
- SafeStart
- Safety Design Inc
- Safety Step
- SafetyCal, Inc.
- SafetySkills
- Safetystratus, Inc.
- SafeVision, LLC
- Saf-Tech, Inc.
- Safway Services, LLC
- Sam Carbis Solutions Group, LLC
- Sandler Occupational Medicine Associates, Inc.
- SAVE A BACK, LLC
- SawStop LLC
- Select International
- Sensidyne
- Shea Writing and Training Solutions
- Shermco Industries, Inc
- Simply SMART! Safety
- SKEDCO
- SlipNOT® Metal Safety Flooring
- Snap-on Industrial
- Spill King
- Sportex Safety
- Stanco Manufacturing, Inc.
- Steel Grip, Inc.
- Stem Shield
- Streamlight, Inc.
- Superior Glove Works
- Superior Mfg. Group/NoTrax
- Systran, Inc
- Tailored Injury Prevention Solutions, Inc.
- Tec Laboratories Inc.
- TenCate Protective Fabrics
- Texas Rope Rescue
- The Andersen Company
- The Blast Bag Company
- The Marlin Company
- The Squincher Corporation
- THRIVE Workwear Co.
- Topps Safety Apparel, Inc.
- Total Safety
- TTI Environmental
- U.S Department of Labor
- U.S. Bureau of Labor and Statistics
- U.S. Department of Energy - VPP
- United Safety
- University of Texas at Arlington - OSHA Education Center
- Uvex / Honeywell
- Veolia North America
- Vest Safety Medical Services
- Visual Workplace, LLC
- VPPStore.com powered by CompleteSourceSafety
- Wells Lamont Industrial
- Wendy's Safety Boutique by JR Resources
- Westex by Milliken
- Westone Laboratories
- Working Concepts, Inc.
- Working Persons Store
- Workrite Uniform Company
- Xabe Optics
- ZOLL Medical Corporation
Throughout FY16, the association participated in the following trade show and outreach events:

The association exhibited or attended:

- Governor’s Safety and Health Conference and Expo - Louisville, KY, May 10-11, 2016
A great deal of time in FY16 was spent educating members of congress on the merits of VPP following H.R. 2500, the bill presented in the House of Representatives known as the VPP Act. Over 450 congressional meetings took place over three separate outreach events in Nov. 2015, February 2016 and June 2016. In April 2016, a companion bill was introduced in the Senate.

VPP Legislation

The VPP Act, H.R. 2500, received strong bipartisan support, as forty-five members of the House joined Congressman Todd Rokita (R-IN) to cosponsor the bill in FY’15. A companion measure, S. 2881, was introduced by Senators Mike Enzi (R-WY) and Michael Bennet (D-CO) in the Health, Education, Labor and Pensions (HELP) Committee in FY16.

Continued VPP Funding

In his proposed budget, President Obama directed that “OSHA will dedicate no less than $3,500,000 for administering VPP and does not anticipate a reduction in full time employees devoted to VPP, SHARP, or Federal Compliance Assistance. Additionally, OSHA does not intend to implement a fee-for-service element for these programs at the proposed resource levels.” The House and Senate appropriations bills propose sustained funding at the same level.

While the Obama Administration, House and Senate all agreed on supporting continued funding of VPP at at least $3.5 million annually, they were unable to agree on final Appropriations bills. Congress and the President agreed on a “continual resolution” to keep the government running at current funding levels until April 2017. At that time, the new Congress and President Trump will try to pass Appropriations bills. Continued VPP funding remains up to OSHA, which has expressed support for the program in recent years.
Region I - CT, MA, ME, NH, RI, VT
The 2016 conference was held at the Radisson Conference Center in Manchester, NH. The attendance was approximately 300 people. Region I hosted a pre-application workshop followed by 20 breakout sessions. The opening Speaker was Mr. Jim Davidson and the closing speaker was Cynthia “Cindy” Ann Mahoney from General Electric Corporate.

Region II - NJ, NY, PR, VI
Region II recently introduced a new website and Facebook page. Both the website and Facebook page have been able to keep members up-to-date with current information. The region has been encouraging members to send articles/blog posts about their companies and/or topics of interest.

Region III - DC, DE, MD, PA, VA, WV
The regional conference was held April 27-29, 2016 at Dover Downs Hotel and Casino in Dover, DE. This conference was hugely successful with nothing but raves and compliments from attendees, vendors and presenters. The conference consisted of a two-day SGE training session, four pre-conference workshops, more than 35 breakout sessions and a record vendor turnout. Keynote speakers were Thurl Bailey, a former pro-basketball player, Capt. Merry of the Dover Air Force Base Mortuary Facility and Richard Piccoto, a FDNY Chief and Highest Ranking Firefighter to Survive the World Trade Center Collapse. Kristyn Grow (Cintas) and Mike LaPradd (Huber Engineered Woods) were re-elected to the board, and Maria Jenkins (Kennamental Corp) was voted onto the board. Retiring from the board in 2016 were Brandon Schaffer, Mike Cokeley and Mark Ball.

Region IV - AL, FL, GA, KY, MS, NC, SC, TN
The Region IV VPPPA 2016 Conference was in Lexington, KY at the Lexington Convention Center & Hyatt Hotel. The Conference was held June 21-23, 2016. There were 430 attendees and 56 exhibitors. The conference had four pre-conference workshops and five free pre-conference workshops. During the conference, there were 54 breakout sessions on a wide range of safety & health topics. Keynotes speakers were Bob McCall of Inspire High Performance as the opening speaker and Cliff Meidl, two-time USA Olympian Kayaker, as the Closing Speaker.
Region V - IL, IN, MI, MN, OH, WI
The Region V VPPPA Conference was held at the Hyatt O’Hare in Chicago, IL. There were 410 attendees, 49 exhibiting companies and 40 workshops. The VPP Site tour was held at Pfizer in Lake Forest, IL. Region V also held a meeting with OSHA in Des Plaines, IL on April 2016 with Ken Atha, Region V Director; Darnell Crenshaw, Assistant Regional Administrator Cooperative and State Programs and Nancy Mugave-ro, Regional VPP Manager. The meeting focused on ways Region V VPPPA and OSHA can work together to drive VPP participation in the region.

Region V welcomed four new board members to the Region V team - Karen O’Hara with Cintas; Deborah Krajicek with Marathon Petroleum Company; Craig Sievert with Nustar Energy and Randy Schwartzkopf with Afton Chemical.

Region VI - AR, LA, NM, OK, TX
Region VI VPPPA was represented throughout the year by setting up an outreach and education booth at various events including the Texas Chemical Council and DiVal Safety Summit. Region VI also presented a VPP101 as a workshop at the Houston Area Safety Excellence Awards Tailgate Party. There were several contacts made at all events and the Houston Business Roundtable is interested in learning more about VPP.

The 2016 Region VI VPPPA Safety & Health Conference was held in Ft. Worth, TX. Dale Lesinski opened our conference and the closing speaker was retired Dallas Cowboy Chad Hennings. There were 1,245 attendees at the 2016 conference, down from attendance in 2015. There were fewer onsite registrations and the national VPPPA conference took place in Grapevine, TX this year. The region received some feedback that companies chose to send employees to the national conference rather than the regional conference. There were six free pre-conference workshops. Approximately 200 attendees took part in the First Timer’s Workshop, 75 attendees attended the Strengthening Star Quality Workshop, 50 attended of the VPP Application Workshop and 21 attended of the Challenge Workshop. There were 40 in attendance at the OSHA 7115 LOTO and 25 in attendance at the OSHA 7300 Confined Space workshops. This was the third year that the region hosted an SGE Class and 33 people successfully completed it. There were 101 exhibitors and approximately 90 different workshops.
Region VII - IA, KS, MO, NE
The Region VII VPPPA held its 23rd annual conference in Des Moines, IA, on May 16-18, 2016. The VPP Application Workshop had 12 attendees interested in joining VPP or in taking the next steps in their evaluation processes. The SSQ workshop also had 12 attendees interested in sustaining or improving their worksite’s safety program. New board members were elected for the upcoming term and all board members who were up for re-election retained their position on the board. The $5,000 scholarship recipient was announced. The winner was Baileigh Borer, who was chosen from more than 40 applicants.

Lt. Joe Torrillo, from the New York City Fire Department opened the conference with his personal testimony from September 11, 2001 called “Buried Alive with the Will to Survive – From Devastation to Inspiration.” The Director, Environment, Safety & Health from Rockwell Collins, Thomas D. Gentner, ended the conference talking about safety and what it means to him and to Rockwell Collins.

Region VIII - CO, MT, ND, SD, UT, WY
The Region VIII Chapter Conference, held at the DoubleTree by Hilton in Greenwood Village, CO took place April 26-28, 2016. Increases were experienced in the sponsorship applications, pre-conference workshops and overall conference attendance. Additionally, all four Board of Directors position were unchallenged and retained.

Region VIII continued to support National BoD Meetings which included congressional outreaches with two Region VIII BoDs now serving on national committees. Furthermore, a new website was successfully launched and a social media marketing campaign began. Region VIII continues it solid relationship with OSHA Region VIII VPP by collaborating on several events which included the OSHA Workers Memorial and SGE Training to name a few.

Region IX - AS, AZ, CA, GU, HI, NV
Region IX held their 2016 Safety Summit in Phoenix, AZ at the Sheraton Wild Horse Pass Resort, April 26-28, 2016. This summit was well attended and no new board members were elected during the annual meeting of membership. Keynote speakers Bruce Wilkerson and Col. Mark Tillman reminded us all of why the future is so bright!

Region IX Participated in numerous state plan outreach events this year. Notably, California VPP workshops were held in April, May, September and October. Additionally California Special Team Member (STM) training was held in November. The Region partnered with the Arizona Department Occupational Safety & Health (ADOSH) to conduct the AZ Roofing Contractors Alliance forum in November, ADOSH Safety Summit in November, Industrial Commission Day at the Capitol in March and the Workers Memorial Day at the Capitol in April. There are approximately 20 sites being mentored across the Region.
Region X - AK, ID OR, WA

Over the past year the Region X VPPPA Board of Directors, Conference Planning Team and Agency Advisors have been very busy planning and hosting the 2016 Northwest Safety & Health Safety Summit. Region X experienced many changes during 2016, Marjorie Brice replaced Rocky Simmons as the Secretary, and Rocky Simmons accepted the Vice Chairperson position as Michelle Steeler became the Chairperson. In 2016 Region X Outreach included participation at Boise Safety Fest, Washington Governors Conference, Blue Mountain Safety & Health Conference, Central Oregon Occupational S&H Safety & Health Conference, Western Washington Pulp, Paper and Forest Products Conference, Southern Oregon Occupational S&H Conference, Safety Feast of the Great Northwest in Post Fall, and Lewiston, Idaho.
Achievement and Awards Committee

The award winners for 2015 were announced during the 31st Annual National VPPPA Safety and Health conference. A special ceremony, reception and awards breakfast took place on the Sunday before the official start of the national conference and winners were recognized again during the Opening General Session. The awards, scholarship and achievement winners are listed on pages 8-10 of this annual report.

The majority of the FY16 year was spent focusing on the application process and evaluations for the 32nd annual conference. The national office promoted the awards and scholarships more heavily in early 2016 to increase the number of applications. The award deadline period was pushed into mid-June to allow chapter chairs to promote the awards at all the regional conferences. There was also an email campaign to drive participation and a one sheet flyer was created and put on the homepage of the website for members to download and post in their break rooms for other VPPPA members who do not have regular email access.

As a result of our efforts, several applications for the awards programs were received and 70 applications for the scholarship programs were received. Additionally, the Sargent Safety Scholarship received applications for the first time in more than five years. The applications for 2016 are evaluated in July 2016, the FY17 fiscal year. Award winners from 2016 will be announced at the 32nd national conference.

Conference Planning Committee

The Conference Planning Committee finished the final touches on the 31st Annual National VPPPA Safety & Health Conference. It took place in Grapevine, TX at the Gaylord Texan Convention Center and was very successful. After the conference, the committee met in Houston, TX to strategize on the future planning of the conference and make key decisions as they started planning for the 32nd Annual Conference. In March the workshop selection took place with the committee and over 90 workshops were selected. The committee planned a new portion of the Opening General Session, a Security Panel, with four security professionals who would answer questions and provide their expertise on areas of security in the workplace and at home. The committee met again in June to finalize the conference details.
**Construction Committee**

The Construction Committee collaborated to present the Construction Safety Workshop at the 2016 VPPPA Conference in Orlando, Florida. Committee members identified and secured experts in the industry on a variety of construction safety related subjects to present at the workshop. Subjects include Hazard Recognition, Fall Protection and Rescue, Crane and Rigging, Excavations, Scaffolding and Confined Space.

Members of the Construction Committee presented a webinar in 2016 entitled, “Safety Excellence... from a Contractor?” Best practices from two member construction companies were shared on this VPPPA sponsored webinar.

Throughout FY16, the Construction Committee continued to educate construction organizations on the values and benefits of participating in the Voluntary Protection Programs by participating in outreach events. Additionally, committee members networked with industry peers to solicit participation in the organization and committee.

**Education Committee**

The Education Committee worked together with the national office staff to present webinars to the VPPPA membership. The committee was also tasked this year with determining the pre-conference workshops for the annual conference. They put together six workshops that took would take place the Sunday before the conference.

**Labor and Management Committee**

The Labor Management Committee has had a busy year with good input and participation from our active members. Efforts have been made, and will continue, to help keep the members of the committee active and participatory or be purged from the list. Conference calls are made at least quarterly and are the main point of exchanging ideas or planning. Some members of the committee have been very active in Congressional Outreach and communication efforts with Union Leadership and Congressional contacts.

The committee is also working to get information on the website for the committee’s mediation services. The flyer with information has also been updated. The committee was busy planning preconference workshops for the 2016 annual conference, Before Pulling the Plug on VPP and a Mediation and Conciliation Workshop taught by federal mediators. The mediation workshop will also provide certificates for VPPPA participants who are taking part in mediation efforts throughout the regions.
Legislative and Regulatory Committee
The codification efforts have been ramping up both on the federal level and state-plan level and outreach to congress took place three times during FY16 in Nov. 2015, February 2016 and June 2016.

We now have a senate companion bill (S.B. 288) with the lead Democratic sponsor, Senator Michael Bennett, D-CO, who has joined our longtime friend and supporter, Michael Enzi, R-WY in introducing this bipartisan legislation. The bill has been referred to the Health, Education, Labor and Pension (HELP) committee, chaired by Senator Alexander, R-TN for a full hearing before going to the Senate floor for a vote. We have continued to see major movement on the house side with H.R.2500 with additional cosponsors. The committee still needs support from regional boards and Star sites to keep this effort going. Members of Congress, especially during an election year, want to hear from their constituents.

There has also been a lot of effort put into state codification. While numerous states have expressed interest (NV, TN, NC, KY, AZ, CA) Courtney Malveaux has been focusing on the states that are more prepared and ready to act. However, we are still maintaining contact with all the states that have expressed interest. We are still hopeful a number of state-plan states will have either codified or will be in the process of codifying VPP over the next year.

Marketing Committee
In FY16 the marketing committee steadily worked towards increasing the associations’ presence in the media through partnerships with various magazines, educational institutions and other like-minded associations.

In 2016 the marketing strategy included an aggressive print advertising campaign, expanded social media presence and better relationships with existing and new partners. The national office produced a 16-page booklet for inclusion in OH&S Magazine, several full page ads with targeted messaging, cover tips and a super cast webinar. All mediums were successful in building awareness and recognition and resulted in new contacts, memberships and exhibiting companies.

Social media coverage increased across all platforms including Facebook, Twitter and LinkedIn. Videos produced specifically for conference advertising were shared via all mediums and picked up by outside outlets.

An effort was made to build a better relationship with various media outlets to include EHS Today, OH&S Magazine, BIC Alliance, ISN and ISHN. The conference received better coverage due to these efforts and positive articles were written about the association. The committee will continue to build on these new relationships and aim to garner more exposure throughout the year and not just during conference season
Member Services Committee

The Member Services Committee is proposing the addition of an Independent Membership Category. The following group of people would fall into this newly created category:

- **Unemployed Personnel** – Individuals who have been laid off from their companies would no longer be associated with their site’s membership and therefore not have access to the VPPPA website’s members-only sections. One area in particular that would be of extreme interest to them is the job board where companies post career opportunities and the unemployed person could promote themselves and their resume. Once hired, the employee would then fall under their site’s membership, if applicable.

- **Consultants** – A remarkable amount of individuals support several companies at once under a sub-contractor or consultant classification. According to the VPPPA membership category definition, membership is limited to “all employees directly employed at a worksite at which membership dues have been paid.” Consultants are excluded from receiving such membership benefits as The Leader magazine, the monthly e-newsletter, conference and webinar discounts and networking with other VPPPA members keeping them up to date on trends and developments in the industry.

- **Retired** – Although retired, there are still former employees who stay up to date with the safety and health profession and/or do part-time work with various companies who may or may not be VPPPA members. With an individual membership category, this particular individual could receive membership benefits previously not afforded to them such as attending the national conference or one of the regional conferences at a discount and make a significant contribution to the field by passing down valuable knowledge and best practices.

- **S&H Professionals employed at non-member sites** – An unfortunate growing trend in the loss of VPPPA memberships are sites that have either had budgetary cuts or have been sold to other corporations that don’t particularly buy into the concept of VPP and therefore have let their membership lapse. However, these sites still employ various safety and health professionals that still want to be educated and participate in a wide variety of VPPPA activities. If implemented, the new category would allow such staff members to continue to pursue their passion while being kept in the industry loop. This will also allow VPPPA to continue to market to such individuals in hopes of convincing management to once again renew their company’s membership.

- **Student Membership** - The students of today are the members of tomorrow. The association as a whole needs to champion its efforts on students currently enrolled in a college or university in the health and safety field. Public health and industrial hygiene are just a few of the course studies that could lead to potential members as well as advocates for VPPPA. With member benefits ranging from a VPPPA hosted job fair, intern programs, a matchmaking service, discounts at the national conference, and networking events, a new student individual member category has endless potential. While students would predominantly be attracted to the job and discussion boards, where they could pursue employment or seek advice from a seasoned vet in the industry, the VPPPA website houses so much more information that would be of interest.
The Member Services Committee proposed that a new membership categories be created with annual dues totaling $45 which equates to the associate membership with total employees ranging from 1 to 50. The proposed membership changes are being referred to the bylaws committee to make changes to the association governing documents that would allow for the introduction of new categories.

**VPPPA Video**

The committee also discussed getting a VPPPA video in place for use by member sites or sites just getting interested in the program. The costs associated with the production of a video were concerning to the board and the committee so at this time, no such video is being produced. This may change as the national office continues to get requests for a VPP and/or VPPPA video.

**Member Engagement**

VPPPA continued with several contests included the successful “VPPPA’s Got Talent” contest, “VPPPA Illustrated Journey” contest and the “Take a Selfie with a Board member” contest. The talent winner sang the national anthem during the 31st annual conference and the 2016 winner will sing at the 32nd conference. The Illustrated Journey winner had their company’s artwork and story displayed in the summer issue of The Leader. The take a selfie contest winner was selected at random after the national conference. The selfie contest drove traffic and user engagement to VPPPA’s Facebook and Twitter pages. The talent contest drove traffic and voting to VPPPA’s YouTube page and the Illustrated Journey contest provided the chance for company exposure on the VPPPA website and in our publication.

**Mentoring Committee**

Over the course of the year, more mentoring matches were made throughout the country and we saw mentoring interest from new companies at regional conferences. An ongoing campaign was designed to promote this invaluable member benefit through various platforms resulted in an increase in both mentors and mentees.
Nominating Committee

The Nominating Committee oversaw the election process and voting procedures at the 31st Annual National Safety and Health Conference in Grapevine, TX. The open positions and candidates were:

- Vice Chair - Mike Guillory, The Brock Group, Houston, TX
- Secretary - Terry Schulte, NuStar Energy, LP, Elk Grove, CA
- Director from a Site with a Collective Bargaining Agent - Don Johnson, Phillips 66, Roxana, IL and Jack Griffith, CH2M Hill Plateau Remediation, Richland, WA
- Director from a DOE-VPP Site - Stacy Thursby, URS Professional Solutions, Richland, WA
- Director-at-Large (three positions available) - Bill Harkins, Chevron Phillips Chemical Company, Baytown, TX; J.A. Rodriguez, Raytheon, Dulles, VA and Kimberly Watson, Southwire Company, Carrollton, GA

There was one election that took place for a contested position, Director from a Site with a Collective Bargaining Agent. A sitting board member, Don Johnson, ran for the open position as did a regional board member, Jack Griffith. Don Johnson won the election leaving his Director-at-Large position empty.

Due to the open Director-at-Large position, Mike Maddox, VPPPA Chairman, announced at the 31st VPPPA conference’s Closing General Session that there would be a call for self-nominations for the vacant position. The Board appointed a new Director-at-Large at the November 2015 Board meeting in Washington, D.C. to serve out the remainder of the two-year term set to expire during the 32nd Annual National VPPPA Safety and Health Conference on Sept. 1 2016. A call for nominations was posted on the website in September with a submission deadline of Oct. 23. Bill Linneweh, the Region V Chairperson, was appointed to the vacant position during the November board meeting for the duration of the term.
2015-2016 National Board of Directors

**Chairperson**
Mike Maddox  
NuStar Energy, LP  
San Antonio, TX

**Vice Chairperson**
Mike Guillory  
The Brock Group  
Houston, TX

**Secretary**
Terry Schulte  
NuStar Energy, LP  
Elk Grove, CA

**Treasurer**
Chris Adolfson  
Idaho National Laboratory  
Idaho Falls, ID

**Director from a Site with a Collective Bargaining Agent**
Don Johnson  
Phillips 66  
Roxana, IL

**Labor Representative from a Site without a Collective Bargaining Agent**
Rob Henson  
LyondellBasell  
Channelview, TX

**Director from a VPP Constructor/Construction Site**
Richard McConnell  
Austin Industrial at LyondellBasell  
Houston, TX

**Director-at-Large**
William Harkins  
Chevron Phillips Chemical Company  
Baytown, TX

**Director-at-Large**
J. A. Rodriguez, Jr.  
Raytheon Technical Services Company LLC  
Dulles, VA

**Director-at-Large**
Kristyn Grow  
Cintas Corporation  
Richmond, VA

**Director-at-Large**
Kimberly Watson  
Southwire Company  
Carrollton, GA

**Director-at-Large**
William Linneweh - Appointed Nov. 2015 - Aug 2016 due to the vacancy created by Don Johnson’s Director-at-Large Position  
Hendrickson Truck Systems Group  
Itasca, IL

**Director from a DOE-VPP Site**
Stacy A. Thursby  
URS Professional Solutions  
Richland, WA
VOLUNTARY PROTECTION PROGRAMS
PARTICIPANTS’ ASSOCIATION, INC.

FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION,
AND
INDEPENDENT AUDITOR’S REPORTS

YEARS ENDED
JUNE 30, 2016 AND 2015
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<td>Independent Auditor’s Report on the Supplementary Information</td>
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INDEPENDENT AUDITOR’S REPORT
ON THE FINANCIAL STATEMENTS

To the Board of Directors
Voluntary Protection Programs
Participants’ Association, Inc.

We have audited the accompanying financial statements of Voluntary Protection Programs
Participants’ Association, Inc. (a nonprofit organization), which comprise the statements of
financial position as of June 30, 2016 and 2015, the related statements of activities and cash
flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial
statements in accordance with accounting principles generally accepted in the United States
of America; this includes the design, implementation, and maintenance of internal control
relevant to the preparation and fair presentation of financial statements that are free from
material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits.
We conducted our audits in accordance with auditing standards generally accepted in the
United States of America. Those standards require that we plan and perform the audit to
obtain reasonable assurance about whether the financial statements are free from material
misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and
disclosures in the financial statements. The procedures selected depend on the auditor’s
judgment, including the assessment of the risks of material misstatement of the financial
statements, whether due to fraud or error. In making those risk assessments, the auditor
considers internal control relevant to the entity’s preparation and fair presentation of the
financial statements in order to design audit procedures that are appropriate in the
circumstances, but not for the purpose of expressing an opinion on the effectiveness of the
entity’s internal control. Accordingly, we express no such opinion. An audit also includes
evaluating the appropriateness of accounting policies used and the reasonableness of
significant accounting estimates made by management, as well as evaluating the overall
presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Voluntary Protection Programs Participants’ Association, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Fairfax, Virginia
October 28, 2016
### VOLUNTARY PROTECTION PROGRAMS PARTICIPANTS' ASSOCIATION, INC. STATEMENTS OF FINANCIAL POSITION JUNE 30, 2016 AND 2015

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
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<tr>
<td>Cash and cash equivalents</td>
<td>$165,269</td>
<td>$545,194</td>
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<tr>
<td>Investments, at fair value</td>
<td>4,241,862</td>
<td>3,842,702</td>
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<td>Accounts receivable</td>
<td>15,905</td>
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<td>Certificate of deposit, at cost</td>
<td>13,272</td>
<td>13,272</td>
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<td>Prepaid expenses and deposits</td>
<td>229,084</td>
<td>270,253</td>
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<td>Property and equipment, net</td>
<td>248,605</td>
<td>162,851</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>$4,913,997</td>
<td>$4,838,018</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
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</thead>
<tbody>
<tr>
<td><strong>LIABILITIES AND NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$72,821</td>
<td>$81,512</td>
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<tr>
<td>Deferred revenue</td>
<td>1,509,783</td>
<td>1,633,832</td>
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<tr>
<td>Deferred rent</td>
<td>230,936</td>
<td>255,883</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td>1,813,540</td>
<td>1,971,227</td>
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<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Net Assets</strong></td>
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<tr>
<td>Unrestricted</td>
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<tr>
<td>Undesignated</td>
<td>2,941,354</td>
<td>2,710,844</td>
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<tr>
<td>Board-designated endowment</td>
<td>17,158</td>
<td>17,381</td>
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<tr>
<td><strong>Total Unrestricted</strong></td>
<td>2,958,512</td>
<td>2,728,225</td>
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<tr>
<td>Temporarily restricted</td>
<td>141,945</td>
<td>138,566</td>
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<tr>
<td><strong>Total Net Assets</strong></td>
<td>3,100,457</td>
<td>2,866,791</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND NET ASSETS** | $4,913,997 | $4,838,018

The accompanying notes are an integral part of these financial statements.

Page 6
### VOLUNTARY PROTECTION PROGRAMS PARTICIPANTS’ ASSOCIATION, INC.
#### STATEMENTS OF ACTIVITIES
##### YEARS ENDED JUNE 30, 2016 AND 2015

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<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue and Support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration fees</td>
<td>$ 1,192,139</td>
<td>$ 1,097,015</td>
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<tr>
<td>Membership dues</td>
<td>696,995</td>
<td>678,496</td>
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<tr>
<td>Exhibitor registration fees</td>
<td>632,900</td>
<td>550,008</td>
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<tr>
<td>Sponsorship revenue</td>
<td>231,000</td>
<td>183,920</td>
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<tr>
<td>Investment income</td>
<td>99,311</td>
<td>16,814</td>
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<tr>
<td>Advertising revenue</td>
<td>81,488</td>
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<tr>
<td>Other</td>
<td>1,337</td>
<td>3,013</td>
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<tr>
<td><strong>Net assets released from restrictions</strong></td>
<td>7,500</td>
<td>7,500</td>
</tr>
<tr>
<td><strong>Total Revenue and Support</strong></td>
<td>2,942,710</td>
<td>2,603,373</td>
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<tr>
<td><strong>Expenses</strong></td>
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</tr>
<tr>
<td>Program Services</td>
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<td></td>
</tr>
<tr>
<td>Conference</td>
<td>1,511,892</td>
<td>1,446,170</td>
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<td>Membership</td>
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<tr>
<td>Newsletter</td>
<td>199,322</td>
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<td>Chapters</td>
<td>136,886</td>
<td>139,920</td>
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<tr>
<td>Outreach</td>
<td>82,242</td>
<td>63,279</td>
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<tr>
<td>Safety and health</td>
<td>69,874</td>
<td>63,671</td>
</tr>
<tr>
<td>Courses</td>
<td>63,974</td>
<td>7,483</td>
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<tr>
<td>Government affairs</td>
<td>49,369</td>
<td>135,706</td>
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<tr>
<td>Other programs</td>
<td>7,500</td>
<td>8,766</td>
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<tr>
<td><strong>Total Program Services</strong></td>
<td>2,415,552</td>
<td>2,382,469</td>
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<tr>
<td>Supporting Services</td>
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</tr>
<tr>
<td>Management and general</td>
<td>269,814</td>
<td>50,289</td>
</tr>
<tr>
<td>Unallocated payments to chapters</td>
<td>27,057</td>
<td>30,742</td>
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<tr>
<td><strong>Total Supporting Services</strong></td>
<td>296,871</td>
<td>81,031</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>2,712,423</td>
<td>2,463,500</td>
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<tr>
<td><strong>Change in Unrestricted Net Assets</strong></td>
<td>230,287</td>
<td>139,873</td>
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<tr>
<td>Temporarily Restricted Activities</td>
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<tr>
<td>Contributions</td>
<td>10,879</td>
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<tr>
<td><strong>Net assets released from restrictions</strong></td>
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<td>(7,500)</td>
</tr>
<tr>
<td><strong>Change in Temporarily Restricted Net Assets</strong></td>
<td>3,379</td>
<td>3,924</td>
</tr>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td>233,666</td>
<td>143,797</td>
</tr>
<tr>
<td><strong>Net Assets, Beginning of Year</strong></td>
<td>2,866,791</td>
<td>2,722,994</td>
</tr>
<tr>
<td><strong>Net Assets, End of Year</strong></td>
<td>$ 3,100,457</td>
<td>$ 2,866,791</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
VOLUNTARY PROTECTION PROGRAMS PARTICIPANTS' ASSOCIATION, INC. 
STATEMENTS OF CASH FLOWS 
YEARS ENDED JUNE 30, 2016 AND 2015

Cash Flow from Operating Activities:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$233,666</td>
<td>$143,797</td>
</tr>
<tr>
<td>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>30,461</td>
<td>44,532</td>
</tr>
<tr>
<td>Net (gain) loss on investments</td>
<td>(45,956)</td>
<td>25,726</td>
</tr>
<tr>
<td>Loss on disposal of property and equipment</td>
<td>5,448</td>
<td>-</td>
</tr>
<tr>
<td>Amortization of discount on investments</td>
<td>11,059</td>
<td>11,757</td>
</tr>
<tr>
<td>(Increase) Decrease in Operating Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued interest on investments</td>
<td>(3,914)</td>
<td>(583)</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(12,159)</td>
<td>16,004</td>
</tr>
<tr>
<td>Prepaid expense and other assets</td>
<td>41,169</td>
<td>(36,609)</td>
</tr>
<tr>
<td>Increase (Decrease) in Operating Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>(8,691)</td>
<td>(106,105)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(124,049)</td>
<td>150,041</td>
</tr>
<tr>
<td>Deferred rent</td>
<td>(24,947)</td>
<td>34,693</td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td>102,087</td>
<td>283,253</td>
</tr>
</tbody>
</table>

Cash Flows from Investing Activities:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (purchases) of money market accounts</td>
<td>139,556</td>
<td>(140,645)</td>
</tr>
<tr>
<td>Sales and maturities of investments at fair value</td>
<td>575,921</td>
<td>1,621,274</td>
</tr>
<tr>
<td>Purchase of investments at fair value</td>
<td>(1,075,825)</td>
<td>(1,734,343)</td>
</tr>
<tr>
<td>Purchase of property and equipment</td>
<td>(121,663)</td>
<td>-</td>
</tr>
<tr>
<td>Net Cash Used in Investing Activities</td>
<td>(482,011)</td>
<td>(253,714)</td>
</tr>
<tr>
<td>(Decrease) Increase in Cash and Cash Equivalents</td>
<td>(379,924)</td>
<td>29,539</td>
</tr>
<tr>
<td>Cash and Cash Equivalents, Beginning of Year</td>
<td>545,194</td>
<td>515,655</td>
</tr>
<tr>
<td>Cash and Cash Equivalents, End of year</td>
<td>$165,270</td>
<td>$545,194</td>
</tr>
</tbody>
</table>

Supplementary Schedule of Noncash Investing Activities

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rollover of certificate of deposit, at cost</td>
<td>$13,272</td>
<td>$13,272</td>
</tr>
<tr>
<td>Property and equipment acquired with improvement allowance</td>
<td>$-</td>
<td>$52,448</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.

Page 8
NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization and Nature of Operations

Voluntary Protection Programs Participants’ Association, Inc. (the Association) is incorporated in the Commonwealth of Virginia. The Association is an occupational safety and health organization dedicated to cooperative safety and health management systems. The Association’s programs are focused on compliance with the Department of Occupational Safety and Health Administration (OSHA) directives and encourage excellence in occupational safety and health programs. The Association provides networking, educational offerings, publications, legislative information, mentoring, professional development, and volunteer opportunities to its members.

2. Basis of Accounting

The Association’s financial statements have been prepared on the accrual basis of accounting. Accordingly, revenue is recognized when earned or, in the case of contributions, unconditionally promised, and expenses are recognized when incurred.

3. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

4. Cash and Cash Equivalents

The Association considers all highly liquid debt instruments not included in the investment portfolio purchased with original maturities of 3 months or less to be cash equivalents. Some of these balances may not be federally insured. However, the Association does not believe it is subject to any significant credit risk because of these deposits.

5. Accounts Receivable

Accounts receivable include amounts due from attendees of the Association’s prior annual conference, regional chapter conferences, and vendor newsletter advertisements. Management reviews accounts receivable on an annual basis to determine if any receivables will potentially be uncollectible. An allowance for uncollectible accounts receivable reduces accounts receivable in the statement of financial position and is reported as a decrease in net assets. There was no provision for uncollectible accounts for each of the years ended June 30, 2016 and 2015.
NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Property and Equipment

Purchased property and equipment over $500 are capitalized at cost, and donated property is recorded at fair value at the date of donation. Depreciation and amortization of property and equipment are calculated using the straight-line method over the estimated useful lives (generally 3 to 7 years). Expenditures for major renewals and improvements that extend the useful lives of property and equipment are capitalized. Repairs and maintenance are expensed when incurred.

7. Net Assets

The Association classifies and reports its net assets and activities based on the existence or absence of donor-imposed restrictions as follows:

Unrestricted net assets – Unrestricted net assets include those net assets whose use is not restricted by donors, even though its use may be designated by the Board of Directors.

Temporarily restricted net assets – Temporarily restricted net assets include those net assets whose use by the Association has been donor-restricted by specified time or purpose limitations. Temporarily restricted net assets consisted of unspent donations to the scholarship fund.

8. Membership Dues

Membership dues are recognized ratably over the membership year. Dues received prior to the membership period are presented as deferred revenue in the accompanying statements of financial position.

9. Conference Revenue

Revenue received prior to the Association’s annual conference is recorded as deferred revenue in the accompanying statements of financial position and recognized when the annual conference is held.
NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction expires or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported on the statements of activities as net assets released from restriction.

11. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

12. Advertising

Advertising costs are expensed as incurred and were $1,450 and $6,125 during the years ended June 30, 2016 and 2015, respectively.

13. Income Taxes

The Association is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as an other than private foundation as described in Section 509(a)(2) of the Internal Revenue Code. The Association is liable for income taxes on any income from activities unrelated to it exempt purpose, which primarily consists of advertising.

The Association evaluates uncertainty in income tax positions based on a more-likely-than-not recognition standard. If that threshold is met, the income tax position is then measured at the largest amount that is greater than 50 percent likely of being realized upon ultimate settlement and current and deferred income taxes would be recognized. As of June 30, 2016 and 2015, there were no accruals for uncertain income tax positions. If applicable, the Association records interest and penalties as a component of income tax expense.
NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Subsequent Events

The Association has evaluated events and transactions for potential recognition or disclosure through October 28, 2016, which is the date the financial statements were available to be issued.

NOTE B – FAIR VALUE MEASUREMENTS AND INVESTMENT INCOME

Fair Value Measurements

Accounting standards use the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1: Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes.

Level 2: Includes inputs other than level 1 that are directly or indirectly observable in the marketplace, such as yield curves or other market data.

Level 3: Unobservable inputs in which there is little or no market data and require the reporting entity to develop its own assumptions.

Investments measured at fair value on a recurring basis were as follows at June 30, 2016:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds</td>
<td>$376,209</td>
<td>$376,209</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>14,140</td>
<td>14,140</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>3,314,281</td>
<td>-</td>
<td>3,314,281</td>
<td>-</td>
</tr>
<tr>
<td>Fixed income funds</td>
<td>101,582</td>
<td>101,582</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government and agency bonds</td>
<td>435,650</td>
<td>-</td>
<td>435,650</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$4,241,862</td>
<td>$491,931</td>
<td>$3,749,931</td>
<td>$-</td>
</tr>
</tbody>
</table>
NOTE B – FAIR VALUE MEASUREMENTS AND INVESTMENT INCOME
(CONTINUED)

Investments measured at fair value on a recurring basis were as follows at June 30, 2015:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds</td>
<td>$ 515,765</td>
<td>$ 515,765</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>10,226</td>
<td>10,226</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>2,625,995</td>
<td>-</td>
<td>2,625,995</td>
<td>-</td>
</tr>
<tr>
<td>Fixed income funds</td>
<td>100,964</td>
<td>100,964</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government and agency bonds</td>
<td>589,752</td>
<td>-</td>
<td>589,752</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 3,842,702</td>
<td>$ 626,955</td>
<td>$ 3,215,747</td>
<td>$ -</td>
</tr>
</tbody>
</table>

Investments using Level 2 inputs consisted of certificates of deposit and government and agency bonds. The fair values of the certificates of deposit and government and agency bonds are priced using an outside data and pricing company (the Company), which uses a market approach and spreads based on the credit risk of the issuer, maturity, current yield, and other terms and conditions of each security. Management believes the Company’s estimates to be reasonable approximations of the fair value of the investments.

**Investment Income**

Investment income consisted of the following for the years ended June 30, 2016 and 2015:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends</td>
<td>$ 53,505</td>
<td>$ 42,840</td>
</tr>
<tr>
<td>Net gain (loss) on investments</td>
<td>45,956</td>
<td>(25,726)</td>
</tr>
<tr>
<td>Investment fees</td>
<td>(150)</td>
<td>(300)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 99,311</td>
<td>$ 16,814</td>
</tr>
</tbody>
</table>
VOLUNTARY PROTECTION PROGRAMS
PARTICIPANTS’ ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE C – PROPERTY AND EQUIPMENT
Property and equipment consisted of the following at June 30, 2016 and 2015:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td>$171,679</td>
<td>$120,875</td>
</tr>
<tr>
<td>Office furniture and equipment</td>
<td>$166,292</td>
<td>$177,607</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>$265,292</td>
<td>$265,292</td>
</tr>
<tr>
<td></td>
<td>603,263</td>
<td>563,774</td>
</tr>
<tr>
<td>Less: accumulated depreciation and amortization</td>
<td>(354,658)</td>
<td>(400,923)</td>
</tr>
<tr>
<td></td>
<td>$248,605</td>
<td>$162,851</td>
</tr>
</tbody>
</table>

NOTE D – ACCOUNTS PAYABLE AND ACCRUED EXPENSES
Accounts payable and accrued expenses consisted of the following at June 30, 2016 and 2015:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade accounts payable</td>
<td>$11,081</td>
<td>$17,022</td>
</tr>
<tr>
<td>Payroll liabilities</td>
<td>$22,028</td>
<td>$25,814</td>
</tr>
<tr>
<td>Payable to chapters</td>
<td>$39,712</td>
<td>$38,676</td>
</tr>
<tr>
<td></td>
<td>$72,821</td>
<td>$81,512</td>
</tr>
</tbody>
</table>
NOTE E – DEFERRED REVENUE

Deferred revenue consisted of the following at June 30, 2016 and 2015:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibitor registration</td>
<td>$ 504,250</td>
<td>$ 560,425</td>
</tr>
<tr>
<td>Registration</td>
<td>$ 455,855</td>
<td>$ 512,780</td>
</tr>
<tr>
<td>Membership dues</td>
<td>$ 367,876</td>
<td>$ 398,477</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>$ 180,760</td>
<td>$ 152,500</td>
</tr>
<tr>
<td>Advertising</td>
<td>$ 1,042</td>
<td>$  9,650</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1,509,783</td>
<td>$ 1,633,832</td>
</tr>
</tbody>
</table>

NOTE F – SCHOLARSHIP FUND AND ENDOWMENT

Scholarship Fund

The Association established the scholarship program for its members and families in an ongoing effort to advance the field of occupational safety and health. The scholarship fund is comprised of donor-restricted funds and a board-designated endowment fund. The donor-restricted funds consisted of donations restricted by donors for scholarships and are included in temporarily restricted net assets in the accompanying statements of financial position. The board-designated endowment fund consisted of accumulated investment income, gains, and losses generated on the total scholarship fund balance and any funds designated by the board to be used for scholarships. The Association’s intent is for the total scholarship fund to become self-sustaining, so that the contributions and investment income generated by the scholarship fund are at least equal to the scholarships distributed.

Return Objectives and Risk Parameters

The Association has adopted investment and spending policies for endowment and other scholarship fund assets that attempt to provide a predictable stream of funding to programs supported by its endowment and other scholarship fund while seeking to maintain the purchasing power of the endowment and other scholarship fund assets. Endowment assets include those assets of the scholarship fund that are board-designated. Under this policy, as approved by the Board of Directors, the endowment and other scholarship fund assets are invested in a manner that is intended to produce results that exceed the price and yield results of a composite market index which best represents the style and asset allocation of the endowment and other scholarship fund’s overall investment structure while assuming a moderate level of investment risk. The Association expects its endowment and other scholarship funds, over time, to provide an average rate of return of approximately 5 percent annually. Actual returns in any given year may vary from this amount.
VOLUNTARY PROTECTION PROGRAMS
PARTICIPANTS' ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE F – SCHOLARSHIP FUND AND ENDOWMENT (CONTINUED)

Strategies Employed for Achieving Results

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Association has a policy of appropriating for distribution each year amounts from the endowment when expenses are available to meet the board’s intended use of the funds (i.e., scholarships) and if there are no temporarily restricted funds available for the same use. In establishing this policy, the Association considered the long-term expected return on the total scholarship fund. Accordingly, over the long term, the Association expects the current spending policy to allow its total scholarship fund to grow at the rate of inflation, net of fees. This is consistent with the Association’s objective to maintain the purchasing power of the endowment and other scholarship fund assets as well as to provide additional real growth through new gifts and investment return.

Scholarship Fund Composition

The entire scholarship fund is held in investments. The net asset composition of the scholarship fund is as follows at June 30, 2016 and 2015:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted net assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board-designated endowment</td>
<td>$17,158</td>
<td>$17,381</td>
</tr>
<tr>
<td>Temporarily restricted net assets</td>
<td>$141,945</td>
<td>$138,566</td>
</tr>
<tr>
<td>Total Scholarship Fund</td>
<td>$159,103</td>
<td>$155,947</td>
</tr>
</tbody>
</table>
### NOTE F – SCHOLARSHIP FUND AND ENDOWMENT (CONTINUED)

#### Scholarship Fund Activity

Changes in the scholarship fund were as follows for the years ended June 30, 2016 and 2015:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted - Board-Designated Endowment</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance, July 1, 2014</strong></td>
<td>$ 16,616</td>
<td>$ 134,642</td>
<td>$ 151,258</td>
</tr>
<tr>
<td><strong>Investment Return</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>1,132</td>
<td>-</td>
<td>1,132</td>
</tr>
<tr>
<td>Net loss on investments</td>
<td>(217)</td>
<td>-</td>
<td>(217)</td>
</tr>
<tr>
<td>Investment fees</td>
<td>(150)</td>
<td>-</td>
<td>(150)</td>
</tr>
<tr>
<td>Net investment return</td>
<td>765</td>
<td>-</td>
<td>765</td>
</tr>
<tr>
<td><strong>Contributions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restriction releases - satisfaction of program restrictions</td>
<td>-</td>
<td>(7,500)</td>
<td>(7,500)</td>
</tr>
<tr>
<td><strong>Balance, June 30, 2015</strong></td>
<td>17,381</td>
<td>138,566</td>
<td>155,947</td>
</tr>
<tr>
<td><strong>Investment Return</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>517</td>
<td>-</td>
<td>517</td>
</tr>
<tr>
<td>Net loss on investments</td>
<td>(590)</td>
<td>-</td>
<td>(590)</td>
</tr>
<tr>
<td>Investment fees</td>
<td>(150)</td>
<td>-</td>
<td>(150)</td>
</tr>
<tr>
<td>Net investment return</td>
<td>(223)</td>
<td>-</td>
<td>(223)</td>
</tr>
<tr>
<td><strong>Contributions</strong></td>
<td>-</td>
<td>10,879</td>
<td>10,879</td>
</tr>
<tr>
<td>Restriction releases - satisfaction of program restrictions</td>
<td>-</td>
<td>(7,500)</td>
<td>(7,500)</td>
</tr>
<tr>
<td><strong>Balance, June 30, 2016</strong></td>
<td>$ 17,158</td>
<td>$ 141,945</td>
<td>$ 159,103</td>
</tr>
</tbody>
</table>

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VOLUNTARY PROTECTION PROGRAMS PARTICIPANTS’ ASSOCIATION, INC. 
NOTES TO THE FINANCIAL STATEMENTS 
JUNE 30, 2016 AND 2015

NOTE G – RETIREMENT PLAN

The Association offers a pension plan to all eligible employees under Section 401(k) of the Internal Revenue Code. Employees may elect to defer a portion of their compensation as permitted under the Internal Revenue Code. The Association may make discretionary matching contributions each plan year (calendar year). All participants who are employed on December 31 during the plan year receive an allocation of Association contributions made for that plan year. Pension expenses for the years ended June 30, 2016 and 2015, totaled $10,912 and $10,700, respectively.

NOTE H – CHAPTERS

The Association has chapters that represent an established association presence in all of the ten OSHA regions. Each chapter elects and is headed by an elected Chapter Board of Directors that consists of safety and health leaders who are both hourly and salary employees from union and non-union sites. Accordingly, the Association does not have control of the chapters. Each chapter is governed by a set of bylaws that are modeled after the national Association bylaws, but is tailored to the needs and environments of the region. The chapter boards, committees, and volunteers are committed to providing local networking opportunities, educational sessions, voluntary protection programs outreach, establishing mentoring relationships, and hosting annual conferences within each of the regions. The Association pays each chapter 5 percent of the membership dues received from members within each chapter, which is shown as “unallocated payments to chapters” on the accompanying statements of activities.

NOTE I – RISK, COMMITMENTS, AND CONTINGENCIES

Investment Risk

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position.
NOTE I – RISK, COMMITMENTS, AND CONTINGENCIES (CONTINUED)

Operating Leases

*Office lease:* The Association has a non-cancelable operating lease for office space in Falls Church, Virginia, that commenced in May 2008 and expires on July 31, 2018. Effective June 6, 2015, the Association extended its lease in Falls Church, Virginia, commencing January 1, 2015, and expiring on July 31, 2025.

The Association recognizes the minimum non-contingent rents under operating lease as rent expense on a straight-line basis over the life of the lease, with differences between amounts recognized as expense and the amounts actually as deferred rent on the accompanying statements of financial position.

The Association purchased a certificate of deposit in the amount of $12,517 as collateral to a letter of credit that was provided as the security deposit under the office lease. The balance of this certificate of deposit as June 30, 2016 and 2015, was $13,272 and $13,272, respectively, and $12,517 of this amount is restricted in use.

*Office Equipment:* The Association leases a color copier and postage machine under operating lease agreements that expire in May 2016.

Future minimum lease payments under the above leases as of June 30, 2016, were as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$ 155,667</td>
</tr>
<tr>
<td>2018</td>
<td>150,205</td>
</tr>
<tr>
<td>2019</td>
<td>149,686</td>
</tr>
<tr>
<td>2020</td>
<td>154,165</td>
</tr>
<tr>
<td>2021</td>
<td>158,780</td>
</tr>
<tr>
<td>Thereafter</td>
<td>699,422</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 1,467,925</strong></td>
</tr>
</tbody>
</table>

Rent expense (including leased equipment) under the various leases totaled $190,214 and $160,774 for the years ended June 30, 2016 and 2015, respectively.
VOLUNTARY PROTECTION PROGRAMS
PARTICIPANTS’ ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE I – RISK, COMMITMENTS, AND CONTINGENCIES (CONTINUED)

Commitments

The Association has entered into numerous contractual commitments with various hotels for room rentals and the purchase of food and beverages for future annual conferences. The Association may incur significant cancelation fees if a contract is canceled. Management believes that the probability of canceling a contract is remote.
SUPPLEMENTARY INFORMATION
INDEPENDENT AUDITOR’S REPORT
ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors
Voluntary Protection Programs Participants’ Association, Inc.

We have audited the financial statements of Voluntary Protection Programs Participants’ Association, Inc. as of and for the years ended June 30, 2016 and 2015, and have issued our report thereon dated October 28, 2016, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole.

The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2016 financial statements as a whole, and the summarized comparative information presented herein for the year ended June 30, 2015, is consistent, in all material respects, in relation to the 2015 audited financial statements from which it has been derived.

Fairfax, Virginia
October 28, 2016

Gurman & Company, PLLC
## VOLUNTARY PROTECTION PROGRAMS
 PARTICIPANTS' ASSOCIATION, INC.
### SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016, WITH COMPARATIVE TOTALS FOR 2015

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Supporting Services</th>
<th>Management and General</th>
<th>Undistributed</th>
<th>2016 Total</th>
<th>2015 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conference</td>
<td>$ 850</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 600</td>
<td>$ 1,650</td>
</tr>
<tr>
<td>Membership</td>
<td>129,691</td>
<td>4,607</td>
<td>4,607</td>
<td>109,711</td>
<td>109,711</td>
</tr>
<tr>
<td>Newsletter</td>
<td>22,866</td>
<td>3,372</td>
<td>3,372</td>
<td>20,494</td>
<td>20,494</td>
</tr>
<tr>
<td>Chapters</td>
<td>3,827</td>
<td>7,628</td>
<td>7,628</td>
<td>107,315</td>
<td>107,315</td>
</tr>
<tr>
<td>Outreach</td>
<td>120</td>
<td>675</td>
<td>675</td>
<td>20,015</td>
<td>20,015</td>
</tr>
<tr>
<td>Safety and Health</td>
<td></td>
<td></td>
<td></td>
<td>68,913</td>
<td>68,913</td>
</tr>
<tr>
<td>Courses</td>
<td></td>
<td></td>
<td></td>
<td>3,557</td>
<td>3,557</td>
</tr>
<tr>
<td>Councils</td>
<td></td>
<td></td>
<td></td>
<td>3,332</td>
<td>3,332</td>
</tr>
<tr>
<td>Affiliates</td>
<td></td>
<td></td>
<td></td>
<td>16,231</td>
<td>16,231</td>
</tr>
<tr>
<td>Chapters</td>
<td></td>
<td></td>
<td></td>
<td>604,750</td>
<td>604,750</td>
</tr>
<tr>
<td>Management and General</td>
<td></td>
<td></td>
<td></td>
<td>27,897</td>
<td>27,897</td>
</tr>
<tr>
<td>Undistributed</td>
<td>$ 600</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,650</td>
<td>$ 6,125</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,349,380</td>
<td>$ 154,489</td>
<td>$ 150,296</td>
<td>$ 136,886</td>
<td>$ 136,886</td>
</tr>
<tr>
<td>Total</td>
<td>$ 152,632</td>
<td>140,004</td>
<td>69,026</td>
<td>67,115</td>
<td>33,937</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,492,012</td>
<td>$ 154,489</td>
<td>$ 150,296</td>
<td>$ 136,886</td>
<td>$ 136,886</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,349,380</td>
<td>$ 154,489</td>
<td>$ 150,296</td>
<td>$ 136,886</td>
<td>$ 136,886</td>
</tr>
</tbody>
</table>

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