FY13 ANNUAL REPORT

JULY 1, 2012 – JUNE 30, 2013
OPENING REMARKS FROM THE EXECUTIVE DIRECTOR

It is with great joy that I close my first fiscal year as the Executive Director of the Voluntary Protection Programs Participants’ Association, Inc. (VPPPA). Fiscal Year 2013 (FY13) was a year of growth and change as we moved ahead with the association’s mission of ensuring that workers go home safely at the end of each workday.

The warm welcome I received from VPPPA members and the national board of directors certainly spoke to the values of the association and VPP. I have always been a participant at national events for as long as I can remember, but being the executive director opened my eyes to the deep level of pride that our members have in VPP and the work they do.

VPPPA members are champions and innovators in their industry, and the association realized it must work hard to make sure our brand reflects this. That is why the board of directors established a new marketing committee tasked with keeping the VPPPA brand strong. Brand identity and value, as well as consistent messaging, will be the focus of this committee. The national office also created a director of marketing position to work with the committee on these efforts.

In line with branding, VPPPA officially changed its tagline in FY13 to read “The Premier Global Safety and Health Organization™.” This reflects VPPPA’s push to go global and spread our mission beyond U.S. borders. Although the tagline change is recent, the push to go global has been in the works for quite a while. Association members have gone to Canada, Ireland and to overseas military installations to inform businesses about the power of VPP.

Our financials for FY13 are sound. We’ve seen an increase in membership as we received 116 new members. Our national conference also remains steady, with 2,548 safety and health professionals attending the 28th Annual National VPPPA Conference, held in Anaheim, Calif., Aug. 20–23, 2012. Sponsorships for this conference increased by 84 percent from the year before, showcasing that companies remain dedicated to VPPPA and find enormous value in our members and attendees.

Overall, our FY13 Audit confirms the association has $4,522,254 in total assets. This is a slight increase from our FY12 numbers.

VPPPA National thanks our members, chapters and vendors who supported the association in FY13. The results of your dedication certainly shows.

I thank you all for your participation.

Susan Jordan Sikes
Executive Director
Although the membership department remained primarily vacant during FY13, members still received their benefits and had access to a wealth of resources at the national and chapter level.

**THE LEADER**

VPPPA’s trade publication, *The Leader*, was sent out four times and covered the following occupational safety and health hot topics:

- Combustible dust hazards
- Hazard prevention and control programs
- Improving observer performance
- Contractor safety programs
- Gap tools
- Safety culture
- Sustaining VPP
- Electrical safety programs
- Workplace violence, and more

**THE BEST PRACTICES DIRECTORY**

*The 2013 Best Practices Directory* was sent to the membership and featured 97 new listings on top of listings from previous years. Best practice areas included accountability, hazard analysis, industrial hygiene, wellness programs, fall protection, ergonomics, and more.
MEMBERSHIP GROWTH

116
New 2012 and 2013 Memberships processed FY13 (July 1, 2012–June 30, 2013)

1,947
Total 2012 and 2013 Memberships processed in FY13

1,698
Sites that paid dues in FY12 and renewed in FY13

87.2%
Retention Rate for FY13

Per information from previous Annual Reports, the total for the respective fiscal years are below:

<table>
<thead>
<tr>
<th>FY10 Membership</th>
<th>FY11 Membership</th>
<th>FY12 Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,085</td>
<td>2,118</td>
<td>2,072</td>
</tr>
</tbody>
</table>
DEVELOPMENT

The 28th Annual National VPPPA Conference had a total of 46 sponsors. Cash contributions totaled $193,442.50, an amount 20% above the sponsorship goal for FY13. VPPPA had a record year, where sponsorship has generated almost 30% more revenue than the previous fiscal year. It is the third consecutive year that we have broken a previous revenue record and are well on our way to continue this trend next year.

<table>
<thead>
<tr>
<th>Year</th>
<th>Conference Name</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 VPPPA</td>
<td>National Conference</td>
<td>$143,804.50</td>
</tr>
<tr>
<td>2011 VPPPA</td>
<td>National Conference</td>
<td>$186,232.50</td>
</tr>
<tr>
<td>2012 VPPPA</td>
<td>National Conference</td>
<td>$221,462.00</td>
</tr>
</tbody>
</table>
THANK YOU to Our 28th Annual National VPPPA SPONSORS and CONTRIBUTORS For Your OUTSTANDING SUPPORT

DIAMOND LEVEL SPONSORS
$10,000 AND ABOVE
Always in Mind, Inc. (A.I.M.)
BP America, North America Gas Division
Delta Air Lines, Inc.
ExxonMobil Beaumont Complex
Marathon Petroleum
Motiva Enterprises
NuStar Energy, LP
Phillips 66 Company
SafeStart®, A Division of Electrolab Ltd.
Valero
VPPStore.com Powered by CompleteSource
Waste Management

PLATINUM LEVEL SPONSORS
$7,500–$9,999
Monsanto Company

GOLD LEVEL SPONSORS
$5,000–$7,499
Chevron Phillips Chemical Company LP
Clean Harbors Environmental Services, Inc.
Nucor Corporation
URS

SILVER LEVEL SPONSORS
$2,500–$4,999
McWane, Inc.
Frito Lay

BRONZE LEVEL SPONSORS
$1,000–$2,499
A Box 4 U
Ansell Healthcare
Bradenburg Industrial Service Company
CH2M – WG Idaho, LLC
Clement Communications
Checkers Industrial Safety Products
Edge Eyewear
Gateway Safety
Georgia Pacific, LLC.
General Electric
Glove Guard LP
MSDSonline
Idaho National Laboratory (INL), Battelle Energy Alliance
Safetec Compliance Systems
Shermco Industries, Inc.
SiteHawk
Tec Laboratories, Inc.
Wiley X Eyewear

CONTRIBUTORS
UP TO $999
L.L. Bean
Wendy’s Safety Boutique
THANK YOU to FY13 DONORS to the VPPPA Scholarship Fund!

The VPPPA Scholarship Program was first established in 2004 in honor of former VPPPA National Board of Directors Chairperson June Brothers and Vice Chair Steve Brown. The program has since grown in the number of scholarships available and a VPPPA Scholarship Fund was created in 2008.

In FY13, VPPPA received a total of $9,722.38 in scholarship donations.

THANK YOU TO OUR FY13 SCHOLARSHIP DONORS

LISTED IN ALPHABETICAL ORDER:
Boise Cascade, LLC
Brandenburg Industrial Services Company
Certified Environmental Management, Ltd.
Clean Harbors of Baltimore, Inc.
EnerServ Inc.
Farvea Richmond
Front Range Steel, Inc.
L&W Supply Great Lakes Gypsum
Marathon Petroleum Company, LP
Odebrecht
Olin Corporation
Optimized Process Designs, Inc.
U.S. Department of Labor, OSHA
Waste Management of N.Y.

Also, VPPPA wishes to thank all the individuals who made donations or who purchased a scholarship raffle ticket during the 28th Annual National VPPPA Conference. Attendees purchased a total of $7,304 worth of scholarship raffle tickets during the conference!
2012 VPPPA RECOGNITION PROGRAMS

2012 VPPPA SAFETY & HEALTH ACHIEVEMENT PROGRAM

The VPPPA Safety and Health Achievement Program was created in 1997 to formally recognize the contributions of employees at VPPPA member sites to the field of safety, health and environmental program management. The program is an opportunity for hourly, non-safety and health professionals to be recognized for their knowledge of safety and health issues and outreach activities at their worksites and in their communities.

In 2012, three individuals were honored with the VPPPA Safety & Health Achievement Award at the 28th Annual National VPPPA Conference in Anaheim, Calif.: Patricia Ramos-Yarber of General Electric Healthcare in Salt Lake City, Utah; Ricky Fetzer of GenOn – Seward Generating Station in New Florence, Pa.; and Brian K. Williams of Fiberteq, LLC, in Danville, Ill.

Continued on page 9
2012 VPPPA ANNUAL AWARDS

The VPPPA Annual Awards consist of three categories: VPP Outreach, VPP Innovation and Safety and Health Outreach.

VPP OUTREACH AWARD

This award recognizes those who achieve an outstanding level of outreach activity and encourage others to share their knowledge. The 2012 VPP Outreach Award recipient was Raytheon Technical Services Company Norfolk Depot in Norfolk, Va. The site has effectively partnered with private industry and professional associations to share practices, participate in benchmarking, generate outreach opportunities and offer collaborative consultation support. Raytheon Norfolk also reaches out to communicate and persuade its valued government agency customers to adopt the VPP management system. The site’s workforce, supervisors and leaders also interact with peers in their business, and at other organizations, where they share lessons learned and impart best practices to increase worker interaction and engagement, the VPP way.
VPP INNOVATION AWARD
The purpose of this 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 2012 VPP Innovation Award recipient is Sherwin-Williams – Purdy Facility – in Portland, Ore. In 2010, the site noticed a large number of discomfort reports from their brushmakers. A review of the job yielded a need to reduce the repetitive, high stress motions performed by these employees. The site created a chart of the affected areas and conducted a study of the motions that contribute to the noted discomforts. The facility decided that nothing on the market would meet their needs, so they completed an overhaul of the benches and in November 2011, was able to incorporate 36 new benches to the lines. Since completion of the product, the site has seen a 65% reduction in discomfort reports.

SAFETY & HEALTH OUTREACH AWARD
This award recognizes an individual, company or worksite that has developed and successfully implemented an innovation at their worksite. The 2012 VPPPA Safety and Health Outreach Award recipient is CH2M-WG Idaho, LLC (CWI) in Idaho Falls, Idaho. CWI worked to gather money and resources to aid military families who needed help, especially during times of deployment, by creating an “Adopt a Soldier’s Family” program. The site contributed to personal Christmas gifts for families with loved ones overseas, and more than 60 volunteers led by the site helped repair a military family’s residence. The CWI team has provided assistance to these military families and helped make them more safe and healthy in the long run.
2012 VPPPA SCHOLARSHIPS

In an ongoing effort to advance the field of occupational safety and health, VPPPA has established a scholarship program for VPPPA members and their families. This year, three students were recognized at the 28th Annual National VPPPA Conference in Anaheim, Calif.

VPPPA JUNE BROTHERS SCHOLARSHIP
This scholarship is intended for students pursuing either an undergraduate or graduate degree in the safety/health/environmental field. The winner of the 2012 June Brothers Scholarship was Jess Levenson, who is the son of Marla Levenson, HQ Electronic Systems Center at Hanscom Air Force Base, Mass. While attending Lexington High School, he served as a public affairs intern assistant for the U.S. Army Corps of Engineers’ New England District. He is attending Massachusetts Maritime Academy in Buzzards Bay, Mass., majoring in emergency management and safety/environmental protection.

THE STEPHEN BROWN SCHOLARSHIP
This scholarship was created to recognize students who are role models in their field of study, their schools and their community. The scholarship is for students who are pursuing an education in the trades’ profession and who have excelled academically as well as participated in a great amount of service and outreach. The 2012 Stephen Brown Scholarship winner, Kelsey McKay, is the daughter of Scott McKay of GE Aviation in North Clarendon, Utah. A very active volunteer in her community, she attends Rochester Institute of Technology and studies nursing.

WILLIAM “SULLY” SULLIVAN SCHOLARSHIP
In 2007, the VPPPA National Board of Directors established the VPPPA William “Sully” Sullivan Scholarship in memory of A.I.M.’s founder and VPP supporter William “Sully” Sullivan. Its intent is to recognize an employee at a VPPPA full member site who has made significant contributions to the VPP program at his/her site. The 2012 William “Sully” Sullivan Scholarship was awarded to Richard Foreman. He is a safety coordinator at Frito-Lay in Aberdeen, Md. Foreman is also a Special Government Employee (SGE) and serves on the Region III Board of Directors. He currently attends Columbia Southern University, pursuing his Bachelor of Science degree in occupational safety and health.

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2012 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**  
Galen Williams, Hanscom Air Force Base, Mass.

**REGION III**  
Scott Kalis, Raytheon Technical Services, Norfolk, Va.

**REGION IV**  
William Holden, Bridgestone Firestone, Nashville, Tenn.

**REGION V**  
Shawn French, Eli Lilly & Company, Indianapolis, Ind.

**REGION VI**  
Tim Nolen, Fite Fire & Safety, Midland, Texas

**REGION VII**  
Chad Silker, Pfizer, Inc., Lee’s Summit, Mo.

**REGION IX**  
EDUCATIONAL EVENTS

2012 ANNUAL NATIONAL VPPPA CONFERENCE

Conference attendees took “the next step in safety and health” in Anaheim, Calif., at the 28th Annual National VPPPA Conference.

Approximately 2,548 people from across the country attended the event, which featured exciting workshops and an expo hall filled with 218 exhibitors.

The conference featured 11 pre-conference workshops on Sunday and approximately 250 attendees took advantage of the opportunity to start learning early. Pre-conference workshops included: Developing and Managing an Ergonomics System at a VPP Star Site; Inspection Techniques and Hazard Recognition; Advancing Process Safety in the Petroleum Refining, Chemical and Pipeline Industry; an OSHA SGE Training Course; What’s New in the DOE-VPP Program?; VPP Application Workshop; OSHA Recordkeeping; Strengthening Star Quality; and more. On Sunday night, a Chapter Welcome Reception took place, allowing board members and volunteers from each region to share updates with conference attendees.

The opening general session began with a moving ceremony coordinated by Harvey Duran from Phillips 66 Carbon Plant in Rodeo, Calif., to honor the men and women who have served the United States, specifically those who are prisoners of war or missing in action. Following the tribute, VPPPA Membership and Development Coordinator Elaine Day sang an a cappella version of “America the Beautiful” and Dana Dugat from Akzo Nobel Polymer in Pasadena, Texas, sang “The Star Spangled Banner.” Former member of the VPPPA Board of Directors Bob Hamilton and the Marine Corps Color Guard from Barstow, Calif., posted the colors.
Chief Executive Officer of Morton Salt Mark Roberts delivered a message to opening general session attendees about the impact that the Voluntary Protection Programs (VPP) has at Morton Salt sites throughout the country. Next, motivational speaker Dan Clark addressed the crowd and praised VPP participants and VPPPA members for their efforts toward improving safety and health.

Deputy Assistant Secretary of Labor for the Occupational Safety and Health Administration (OSHA) Jordan Barab shared feedback on VPP and incentive programs and then recognized OSHA’s Special Government Employee (SGE) of the Year, Jon Alexander from Monsanto Company in St. Louis, Mo.

Aug. 20, 2012, the exhibit hall opened and attendees were able to learn about products and services offered to help improve safety and health. Tuesday and Wednesday, attendees continued to visit the exhibit hall and had the opportunity to choose from 120 workshop offerings – ranging from topics in ergonomics, employee involvement and more.

The closing reception featured a welcome line, which consisted of board members, volunteers and staff. Great food, dancing and karaoke were enjoyed by all. During this event, the national board of directors officially announced Susan Jordan Sikes as the new executive director to the national VPPPA office.

Jeff “Odie” Espenship, a former Air Force fighter pilot, delivered a powerful message about leadership and positive influence at the closing general session.

Throughout the conference, a number of raffle prize drawings took place and prizes included: a $250 L.L. Bean gift card, sponsored by L.L. Bean; Wiley X Eyewear, sponsored by Wiley X; a GE refrigerator, sponsored by GE; a Dell laptop computer, sponsored by A.I.M.; and more. The scholarship raffle raised $7,304 for the VPPPA Scholarship Fund and the winner received his/her choice of one of the following: a travel package credit worth $4,300; a Sony 60” HDTV valued at $3,000; and a Tiffany’s gift card for $3,000.
VOLUNTARY PROTECTION PROGRAMS PARTICIPANTS’ ASSOCIATION, INC.

EDUCATIONAL PARTNERSHIP

VPPPA announced its support of the University of Alabama at Birmingham’s (UAB) VPP Excellence in Safety Certificate Program, which became effective June 1, 2013. The program allows full-time and part-time workers from across the country to earn the specialized certificate.

During the six courses, students will learn:

- VPP history, philosophy, principles, and guidelines
- Basic concepts of: safety, system safety, hazards, risk, and acceptable risk
- System safety management plans and how to develop and implement them
- How to identify “Error Provocative Environments”
- How to identify parameters for Inclusion in a hazard analysis
- How to extend a hazard analysis into a risk assessment

The curriculum was based off the key elements of OSHA’s VPP. Courses include:

INTRODUCTION TO SYSTEM SAFETY MANAGEMENT PLANS
The introduction course presents fundamental concepts of system safety, including the basics of hazard identification and risk assessment. The interplay between organizational culture and error provocative environments is explored.

MANAGEMENT LEADERSHIP AND EMPLOYEE INVOLVEMENT
The critically important subject of leadership and organizational culture includes a discussion of management, labor and collective bargaining. Contractor management, emergency program planning and employee training are discussed.

WORK SITE ANALYSIS
Students learn best practices in incident investigation and root cause analysis.

HAZARD IDENTIFICATION AND CONTROL
Fundamental concepts of hazard identification and control are explored within the context of best practices “Hierarchy of Control” and the concept of acceptable risk.

ADVANCED SAFETY AND HEALTH TRAINING
This course explores the effect of acoustics and vibration on the human body and basic ergonomics, among other topics.

CONTINUOUS IMPROVEMENT
The criticality of developing a culture of continuous improvement is explored. Components of such a culture include attention to maintainability, reliability and life cycle management.
VPPPA EXPO
2012 EXHIBITORS

A Box 4 U
Accelerated Development Systems Inc. (ADSI)
Accuform Signs, Inc.
Air Systems International, Inc.
Always In Mind, Inc.
Amazon Fulfillment
American Heart Association, National Center
American Trainco, Inc.
American Training Resources Ansell
APG
Appleton Manufacturing
Argus-Hazco
ART Corporate Solutions, Inc.
Auburn Engineers, Inc.
AVO Training Institute, Inc.
Batavia Services, Inc.
BeAed Corporation
Beagle 1, Inc.
Beyond Basic
BIC Alliance
Big Bill FR
BlueWater Mfg., Inc.
Board of Certified Safety Professionals
BootheButler
Bradley Eyewashes
Brady Corp.
Brandenburg Industrial Services Company
BROWZ, LLC
BulEx
Bulwark Protective Apparel
BW Technologies By Honeywell/Honeywell Analytics
C.A. Short Company
C3 Softworks
CARBER Testing Services, Inc.
Carbis, Inc.
Carbonx
Cementex Products, Inc.
Certified Safety Mfg
Checkers Industrial Safety Products, Inc.
Clement Communications, Inc.
Cobra Systems, Inc.
Golden Corporation
Columbia Southern University
Columbus McKinnon Corporate
Command and Control Environments, Inc.
Concept Seating, Inc.
Concurrent Technologies Corporation
Confined Space Control Covers, Inc.
Contractor Compliance Network
Coretex Products, Inc.
Cotterman Company
Creative Safety Supply
Crossfire Safety Eyewear
Damotech
DEB USA Inc.
Draeger Safety, Inc.
DragonWear
DuPont Personal Technologies
DuPont Sustainable Solutions
Dxp Safety Services, Inc.
E.A.R. Inc.
Eagle Safety Eyewear
Edge Eyewear
EHS Excellence Consulting, LLC
Emerson Process Management/TopWorx
Empire Safety & Supply
Encon Safety Products, Inc.
Equalizer USA
Erecta-step
Ergodyne/Tenacious Holdings Inc.
ESC Services, Inc.
Essilor Laboratories of America
FabEnCo, Inc.
FallTech
Fastenal Company
Fauske & Associates, LLC
Fisher Safety
Flexible Lifeline Systems
G&K Services
Gas Clip Technologies
Gatefeed.com
Gateway Safety, Inc.
Gensuite LLC
GfG Instrumentation, Inc.
GHS Safety
Glen Raven, Inc.
Global Environmental Network, Inc.
Global Glove
Glove Guard, LP
Grace Industries Inc.
Grits Gang At The Embroidery House
GuardAir Corporation
Guardian Fall Protection
Health Science Associates
HEMCO Industries
HexArmor
Honeywell Analytics
Honeywell Safety Products
Hy-Safe Technology
Impacto Protective Products, Inc.
Industrial Hygiene News / Rimbach Publishing Inc.
Industrial Netting
Industrial Psychologists, Inc.
Industrial Safety & Hygiene News
Industrial Scientific Corporation
IndustrySafe-TRA, Inc.
Continued from page 16

InterAct Safety Solutions
International Enviroguard, Inc.
International Safetyware
Intrepid Industries, Inc.
ISNetworld
JLG Industries, Inc.
Johnson Wilshire, Inc.
KeepSafe, Inc.
Kimberly-Clark Corporation
Klever Innovations
Koolin’ Kloths, Etc. Inc.
Koza’s Inc.
Labelmaster
LocknClimb LLC
Lovegreen Machine Safety
Magid Glove & Safety Manufacturing Company, LLC
Majestic Glove
Masimo
Master Lock Company
MCR Safety
Medgate Inc.
MEGAComfort Inc.
Milliken & Company, Global Headquarters
Moldex-Metric, Inc.
MSDsonline
Nanofilm/Clarity Defog It
NASCO Industries, Inc.
National Fire Protection Association
National Marker Company (NMC)
National Safety Council
Oberon Company, a division of Paramount Corp.
Orr Safety Corporation
OSHA Training Institute At U.C. San Diego
Performance Solutions By Milliken
Phonak LLC
PICS – Pacific Industrial Contractor Screening
Plasteco, Inc.
Plexus Scientific Corporation
PlugsSafety
Polartec, LLC
Portagas, Inc.
Power Handling, Inc.
Predictive Solutions
ProtectEar USA
Protective Industrial Products, Inc.
PS Doors
R. S. Hughes Co., Inc.
RCI Safety
Red Wing Brands of America
Remedy Interactive
Rigid Lifelines
RKI Instruments
Roco Rescue
Russ Basset
SafeRack, LLC
SafeStart®, A Division of Electrolab, Ltd.
Safetec Compliance Systems, Inc.
Safety Awareness Solutions
Safety Source Productions, Inc.
Safety Track, LLC
SafetyBanners.Org
Safetycal, Inc.
Safeway Services, LLC
Salisbury By Honeywell
SAVE A BACK, Inc.
SawStop
Shermco Industries, Inc.
Showa Best Glove, Inc.
SiteDocs Safety Corp
SiteHawk
Smart Step Flooring
Southwest Energy Systems
SPC Industrial, A Division of Structural Plastics
Spenco Medical
Steel Grip, Inc.
Stem Shield, Inc.
Summit International/
Summit Work Apparel
Superior Glove Works
SVS Safety
Tailored Injury Prevention Solutions
Tec Laboratories Inc.
TEGEN® SELECT
TEEX OSHA Training Institute
TenCate Protective Fabrics
The Andersen Company
The IVES Training Group
Tingley Rubber Company
Total Safety U.S., Inc.
TrTech Fall Protection Systems
Turning Technologies
Tyndale Company, Inc.
U.S. Bureau of Labor Statistics
U.S. Department of Energy – VPP
U.S. Department of Labor, OSHA
U.S. Safety
UAB School of Engineering
United Shutdown Safety
USA Services, Inc.
Valeo, Inc.
Visual WorkPlace, LLC
VPPStore.com Powered By CompleteSource
Wells Lamont Industry Group
Wendy’s Safety Boutique By JR Resources
Westex, Inc.
Westone Laboratories
Wiley X Eyewear
Working Concepts, Inc.
Workrite Uniform Company
WristWand, LLC
ZOLL Medical Corporation
MARKETING

Association staff participated in a marketing brainstorm session in November 2012 to discuss member benefits, branding and marketing. The discussion was based off of feedback from a survey to members regarding the association’s benefits. That same month, the association also revealed its new tagline: “the premier global safety and health organization™.” The tagline aims to broaden VPPPA’s scope and make the association appealing to potential members worldwide, instead of solely in the United States.

In March 2013, a marketing committee was established to help ensure the VPPPA brand remained strong and marketing plans were implemented. The association also added a marketing director position to ensure consistent messaging across all departments.

One of the first tasks the newly formed Marketing Committee accomplished was securing an exclusive media partnership with *EHS Today* for the 30th Annual National VPPPA Conference. This partnership was made in order to boost VPPPA’s media coverage during the upcoming conference, enhancing our brand. *EHS Today* agreed to send multiple journalists to provide live updates during the conference, as well as have a special section of ehstoday.com dedicated to the conference.
Given continued federal budgetary pressures, the Government Affairs Department has expanded its outreach to congressional leaders and began working more closely with state-plan programs.

Immediately following the 2012 elections in November, the Government Affairs Department organized an outreach event on Capitol Hill to key congressional offices. This targeted outreach set the stage for much larger efforts later in the year. In February 2013, a group of representatives from VPP worksites took part in a record-breaking outreach event. These volunteers met with 140 House and Senate offices to share the importance of VPP as a successful initiative that truly works and saves. Building on this moment, volunteers met with 176 offices over just two days in June. Over the past fiscal year, VPP employees met with 52 Senate offices and 255 House offices. Additionally, the department began to expand its work with state-plan programs. After speaking with most of the state program directors directly, planning began for new activities in the coming year.
OUTREACH

Throughout FY13, the association participated in a number of trade show and outreach events.

The association exhibited at:

- **Delta Air Lines DCA Station Health & Safety Fair** in Arlington, Va., July 30, 2012
- **17th Annual VOSH Conference** in Roanoke, Va., October 2–5, 2012
- **NSC Congress & Expo** in Orlando, Fla., October 22–24, 2012

The association also formed partnership agreements to support advertising initiatives with companies including: *Facility Safety Management Magazine, Occupational Health & Safety and the American Industrial Hygiene Association.*
CHAPTER REPORTS

REGION I
CT, MA, ME, NH, RI, VT
The Region I conference took place May 6–8, 2013, at the Ocean Edge Resort & Golf Club in Brewster, Mass. The region hosted 232 attendees during the three-day event, which also included an exhibit hall with 34 exhibitors. Eleven attendees participated in a Commitment Based Safety Workshop and 19 people attended the VPP Application Workshop.

REGION II
NJ, NY, PR, VI
Region II hosted its annual conference April 29–May 1, 2013, at the Saratoga Hilton Hotel in Saratoga Springs, N.Y., and 171 participants attended the educational event. Fifty-three exhibitors shared their products and services with attendees and the region hosted a Best Practices Workshop and Strengthening Star Quality Workshop.
REGION III  DC, DE, MD, PA, VA, WV
The 2013 Region III conference occurred May 1–3, 2013, at Dover Downs Hotel and Casino in Dover, Del. The conference featured 284 attendees, in addition to the following workshops: Ergonomics: Why it is Important Workshop with seven attendees; National Safety Council Incident Investigation Workshop with four attendees; Understanding the New Crane Standard Workshop with two attendees; and a VPP Application Workshop with 15 attendees. Seventy-three exhibitors attended the event to share products and services.

REGION IV  AL, FL, GA, KY, MS, NC, SC, TN
The 2013 Region IV conference, which took place June 18–20, 2013, in Myrtle Beach, S.C., featured 374 attendees and 106 registered exhibitors. Three pre-conference workshops were offered at the Myrtle Beach Sheraton & Convention Center before the conference: a VPP Application Workshop with 16 attendees; a Strengthening Star Quality Workshop with 23 attendees; and a Onsite Evaluation Tips Workshop with 31 attendees.

REGION V  IL, IN, MI, MN, OH, WI
The 2013 Region V VPPPA Chapter Conference took place June 11–13, 2013, at the Hilton Milwaukee City Center in Milwaukee, Wis. Three-hundred and seventy people attended the conference in addition to 99 exhibitors. The event featured a VPP Application Workshop, which had 33 attendees.

REGION VI  AR, LA, NM, OK, TX
The 2014 Region VI VPPPA Health & Safety Conference was a great success with over 1,500 attendees and 130 exhibiting companies. Held May 5–8, 2013, at the Statehouse Convention Center in Little Rock, Ark., attendees were treated to four, free preconference workshops and OSHA courses. The workshops included: Mentoring Workshop; Strengthening Star Quality Workshop; Challenge Workshop; and First Time Attendees Workshop.

REGION VII  IA, KS, MO, NE
The Region VII 2013 conference took place at the Westin Kansas City Hotel at Crown Center in Kansas City, Mo., May 6–8, 2013. The event included 197 attendees and 61 exhibitors. Four people attended a Strengthening Star Quality Workshop and 19 people attended the VPP Application Workshop.
REGION VIII  CO, MT, ND, SD, UT, WY

One hundred and sixty-eight people attended Region VIII’s 2013 conference, which took place at the Doubletree Hotel Denver Tech in Greenwood Village, Colo. The conference also featured 44 exhibitors and a pre-conference workshop, as well as a two-day healthcare track, which had seven participants. The following workshops were also offered at the conference: Strengthening Star Quality Workshop with 12 attendees; a VPP 101 Workshop with 11 participants; and a VPP Application Workshop with six attendees.

REGION IX  AS, AZ, CA, GU, HI, NV

April 2–5, 2013, Region IX hosted its annual regional conference at the JW Marriott Starr Pass Resort & Spa in Tucson, Ariz. The conference featured 263 attendees and 80 exhibitors. Thirty-two people attended the VPP Application Workshop and 20 people attended the VPP Recertification Workshop, which both took place in conjunction with the conference.

REGION X  AK, ID, OR, WA

The 2013 Region X conference took place May 21–23, 2013, at the Davenport Hotel in Spokane, Wash. Two-hundred and fifty people attended the event, in addition to 35 exhibitors. The region also hosted the following workshops in conjunction with the conference: It’s Our Team (Leading High Performance Teams) with eight attendees; Tools for Conscious Leadership: Proven Strategies for Improving Safety Performance with 15 attendees; a VPP Application Workshop with 35 attendees; Create an Uncompromising, Sustainable Safety System that Can Lead You to Zero Incidents with 23 attendees; Successful Safety Committees with 19 attendees; and Hand Safety, Strains/Sprains and Tears with 18 attendees.

CHAPTER SERVICE AGREEMENT

The VPPPA National Office provided registration services for seven of the 10 chapters in FY13, including I, II, III, V, VII, VIII and IX. The services included processing registrants and payments, responding to registration inquiries, emailing confirmations and receipts, printing badges, providing badge holders, providing onsite registration services, sending weekly reports and lists to chapter representatives, compiling a final financial report and furnishing the chapters with their respective revenue.
ACHIEVEMENT AND AWARDS COMMITTEE

In November, the Achievement Committee received positive feedback from award entrants, winners and those still working on their submissions. However, the committee recognized that improvements are needed regarding the electronic submission process for both the application and attachments for all the criteria. The committee researched potential software within budget that can be utilized to improve the efficiency of the process. Furthermore, the committee discussed the possibility of soliciting past award recipients as mentors for those wanting to apply for the Achievement Award. Feedback from past winners indicated that they would honored and happy to help.

CONFERENCE PLANNING COMMITTEE

The committee was hard at work finalizing plans for the 29th Annual National VPPPA Conference held at the Gaylord Opryland Resort and Convention Center in Nashville, Tenn. Part of this prep-work included picking the conference workshops and general session speakers, as well as ensuring the networking activities had fun and lively music and activities.

CONSTRUCTION COMMITTEE

In FY13, the Construction Committee continued to discuss changes to the construction industry that may affect VPP and continued to reach out to potential article and webinar contributors. Three committee members educated Congressional Representatives on the importance and impact of VPP. Additionally, committee members met at the 28th Annual National VPPPA Conference and some met with exhibitors to solicit webinars and articles for The Leader.
LABOR AND MANAGEMENT COMMITTEE

The Labor and Management Committee has continued to expand its efforts to reach out to members. A new employee involvement brochure was created for use in outreach efforts that underscore the importance of input from all aspects of the worksite. Additionally, the committee welcomed a few new members.

The Labor and Management Open Forum at the 28th Annual National Conference in Anaheim, Calif., was a great success. More than 200 attendees, representing all types of employees, took part in a discussion of important workplace issues and were addressed by the Assistant Secretary of Labor for Occupational Safety and Health Dr. David Michaels. Additionally, 13 committee members participated in mediation training before the conference in order to be prepared to help members and the safety and health community in general in the event of a mediation request.

LEGISLATIVE AND REGULATORY COMMITTEE

The Legislative and Regulatory Committee examined which companies have the greatest stake in VPP in terms of the number of sites they or their subsidiaries have in the programs. Additionally, the committee supported congressional outreach visits in November 2012, February 2013 and June 2013.
MEMBER SERVICES COMMITTEE

In FY13, the Member Services Committee focused on ensuring that membership benefits meet the needs of the association’s members. The committee discussed several ideas of what could be offered and then discussed those items at the November 2012 board meeting. The association also sent out a survey to members in November 2012 to learn what benefits/services are most beneficial and what new services may benefit members’ worksites.

MENTORING COMMITTEE

The Mentoring Committee proposed that the board partner with the University of Alabama at Birmingham regarding the VPP Excellence in Safety training class. A partnership was formed between VPPPA and UAB to support the VPP Excellence in Safety Certificate Program.
NOMINATING COMMITTEE

In FY13, there were six positions up for election with terms concluding at the end of the 30th Annual National Conference in National Harbor, Md. The positions were: chair; treasurer; labor representative from a site without a collective bargaining agent; director from a VPP contractor/construction site; and two director-at-large positions.

During the Annual Meeting of the Membership at the 28th Annual National VPPPA Conference, 2012 Nominating Committee Chairperson J.A. Rodriguez, Jr., opened the floor for nominations. The following individuals were elected by a vote of acclamation:

- **Mike Maddox** (re-elected as chairperson, NuStar Energy, San Antonio, Texas)
- **Chris Adolfson** (re-elected as treasurer, Idaho National Laboratories, Idaho Falls, Idaho)
- **Rob Henson** (re-elected as director from a site without a collective bargaining agent, LyondellBasell, Channelview, Texas)
- **Richard McConnell** (re-elected as director from a VPP contractor/construction site, Austin Industrial at LyondellBasell, Houston, Texas)

Two director-at-large positions were contested and elections were held during the conference. The following individuals were elected by the VPPPA membership to fill these positions:

- **Frank Avila** (newly elected director-at-large), Motorola Solutions, Schaumburg, Ill.
- **William “Buddy” Tucker** (re-elected director-at-large), The Mundy Companies, Pasadena, Texas
2012–2013 NATIONAL BOARD OF DIRECTORS

CHAIRPERSON
Mike Maddox
NuStar Energy
San Antonio, Texas

VICE CHAIRPERSON
Mike Guillory
The Brock Group
Houston, Texas

SECRETARY
Tony Stoner
Integrity Windows and Doors
Fargo, N.D.

TREASURER
Chris Adolfson
Idaho National Laboratory
Idaho Falls, Idaho

LABOR REPRESENTATIVE FROM A SITE WITH A COLLECTIVE BARGAINING AGENT
Stephen Gauthier
General Electric Transportation Aircraft Engines
Lynn, Mass.

LABOR REPRESENTATIVE FROM A SITE WITHOUT A COLLECTIVE BARGAINING AGENT
Rob Henson
LyondellBasell
Channelview, Texas

REPRESENTATIVE FROM A DOE-VPP SITE
Stacy Thursby
Washington Closure Hanford
Richland, Wash.

REPRESENTATIVE FROM A VPP CONTRACTOR/CONSTRUCTION SITE
Richard McConnell
Austin Industrial at LyondellBasell
Channelview, Texas

DIRECTOR-AT-LARGE
Frank Avila
Motorola Solutions
Schaumburg, Ill.

DIRECTOR-AT-LARGE
Bill Harkins
Chevron Phillips Chemical Company
Baytown, Texas

DIRECTOR-AT-LARGE
Morgan LeBlanc
Constellation Wine Company
Madera, Calif.

DIRECTOR-AT-LARGE
J.A. Rodriguez, Jr.
Raytheon Technical Services Company, LLC
Dulles, Va.

DIRECTOR-AT-LARGE
William “Buddy” Tucker
The Mundy Companies
Pasadena, Texas
WHAT’S INSIDE

31 Independent Auditor’s Report
33 Statements of Financial Position
34 Statements of Activities
36 Statements of Functional Expenses
38 Statements of Cash Flows
39 Notes to Financial Statements
INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Voluntary Protection Program Participants' Association (a nonprofit organization), which comprise of the statement of financial position as of June 30, 2013 and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 of 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 Program Participants' Association as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

The financial statements of Voluntary Protection Program Participants' Association as of and for the year ended June 30, 2012 was audited by other auditors whose report dated November 9, 2012 expressed an unmodified opinion.

Fairfax, Virginia
November 21, 2013
VOLUNTARY PROTECTION PROGRAMS PARTICIPANTS' ASSOCIATION STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012

ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 801,656</td>
<td>$ 890,997</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>22,182</td>
<td>33,867</td>
</tr>
<tr>
<td>Prepaid conference expenses</td>
<td>186,894</td>
<td>115,506</td>
</tr>
<tr>
<td>Other current assets</td>
<td>27,500</td>
<td>52,869</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>$1,038,232</td>
<td>$1,093,239</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment</td>
<td>263,320</td>
<td>221,614</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(171,810)</td>
<td>(125,914)</td>
</tr>
<tr>
<td>Net Fixed Assets</td>
<td>91,510</td>
<td>95,700</td>
</tr>
<tr>
<td>Other Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>3,374,314</td>
<td>3,173,280</td>
</tr>
<tr>
<td>Restricted certificate of deposit</td>
<td>13,232</td>
<td>13,196</td>
</tr>
<tr>
<td>Deposits</td>
<td>4,966</td>
<td>4,966</td>
</tr>
<tr>
<td>Total Other Assets</td>
<td>3,392,512</td>
<td>3,191,442</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$4,522,254</td>
<td>$4,380,381</td>
</tr>
</tbody>
</table>

LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>$1,466,873</td>
<td>$1,352,179</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>12,808</td>
<td>178,127</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>93,340</td>
<td>225,246</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>$1,573,021</td>
<td>$1,755,552</td>
</tr>
<tr>
<td>Commitments and Contingencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$1,573,021</td>
<td>$1,755,552</td>
</tr>
<tr>
<td>Net Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>2,948,983</td>
<td>2,624,579</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>2,949,233</td>
<td>2,624,829</td>
</tr>
<tr>
<td>Total Liabilities and Net Assets</td>
<td>$4,522,254</td>
<td>$4,380,381</td>
</tr>
</tbody>
</table>

SEE NOTES TO FINANCIAL STATEMENTS
# FY13 Annual Report

## Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>Revenue, Gains and Other Support</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration fees</td>
<td>$1,094,085</td>
<td>-</td>
<td>$1,094,085</td>
</tr>
<tr>
<td>Membership dues</td>
<td>825,952</td>
<td>-</td>
<td>825,952</td>
</tr>
<tr>
<td>Exhibitor registration fees</td>
<td>448,313</td>
<td>-</td>
<td>448,313</td>
</tr>
<tr>
<td>Scholarship contributions</td>
<td>9,722</td>
<td>-</td>
<td>9,722</td>
</tr>
<tr>
<td>Sponsorship revenue</td>
<td>193,443</td>
<td>-</td>
<td>193,443</td>
</tr>
<tr>
<td>Advertising revenue</td>
<td>59,742</td>
<td>-</td>
<td>59,742</td>
</tr>
<tr>
<td>Merchandise revenue</td>
<td>350</td>
<td>-</td>
<td>350</td>
</tr>
<tr>
<td>Net investment income</td>
<td>33,285</td>
<td>-</td>
<td>33,285</td>
</tr>
<tr>
<td>Other</td>
<td>3,307</td>
<td>-</td>
<td>3,307</td>
</tr>
<tr>
<td></td>
<td><strong>2,668,200</strong></td>
<td>-</td>
<td><strong>2,668,200</strong></td>
</tr>
</tbody>
</table>

## Expenses

**Program:**

<table>
<thead>
<tr>
<th>Expense</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conference</td>
<td>1,361,415</td>
<td>-</td>
<td>1,361,415</td>
</tr>
<tr>
<td>Membership</td>
<td>307,677</td>
<td>-</td>
<td>307,677</td>
</tr>
<tr>
<td>Chapters</td>
<td>138,333</td>
<td>-</td>
<td>138,333</td>
</tr>
<tr>
<td>Government affairs</td>
<td>168,596</td>
<td>-</td>
<td>168,596</td>
</tr>
<tr>
<td>Newsletter</td>
<td>204,214</td>
<td>-</td>
<td>204,214</td>
</tr>
<tr>
<td>Outreach</td>
<td>76,588</td>
<td>-</td>
<td>76,588</td>
</tr>
<tr>
<td>Courses</td>
<td>11,874</td>
<td>-</td>
<td>11,874</td>
</tr>
<tr>
<td>Merchandise</td>
<td>2,159</td>
<td>-</td>
<td>2,159</td>
</tr>
<tr>
<td>Total Expenses</td>
<td><strong>2,343,796</strong></td>
<td>-</td>
<td><strong>2,343,796</strong></td>
</tr>
</tbody>
</table>

**Management and General**

<table>
<thead>
<tr>
<th>Expense</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>72,940</td>
<td>-</td>
<td>72,940</td>
</tr>
<tr>
<td>Total Expenses</td>
<td><strong>2,343,796</strong></td>
<td>-</td>
<td><strong>2,343,796</strong></td>
</tr>
</tbody>
</table>

## Change in Net Assets

<table>
<thead>
<tr>
<th>Change in Net Assets</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets, Beginning of Year</td>
<td>$2,624,579</td>
<td>250</td>
<td>2,624,829</td>
</tr>
<tr>
<td>Net Assets, End of Year</td>
<td>$2,948,983</td>
<td>250</td>
<td>$2,949,233</td>
</tr>
</tbody>
</table>

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SEE NOTES TO FINANCIAL STATEMENTS
VOLUNTARY PROTECTION PROGRAMS PARTICIPANTS’ ASSOCIATION, INC.

FY13 ANNUAL REPORT
July 1, 2012
June 30, 2013

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SEE NOTES TO FINANCIAL STATEMENTS

VOLUNTARY PROTECTION PROGRAMS PARTICIPANTS’ ASSOCIATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

<table>
<thead>
<tr>
<th>Revenue, Gains and Other Support</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration fees</td>
<td>$ 1,547,853</td>
<td>$</td>
<td>$ 1,547,853</td>
</tr>
<tr>
<td>Membership dues</td>
<td>830,933</td>
<td></td>
<td>830,933</td>
</tr>
<tr>
<td>Exhibitor registration fees</td>
<td>441,852</td>
<td></td>
<td>441,852</td>
</tr>
<tr>
<td>Scholarship contributions</td>
<td>24,275</td>
<td></td>
<td>24,275</td>
</tr>
<tr>
<td>Sponsorship revenue</td>
<td>186,065</td>
<td></td>
<td>186,065</td>
</tr>
<tr>
<td>Advertising revenue</td>
<td>78,380</td>
<td></td>
<td>78,380</td>
</tr>
<tr>
<td>Merchandise revenue</td>
<td>650</td>
<td></td>
<td>650</td>
</tr>
<tr>
<td>Net investment income</td>
<td>55,504</td>
<td></td>
<td>55,504</td>
</tr>
<tr>
<td>Other</td>
<td>47,744</td>
<td></td>
<td>47,744</td>
</tr>
<tr>
<td><strong>Total Revenue, Gains and Other Support</strong></td>
<td>3,213,254</td>
<td></td>
<td>3,213,254</td>
</tr>
</tbody>
</table>

Expenses

Program:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conference</td>
<td>1,768,150</td>
<td></td>
<td>1,768,150</td>
</tr>
<tr>
<td>Membership</td>
<td>402,517</td>
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<td>402,517</td>
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<tr>
<td>Chapters</td>
<td>164,644</td>
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<td>164,644</td>
</tr>
<tr>
<td>Government affairs</td>
<td>213,025</td>
<td></td>
<td>213,025</td>
</tr>
<tr>
<td>Newsletter</td>
<td>260,970</td>
<td></td>
<td>260,970</td>
</tr>
<tr>
<td>Outreach</td>
<td>118,072</td>
<td></td>
<td>118,072</td>
</tr>
<tr>
<td>Courses</td>
<td>13,486</td>
<td></td>
<td>13,486</td>
</tr>
<tr>
<td>Merchandise</td>
<td>2,761</td>
<td></td>
<td>2,761</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>2,943,625</td>
<td></td>
<td>2,943,625</td>
</tr>
</tbody>
</table>

Management and General

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>62,345</td>
<td></td>
<td>92,345</td>
</tr>
</tbody>
</table>

**Total Expenses**

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,055,970</td>
<td></td>
<td>3,055,970</td>
</tr>
</tbody>
</table>

Change in Net Assets

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>177,284</td>
<td></td>
<td>177,284</td>
</tr>
</tbody>
</table>

Net Assets, Beginning of Year

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,447,295</td>
<td>250</td>
<td>2,447,545</td>
</tr>
</tbody>
</table>

Net Assets, End of Year

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 2,624,579</td>
<td>$ 250</td>
<td>$ 2,624,829</td>
</tr>
</tbody>
</table>
## Statement of Functional Expenses

For the Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>Program</th>
<th>Conference</th>
<th>Membership</th>
<th>Chapters</th>
<th>Government Affairs</th>
<th>Newsletter</th>
<th>Outreach</th>
<th>Courses</th>
<th>Merchandise</th>
<th>Management and General</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and payroll taxes</td>
<td>$261,128</td>
<td>$177,808</td>
<td>$77,990</td>
<td>$76,802</td>
<td>$76,082</td>
<td>$30,451</td>
<td>$3,766</td>
<td>$706</td>
<td>$19,208</td>
<td>$724,006</td>
</tr>
<tr>
<td>Program-general</td>
<td>$618,038</td>
<td>$3,838</td>
<td>$1,649</td>
<td>$4,487</td>
<td>$2,182</td>
<td>$4,260</td>
<td>$1,436</td>
<td>64</td>
<td>2,411</td>
<td>638,368</td>
</tr>
<tr>
<td>Professional services</td>
<td>$131,398</td>
<td>$14,111</td>
<td>$5,946</td>
<td>$14,920</td>
<td>$7,869</td>
<td>$4,844</td>
<td>$1,106</td>
<td>230</td>
<td>8,705</td>
<td>189,129</td>
</tr>
<tr>
<td>Printing and artwork</td>
<td>$68,437</td>
<td>$14,247</td>
<td>444</td>
<td>$1,011</td>
<td>61,194</td>
<td>$1,161</td>
<td>83</td>
<td>17</td>
<td>651</td>
<td>147,245</td>
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<tr>
<td>Rent</td>
<td>$62,422</td>
<td>$22,805</td>
<td>$10,225</td>
<td>$23,271</td>
<td>$13,532</td>
<td>$8,329</td>
<td>$1,901</td>
<td>395</td>
<td>14,969</td>
<td>158,849</td>
</tr>
<tr>
<td>Bank charges</td>
<td>$5,378</td>
<td>$2,051</td>
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<td>$2,005</td>
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<td>718</td>
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<td>82</td>
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<td>14</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>$2,650</td>
<td>1,061</td>
<td>2,454</td>
<td>1,405</td>
<td>976</td>
<td>197</td>
<td>41</td>
<td>1,554</td>
<td>21,009</td>
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<tr>
<td>Insurance</td>
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<td>$1,307</td>
<td>6,199</td>
<td>1,278</td>
<td>743</td>
<td>457</td>
<td>104</td>
<td>22</td>
<td>822</td>
<td>22,272</td>
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<td>$4,101</td>
<td>1,761</td>
<td>4,009</td>
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<td>27,365</td>
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<td>$2,222</td>
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<td>2,172</td>
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<td>777</td>
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<td>1,397</td>
<td>14,825</td>
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<td>2,344</td>
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<td>880</td>
<td>192</td>
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<td>1,508</td>
<td>16,714</td>
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<td>$795</td>
<td>341</td>
<td>777</td>
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<td>63</td>
<td>13</td>
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<tr>
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<td>$1,740</td>
<td>747</td>
<td>1,701</td>
<td>989</td>
<td>609</td>
<td>139</td>
<td>29</td>
<td>1,094</td>
<td>11,611</td>
</tr>
<tr>
<td>Leased equipment</td>
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<td>645</td>
<td>1,469</td>
<td>834</td>
<td>526</td>
<td>120</td>
<td>25</td>
<td>945</td>
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<td>$12,264</td>
<td>5,268</td>
<td>11,989</td>
<td>6,971</td>
<td>4,291</td>
<td>979</td>
<td>204</td>
<td>7,712</td>
<td>81,837</td>
</tr>
</tbody>
</table>

Total functional expenses: $1,361,415 $307,677 $128,333 $165,596 $204,234 $76,588 $11,874 $2,159 $72,940 $2,343,796

SEE NOTES TO FINANCIAL STATEMENTS
<table>
<thead>
<tr>
<th>Program</th>
<th>Conference</th>
<th>Membership</th>
<th>Chapters</th>
<th>Government Affairs</th>
<th>Newsletter</th>
<th>Outreach</th>
<th>Courses</th>
<th>Merchandise</th>
<th>Management and General</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and payroll taxes</td>
<td>$ 371,558</td>
<td>$ 253,002</td>
<td>$ 110,972</td>
<td>$ 109,366</td>
<td>$ 108,264</td>
<td>$ 43,328</td>
<td>$ 5,359</td>
<td>$ 1,065</td>
<td>$ 27,331</td>
<td>$ 1,030,185</td>
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<td>1,404</td>
<td>603</td>
<td>3,429</td>
<td>798</td>
<td>12,585</td>
<td>582</td>
<td>23</td>
<td>883</td>
<td>893,258</td>
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<td>Professional services</td>
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<td>22,490</td>
<td>9,662</td>
<td>21,986</td>
<td>12,785</td>
<td>7,869</td>
<td>1,796</td>
<td>373</td>
<td>14,143</td>
<td>256,830</td>
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<td>Printing and artwork</td>
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<td>11,878</td>
<td>573</td>
<td>1,306</td>
<td>79,536</td>
<td>1,255</td>
<td>1,493</td>
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<td>840</td>
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<td>9,026</td>
<td>2,060</td>
<td>428</td>
<td>16,222</td>
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<td>1,305</td>
<td>805</td>
<td>496</td>
<td>113</td>
<td>24</td>
<td>891</td>
<td>9,454</td>
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<td>15,445</td>
<td>8,081</td>
<td>5,328</td>
<td>1,262</td>
<td>262</td>
<td>9,935</td>
<td>105,429</td>
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<tr>
<td>Awards and gifts</td>
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<td>71</td>
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<td>25</td>
<td>6</td>
<td>1</td>
<td>45</td>
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<td>17,926</td>
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<td>34</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>8,158</td>
<td>13</td>
<td>37</td>
<td>99</td>
<td>41,066</td>
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<td>7,034</td>
<td>3,021</td>
<td>6,876</td>
<td>3,998</td>
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<td>562</td>
<td>117</td>
<td>4,423</td>
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<td>1,365</td>
<td>512</td>
<td>286</td>
<td>477</td>
<td>40</td>
<td>8</td>
<td>317</td>
<td>7,640</td>
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<td>893</td>
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<td>873</td>
<td>508</td>
<td>312</td>
<td>71</td>
<td>15</td>
<td>561</td>
<td>5,958</td>
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<td>1,112</td>
<td>2,673</td>
<td>1,431</td>
<td>968</td>
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<td>42</td>
<td>1,583</td>
<td>18,279</td>
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<td>297</td>
<td>68</td>
<td>14</td>
<td>534</td>
<td>17,343</td>
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<td>Repairs and maintenance</td>
<td>11,422</td>
<td>4,356</td>
<td>1,871</td>
<td>4,258</td>
<td>2,476</td>
<td>1,524</td>
<td>348</td>
<td>72</td>
<td>2,759</td>
<td>29,066</td>
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<td>3,538</td>
<td>1,520</td>
<td>3,457</td>
<td>2,011</td>
<td>1,238</td>
<td>282</td>
<td>59</td>
<td>2,225</td>
<td>25,606</td>
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<td>3,892</td>
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<td>139</td>
<td>315</td>
<td>183</td>
<td>113</td>
<td>26</td>
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<td>275</td>
<td>118</td>
<td>269</td>
<td>157</td>
<td>97</td>
<td>22</td>
<td>5</td>
<td>173</td>
<td>1,838</td>
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<td>323</td>
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<td>115</td>
<td>26</td>
<td>12</td>
<td>208</td>
<td>4,203</td>
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<td>223</td>
<td>500</td>
<td>291</td>
<td>179</td>
<td>40</td>
<td>8</td>
<td>322</td>
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<td>889</td>
<td>547</td>
<td>125</td>
<td>26</td>
<td>983</td>
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<td>5,796</td>
<td>3,568</td>
<td>814</td>
<td>169</td>
<td>6,411</td>
<td>68,041</td>
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Total functional expenses $1,768,150 $ 402,517 $164,644 $ 213,025 $260,970 $ 118,072 $ 134,486 $ 2,761 $ 92,345 $ 3,035,970

SEE NOTES TO FINANCIAL STATEMENTS
VOLUNTARY PROTECTION PROGRAMS PARTICIPANTS' ASSOCIATION STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2013 AND 2012

Cash Flows from Operating Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets</td>
<td>$324,404</td>
<td>$177,284</td>
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<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</td>
<td>45,895</td>
<td>46,936</td>
</tr>
<tr>
<td>Net unrealized gain/loss on investments</td>
<td>18,700</td>
<td>32,595</td>
</tr>
<tr>
<td>Decrease (increase) in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>11,685</td>
<td>(13,714)</td>
</tr>
<tr>
<td>Prepaic conference expenses</td>
<td>(71,388)</td>
<td>37,573</td>
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<tr>
<td>Other current assets</td>
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<td>(11,590)</td>
</tr>
<tr>
<td>Increase (decrease) in:</td>
<td></td>
<td></td>
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<tr>
<td>Deferred revenue</td>
<td>114,694</td>
<td>(13,128)</td>
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<tr>
<td>Accounts payable</td>
<td>(165,319)</td>
<td>47,646</td>
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<tr>
<td>Accrued expenses</td>
<td>(131,906)</td>
<td>(16,225)</td>
</tr>
<tr>
<td><strong>Net Adjustments</strong></td>
<td>(152,270)</td>
<td>110,093</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td>172,134</td>
<td>287,377</td>
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</table>

Cash Flows from Investing Activities:

<table>
<thead>
<tr>
<th>Description</th>
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<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redemption of certificates of deposit</td>
<td>504,000</td>
<td>198,000</td>
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<tr>
<td>Proceeds from sale of investments</td>
<td>467,882</td>
<td>911,906</td>
</tr>
<tr>
<td>Purchase of fixed assets</td>
<td>(41,705)</td>
<td>(33,263)</td>
</tr>
<tr>
<td>Purchase of certificates of deposit</td>
<td>(1,086,036)</td>
<td>(1,379,000)</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(105,616)</td>
<td>(283,351)</td>
</tr>
<tr>
<td><strong>Net Cash Used in Investing Activities</strong></td>
<td>(261,475)</td>
<td>(585,708)</td>
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Net Decrease in Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Description</th>
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<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(89,341)</td>
<td>(298,331)</td>
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</table>

Cash and Cash Equivalents, Beginning of Year

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>890,997</td>
<td>1,189,328</td>
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</tbody>
</table>

Cash and Cash Equivalents, End of Year

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$801,656</td>
<td>$890,997</td>
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Supplemental Cash Flow Information:

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid for interest</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash paid for income taxes</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

SEE NOTES TO FINANCIAL STATEMENTS
NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. **Organization and Nature of Operations**
   The Voluntary Protection Programs Participants’ Association (the Association) was 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 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 and, accordingly, reflect all significant receivables, payables, and other liabilities.

   The Association reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

   Net and changes in net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association are classified and reported as follows:

   - **Unrestricted net assets** - net assets that are not subject to donor-imposed stipulations or time restrictions.
   - **Temporarily restricted net assets** - net assets subject to donor-imposed stipulations that will be met by actions of the Association and/or the passage of time.

3. **Support and Revenue Recognition**
   Revenue from membership dues is initially recorded as deferred revenue and recognized as revenue according to the Association’s deferment schedule, which recognizes revenue over the applicable membership year.

   Revenue received prior to June 30 for the Association’s annual conference held in the fall is recorded as deferred revenue and recognized in the year that the annual conference is held.

   Revenue is considered to be unrestricted unless specifically stipulated by a donor. When a donor stipulated time restriction ends or a purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction. Donations for which restrictions are satisfied in the same year as received are reported in the statement of activities as temporarily restricted revenues and net assets released from restriction.
NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Cash and Cash Equivalents
The Association considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents. This includes cash in demand accounts and money market deposit accounts. Certain of these balances may not be federally insured. However, the Association does not believe it is subject to any significant credit risk as a result of these deposits.

5. Investments
Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statements of financial position. Investment income (including realized and unrealized gains and losses on investments, interest and dividends) is included in the change in unrestricted net assets. See Note D for additional information on fair value measurement.

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.

6. Accounts Receivable
Accounts receivable include amounts due from attendees of the Association’s prior annual conference and 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. Any subsequent collection of previously charged-off accounts is recorded through the provision for uncollectible accounts receivable. The provision for uncollectible accounts at both June 30, 2013 and 2012 was zero.

7. Property and Equipment
Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives (3-10 years) of the assets. Expenditures for major renewals and improvements that extend the useful lives of property and equipment are capitalized. Property and equipment with a cost of $500 or more and a useful life of over one year are capitalized.

8. Functional Allocation of Expenses
Program and management and general costs have been summarized on a functional basis in the statements of activities. Indirect costs have been allocated to programs and management and general categories based on the percentage of labor hours by department to total labor hours.
VOLUNTARY PROTECTION PROGRAMS PARTICIPANTS’ ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. Advertising
   Advertising costs are expensed as incurred and at June 30, 2013 and 2012 were $3,586 and
   $5,198, respectively.

10. Use of Estimates and Assumptions
    The preparation of financial statements in conformity with accounting principles generally
    accepted in the United States of America requires management to make estimates and
    assumptions that affect the reported amounts of assets and liabilities and disclosure of
    contingent assets and liabilities at the date of the financial statements and the reported amounts
    of revenue and expenses during the reporting period. Actual results could differ from those
    estimates.

11. Income Tax Status
    The Association is exempt from federal and state income taxes under Section 501(c)(3) of the
    Internal Revenue Code, with the exception of any profits earned from unrelated business
    activities, which are subject to the Unrelated Business Income Tax, and is required to file
    information returns with the Internal Revenue Service annually.

    Effective July 1, 2009, the Association adopted the provisions of accounting for uncertainty in
    income tax positions as required by the Income Tax Topic of the Financial Accounting
    Standards Board (FASB) Accounting Standards Codification; however, management does not
    believe it is exposed to any such positions as they are defined in this guidance. The Association
    files Form 990, Return of Organization Exempt from Income Tax, annually with the United
    States Department of the Treasury. Such returns for the tax years ended June 30, 2010 through
     2013 remain open to potential examination by taxing authorities.

12. Subsequent Events
    In preparing these financial statements, the Association has evaluated events and transactions
    for potential recognition or disclosure through November 21, 2013, the date the financial
    statements were available to be issued.

NOTE B – NET ASSETS

Unrestricted net assets include a general scholarship fund, established by the Board of Directors
for Association members and their families. At June 30, 2013 and 2012, the general scholarship
fund had a balance of $143,714 and $141,728, respectively. The Association determines the
scholarship amounts, number of scholarships, the beneficiaries, and the number of beneficiaries.

Temporarily restricted net assets consist of donations to scholarship funds where the donor
stipulates that the scholarships must be awarded in the name of the individual on whose behalf the
scholarship fund was originally established. At June 30, 2013 and 2012, total temporarily
restricted net assets consisted of $250 and $250, respectively in the William “Sully” Sullivan
Scholarship Fund.
VOLUNTARY PROTECTION PROGRAMS PARTICIPANTS’ ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE C – INVESTMENTS

Investments consisted of the following at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of Deposits</td>
<td>$3,088,168</td>
<td>$2,621,532</td>
</tr>
<tr>
<td>United States Government and Agency Securities</td>
<td>185,311</td>
<td>114,010</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PIMCO Short-Term Fund</td>
<td>-</td>
<td>236,620</td>
</tr>
<tr>
<td>Fidelity Advantage Short</td>
<td>100,835</td>
<td>201,118</td>
</tr>
<tr>
<td>Total mutual funds</td>
<td>100,835</td>
<td>437,738</td>
</tr>
<tr>
<td>Total investments</td>
<td>$3,374,314</td>
<td>$3,173,280</td>
</tr>
</tbody>
</table>

The following schedule summarizes the investment return in the statements of activities for the years ended June 30:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net unrealized gains (losses)</td>
<td>$18,700</td>
<td>$(43,338)</td>
</tr>
<tr>
<td>Net realized gains (losses)</td>
<td>(1,980)</td>
<td>10,743</td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>55,991</td>
<td>88,097</td>
</tr>
<tr>
<td>Total investment income</td>
<td>$72,711</td>
<td>$55,502</td>
</tr>
</tbody>
</table>

NOTE D – FAIR VALUE MEASUREMENTS

The Association adopted Financial Accounting Standards Board Topic regarding Fair Value Measurements and Disclosure, which provides a framework for measuring fair value under accounting principles generally accepted in the United States of America. This standard applies to all financial instruments that are being measured and reported at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Association uses various methods including market and income approaches. Based on these approaches, the Association often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Association utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.
NOTE D - FAIR VALUE MEASUREMENTS - CONTINUED

Based on the observability of the inputs used in the valuation techniques, the Association is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- **Level 1** - Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are being traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

- **Level 2** - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

- **Level 3** - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

For the fiscal year ended June 30, 2013, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for the instruments measured at fair value:

- **Mutual Funds and Equity Securities** - Valued at the closing price reported on the active market on which the mutual funds and equity securities are sold. These are classified as Level 1 in the fair value hierarchy.

- **US Government Obligations** - Valued at the closing price reported on the active market on which the securities are sold. These are classified as Level 1 in the fair value hierarchy.

- **Certificates of Deposits** - The fair value of certificates of deposits is the market value based on quoted market prices or market prices provided by recognized broker dealers. These are classified as Level 2 in the fair value hierarchy.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.
NOTE D - FAIR VALUE MEASUREMENTS - CONTINUED

The following is a summary of the Association's financial assets that were recorded at fair value on a recurring basis during the year, by level, within the fair value hierarchy at June 30:

<table>
<thead>
<tr>
<th>2013</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificates of deposits</td>
<td>$ -</td>
<td>$ 3,076,759</td>
<td>$ -</td>
<td>$ 3,076,759</td>
</tr>
<tr>
<td>US Government Obligations</td>
<td>184,768</td>
<td></td>
<td>-</td>
<td>184,768</td>
</tr>
<tr>
<td>Mutual fund:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed taxable</td>
<td>100,836</td>
<td>-</td>
<td>-</td>
<td>100,836</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 285,604</strong></td>
<td><strong>$ 3,076,759</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ 3,362,363</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2012</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificates of deposits</td>
<td>$ -</td>
<td>$ 2,607,773</td>
<td>$ -</td>
<td>$ 2,607,773</td>
</tr>
<tr>
<td>US Government Obligations</td>
<td>113,792</td>
<td></td>
<td>-</td>
<td>113,792</td>
</tr>
<tr>
<td>Mutual fund:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed taxable</td>
<td>437,738</td>
<td></td>
<td>-</td>
<td>437,738</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 551,530</strong></td>
<td><strong>$ 2,607,773</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ 3,159,303</strong></td>
</tr>
</tbody>
</table>

NOTE E – RESTRICTED CERTIFICATE OF DEPOSIT

In May 2008, the Association purchased a certificate of deposit in the amount of $12,517 to satisfy a letter of credit to secure the Association’s office lease as required per a non-cancelable operating lease agreement entered into on May 27, 2008 (refer to Note F for additional information on this lease commitment). The balance on this certificate of deposit at June 30, 2013 and 2012 was $13,232 and $13,196, respectively.

NOTE F – CONTRACTUAL 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. At June 30, 2013, the Association had entered into contractual commitments amounting to $4,448,875 to be satisfied in years 2013 through 2018.

NOTE G – NON-CASH CONTRIBUTIONS

The Association records the value of non-cash contributions at their estimated fair market value as of the date the contribution is received. Non-cash contributions are generally in the form of items that are given away to conference attendees. Non-cash contributions are recorded as conference contribution revenue with an equal offset to conference expense. The total value of non-cash contributions received for the years ended June 30, 2013 and 2012 was $37,296 and $36,765 respectively.
NOTE II – LEASE COMMITMENTS

Effective May 27, 2008, the Association extended its non-cancelable operating lease to relocate its original office space to a new office space within the same professional office building in Falls Church, Virginia, commencing May 27, 2008 and expiring on July 31, 2018. For the benefit of the lessor, performance under the lease is collateralized by a letter of credit, which is secured by a certificate of deposit purchased by the Association in the amount of $12,517 (see Note E). Rent expense for the years ended June 30, 2013 and 2012 totaled $164,538 and $172,141, respectively.

The Association also leases a color copier under an operating lease agreement that expired May 2016. Rent expense under this operating lease for the years ended June 30, 2013 and 2012 totaled $7,145 and $7,137, respectively.

The Association also leases a postage machine under an operating lease that expires May 2016. Rent expense under this operating lease for the years ended June 30, 2013 and 2012 were $2,880 and $2,880, respectively.

During the year ended June 30, 2012 the Association began leasing a water cooler under an operating lease that expired May 2013. The Association agreed to extend the lease to May 2014. Rent expense under this operating lease for the years ended June 30, 2013 and 2012 was $414 and $414, respectively. The amount paid represents the prepayment of the total obligation due under the terms of the lease.

Aggregate minimum annual payments under the operating leases mentioned above are due in future years for the year ended June 30:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$184,645</td>
</tr>
<tr>
<td>2015</td>
<td>189,902</td>
</tr>
<tr>
<td>2016</td>
<td>195,323</td>
</tr>
<tr>
<td>2017</td>
<td>190,883</td>
</tr>
<tr>
<td>2018</td>
<td>196,632</td>
</tr>
<tr>
<td>Thereafter</td>
<td>16,837</td>
</tr>
<tr>
<td></td>
<td>$974,222</td>
</tr>
</tbody>
</table>

NOTE I – RETIREMENT PLAN

The Association offers a salary deferral plan under Internal Revenue Code Section 401(k) to all eligible employees. 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. Contributions to the plan for the years ended June 30, 2013 and 2012 totaled $9,677 and $14,766, respectively.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 10 – OTHER INCOME

During the year ended June 30, 2012 the Association received an insurance reimbursement for $43,240. This amount was reimbursed as coverage for refunds given to participants who were not able to attend the 2011 annual conference due to the hurricane that affected the northeast portion of the country at the same time that the conference was held. The insurance proceeds are included in other income on the financial statements.