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Membership Growth

317 New Member sites* processed in FY17 (July 1, 2016 – June 30, 2017)  
1,301 Member sites in FY16 that renewed in FY17  
1,618 Total Member sites processed in FY17  
83.9% Retention Rate for FY17**

*New Member sites are defined as sites that did not have a membership in FY16, but have a membership in FY17.  
**Retention is based on FY16 total membership processed of 1,551.

Membership Breakdown by Category

- Full Member: 956  
- Government/Agency: 27  
- Affiliates: 231  
- International: 5  
- Associate: 312  
- Non-Profit: 6  
- Corporate: 76  
- Union: 5

TOTAL: 1,618

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

- FY14 Membership 1,791  
- FY15 Membership 2,846  
- FY16 Membership 1,551

FY15 membership was high due to complimentary memberships given to old VPPPA sites.
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 on the VPPPA website. Additional benefits that members took advantage of are listed below:

Website
The VPPPA website offers our members the following features:

- **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.

Publications

*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 2016 – Nanotechnology
- Nanoparticles
- Nanotechnology In Clothing
- Nanotechnology in Textiles – The New Black
- Regulation of Nanoscale Chemicals and Materials
- Illustrated Journey Winners: Shermco Industries. Interview with Kyle Kirkpatrick, Director of Environmental, Health and Safety
Autumn 2016 – PPE and Technology
• Turn Your Smart Phone from a Toy to a Tool
• What’s New – Emerging Ergonomics Technology
• Workers Need to be Seen
• Exploring Innovative Technologies in PPE Applications
• Designing Environments to Prevent Arc Flash

Winter 2017 – The Future of Safety
• Tech Tools for the Safety Professional – How Apps, IoT and Big Data Analytics will Change your Game
• The Future of Safety as a Profession: Get Ready for Some Major Swings
• Top Five Practices from OSHA: Construction Safety Recommendations to Incorporate in Your Warehouse
• Lowering Fatality Rates: The Mining Industry Through Enhanced Hazard Recognition and Training
• The Future of Safety Training in a Mobile World
• Special Tribute Article for Cynthia Mahoney

Spring 2017 – Safety Trainings
• Retain Instead of Retrain
• Training in Safety and Health
• Overexposed and Underrated: The Electrical Safety Paradox Facing Today’s Workers and How to Succeed Using Service and Care Standards
• Microlearning is Reducing Accidents and Saving Organizations Millions: Why Are You Waiting?
• Regulating Hand Protection: Collaboration is the Key to Improvement

On the Level
The monthly newsletter (sent the 3rd Thursday of each month) is 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 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.
**Member Engagement**
There were several new member contests introduced in FY17. The most popular was the #HowISafety contest via Facebook. Members submitted photos of themselves showing “how they safety.” The photo with the most likes won a trip to the Safety+ Symposium.

Social media has been a great and cost-effective way to get members engaged and spread awareness of VPPPA. With the introduction of these social media contests the membership and communications department are researching ways to improve member engagement in FY18.

**Mentoring**
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 resulting in an increase in both mentors and mentees.

**Webinars**
There were 6 webinars in FY16 covering the following topics:

- OSHA Recordkeeping
- Safety Excellence from Contractors
- Annual Self Evaluation
- Becoming an OSHA Whisperer: Speak the Language of Regulators
- Construction Confined Space – Compliance Checkup
- The Right Mindset Moving into a Safety Culture

**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 toward enrolled or enrolling college/university students and enrolled or enrolling vocational or trade school students. There were 50 applications for scholarships in 2017. Winners were recognized at the Safety+ Symposium in New Orleans, LA.

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 Safety+ Symposium. The 2016 award winners were recognized during the 32nd annual conference.
The 32nd Annual National VPPPA Conference had a total of 54 sponsors and contributors. Cash contributions totaled $225,010.

<table>
<thead>
<tr>
<th>Conference</th>
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<tbody>
<tr>
<td>2014 VPPPA National Conference</td>
<td>$188,920.00</td>
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<tr>
<td>2015 VPPPA National Conference</td>
<td>$240,652.25</td>
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<td>2016 VPPPA National Conference</td>
<td>$225,010.00</td>
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Thank You to our 32nd Annual National VPPPA SPONSORS and CONTRIBUTORS For Your OUTSTANDING SUPPORT!

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

DIAMOND LEVEL SPONSORS
($10,000 - $19,999)
• ExxonMobil Beaumont
• Gensuite
• JLG
• Marathon
• Motiva
• NuStar Energy
• Valero

PLATINUM LEVEL SPONSORS
($7,500 - $9,999)
• Monsanto Company

GOLD LEVEL SPONSORS
($5000 - $7,499)
• Brace
• Cintas
• Hunter Douglas
• McWane
• Raytheon

SILVER LEVEL SPONSORS
($2,500 - $4,999)
• Georgia Pacific
• Hunt Conference Group
• United Airlines

BRONZE LEVEL SPONSORS
($1,000 - $2,499)
• Accuform
• ADCO
• American Heart Association
• Avetta
• Brandenburg
• CH2M
• Chevron Phillips
• Clearwater Paper
• Columbia Southern University
• COSS
• DragonWear
• Gateway Safety
• GE
• Glove Guard
• inoLECT
• LyondellBasell
• Magid Glove
• Mary Kay
• McKee Foods
• Morton Salt
• Mundy Company
• Performance Contracting Group
• Phillips 66
• Roco Rescue
• S&B
• Sam Carbis Solutions Group
• Shermco Industries
• Southwire
• Tec Laboratories
• VelocityEHS
• VPPPA Region I
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 FY17, VPPPA received a total of $7,965 in scholarship donations. The following entities donated to the scholarship fund:

- EII, Inc., Infineum Bayway Chemical Plant
- Front Range Steel, Inc.
- Marathon Petroleum Company, LLC
- Northeast Energy Associates
- SWG Fountain Valley Power, LLC
- VPPPA Region X

VPPPA would also like to thank all the individuals who made contributions toward the scholarship program by purchasing a raffle ticket during the 32nd Annual National VPPPA Safety & Health Conference. A total of $5,840 worth of raffle sales were accrued during the conference.

Scholarship Winners

Four students were recognized at the 32nd Annual National VPPPA Safety & Health Conference in Kissimmee, FL.

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 2016 June Brothers Scholarship was Nicholas Pryor, Midvale, Utah.

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 2016 Stephen Brown Scholarship was Hope Wachtel, Carleton, Nebraska.
Scholarship Fund
Donors and
Winners

**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 2016 William “Sully” Sullivan Scholarship was awarded to **Amanda Smith, Knoxville, Tennessee.**

**Sergeant Safety Scholarship**
The Sergeant Safety Scholarship (aka DoD Scholarship) is intended for students pursuing either an undergraduate or graduate degree in the safety/health/environmental field and associated with the Department of Defense or contractor sites. This scholarship is open to students enrolled in or enrolling in a college or university. The 2016 Sergeant Safety Scholarship was awarded to **Toya Beiswenger, Kennewick, 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 2016 VPP Outreach Award recipients were Brenda Wiederkehr, Access Health Systems, Latham, New York and Chevron Phillips Chemical Co, LP-Cedar Bayou Plant, Cedar Bayou Plant, Baytown, Texas.

**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 2016 VPP Innovation Award recipients was Washington River Protection Solutions, LLC, Richland, Washington.

**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 2016 VPPPA Safety and Health Outreach Award recipient was Mission Support Alliance LLC, Richland, Washington.
2016 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 2016, six individuals were honored with the VPPPA Safety & Health Achievement Award at the 32nd Annual National VPPPA Safety & Health Conference in Kissimmee, Florida:

- Candice Williams, Savannah River Nuclear Solutions (SRNS), Aiken, South Carolina
- Chris Holley, Savannah River Remediation (SRR), Aiken, South Carolina
- David Slaughter, GE Healthcare Surgery, Salt Lake City, Utah
- Michael Young, Savannah River Remediation (SRR), Aiken, South Carolina
- Ron Whiteman, Newport News Shipbuilding, Newport News, Virginia
- Terry Gray, Newport News Shipbuilding, Newport News, Virginia
2016 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:  Kenneth DeCosta, Hypertherm NH
Region III: Howard Baron, Cintas Corporation, Chester, VA
Region IV: NAS Jacksonville, Jacksonville, FL
Region VI: Mark Nightengale, Repcon, Inc. Corpus Christ, TX
Region VII: Michael Yount, W.W. Wood Products—Dudley, MO
Region X: Max VanValey, Oldcastle, Tacoma, WA

VPPPA wrapped up another successful conference at the Gaylord Palms in Kissimmee, FL, where more than 2,400 attendees joined us to learn and network with other safety and health professionals. Attendees from seven countries, 49 states, Washington D.C. and Puerto Rico all gathered at the Gaylord Palms Convention Center for four days of 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. 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 winner of VPPPA's Got Talent was announced, and nominations took place for the following term.

The Opening General Session featured a security panel with speakers including Ric Hewitt, Special Agent from NASA Kennedy Space Center, alongside Steve Roberts, Chief Dan McAvoy and Captain Kevin McGinley. This engaging panel covered the pros/cons of different building structures and designs, how to deal with an active assailant situation, bullying and harassment in the workplace and the latest technology in security to name a few.

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

The Closing General Session featured Elizabeth Smart who shared her deeply moving story of unlikely survival. She continues to advocate for change related to child abduction, recovery programs and national legislation. Her story was truly inspiring and struck a chord with all attendees.
Webinars

There were 6 webinars in FY16 covering the following topics:

- OSHA Recordkeeping
- Safety Excellence from Contractors
- Annual Self Evaluation
- Becoming an OSHA Whisperer: Speak the Language of Regulators
- Construction Confined Space – Compliance Checkup
- The Right Mindset Moving into a Safety Culture
VPPPA Expo 2016
Exhibitors

- 3M Personal Safety Division
- Accelerated Development Systems, Inc.
- Accuform Signs, Inc.
- ACGIH
- Adco/Safety Award Store
- Air Systems Intl., Inc
- Airfeet Insoles
- ALERT Safety Products
- Always In Mind, Inc
- American Heart Association
- Ampco Safety Tools
- Angio Screen
- Armor Guys Inc
- Armourx Safety
- ATI Worksite Solutions
- Avetta (Formerly PICS)
- AVO Training Institute, Inc.
- Banom, Inc.
- Batavia Services, Inc.– Ladder Inspection & Repair
- Beaed, LP
- Beagle I, Inc.
- Belt Conveyor Guarding
- BIC Alliance
- Blackline Safety
- Board of Certified Safety Professionals
- Bolle’ Safety
- Boot Barn
- Bradley Eyewashes
- Brandenburg Industrial Service Company
- Brimguard LLC
- BROWZ, LLC
- Bulwark Protective Apparel
- Business Health Resources, LLC
- BW Technologies by Honeywell
- C3 Softworks
- Cementex Products, Inc.
- Certags LLC
- Certified Occupational Safety Specialists (COSS)
- CertifiedSafety, Inc.
- Cinch WRX
- Columbia Southern University
- Concept Seating, a Division of Laacke & Joys
- Consentium Search
- Cotterman Company
- Council for Accreditation in Occupational Hearing Conservation
- Crown Matting Technologies
- CTEH
- Culer
- Deb USA Inc.
- DEKRA Insight
- Derma Shield
- DragonWear
- Dupont Personal Protection
- Eagle Safety Eyewear
- eCompliance
- EHS Excellence Consulting LLC
- Ekso Bionics
- Elvex Corporation
- Encon Safety Products, Inc.
- ERB Safety
- Ergo Advantage
- Ergodyne
- Ericson Manufacturing
- ESC Services - A Rockwell Automation Business
- Essilor Prescription Safety Eyewear
- eTracker
- Fall Protection Systems
- FallTech
- Feel Good, Inc.
- Flexible Lifeline Systems
- Gameplan for Living
- Gas Clip Technologies
- Gateway Safety
- Gensuite LLC
- Georgia-Pacific LLC
- GlenGuard
- Global Glove
- Glove Guard, LP
- Grits Gang powered by Proforma
- GSS Safety LLC
- HalenHardy LLC
- Hemco Industries, Inc.
- HexArmor
- Honeywell Industrial Fire Protection
- Honeywell Industrial Safety
- Hunter Buildings, LLC
- Hy-Safe Technology
- HYTORC, Div UNEX Corp
- I-Gard Corporation
- ILC Dover LP
- Impacto
- Industrial Psychologists, Inc.
- Industrial Safety & Hygiene News
- Industrial Scientific
- Industrial Sunscreen
- Innalytics
- inoLECT
- Insta-Mold Products, Inc.
- Interactive Safety Products, Inc./ GENTEX Corporation
- Intrepid Industries, Inc.
- IRONguard Safety Products
- JCL Safety Services
- JLG Industries
- Just a second ago
- Justin FR Work
- KeepSafe, Inc.
- Keytroller LLC
- Kinetic
- Klever Innovations
- Koolin’ Klothz Etc.
- Liberty Glove & Safety
- Little Giant Ladder Systems
- Madgrip Performance Hand Protection
- Magid Glove & Safety Mfg
- Majestic Glove
- Major Gloves & Safety
- Master Lock Company
• MCR Safety
• MEGAComfort
• Meltric Corporation
• Miller Fall Protection / Honeywell
• Moldex-Metric, Inc.
• Motion Industries
• Mount Vernon Mills
• NASCO Industries
• National Fire Protection Association
• National Marker Company
• Neese Industries
• Newson Gale Inc
• Nextteq, LLC
• Nightstick by Bayco Products, Inc.
• Notrax – Mats for Professional Use
• Occfit Solutions
• OccuNomix International LLC
• Occupational Safety Councils of America
• OHD, Inc.
• Pac West Supply
• Philips
• Phonak LLC
• Polartec, LLC
• Portwest
• ProtecEar USA
• Protective Industrial Products
• PS Doors
• PSRG
• RAE Systems by Honeywell
• Rasco FR
• Red Stamp Inc
• Red Wing Brands of America
• RedGuard
• Ringers Gloves
• Rite-Hite
• Roco Rescue
• SafeBeing
• SafeRack, LLC
• SafeStart
• Safety Products Group (BlueWater Manufacturing & Fa-EnCo)
• Safety Rail Company
• Safety Step
• SAFETYCAL, Inc.
• SafeVision, LLC
• Safeway Services, LLC
• Sam Carbis Solutions Group, LLC
• Scott Health & Safety
• Select International
• Sensidyne
• Shermco Industries, Inc
• SKEDCO
• SlipNOT® Metal Safety Flooring
• Snap-on Industrial
• Solid Ground Cords LLC.
• Sportex Safety
• Steel Grip, Inc.
• Stem Shield
• Streamlight, Inc.
• Superior Glove Works
• Tec Laboratories Inc.
• TenCate Protective Fabrics
• The Andersen Company
• The Blast Bag Company
• The Sqwincher Corporation
• Topps Safety Apparel, Inc.
• Total Safety
• TPC Trainco
• Tritech Fall Protection Systems Inc.
• Tyndale Enterprises, Inc
• U.S Department of Labor
• U.S. Department of Energy - VPP
• U.S. Safety
• United Safety
• Univar
• Uvero
• Uvex / Honeywell
• VelocityEHS
• Veolia North America
• Vest Safety Medical Services
• Visual Workplace, LLC
• Vital id
• VPPStore.com powered by CompleteSourceSafety
• Wells Lamont Industrial
• Wendy’s Safety Boutique by JR Resources
• Westex by Milliken
• Westone Laboratories
• Working Concepts, Inc.
• Workrite Uniform Company
• ZING Green Safety Products
• ZOLL Medical Corporation
Throughout FY17, the association participated in the following trade shows and outreach events:

The association exhibited or attended:

- SGE training in Harrisonburg, VA, October 4 – 6, 2016

We were unable to attend many outreach events due to overlap with VPPPA regional conferences.
A great deal of time in FY17 was spent educating members of Congress on the merits of VPP following H.R.1444, the bill presented in the House of Representatives known as the VPP Act. Over 250 congressional meetings took place over two separate outreach events in February 2017 and June 2017.

**VPP Legislation**

This year, the VPP Act was introduced earlier in the House and the Senate. The House bill, H.R. 1444, enjoys strong bipartisan support, with forty-five cosponsors, including 21 Democrats and 24 Republicans. Congressman Todd Rokita (R-IN) is the lead sponsor, with Congressman Gene Green (D-TX) and Congresswoman Martha Roby (R-AL) as initial cosponsors. The House bill was referred to the Education and Workforce Committee. Senators Mike Enzi (R-WY) and Michael Bennet (D-CO) introduced a companion bill in the Senate, S. 1878, which was referred to the Health, Education, Labor and Pensions (HELP) Committee.

**Continued VPP Funding**

Last year, Congress and the Obama Administration actively supported VPP in their proposed budgets, ensuring that OSHA dedicate at least $3.5 million each year to VPP, without any fees from participants.

This year, Congress has continued its support for VPP funding, and the Trump Administration has been a big advocate. In its first proposed budget, the Administration requested a nearly $4 million increase for enhanced Compliance Assistance outreach programs like VPP, including 20 new full-time Compliance Assistance Specialists (“CAS”) in OSHA’s Regional Offices. If passed, this proposal would replenish most of the Compliance Assistance employees eliminated by OSHA since 2013, and it aims to increase the number of VPP sites by 100 in FY 2018.

The budget language provides, in part:

> With the VPP, the infusion of CASs will increase OSHA’s capacity to perform on-site evaluations (which are needed for both new participants and renewals). It will allow OSHA to ensure the quality and integrity of existing VPP participants through the renewal process while increasing capacity to bring in new participants, and addressing the current backlog of VPP applications.

(Emphasis added.)
The Trump administration also seeks to ensure the long-term sustainability of VPP through enhanced support from their Special Government Employees:

In FY 2018, OSHA will continue to make effective use of its Special Government Employees (SGEs), including more of these individuals on onsite evaluation teams, which enabled the agency to complete additional VPP onsite visits with its existing resources. In FY 2018, with the continued increase in SGE activities, OSHA hopes to reduce the VPP new application backlog while continuing to improve the quality and integrity of the program through activities such as refining how to effectively monitor VPP participants subject to OSHA’s process safety management (PSM) standard.

(Emphasis added.)

Electronic Injury and Illness Reporting Rule Delayed

OSHA proposed to delay its compliance date for its final rule to modernize injury data collection until December 15, 2017. More importantly, OSHA announced that it is reviewing the regulation and will propose a new rule in 2018 “to reconsider, revise or remove” some provisions.

The rule requires all establishments with 250 or more employees in industries covered by the recordkeeping regulation to submit to OSHA injury and illness information electronically. The National Association of Manufacturing and other organizations filed a legal challenge primarily over the regulation’s anti-retaliation provisions and the public availability of company-specific data. At the request of the Department of Labor, a federal court issued a stay of the proceedings in the case.
Region I - CT, MA, ME, NH, RI, VT
Region I VPPPA Chapter Conference
Killington Grand Resort & Conference Center, Killington, VT
May 15-17, 2017

Keynote Speakers: Olympian Josh Davis and motivational speaker Randy Royall

There were approximately 250 attendees and about 25 exhibitors. There was a total of 20 workshops, in addition to three pre-conference workshops.

Elections took place during the conference and it was announced that Steve Gauthier, from GE in Lynn, MA, a long-time member of the board and recent Region 1 Chair, was retiring. Karen Girardin of L.L.Bean in Maine and recent Treasurer moved into the Chair position while Paul Ludington of Dominion Nuclear in CT moved from the Vice-Chair position to the Treasurer’s position. After the conference, the Board of Directors appointed Mike Avery of Cartamundi in East Longmeadow, MA to the Vice-Chair position and later appointed Cindy Raspiller of Raytheon Company in Andover, MA to the Director-at-Large position. The hourly rep from a site with a collective bargaining unit position is still open.

The BOD continues to match companies within the region for mentoring activities. The BOD supports different outreach activities, such as the sponsorship of the October 10th General Industry Roundtable held at Eversource in Manchester, NH. Region 1 also exhibited at the Annual Maine Safety & Health Conference held October 17-19 in Augusta, ME.

Region II - NJ, NY, PR, VI
25th Annual Region II VPPPA Chapter Conference
Tropicana Casino & Resort, Atlantic City, NJ
June 26-28, 2017

Keynote Speaker: Major D. Chamberlain, the Executive Officer of the 5th Ranger Training Battalion Airborne and Ranger Training Brigade in GA

AED Fund: This year’s recipient, the Ridings Homeowner’s Association for a community of 225 senior single family homes in New Jersey.


Elections: Vice Chair – Robert Brynes, Secretary – Kevin Mihalenko, Director at Large John Bawiec, Director at Large – Mike Bell
Region II currently has 26 open SGE opportunities on 13 upcoming VPP Evaluation teams and 118 VPP Star Sites in New York and New Jersey. There are currently no Merit sites. All of those sites are private, except for the USPS West Milford Post Office. Puerto Rico has 16 active VPP Sites. Other important statistics: 7 Affiliate, 4 Government and 1 Corporate member. In addition, the DOE has 12 recognized sites in Region II.

We had an outreach meeting covering Active Shooter on December 1, 2017 in Lake Placid. Steve Huntington, from Catamount, Warrensburg NY, presented.

Our website and Facebook page has been able to get information out on a daily basis. We have had a couple individuals go to the outreach educational visits. We have also had individuals from Region 2 write articles for The Leader.

**Region III - DC, DE, MD, PA, VA, WV**

20th Annual Region III Conference  
Kalahari Hotel and Convention Center, Mt. Poconos, PA  
May 8-12, 2017

Keynote Speakers: Vince Papale - Philadelphia Eagles walk-on legend, Dave Madaras from Chesapeake Region Safety Council on Risk Conditioning and Allan Karl, world traveler, adventurer and well-known photographer

This conference was a tremendous success, with nothing but rave reviews from attendees, vendors and presenters. The conference consisted of a two-day SGE training session, four pre-conference workshops, more than 25 breakout sessions, multiple group activities, as well as attendance being up by 10% from the previous conference. There were three recipients of the Larry Shaffer Scholarship announced: Emilee Kale (MD), Laura Bailey (VA), and Laura Palmer (MD). Our SGE of the Year was awarded to Al D’Imperio (Naval Surface Warfare Center, Philadelphia, PA) and Mentor of the Year went to Frank Ragone (Cintas Corporation).

Rich Foreman (Alban CAT) was re-elected to another term as Chair and Mike LaPradd (Huber Engineered Woods) was elected to Secretary. Rob Deery (Cintas) was newly elected to the Board. John Dyer (Veolia), Charles “Drew” Holland (Norfolk Navy Shipyard), Brad McPherson (First Energy) and Joe Morrell (Fareva/Richmond) were re-elected to the Region III Board.

During 2017, there were several SGE classes conducted, involvement with multiple Best Practice Workshops, as well as numerous onsite visits from members of the organization.
Region IV - AL, FL, GA, KY, MS, NC, SC, TN
2017 Safety & Health Excellence Conference
Atlanta Sheraton, Atlanta, GA
June 20-22, 2017

Keynotes Speakers: Ed Foulke and Dale Lesinski

There were 463 attendees and 46 exhibitors. There were six free pre-conference workshops and three paid pre-conference workshops. A SGE Class was given pre-conference from June 18-20. During the conference, there were 54 breakout sessions on a wide range of safety & health topics.

Region VI - AR, LA, NM, OK, TX
Annual Safety & Health Conference
Statehouse Convention Center, Little Rock, AR
May 1–4, 2017

Keynote Speakers: Olympic Gold Medalist Josh Davis and Major League Baseball Player Dave Dravecky

There were 1,051 attendees. This year we held a Security Panel led by J.A. Rodriguez and consisting of Vice Admiral Bob Harward, Scott Goodman and a public servant from Little Rock. There was a special guest appearance by the Mayberry Deputy who kicked off the Security Panel with a little bit of humor and a message on safety. We also incorporated a construction tract.

There was a good turnout for our casino night and the attendees enjoyed music by Steve Roberts with Celebration Events and prizes. During our conference, we offered six free pre-conference workshops. Vice Admiral Bob Harward stayed on and spoke during our Awards Reception on Tuesday night. During the reception, 204 awards were given out to individuals and companies.

Region VI was represented throughout the year by setting up Outreach and Education booths and participating at the Houston Business Roundtable Tailgate Cook-off, Process Reliability Safety Group and the Texas Chemical Council. We also did a presentation on VPP at the Houston Business Roundtable which went over very well. It was attended by approximately 80 people.

Region VI has representation on the National VPPPA Board of Directors and the Labor Management, Member Services, Legislative & Regulatory, Conference Planning, Awards & Achievements and Construction Committees. Along with this, we also had representation during the outreach activities on Capitol Hill.
In 2017, Region VI awarded two $2,500 scholarships for students going into the safety and health field. We also offered five SGE Training Classes. There was an election this year and we welcomed new board member Kimberly Cooper with Chevron Phillips Chemical Company in Orange, TX as Director At Large #3.

**Region VII - IA, KS, MO, NE**

24th Annual Region VII VPPPA Chapter Conference  
The Westin Crown Center, Kansas City, MO  
May 22-24, 2017

Keynote Speaker: Olympic Gold Medalist Swimmer Josh Davis

The VPP Application Workshop had 14 attendees interested in joining VPP or in taking the next steps in their evaluation processes. The SSQ workshop 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 Shiannia Oestreich.

**Region VIII - CO, MT, ND, SD, UT, WY**

2017 Region VIII VPPPA Safety Summit  
DoubleTree by Hilton, Colorado Springs, CO  
April 25-27, 2017

Once again, an increase was experienced in sponsorships, workshops, vendors and overall attendance.

Region VIII continues to support National BoD Meetings, Congressional Outreaches, as well as National Committees. In addition, we were able to support OSHA SGE Training Classes, the OSHA Workers Memorial, NDSC, UT Safety Council, as well as Ft. Carson (Army) Safety Day to name a few.
**Region IX - AS, AZ, CA, GU, HI, NV**

2017 Region IX VPPPA Safety Summit
Hyatt Regency San Francisco Airport, Burlingame, CA
April 4-6, 2017

Keynote Speakers: Astronaut Mike Mullane and Olympic Swimmer Josh Davis

This summit was very well attended. There were several changes made to the Board of Directors during the annual meeting of the membership. The 2017 Board of Directors include: Gilbert Aceves, NRG Energy – Chairman, Carlos Cardoso, Sherwin Williams – Vice Chair, Jennifer Sanchez, Honeywell – Treasurer, Gilbert Cosme, Palo Verde Nuclear – Secretary, Don Bracken, Raytheon – Representative from a Site with Collective Bargaining, Terry Schulte, NuStar Energy – Representative from a Site without Collective Bargaining, and Directors at Large – Dan Lazorcak, Honeywell, Winnie Kane, NuStar Energy and Jodi Jondahl, Raytheon.

Region IX Participated in numerous state plan outreach events this year. California Special Team Member (STM) training and SGE trainings were held in both San Francisco, CA and Phoenix, AZ. The Region partnered with the Arizona Department Occupational Safety & Health (ADOSH) to form the VPP SHARP Alliance, ADOSH Safety Summit in November, and 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**

2017 Northwest Safety and Health Summit
The Davenport Grand Hotel, Spokane WA
May 16-18, 2017

Keynote Speakers: Matt Pomerinke of Longview, WA and Michael Wood, Administrator at DCBS Oregon OSHA

There were changes to the Board of Directors: Rocky Simmons as Chapter Chairperson, Max VanValey as Vice Chairperson and a new Director at Large Cliff Butler. Region X Board of Directors, with the help of our Agency VPP-POCs, was very active with outreach manning exhibit booths at Conferences in Idaho, Oregon and Washington, promoting VPP and the up and coming Safety Summit. Two members of the Region X BOD and the Federal OSHA VPP Manager gave a VPP 101 class at the Washington Governors Industrial Health & Safety Conference in Tacoma, WA. In 2016, Jack Griffith, Region X Treasurer, got elected to the National BOD. He continues to serve as Treasurer and Communication chairperson.
Achievement and Awards Committee
The award winners for 2016 were announced during the 32nd Annual National VPPPA Safety and Health Conference. A special ceremony and reception 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 9-10 of this annual report.

The second half of the FY17 year was spent focusing on the application process and evaluations for the 33rd annual conference. The national office promoted the awards and scholarships more heavily in early 2017 to increase the number of applications. There were email campaigns to drive participation and a banner created and put on the homepage of the website for members to access the documentation needed to submit their information to the national office.

As a result of our efforts, several applications for the awards programs were collected and over 50 applications for the scholarship programs were received. The applications for 2017 were evaluated in July 2017, the FY18 fiscal year. Award winners from 2017 will be announced at the 33rd national conference.

Conference Planning Committee
The Conference Planning Committee finished the final touches on the 32nd Annual National VPPPA Safety & Health Conference. It took place in Kissimmee, Florida at the Gaylord Palms Convention Center and was very successful. After the conference, the committee met to strategize on the future planning of the conference and make key decisions as they started planning for the 33rd 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 4 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 VPPPA Construction Committee reached out to collaborate with a variety of organizations to further promote the Construction Committee’s mission, “To promote and encourage the expansion of VPP in the construction industry through education and assistance.”
VPPPA National Board of Directors’ Committees

The Construction Committee partnered with the Center for Construction Research and Training (CPWR) and OSHA to promote and participate in the National Stand-Down for Fall Protection in May 2017. The partnership resulted in multiple VPP companies participating in this highly successful campaign. Plans are in place to participate in 2018.

The Construction Committee organized speakers to present the Construction Safety Workshop at the 2017 Region VI and National VPPPA Conferences. The Region VI Conference was held in Little Rock, Arkansas and the invited speakers provided presentations to support OSHA Region VI’s Fatal Four for Construction. A similar format was planned for the National Conference in New Orleans. However, Hurricane Harvey prevented the selected speakers from attending, and the workshop had to be canceled.

Throughout 2017, 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 would take place the Sunday before the conference.

Labor and Management Committee

2017 was a rewarding year for the Labor and Management committee, but it also presented some continuing challenges. The active members of the committee participated in monthly conference calls to keep up-to-date on all efforts that were being exercised. These included presenting the “Before Pulling the Plug” workshop at the National Conference, Congressional Outreach and soliciting participation in sending e-mails to legislators at the Regional and National conferences. There was also participation at the Department of Labor informational meeting in D.C. to testify on the continuing need and purpose of VPP in the workforce. The annual Labor Management Forum was also well attended at the National Conference with Acting Assistant Secretary of Labor, Tom Galassi, fielding questions at the conclusion of his presentation. There have been a handful of opportunities to intervene and mediate in some instances between workforces and management looking for solutions. Some of these have led to possible mentoring which are still being pursued.
Our continuing challenge on the committee is getting active members who stay involved in our efforts. Some of this is due to constraints economically from some companies, but some is due to our own lack of recruitment from the talent pool in the organization. One of our goals is to grow the committee with active, willing participants who share our common goal of supporting the VPPPA and its continued viability. We are encouraged by the success in the congressional outreach and look for more growth in the organization and our opportunities to support that effort this coming year.

**Legislative and Regulatory Committee**

Thanks to everyone’s hard work and involvement, VPP codification momentum remained steady during the transition to the new session of Congress. Outreach visits to Congress occurred in February, June and October of the calendar year 2017. These outreach visits, coupled with the regional outreach efforts and letter writing campaigns, were instrumental in helping to keep the momentum going and getting bills introduced in both the House and Senate.

H.R.1444 - Voluntary Protection Program Act was introduced by Representative Todd Rokita R-IN and Representative Jean Green D-TX in March and has steadily gained bipartisan support through additional cosponsors since its introduction. Additionally, a Senate Companion Bill (S.B. 1878) with the lead Democratic sponsor, Senator Michael Bennett, D-CO, who joined our longtime friend and supporter, Michael Enzi, R-WY, in introducing this bipartisan legislation. While we have continued to gain momentum, the committee needs support from regional boards, Star sites and anyone affected by this great program to keep this effort going. Members of Congress need to hear from you (their constituents) now more than ever in order to gain the extra momentum needed to achieve VPP codification.

There has been a lot of continued effort put into state codification, with Maryland and Arizona codifying VPP in 2017, joining the already codified states of Indiana and Maryland. Numerous other states have expressed interest (NV, TN, NC, KY, CA) and we are focusing on the states that are the most prepared and ready to act. However, we are still maintaining contact and ready to help all the states that have expressed interest. We are hopeful a number of state-plan states will have either codified, or be in the process of codifying, VPP over the next year.

**Marketing Committee**

During the November board meeting, the board approved an out of budget advertising expenditure to promote the national conference. Advertising efforts began with trade publications beginning in February and ran through June of 2017. Overall, the advertising campaign was a success as determined by ROI provided by several magazines including OHS and ASSE. The reach of the advertising campaign was in excess of 650,000 touches.
VPPPA National Board of Directors’ Committees

The board also approved a new name for the national conference, Safety+, which will be used moving forward to identify VPPPA’s annual national conference. Rebranding the conference was done in an effort to more align VPPPA with similar associations, and as a step forward with rebranding the association overall.

Member Services Committee
The Member Services and Bylaws Committee made final changes to the proposed associated membership category by allowing membership for students and retirees. The annual dues would be $45, which equates to the associate membership with total employees ranging from 1 to 50. The bylaw was put forth to the membership for a vote. The bylaw change will be presented at this year’s national conference in New Orleans for a vote and approval. If approved the new membership addition will take place January 1, 2018.

VPPPA Video
Video production for VPPPA video is still in production completion for use by member sites or sites interested in finding out more about VPP and VPPPA.

Member Engagement
- The “HowlSafety” contest is getting members involved by having them show pictures of them performing work safely on and off the job. This will continue into the new year.
- The Member Services Committee has agreed to present the First Timers workshop at this year’s conference in New Orleans.
- The committee is continually looking for new ways and ideas to actively engage members in the association.
- The committee is also looking at how to bring up our membership numbers from yearly renewals. This will be ongoing into FY18.

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, resulting in an increase in both mentors and mentees.
Nominating Committee
The Nominating Committee oversaw the election process and voting procedures at the 32nd Annual National Safety and Health Conference in Kissimmee, FL. The open positions and candidates accepted by votes of acclamation were:

- **Chairperson**: Mike Guillory, The Brock Group, Houston, TX
- **Treasurer**: Chris Adolfson, Battelle Energy Alliance, Idaho Falls, ID
- **Director from a Site without a Collective Bargaining Agent**: Rob Henson, LyondellBasell, Houston, TX
- **Director from a VPP Contractor/Construction Site**: Richard McConnell, Austin Industrial, La Porte, TX
- **Director-At-Large (Three Positions)**: Kristyn Grow, Cintas Corporation, Chester, VA; Jack Griffith, CHM2 Hill Plateau Remediation Company, Richland, WA; Carey West, The Mundy Companies, Castle Hayne, NC

During the 32nd Annual National Safety and Health Conference, the National Board held a board meeting and voted to move Rob Henson to the Vice Chairperson position and Richard McConnell to the Director from a Site without a Collective Bargaining Agent position.

Due to the open Director from a VPP Contractor/Construction Site position, Mike Guillory, newly elected VPPPA Chairperson, announced during the 32nd VPPPA conference’s Closing General Session that there would be a call for nominations for the vacant position.

Also, with the departure of William Harkins from the national board, one Director-At-Large position became vacation after the 32nd Annual National Safety and Health Conference and, along with the Director from a VPP Contractor/Construction Site, a call for nominations was done in September 2016 for these two positions.

During the November 2016 National Board meeting in Washington, D.C, the Board appointed Jamie Robey (The Brock Group, Deer Park, TX) as the new Director from a VPP Contractor/Construction Site to serve out the remainder of the two-year term set to expire during that national event in 2018. Dan Lazorcak (Honeywell International, Tempe, AZ) was voted in as the new Director-at-Large to serve out the remainder of the two-year term set to expire after the national event in 2017.
2016-2017
National Board of Directors

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

**Vice Chairperson**
Rob Henson
LyondellBasell
Channelview, TX

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

**Treasurer**
Chris Adolfson
Idaho National Laboratory, Battelle Energy Alliance
Idaho Falls, ID

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

**Director from a Site without a Collective Bargaining Agent**
Richard McConnell
Austin Industrial at LyondellBasell
La Porte, TX

**Director from a DOE-VPP Site**
Stacy A. Thursby
Washington River Protection Solutions
Richland, WA

**Director from a VPP Constructor/Construction Site**
Jamie Robey
The Brock Group
Deer Park, TX

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

**Director-at-Large**
Jack Griffith
CH2M Hill Plateau Remediation Company
Richland, WA

**Director-at-Large**
J. A. Rodriguez, Jr.
Raytheon TCompany
Dulles, VA

**Director-at-Large**
Kimberly L. Watson
Southwire Company
Carolton, GA

**Director-at-Large**
Carey West
Mundy Company
Castle Hayne, NC

**Director-at-Large**
Dan Lazorca
Honeywell International
Tempe, AZ
VOLUNTARY PROTECTION PROGRAMS
PARTICIPANTS' ASSOCIATION, INC.

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

YEARS ENDED
JUNE 30, 2017 AND 2016
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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, 2017 and 2016, 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, 2017 and 2016, 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 20, 2017
# Financial report

## VOLUNTARY PROTECTION PROGRAMS PARTICIPANTS’ ASSOCIATION, INC.

### STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2017 AND 2016

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
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<tr>
<td>Cash and cash equivalents</td>
<td>$ 84,569</td>
<td>$ 165,269</td>
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<td>Investments, at fair value</td>
<td>4,616,887</td>
<td>4,241,862</td>
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<td>Accounts receivable</td>
<td>19,073</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>181,843</td>
<td>229,084</td>
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<td>Property and equipment, net</td>
<td>225,189</td>
<td>248,605</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>$ 5,140,833</td>
<td>$ 4,913,997</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND NET ASSETS** |          |          |
| Liabilities                |          |          |
| Accounts payable and accrued expenses | $ 81,068 | $ 72,821 |
| Deferred revenue            | 1,676,390 | 1,509,783 |
| Deferred rent               | 211,452  | 230,936  |
| **Total Liabilities**       | 1,968,910 | 1,813,540 |

| **Net Assets**             |          |          |
| Unrestricted               |          |          |
| Undesignated               | 3,013,212 | 2,941,354 |
| Board-designated endowment | 18,801   | 17,158   |
| **Total Unrestricted**     | 3,032,013 | 2,958,512 |

| Temporarily restricted     | 139,910  | 141,945  |
| **Total Net Assets**       | 3,171,923 | 3,100,457 |

| **TOTAL LIABILITIES AND NET ASSETS** | $ 5,140,833 | $ 4,913,997 |

The accompanying notes are an integral part of these financial statements.
## VOLUNTARY PROTECTION PROGRAMS PARTICIPANTS’ ASSOCIATION, INC.
### STATEMENTS OF ACTIVITIES
#### YEARS ENDED JUNE 30, 2017 AND 2016

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<tr>
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<th>2017</th>
<th>2016</th>
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<tbody>
<tr>
<td><strong>Unrestricted Activities</strong></td>
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<tr>
<td>Revenue and Support</td>
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<td>Registration fees</td>
<td>$1,151,600</td>
<td>$1,192,159</td>
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<td>Membership dues</td>
<td>677,766</td>
<td>696,995</td>
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<td>Exhibitor registration fees</td>
<td>562,450</td>
<td>632,900</td>
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<td>Sponsorship revenue</td>
<td>229,110</td>
<td>231,000</td>
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<td>Advertising revenue</td>
<td>59,608</td>
<td>81,488</td>
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<td>Investment income</td>
<td>24,875</td>
<td>99,311</td>
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<td>Other</td>
<td>2,929</td>
<td>1,357</td>
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<td>Net assets released from restrictions - satisfaction of program restrictions</td>
<td>10,000</td>
<td>7,500</td>
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<tr>
<td><strong>Total Revenue and Support</strong></td>
<td>2,718,338</td>
<td>2,942,710</td>
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<td><strong>Expenses</strong></td>
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<td>Program Services</td>
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<td>Conference</td>
<td>1,461,583</td>
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<td>Newsletter</td>
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<td>Chapters</td>
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<td>Outreach</td>
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<td>Other programs</td>
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<td><strong>Total Program Services</strong></td>
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<td>Supporting Services</td>
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<td>Management and general</td>
<td>273,168</td>
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<td>Unallocated payments to chapters</td>
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<td><strong>Total Supporting Services</strong></td>
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<td><strong>Total Expenses</strong></td>
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<td>Change in Unrestricted Net Assets</td>
<td>73,501</td>
<td>230,287</td>
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<td>Temporarily Restricted Activities</td>
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<td>Contributions</td>
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<td>Net assets released from restrictions</td>
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<td>(7,500)</td>
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<tr>
<td><strong>Change in Temporarily Restricted Net Assets</strong></td>
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<td>3,379</td>
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<tr>
<td><strong>Change in Net Assets</strong></td>
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<td>71,466</td>
<td>233,666</td>
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<tr>
<td>Net Assets, Beginning of Year</td>
<td>3,100,457</td>
<td>2,866,791</td>
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<tr>
<td>Net Assets, End of Year</td>
<td>$3,171,923</td>
<td>$3,100,457</td>
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The accompanying notes are an integral part of these financial statements.

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## Financial Report

### VOLUNTARY PROTECTION PROGRAMS PARTICIPANTS' ASSOCIATION, INC.

**STATEMENTS OF CASH FLOWS**

YEARS ENDED JUNE 30, 2017 AND 2016

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<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flow from Operating Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$71,466</td>
<td>$233,666</td>
</tr>
<tr>
<td>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>26,261</td>
<td>30,461</td>
</tr>
<tr>
<td>Loss on disposal of property and equipment</td>
<td>-</td>
<td>5,448</td>
</tr>
<tr>
<td>Net loss (gain) on investments</td>
<td>35,534</td>
<td>(45,956)</td>
</tr>
<tr>
<td>Amortization of discount on investments</td>
<td>9,902</td>
<td>11,059</td>
</tr>
<tr>
<td>(Increase) Decrease in Operating Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued interest on investments</td>
<td>(84)</td>
<td>(3,914)</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(3,168)</td>
<td>(12,159)</td>
</tr>
<tr>
<td>Prepaid expense and other assets</td>
<td>47,241</td>
<td>41,169</td>
</tr>
<tr>
<td>Increase (Decrease) in Operating Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>8,247</td>
<td>(8,691)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>166,607</td>
<td>(124,049)</td>
</tr>
<tr>
<td>Deferred rent</td>
<td>(19,484)</td>
<td>(24,947)</td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td>342,522</td>
<td>102,087</td>
</tr>
</tbody>
</table>

### Cash Flows from Investing Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales of money market accounts</td>
<td>118,843</td>
<td>139,556</td>
</tr>
<tr>
<td>Sales and maturities of investments at fair value</td>
<td>503,346</td>
<td>575,921</td>
</tr>
<tr>
<td>Purchase of investments at fair value</td>
<td>(1,042,566)</td>
<td>(1,075,826)</td>
</tr>
<tr>
<td>Purchase of property and equipment</td>
<td>(2,845)</td>
<td>(121,663)</td>
</tr>
<tr>
<td>Net Cash Used in Investing Activities</td>
<td>(423,222)</td>
<td>(482,012)</td>
</tr>
</tbody>
</table>

### Decrease in Cash and Cash Equivalents                                    |          |          |
| (80,700)                                                                    | (379,925)|

### Cash and Cash Equivalents, Beginning of Year                             |          |          |
| 165,269                                                                     | 545,194  |

### Cash and Cash Equivalents, End of year                                     |          |          |
| $84,569                                                                     | $165,269 |

### Supplementary Schedule of Noncash Investing Activities                    |          |          |
| Rollover of certificate of deposit, at cost                                  | $13,272  | $13,272  |

The accompanying notes are an integral part of these financial statements.
VOLUNTARY PROTECTION PROGRAMS
PARTICIPANTS’ ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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, 2017 and 2016.

Page 9
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 $55,025 and $1,450 during the years ended June 30, 2017 and 2016, 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, 2017 and 2016, 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 20, 2017, 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, 2017:

<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>$257,366</td>
<td>$257,366</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>14,224</td>
<td>14,224</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>3,626,007</td>
<td>-</td>
<td>3,626,007</td>
<td>-</td>
</tr>
<tr>
<td>Fixed income funds</td>
<td>101,224</td>
<td>101,224</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government and agency</td>
<td>618,066</td>
<td>-</td>
<td>618,066</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$4,616,887</td>
<td>$372,814</td>
<td>$2,444,073</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, 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></td>
<td><strong>$4,241,862</strong></td>
<td><strong>$491,931</strong></td>
<td><strong>$3,749,931</strong></td>
<td><strong>$</strong></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, 2017 and 2016:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends</td>
<td>$60,559</td>
<td>$53,505</td>
</tr>
<tr>
<td>Net (loss) gain on investments</td>
<td>(35,534)</td>
<td>45,956</td>
</tr>
<tr>
<td>Investment fees</td>
<td>(150)</td>
<td>(150)</td>
</tr>
<tr>
<td></td>
<td><strong>$24,875</strong></td>
<td><strong>$99,311</strong></td>
</tr>
</tbody>
</table>
VOLUNTARY PROTECTION PROGRAMS
PARTICIPANTS’ ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2017:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td>$171,679</td>
<td>$171,679</td>
</tr>
<tr>
<td>Office furniture and equipment</td>
<td>160,359</td>
<td>166,292</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>265,292</td>
<td>265,292</td>
</tr>
<tr>
<td></td>
<td>597,330</td>
<td>603,263</td>
</tr>
<tr>
<td>Less: accumulated depreciation and amortization</td>
<td>(372,141)</td>
<td>(354,658)</td>
</tr>
<tr>
<td></td>
<td>$225,189</td>
<td>$248,605</td>
</tr>
</tbody>
</table>

NOTE D – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at June 30, 2017 and 2016:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade accounts payable</td>
<td>$11,705</td>
<td>$11,081</td>
</tr>
<tr>
<td>Payroll liabilities</td>
<td>25,153</td>
<td>22,028</td>
</tr>
<tr>
<td>Payable to chapters</td>
<td>44,210</td>
<td>39,712</td>
</tr>
<tr>
<td></td>
<td>$81,068</td>
<td>$72,821</td>
</tr>
</tbody>
</table>
NOTE E – DEFERRED REVENUE

Deferred revenue consisted of the following at June 30, 2017 and 2016:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibitor registration</td>
<td>$598,675</td>
<td>$504,250</td>
</tr>
<tr>
<td>Registration</td>
<td>540,290</td>
<td>455,855</td>
</tr>
<tr>
<td>Membership dues</td>
<td>372,165</td>
<td>367,876</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>165,260</td>
<td>180,760</td>
</tr>
<tr>
<td>Advertising</td>
<td>-</td>
<td>1,042</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,676,390</strong></td>
<td><strong>$1,509,783</strong></td>
</tr>
</tbody>
</table>

NOTE F – SCHOLARSHIP ENDOWMENT FUND

Scholarship Endowment 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 a board-designated endowment fund established with donor-restricted funds. 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 portion of the board-designated endowment included in unrestricted net assets consisted of accumulated investment income, gains, and losses generated on the total scholarship fund balance and any unrestricted 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 endowment fund are at least equal to the scholarships distributed.

Return Objectives and Risk Parameters

The Association has adopted investment and spending policies for endowment fund assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment 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 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 fund’s overall investment structure while assuming a moderate level of investment risk. The Association expects its endowment 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.
NOTE F – SCHOLARSHIP ENDOWMENT FUND (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 endowment 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.

Endowment Fund Composition

The entire endowment fund is held in investments. The net asset composition of the board-designated endowment fund is as follows at June 30, 2017 and 2016:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted net asset</td>
<td>$18,801</td>
<td>$17,158</td>
</tr>
<tr>
<td>Temporarily restricted net assets</td>
<td>$139,910</td>
<td>$141,945</td>
</tr>
<tr>
<td>Total Scholarship Endowment Fund</td>
<td>$158,711</td>
<td>$159,103</td>
</tr>
</tbody>
</table>
VOLUNTARY PROTECTION PROGRAMS
PARTICIPANTS’ ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE F – SCHOLARSHIP ENDOWMENT FUND (CONTINUED)

Endowment Fund Activity

Changes in the board-designated endowment fund were as follows for the years ended June 30, 2017 and 2016:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, July 1, 2015</td>
<td>$ 17,381</td>
<td>$ 138,566</td>
<td>$ 155,947</td>
</tr>
<tr>
<td>Investment Return</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></td>
<td>(223)</td>
<td>-</td>
<td>(223)</td>
</tr>
<tr>
<td>Contributions</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>Balance, June 30, 2016</td>
<td>17,158</td>
<td>141,945</td>
<td>159,103</td>
</tr>
<tr>
<td>Investment Return</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>1,408</td>
<td>-</td>
<td>1,408</td>
</tr>
<tr>
<td>Net gain on investments</td>
<td>385</td>
<td>-</td>
<td>385</td>
</tr>
<tr>
<td>Investment fees</td>
<td>(150)</td>
<td>-</td>
<td>(150)</td>
</tr>
<tr>
<td></td>
<td>1,643</td>
<td>-</td>
<td>1,643</td>
</tr>
<tr>
<td>Contributions</td>
<td>-</td>
<td>7,965</td>
<td>7,965</td>
</tr>
<tr>
<td>Restriction releases - satisfaction of program restrictions</td>
<td>-</td>
<td>(10,000)</td>
<td>(10,000)</td>
</tr>
<tr>
<td>Balance, June 30, 2017</td>
<td>$ 18,801</td>
<td>$ 139,910</td>
<td>$ 158,711</td>
</tr>
</tbody>
</table>
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, 2017 and 2016, totaled $12,615 and $10,912, 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.
VOLUNTARY PROTECTION PROGRAMS
PARTICIPANTS' ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 – 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 of June 30, 2017 and 2016, 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 expired in May 2016.

Future minimum lease payments under the above leases as of June 30, 2017, were as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30</th>
<th></th>
</tr>
</thead>
<tbody>
<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>2022</td>
<td>163,560</td>
</tr>
<tr>
<td>Thereafter</td>
<td>535,863</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,312,259</strong></td>
</tr>
</tbody>
</table>

Rent expense (including leased equipment) under the various leases totaled $198,207 and $190,214 for the years ended June 30, 2017 and 2016, respectively.
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 cancellation fees if a contract is canceled. Management believes that the probability of canceling a contract is remote.
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, 2017 and 2016, and have issued our report thereon dated October 20, 2017, 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 2017 financial statements as a whole, and the summarized comparative information presented herein for the year ended June 30, 2016, is consistent, in all material respects, in relation to the 2016 audited financial statements from which it has been derived.

Fairfax, Virginia
October 20, 2017
### Program Services

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